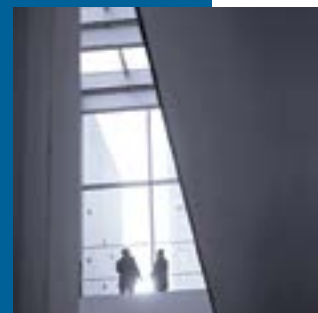


# Annual Report and Financial Statements

For the year ended  
28 February 2018



# Fidelity Investment Funds Annual Report and Financial Statements for the year ended 28 February 2018

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\*These collectively comprise the Authorised Corporate Director's (ACD) report.

# Fidelity Investment Funds Annual Report and Financial Statements for the year ended 28 February 2018

## Director's Report

We are pleased to present the annual report and financial statements for Fidelity Investment Funds, covering the year to 28 February 2018.

Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities; but is included for the purpose of illustration only. Investors should also note that the views expressed may no longer be current and may already have been acted upon by Fidelity.

### Company and Status

The Company is an open-ended investment company with variable capital incorporated in England and Wales under number IC8 and authorised by the Financial Conduct Authority (FCA) on 7 April 1998.

The Company is structured as an umbrella company comprising various funds, each of which is operated as a distinct fund, with their own portfolio of investments.

The funds in which shares are currently available are:

Fidelity American Fund  
Fidelity American Special Situations Fund  
Fidelity Asia Fund  
Fidelity Asia Pacific Opportunities Fund  
Fidelity Asian Dividend Fund  
Fidelity Cash Fund  
Fidelity China Consumer Fund  
Fidelity Emerging Asia Fund  
Fidelity Emerging Europe, Middle East and Africa Fund  
Fidelity Enhanced Income Fund  
Fidelity European Fund  
Fidelity European Opportunities Fund  
Fidelity Extra Income Fund  
Fidelity Global Dividend Fund  
Fidelity Global Enhanced Income Fund  
Fidelity Global Focus Fund  
Fidelity Global High Yield Fund  
Fidelity Global Property Fund  
Fidelity Global Special Situations Fund  
Fidelity Index Emerging Markets Fund  
Fidelity Index Europe ex UK Fund  
Fidelity Index Japan Fund  
Fidelity Index Pacific ex Japan Fund  
Fidelity Index UK Fund  
Fidelity Index US Fund  
Fidelity Index World Fund  
Fidelity Japan Fund  
Fidelity Japan Smaller Companies Fund  
Fidelity MoneyBuilder Balanced Fund  
Fidelity MoneyBuilder Dividend Fund  
Fidelity MoneyBuilder Growth Fund  
Fidelity MoneyBuilder Income Fund  
Fidelity Short Dated Corporate Bond Fund  
Fidelity Special Situations Fund  
Fidelity Sterling Core Plus Reduced Duration Bond Fund  
Fidelity Strategic Bond Fund  
Fidelity UK Select Fund  
Fidelity UK Smaller Companies Fund

In the future additional funds or new classes of shares within the existing funds, may be launched by the ACD.

Each fund has the investment powers equivalent to those of an undertaking for collective investment in transferable securities (a UCITS) scheme as per the Prospectus.

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after they have paid the purchase price of the shares.

The Company is governed by the requirements of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("OEIC Regulations") and the FCA's Handbook of rules and guidance, specifically the COLL. As permitted by the COLL, the Company no longer holds Annual General Meetings.

The Company has segregated liability status between funds. This means that the assets of a fund belong exclusively to that fund and shall not be used to discharge directly or indirectly the liability of, or claims against, any other person or body, including the Company, or any other fund.

### Remuneration Disclosure

The ACD operates under the terms of Fidelity's Global Remuneration Policy Statement. This ensures that the ACD complies with the requirements of the FCA's Remuneration Code (SYSC19A) and the BIPRU Remuneration Code (SYSC19C). The FCA's General Guidance on the UCITS Remuneration Code has established that the first full performance year will not commence until 1 July 2017. Accordingly, there is no quantitative disclosure in respect of remuneration of the ACD for this year.

The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the ACD and the funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ACD or the funds, and ensures that no individual will be involved in determining or approving their own remuneration. Details of the summary Remuneration Policy are available via <https://www.fil.com>.

### Cross-sub fund holdings

There were no cross sub-fund holdings as at 28 February 2018.

### Objectives

The broad aim of the Company is to provide investors with revenue and/or capital growth over the medium to long term.

The aim of the equity funds is to provide investors with either a combination of revenue and long term capital growth or long term capital growth from diversified, actively and passively managed portfolios of securities in a wide range of stock markets. The revenue from those funds with a long term capital growth structure is expected to be low. The equity funds will invest primarily in equities in the markets reflected in the title of each individual fund and in companies established outside those markets but which derive a significant proportion of their earnings from those markets.

The aim of the bond funds is to provide investors with relatively high revenue with the possibility of capital gains.

The investment objective and a review of the investment activities of each fund during the year under review are included within the Fund Manager Reviews.

# Fidelity Investment Funds Annual Report and Financial Statements for the year ended 28 February 2018

## Changes to the prospectus

For the year ended 28 February 2018 the following significant changes were made to the Prospectus and Instrument of Incorporation:

- Fidelity Global High Yield Fund closed its Gross paying A Accumulation Shares on 15 January 2018.
- Fidelity Index UK Fund W Accumulation Shares merged into the P Accumulation Shares on 6 October 2017.
- Fidelity Index UK Fund W Income Shares merged into the P Income Shares on 6 October 2017.
- Fidelity Index Europe ex UK Fund W Accumulation Shares merged into the P Accumulation Shares on 6 October 2017.
- Fidelity Index Europe ex UK Fund W Income Shares merged into the P Income Shares on 6 October 2017.
- Fidelity Index Pacific ex Japan Fund W Accumulation Shares merged into the P Accumulation Shares on 5 October 2017.
- Fidelity Index Pacific ex Japan Fund W Income Shares merged into the P Income Shares on 5 October 2017.
- Fidelity Index Japan Fund W Accumulation Shares merged into the P Accumulation Shares on 3 October 2017.
- Fidelity Index Japan Fund W Income Shares merged into the P Income Shares on 3 October 2017.
- Fidelity Index Emerging Markets Fund W Accumulation Shares merged into the P Accumulation Shares on 6 October 2017.
- Fidelity Index Emerging Markets Fund W Income Shares merged into the P Income Shares on 6 October 2017.
- Fidelity Index US Fund W Accumulation Shares merged into the P Accumulation Shares on 5 October 2017.
- Fidelity Index US Fund W Income Shares merged into the P Income Shares on 5 October 2017.
- Fidelity Index World Fund W Accumulation Shares merged into the P Accumulation Shares on 5 October 2017.
- Fidelity Index World Fund W Income Shares merged into the P Income Shares on 5 October 2017.
- Fidelity Strategic Bond Fund Gross paying A Income Shares converted into the A Income Shares on 29 January 2018.
- Fidelity Strategic Bond Fund Gross paying A Accumulation Shares converted into the A Accumulation Shares on 29 January 2018.
- Fidelity Strategic Bond Fund Gross paying Y Accumulation Shares converted into the Y Accumulation Shares on 29 January 2018.
- Fidelity Strategic Bond Fund Gross paying Y Income Shares converted into the Y Income Shares on 29 January 2018.
- Fidelity Extra Income Fund Gross paying A Income Shares converted into the A Income Shares on 29 January 2018.
- Fidelity Extra Income Fund Gross paying A Accumulation Shares converted into the A Accumulation Shares on 29 January 2018.
- Fidelity Extra Income Fund Gross paying Y Accumulation Shares converted into the Y Accumulation Shares on 29 January 2018.
- Fidelity Extra Income Fund Gross paying Y Income Shares converted into the Y Income Shares on 29 January 2018.
- Fidelity MoneyBuilder Income Fund Gross paying A Income Shares converted into the A Income Shares on 29 January 2018.
- Fidelity MoneyBuilder Income Fund Gross paying Y Accumulation Shares converted into the Y Accumulation Shares on 29 January 2018.
- Fidelity MoneyBuilder Income Fund Gross paying Y Income Shares converted into the Y Income Shares on 29 January 2018.

## General Information

### Fidelity Investment Funds Registered Office

Oakhill House  
130 Tonbridge Road  
Hildenborough Tonbridge  
Kent TN11 9DZ  
United Kingdom  
www.fidelity.co.uk

Authorised and regulated in the UK by the Financial Conduct Authority.

### Authorised Corporate Director (ACD), General Distributor, Administrator and Registrar

FIL Investment Services (UK) Limited  
Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent TN11 9DZ  
United Kingdom

The ACD is FIL Investment Services (UK) Limited and is the sole director. Authorised and regulated in the UK by the Financial Conduct Authority. Registered in England and Wales No 2016555.

### Depository

J.P. Morgan Europe Limited  
Registered Office:  
25 Bank Street  
London E14 5JP  
United Kingdom  
Head Office:  
Chaseside  
Bournemouth  
Dorset BH7 7DA  
United Kingdom

Authorised and regulated in the UK by the Financial Conduct Authority.

### Independent Auditors

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT  
United Kingdom

## Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Report and Financial Statements of the Company

The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) and Collective Investment Schemes sourcebook (COLL) require the ACD to prepare financial statements for each annual and half-yearly accounting period which give a true and fair view of the financial position of the Company and of its net revenue and net capital gains or losses on the property of the Company for the year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently
- comply with the requirements of the UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014, the COLL, the Prospectus and the Instrument of Incorporation
- follow generally accepted accounting principles and applicable accounting standards
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in operation
- take reasonable steps for the prevention and detection of fraud or other irregularities.

## Certification of the Annual Report and Financial Statements by Directors of the ACD

In accordance with the requirements of the COLL as issued and amended by the Financial Conduct Authority, the report and financial statements are approved on behalf of the Directors of FIL Investment Services (UK) Limited, the ACD.

**Stephen Reedy**  
Director

**Keith Bonin**  
Director

FIL Investment Services (UK) Limited  
21 May 2018

## Report of the Depositary to the shareholders of the Fidelity Investment Funds

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 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.

J.P. Morgan Europe Limited  
Bournemouth 21 May 2018

## Independent Auditors' report to the shareholders of Fidelity Investment Funds

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

In our opinion, Fidelity Investment Funds' financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 28 February 2018 and of the net revenue/(expenses) and the net capital gains/(losses) on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Fidelity Investment Funds (the "Company") is an Open Ended Investment Company ("OEIC") with 38 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Balance Sheets as at 28 February 2018;
- the Statements of Total Return and the Statements of Change in Net Assets Attributable to Shareholders for the year then ended;
- the Distribution Statements; and
- notes to the financial statements, which include a description of the significant accounting policies and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

#### Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Responsibilities for the Financial Statements and the Audit

### Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities Statement set out on page 4, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for 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.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the 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 the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## OTHER REQUIRED REPORTING

### Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

### PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

21 May 2018

### Notes:

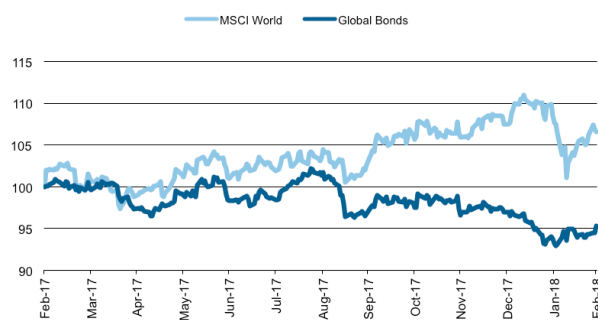
- a) The maintenance and integrity of the Fidelity website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



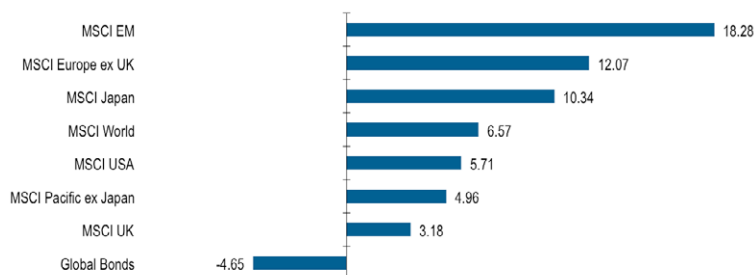
## Market Performance Review

### Performance overview - 12 months ended 28 February 2018

Global equities advanced over the 12-month period to February 2018, supported by synchronised and broadening global growth. However, there were periods of risk aversion as investors continued to anticipate the end of the current economic cycle. Markets corrected sharply towards the end of the period, as higher US wage growth data sparked fears of a rise in inflation and faster interest rate hikes by the US Federal Reserve (Fed), which negatively impacted investor sentiment. Elsewhere, the European Central Bank (ECB) continued to emphasise its gradual withdrawal of policy support. Against this backdrop, emerging markets significantly outperformed their global peers, while the UK lagged other developed markets.



Source: Datastream, Total Returns in GBP rebased to 100, MSCI World and BoFA ML Global Broad, 28.02.2017 - 28.02.2018



Source: Datastream, Total Returns, GBP, 28.02.2017 - 28.02.2018

European equities posted strong positive returns over a volatile 12-month period. Markets had a very strong start, driven by encouraging economic data, reduced political risk following the French elections and strong corporate earnings. However, volatility increased between June and August, as a stronger euro and increased geopolitical tensions weighed on equities. Markets bounced back in September due to the ECB's accommodative monetary policy stance, before consolidating amid political worries towards the end of 2017. 2018 started on a positive note, as receding political uncertainty in Germany boosted investor sentiment. However, in February, European equities tracked US markets lower, due to a combination of rising bond yields and concerns over an increase in inflation and higher interest rates. Overall, small and mid-cap companies outperformed their larger peers, while value stocks outperformed growth stocks.

The UK stock market rose over the period, driven by gains in the resources and technology sectors. Investor sentiment remained positive despite concerns around rising inflation and a lacklustre UK economic outlook, with equities rallying in line with strong global markets. Investors were also optimistic following the completion of the first round of negotiations to exit the European Union. At a sector level, mining stocks were among the major gainers, as global growth remained strong and on signs of a potential re-acceleration in these shares. In addition, expectations of strong Chinese demand supported metal prices. Conversely, health care and utilities stocks underperformed the broader market. Overall, small and mid-cap stocks outperformed their larger peers, while value-oriented companies performed better than growth stocks.

US equities rose over the period. Stocks were supported by the passing of the Republican tax reform bill, robust economic data and strong corporate earnings. At a sector level, information technology (IT), consumer discretionary and financials stocks outperformed the broader market. Energy stocks tracked oil prices lower. During the period, the US Fed increased its benchmark interest rate thrice by a total of 0.75%; rates now range between 1.25% and 1.50%. Jerome Powell took over as the new Fed chairperson in February 2018 and is expected to continue a gradual interest rate hike policy. The Fed has indicated three rate increases of 0.25 percentage points each in 2018.

Japanese equities generated positive returns. Upbeat corporate earnings results, easing political concerns and a steady flow of positive economic data spurred gains during the period. Hopes of positive economic policy measures following Prime Minister Shinzo Abe's landslide victory in the snap general election held in late October supported equities. Rising geopolitical tensions owing to North Korea's ballistic missile launches and accompanying political rhetoric periodically diminished risk sentiment, but these subsided to a large extent towards the end of the period. However, concerns over a potentially faster increase in US interest rates led to a sharp sell-off in February 2018. In terms of style, growth companies outperformed value stocks, while smaller companies performed better than their larger peers. From a sector perspective, renewed growth optimism was reflected in the strong performance of the more cyclical segments of the market, such as resources, technology and industrials.

Pacific ex Japan equities gained over the period as synchronised global economic growth outweighed geopolitical concerns. Chinese and Hong Kong equities ended higher. Signs of economic stabilisation and progress towards structural reforms in China boosted sentiment. Investor interest in IT companies supported the Taiwanese and South Korean markets. In South Korea, sentiment received further support on expectations of an improvement in ties with China, and as the new president introduced pro-growth measures. Australian equities, however, lagged the broader market. Banks came under pressure as the introduction of a tax on large banks and risks associated with the housing market worried investors. At a sector level, IT, health care and consumer discretionary led gains. Conversely, telecommunications and utilities underperformed.

Emerging market equities rose over the period, owing to stabilising economic growth in China. Interest rate hikes by the US Fed were well-received by markets. This gradual tightening signalled the Fed's confidence in the strength of the US economy, which is a key export market for developing countries. In Asia, the National Congress of Communist Party of China outlined the country's long-term development roadmap. Equities advanced as China announced the easing of foreign ownership limits on banks and fund managers. Elsewhere, Russian markets rose as the oil price strengthened. Higher commodity prices, strong domestic currencies and robust consumption played an important role in economic recovery across the developing world.

Fixed income markets posted mixed returns, as investors focused on policy announcements by global central banks. Government bonds posted negative returns as the US Fed raised rates three times and the ECB signalled less need for accommodative policies going forward. In the UK, the Bank of England also raised its base rate for the first time in a decade, and yield curves flattened significantly. Global central banks struck a more aggressive tone on monetary policy tightening at the start of 2018, as robust economic data releases and buoyant oil prices drove long-term inflation expectations, which supported a rise in yields. However, credit markets recorded another period of strong performance as robust demand for yields and stabilising fundamentals led to tighter credit spreads.



## Accounting Policies of Fidelity Investment Funds and its sub-funds

### 1. Accounting policies

a) Basis of preparation - The financial statements of the sub-funds have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss except as outlined below. The financial statements are also prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014.

b) Recognition of revenue - Dividends on quoted equities are recognised when the security is quoted ex-dividend. Interest from debt securities are accounted for on an effective yield basis. Effective yield recognises any discount or premium on the purchase of an investment as revenue over its remaining life. For some securities that are valued at significantly distressed levels or where the Authorised Corporate Director expects future cash flows to be uncertain, the discount or premium is not recognised as revenue. Distributions from underlying funds are recognised when the shares/units are quoted ex-distribution. Other revenue is accounted for on an accruals basis. Underwriting commission is recognised when the issue takes place. Special dividends are treated as revenue or capital depending on the facts of each particular case.

c) Treatment of stock dividends - Where the fund manager has elected to receive a dividend in the form of shares rather than cash, the dividend is treated as revenue but does not form part of the distribution.

Fidelity Asian Dividend Fund, Fidelity Enhanced Income Fund, Fidelity European Fund, Fidelity Global Dividend Fund, Fidelity Global Enhanced Income Fund, Fidelity MoneyBuilder Balanced Fund and Fidelity MoneyBuilder Dividend Fund have elected to receive scrip dividends as redeemable shares and therefore the dividends are treated as being part of the amount available for distribution.

d) Treatment of expenses:

- All expenses are accounted for on an accruals basis.
- Other expenses - All other expenses are chargeable against revenue for distribution purposes other than those relating to purchases and sales of investments which are excluded for the purpose of calculating the distribution.
- Underlying fund charges - The sub-funds may invest in other collective investment schemes, various other charges and expenses may be incurred indirectly by the fund at the level of the underlying funds. Where any fund invests in other collective investment schemes managed by independent fund managers, the ACD will seek to negotiate a high level of rebate of the underlying funds' management charges, so as to minimise the effect of charging at both the fund and underlying fund levels. Where any fund invests in other collective investment schemes managed by the ACD or an associate of the ACD, to avoid a double management charge in respect of the same portfolio, the full amounts of the charges which the ACD and/or any associated company of the ACD receives for managing the investments of the underlying fund, will be credited to the fund, to the extent that such charges are attributable to investment in the underlying funds by the fund. Sterling Core Plus Reduced Duration Bond Fund (the 'feeder fund') has at least 85% permanently invested in Fidelity Institutional Sterling Core Plus Bond Fund (the 'master fund'), a sub-fund of Fidelity Institutional Funds managed by the same ACD. To avoid double charging, the ACD's charges of the master fund are waived by way of rebates to the feeder fund to the extent that such charges are attributable to investment in the master fund.

e) Allocation of multiple share classes - All charges and expenses which are directly attributable to a particular fund (or class within a fund) will be charged to that fund (or class). Otherwise, if there is more than one class within a fund, charges and expenses which are directly attributable to the fund (but not a particular class) will normally be allocated between the classes within the fund pro rata to the net asset value of the fund attributable to each class. Any charges and expenses not attributable to any one fund will normally be allocated by the ACD to all funds (and their classes) pro rata to the net asset values of the funds (and their classes), although the ACD has the discretion to allocate such charges and expenses in a different manner which it considers fair to shareholders generally.

f) Distribution policy - The distribution policy of the individual funds is to distribute/accumulate all available revenue after deduction of expenses properly chargeable against revenue. Interest from debt securities has been distributed on an accrual of coupon basis where this exceeds the amount determined on an effective yield basis. Fidelity Enhanced Income Fund, Fidelity Global Dividend Fund, Fidelity MoneyBuilder Balanced Fund and Fidelity MoneyBuilder Dividend Fund distribute a fixed amount during the interim period and distribute the remaining revenue as a final distribution. In accordance with the COLL and as agreed with the Depositary, charges and expenses for the fund may be treated as income or capital for the purpose of the distribution. When expenses are charged to capital it will enhance income returns but may constrain capital growth.

g) Taxation - Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses, with relief for overseas tax taken where appropriate. Deferred tax is provided using the liability method on all timing differences arising from the different treatment of items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that they are considered recoverable.

h) Basis of valuation of investments - Investments in securities and underlying funds have been valued using the market price at the noon valuation point on the last business day of the accounting period. Market value is defined by the SORP as fair value, which in an active market is the value of long positions at the quoted bid price and fair value of short positions is the quoted offer price. Holdings in other collective investment schemes are valued at bid price for dual priced funds and at the single price for single priced funds. It is the responsibility of Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Where there is no price source from an active market for an investment, the FVC will assess information available from internal and external sources in order to arrive at a fair value. In seeking to value such securities, the FVC will gather valuation related information from multiple internal and external sources and may apply judgement in determining the fair value. These sources include historic trading and pricing information (including grey market trades), the views of internal security analysts, company specific news and fundamental data as well as information relating to comparable companies within related industries and sectors. The FVC policies and procedures remain under continuous review by the ACD. Fair value adjustments may be implemented to protect the interests of the Shareholder Funds against market timing practices. Accordingly if a fund invests in markets that are closed for business at the time the fund is valued, the ACD may, by derogation from the provisions above, allow for the securities included in a particular portfolio to be adjusted to reflect more accurately the fair value of the fund's investments at the point of valuation.

Fair value market adjustments were applied to investments in Taiwan with the following effect on the fund midday prices as at 28 February 2018:

- Taiwan -0.95% (2017: +0.58%)

## Accounting Policies of Fidelity Investment Funds and its sub-funds

The market value disclosed alongside each investment in the Portfolio statement represents the fair value. Each derivative position is shown as a separate investment. The Portfolio Statement includes for each investment the percentage of the net assets. This may result in the geographical or sector allocations being different to the comparative index. The largest holdings disclosure is consistent with this basis, and therefore derivative positions may not appear in the list of largest holdings. A copy of the Fund factsheet report disclosing the sector/industry exposure, country exposure and top holdings including derivatives exposures may be obtained upon request from the ACD alternatively, please go to <http://www.fidelity.co.uk>.

- i) Derivatives - Where appropriate, certain permitted transactions such as derivatives are used. Where such transactions are used to protect or enhance revenue, the revenue and expenses derived from them are included in Revenue or Expenses in the Statement of Total Return. Where such transactions are used to protect or enhance capital, the gains or losses are included in Net capital gains/(losses) in the Statement of Total Return. Any positions on such transactions open at the year end are reflected in the Balance Sheet at their market value. All gains and losses in the value of futures contracts, interest rates swaps, credit default swaps, equity forwards, contracts for difference, equity linked notes and options are disclosed in the Statement of Total Return under Net capital gains/(losses).

For futures, equity forwards and contracts for difference, the dividend element is included in revenue along with the associated finance costs of these contracts. Ongoing premia on credit default swaps are charged or credited to revenue/expenses on an accruals basis, depending on whether protection is bought or sold. Revenue receivable/payable on interest rate swaps is included in revenue on an accruals basis. The premium received on covered call options is taken to revenue over the life of the contract provided the strike price of the option is greater than the price of the underlying security at the time of trade.

For Fidelity MoneyBuilder Income Fund, Fidelity Extra Income Fund, Fidelity Global High Yield Fund, Fidelity Strategic Bond Fund and Fidelity Sterling Core Plus Reduced Duration Bond Fund forward currency contracts have been entered into for revenue protection purposes as part of the investment strategy with the aim of hedging against short term fluctuations in foreign exchange rates for the purpose of limiting the impact on exchange rate movements on the monthly distributions. For all other funds, where forward currency contracts have been entered into to hedge the capital performance of the portfolio against currency exchange rate movements, any subsequent hedge gain or loss is taken to capital. The difference between spot and forward contract rate, when the contract is first acquired, is recognised as revenue within the fund, over the duration of the contract. The reason for this is so that shareholders are not exposed to foreign exchange rate movements in their monthly distribution.

- j) Exchange rates - Assets and liabilities denominated in foreign currencies have been translated into sterling at the rate of exchange ruling at the noon valuation point on the last business day of the accounting period. Revenue items denominated in foreign currency are translated into sterling at exchange rates ruling at the date of the transaction. Differences on exchange are dealt with in the Statement of Total Return.
- k) Price adjustment policy - The Board of Directors of the Company implemented a price adjustment policy in order to protect the interests of the Company's shareholders. The purpose of the price adjustment policy is to allocate the costs associated with large inflows and outflows to investors transacting that day, thereby protecting the long-term shareholder from the worst effects of dilution. It achieves this purpose by adjusting the share class price at which deals in a sub-fund are transacted. In other words, share class prices may be adjusted up or down depending on the level and type of investor transactions on a particular day within a sub-fund. In this way the existing and remaining shareholders do not suffer an inappropriate level of dilution. The Company will only trigger an adjustment in the price when there are significant net flows that are likely to have a material impact on existing and remaining shareholders. The adjustment will be based on the normal dealing costs for the particular assets in which a sub-fund is invested. Once an adjustment is made to the share class price, that price is the official price for that share class for all deals that day.

As at 28 February 2018 no funds were adjusted.

## Risk management policies of Fidelity Investment Funds and its sub-funds

### Risk framework

The Board of Directors of FIL Limited, the ultimate parent company of the ACD, has established a Risk Policy, a Risk Appetite statement and a number of other risk related policies for adoption throughout the Fidelity International group of companies, including the ACD. There is a clearly defined structure operating within a corporate governance and management framework that is designed to address the related business risks, including those arising from financial instruments. Risk management policies and procedures are established by the Board and updated according to market, industry and government initiatives and regulatory developments. The Board monitors that a robust system of internal control exists to ensure compliance with rules, regulations and policies. It is the Board of Directors of the ACD that is ultimately responsible for monitoring risk but day to day management of the risk process has been delegated to other areas as appropriate.

Fidelity operates a 'multiple lines of defence' approach to risk management; also the risk control processes are comprehensive, multi-layered, both quantitative and qualitative and do not rely on any one risk measure or system. The primary responsibility for financial instrument risk management rests with the portfolio manager of each fund who is overseen by the relevant Chief Investment Officer (CIO). On a regular basis each fund is formally reviewed in a meeting involving the portfolio manager, the relevant CIO, Investment Management Portfolio Analytics and others; the review covers multiple aspects of the fund's profile including trading activity, turnover, performance, structure, style profile, the use of derivatives and other relevant subjects such as yield curve exposure and sector and credit rating positioning in the case of Fixed Income funds. In addition to this review there is a formal Investment Risk Oversight Committee (IROC), chaired by the head of the Investment Management Risk function, whose remit includes review of various risk and performance measures, liquidity and other investment risks.

Furthermore, there is a Derivative & Counterparty Risk Committee that focuses on all aspects of risk arising from the use of derivative instruments. The global exposure relating to derivatives held in a fund may not exceed the net value of that fund. Global exposure calculations for all funds – unless otherwise indicated – use the commitment approach as part of their risk management process, measure and limits. The funds in this umbrella OEIC are governed by EU UCITS rules. The rules and prospectus limits are monitored and reported on by an independent Investment Compliance function.

Sterling Core Plus Reduced Duration Bond Fund employs the absolute Value-at-Risk (VaR) approach to measure global risk exposures. The Fund's VaR is limited to 6% of the Net Asset Value of the Fund. The expected level of leverage of the Fund is 400% of the Net Asset Value of the Fund; this is however not a limit and higher levels may occur. The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

### Risk factors

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, counterparty and credit risks. There are policies in place to ensure each of these risks are managed in an appropriate manner.

#### Market price risk

Market price risk arises from the uncertainty about future price movements on financial instruments held. It represents the potential loss each fund might suffer through holding market positions in the face of adverse price movements. The value of investments (including derivatives) is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual investment, or may be caused by general market factors. Some of the funds may invest in securities of countries experiencing rapid economic growth. Investors should appreciate that these securities may be more volatile than securities in more developed markets with the result that there may be greater risk of price fluctuation and the suspension of redemptions in such funds compared with funds in more mature markets. This volatility may stem from political and economic factors, and be exacerbated by legal, trading liquidity, settlement, currency and other factors. Some emerging market countries may have relatively prosperous economies but may be sensitive to world commodity prices or other factors. Where derivatives are used for either efficient management of the fund or for investment purposes, market price risk will exist as for any other non-derivative investments. The volatility of option prices could be greater than for other derivatives.

#### Foreign currency risk

The funds' total returns and balance sheets can be significantly affected by foreign exchange movements if the assets and revenue are denominated in currencies other than the funds' base currency. Three principal areas where foreign currency risk could impact each fund have been identified as:

- Movements in rates affecting the value of investments
- Movements in rates affecting short term timing differences
- Movements in rates affecting the revenue received

The funds may hold forward foreign exchange contracts to hedge the funds' base currency. The funds may be exposed to short term exchange rate movements, for example between the date when an investment is bought or sold and the date when settlement of the transaction occurs. The ACD may seek to manage exposure to currency movements by using forward and spot foreign exchange contracts. Revenue received in other currencies is converted into base currency on or near the date of receipt.

#### Interest rate risk

Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a fixed rate debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities can be more sensitive to interest rate changes. The fixed rate component of an interest rate swap will have a similar interest rate risk profile to that of a fixed rate debt security where the currency, fixed rate and maturity are the same.

#### Liquidity risk

The funds' assets comprise mainly realisable securities which can be readily sold or redeemed in normal market conditions. The funds' main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure it can meet its liabilities. Assets from a fund may need to be sold if insufficient cash is available to finance such redemptions. The funds' holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given security position or percentage of the fund as a whole (determined by reference to available market trading volumes). Where investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its value to ensure settlement.

## Risk management policies of Fidelity Investment Funds and its sub-funds

### Counterparty risk

All security transactions and derivatives are transacted with brokers and carry the risk that the counterparty to a transaction may not meet their financial obligations. All counterparties for any type of trading are assessed by an independent Credit Research and Analysis function and approved for use by any Fidelity company, including the ACD. Exposures to counterparties are monitored and reported frequently. Margin on exchange-traded derivatives mitigates counterparty risk exposure and in the case of over-the-counter derivatives, collateral is transferred to reduce counterparty risk exposure in accordance with the terms outlined in market standard (ISDA) derivative legal contracts.

### Credit risk

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties. The process outlined above under 'Counterparty risk' is used to review, approve and report on exposures to institutions with which money is deposited.

Credit risk also arises from the uncertainty about the payment of interest and the repayment of principal bond investments. Default risk is based on the issuer's ability to make interest payments and to repay the loan at maturity. Due to the higher possibility of default, an investment in corporate bonds is generally less secure than an investment in government bonds. Default risk may therefore vary between different government issuers as well as between different corporate issuers. In certain cases, government bonds may have higher probability of default than specific corporate issuers. The funds may hold credit default swaps to manage their credit risk profile. Credit default swaps are transacted to take advantage of expected movements in credit spreads on either individual securities or baskets of securities.

### Fair values of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value. The numerical information in respect of financial instruments disclosure is provided in the financial statements for the individual funds.

## Fund Manager's Review

### Investment Objective and Policy

The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of US companies. The portfolio is likely to have a bias towards larger and mediumsized companies, although the ACD is not restricted in its choice of company by either size or industry.

### Performance and Portfolio Activity

The fund generated positive returns over the period. An improving domestic economic environment and interest rate hikes by the US Federal Reserve boosted selected holdings in the financials sector. I took over the management of the portfolio in June 2017. In information technology, I bought shares in NXP Semiconductors, given its global reach and sustainable competitive advantage, which should support long-term earnings growth. Its acquisition by Qualcomm will allow NXP to diversify its earnings. I purchased a holding in Oracle owing to its leadership position in the enterprise software market. Meanwhile, the position in Check Point Software was sold due to high volatility in its share price. I reduced the exposure to Intercontinental Exchange following its strong performance.

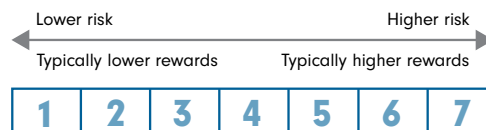
### Outlook

The outlook for the US economy remains attractive, with renewed hopes for deregulation under new Federal Reserve chairman Jerome Powell. In addition, tax reforms have lifted small business optimism to the highest levels in decades.

Sujay Prakash Kodlikeri  
Fund Manager  
28 February 2018

## Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
W Accumulation Shares	5
Y Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

# Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	3,677.44	2,736.10	2,868.03	3,685.87	2,721.94	2,831.79
Return before operating charges*	158.13	995.34	(84.74)	159.42	994.19	(84.26)
Operating charges	(62.52)	(54.00)	(47.19)	(35.15)	(30.26)	(25.59)
Return after operating charges*	95.61	941.34	(131.93)	124.27	963.93	(109.85)
Distributions	-	-	-	(14.67)	(4.37)	-
Retained distributions on accumulation shares	-	-	-	14.67	4.37	-
Closing net asset value per share	3,773.05	3,677.44	2,736.10	3,810.14	3,685.87	2,721.94
*after direct transaction costs of	2.51	2.32	2.62	2.51	2.32	2.62
<b>Performance</b>						
Return after charges	2.6%	34.4%	(4.6%)	3.4%	35.4%	(3.9%)
<b>Other information</b>						
Closing net asset value (£'000)	298,935	377,405	346,359	583,851	602,098	481,886
Closing number of shares	7,922,897	10,262,718	12,658,865	15,323,598	16,335,288	17,703,768
Operating charges	1.68%	1.71%	1.70%	0.92%	0.96%	0.95%
Direct transaction costs	0.08%	0.09%	0.13%	0.08%	0.09%	0.13%
<b>Prices (pence per share)</b>						
Highest share price	3,861.00	3,738.00	3,029.00	3,895.00	3,746.00	2,993.00
Lowest share price	3,530.00	2,722.00	2,428.00	3,541.00	2,708.00	2,415.00

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	266.07	196.93	205.32
Return before operating charges*	11.49	71.79	(6.07)
Operating charges	(3.13)	(2.65)	(2.32)
Return after operating charges*	8.36	69.14	(8.39)
Distributions	(0.44)	-	-
Retained distributions on accumulation shares	0.44	-	-
Closing net asset value per share	274.43	266.07	196.93
*after direct transaction costs of	2.51	2.32	2.62
<b>Performance</b>			
Return after charges	3.1%	35.1%	(4.1%)
<b>Other information</b>			
Closing net asset value (£'000)	9,080	12,180	19,556
Closing number of shares	3,308,607	4,577,626	9,930,671
Operating charges	1.17%	1.18%	1.17%
Direct transaction costs	0.08%	0.09%	0.13%
<b>Prices (pence per share)</b>			
Highest share price	280.60	270.40	217.00
Lowest share price	255.60	195.90	174.70

### Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		26,608		273,830
Revenue	5	14,135		11,254	
Expenses	6	(11,317)		(11,256)	
Interest payable and similar charges	8	(73)		(2)	
Net revenue/(expense) before taxation		2,745		(4)	
Taxation	7	(1,635)		(1,346)	
Net revenue/(expense) after taxation			1,110		(1,350)
<b>Total return before distributions</b>			27,718		272,480
Distributions	8		(2,343)		(795)
<b>Change in net assets attributable to shareholders from investment activities</b>			25,375		271,685

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			991,682		847,801
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		3,751		2,109	
Amounts payable on cancellation of shares		(131,211)		(130,627)	
			(127,460)		(128,518)
Swing price adjustment			6		-
Change in net assets attributable to shareholders from investment activities (see above)			25,375		271,685
Retained distribution on accumulation shares	8		2,263		714
<b>Closing net assets attributable to shareholders</b>			891,866		991,682

### Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			893,356		988,255
<b>Current assets:</b>					
Debtors	9	3,918		13,124	
Cash and bank balances	10	581		53	
Total other assets			4,499		13,177
<b>Total assets</b>			897,855		1,001,432
<b>Liabilities:</b>					
Investment liabilities			(471)		-
Creditors					
Other creditors	11	(5,518)		(9,750)	
Total other liabilities			(5,518)		(9,750)
<b>Total liabilities</b>			(5,989)		(9,750)
<b>Net assets attributable to shareholders</b>			891,866		991,682



## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	25,516	274,002
Gains/(losses) on derivative contracts	312	-
Other currency gains/(losses)	840	(172)
Transaction charges	(46)	(58)
Broker fee rebates	(14)	58
	<u>26,608</u>	<u>273,830</u>
Net capital gains/(losses)	<u>26,608</u>	<u>273,830</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	646	114
Derivative revenue	526	-
UK dividends	488	-
Overseas dividends	12,455	11,139
Bank interest	20	1
	<u>14,135</u>	<u>11,254</u>
Total revenue	<u>14,135</u>	<u>11,254</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	9,527	9,477
Registrar fees	1,168	1,176
Service charges	467	454
Foreign exchange administration fees	5	3
	<u>11,167</u>	<u>11,110</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	62	60
Custody fees	19	18
	<u>81</u>	<u>78</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	61	60
	<u>69</u>	<u>68</u>
Total expenses	<u>11,317</u>	<u>11,256</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	1,635	1,346
Total current taxation	<u>1,635</u>	<u>1,346</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>2,745</u>	<u>(4)</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	549	(1)
Effects of:		
Overseas taxation	1,635	1,346
Increase/(decrease) in unutilised management expenses	2,039	2,229
Revenue not included for tax purposes	<u>(2,588)</u>	<u>(2,228)</u>
Current tax charge/(credit)	<u>1,635</u>	<u>1,346</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £34,804,000 (2017: £32,765,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares</b>		
Final	2,248	714
<b>Y Accumulation Shares</b>		
Final	<u>15</u>	<u>-</u>
	<u>2,263</u>	<u>714</u>
Add: Revenue deducted on cancellation of shares	85	81
Deduct: Revenue received on issue of shares	<u>(5)</u>	<u>-</u>
Net distributions for the year	<u>2,343</u>	<u>795</u>
<b>Interest/other</b>		
Interest	-	2
Contract for difference finance costs	72	-
Derivative expense	<u>1</u>	<u>-</u>
	<u>73</u>	<u>2</u>
Total finance costs	<u>2,416</u>	<u>797</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	1,110	(1,350)
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	1,226	2,132
Equalisation on conversions	<u>7</u>	<u>13</u>
	<u>2,343</u>	<u>795</u>

Details of the distributions per share are set out in the Distribution Statement.

The A Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: same).

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Sales awaiting settlement	984	11,167
Sales of currency awaiting settlement	1,861	1,084
Accrued revenue	818	659
Broker fee rebates receivable	-	22
Overseas tax recoverable	<u>255</u>	<u>192</u>
Total debtors	<u>3,918</u>	<u>13,124</u>

## Notes to the Financial Statements

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Cash and bank balances	159	53
Amounts held at futures clearing houses and brokers	422	-
<b>Total cash and bank balances</b>	<b>581</b>	<b>53</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	2,179	1,335
Purchases awaiting settlement	629	6,363
Purchases of currency awaiting settlement	1,869	1,089
Accrued expenses	841	963
<b>Total other creditors</b>	<b>5,518</b>	<b>9,750</b>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Canadian Dollar	(279)	-	-	(279)
Euro	5,160	-	-	5,160
UK Pound	13,099	52	(2,703)	10,448
US Dollar	874,905	529	1,103	876,537
<b>Total</b>	<b>892,885</b>	<b>581</b>	<b>(1,600)</b>	<b>891,866</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Canadian Dollar	16,522	-	37	16,559
UK Pound	-	(174)	(1,193)	(1,367)
US Dollar	971,733	227	4,530	976,490
<b>Total</b>	<b>988,255</b>	<b>53</b>	<b>3,374</b>	<b>991,682</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## Notes to the Financial Statements

### 13 Portfolio transaction costs

28/02/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	1,160,753	239	0.02	64	0.01
Corporate actions	296	-	-	-	-
Derivative	-	22	-	-	-
Total	<u>1,161,049</u>	<u>261</u>		<u>64</u>	
Total including transaction costs	<u>1,161,374</u>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	1,259,727	366	0.03	28	-
Corporate actions	49,026	-	-	-	-
Derivative	-	11	-	-	-
Total	<u>1,308,753</u>	<u>377</u>		<u>28</u>	
Total including transaction costs	<u>1,308,348</u>				
Total as a percentage of average net assets*		0.07 %		0.01 %	

28/02/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	1,004,853	393	0.04	-	-
Corporate actions	3	-	-	-	-
Total	<u>1,004,856</u>	<u>393</u>		<u>-</u>	
Total including transaction costs	<u>1,005,249</u>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	1,155,703	362	0.03	25	-
Corporate actions	4,730	-	-	-	-
Total	<u>1,160,433</u>	<u>362</u>		<u>25</u>	
Total including transaction costs	<u>1,160,046</u>				
Total as a percentage of average net assets		0.08 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.02% (2017: 0.06%).

### 14 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	833,788	-	951,460	-
Level 2: Observable market data	51,795	(471)	30,341	-
Level 3: Unobservable data*	<u>7,773</u>	<u>-</u>	<u>6,454</u>	<u>-</u>
	<u>893,356</u>	<u>(471)</u>	<u>988,255</u>	<u>-</u>

## Notes to the Financial Statements

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	10,262,718	30,739	(1,840,124)	(530,436)	7,922,897
W Accumulation Shares	16,335,288	69,743	(1,612,765)	531,332	15,323,598
Y Accumulation Shares	4,577,626	7,997	(1,234,532)	(42,484)	3,308,607

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £780,000 (2017: £926,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
Goldman Sachs	-	(125)	-	-	-	(125)
UBS	-	(345)	-	-	422	77
Total	-	(470)	-	-	422	(48)

### 18 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	3,773.05	3,863.00	2.38
W Accumulation Shares	3,810.14	3,908.00	2.57
Y Accumulation Shares	274.43	281.30	2.50

## Distribution Statement

for the year ended 28 February 2018

**W Accumulation Shares - final distribution No. 6 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	14.6707	-	14.6707	4.3710
Group 2	10.1366	4.5341	14.6707	4.3710

**Y Accumulation Shares - final distribution No. 9 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.4393	-	0.4393	-
Group 2	0.2692	0.1701	0.4393	-

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of US companies. The portfolio is likely to have a bias towards medium sized and smaller companies, although the ACD is not restricted in its choice of company by either size or industry.

Performance and Portfolio Activity

The fund generated negative returns over the review period. Energy holdings Apache Corporation and NOW declined in line with lower crude oil prices. Molson Coors Brewing slid as beer volumes in the US declined and synergies post its acquisition of MillerCoors were slow to materialise. On a positive note, certain financials holdings added value given an upbeat macroeconomic environment. I raised the exposure to financials by purchasing holdings in insurance companies Fairfax Financial and The Travellers Companies. I reduced the allocation to the technology sector by selling positions in Western Digital and Hewlett Packard Enterprise. Instead, I bought holdings in Sabre, Amdocs and Akamai Technologies, which continue to look attractive despite high valuations in the sector.

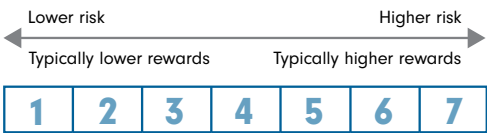
Outlook

The outlook for the US economy remains attractive, with renewed hopes for deregulation under new Federal Reserve chairman Jerome Powell. In addition, tax reforms have lifted small business optimism to the highest levels in decades.

Angel Agudo  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
W Accumulation Shares	5
Y Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.



## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,606.99	1,205.14	1,129.27	1,509.68	1,123.69	1,045.04
Return before operating charges*	(42.32)	425.43	95.31	(39.71)	398.45	88.70
Operating charges	(26.12)	(23.58)	(19.44)	(13.73)	(12.46)	(10.05)
Return after operating charges*	(68.44)	401.85	75.87	(53.44)	385.99	78.65
Distributions	-	(0.11)	(0.04)	(8.59)	(9.96)	(8.33)
Retained distributions on accumulation shares	-	0.11	0.04	8.59	9.96	8.33
Closing net asset value per share	1,538.55	1,606.99	1,205.14	1,456.24	1,509.68	1,123.69
*after direct transaction costs of	0.55	0.66	0.55	0.55	0.66	0.55
<b>Performance</b>						
Return after charges	(4.3%)	33.3%	6.7%	(3.5%)	34.4%	7.5%
<b>Other information</b>						
Closing net asset value (£'000)	313,459	341,990	271,053	837,825	1,064,295	574,243
Closing number of shares	20,373,690	21,281,321	22,491,358	57,533,375	70,498,103	51,103,400
Operating charges	1.67%	1.70%	1.70%	0.92%	0.95%	0.95%
Direct transaction costs	0.04%	0.05%	0.05%	0.04%	0.05%	0.05%
<b>Prices (pence per share)</b>						
Highest share price	1,641.00	1,613.00	1,207.00	1,541.00	1,515.00	1,124.00
Lowest share price	1,463.00	1,183.00	1,049.00	1,384.00	1,105.00	974.70

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	1,551.31	1,157.18	1,078.29
Return before operating charges*	(40.87)	409.82	91.68
Operating charges	(17.42)	(15.69)	(12.79)
Return after operating charges*	(58.29)	394.13	78.89
Distributions	(5.47)	(7.28)	(6.14)
Retained distributions on accumulation shares	5.47	7.28	6.14
Closing net asset value per share	1,493.02	1,551.31	1,157.18
*after direct transaction costs of	0.55	0.66	0.55
<b>Performance</b>			
Return after charges	(3.8%)	34.1%	7.3%
<b>Other information</b>			
Closing net asset value (£'000)	5,711	4,745	3,533
Closing number of shares	382,494	305,886	305,341
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.04%	0.05%	0.05%
<b>Prices (pence per share)</b>			
Highest share price	1,584.00	1,557.00	1,157.00
Lowest share price	1,419.00	1,138.00	1,005.00

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(60,292)		324,844
Revenue	5	23,462		22,674	
Expenses	6	(14,797)		(12,917)	
Interest payable and similar charges	8	(266)		(349)	
Net revenue/(expense) before taxation		8,399		9,408	
Taxation	7	(3,098)		(3,133)	
Net revenue/(expense) after taxation			5,301		6,275
<b>Total return before distributions</b>			(54,991)		331,119
Distributions	8		(5,606)		(6,280)
<b>Change in net assets attributable to shareholders from investment activities</b>			(60,597)		324,839

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			1,411,030		848,829
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		152,747		347,709	
Amounts payable on cancellation of shares		(351,172)		(117,414)	
			(198,425)		230,295
Swing price adjustment			24		-
Change in net assets attributable to shareholders from investment activities (see above)			(60,597)		324,839
Retained distribution on accumulation shares	8		4,963		7,067
<b>Closing net assets attributable to shareholders</b>			1,156,995		1,411,030

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			1,154,892		1,401,102
<b>Current assets:</b>					
Debtors	9	2,755		15,747	
Cash and bank balances	10	2,668		2,527	
Total other assets			5,423		18,274
<b>Total assets</b>			1,160,315		1,419,376
<b>Liabilities:</b>					
Investment liabilities			(512)		-
Creditors					
Other creditors	11	(2,808)		(8,346)	
Total other liabilities			(2,808)		(8,346)
<b>Total liabilities</b>			(3,320)		(8,346)
<b>Net assets attributable to shareholders</b>			1,156,995		1,411,030

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(66,787)	318,860
Gains/(losses) on derivative contracts	5,371	4,167
Other currency gains/(losses)	1,129	1,802
Transaction charges	(10)	(8)
Broker fee rebates	5	23
	<u>(60,292)</u>	<u>324,844</u>
Net capital gains/(losses)		

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	529	608
Derivative revenue	247	304
UK dividends	772	402
Overseas dividends	21,652	21,346
Overseas scrip dividends	245	-
Bank interest	17	13
Taxable interest	-	1
	<u>23,462</u>	<u>22,674</u>
Total revenue		

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	12,325	10,719
Registrar fees	1,629	1,455
Service charges	649	560
Foreign exchange administration fees	4	1
	<u>14,607</u>	<u>12,735</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	72	71
Custody fees	31	25
	<u>103</u>	<u>96</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	79	78
	<u>87</u>	<u>86</u>
Total expenses	<u>14,797</u>	<u>12,917</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18 £'000	28/02/17 £'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	3,098	3,133
Total current taxation	<u>3,098</u>	<u>3,133</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>8,399</u>	<u>9,408</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,680	1,882
Effects of:		
Overseas taxation	3,098	3,133
Overseas tax expensed	(2)	-
Increase/(decrease) in unutilised management expenses	2,856	2,468
Revenue not included for tax purposes	(4,534)	(4,350)
Current tax charge/(credit)	<u>3,098</u>	<u>3,133</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £18,618,000 (2017: £15,762,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18 £'000	28/02/17 £'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	-	23
<b>W Accumulation Shares</b>		
Final	4,942	7,022
<b>Y Accumulation Shares</b>		
Final	<u>21</u>	<u>22</u>
	<u>4,963</u>	<u>7,067</u>
Add: Revenue deducted on cancellation of shares	818	141
Deduct: Revenue received on issue of shares	(175)	(928)
Net distributions for the year	<u>5,606</u>	<u>6,280</u>
<b>Interest/other</b>		
Interest	1	-
Contract for difference finance costs	265	349
	<u>266</u>	<u>349</u>
Total finance costs	<u>5,872</u>	<u>6,629</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	5,301	6,275
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	544	-
Overseas scrip dividends	(245)	-
Equalisation on conversions	6	5
	<u>5,606</u>	<u>6,280</u>

Details of the distributions per share are set out in the Distribution Statement.

The A Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: £23,000).

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	613	5,156
Sales awaiting settlement	-	4,181
Sales of currency awaiting settlement	597	3,701
Accrued revenue	1,476	2,602
Broker fee rebates receivable	-	9
Overseas tax recoverable	69	98
<b>Total debtors</b>	<b>2,755</b>	<b>15,747</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Cash and bank balances	2,177	2,527
Amounts held at futures clearing houses and brokers	491	-
<b>Total cash and bank balances</b>	<b>2,668</b>	<b>2,527</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	261	233
Purchases awaiting settlement	903	3,208
Purchases of currency awaiting settlement	593	3,687
Accrued expenses	1,051	1,218
<b>Total other creditors</b>	<b>2,808</b>	<b>8,346</b>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Canadian Dollar	27,443	-	-	27,443
Euro	17,250	1	69	17,320
Swedish Krona	13,500	-	-	13,500
UK Pound	-	-	(1,080)	(1,080)
US Dollar	1,096,187	2,667	958	1,099,812
<b>Total</b>	<b>1,154,380</b>	<b>2,668</b>	<b>(53)</b>	<b>1,156,995</b>
28/02/17	£'000	£'000	£'000	£'000
Euro	19,136	-	-	19,136
Swedish Krona	22,619	-	-	22,619
Swiss Franc	-	-	98	98
UK Pound	28,508	-	3,713	32,221
US Dollar	1,330,839	2,527	3,590	1,336,956
<b>Total</b>	<b>1,401,102</b>	<b>2,527</b>	<b>7,401</b>	<b>1,411,030</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

## Notes to the Financial Statements

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 0.98%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

At the year end, the fund holds no derivatives that could impact it significantly (2017: same).

### 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	524,420	181	0.03	-	-
Corporate actions	919	-	-	-	-
Total	525,339	181		-	
Total including transaction costs	525,520				
Analysis of total sales costs	Sales	Commissions	%	Taxes	%
	£'000	£'000		£'000	
Equity	624,511	276	0.04	12	-
Corporate actions	4,138	-	-	-	-
Derivative	-	13	-	-	-
Total	628,649	289		12	
Total including transaction costs	628,348				
Total as a percentage of average net assets*		0.04 %		0.00 %	
28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	593,785	292	0.05	74	0.01
Total	593,785	292		74	
Total including transaction costs	594,151				
Analysis of total sales costs	Sales	Commissions	%	Taxes	%
	£'000	£'000		£'000	
Equity	308,848	180	0.06	6	-
Corporate actions	54,100	-	-	-	-
Derivative	-	3	-	-	-
Total	362,948	183		6	
Total including transaction costs	362,759				
Total as a percentage of average net assets		0.04 %		0.01 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.04% (2017: 0.03%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
Assets		Liabilities	Assets	Liabilities
Level 1: Quoted prices	1,131,482	-	1,294,558	-
Level 2: Observable market data	23,410	(512)	106,544	-
Level 3: Unobservable data	-	-	-	-
	1,154,892	(512)	1,401,102	-

## Notes to the Financial Statements

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	21,281,321	4,626,940	(5,310,508)	(224,063)	20,373,690
W Accumulation Shares	70,498,103	5,317,176	(18,534,449)	252,545	57,533,375
Y Accumulation Shares	305,886	136,893	(46,116)	(14,169)	382,494

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £972,000 (2017: £1,162,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
Goldman Sachs	-	(512)	-	-	491	(21)
Total	-	(512)	-	-	491	(21)

28/02/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	1,178	-	-	-	1,178
Total	-	1,178	-	-	-	1,178

### 18 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	1,538.55	1,555.00	1.07
W Accumulation Shares	1,456.24	1,474.00	1.22
Y Accumulation Shares	1,493.02	1,511.00	1.20



## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 35 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	-	-	-	0.1089
Group 2	-	-	-	0.1089

### W Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	8.5890	-	8.5890	9.9603
Group 2	4.8456	3.7434	8.5890	9.9603

### Y Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	5.4747	-	5.4747	7.2831
Group 2	2.7090	2.7657	5.4747	7.2831

## Fund Manager's Review

### Investment Objective and Policy

The fund's investment objective is to achieve long term capital growth from a portfolio made up of the shares of companies throughout the Pacific Basin, but excluding Japan. The portfolio is likely to have a bias towards larger companies. However, the ACD is not restricted in the choice of company either by size or industry, or in terms of the geographical split of the portfolio, which is largely determined by the availability of attractive investment opportunities, rather than the outlook for each market.

### Performance and Portfolio Activity

The fund generated positive returns over the period as healthy global economic data boosted sentiment. The information technology sector led gains. Strong results supported positions in Chinese internet-driven companies Tencent Holdings and Alibaba Group, as well as in smartphone camera maker Sunny Optical Technology Group. In China, I bought a new holding in Wuxi Biologics, a leading biologics outsourcing service provider with high entry barriers, a solid development platform and deep product pipeline. I purchased a position in Indian mobile operator Bharti Airtel as it stands to benefit from industry consolidation, and has a solid balance sheet among key operators. Meanwhile, the exposure to Sunny Optical Technology Group and SK Hynix was reduced following strong gains.

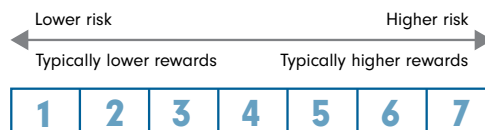
### Outlook

Asia offers long-term investment opportunities, driven by structural growth drivers and low product and service penetration. Regional equities trade at reasonable valuations and have healthy earnings growth prospects compared to developed markets.

Teera Chanpongsang  
Fund Manager  
28 February 2018

## Risk and Reward Indicator

	SRRI
A Accumulation Shares	6
W Accumulation Shares	6
Y Accumulation Shares	6



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.
- Emerging markets may be more volatile and it could be harder to sell or trade securities. There may be less supervision, regulation and less well-defined procedures than in more developed countries. Emerging markets can be sensitive to political instability, which can result in greater volatility and uncertainty, subjecting the fund to the risk of losses.

**Comparative Performance Table**

	<b>A Accumulation Shares</b>			<b>W Accumulation Shares</b>		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,110.82	791.96	845.71	1,092.92	773.40	819.69
Return before operating charges*	279.80	335.76	(39.26)	276.15	328.98	(38.42)
Operating charges	(21.95)	(16.90)	(14.49)	(12.31)	(9.46)	(7.87)
Return after operating charges*	257.85	318.86	(53.75)	263.84	319.52	(46.29)
Distributions	(0.58)	(4.93)	(3.04)	(10.04)	(12.03)	(9.01)
Retained distributions on accumulation shares	0.58	4.93	3.04	10.04	12.03	9.01
Closing net asset value per share	<b>1,368.67</b>	<b>1,110.82</b>	<b>791.96</b>	<b>1,356.76</b>	<b>1,092.92</b>	<b>773.40</b>
*after direct transaction costs of	0.77	0.70	1.12	0.77	0.70	1.12
<b>Performance</b>						
Return after charges	23.2%	40.3%	(6.4%)	24.1%	41.3%	(5.7%)
<b>Other information</b>						
Closing net asset value (£'000)	1,036,783	923,244	834,059	1,829,732	1,306,609	802,481
Closing number of shares	75,751,138	83,113,674	105,315,828	134,860,824	119,552,277	103,760,502
Operating charges	1.69%	1.72%	1.74%	0.94%	0.97%	0.99%
Direct transaction costs	0.06%	0.08%	0.15%	0.06%	0.08%	0.15%
<b>Prices (pence per share)</b>						
Highest share price	1,423.00	1,127.00	975.80	1,409.00	1,106.00	946.60
Lowest share price	1,107.00	794.90	688.70	1,090.00	777.50	670.00

	<b>Y Accumulation Shares</b>		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	207.26	146.99	156.13
Return before operating charges*	52.31	62.40	(7.28)
Operating charges	(2.85)	(2.13)	(1.86)
Return after operating charges*	49.46	60.27	(9.14)
Distributions	(1.36)	(1.86)	(1.37)
Retained distributions on accumulation shares	1.36	1.86	1.37
Closing net asset value per share	<b>256.72</b>	<b>207.26</b>	<b>146.99</b>
*after direct transaction costs of	0.77	0.70	1.12
<b>Performance</b>			
Return after charges	23.9%	41.0%	(5.9%)
<b>Other information</b>			
Closing net asset value (£'000)	15,709	14,117	26,188
Closing number of shares	6,118,937	6,811,197	17,816,489
Operating charges	1.19%	1.19%	1.21%
Direct transaction costs	0.06%	0.08%	0.15%
<b>Prices (pence per share)</b>			
Highest share price	266.70	209.80	180.30
Lowest share price	206.60	147.70	127.50

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		521,462		643,092
Revenue	5	51,156		44,710	
Expenses	6	(32,864)		(26,222)	
Interest payable and similar charges	8	(1)		(1)	
Net revenue/(expense) before taxation		18,291		18,487	
Taxation	7	(4,740)		881	
Net revenue/(expense) after taxation			13,551		19,368
<b>Total return before distributions</b>			535,013		662,460
Distributions	8		(13,019)		(18,674)
<b>Change in net assets attributable to shareholders from investment activities</b>			521,994		643,786

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			2,243,970		1,662,728
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		275,028		150,154	
Amounts payable on cancellation of shares		(172,823)		(231,307)	
			102,205		(81,153)
Change in net assets attributable to shareholders from investment activities (see above)			521,994		643,786
Retained distribution on accumulation shares	8		14,055		18,609
<b>Closing net assets attributable to shareholders</b>			2,882,224		2,243,970

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			2,860,755		2,220,632
<b>Current assets:</b>					
Debtors	9	24,811		26,581	
Cash and bank balances		4,146		7,105	
Total other assets			28,957		33,686
<b>Total assets</b>			2,889,712		2,254,318
<b>Liabilities:</b>					
Creditors					
Other creditors	10	(7,488)		(10,348)	
Total other liabilities			(7,488)		(10,348)
<b>Total liabilities</b>			(7,488)		(10,348)
<b>Net assets attributable to shareholders</b>			2,882,224		2,243,970

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	523,601	642,161
Other currency gains/(losses)	(2,071)	964
Transaction charges	(63)	(26)
Broker fee rebates	(5)	(7)
Net capital gains/(losses)	<u>521,462</u>	<u>643,092</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	914	619
Overseas dividends	49,435	43,367
Overseas scrip dividends	776	716
Bank interest	31	8
Total revenue	<u>51,156</u>	<u>44,710</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	27,026	21,527
Registrar fees	3,238	2,594
Service charges	1,300	1,000
Foreign exchange administration fees	11	1
	<u>31,575</u>	<u>25,122</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	66	87
Custody fees	873	647
	<u>939</u>	<u>734</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	342	358
	<u>350</u>	<u>366</u>
Total expenses	<u>32,864</u>	<u>26,222</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	4,548	(881)
Overseas capital gains tax	192	-
Total current taxation	<u>4,740</u>	<u>(881)</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>18,291</u>	<u>18,487</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	3,658	3,697

## Notes to the Financial Statements

Effects of:

Overseas taxation	4,548	(881)
Overseas tax expensed	(54)	(68)
Increase/(decrease) in unutilised management expenses	6,076	4,805
Revenue not included for tax purposes	(9,680)	(8,434)
Overseas capital gains tax	192	-
	<u>4,740</u>	<u>(881)</u>

Current tax charge/(credit)

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £54,316,000 (2017: £48,240,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	436	4,095
<b>W Accumulation Shares</b>		
Final	13,536	14,388
<b>Y Accumulation Shares</b>		
Final	83	126
	<u>14,055</u>	<u>18,609</u>
Add: Revenue deducted on cancellation of shares	481	1,631
Deduct: Revenue received on issue of shares	(1,517)	(1,566)
Net distributions for the year	<u>13,019</u>	<u>18,674</u>
<b>Interest/other</b>		
Interest	1	1
	<u>13,020</u>	<u>18,675</u>
Total finance costs		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	13,551	19,368
<b>Add back (revenue)/expenses transferred to capital:</b>		
Overseas scrip dividends	(776)	(716)
Equalisation on conversions	52	22
Overseas capital gains tax	192	-
	<u>13,019</u>	<u>18,674</u>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	5,048	1,505
Sales awaiting settlement	11,019	12,195
Sales of currency awaiting settlement	3,914	6,472
Accrued revenue	4,830	6,400
Broker fee rebates receivable	-	9
	<u>24,811</u>	<u>26,581</u>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	706	1,528
Purchases of currency awaiting settlement	3,883	6,473
Accrued expenses	2,899	2,347
	<u>7,488</u>	<u>10,348</u>

## Notes to the Financial Statements

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
28/02/18	£'000	£'000	£'000	£'000
Chinese Yuan Renminbi	102,633	470	-	103,103
Hong Kong Dollar	925,681	-	-	925,681
Indian Rupee	320,366	4	11,019	331,389
Indonesian Rupiah	84,908	1	-	84,909
Korean Won	424,644	7	4,721	429,372
Malaysian Ringgit	21,850	-	-	21,850
Philippine Peso	41,162	-	-	41,162
Singapore Dollar	94,506	-	-	94,506
Taiwan Dollar	296,301	22	-	296,323
Thai Baht	145,851	-	-	145,851
UK Pound	-	-	1,443	1,443
US Dollar	402,853	3,642	140	406,635
<b>Total</b>	<b>2,860,755</b>	<b>4,146</b>	<b>17,323</b>	<b>2,882,224</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Chinese Yuan Renminbi	34,647	892	-	35,539
Hong Kong Dollar	746,648	774	1,524	748,946
Indian Rupee	285,646	5	3,660	289,311
Indonesian Rupiah	69,543	1	-	69,544
Korean Won	365,116	4	4,641	369,761
Malaysian Ringgit	18,674	-	299	18,973
Philippine Peso	45,524	-	83	45,607
Singapore Dollar	97,540	147	(147)	97,540
Taiwan Dollar	268,916	2,266	2,263	273,445
Thai Baht	91,181	-	-	91,181
UK Pound	-	1	(2,360)	(2,359)
US Dollar	197,197	3,015	6,270	206,482
<b>Total</b>	<b>2,220,632</b>	<b>7,105</b>	<b>16,233</b>	<b>2,243,970</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).



## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	411,285	627	0.15	139	0.03
Corporate actions	2,614	-	-	-	-
<b>Total</b>	<b>413,899</b>	<b>627</b>		<b>139</b>	

Total including transaction costs

**414,665**

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	345,186	347	0.10	504	0.15
Corporate actions	5,082	-	-	-	-
<b>Total</b>	<b>350,268</b>	<b>347</b>		<b>504</b>	

Total including transaction costs

**349,417**

Total as a percentage of average net assets\*

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	316,845	398	0.13	96	0.03
Corporate actions	716	-	-	-	-
<b>Total</b>	<b>317,561</b>	<b>398</b>		<b>96</b>	

Total including transaction costs

**318,055**

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	358,842	422	0.12	603	0.17
Corporate actions	1,734	-	-	-	-
<b>Total</b>	<b>360,576</b>	<b>422</b>		<b>603</b>	

Total including transaction costs

**359,551**

Total as a percentage of average net assets

0.04 %

0.02 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.16% (2017: 0.17%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	2,737,659	-	2,159,094	-
Level 2: Observable market data	123,096	-	61,538	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>2,860,755</b>	<b>-</b>	<b>2,220,632</b>	<b>-</b>

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	83,113,674	843,048	(6,272,699)	(1,932,885)	75,751,138
W Accumulation Shares	119,552,277	20,861,648	(7,552,481)	1,999,380	134,860,824
Y Accumulation Shares	6,811,197	756,110	(1,234,694)	(213,676)	6,118,937

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £2,550,000 (2017: £2,138,000) are included within accrued expenses in Note 10.

## Notes to the Financial Statements

### 16 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	1,368.67	1,405.00	2.65
W Accumulation Shares	1,356.76	1,395.00	2.82
Y Accumulation Shares	256.72	263.89	2.79

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 35 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.5761	-	0.5761	4.9275
Group 2	-	0.5761	0.5761	4.9275

### W Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	10.0368	-	10.0368	12.0348
Group 2	3.0700	6.9668	10.0368	12.0348

### Y Accumulation Shares - final distribution No. 9 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.3642	-	1.3642	1.8560
Group 2	0.3444	1.0198	1.3642	1.8560

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily made up of the securities of companies having their head office or exercising a predominant part of their activity in the Asia Pacific region excluding Japan. The ACD is not restricted in its choice of companies either by size or industry, or in terms of the geographical split of the portfolio, and will concentrate its investment in a more limited number of companies and therefore the resulting portfolio will be less diversified. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

Performance and Portfolio Activity

The fund generated positive returns over the period. Liquor and beverage maker Kweichow Moutai and global semiconductor foundry leader Taiwan Semiconductor Manufacturing rose amid healthy earnings. Hong Kong-based Shangri-La Asia also advanced as it is likely to benefit from a consumption upgrade by Chinese tourists. I bought a new position in Canadian gold miner Franco Nevada given the management’s strong track record, robust balance sheet and solid asset portfolio. Taiwan Synthetic Rubber Corporation was purchased as it is expected to benefit from a price upcycle, has a robust balance sheet and offers attractive dividend yields. Meanwhile, Newcrest Mining and Tata Consultancy Services were sold amid concerns over their earnings outlook.

Outlook

I remain cautious on the outlook for Asia in light of elevated global risks and the sharp rally in equities over the past year. I believe companies with understandable business models, above average growth and efficient capital allocation ability should do well in the current market environment.

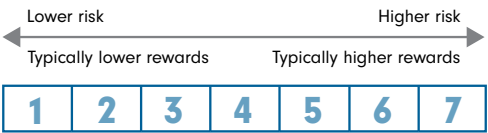
Anthony Srom  
Fund Manager  
28 February 2018

Risk and Reward Indicator

SRRI

W Accumulation Shares

5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.
- Emerging markets may be more volatile and it could be harder to sell or trade securities. There may be less supervision, regulation and less well-defined procedures than in more developed countries. Emerging markets can be sensitive to political instability, which can result in greater volatility and uncertainty, subjecting the fund to the risk of losses.

## Comparative Performance Table

### W Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	156.53	113.52	108.51
Return before operating charges*	26.18	44.55	6.21
Operating charges	(1.82)	(1.54)	(1.20)
Return after operating charges*	24.36	43.01	5.01
Distributions	(2.01)	(1.68)	(1.58)
Retained distributions on accumulation shares	2.01	1.68	1.58
Closing net asset value per share	<b>180.89</b>	<b>156.53</b>	<b>113.52</b>
*after direct transaction costs of	0.49	0.57	0.58
<b>Performance</b>			
Return after charges	15.6%	37.9%	4.6%
<b>Other information</b>			
Closing net asset value (£'000)	72,493	51,864	20,703
Closing number of shares	40,075,781	33,132,975	18,236,094
Operating charges	1.02%	1.08%	1.13%
Direct transaction costs	0.28%	0.40%	0.54%
<b>Prices (pence per share)</b>			
Highest share price	191.90	157.80	118.60
Lowest share price	157.10	114.90	93.07

# Fidelity Asia Pacific Opportunities Fund

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		7,676		10,600
Revenue	5	1,509		950	
Expenses	6	(627)		(406)	
Interest payable and similar charges	8	-		(25)	
Net revenue/(expense) before taxation		882		519	
Taxation	7	(172)		(102)	
Net revenue/(expense) after taxation			710		417
<b>Total return before distributions</b>			8,386		11,017
Distributions	8		(711)		(417)
<b>Change in net assets attributable to shareholders from investment activities</b>			7,675		10,600

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			51,864		20,703
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		17,176		30,471	
Amounts payable on cancellation of shares		(5,029)		(10,468)	
			12,147		20,003
Swing price adjustment			3		-
Change in net assets attributable to shareholders from investment activities (see above)			7,675		10,600
Retained distribution on accumulation shares	8		804		558
<b>Closing net assets attributable to shareholders</b>			72,493		51,864

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			70,639		50,070
<b>Current assets:</b>					
Debtors	9	711		860	
Cash and bank balances		1,371		1,589	
Total other assets			2,082		2,449
<b>Total assets</b>			72,721		52,519
<b>Liabilities:</b>					
Creditors					
Other creditors	10	(228)		(655)	
Total other liabilities			(228)		(655)
<b>Total liabilities</b>			(228)		(655)
<b>Net assets attributable to shareholders</b>			72,493		51,864

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	7,875	9,121
Gains/(losses) on derivative contracts	-	938
Other currency gains/(losses)	(168)	569
Transaction charges	(31)	(30)
Broker fee rebates	-	2
Net capital gains/(losses)	<u>7,676</u>	<u>10,600</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	42	76
Derivative revenue	-	27
ACD fee rebate/waiver to income	-	5
UK dividends	-	19
Overseas dividends	1,372	805
Overseas property income distributions	70	-
Overseas scrip dividends	20	15
Bank interest	5	3
Total revenue	<u>1,509</u>	<u>950</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	471	299
Registrar fees	78	52
Service charges	31	20
Foreign exchange administration fees	10	12
	<u>590</u>	<u>383</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	6	4
Custody fees	19	8
	<u>25</u>	<u>12</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	4	3
	<u>12</u>	<u>11</u>
Total expenses	<u>627</u>	<u>406</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	151	88
Overseas capital gains tax	21	14
Total current taxation	<u>172</u>	<u>102</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>882</u>	<u>519</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	176	104
Effects of:		
Increase/(decrease) in unutilised deferred tax	-	58
Overseas taxation	151	88
Overseas tax expensed	(2)	(1)
Increase/(decrease) in unutilised management expenses	90	-
Revenue not included for tax purposes	(264)	(161)
Capital gains tax	21	14
Current tax charge/(credit)	<u>172</u>	<u>102</u>
Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £153,000 (2017: £63,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares</b>		
Final	804	558
Add: Revenue deducted on cancellation of shares	41	104
Deduct: Revenue received on issue of shares	<u>(134)</u>	<u>(245)</u>
Net distributions for the year	<u>711</u>	<u>417</u>
<b>Interest/other</b>		
Derivative expense	-	25
Total finance costs	<u>711</u>	<u>442</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	710	418
<b>Add back (revenue)/expenses transferred to capital:</b>		
Overseas scrip dividends	(20)	(15)
Overseas capital gains tax	21	14
	<u>711</u>	<u>417</u>
Details of the distribution per share is set out in the Distribution Statement.		

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	155	252
Sales awaiting settlement	209	33
Sales of currency awaiting settlement	146	409
Accrued revenue	199	161
ACD fee rebate/waiver recoverable	-	5
Overseas tax recoverable	2	-
Total debtors	<u>711</u>	<u>860</u>



## Notes to the Financial Statements

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Purchases awaiting settlement	7	189
Purchases of currency awaiting settlement	145	408
Accrued expenses	76	58
Total other creditors	<u>228</u>	<u>655</u>

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
	£'000	£'000	£'000	£'000
<b>28/02/18</b>				
Australian Dollar	5,560	-	68	5,628
Chinese Yuan Renminbi	13,177	595	-	13,772
Hong Kong Dollar	16,995	-	22	17,017
Indian Rupee	8,372	-	-	8,372
Indonesian Rupiah	4,155	-	-	4,155
Korean Won	4,379	7	319	4,705
New Zealand Dollar	1,123	-	-	1,123
Philippine Peso	265	-	-	265
Taiwan Dollar	9,439	93	-	9,532
UK Pound	-	-	79	79
US Dollar	7,174	676	(5)	7,845
<b>Total</b>	<b>70,639</b>	<b>1,371</b>	<b>483</b>	<b>72,493</b>
<b>28/02/17</b>				
Australian Dollar	6,456	-	-	6,456
Chinese Yuan Renminbi	4,309	451	-	4,760
Hong Kong Dollar	14,058	-	-	14,058
Indian Rupee	7,627	3	-	7,630
Indonesian Rupiah	893	-	-	893
Korean Won	7,489	4	161	7,654
Philippine Peso	989	-	6	995
Taiwan Dollar	3,779	197	(25)	3,951
UK Pound	-	-	200	200
US Dollar	4,470	934	(137)	5,267
<b>Total</b>	<b>50,070</b>	<b>1,589</b>	<b>205</b>	<b>51,864</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives (2017: same).

## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	54,399	45	0.08	23	0.04
Corporate actions	38	-	-	-	-
<b>Total</b>	<b>54,437</b>	<b>45</b>		<b>23</b>	

Total including transaction costs

**54,505**

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	42,906	42	0.10	66	0.15
<b>Total</b>	<b>42,906</b>	<b>42</b>		<b>66</b>	

Total including transaction costs

**42,798**

Total as a percentage of average net assets\*

0.14 %

0.14 %

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	52,761	48	0.09	27	0.05
Corporate actions	17	-	-	-	-
Derivative	-	9	-	-	-
<b>Total</b>	<b>52,778</b>	<b>57</b>		<b>27</b>	

Total including transaction costs

**52,862**

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	31,306	35	0.11	29	0.09
Corporate actions	3	-	-	-	-
Derivative	-	13	-	-	-
<b>Total</b>	<b>31,309</b>	<b>48</b>		<b>29</b>	

Total including transaction costs

**31,232**

Total as a percentage of average net assets

0.26 %

0.14 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.17% (2017: 0.16%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	61,052	-	43,728	-
Level 2: Observable market data	9,587	-	6,342	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>70,639</b>	<b>-</b>	<b>50,070</b>	<b>-</b>

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Shares in issue as at 28/02/18
W Accumulation Shares	33,132,975	9,914,425	(2,971,619)	40,075,781

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts rebated from the ACD in respect of the ACD fee rebate/waiver to income are included in note 5 and amounts receivable at the year end are included within the ACD fee rebate/waiver recoverable in note 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £55,000 (2017: £38,000) are included within accrued expenses in Note 10.

Notes to the Financial Statements

16 Shareholders' funds

The fund has one share class; W Accumulation Shares. The annual management charge is as follows:  
W Accumulation Shares : 0.75%  
The distributions per share class are given in the Distribution Statement.

17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
W Accumulation Shares	180.89	188.00	3.93

## Distribution Statement

for the year ended 28 February 2018

**W Accumulation Shares - final distribution No. 4 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.0062	-	2.0062	1.6846
Group 2	0.6790	1.3272	2.0062	1.6846

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve a combination of income and long term capital growth from a portfolio made up primarily of the securities of companies in the Asia Pacific region, including ordinary shares, preference shares, convertibles and fixed interest securities. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

Performance and Portfolio Activity

The fund generated positive returns over the period. Liquor and beverage maker Kweichow Moutai, oil and gas giant PTT and global semiconductor foundry leader Taiwan Semiconductor Manufacturing rose on the back of strong earnings. I bought a new holding in utility and infrastructure investment company CK Infrastructure Holdings as it is likely to explore overseas markets for acquisition opportunities, following the purchase of utility company DUET. I bought a new position in DBS Group Holdings for its disciplined pricing strategy and solid business momentum. Meanwhile, I sold the holding in Kweichow Moutai following strong earlier gains. I also sold the position in personal care company Asaleo Care after its CEO offloaded half of his shareholding and its CFO resigned.

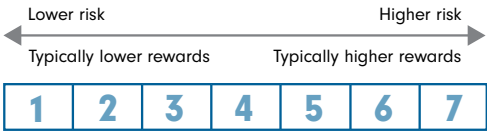
Outlook

Investors are likely to focus on Asia’s long-term structural growth drivers and the execution of structural reform agendas in key economies. I like companies with a sustainable dividend stream, supported by strong balance sheets and predictable cash flow.

Jochen Breuer  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
A Income Shares	5
W Accumulation Shares	5
W Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

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- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
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- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.
- Emerging markets may be more volatile and it could be harder to sell or trade securities. There may be less supervision, regulation and less well-defined procedures than in more developed countries. Emerging markets can be sensitive to political instability, which can result in greater volatility and uncertainty, subjecting the fund to the risk of losses.

## Comparative Performance Table

	A Accumulation Shares			A Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	151.80	109.23	116.66	137.93	102.32	112.60
Return before operating charges*	17.00	45.66	(5.37)	15.15	41.67	(5.07)
Operating charges	(3.08)	(3.09)	(2.06)	(2.59)	(2.23)	(1.99)
Return after operating charges*	13.92	42.57	(7.43)	12.56	39.44	(7.06)
Distributions	(2.71)	(2.05)	(1.66)	(4.93)	(3.83)	(3.22)
Retained distributions on accumulation shares	2.71	2.05	1.66	-	-	-
Closing net asset value per share	165.72	151.80	109.23	145.56	137.93	102.32
*after direct transaction costs of	0.20	0.54	0.09	0.20	0.54	0.09
<b>Performance</b>						
Return after charges	9.2%	39.0%	(6.4%)	9.1%	38.5%	(6.3%)
<b>Other information</b>						
Closing net asset value (£'000)	156	152	107	58	20	15
Closing number of shares	94,023	99,895	97,587	39,973	14,190	14,698
Operating charges	1.78%	1.81%	1.83%	1.79%	1.80%	1.83%
Direct transaction costs	0.13%	0.40%	0.08%	0.13%	0.40%	0.08%
<b>Prices (pence per share)</b>						
Highest share price	170.20	152.30	130.10	151.60	139.20	125.60
Lowest share price	150.90	110.20	96.01	137.10	103.20	92.06

	W Accumulation Shares			W Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	155.67	111.18	117.96	141.19	103.95	113.81
Return before operating charges*	17.50	46.68	(5.56)	15.56	42.46	(5.42)
Operating charges	(1.95)	(2.19)	(1.22)	(1.56)	(1.34)	(1.17)
Return after operating charges*	15.55	44.49	(6.78)	14.00	41.12	(6.57)
Distributions	(4.03)	(3.12)	(2.44)	(5.06)	(3.90)	(3.27)
Retained distributions on accumulation shares	4.03	3.12	2.44	-	-	-
Closing net asset value per share	171.22	155.67	111.18	150.13	141.19	103.95
*after direct transaction costs of	0.20	0.54	0.09	0.20	0.54	0.09
<b>Performance</b>						
Return after charges	10.0%	40.0%	(5.8%)	9.9%	39.6%	(5.8%)
<b>Other information</b>						
Closing net asset value (£'000)	4,602	2,947	1,843	3,679	2,352	1,241
Closing number of shares	2,687,892	1,893,296	1,657,699	2,450,335	1,665,871	1,194,199
Operating charges	1.04%	1.06%	1.08%	1.04%	1.06%	1.08%
Direct transaction costs	0.13%	0.40%	0.08%	0.13%	0.40%	0.08%
<b>Prices (pence per share)</b>						
Highest share price	175.70	156.20	131.70	156.20	142.40	127.10
Lowest share price	154.90	112.30	97.43	140.50	105.00	93.40

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		500		1,263
Revenue	5	264		163	
Expenses	6	(80)		(61)	
Interest payable and similar charges	8	-		(1)	
Net revenue/(expense) before taxation		184		101	
Taxation	7	(21)		(11)	
Net revenue/(expense) after taxation			163		90
<b>Total return before distributions</b>			663		1,353
Distributions	8		(199)		(113)
<b>Change in net assets attributable to shareholders from investment activities</b>			464		1,240

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			5,471		3,206
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		3,260		2,457	
Amounts payable on cancellation of shares		(811)		(1,493)	
			2,449		964
Change in net assets attributable to shareholders from investment activities (see above)			464		1,240
Retained distribution on accumulation shares	8		111		61
<b>Closing net assets attributable to shareholders</b>			8,495		5,471

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			8,161		5,025
<b>Current assets:</b>					
Debtors	9	424		151	
Cash and bank balances		315		498	
Total other assets			739		649
<b>Total assets</b>			8,900		5,674
<b>Liabilities:</b>					
Creditors					
Distribution payable		(52)		(13)	
Other creditors	10	(353)		(190)	
Total other liabilities			(405)		(203)
<b>Total liabilities</b>			(405)		(203)
<b>Net assets attributable to shareholders</b>			8,495		5,471

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	340	1,204
Gains/(losses) on derivative contracts	211	29
Other currency gains/(losses)	(48)	35
Transaction charges	(7)	(14)
ACD fee rebate/waiver to capital	4	9
	<u>500</u>	<u>1,263</u>
Net capital gains/(losses)	<u>500</u>	<u>1,263</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
ACD fee rebate/waiver to income	5	15
Derivative revenue	8	-
UK dividends	7	4
Overseas dividends	235	131
Overseas property income distributions	7	13
Bank interest	2	-
	<u>264</u>	<u>163</u>
Total revenue	<u>264</u>	<u>163</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	56	37
Registrar fees	8	6
Service charges	4	2
Foreign exchange administration fees	2	6
	<u>70</u>	<u>51</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Custody fees	2	-
	<u>2</u>	<u>-</u>
Other expenses:		
Audit fee	8	10
	<u>8</u>	<u>10</u>
Total expenses	<u>80</u>	<u>61</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	21	11
	<u>21</u>	<u>11</u>
Total current taxation	<u>21</u>	<u>11</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>184</u>	<u>101</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	37	20



## Notes to the Financial Statements

Effects of:

ACD fee waiver to capital	-	2
Overseas taxation	21	11
Increase/(decrease) in unutilised management expenses	12	5
Revenue not included for tax purposes	(49)	(27)
	<u>21</u>	<u>11</u>
Current tax charge/(credit)		

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £23,000 (2017: £11,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	3	2
<b>A Income Shares</b>		
Final	1	-
Interim	-	-
<b>W Accumulation Shares</b>		
Final	108	59
<b>W Income Shares</b>		
Final	51	13
Interim	66	43
	<u>229</u>	<u>117</u>
Add: Revenue deducted on cancellation of shares	12	23
Deduct: Revenue received on issue of shares	(42)	(27)
Net distributions for the year	<u>199</u>	<u>113</u>
<b>Interest/other</b>		
Derivative expense	-	1
	<u>199</u>	<u>114</u>
Total finance costs		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	163	90
<b>Add back (revenue)/expenses transferred to capital:</b>		
Investment management fees	24	14
Service charges	2	1
Audit fee	4	4
Custody fees	1	-
Foreign exchange administration fees	1	2
Registrar fees	4	2
	<u>199</u>	<u>113</u>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	32	7
Sales of currency awaiting settlement	179	84
Accrued revenue	31	36
ACD fee rebate/waiver recoverable	9	24
Sales awaiting settlement	173	-
	<u>424</u>	<u>151</u>
Total debtors		

## Notes to the Financial Statements

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1	2
Purchases awaiting settlement	155	84
Purchases of currency awaiting settlement	179	84
Accrued expenses	19	20
Total other creditors	<u>354</u>	<u>190</u>

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	1,100	-	6	1,106
Hong Kong Dollar	2,901	-	3	2,904
Indian Rupee	558	-	-	558
Korean Won	983	7	19	1,009
Singapore Dollar	747	-	3	750
Taiwan Dollar	1,140	31	125	1,296
Thai Baht	498	-	48	546
UK Pound	-	1	(52)	(51)
US Dollar	234	276	(133)	377
<b>Total</b>	<b>8,161</b>	<b>315</b>	<b>19</b>	<b>8,495</b>
28/02/17	£'000	£'000	£'000	£'000
Australian Dollar	929	-	14	943
Hong Kong Dollar	1,920	-	12	1,932
Indian Rupee	361	-	-	361
Korean Won	353	40	7	400
Singapore Dollar	263	2	-	265
Taiwan Dollar	598	28	-	626
Thai Baht	439	-	-	439
UK Pound	-	1	(2)	(1)
US Dollar	162	427	(83)	506
<b>Total</b>	<b>5,025</b>	<b>498</b>	<b>(52)</b>	<b>5,471</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.98% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	4,635	3	0.06	2	0.05
Total	4,635	3		2	
Total including transaction costs	4,640				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	1,868	1	0.06	2	0.09
Corporate actions	15	-	-	-	-
Derivative	-	1	-	-	-
Total	1,883	2		2	
Total including transaction costs	1,879				
Total as a percentage of average net assets*		0.08 %		0.05 %	

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	6,405	4	0.06	3	0.05
Derivative	-	1	-	-	-
Total	6,405	5		3	
Total including transaction costs	6,413				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	5,622	3	0.06	6	0.11
Corporate actions	12	-	-	-	-
Derivative	-	1	-	-	-
Total	5,634	4		6	
Total including transaction costs	5,624				
Total as a percentage of average net assets		0.20 %		0.21 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.23% (2017: 0.23%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	8,098	-	5,003	-
Level 2: Observable market data	63	-	22	-
Level 3: Unobservable data	-	-	-	-
	8,161	-	5,025	-

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	99,895	32,179	(34,197)	(3,854)	94,023
A Income Shares	14,190	26,692	-	(909)	39,973
W Accumulation Shares	1,893,296	1,007,455	(216,615)	3,756	2,687,892
W Income Shares	1,665,871	1,054,687	(271,110)	887	2,450,335

## Notes to the Financial Statements

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £5,000 (2017: £4,000) are included within accrued expenses in Note 10.

Amounts rebated from the ACD in respect of ACD fee rebate/waiver are included in Notes 4 and 5, and amounts receivable at the year end are included within ACD fee rebate/waiver recoverable in Note 9.

### 16 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
UBS	-	63	-	-	63
Total	-	63	-	-	63

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
UBS	-	21	-	-	21
Total	-	21	-	-	21

### 17 Shareholders' funds

The fund has four share classes; A Accumulation Shares, A Income Shares, W Accumulation Shares and W Income Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

A Income Shares : 1.50%

W Accumulation Shares : 0.75%

W Income Shares : 0.75%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 18 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	165.72	169.69	2.40
A Income Shares	145.56	149.09	2.43
W Accumulation Shares	171.22	175.69	2.61
W Income Shares	150.13	154.00	2.58

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.7112	-	2.7112	2.0521
Group 2	1.6179	1.0933	2.7112	2.0521

### A Income Shares - final distribution No. 19 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	2.0072	-	2.0072	0.7783
Group 2	0.2679	1.7393	2.0072	0.7783

### A Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 16 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 17 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 18 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 16 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 17 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 18 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 16	0.9760	-	0.9760	0.7956
Distribution No. 17	0.9760	-	0.9760	1.6527
Distribution No. 18	0.9732	-	0.9732	0.5987
Group 2				
Distribution No. 16	-	0.9760	0.9760	0.7956
Distribution No. 17	-	0.9760	0.9760	1.6527
Distribution No. 18	-	0.9732	0.9732	0.5987

### W Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	4.0257	-	4.0257	3.1205
Group 2	1.5635	2.4622	4.0257	3.1205

### W Income Shares - final distribution No. 19 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	2.0645	-	2.0645	0.7959
Group 2	0.3806	1.6839	2.0645	0.7959

## Distribution Statement

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 16 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 17 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 18 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 16 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 17 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 18 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 16	1.0000	-	1.0000	0.8092
Distribution No. 17	1.0000	-	1.0000	1.6834
Distribution No. 18	1.0000	-	1.0000	0.6112
Group 2				
Distribution No. 16	0.3417	0.6583	1.0000	0.8092
Distribution No. 17	-	1.0000	1.0000	1.6834
Distribution No. 18	-	1.0000	1.0000	0.6112

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to maintain capital value whilst producing income. The fund will invest primarily in a diversified range of sterling denominated money market instruments, other short-term investments and transferable securities. The fund’s investments may include, but are not limited to, certificates of deposit, commercial paper, medium-term notes, floating rate notes and treasury bills. The fund will not hold derivative positions.

Performance and Portfolio Activity

The fund generated positive returns, primarily due to a pick-up in yields as credit risk is kept to a minimum. The weighted average maturity (WAM) was reduced to 44 days, while we continue to adhere to the fund’s strict credit quality and liquidity criteria. Given the uncertainties around the UK’s negotiations to exit the European Union (EU), we increased the allocation to Aa1 rated securities at the expense of Aa2 and A1 securities. Additionally, fresh exposure was added to securities with maturity of less than 7 days, while reducing the position in securities with maturities between 90 and 180 days.

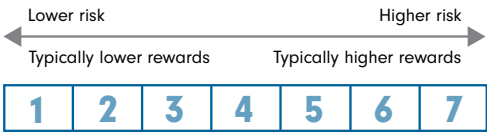
Outlook

The Bank of England must balance inflation numbers with the still uncertain outcome of the UK’s negotiations to exit the EU. The bank is likely to consider political hurdles ahead, while it debates whether or not to raise interest rates in order to tame inflation.

Tim Foster  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
Y Accumulation Shares	1
Y Income Shares	1



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. While we seek to mitigate this, the fund may be exposed to the risk of financial loss if it invests into an instrument issued by an entity that subsequently defaults on its borrowings. Losses may also be realised if an entity that the fund is exposed to ceases to make interest payments over a period of time or indefinitely. Bond prices have an inverse relationship with interest rates such that when interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.

## Comparative Performance Table

	Y Accumulation Shares		Y Income Shares	
	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>
Change in net assets (pence per share)*				
Opening net asset value per share	100.08	100.00	100.00	100.00
Return before operating charges*	0.36	0.15	0.41	0.13
Operating charges	(0.15)	(0.05)	(0.15)	(0.05)
Return after operating charges*	0.21	0.10	0.26	0.08
Distributions	(0.26)	(0.10)	(0.26)	(0.08)
Retained distributions on accumulation shares	0.21	0.08	-	-
Closing net asset value per share	100.29	100.08	100.00	100.00
*after direct transaction costs of	-	-	-	-
<b>Performance</b>				
Return after charges	0.3%	0.1%	0.3%	0.1%
<b>Other information</b>				
Closing net asset value (£'000)	842,385	635,519	99,997	119,186
Closing number of shares	839,948,252	634,981,844	99,995,623	119,185,485
Operating charges	0.15%	0.15%	0.15%	0.15%
Direct transaction costs	0%	0%	0%	0%
<b>Prices (pence per share)</b>				
Highest share price	100.30	100.10	100.00	100.00
Lowest share price	100.10	100.00	100.00	100.00

1. The fund launched on 21 October 2016.



## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		1		1
Revenue	5	3,090		521	
Expenses	6	(1,286)		(207)	
Interest payable and similar charges	8	(3)		-	
Net revenue/(expense) before taxation		1,801		314	
Taxation	7	-		-	
Net revenue/(expense) after taxation			1,801		314
<b>Total return before distributions</b>			1,802		315
Distributions	8		(1,801)		(314)
<b>Change in net assets attributable to shareholders from investment activities</b>			1		1

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			754,705		-
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		359,503		161,654	
Amounts payable on cancellation of shares		(173,552)		(65,470)	
In specie creation of shares		-		658,006	
			185,951		754,190
Change in net assets attributable to shareholders from investment activities (see above)			1		1
Retained distribution on accumulation shares	8		1,725		514
<b>Closing net assets attributable to shareholders</b>			942,382		754,705

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			983,470		763,253
<b>Current assets:</b>					
Debtors	9	240		1,372	
Cash and bank balances		-		33,404	
Total other assets			240		34,776
<b>Total assets</b>			983,710		798,029
<b>Liabilities:</b>					
Creditors					
Distribution payable		(57)		(48)	
Other creditors	10	(41,271)		(43,276)	
Total other liabilities			(41,328)		(43,324)
<b>Total liabilities</b>			(41,328)		(43,324)
<b>Net assets attributable to shareholders</b>			942,382		754,705

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Other currency gains/(losses)	1	1
Net capital gains/(losses)	<u>1</u>	<u>1</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	3,089	519
Bank interest	1	2
Total revenue	<u>3,090</u>	<u>521</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	1,286	207
	<u>1,286</u>	<u>207</u>
Total expenses	<u>1,286</u>	<u>207</u>

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £6,000 (including VAT) (2017: £9,000).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Total current taxation	<u>-</u>	<u>-</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>1,801</u>	<u>314</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	360	63
Effects of:		
Interest distributions	<u>(360)</u>	<u>(63)</u>
Current tax charge/(credit)	<u>-</u>	<u>-</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund is an interest distributing fund under Corporation Tax Act 2009 and as interest distributions are deductible when calculating the liability, the corporation tax charge will usually be reduced to nil, except where there are expenses which are not deductible.

## Notes to the Financial Statements

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>Y Accumulation Shares</b>		
Final	1,725	514
<b>Y Income Shares</b>		
Final	28	18
Interim	185	77
	<u>1,938</u>	<u>609</u>
Add: Revenue deducted on cancellation of shares	148	23
Deduct: Revenue received on issue of shares	<u>(285)</u>	<u>(318)</u>
Net distributions for the year	<u>1,801</u>	<u>314</u>
<b>Interest/other</b>		
Interest	3	-
	<u>1,804</u>	<u>314</u>
Total finance costs		
Details of the distributions per share are set out in the Distribution Statement.		

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	115	1,289
Accrued revenue	125	83
	<u>240</u>	<u>1,372</u>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1,216	1,232
Purchases awaiting settlement	39,944	41,976
Accrued expenses	111	68
	<u>41,271</u>	<u>43,276</u>

### 11 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
UK Pound	983,470	-	(41,088)	942,382
<b>Total</b>	<b>983,470</b>	<b>-</b>	<b>(41,088)</b>	<b>942,382</b>
28/02/17	£'000	£'000	£'000	£'000
UK Pound	763,253	33,404	(41,952)	754,705
<b>Total</b>	<b>763,253</b>	<b>33,404</b>	<b>(41,952)</b>	<b>754,705</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

## Notes to the Financial Statements

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets was:

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
28/02/18	£'000	£'000	£'000	£'000
UK Pound	125,000	858,470	240	983,710
<b>Total</b>	<b>125,000</b>	<b>858,470</b>	<b>240</b>	<b>983,710</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
UK Pound	70,404	726,253	1,372	798,029
<b>Total</b>	<b>70,404</b>	<b>726,253</b>	<b>1,372</b>	<b>798,029</b>

The interest rate risk profile of the fund's financial liabilities was:

Currency	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid	Total liabilities
28/02/18	£'000	£'000	£'000	£'000
UK Pound^	-	-	983,710	983,710
<b>Total</b>	<b>-</b>	<b>-</b>	<b>983,710</b>	<b>983,710</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
UK Pound^	-	-	798,029	798,029
<b>Total</b>	<b>-</b>	<b>-</b>	<b>798,029</b>	<b>798,029</b>

^ Includes £942,382,000 in respect of the fund's liability to redeem all shares (2017: £754,705,000).

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.00% rise or fall in the fund's market value (2017: same).

#### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 0.00% fall or rise in the fund's market value (2017: 0.13%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

## 12 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Bond	31,377,167	-	-	-	-
Total	31,377,167	-		-	
Total including transaction costs	31,377,167				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Bond	31,158,761	-	-	-	-
Total	31,158,761	-		-	
Total including transaction costs	31,158,761				
Total as a percentage of average net assets*		0.00 %		0.00 %	

## Notes to the Financial Statements

28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Bond	3,765,978	-	-	-	-
Total	3,765,978	-		-	
Total including transaction costs	3,765,978				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Bond	3,003,076	-	-	-	-
Total	3,003,076	-		-	
Total including transaction costs	3,003,076				
Total as a percentage of average net assets		0.00 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.00% (2017: 0.00%).

### 13 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	943,470	-	763,253	-
Level 2: Observable market data	40,000	-	-	-
Level 3: Unobservable data	-	-	-	-
	983,470	-	763,253	-

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Shares in issue as at 28/02/18
Y Accumulation Shares	634,981,844	336,309,509	(131,343,101)	839,948,252
Y Income Shares	119,185,485	22,907,392	(42,097,254)	99,995,623

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £111,000 (2017: £68,000) are included within accrued expenses in Note 10.

### 16 Shareholders' funds

The fund has two share classes; Y Accumulation Shares and Y Income Shares. The annual management charge on each share class is as follows:

Y Accumulation Shares : 0.15%

Y Income Shares : 0.15%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
Y Accumulation Shares	100.29	100.38	0.09
Y Income Shares	100.00	100.02	0.02

## Distribution Statement

for the year ended 28 February 2018

### Y Accumulation Shares - final distribution No. 2 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.2054	-	0.2054	0.0809
Group 2	0.1203	0.0851	0.2054	0.0809

### Y Income Shares - final distribution No. 17 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.0278	-	0.0278	0.0152
Group 2	0.0151	0.0127	0.0278	0.0152

### Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17^
Group 1				
Distribution No. 6	0.0147	-	0.0147	-
Distribution No. 7	0.0142	-	0.0142	-
Distribution No. 8	0.0137	-	0.0137	-
Distribution No. 9	0.0124	-	0.0124	-
Distribution No. 10	0.0122	-	0.0122	-
Distribution No. 11	0.0113	-	0.0113	-
Distribution No. 12	0.0105	-	0.0105	-
Distribution No. 13	0.0103	-	0.0103	0.0065
Distribution No. 14	0.0213	-	0.0213	0.0156
Distribution No. 15	0.0273	-	0.0273	0.0158
Distribution No. 16	0.0294	-	0.0294	0.0145
Group 2				
Distribution No. 6	0.0066	0.0081	0.0147	-
Distribution No. 7	0.0068	0.0074	0.0142	-
Distribution No. 8	0.0059	0.0078	0.0137	-
Distribution No. 9	0.0068	0.0056	0.0124	-
Distribution No. 10	0.0059	0.0063	0.0122	-
Distribution No. 11	0.0050	0.0063	0.0113	-
Distribution No. 12	0.0056	0.0049	0.0105	-
Distribution No. 13	0.0060	0.0043	0.0103	0.0065
Distribution No. 14	0.0099	0.0114	0.0213	0.0156
Distribution No. 15	0.0138	0.0135	0.0273	0.0158
Distribution No. 16	0.0133	0.0161	0.0294	0.0145

^This fund was launched on 21 October 2016.

## Fund Manager's Review

### Investment Objective and Policy

The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of Chinese companies which are involved in the development, manufacture or sale of goods or services to consumers. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. The fund can use derivatives for the purpose of efficient portfolio management with the aim of risk or cost reduction or to generate additional capital or income in line with the fund's risk profile.

### Performance and Portfolio Activity

The fund generated positive returns over the period. E-commerce giant Alibaba Group and internet company Tencent rose on robust earnings. Macau-based gaming company Galaxy Entertainment also advanced as it gained market share on the back of management's efficient execution. I increased the exposure to YUM China. The company delivers strong cash flows and invests in the next leg of growth by increasing automation and expanding its delivery business. Positions in Alibaba Group and Tencent were also raised as they are beneficiaries of the unprecedented shift towards online consumption in areas such as e-commerce, payments and streaming entertainment. Meanwhile, holdings in China Unicom and JD. Com were sold for better opportunities elsewhere.

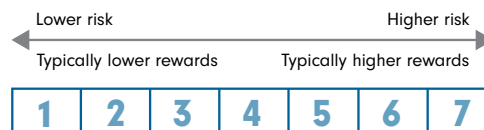
### Outlook

Policymakers continue to emphasise on quality and sustainable economic growth, with a focus on curbing financial risk, deleveraging and implementing supply side reforms. I favour companies with a high return profile and good execution capability.

Hyomi Jie  
Fund Manager  
28 February 2018

## Risk and Reward Indicator

	SRRI
A Accumulation Shares	6
W Accumulation Shares	6
Y Accumulation Shares	6



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.
- Emerging markets may be more volatile and it could be harder to sell or trade securities. There may be less supervision, regulation and less well-defined procedures than in more developed countries. Emerging markets can be sensitive to political instability, which can result in greater volatility and uncertainty, subjecting the fund to the risk of losses.

## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	193.71	138.58	153.82	220.26	156.40	172.30
Return before operating charges*	58.68	58.22	(12.39)	66.94	65.92	(14.08)
Operating charges	(4.05)	(3.09)	(2.85)	(2.69)	(2.06)	(1.82)
Return after operating charges*	54.63	55.13	(15.24)	64.25	63.86	(15.90)
Distributions	-	(0.12)	(0.35)	(1.26)	(1.59)	(1.73)
Retained distributions on accumulation shares	-	0.12	0.35	1.26	1.59	1.73
Closing net asset value per share	248.34	193.71	138.58	284.51	220.26	156.40
*after direct transaction costs of	0.79	0.26	0.57	0.79	0.26	0.57
<b>Performance</b>						
Return after charges	28.2%	39.8%	(9.9%)	29.2%	40.8%	(9.2%)
<b>Other information</b>						
Closing net asset value (£'000)	4,194	2,726	2,291	90,447	26,099	18,648
Closing number of shares	1,688,814	1,407,381	1,653,013	31,790,387	11,849,267	11,923,857
Operating charges	1.76%	1.83%	1.82%	1.01%	1.07%	1.07%
Direct transaction costs	0.31%	0.14%	0.35%	0.31%	0.14%	0.35%
<b>Prices (pence per share)</b>						
Highest share price	259.20	200.50	189.70	296.80	227.30	212.70
Lowest share price	194.30	139.30	125.50	221.10	157.20	141.60

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	199.51	141.97	156.75
Return before operating charges*	60.54	59.79	(12.73)
Operating charges	(2.94)	(2.25)	(2.05)
Return after operating charges*	57.60	57.54	(14.78)
Distributions	(0.62)	(1.06)	(1.21)
Retained distributions on accumulation shares	0.62	1.06	1.21
Closing net asset value per share	257.11	199.51	141.97
*after direct transaction costs of	0.79	0.26	0.57
<b>Performance</b>			
Return after charges	28.9%	40.5%	(9.4%)
<b>Other information</b>			
Closing net asset value (£'000)	6,654	4,985	3,569
Closing number of shares	2,588,145	2,498,820	2,514,035
Operating charges	1.26%	1.29%	1.28%
Direct transaction costs	0.31%	0.14%	0.35%
<b>Prices (pence per share)</b>			
Highest share price	268.30	206.10	193.40
Lowest share price	200.20	142.70	128.50



## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		11,915		9,548
Revenue	5	701		579	
Expenses	6	(519)		(322)	
Net revenue/(expense) before taxation		182		257	
Taxation	7	(44)		(34)	
Net revenue/(expense) after taxation			138		223
<b>Total return before distributions</b>			12,053		9,771
Distributions	8		(149)		(223)
<b>Change in net assets attributable to shareholders from investment activities</b>			11,904		9,548

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			33,811		24,508
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		59,293		6,963	
Amounts payable on cancellation of shares		(4,193)		(7,424)	
			55,100		(461)
Swing price adjustment			62		-
Change in net assets attributable to shareholders from investment activities (see above)			11,904		9,548
Retained distribution on accumulation shares	8		418		216
<b>Closing net assets attributable to shareholders</b>			101,295		33,811

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			97,740		33,154
<b>Current assets:</b>					
Debtors	9	1,016		260	
Cash and bank balances		3,657		657	
Total other assets			4,673		917
<b>Total assets</b>			102,413		34,071
<b>Liabilities:</b>					
Creditors					
Other creditors	10	(1,118)		(260)	
Total other liabilities			(1,118)		(260)
<b>Total liabilities</b>			(1,118)		(260)
<b>Net assets attributable to shareholders</b>			101,295		33,811

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	11,961	9,493
Other currency gains/(losses)	(23)	75
Transaction charges	(23)	(21)
Broker fee rebates	-	1
Net capital gains/(losses)	<u>11,915</u>	<u>9,548</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	20	21
Overseas dividends	681	558
Total revenue	<u>701</u>	<u>579</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	407	251
Registrar fees	59	37
Service charges	25	15
Foreign exchange administration fees	8	6
	<u>499</u>	<u>309</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	4	1
Custody fees	5	2
	<u>9</u>	<u>3</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	3	2
	<u>11</u>	<u>10</u>
Total expenses	<u>519</u>	<u>322</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	44	34
Total current taxation	<u>44</u>	<u>34</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>182</u>	<u>257</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	36	51

## Notes to the Financial Statements

Effects of:

Overseas taxation	44	34
Increase/(decrease) in unutilised management expenses	100	60
Revenue not included for tax purposes	(136)	(111)
	<u>44</u>	<u>34</u>

Current tax charge/(credit)

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £288,000 (2017: £188,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	-	2
<b>W Accumulation Shares</b>		
Final	402	188
<b>Y Accumulation Shares</b>		
Final	<u>16</u>	<u>26</u>
	<b>418</b>	<b>216</b>
Add: Revenue deducted on cancellation of shares	16	51
Deduct: Revenue received on issue of shares	<u>(285)</u>	<u>(44)</u>
Net distributions for the year	<b>149</b>	<b>223</b>
<b>Interest/other</b>		
Total finance costs	<u><b>149</b></u>	<u><b>223</b></u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	138	223
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	9	-
Equalisation on conversions	<u>2</u>	<u>-</u>
	<b>149</b>	<b>223</b>

Details of the distributions per share are set out in the Distribution Statement.

The A Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: £2,000).

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	255	72
Sales awaiting settlement	359	76
Sales of currency awaiting settlement	377	112
Accrued revenue	<u>25</u>	<u>-</u>
Total debtors	<u><b>1,016</b></u>	<u><b>260</b></u>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	66	4
Purchases awaiting settlement	590	98
Purchases of currency awaiting settlement	376	112
Accrued expenses	<u>86</u>	<u>46</u>
Total other creditors	<u><b>1,118</b></u>	<u><b>260</b></u>

## Notes to the Financial Statements

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Chinese Yuan Renminbi	7,565	329	-	7,894
Hong Kong Dollar	56,233	3,247	(41)	59,439
Korean Won	687	7	1	695
Taiwan Dollar	2,124	69	-	2,193
UK Pound	-	-	80	80
US Dollar	31,131	5	18	31,154
<b>Total</b>	<b>97,740</b>	<b>3,657</b>	<b>(102)</b>	<b>101,295</b>
28/02/17	£'000	£'000	£'000	£'000
Chinese Yuan Renminbi	571	1	-	572
Hong Kong Dollar	22,572	571	80	23,223
Singapore Dollar	306	-	-	306
Taiwan Dollar	1,488	14	-	1,502
UK Pound	-	-	21	21
US Dollar	8,217	71	(101)	8,187
<b>Total</b>	<b>33,154</b>	<b>657</b>	<b>-</b>	<b>33,811</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

### 12 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	87,481	43	0.05	52	0.06
Total	87,481	43		52	
Total including transaction costs	87,576				
Analysis of total sales costs	Sales	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity	34,638	23	0.07	33	0.09
Corporate actions	158	-	-	-	-
Total	34,796	23		33	
Total including transaction costs	34,740				
Total as a percentage of average net assets*		0.14 %		0.17 %	

## Notes to the Financial Statements

28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	10,346	10	0.10	7	0.07
Total	10,346	10		7	
Total including transaction costs	10,363				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	11,178	11	0.10	12	0.11
Total	11,178	11		12	
Total including transaction costs	11,155				
Total as a percentage of average net assets		0.07 %		0.06 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.13% (2017: 0.20%).

### 13 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	97,628	-	33,151	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data*	112	-	3	-
	97,740	-	33,154	-

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	1,407,381	730,478	(294,472)	(154,573)	1,688,814
W Accumulation Shares	11,849,267	20,678,725	(916,531)	178,926	31,790,387
Y Accumulation Shares	2,498,820	615,782	(478,491)	(47,966)	2,588,145

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £65,000 (2017: £28,000) are included within accrued expenses in Note 10.

## Notes to the Financial Statements

### 16 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	248.34	257.69	3.76
W Accumulation Shares	284.51	295.69	3.93
Y Accumulation Shares	257.11	267.10	3.89

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 7 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	-	-	-	0.1195
Group 2	-	-	-	0.1195

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.2648	-	1.2648	1.5893
Group 2	-	1.2648	1.2648	1.5893

### Y Accumulation Shares - final distribution No. 7 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.6180	-	0.6180	1.0554
Group 2	-	0.6180	0.6180	1.0554

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth through investing principally in securities of companies having their head office or exercising a predominant part of their activity in less developed countries of Asia that are considered as emerging markets according to the MSCI Emerging Markets Asia Index. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

Performance and Portfolio Activity

The fund generated positive returns over the period as encouraging global economic growth supported investor sentiment towards equities. The information technology sector led gains. Upbeat earnings boosted positions in Tencent Holdings, Alibaba Group and Taiwan Semiconductor Manufacturing Company. In China, I raised the allocation to Alibaba Group owing to its solid long-term prospects in the growing online ecosystem. Meanwhile, holdings in online search provider Baidu and automaker Brilliance China Automotive were sold for better opportunities elsewhere. A new position was purchased in Malaysian bank CIMB Group Holdings on expectations that an improvement in its asset quality and better cost controls would improve its returns on equity.

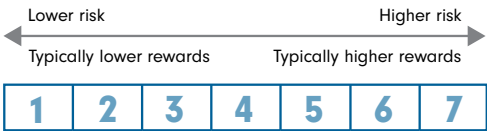
Outlook

Emerging Asia continues to provide several new investment opportunities at reasonable valuations, despite strong recent performance. I am positive on the ASEAN region as it shows signs of economic stability and is under-owned by investors.

Dhananjay Phadnis  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	6
W Accumulation Shares	6
Y Accumulation Shares	6



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.
- Emerging markets may be more volatile and it could be harder to sell or trade securities. There may be less supervision, regulation and less well-defined procedures than in more developed countries. Emerging markets can be sensitive to political instability, which can result in greater volatility and uncertainty, subjecting the fund to the risk of losses.



## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	158.06	115.78	126.26	123.92	90.12	97.53
Return before operating charges*	35.25	44.92	(8.21)	27.71	35.06	(6.45)
Operating charges	(3.14)	(2.64)	(2.28)	(1.43)	(1.26)	(0.96)
Return after operating charges*	32.11	42.28	(10.48)	26.28	33.80	(7.41)
Distributions	-	-	-	(0.78)	(0.70)	(0.69)
Retained distributions on accumulation shares	-	-	-	0.78	0.70	0.69
Closing net asset value per share	190.17	158.06	115.78	150.20	123.92	90.12
*after direct transaction costs of	0.29	0.38	0.34	0.29	0.38	0.34
<b>Performance</b>						
Return after charges	20.3%	36.5%	(8.3%)	21.2%	37.5%	(7.6%)
<b>Other information</b>						
Closing net asset value (£'000)	2,423	2,067	1,327	80,353	64,114	11,483
Closing number of shares	1,274,025	1,307,563	1,145,829	53,498,365	51,738,176	12,742,116
Operating charges	1.74%	1.84%	1.83%	0.98%	1.10%	1.07%
Direct transaction costs	0.19%	0.31%	0.30%	0.19%	0.31%	0.30%
<b>Prices (pence per share)</b>						
Highest share price	196.80	161.30	142.40	155.30	126.10	110.10
Lowest share price	158.90	116.00	100.70	124.70	90.43	78.05

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	162.91	118.69	128.75
Return before operating charges*	36.39	46.17	(8.47)
Operating charges	(2.28)	(1.95)	(1.59)
Return after operating charges*	34.11	44.22	(10.06)
Distributions	(0.61)	(0.60)	(0.61)
Retained distributions on accumulation shares	0.61	0.60	0.61
Closing net asset value per share	197.02	162.91	118.69
*after direct transaction costs of	0.29	0.38	0.34
<b>Performance</b>			
Return after charges	20.9%	37.3%	(7.8%)
<b>Other information</b>			
Closing net asset value (£'000)	14,951	14,102	11,511
Closing number of shares	7,588,667	8,656,392	9,698,753
Operating charges	1.24%	1.32%	1.28%
Direct transaction costs	0.19%	0.31%	0.30%
<b>Prices (pence per share)</b>			
Highest share price	203.80	165.90	145.30
Lowest share price	163.90	119.00	102.90

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		15,755		13,135
Revenue	5	1,507		797	
Expenses	6	(899)		(597)	
Interest payable and similar charges	8	(2)		-	
Net revenue/(expense) before taxation		606		200	
Taxation	7	(203)		(148)	
Net revenue/(expense) after taxation			403		52
<b>Total return before distributions</b>			16,158		13,187
Distributions	8		(410)		(96)
<b>Change in net assets attributable to shareholders from investment activities</b>			15,748		13,091

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			80,283		24,321
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		25,808		58,124	
Amounts payable on cancellation of shares		(24,586)		(15,766)	
			1,222		42,358
Swing price adjustment			9		99
Change in net assets attributable to shareholders from investment activities (see above)			15,748		13,091
Retained distribution on accumulation shares	8		465		414
<b>Closing net assets attributable to shareholders</b>			97,727		80,283

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			93,548		76,409
<b>Current assets:</b>					
Debtors	9	1,320		851	
Cash and bank balances		3,371		3,451	
Total other assets			4,691		4,302
<b>Total assets</b>			98,239		80,711
<b>Liabilities:</b>					
Creditors					
Other creditors	10	(512)		(428)	
Total other liabilities			(512)		(428)
<b>Total liabilities</b>			(512)		(428)
<b>Net assets attributable to shareholders</b>			97,727		80,283

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	15,841	12,981
Other currency gains/(losses)	(57)	198
Transaction charges	(29)	(46)
Broker fee rebates	-	2
Net capital gains/(losses)	<u>15,755</u>	<u>13,135</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	33	18
Overseas dividends	1,458	775
Overseas scrip dividends	4	2
Bank interest	12	2
Total revenue	<u>1,507</u>	<u>797</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	701	455
Registrar fees	104	66
Service charges	43	27
Foreign exchange administration fees	(1)	15
	<u>847</u>	<u>563</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	8	6
Custody fees	30	16
	<u>38</u>	<u>22</u>
Other expenses:		
Audit fee	9	9
Other operating expenses	5	3
	<u>14</u>	<u>12</u>
Total expenses	<u>899</u>	<u>597</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	196	104
Overseas capital gains tax	7	44
Total current taxation	<u>203</u>	<u>148</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>606</u>	<u>200</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	121	40

## Notes to the Financial Statements

Effects of:

Overseas taxation	196	104
Overseas tax expensed	(2)	(1)
Increase/(decrease) in unutilised management expenses	158	108
Revenue not included for tax purposes	(277)	(147)
Overseas capital gains tax	7	44
	<u>203</u>	<u>148</u>

Current tax charge/(credit)

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £383,000 (2017: £225,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares</b>		
Final	418	362
<b>Y Accumulation Shares</b>		
Final	<u>47</u>	<u>52</u>
	<b>465</b>	<b>414</b>
Add: Revenue deducted on cancellation of shares	48	86
Deduct: Revenue received on issue of shares	<u>(103)</u>	<u>(404)</u>
Net distributions for the year	<b>410</b>	<b>96</b>
<b>Interest/other</b>		
Interest	<u>2</u>	<u>-</u>
Total finance costs	<u><b>412</b></u>	<u><b>96</b></u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	403	52
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	4	2
Overseas scrip dividends	(4)	(2)
Overseas capital gains tax	<u>7</u>	<u>44</u>
	<u><b>410</b></u>	<u><b>96</b></u>

Details of the distributions per share are set out in the Distribution Statement.

The A Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: same).

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	403	37
Sales awaiting settlement	344	523
Sales of currency awaiting settlement	363	152
Accrued revenue	210	138
Broker fee rebates receivable	-	1
Total debtors	<u><b>1,320</b></u>	<u><b>851</b></u>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1	13
Purchases awaiting settlement	50	167
Purchases of currency awaiting settlement	361	151
Accrued expenses	<u>100</u>	<u>97</u>
Total other creditors	<u><b>512</b></u>	<u><b>428</b></u>

## Notes to the Financial Statements

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
28/02/18	£'000	£'000	£'000	£'000
Chinese Yuan Renminbi	3,335	354	-	3,689
Hong Kong Dollar	26,023	-	-	26,023
Indian Rupee	11,719	-	3	11,722
Indonesian Rupiah	3,630	-	17	3,647
Korean Won	13,611	3	214	13,828
Malaysian Ringgit	2,392	-	-	2,392
Philippine Peso	3,585	-	82	3,667
Singapore Dollar	1,835	-	11	1,846
Sri Lankan Rupee	520	-	6	526
Taiwan Dollar	8,863	67	-	8,930
Thai Baht	3,199	-	209	3,408
UK Pound	-	-	302	302
US Dollar	14,264	2,926	(36)	17,154
Vietnamese Dong	572	21	-	593
<b>Total</b>	<b>93,548</b>	<b>3,371</b>	<b>808</b>	<b>97,727</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Chinese Yuan Renminbi	1,229	25	-	1,254
Hong Kong Dollar	17,385	-	-	17,385
Indian Rupee	12,365	1	8	12,374
Indonesian Rupiah	5,706	-	(167)	5,539
Korean Won	10,510	4	119	10,633
Malaysian Ringgit	690	-	11	701
Philippine Peso	2,712	-	-	2,712
Singapore Dollar	2,205	8	(8)	2,205
Taiwan Dollar	7,420	311	-	7,731
Thai Baht	1,322	-	-	1,322
UK Pound	-	-	(72)	(72)
US Dollar	14,865	3,084	532	18,481
Vietnamese Dong	-	18	-	18
<b>Total</b>	<b>76,409</b>	<b>3,451</b>	<b>423</b>	<b>80,283</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives (2017: same).

## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	42,227	46	0.11	23	0.05
Corporate actions	143	-	-	-	-
Total	42,370	46		23	

Total including transaction costs

42,439

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	41,130	37	0.09	61	0.15
Corporate actions	11	-	-	-	-
Total	41,141	37		61	

Total including transaction costs

41,043

Total as a percentage of average net assets\*

0.10 %

0.10 %

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	65,418	71	0.11	32	0.05
Corporate actions	8	-	-	-	-
Total	65,426	71		32	

Total including transaction costs

65,529

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	25,113	28	0.11	39	0.16
Corporate actions	339	-	-	-	-
Total	25,452	28		39	

Total including transaction costs

25,385

Total as a percentage of average net assets

0.18 %

0.13 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.23% (2017: 0.16%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	91,342	-	73,488	-
Level 2: Observable market data	2,206	-	2,921	-
Level 3: Unobservable data	-	-	-	-
	93,548	-	76,409	-

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	1,307,563	367,014	(396,688)	(3,864)	1,274,025
W Accumulation Shares	51,738,176	16,708,614	(15,215,791)	267,366	53,498,365
Y Accumulation Shares	8,656,392	1,142,396	(2,010,271)	(199,850)	7,588,667

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £75,000 (2017: £70,000) are included within accrued expenses in Note 10.

## Notes to the Financial Statements

### 16 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	190.17	194.30	2.17
W Accumulation Shares	150.20	153.69	2.32
Y Accumulation Shares	197.02	201.50	2.27

## Distribution Statement

for the year ended 28 February 2018

**W Accumulation Shares - final distribution No. 4 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.7805	-	0.7805	0.7006
Group 2	0.2063	0.5742	0.7805	0.7006

**Y Accumulation Shares - final distribution No. 7 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.6136	-	0.6136	0.6022
Group 2	0.1040	0.5096	0.6136	0.6022



## Fund Manager's Review

### Investment Objective and Policy

The fund's investment objective is to achieve long term capital growth through a portfolio primarily in securities of companies having their head office or exercising a predominant part of their activity in less developed countries of Central, Eastern and Southern Europe (including Russia), Middle East and Africa including those that are considered as emerging markets according to the MSCI EM Europe, Middle East and Africa Index. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

### Performance and Portfolio Activity

The fund generated positive returns over the period, as Russian equities were buoyed by rising oil prices and an improving macroeconomic environment in the country. From a sector perspective, stock selection in financials aided returns. In April 2017, Greg Konstantinidis was appointed as the co-portfolio manager. We bought shares in Barclays Africa Group given its leading market position in South Africa. The bank trades at a low valuation and offers a high dividend yield. We also purchased a holding in Türkiye Garanti Bankasi. It is expected to benefit from loan growth, supported by government stimulus measures. However, the exposure to cyber security company Check Point Software was reduced following its strong performance over the year. The allocation to Russian internet company Mail.Ru Group was also lowered following its strong performance.

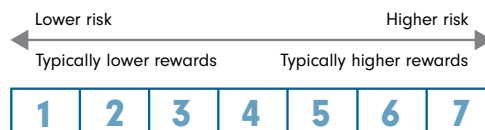
### Outlook

The outlook for the EMEA region is positive in 2018, given the stabilisation of commodity prices. However, concerns over domestic reform, US trade policies and geopolitical tensions may cause short-term volatility.

Nick Price & Greg Konstantinidis  
Fund Managers  
28 February 2018

## Risk and Reward Indicator

	SRRI
A Accumulation Shares	6
W Accumulation Shares	6
Y Accumulation Shares	6



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.
- Emerging markets may be more volatile and it could be harder to sell or trade securities. There may be less supervision, regulation and less well-defined procedures than in more developed countries. Emerging markets can be sensitive to political instability, which can result in greater volatility and uncertainty, subjecting the fund to the risk of losses.
- In some emerging markets, such as Russia, the safekeeping provisions for securities benefit from less governed standards.

# Fidelity Emerging Europe, Middle East and Africa Fund

## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	174.39	125.40	149.18	199.69	142.53	168.27
Return before operating charges*	37.00	51.85	(21.12)	42.59	59.14	(23.99)
Operating charges	(3.39)	(2.86)	(2.65)	(2.31)	(1.98)	(1.75)
Return after operating charges*	33.61	48.99	(23.77)	40.28	57.16	(25.74)
Distributions	(1.72)	(1.94)	(1.66)	(3.57)	(3.53)	(3.06)
Retained distributions on accumulation shares	1.72	1.94	1.66	3.57	3.53	3.06
Closing net asset value per share	208.00	174.39	125.40	239.97	199.69	142.53
*after direct transaction costs of	0.50	0.63	0.63	0.50	0.63	0.63
<b>Performance</b>						
Return after charges	19.3%	39.1%	(15.9%)	20.2%	40.1%	(15.3%)
<b>Other information</b>						
Closing net asset value (£'000)	22,559	25,548	26,542	89,307	71,773	55,944
Closing number of shares	10,845,694	14,650,515	21,164,844	37,215,059	35,942,509	39,250,384
Operating charges	1.81%	1.88%	1.89%	1.05%	1.13%	1.14%
Direct transaction costs	0.24%	0.38%	0.44%	0.24%	0.38%	0.44%
<b>Prices (pence per share)</b>						
Highest share price	209.80	178.70	162.00	242.00	204.60	182.90
Lowest share price	171.60	128.00	111.80	196.70	145.50	126.90

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	167.60	119.89	141.86
Return before operating charges*	35.69	49.70	(20.18)
Operating charges	(2.34)	(1.99)	(1.79)
Return after operating charges*	33.35	47.71	(21.97)
Distributions	(2.59)	(2.64)	(2.28)
Retained distributions on accumulation shares	2.59	2.64	2.28
Closing net asset value per share	200.95	167.60	119.89
*after direct transaction costs of	0.50	0.63	0.63
<b>Performance</b>			
Return after charges	19.9%	39.8%	(15.5%)
<b>Other information</b>			
Closing net asset value (£'000)	12,018	12,656	12,940
Closing number of shares	5,980,607	7,551,371	10,793,138
Operating charges	1.31%	1.35%	1.36%
Direct transaction costs	0.24%	0.38%	0.44%
<b>Prices (pence per share)</b>			
Highest share price	202.70	171.80	154.20
Lowest share price	165.10	122.40	106.80

# Fidelity Emerging Europe, Middle East and Africa Fund

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		18,821		33,534
Revenue	5	3,356		3,645	
Expenses	6	(1,339)		(1,288)	
Net revenue/(expense) before taxation		2,017		2,357	
Taxation	7	(297)		(345)	
Net revenue/(expense) after taxation			1,720		2,012
<b>Total return before distributions</b>			20,541		35,546
Distributions	8		(1,726)		(2,013)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>18,815</u>		<u>33,533</u>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			109,978		95,426
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		10,282		9,661	
Amounts payable on cancellation of shares		(16,859)		(30,393)	
			(6,577)		(20,732)
Change in net assets attributable to shareholders from investment activities (see above)			18,815		33,533
Retained distribution on accumulation shares	8		1,668		1,751
<b>Closing net assets attributable to shareholders</b>			<u>123,884</u>		<u>109,978</u>

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			124,184		109,657
<b>Current assets:</b>					
Debtors	9	1,069		1,374	
Cash and bank balances		167		700	
Total other assets			1,236		2,074
<b>Total assets</b>			<u>125,420</u>		<u>111,731</u>
<b>Liabilities:</b>					
Creditors					
Bank overdrafts		-		(5)	
Other creditors	10	(1,536)		(1,748)	
Total other liabilities			(1,536)		(1,753)
<b>Total liabilities</b>			<u>(1,536)</u>		<u>(1,753)</u>
<b>Net assets attributable to shareholders</b>			<u>123,884</u>		<u>109,978</u>

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	18,924	34,097
Other currency gains/(losses)	(21)	(442)
Transaction charges	(74)	(142)
Broker fee rebates	(8)	21
	<u>18,821</u>	<u>33,534</u>
Net capital gains/(losses)		

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	30	17
UK dividends	6	29
Overseas dividends	3,305	3,598
Overseas scrip dividends	13	-
Bank interest	2	1
	<u>3,356</u>	<u>3,645</u>
Total revenue		

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,049	1,025
Registrar fees	137	134
Service charges	56	53
Foreign exchange administration fees	8	10
	<u>1,250</u>	<u>1,222</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	11	11
Custody fees	63	40
	<u>74</u>	<u>51</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	7	7
	<u>15</u>	<u>15</u>
Total expenses	<u>1,339</u>	<u>1,288</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	297	345
	<u>297</u>	<u>345</u>
Total current taxation		
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>2,017</u>	<u>2,357</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	403	471

## Notes to the Financial Statements

Effects of:

Overseas taxation	297	345
Overseas tax expensed	(24)	(27)
Increase/(decrease) in unutilised management expenses	47	15
Revenue not included for tax purposes	(426)	(459)
	<u>297</u>	<u>345</u>

Current tax charge/(credit)

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £1,140,000 (2017: £1,093,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	186	284
<b>W Accumulation Shares</b>		
Final	1,327	1,268
<b>Y Accumulation Shares</b>		
Final	155	199
	<u>1,668</u>	<u>1,751</u>
Add: Revenue deducted on cancellation of shares	185	362
Deduct: Revenue received on issue of shares	(127)	(100)
Net distributions for the year	<u>1,726</u>	<u>2,013</u>
<b>Interest/other</b>		
Total finance costs	<u>1,726</u>	<u>2,013</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	1,720	2,012
<b>Add back (revenue)/expenses transferred to capital:</b>		
Overseas scrip dividends	(13)	-
Equalisation on conversions	19	1
	<u>1,726</u>	<u>2,013</u>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	553	63
Sales awaiting settlement	-	648
Sales of currency awaiting settlement	502	644
Broker fee rebates receivable	-	12
Overseas tax recoverable	14	7
	<u>1,069</u>	<u>1,374</u>

Total debtors

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	29	52
Purchases awaiting settlement	877	912
Purchases of currency awaiting settlement	500	644
Accrued expenses	130	140
	<u>1,536</u>	<u>1,748</u>

Total other creditors

## Notes to the Financial Statements

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	950	-	-	950
Canadian Dollar	128	-	(51)	77
Euro	1,279	-	5	1,284
Israeli Shekel	2,285	-	-	2,285
Kenyan Shilling	1,048	-	-	1,048
Nigerian Naira	4,281	-	-	4,281
Polish Zloty	-	-	10	10
Romanian Leu	3,091	-	-	3,091
South African Rand	49,222	136	(166)	49,192
Turkish Lira	15,179	-	(652)	14,527
UAE Dirham	6,300	-	-	6,300
UK Pound	3,428	-	393	3,821
US Dollar	36,993	31	(6)	37,018
<b>Total</b>	<b>124,184</b>	<b>167</b>	<b>(467)</b>	<b>123,884</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Australian Dollar	401	-	-	401
Euro	2,014	-	-	2,014
Kenyan Shilling	1,111	(5)	(698)	408
Nigerian Naira	2,018	119	-	2,137
Polish Zloty	2,738	-	7	2,745
Romanian Leu	2,173	-	-	2,173
South African Rand	52,301	6	(6)	52,301
Turkish Lira	2,121	-	-	2,121
UAE Dirham	5,246	-	-	5,246
UK Pound	878	-	(181)	697
US Dollar	38,656	575	504	39,735
<b>Total</b>	<b>109,657</b>	<b>695</b>	<b>(374)</b>	<b>109,978</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.97% rise or fall in the fund's market value (2017: 0.99%).

##### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 0.00% fall or rise in the fund's market value (2017: 0.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	53,983	102	0.19	65	0.12
Corporate actions	13	-	-	-	-
<b>Total</b>	<b>53,996</b>	<b>102</b>		<b>65</b>	

Total including transaction costs

54,163

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	60,961	98	0.16	8	0.01
Corporate actions	2	-	-	-	-
<b>Total</b>	<b>60,963</b>	<b>98</b>		<b>8</b>	

Total including transaction costs

60,857

Total as a percentage of average net assets\*

0.18 %

0.07 %

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	99,222	145	0.15	103	0.10
<b>Total</b>	<b>99,222</b>	<b>145</b>		<b>103</b>	

Total including transaction costs

99,470

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	117,902	154	0.13	7	0.01
Bond	279	-	-	-	-
<b>Total</b>	<b>118,181</b>	<b>154</b>		<b>7</b>	

Total including transaction costs

118,020

Total as a percentage of average net assets

0.28 %

0.10 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.28% (2017: 0.18%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	120,171	-	107,801	-
Level 2: Observable market data	4,013	-	1,856	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>124,184</b>	<b>-</b>	<b>109,657</b>	<b>-</b>

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	14,650,515	973,963	(2,486,590)	(2,292,194)	10,845,694
W Accumulation Shares	35,942,509	3,674,830	(4,486,522)	2,084,242	37,215,059
Y Accumulation Shares	7,551,371	333,373	(1,794,795)	(109,342)	5,980,607

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £102,000 (2017: £99,000) are included within accrued expenses in Note 10.

## Notes to the Financial Statements

### 16 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	208.00	187.80	(9.71)
W Accumulation Shares	239.97	217.00	(9.57)
Y Accumulation Shares	200.95	181.59	(9.63)



## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 11 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.7152	-	1.7152	1.9417
Group 2	0.0177	1.6975	1.7152	1.9417

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.5663	-	3.5663	3.5283
Group 2	0.8565	2.7098	3.5663	3.5283

### Y Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.5876	-	2.5876	2.6400
Group 2	0.6308	1.9568	2.5876	2.6400

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve income with the potential for some capital growth from a portfolio made up mainly of the securities of UK companies. Derivatives and forward transactions may be used for investment purposes and this may include using derivative instruments to generate additional income, for example, by the writing of call options. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

Performance and Portfolio Activity

The fund recorded negative returns over the period. The significant underperformance of defensive sectors such as utilities and telecommunications, compared to mining, technology and financials stocks was a headwind given the fund’s conservative approach and strict valuation discipline. Shares in tobacco company Imperial Brands fell after the US Food and Drug Administration announced plans for new nicotine regulations. Specialist lender Provident Financial declined following two profit warnings in 2017. We bought new positions in insurance provider Prudential for its growth outlook and International Airlines Group given its well-diversified revenue base in an increasingly consolidated industry. We sold holdings in Debenhams and Provident Financial.

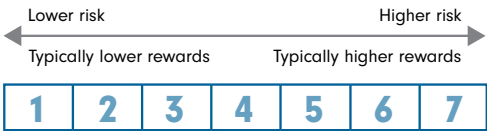
Outlook

Uncertainties in the UK market have led to an unexpected discount on domestic stocks. We have reacted accordingly, by adding to domestic names where the fund’s criteria are met. Our stance is positive but cautious.

David Jehan & Michael Clark  
Fund Managers  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	4
A Income Shares	4
W Accumulation Shares	4
W Income (monthly) Shares	5
W Income Shares	4
Y Accumulation Shares	4
Y Income Shares	4



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- The use of derivatives to enhance income may reduce growth potential in certain market conditions.

## Comparative Performance Table

	A Accumulation Shares			A Income Shares		
Change in net assets (pence per share)*	2018	2017	2016	2018	2017	2016
Opening net asset value per share	204.74	188.08	191.78	117.03	115.17	126.22
Return before operating charges*	(6.08)	19.98	(0.43)	(3.22)	12.11	(0.26)
Operating charges	(3.51)	(3.32)	(3.27)	(1.97)	(2.00)	(2.12)
Return after operating charges*	(9.59)	16.66	(3.70)	(5.19)	10.11	(2.38)
Distributions	(13.48)	(13.56)	(13.33)	(7.75)	(8.25)	(8.67)
Retained distributions on accumulation shares	13.48	13.56	13.33	-	-	-
Closing net asset value per share	195.15	204.74	188.08	104.09	117.03	115.17
*after direct transaction costs of	0.22	0.21	0.40	0.22	0.21	0.40
<b>Performance</b>						
Return after charges	(4.7%)	8.9%	(1.9%)	(4.4%)	8.8%	(1.9%)
<b>Other information</b>						
Closing net asset value (£'000)	5,098	8,069	8,017	14,569	17,469	40,417
Closing number of shares	2,612,464	3,940,805	4,262,472	13,996,386	14,927,235	35,092,523
Operating charges	1.66%	1.69%	1.71%	1.67%	1.70%	1.71%
Direct transaction costs	0.20%	0.19%	0.34%	0.20%	0.19%	0.34%
<b>Prices (pence per share)</b>						
Highest share price	218.30	207.40	198.10	124.60	124.20	130.40
Lowest share price	192.30	183.10	175.20	106.00	110.80	111.50

	W Accumulation Shares			W Income Shares		
Change in net assets (pence per share)*	2018	2017	2016	2018	2017	2016
Opening net asset value per share	143.47	131.01	132.80	105.43	102.98	112.00
Return before operating charges*	(4.54)	13.76	(0.52)	(3.09)	10.65	(0.41)
Operating charges	(1.38)	(1.30)	(1.27)	(1.00)	(1.00)	(1.05)
Return after operating charges*	(5.92)	12.46	(1.79)	(4.09)	9.65	(1.46)
Distributions	(9.25)	(9.26)	(9.04)	(6.85)	(7.20)	(7.56)
Retained distributions on accumulation shares	9.25	9.26	9.04	-	-	-
Closing net asset value per share	137.55	143.47	131.01	94.49	105.43	102.98
*after direct transaction costs of	0.22	0.21	0.40	0.22	0.21	0.40
<b>Performance</b>						
Return after charges	(4.1%)	9.5%	(1.4%)	(3.9%)	9.4%	(1.3%)
<b>Other information</b>						
Closing net asset value (£'000)	59,805	64,129	56,380	279,600	378,592	299,661
Closing number of shares	43,478,987	44,697,130	43,035,156	295,910,043	359,088,295	290,983,462
Operating charges	0.92%	0.95%	0.96%	0.92%	0.95%	0.96%
Direct transaction costs	0.20%	0.19%	0.34%	0.20%	0.19%	0.34%
<b>Prices (pence per share)</b>						
Highest share price	153.20	145.00	137.40	112.40	111.50	115.90
Lowest share price	135.50	127.80	122.00	96.11	99.33	99.61

## Comparative Performance Table

	Y Accumulation Shares			Y Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)*						
Opening net asset value per share	151.80	138.85	141.00	105.78	103.55	112.88
Return before operating charges*	(4.72)	14.64	(0.50)	(3.04)	10.75	(0.38)
Operating charges	(1.81)	(1.69)	(1.65)	(1.24)	(1.24)	(1.31)
Return after operating charges*	(6.53)	12.95	(2.15)	(4.28)	9.51	(1.69)
Distributions	(9.88)	(9.87)	(9.65)	(6.91)	(7.28)	(7.64)
Retained distributions on accumulation shares	9.88	9.87	9.65	-	-	-
Closing net asset value per share	145.27	151.80	138.85	94.59	105.78	103.55
*after direct transaction costs of	0.22	0.21	0.40	0.22	0.21	0.40
<b>Performance</b>						
Return after charges	(4.3%)	9.3%	(1.5%)	(4.1%)	9.2%	(1.5%)
<b>Other information</b>						
Closing net asset value (£'000)	2,667	3,184	2,977	5,773	8,052	10,766
Closing number of shares	1,835,635	2,097,173	2,144,436	6,103,368	7,612,011	10,397,292
Operating charges	1.17%	1.17%	1.18%	1.17%	1.17%	1.18%
Direct transaction costs	0.20%	0.19%	0.34%	0.20%	0.19%	0.34%
<b>Prices (pence per share)</b>						
Highest share price	162.00	153.50	145.80	112.70	112.00	116.70
Lowest share price	143.10	135.30	129.30	96.25	99.82	100.20

	W Income (monthly) Shares	
	2018	2017 <sup>1</sup>
Change in net assets (pence per share)*		
Opening net asset value per share	101.74	100.00
Return before operating charges*	(2.93)	9.28
Operating charges	(0.95)	(0.92)
Return after operating charges*	(3.88)	8.32
Distributions	(6.54)	(6.58)
Retained distributions on accumulation shares	-	-
Closing net asset value per share	91.32	101.74
*after direct transaction costs of	0.22	0.21
<b>Performance</b>		
Return after charges	(3.8%)	8.3%
<b>Other information</b>		
Closing net asset value (£'000)	56,139	48,318
Closing number of shares	61,473,865	47,491,440
Operating charges	0.92%	0.94%
Direct transaction costs	0.20%	0.19%
<b>Prices (pence per share)</b>		
Highest share price	107.40	106.50
Lowest share price	90.99	95.59

1. W Income (monthly) Shares class launched on 14 March 2016.

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(47,867)		15,839
Revenue	5	36,923		34,578	
Expenses	6	(5,248)		(4,924)	
Interest payable and similar charges	8	(51)		(1)	
Net revenue/(expense) before taxation		31,624		29,653	
Taxation	7	(2,136)		(1,856)	
Net revenue/(expense) after taxation			29,488		27,797
<b>Total return before distributions</b>			(18,379)		43,636
Distributions	8		(34,627)		(32,385)
<b>Change in net assets attributable to shareholders from investment activities</b>			(53,006)		11,251

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			527,813		418,218
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		109,131		135,781	
Amounts payable on cancellation of shares		(165,070)		(42,318)	
			(55,939)		93,463
Swing price adjustment			230		-
Change in net assets attributable to shareholders from investment activities (see above)			(53,006)		11,251
Retained distribution on accumulation shares	8		4,553		4,881
<b>Closing net assets attributable to shareholders</b>			423,651		527,813

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			423,320		523,445
<b>Current assets:</b>					
Debtors	9	4,900		6,760	
Cash and bank balances	10	11,036		20,924	
Total other assets			15,936		27,684
<b>Total assets</b>			439,256		551,129
<b>Liabilities:</b>					
Investment liabilities			(2,989)		(4,574)
Creditors					
Distribution payable		(10,707)		(14,805)	
Other creditors	11	(1,909)		(3,937)	
Total other liabilities			(12,616)		(18,742)
<b>Total liabilities</b>			(15,605)		(23,316)
<b>Net assets attributable to shareholders</b>			423,651		527,813

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(38,735)	30,685
Gains/(losses) on derivative contracts	(9,091)	(14,877)
Other currency gains/(losses)	(28)	20
Transaction charges	(7)	(8)
Broker fee rebates	(6)	19
Net capital gains/(losses)	<u>(47,867)</u>	<u>15,839</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	15	37
Derivative revenue	12,827	13,439
UK dividends	19,845	18,196
UK property income distributions	443	65
UK scrip dividends	398	380
Overseas dividends	2,280	2,046
Overseas scrip dividends	1,117	392
Bank interest	2	8
Underwriting commission	-	15
Taxable interest	(4)	-
Total revenue	<u>36,923</u>	<u>34,578</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	4,210	3,978
Registrar fees	669	622
Service charges	267	240
Foreign exchange administration fees	1	(2)
	<u>5,147</u>	<u>4,838</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	45	37
Custody fees	11	12
	<u>56</u>	<u>49</u>
Other expenses:		
Audit fee	12	8
Other operating expenses	33	29
	<u>45</u>	<u>37</u>
Total expenses	<u>5,248</u>	<u>4,924</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	1,597	1,728
Overseas taxation	539	128
Total current taxation	<u>2,136</u>	<u>1,856</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>31,624</u>	<u>29,653</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	6,325	5,931
Effects of:		
Overseas taxation	539	128
Revenue not included for tax purposes	(4,728)	(4,203)
Current tax charge/(credit)	<u>2,136</u>	<u>1,856</u>
Open ended investment companies are exempt from UK tax on capital gains.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	352	534
<b>A Income Shares</b>		
Final	488	620
Interim	632	1,508
<b>W Accumulation Shares</b>		
Final	4,020	4,140
<b>W Income Shares</b>		
Final	9,082	12,922
Interim	14,261	12,069
<b>Y Accumulation Shares</b>		
Final	181	207
<b>Y Income Shares</b>		
Final	189	277
Interim	263	318
<b>W Income (monthly) Shares</b>		
Final	642	763
Interim	2,947	689
	<u>33,057</u>	<u>34,047</u>
Add: Revenue deducted on cancellation of shares	3,128	973
Deduct: Revenue received on issue of shares	(1,558)	(2,635)
Net distributions for the year	<u>34,627</u>	<u>32,385</u>
<b>Interest/other</b>		
Interest	2	1
Contract for difference finance costs	18	-
Derivative expense	31	-
	<u>51</u>	<u>1</u>
Total finance costs	<u>34,678</u>	<u>32,386</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	29,488	27,797
<b>Add back (revenue)/expenses transferred to capital:</b>		
Investment management fees	4,210	3,978
Service charges	267	240
Audit fee	10	7

## Notes to the Financial Statements

Other operating expenses	28	27
Custody fees	9	10
Depository fees	39	33
Foreign exchange administration fees	1	(2)
Registrar fees	576	622
Equalisation on conversions	(1)	(327)
	<u>34,627</u>	<u>32,385</u>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	884	3,078
Sales awaiting settlement	1,293	351
Accrued revenue	2,588	2,942
Broker fee rebates receivable	-	7
Overseas tax recoverable	128	382
UK income tax recoverable	7	-
Total debtors	<u>4,900</u>	<u>6,760</u>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	7,997	17,248
Cash and bank balances	3,039	3,676
Total cash and bank balances	<u>11,036</u>	<u>20,924</u>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	301	265
Purchases awaiting settlement	518	2,439
Accrued expenses	356	428
UK corporation tax payable	734	805
Total other creditors	<u>1,909</u>	<u>3,937</u>

### 12 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Euro	3,773	-	74	3,847
Swiss Franc	3,491	-	-	3,491
UK Pound	407,422	11,024	(7,980)	410,466
US Dollar	5,645	12	190	5,847
Total	420,331	11,036	(7,716)	423,651
28/02/17	£'000	£'000	£'000	£'000
Euro	11,145	58	77	11,280
Swiss Franc	5,127	25	265	5,417
UK Pound	484,804	20,817	(12,324)	493,297
US Dollar	17,795	24	-	17,819
Total	518,871	20,924	(11,982)	527,813



## Notes to the Financial Statements

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.03% rise or fall in the fund's market value (2017: 0.06%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Options

The fund writes call options on selected underlying equity positions, receiving a premium, but obligating it to sell the physical stock at a fixed price. A 10% change in the price of the underlying equities would lead to a change representing 0.78% (2017: 1.51%) of the fund's market value.

#### Equity derivatives

The fund invests into contracts for difference to gain exposure to the equity markets. A 10% change in the price of the contracts for difference would result in a 0.18% (2017: 0.18%) change in the fund's market value.

## 13 Portfolio transaction costs

28/02/18

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	134,128	95	0.07	490	0.37
Mutual Fund	543	-	-	-	-
Corporate actions	1,684	-	-	-	-
Derivative	-	35	-	-	-
Total	136,355	130		490	
Total including transaction costs	136,975				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	204,915	124	0.06	1	-
Mutual Fund	1,208	1	0.07	-	-
Corporate actions	1,282	-	-	-	-
Derivative	-	320	-	-	-
Total	207,405	445		1	
Total including transaction costs	206,959				
Total as a percentage of average net assets*		0.11 %		0.09 %	

28/02/17

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	143,773	77	0.05	509	0.35
Mutual Fund	1,150	-	0.01	-	0.04
Corporate actions	2,358	-	-	-	-
Derivative	-	9	-	-	-
Total	147,281	86		509	
Total including transaction costs	147,876				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	64,702	22	0.03	-	-
Mutual Fund	26	-	0.10	-	-
Corporate actions	1,044	-	-	-	-
Derivative	-	277	-	-	-
Total	65,772	299		-	
Total including transaction costs	65,473				
Total as a percentage of average net assets		0.08 %		0.11 %	

## Notes to the Financial Statements

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.45% (2017: 0.21%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	413,425	(1,745)	523,155	(4,352)
Level 2: Observable market data	9,895	(1,244)	290	(222)
Level 3: Unobservable data	-	-	-	-
	<u>423,320</u>	<u>(2,989)</u>	<u>523,445</u>	<u>(4,574)</u>

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	3,940,805	134,551	(1,370,863)	(92,029)	2,612,464
A Income Shares	14,927,235	4,746,224	(4,300,044)	(1,377,029)	13,996,386
W Accumulation Shares	44,697,130	6,176,756	(7,633,826)	238,927	43,478,987
W Income Shares	359,088,295	54,154,402	(119,560,572)	2,227,918	295,910,043
Y Accumulation Shares	2,097,173	215,724	(375,141)	(102,121)	1,835,635
Y Income Shares	7,612,011	766,904	(1,571,459)	(704,088)	6,103,368
W Income (monthly) Shares	47,491,440	36,936,685	(22,954,260)	-	61,473,865

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £314,000 (2017: £390,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

#### 28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
Goldman Sachs	-	(206)	-	-	-	(206)
UBS	-	-	-	(2,062)	-	(2,062)
Total	<u>-</u>	<u>(206)</u>	<u>-</u>	<u>(2,062)</u>	<u>-</u>	<u>(2,268)</u>

#### 28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
UBS	-	28	-	(4,414)	17,247	12,861
Total	<u>-</u>	<u>28</u>	<u>-</u>	<u>(4,414)</u>	<u>17,247</u>	<u>12,861</u>

### 18 Shareholders' funds

The fund has seven share classes; A Accumulation Shares, A Income Shares, W Accumulation Shares, W Income Shares, Y Accumulation Shares, Y Income Shares and W Income (monthly) Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

A Income Shares : 1.50%

W Accumulation Shares : 0.75%

W Income Shares : 0.75%

Y Accumulation Shares : 1.00%

Y Income Shares : 1.00%

W Income (monthly) Shares : 0.75%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

## Notes to the Financial Statements

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	195.15	207.09	6.12
A Income Shares	104.09	110.40	6.06
W Accumulation Shares	137.55	146.19	6.28
W Income Shares	94.49	100.40	6.25
Y Accumulation Shares	145.27	154.30	6.22
Y Income Shares	94.59	100.40	6.14
W Income (monthly) Shares	91.32	95.98	5.10

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 27 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	13.4766	-	13.4766	13.5611
Group 2	7.7461	5.7305	13.4766	13.5611

### A Income Shares - final distribution No. 37 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	3.4895	-	3.4895	4.1540
Group 2	0.9752	2.5143	3.4895	4.1540

### A Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 34 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 35 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 36 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 34 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 35 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 36 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 34	1.4162	-	1.4162	1.3645
Distribution No. 35	1.4194	-	1.4194	1.3601
Distribution No. 36	1.4268	-	1.4268	1.3684
Group 2				
Distribution No. 34	-	1.4162	1.4162	1.3645
Distribution No. 35	-	1.4194	1.4194	1.3601
Distribution No. 36	-	1.4268	1.4268	1.3684

### W Accumulation Shares - final distribution No. 13 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	9.2458	-	9.2458	9.2619
Group 2	3.9921	5.2537	9.2458	9.2619

### W Income Shares - final distribution No. 22 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	3.0693	-	3.0693	3.5985
Group 2	0.7883	2.2810	3.0693	3.5985

## Distribution Statement

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 19 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 20 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 21 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 19 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 20 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 21 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 19	1.2600	-	1.2600	1.2000
Distribution No. 20	1.2600	-	1.2600	1.2000
Distribution No. 21	1.2600	-	1.2600	1.2000
Group 2				
Distribution No. 19	0.6235	0.6365	1.2600	1.2000
Distribution No. 20	-	1.2600	1.2600	1.2000
Distribution No. 21	-	1.2600	1.2600	1.2000

### Y Accumulation Shares - final distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	9.8838	-	9.8838	9.8733
Group 2	4.7708	5.1130	9.8838	9.8733

### Y Income Shares - final distribution No. 25 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	3.1021	-	3.1021	3.6428
Group 2	0.8947	2.2074	3.1021	3.6428

### Y Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 22 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 23 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 24 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 22 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 23 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 24 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 22	1.2691	-	1.2691	1.2130
Distribution No. 23	1.2699	-	1.2699	1.2120
Distribution No. 24	1.2726	-	1.2726	1.2145
Group 2				
Distribution No. 22	0.0384	1.2307	1.2691	1.2130
Distribution No. 23	-	1.2699	1.2699	1.2120
Distribution No. 24	-	1.2726	1.2726	1.2145

## Distribution Statement

### W Income (monthly) Shares - final distribution No. 24 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	1.0442	-	1.0442	1.6076
Group 2	0.4761	0.5681	1.0442	1.6076

### W Income (monthly) Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 13	0.5000	-	0.5000	0.1720
Distribution No. 14	0.5000	-	0.5000	0.4800
Distribution No. 15	0.5000	-	0.5000	0.4800
Distribution No. 16	0.5000	-	0.5000	0.4800
Distribution No. 17	0.5000	-	0.5000	0.4800
Distribution No. 18	0.5000	-	0.5000	0.4800
Distribution No. 19	0.5000	-	0.5000	0.4800
Distribution No. 20	0.5000	-	0.5000	0.4800
Distribution No. 21	0.5000	-	0.5000	0.4800
Distribution No. 22	0.5000	-	0.5000	0.4800
Distribution No. 23	0.5000	-	0.5000	0.4800
Group 2				
Distribution No. 13	0.3180	0.1820	0.5000	0.1720
Distribution No. 14	0.2627	0.2373	0.5000	0.4800
Distribution No. 15	-	0.5000	0.5000	0.4800
Distribution No. 16	-	0.5000	0.5000	0.4800
Distribution No. 17	-	0.5000	0.5000	0.4800
Distribution No. 18	-	0.5000	0.5000	0.4800
Distribution No. 19	-	0.5000	0.5000	0.4800
Distribution No. 20	-	0.5000	0.5000	0.4800
Distribution No. 21	-	0.5000	0.5000	0.4800
Distribution No. 22	-	0.5000	0.5000	0.4800
Distribution No. 23	-	0.5000	0.5000	0.4800

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of continental European companies. The portfolio is likely to have a bias towards mediumsized and smaller companies. However, the ACD is not restricted in the choice of company either by size or industry, or in terms of the geographical split of the portfolio, which is largely determined by the availability of attractive investment opportunities rather than the outlook for each market.

Performance and Portfolio Activity

The fund generated positive returns over the period, driven by the strong performance of key holdings. Among financials, 3i Group added value due to the strong growth potential of its largest portfolio company Action, a Benelux-based discount retailer. The position in leading Italy-based retail and commercial bank Intesa Sanpaolo also performed well. Among key transactions, I sold the holding in Unibail-Rodamco given the pressure on physical retail and its high relative valuation as compared to international peers. The position in SES was also sold as its core satellite business has slowed down due to pricing pressures. Meanwhile, I bought a new holding in Atlantia and raised the exposure to Edenred and ASML on strong growth prospects.

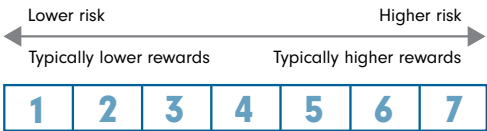
Outlook

European market valuations remain high, though the market is likely to be vulnerable to any earnings disappointments and geopolitical shocks. Against this backdrop, I continue to focus on attractively valued companies that can grow dividends consistently.

Samuel Morse  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
A Income Shares	5
I Income Shares	5
W Accumulation Shares	5
W Income Shares	5
Y Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	A Accumulation Shares			A Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,937.49	1,611.27	1,656.71	167.14	140.94	146.53
Return before operating charges*	332.06	356.83	(17.06)	28.66	31.13	(1.54)
Operating charges	(37.25)	(30.61)	(28.38)	(3.19)	(2.66)	(2.50)
Return after operating charges*	294.81	326.22	(45.44)	25.47	28.47	(4.04)
Distributions	(19.37)	(25.91)	(17.50)	(1.68)	(2.27)	(1.55)
Retained distributions on accumulation shares	19.37	25.91	17.50	-	-	-
Closing net asset value per share	<u>2,232.30</u>	<u>1,937.49</u>	<u>1,611.27</u>	<u>190.93</u>	<u>167.14</u>	<u>140.94</u>
*after direct transaction costs of	0.62	0.42	1.01	0.62	0.42	1.01
<b>Performance</b>						
Return after charges	15.2%	20.3%	(2.7%)	15.2%	20.2%	(2.8%)
<b>Other information</b>						
Closing net asset value (£'000)	800,606	800,249	776,942	515	738	945
Closing number of shares	35,864,600	41,303,352	48,219,063	269,580	441,647	670,685
Operating charges	1.67%	1.70%	1.71%	1.67%	1.70%	1.71%
Direct transaction costs	0.05%	0.04%	0.07%	0.05%	0.04%	0.07%
<b>Prices (pence per share)</b>						
Highest share price	2,329.00	1,987.00	1,773.00	199.40	172.30	156.80
Lowest share price	1,970.00	1,607.00	1,495.00	169.90	140.50	131.30

	W Accumulation Shares			W Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,325.08	1,093.78	1,116.14	1,490.01	1,255.87	1,305.86
Return before operating charges*	227.41	242.97	(11.92)	256.17	278.30	(13.94)
Operating charges	(14.33)	(11.67)	(10.44)	(16.05)	(13.39)	(12.42)
Return after operating charges*	213.08	231.30	(22.36)	240.12	264.91	(26.36)
Distributions	(24.51)	(26.80)	(20.23)	(27.62)	(30.77)	(23.63)
Retained distributions on accumulation shares	24.51	26.80	20.23	-	-	-
Closing net asset value per share	<u>1,538.16</u>	<u>1,325.08</u>	<u>1,093.78</u>	<u>1,702.51</u>	<u>1,490.01</u>	<u>1,255.87</u>
*after direct transaction costs of	0.62	0.42	1.01	0.62	0.42	1.01
<b>Performance</b>						
Return after charges	16.1%	21.2%	(2.0%)	16.1%	21.1%	(2.0%)
<b>Other information</b>						
Closing net asset value (£'000)	1,574,660	1,433,654	1,305,966	28,105	19,989	14,391
Closing number of shares	102,373,045	108,193,380	119,399,269	1,650,773	1,341,542	1,145,916
Operating charges	0.92%	0.95%	0.95%	0.92%	0.95%	0.96%
Direct transaction costs	0.05%	0.04%	0.07%	0.05%	0.04%	0.07%
<b>Prices (pence per share)</b>						
Highest share price	1,603.00	1,358.00	1,196.00	1,787.00	1,543.00	1,399.00
Lowest share price	1,347.00	1,092.00	1,015.00	1,515.00	1,254.00	1,176.00



# Comparative Performance Table

## I Income Shares

## Y Accumulation Shares

	2018	2017 <sup>1</sup>	2018	2017	2016
Change in net assets (pence per share)					
Opening net asset value per share	100.29	100.00	1,754.56	1,451.51	1,484.49
Return before operating charges*	17.23	1.18	300.96	322.02	(15.52)
Operating charges	(0.94)	(0.80)	(23.39)	(18.97)	(17.46)
Return after operating charges*	16.29	0.38	277.57	303.05	(32.98)
Distributions	(2.00)	(0.09)	(27.97)	(31.95)	(23.59)
Retained distributions on accumulation shares	-	-	27.97	31.95	23.59
Closing net asset value per share	114.58	100.29	2,032.13	1,754.56	1,451.51
*after direct transaction costs of	0.62	0.42	0.62	0.42	1.01
<b>Performance</b>					
Return after charges	16.2%	0.4%	15.8%	20.9%	(2.2%)
<b>Other information</b>					
Closing net asset value (£'000)	71,839	72,782	30,746	30,423	39,083
Closing number of shares	62,699,264	72,573,880	1,512,980	1,733,961	2,692,550
Operating charges	0.82%	0.85%	1.17%	1.17%	1.18%
Direct transaction costs	0.05%	0.04%	0.05%	0.04%	0.07%
<b>Prices (pence per share)</b>					
Highest share price	120.30	102.80	2,118.00	1,798.00	1,590.00
Lowest share price	102.00	91.92	1,784.00	1,449.00	1,346.00

1. I Income Share class launched on 10 October 2016.

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		330,204		377,547
Revenue	5	76,413		74,890	
Expenses	6	(30,581)		(27,620)	
Interest payable and similar charges	8	(28)		(18)	
Net revenue/(expense) before taxation		45,804		47,252	
Taxation	7	(9,419)		(2,041)	
Net revenue/(expense) after taxation			36,385		45,211
<b>Total return before distributions</b>			366,589		422,758
Distributions	8		(36,491)		(45,231)
<b>Change in net assets attributable to shareholders from investment activities</b>			330,098		377,527

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			2,357,836		2,137,327
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		39,367		94,249	
Amounts payable on cancellation of shares		(253,291)		(291,512)	
			(213,924)		(197,263)
Change in net assets attributable to shareholders from investment activities (see above)			330,098		377,527
Retained distribution on accumulation shares	8		32,461		40,245
<b>Closing net assets attributable to shareholders</b>			2,506,471		2,357,836

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			2,501,034		2,350,814
<b>Current assets:</b>					
Debtors	9	12,714		14,924	
Cash and bank balances	10	581		1,639	
Total other assets			13,295		16,563
<b>Total assets</b>			2,514,329		2,367,377
<b>Liabilities:</b>					
Creditors					
Distribution payable		(772)		(276)	
Other creditors	11	(7,086)		(9,265)	
Total other liabilities			(7,858)		(9,541)
<b>Total liabilities</b>			(7,858)		(9,541)
<b>Net assets attributable to shareholders</b>			2,506,471		2,357,836

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	329,854	377,734
Gains/(losses) on derivative contracts	357	-
Other currency gains/(losses)	43	(259)
Transaction charges	(49)	(22)
Broker fee rebates	(1)	94
Net capital gains/(losses)	<u>330,204</u>	<u>377,547</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Derivative revenue	82	-
UK dividends	2,280	2,979
Overseas dividends	63,314	59,727
Overseas property income distributions	1,250	1,040
Overseas scrip dividends	9,483	10,703
Taxable interest	4	441
Total revenue	<u>76,413</u>	<u>74,890</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	25,615	23,087
Registrar fees	3,107	2,906
Service charges	1,281	1,137
Foreign exchange administration fees	4	8
	<u>30,007</u>	<u>27,138</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	94	90
Custody fees	284	226
	<u>378</u>	<u>316</u>
Other expenses:		
Audit fee	9	9
Other operating expenses	187	157
	<u>196</u>	<u>166</u>
Total expenses	<u>30,581</u>	<u>27,620</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	9,419	2,041
Total current taxation	<u>9,419</u>	<u>2,041</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>45,804</u>	<u>47,252</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	9,161	9,450
Effects of:		
Overseas taxation	9,419	2,041
Overseas tax expensed	(13)	(8)
Increase/(decrease) in unutilised management expenses	4,997	4,820
Revenue not included for tax purposes	<u>(14,145)</u>	<u>(14,262)</u>
Current tax charge/(credit)	<u>9,419</u>	<u>2,041</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £49,269,000 (2017: £44,272,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	6,948	10,700
<b>A Income Shares</b>		
Final	1	4
Interim	6	7
<b>W Accumulation Shares</b>		
Final	25,090	28,991
<b>W Income Shares</b>		
Final	198	207
Interim	245	198
<b>I Income Shares</b>		
Final	573	65
Interim	780	-
<b>Y Accumulation Shares</b>		
Final	<u>423</u>	<u>554</u>
	<u>34,264</u>	<u>40,726</u>
Add: Revenue deducted on cancellation of shares	2,861	4,570
Deduct: Revenue received on issue of shares	<u>(634)</u>	<u>(65)</u>
Net distributions for the year	<u>36,491</u>	<u>45,231</u>
<b>Interest/other</b>		
Interest	<u>28</u>	<u>18</u>
Total finance costs	<u>36,519</u>	<u>45,249</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	36,385	45,211
<b>Add back (revenue)/expenses transferred to capital:</b>		
Equalisation on conversions	<u>106</u>	<u>20</u>
	<u>36,491</u>	<u>45,231</u>

Details of the distributions per share are set out in the Distribution Statement.

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	43	4
Sales awaiting settlement	-	1,171
Sales of currency awaiting settlement	1,879	3,715
Accrued revenue	2,656	1,036
Broker fee rebates receivable	-	40
Overseas tax recoverable	8,136	8,958
<b>Total debtors</b>	<b>12,714</b>	<b>14,924</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Cash and bank balances	566	1,639
Amounts held at futures clearing houses and brokers	15	-
<b>Total cash and bank balances</b>	<b>581</b>	<b>1,639</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	2,804	3,263
Purchases of currency awaiting settlement	1,882	3,724
Accrued expenses	2,400	2,278
<b>Total other creditors</b>	<b>7,086</b>	<b>9,265</b>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Danish Krone	110,373	-	813	111,186
Euro	1,796,485	565	8,000	1,805,050
Norwegian Krone	103,985	-	98	104,083
Swedish Krona	21,651	-	-	21,651
Swiss Franc	378,728	-	-	378,728
UK Pound	89,812	16	(4,054)	85,774
US Dollar	-	-	(1)	(1)
<b>Total</b>	<b>2,501,034</b>	<b>581</b>	<b>4,856</b>	<b>2,506,471</b>
28/02/17	£'000	£'000	£'000	£'000
Danish Krone	102,696	-	438	103,134
Euro	1,622,732	1,638	3,841	1,628,211
Norwegian Krone	82,986	-	-	82,986
Swedish Krona	35,506	-	-	35,506
Swiss Franc	423,513	-	4,312	427,825
Turkish Lira	-	1	-	1
UK Pound	83,381	-	(3,208)	80,173
<b>Total</b>	<b>2,350,814</b>	<b>1,639</b>	<b>5,383</b>	<b>2,357,836</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

## Notes to the Financial Statements

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.96% rise or fall in the fund's market value (2017: 0.96%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

At the year end the fund holds no equity derivatives (2017: same).

### 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	348,166	349	0.10	489	0.14
Corporate actions	9,508	-	-	-	-
Derivative	-	3	-	-	-
Total	<u>357,674</u>	<u>352</u>		<u>489</u>	
Total including transaction costs	<u>358,515</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	522,343	474	0.09	2	-
Corporate actions	16,815	-	-	-	-
Derivative	-	4	-	-	-
Total	<u>539,158</u>	<u>478</u>		<u>2</u>	
Total including transaction costs	<u>538,678</u>				
Total as a percentage of average net assets*		0.03 %		0.02 %	
28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	285,022	311	0.11	257	0.09
Corporate actions	10,702	-	-	-	-
Total	<u>295,724</u>	<u>311</u>		<u>257</u>	
Total including transaction costs	<u>296,292</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	454,970	447	0.10	1	-
Corporate actions	611	-	-	-	-
Total	<u>455,581</u>	<u>447</u>		<u>1</u>	
Total including transaction costs	<u>455,133</u>				
Total as a percentage of average net assets		0.03 %		0.01 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.06% (2017: 0.07%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	2,498,205	-	2,349,448	-
Level 2: Observable market data	2,829	-	1,366	-
Level 3: Unobservable data	-	-	-	-
	<u>2,501,034</u>	<u>-</u>	<u>2,350,814</u>	<u>-</u>

## Notes to the Financial Statements

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	41,303,352	70,552	(4,040,762)	(1,468,542)	35,864,600
A Income Shares	441,647	51,139	(20,482)	(202,724)	269,580
W Accumulation Shares	108,193,380	143,439	(8,106,505)	2,142,731	102,373,045
W Income Shares	1,341,542	420,079	(151,078)	40,230	1,650,773
I Income Shares	72,573,880	25,527,246	(35,141,374)	(260,488)	62,699,264
Y Accumulation Shares	1,733,961	5,217	(224,150)	(2,048)	1,512,980

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £2,190,000 (2017: £2,162,000) are included within accrued expenses in Note 11.

### 17 Shareholders' funds

The fund has six share classes; A Accumulation Shares, A Income Shares, W Income Shares, Y Accumulation Shares, W Accumulation Shares and I Income Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

A Income Shares : 1.50%

W Accumulation Shares : 0.75%

W Income Shares : 0.75%

I Income Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 18 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	2,232.30	2,297.00	2.90
A Income Shares	190.93	196.40	2.86
W Accumulation Shares	1,538.16	1,585.00	3.05
W Income Shares	1,702.51	1,754.00	3.02
I Income Shares	114.58	118.09	3.06
Y Accumulation Shares	2,032.13	2,093.00	3.00

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 33 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	19.3730	-	19.3730	25.9051
Group 2	-	19.3730	19.3730	25.9051

### A Income Shares - final distribution No. 16 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 15/04/18	Amount distributed 15/04/17
Group 1	0.2744	-	0.2744	0.8372
Group 2	-	0.2744	0.2744	0.8372

### A Income Shares - interim distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 15/10/17	Amount distributed 15/10/16
Group 1	1.4021	-	1.4021	1.4318
Group 2	-	1.4021	1.4021	1.4318

### W Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	24.5081	-	24.5081	26.7957
Group 2	3.3105	21.1976	24.5081	26.7957

### W Income Shares - final distribution No. 11 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 15/04/18	Amount distributed 15/04/17
Group 1	12.0160	-	12.0160	15.4587
Group 2	0.8411	11.1749	12.0160	15.4587

### W Income Shares - interim distribution No. 10 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 15/10/17	Amount distributed 15/10/16
Group 1	15.6044	-	15.6044	15.3151
Group 2	3.1200	12.4844	15.6044	15.3151



## Distribution Statement

### I Income Shares - final distribution No. 3 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 15/04/18	Amount distributed 15/04/17
Group 1	0.9133	-	0.9133	0.0902
Group 2	0.0885	0.8248	0.9133	0.0902

### I Income Shares - interim distribution No. 2 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 15/10/17^
Group 1	1.0864	-	1.0864
Group 2	-	1.0864	1.0864

^ The share class launched on 10 October 2016

### Y Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	27.9703	-	27.9703	31.9477
Group 2	4.0699	23.9004	27.9703	31.9477

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of continental European companies. The portfolio will be made up of a blend of larger, medium and smaller sized companies. The ACD is not restricted in the choice of company either by size or industry, or in terms of the geographical split of the portfolio, which is largely determined by the availability of attractive investment opportunities rather than the outlook for each market.

Performance and Portfolio Activity

The fund generated positive returns during the period, driven by sustained global economic growth and subsiding political tensions in the eurozone. Shares in Yoox Net-a-Porter rallied on the back of a bid by luxury goods company Richemont. Industrials holdings, including Edenred also performed well as the sector remained in favour among investors. However, weak positioning in materials pared relative gains. Among key transactions, I sold shares in Yoox Net-a-Porter and Roche to benefit from their strong share prices. The proceeds were reinvested in jewellery business Pandora, as it has strong growth potential in emerging markets. I also bought Getinge owing to its robust upside potential in the medium term.

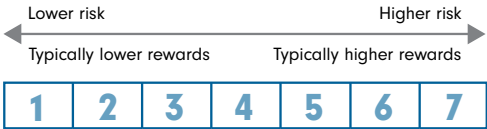
Outlook

The near-term outlook for Europe is encouraging. Notably, economies in both the core and peripheral eurozone are improving. In addition, the synchronised global upswing with above-trend growth seen since the first quarter of 2017 appears set to continue.

Alberto Chiandetti  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
W Accumulation Shares	5
Y Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	450.14	382.57	375.95	415.36	350.39	341.75
Return before operating charges*	69.17	74.75	13.21	63.91	68.69	11.95
Operating charges	(8.58)	(7.18)	(6.59)	(4.47)	(3.72)	(3.31)
Return after operating charges*	60.59	67.57	6.62	59.44	64.97	8.64
Distributions	(0.51)	(1.32)	(2.63)	(3.94)	(4.09)	(5.03)
Retained distributions on accumulation shares	0.51	1.32	2.63	3.94	4.09	5.03
Closing net asset value per share	510.73	450.14	382.57	474.80	415.36	350.39
*after direct transaction costs of	0.64	1.03	0.82	0.64	1.03	0.82
<b>Performance</b>						
Return after charges	13.5%	17.7%	1.8%	14.3%	18.5%	2.5%
<b>Other information</b>						
Closing net asset value (£'000)	108,102	113,358	113,792	322,627	287,456	260,502
Closing number of shares	21,166,384	25,182,979	29,744,060	67,949,634	69,206,022	74,345,881
Operating charges	1.68%	1.72%	1.73%	0.93%	0.97%	0.96%
Direct transaction costs	0.13%	0.26%	0.22%	0.13%	0.26%	0.22%
<b>Prices (pence per share)</b>						
Highest share price	528.40	466.80	405.40	490.90	430.30	368.80
Lowest share price	456.60	370.40	347.50	421.80	340.00	318.20

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	175.59	148.55	145.21
Return before operating charges*	27.01	28.94	5.09
Operating charges	(2.32)	(1.90)	(1.75)
Return after operating charges*	24.69	27.04	3.34
Distributions	(1.23)	(1.36)	(1.81)
Retained distributions on accumulation shares	1.23	1.36	1.81
Closing net asset value per share	200.28	175.59	148.55
*after direct transaction costs of	0.64	1.03	0.82
<b>Performance</b>			
Return after charges	14.1%	18.2%	2.3%
<b>Other information</b>			
Closing net asset value (£'000)	1,186	1,225	4,870
Closing number of shares	592,368	697,371	3,278,528
Operating charges	1.18%	1.19%	1.19%
Direct transaction costs	0.13%	0.26%	0.22%
<b>Prices (pence per share)</b>			
Highest share price	207.10	182.00	156.70
Lowest share price	178.30	143.90	134.90

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		51,200		60,798
Revenue	5	10,872		9,824	
Expenses	6	(5,062)		(4,602)	
Interest payable and similar charges	8	(49)		(33)	
Net revenue/(expense) before taxation		5,761		5,189	
Taxation	7	(915)		(167)	
Net revenue/(expense) after taxation			4,846		5,022
<b>Total return before distributions</b>			56,046		65,820
Distributions	8		(3,021)		(3,565)
<b>Change in net assets attributable to shareholders from investment activities</b>			53,025		62,255

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			402,039		379,164
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		6,166		1,621	
Amounts payable on cancellation of shares		(32,104)		(44,174)	
			(25,938)		(42,553)
Change in net assets attributable to shareholders from investment activities (see above)			53,025		62,255
Retained distribution on accumulation shares	8		2,789		3,173
<b>Closing net assets attributable to shareholders</b>			431,915		402,039

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			434,850		401,397
<b>Current assets:</b>					
Debtors	9	1,593		1,585	
Cash and bank balances		474		200	
Total other assets			2,067		1,785
<b>Total assets</b>			436,917		403,182
<b>Liabilities:</b>					
Creditors					
Other creditors	10	(5,002)		(1,143)	
Total other liabilities			(5,002)		(1,143)
<b>Total liabilities</b>			(5,002)		(1,143)
<b>Net assets attributable to shareholders</b>			431,915		402,039

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	51,449	60,786
Gains/(losses) on derivative contracts	(7)	-
Other currency gains/(losses)	(209)	(55)
Transaction charges	(14)	(28)
Broker fee rebates	(19)	95
Net capital gains/(losses)	<u>51,200</u>	<u>60,798</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
UK dividends	-	358
Overseas dividends	8,983	7,925
Overseas scrip dividends	1,884	1,461
Taxable interest	5	80
Total revenue	<u>10,872</u>	<u>9,824</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	4,168	3,789
Registrar fees	547	509
Service charges	219	196
Foreign exchange administration fees	3	5
	<u>4,937</u>	<u>4,499</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	41	38
Custody fees	44	31
	<u>85</u>	<u>69</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	32	26
	<u>40</u>	<u>34</u>
Total expenses	<u>5,062</u>	<u>4,602</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	915	167
Total current taxation	<u>915</u>	<u>167</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>5,761</u>	<u>5,189</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	<u>1,152</u>	<u>1,038</u>

## Notes to the Financial Statements

Effects of:

Overseas tax expensed	-	(1)
Overseas taxation	915	167
Increase/(decrease) in unutilised management expenses	1,021	864
Revenue not included for tax purposes	(2,173)	(1,901)
	<u>915</u>	<u>167</u>
Current tax charge/(credit)		

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £9,414,000 (2017: £8,393,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	108	332
<b>W Accumulation Shares</b>		
Final	2,674	2,831
<b>Y Accumulation Shares</b>		
Final	7	10
	<u>2,789</u>	<u>3,173</u>
Add: Revenue deducted on cancellation of shares	286	401
Deduct: Revenue received on issue of shares	(54)	(9)
Net distributions for the year	<u>3,021</u>	<u>3,565</u>
<b>Interest/other</b>		
Interest	49	33
	<u>3,070</u>	<u>3,598</u>
Total finance costs		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	4,846	5,022
<b>Add back (revenue)/expenses transferred to capital:</b>		
Overseas scrip dividends	(1,884)	(1,461)
Equalisation on conversions	59	4
	<u>3,021</u>	<u>3,565</u>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	80	-
Sales of currency awaiting settlement	350	343
Accrued revenue	171	284
Broker fee rebates receivable	-	35
Overseas tax recoverable	896	923
Sales awaiting settlement	96	-
	<u>1,593</u>	<u>1,585</u>
Total debtors		

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	433	412
Purchases of currency awaiting settlement	351	344
Accrued expenses	401	387
Purchases awaiting settlement	3,817	-
	<u>5,002</u>	<u>1,143</u>
Total other creditors		

## Notes to the Financial Statements

### 11 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Brazilian Real	-	9	-	9
Danish Krone	24,803	-	247	25,050
Euro	323,715	465	(2,908)	321,272
Norwegian Krone	9,500	-	-	9,500
Swedish Krona	18,412	-	-	18,412
Swiss Franc	47,443	-	-	47,443
UK Pound	4,008	-	(754)	3,254
US Dollar	6,969	-	6	6,975
<b>Total</b>	<b>434,850</b>	<b>474</b>	<b>(3,409)</b>	<b>431,915</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Brazilian Real	-	10	-	10
Canadian Dollar	121	-	-	121
Danish Krone	5,223	-	199	5,422
Euro	302,537	190	412	303,139
Norwegian Krone	17,631	-	-	17,631
Swedish Krona	8,293	-	-	8,293
Swiss Franc	48,728	-	243	48,971
UK Pound	8,372	-	(412)	7,960
US Dollar	10,492	-	-	10,492
<b>Total</b>	<b>401,397</b>	<b>200</b>	<b>442</b>	<b>402,039</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 0.98%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	245,199	181	0.07	193	0.08
Corporate actions	3,410	-	-	-	-
Total	248,609	181		193	
Total including transaction costs	248,983				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	260,148	215	0.08	-	-
Corporate actions	978	-	-	-	-
Total	261,126	215		-	
Total including transaction costs	260,911				

Total as a percentage of average net assets\* 0.09 % 0.04 %

28/02/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	330,776	261	0.08	463	0.14
Corporate actions	1,461	-	-	-	-
Total	332,237	261		463	
Total including transaction costs	332,961				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	376,611	312	0.08	-	-
Corporate actions	268	-	-	-	-
Total	376,879	312		-	
Total including transaction costs	376,567				

Total as a percentage of average net assets 0.15 % 0.12 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.08% (2017: 0.07%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	427,671	-	389,088	-
Level 2: Observable market data	7,179	-	12,188	-
Level 3: Unobservable data*	-	-	121	-
	434,850	-	401,397	-

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.



## Notes to the Financial Statements

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	25,182,979	557,590	(2,150,563)	(2,423,622)	21,166,384
W Accumulation Shares	69,206,022	730,249	(4,605,289)	2,618,652	67,949,634
Y Accumulation Shares	697,371	4,592	(97,360)	(12,235)	592,368

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £360,000 (2017: £358,000) are included within accrued expenses in Note 10.

### 16 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	510.73	522.39	2.28
W Accumulation Shares	474.80	486.39	2.44
Y Accumulation Shares	200.28	205.09	2.40

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 31 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.5118	-	0.5118	1.3193
Group 2	-	0.5118	0.5118	1.3193

### W Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.9360	-	3.9360	4.0912
Group 2	-	3.9360	3.9360	4.0912

### Y Accumulation Shares - final distribution No. 9 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.2307	-	1.2307	1.3625
Group 2	-	1.2307	1.2307	1.3625

## Fund Manager's Review

### Investment Objective and Policy

The fund's investment objective is to achieve a relatively high level of income. The fund will obtain exposure primarily to UK corporate and government bonds and other fixed income and money market securities, preference shares and convertibles. The fund may invest directly in securities or may achieve exposure indirectly through the use of Derivatives. The fund may also invest in money market instruments, collective investment schemes, cash and near cash and deposits. Derivatives may be used for efficient portfolio management and investment purposes and may include (but are not limited to) Derivatives on exchange rates, interest rates, inflation and credit. The fund may also take positions which enable it to benefit from falling asset prices.

### Performance and Portfolio Activity

The fund posted positive returns over the period. An overweight stance in BBB rated bonds and favourable selection in BB rated bonds aided performance. At the sector level, asset-backed securities and financials were the primary contributors to returns. However, cautious positioning in the consumer cyclical and energy sectors partially offset gains. We remained disciplined and took a far more discerning approach to sector and credit selection. We selectively participated in attractively priced sterling issues, including Annington Homes and AT&T. We reduced the exposure to rolling stock names such as Great Rolling Stock and Porterbrook Rail due to caution around new supply, increasing competition and heightened UK political risk.

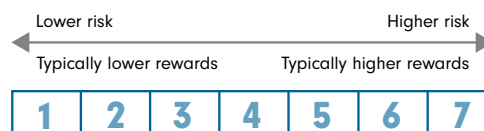
### Outlook

The Bank of England must balance inflation numbers with the still uncertain outcome of the UK's negotiations to exit the European Union. Overall, we think yields will remain low in a historical context, given high debt levels, an ageing population and low nominal growth. With prudent sector and security selection, value is likely to be found in investment grade corporate bonds.

Ian Spreadbury & Sajiv Vaid  
Fund Managers  
28 February 2018

## Risk and Reward Indicator

	SRRI
A Accumulation Shares	3
A Income Shares	3
Y Accumulation Shares	3
Y Income Shares	3



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. While we seek to mitigate this, the fund may be exposed to the risk of financial loss if it invests into an instrument issued by an entity that subsequently defaults on its borrowings. Losses may also be realised if an entity that the fund is exposed to ceases to make interest payments over a period of time or indefinitely. Bond prices have an inverse relationship with interest rates such that when interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.
- The fund may be exposed to the risk of financial loss if a counterparty used for derivative instruments subsequently defaults.

## Comparative Performance Table

	A Income Shares			A Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	27.47	25.41	27.17	178.80	159.88	166.34
Return before operating charges*	1.27	3.37	(0.46)	8.35	22.90	(2.94)
Operating charges	(0.40)	(0.39)	(0.39)	(2.67)	(2.50)	(2.40)
Return after operating charges*	0.87	2.98	(0.85)	5.68	20.40	(5.34)
Distributions	(0.81)	(0.92)	(0.91)	(5.35)	(7.38)	(5.62)
Retained distributions on accumulation shares	-	-	-	5.35	5.90	4.50
Closing net asset value per share	27.53	27.47	25.41	184.48	178.80	159.88
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	3.2%	11.7%	(3.2%)	3.2%	12.8%	(3.2%)
<b>Other information</b>						
Closing net asset value (£'000)	55,329	42,892	74,993	9,216	9,336	9,346
Closing number of shares	200,967,117	156,146,490	295,121,607	4,996,038	5,221,405	5,845,364
Operating charges	1.42%	1.45%	1.45%	1.42%	1.45%	1.45%
Direct transaction costs	0%	0%	0%	0%	0%	0%
<b>Prices (pence per share)</b>						
Highest share price	28.26	28.21	27.50	187.90	179.70	168.50
Lowest share price	27.52	25.63	25.38	179.10	161.20	159.30

	Y Accumulation Shares			Y Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	120.89	107.52	111.25	125.99	116.55	124.63
Return before operating charges*	5.65	15.42	(1.08)	5.86	15.46	(2.15)
Operating charges	(0.97)	(0.90)	(0.85)	(0.99)	(0.96)	(0.94)
Return after operating charges*	4.68	14.51	(1.93)	4.87	14.50	(3.09)
Distributions	(4.47)	(5.75)	(4.52)	(4.59)	(5.06)	(4.99)
Retained distributions on accumulation shares	4.47	4.60	3.62	-	-	-
Closing net asset value per share	125.57	120.89	107.52	126.27	125.99	116.55
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	3.9%	13.5%	(1.7%)	3.9%	12.4%	(2.5%)
<b>Other information</b>						
Closing net asset value (£'000)	113,117	45,257	18,608	450,187	172,304	112,781
Closing number of shares	90,086,543	37,438,248	17,305,869	356,525,968	136,764,830	96,770,566
Operating charges	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Direct transaction costs	0%	0%	0%	0%	0%	0%
<b>Prices (pence per share)</b>						
Highest share price	127.90	121.50	112.80	129.70	129.40	126.20
Lowest share price	121.10	108.40	107.10	126.20	117.50	116.40

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(190)		35,542
Revenue	5	26,282		24,643	
Expenses	6	(4,933)		(4,275)	
Interest payable and similar charges	8	(1,100)		(867)	
Net revenue/(expense) before taxation		20,249		19,501	
Taxation	7	-		-	
Net revenue/(expense) after taxation			20,249		19,501
<b>Total return before distributions</b>			20,059		55,043
Distributions	8		(20,251)		(19,509)
<b>Change in net assets attributable to shareholders from investment activities</b>			(192)		35,534

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			537,309		426,916
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		177,642		121,775	
Amounts payable on cancellation of shares		(91,236)		(49,788)	
			86,406		71,987
Swing price adjustment			32		67
Change in net assets attributable to shareholders from investment activities (see above)			(192)		35,534
Retained distribution on accumulation shares			4,294		2,805
<b>Closing net assets attributable to shareholders</b>			627,849		537,309

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			615,160		527,144
<b>Current assets:</b>					
Debtors	9	10,643		11,603	
Cash and bank balances	10	4,438		4,688	
Total other assets			15,081		16,291
<b>Total assets</b>			630,241		543,435
<b>Liabilities:</b>					
Investment liabilities			(556)		(2,044)
Creditors					
Distribution payable		(1,359)		(1,492)	
Other creditors	11	(477)		(2,590)	
Total other liabilities			(1,836)		(4,082)
<b>Total liabilities</b>			(2,392)		(6,126)
<b>Net assets attributable to shareholders</b>			627,849		537,309

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(8,186)	51,068
Gains/(losses) on derivative contracts	2,235	(950)
Gains/(losses) on forward currency contracts	5,130	(14,725)
Other currency gains/(losses)	637	163
Transaction charges	(6)	(14)
	<u>(190)</u>	<u>35,542</u>
Net capital gains/(losses)		

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	26,134	24,579
Derivative revenue	144	-
Overseas dividends	-	61
Bank interest	4	3
	<u>26,282</u>	<u>24,643</u>
Total revenue		

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	3,918	3,423
Registrar fees	597	513
Service charges	290	245
Foreign exchange administration fees	3	5
	<u>4,808</u>	<u>4,186</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	50	41
Custody fees	23	6
	<u>73</u>	<u>47</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	42	32
	<u>52</u>	<u>42</u>
	<u>4,933</u>	<u>4,275</u>
Total expenses		

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Total current taxation	-	-
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	20,249	19,501
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	4,050	3,900
Effects of:		
Revenue not included for tax purposes	-	(12)
Interest distributions	(4,050)	(3,888)
Current tax charge/(credit)	-	-
Open ended investment companies are exempt from UK tax on capital gains. The fund is an interest distributing fund under Corporation Tax Act 2009 and as interest distributions are deductible when calculating the liability, the corporation tax charge will usually be reduced to nil, except where there are expenses which are not deductible.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Income Shares</b>		
Final	124	94
Interim	1,142	1,408
<b>Gross paying A Income Shares*</b>		
Final	-	39
Interim	427	588
<b>A Accumulation Shares</b>		
Final	267	308
<b>Gross paying A Accumulation Shares**</b>		
Final	-	12
<b>Y Accumulation Shares</b>		
Final	4,027	1,721
<b>Gross paying Y Accumulation Shares***</b>		
Final	-	764
<b>Y Income Shares</b>		
Final	1,235	467
Interim	6,606	6,122
<b>Gross paying Y Income Shares****</b>		
Final	-	624
Interim	7,427	7,985
	21,255	20,132
Add: Revenue deducted on cancellation of shares	253	170
Deduct: Revenue received on issue of shares	(1,257)	(793)
Net distributions for the year	20,251	19,509
<b>Interest/other</b>		
Interest	3	3
Derivative expense	1,097	864
	1,100	867
Total finance costs	21,351	20,376

## Notes to the Financial Statements

### Reconciliation of Net revenue after taxation to Net distribution for the year:

Net revenue after taxation for the year, per the Statement of Total Return	20,249	19,501
Add back (revenue)/expenses transferred to capital:		
Equalisation on conversions	2	8
	<u>20,251</u>	<u>19,509</u>

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to A Income shares on 29 January 2018.

\*\*This share class converted to A Accumulation shares on 29 January 2018.

\*\*\*This share class converted to Y Accumulation shares on 29 January 2018.

\*\*\*\*This share class converted to Y Income shares on 29 January 2018.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	1,420	823
Sales awaiting settlement	-	2,202
Accrued revenue	9,218	8,574
Overseas tax recoverable	4	4
Sales of currency awaiting settlement	1	-
Total debtors	<u>10,643</u>	<u>11,603</u>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,916	2,389
Cash and bank balances	2,522	2,299
Total cash and bank balances	<u>4,438</u>	<u>4,688</u>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	30	298
Purchases awaiting settlement	-	1,902
Accrued expenses	446	390
Purchases of currency awaiting settlement	1	-
Total other creditors	<u>477</u>	<u>2,590</u>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Euro	88,589	89	1,243	89,921
Swiss Franc	-	1	-	1
UK Pound	452,457	4,275	6,513	463,245
US Dollar	73,558	73	1,051	74,682
Total	<u>614,604</u>	<u>4,438</u>	<u>8,807</u>	<u>627,849</u>
28/02/17	£'000	£'000	£'000	£'000
Euro	80,897	84	1,276	82,257
Swedish Krona	-	4	-	4
Swiss Franc	-	1	-	1



## Notes to the Financial Statements

UK Pound	361,743	4,506	3,626	369,875
US Dollar	82,460	93	2,619	85,172
<b>Total</b>	<b>525,100</b>	<b>4,688</b>	<b>7,521</b>	<b>537,309</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets was:

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
28/02/18	£'000	£'000	£'000	£'000
Euro	823	87,072	2,070	89,965
Swiss Franc	1	-	-	1
UK Pound	7,757	443,783	13,572	465,112
US Dollar	73	73,911	1,179	75,163
<b>Total</b>	<b>8,654</b>	<b>604,766</b>	<b>16,821</b>	<b>630,241</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Euro	1,422	79,738	1,502	82,662
Swedish Krona	4	-	-	4
Swiss Franc	1	-	-	1
UK Pound	7,932	356,023	10,713	374,668
US Dollar	92	83,274	2,734	86,100
<b>Total</b>	<b>9,451</b>	<b>519,035</b>	<b>14,949</b>	<b>543,435</b>

The interest rate risk profile of the fund's financial liabilities was:

Currency	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid	Total liabilities
28/02/18	£'000	£'000	£'000	£'000
Euro	-	-	44	44
UK Pound^	-	-	629,716	629,716
US Dollar	-	-	481	481
<b>Total</b>	<b>-</b>	<b>-</b>	<b>630,241</b>	<b>630,241</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Euro	-	-	405	405
UK Pound^	-	-	542,102	542,102
US Dollar	-	-	928	928
<b>Total</b>	<b>-</b>	<b>-</b>	<b>543,435</b>	<b>543,435</b>

^ Includes £627,849,000 in respect of the fund's liability to redeem all shares (2017: £537,309,000).

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.00% rise or fall in the fund's market value (2017: 0.00%).

#### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 5.40% fall or rise in the fund's market value (2017: 5.63%).

#### Credit rating risk

As at the year end 35.18% (2017: 36.01%) of the fund's market value was invested in securities rated as below investment grade, additionally 4.68% (2017: 4.21%) of the fund's market value was invested into securities for which no rating was available at the year end.

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Futures exposure

The fund invests into futures to gain exposure to the bond markets. A 1% change in interest rates would lead to a change representing 1.55% (2017: 1.28%) of the fund's market value.

#### Credit default swaps exposure

At the year end the fund holds no credit default swaps that could impact it significantly (2017: same).

## Notes to the Financial Statements

### 13 Portfolio transaction costs

28/02/18					
	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	224	-	-	-	-
Bond	349,282	-	-	-	-
Derivative	-	4	-	-	-
Total	349,506	4		-	
Total including transaction costs	349,510				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Bond	244,679	-	-	-	-
Corporate actions	9,809	-	-	-	-
Derivative	-	5	-	-	-
Total	254,488	5		-	
Total including transaction costs	254,483				
Total as a percentage of average net assets*		0.00 %		0.00 %	
28/02/17					
	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Bond	245,711	-	-	-	-
Derivative	-	3	-	-	-
Total	245,711	3		-	
Total including transaction costs	245,714				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	1,361	-	-	-	-
Bond	182,925	-	-	-	-
Corporate actions	9,874	-	-	-	-
Derivative	-	3	-	-	-
Total	194,160	3		-	
Total including transaction costs	194,157				
Total as a percentage of average net assets		0.00 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.82% (2017: 0.98%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	26,751	(90)	24,980	(1,035)
Level 2: Observable market data	585,324	(466)	500,542	(1,009)
Level 3: Unobservable data*	3,085	-	1,622	-
	615,160	(556)	527,144	(2,044)

## Notes to the Financial Statements

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Income Shares	156,146,490	9,745,468	(21,848,116)	56,923,275	200,967,117
Gross paying A Income Shares	65,065,508	1,502,519	(6,192,336)	(60,375,691)	-
A Accumulation Shares	5,221,405	670,956	(1,036,700)	140,377	4,996,038
Gross paying A Accumulation Shares	196,745	7,761	(62,427)	(142,079)	-
Y Accumulation Shares	37,438,248	32,106,410	(3,533,164)	24,075,049	90,086,543
Gross paying Y Accumulation Shares	15,736,072	8,877,537	(1,078,279)	(23,535,330)	-
Y Income Shares	136,764,830	72,682,144	(9,962,316)	157,041,310	356,525,968
Gross paying Y Income Shares	182,396,891	22,808,667	(48,945,028)	(156,260,530)	-

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £393,000 (2017: £347,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
BBH	(17)	-	-	-	-	(17)
Citibank	332	-	-	-	-	332
HSBC Global Markets	(12)	-	-	-	-	(12)
JP Morgan	(421)	291	-	-	-	(130)
Morgan Stanley	2	-	-	-	-	2
Total	(116)	291	-	-	-	175

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
BNP Paribas	6	-	-	-	-	6
JP Morgan	-	(936)	-	-	2,389	1,453
Morgan Stanley	-	-	(27)	-	-	(27)
National Australia Bank	(800)	-	-	-	-	(800)
Northern Trust	(172)	-	-	-	-	(172)
Royal Bank of Canada	(35)	-	-	-	-	(35)
Societe Generale	9	-	-	-	-	9
Total	(992)	(936)	(27)	-	2,389	434

## Notes to the Financial Statements

### 18 Shareholders' funds

The fund has four share classes; A Income Shares, A Accumulation Shares, Y Income Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Income Shares : 1.25%

A Accumulation Shares : 1.25%

Y Accumulation Shares : 0.60%

Y Income Shares : 0.60%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Income Shares	27.53	27.46	(0.25)
A Accumulation Shares	184.48	184.90	0.23
Y Accumulation Shares	125.57	126.00	0.34
Y Income Shares	126.27	126.00	(0.21)

## Distribution Statement

for the year ended 28 February 2018

### A Income Shares - final distribution No. 228 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 25/03/18	Amount distributed 25/03/17
Group 1	0.0617	-	0.0617	0.0481
Group 2	0.0289	0.0328	0.0617	0.0481

### A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 217	0.0747	-	0.0747	0.0662
Distribution No. 218	0.0700	-	0.0700	0.0623
Distribution No. 219	0.0724	-	0.0724	0.0642
Distribution No. 220	0.0699	-	0.0699	0.0634
Distribution No. 221	0.0704	-	0.0704	0.0669
Distribution No. 222	0.0699	-	0.0699	0.0645
Distribution No. 223	0.0647	-	0.0647	0.0610
Distribution No. 224	0.0636	-	0.0636	0.0599
Distribution No. 225	0.0624	-	0.0624	0.0595
Distribution No. 226	0.0663	-	0.0663	0.0602
Distribution No. 227	0.0655	-	0.0655	0.0588
Group 2				
Distribution No. 217	0.0346	0.0401	0.0747	0.0662
Distribution No. 218	0.0365	0.0335	0.0700	0.0623
Distribution No. 219	0.0431	0.0293	0.0724	0.0642
Distribution No. 220	0.0324	0.0375	0.0699	0.0634
Distribution No. 221	0.0337	0.0367	0.0704	0.0669
Distribution No. 222	0.0400	0.0299	0.0699	0.0645
Distribution No. 223	0.0358	0.0289	0.0647	0.0610
Distribution No. 224	0.0169	0.0467	0.0636	0.0599
Distribution No. 225	0.0335	0.0289	0.0624	0.0595
Distribution No. 226	0.0407	0.0256	0.0663	0.0602
Distribution No. 227	0.0286	0.0369	0.0655	0.0588

### Gross paying A Income Shares - final distribution No. 182 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 25/03/18^	Amount distributed 25/03/17
Group 1	-	-	-	0.0602
Group 2	-	-	-	0.0602

^This share class converted to A Income shares on 29 January 2018.

## Distribution Statement

### Gross paying A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 172	0.0747	-	0.0747	0.0834
Distribution No. 173	0.0726	-	0.0726	0.0779
Distribution No. 174	0.0725	-	0.0725	0.0803
Distribution No. 175	0.0699	-	0.0699	0.0792
Distribution No. 176	0.0705	-	0.0705	0.0838
Distribution No. 177	0.0698	-	0.0698	0.0814
Distribution No. 178	0.0648	-	0.0648	0.0755
Distribution No. 179	0.0636	-	0.0636	0.0749
Distribution No. 180	0.0624	-	0.0624	0.0744
Distribution No. 181	-	-	0.0663	0.0753
Group 2				
Distribution No. 172	0.0373	0.0374	0.0747	0.0834
Distribution No. 173	0.0342	0.0384	0.0726	0.0779
Distribution No. 174	0.0433	0.0292	0.0725	0.0803
Distribution No. 175	0.0354	0.0344	0.0699	0.0792
Distribution No. 176	0.0360	0.0345	0.0705	0.0838
Distribution No. 177	0.0231	0.0467	0.0698	0.0814
Distribution No. 178	0.0429	0.0219	0.0648	0.0755
Distribution No. 179	0.0307	0.0329	0.0636	0.0749
Distribution No. 180	0.0303	0.0321	0.0624	0.0744
Distribution No. 181	0.0408	0.0255	0.0663	0.0753

### A Accumulation Shares - final distribution No. 10 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	5.3492	-	5.3492	5.9042
Group 2	2.5093	2.8399	5.3492	5.9042

### Gross paying A Accumulation Shares - final distribution No. 10 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	6.2891
Group 2	-	-	-	6.2891

^This share class converted to A Accumulation shares on 29 January 2018.

## Distribution Statement

### Y Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	4.4702	-	4.4702	4.5960
Group 2	1.6612	2.8090	4.4702	4.5960

### Gross paying Y Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	4.8581
Group 2	-	-	-	4.8581

^This share class converted to Y Accumulation shares on 29 January 2018.

### Y Income Shares - final distribution No. 101 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 25/03/18	Amount distributed 25/03/17
Group 1	0.3465	-	0.3465	0.2734
Group 2	0.1270	0.2195	0.3465	0.2734

### Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 90	0.4158	-	0.4158	0.3619
Distribution No. 91	0.3882	-	0.3882	0.3398
Distribution No. 92	0.4064	-	0.4064	0.3505
Distribution No. 93	0.3928	-	0.3928	0.3450
Distribution No. 94	0.3974	-	0.3974	0.3648
Distribution No. 95	0.3951	-	0.3951	0.3550
Distribution No. 96	0.3685	-	0.3685	0.3370
Distribution No. 97	0.3663	-	0.3663	0.3330
Distribution No. 98	0.3582	-	0.3582	0.3282
Distribution No. 99	0.3785	-	0.3785	0.3334
Distribution No. 100	0.3722	-	0.3722	0.3275

## Distribution Statement

Group 2				
Distribution No. 90	0.1783	0.2375	0.4158	0.3619
Distribution No. 91	0.1898	0.1984	0.3882	0.3398
Distribution No. 92	0.1774	0.2290	0.4064	0.3505
Distribution No. 93	0.1551	0.2377	0.3928	0.3450
Distribution No. 94	0.1672	0.2302	0.3974	0.3648
Distribution No. 95	0.2094	0.1857	0.3951	0.3550
Distribution No. 96	0.1960	0.1725	0.3685	0.3370
Distribution No. 97	0.1062	0.2601	0.3663	0.3330
Distribution No. 98	0.1770	0.1812	0.3582	0.3282
Distribution No. 99	0.2058	0.1727	0.3785	0.3334
Distribution No. 100	0.0902	0.2820	0.3722	0.3275

### Gross paying Y Income Shares - final distribution No. 100 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 25/03/18^	Amount distributed 25/03/17
Group 1	-	-	-	0.3419
Group 2	-	-	-	0.3419

^This share class converted to Y Income shares on 29 January 2018.

### Gross paying Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 90	0.4158	-	0.4158	0.4522
Distribution No. 91	0.3882	-	0.3882	0.4252
Distribution No. 92	0.4065	-	0.4065	0.4382
Distribution No. 93	0.3928	-	0.3928	0.4315
Distribution No. 94	0.3974	-	0.3974	0.4561
Distribution No. 95	0.3951	-	0.3951	0.4439
Distribution No. 96	0.3692	-	0.3692	0.4214
Distribution No. 97	0.3661	-	0.3661	0.4164
Distribution No. 98	0.3582	-	0.3582	0.4105
Distribution No. 99	0.3785	-	0.3785	0.4171
Group 2				
Distribution No. 90	0.1716	0.2442	0.4158	0.4522
Distribution No. 91	0.2335	0.1547	0.3882	0.4252
Distribution No. 92	0.2171	0.1894	0.4065	0.4382
Distribution No. 93	0.1679	0.2249	0.3928	0.4315
Distribution No. 94	0.1904	0.2070	0.3974	0.4561
Distribution No. 95	0.2568	0.1383	0.3951	0.4439
Distribution No. 96	0.1875	0.2076	0.3692	0.4214
Distribution No. 97	0.2683	0.0978	0.3661	0.4164
Distribution No. 98	0.2063	0.1519	0.3582	0.4105
Distribution No. 99	0.1748	0.2037	0.3785	0.4171



Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve income and long-term capital growth from a portfolio consisting primarily of the shares of companies from around the world. The ACD will choose investments which it believes offer attractive dividend yields in addition to price appreciation. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

Performance and Portfolio Activity

The fund recorded negative returns over the period. Receding political risk, and strong economic and corporate data drove investors into sectors that were most likely to benefit from stronger GDP growth. The position in exchange operator Deutsche Boerse, a beneficiary of rising interest rates, added value. Holdings in semiconductor companies Maxim Integrated and Taiwan Semiconductor were supported by positive results given a favourable environment for the sector. I bought new positions in Assa Abloy, the global leader in “door opening solutions” and China Mobile, the largest telecommunications company in China with a market share that provides significant economies of scale. I sold holdings in Interpublic Group and Spark New Zealand.

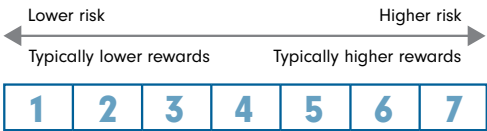
Outlook

The equity debate centres on how much good news has already been factored into share prices. In my view, the answer is ‘a lot’ for cyclicals, while quality stocks have been left behind as investors chase the cycle. My stance is therefore positive but cautious.

Daniel James Roberts  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
A Income Shares	5
W Accumulation Shares	5
W Income (monthly) Shares	5
W Income Shares	5
Y Accumulation Shares	5
Y Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

### Comparative Performance Table

	A Accumulation Shares			A Income Shares		
Change in net assets (pence per share)*	2018	2017	2016	2018	2017	2016
Opening net asset value per share	206.81	168.92	156.81	175.34	147.84	141.64
Return before operating charges*	1.44	41.13	14.84	1.35	35.46	13.14
Operating charges	(3.57)	(3.24)	(2.72)	(2.94)	(2.77)	(2.44)
Return after operating charges*	(2.13)	37.89	12.12	(1.59)	32.69	10.70
Distributions	(6.00)	(5.92)	(4.97)	(5.32)	(5.19)	(4.50)
Retained distributions on accumulation shares	6.00	5.92	4.97	-	-	-
Closing net asset value per share	204.68	206.81	168.92	168.43	175.34	147.84
*after direct transaction costs of	0.15	0.20	0.21	0.15	0.20	0.21
<b>Performance</b>						
Return after charges	(1.0%)	22.4%	7.7%	(0.9%)	22.1%	7.6%
<b>Other information</b>						
Closing net asset value (£'000)	15,839	20,883	8,756	1,674	1,767	11,541
Closing number of shares	7,738,165	10,097,827	5,183,600	994,060	1,007,930	7,806,205
Operating charges	1.67%	1.71%	1.73%	1.63%	1.72%	1.73%
Direct transaction costs	0.08%	0.12%	0.15%	0.08%	0.12%	0.15%
<b>Prices (pence per share)</b>						
Highest share price	219.00	207.10	170.00	184.60	177.60	151.00
Lowest share price	197.30	165.90	146.10	164.30	145.20	130.50

	W Accumulation Shares			W Income Shares		
Change in net assets (pence per share)*	2018	2017	2016	2018	2017	2016
Opening net asset value per share	195.00	158.10	145.67	170.68	142.78	135.76
Return before operating charges*	1.33	38.62	13.88	1.28	34.46	12.67
Operating charges	(1.89)	(1.72)	(1.45)	(1.64)	(1.53)	(1.34)
Return after operating charges*	(0.56)	36.90	12.43	(0.36)	32.93	11.33
Distributions	(5.67)	(5.56)	(4.61)	(5.19)	(5.03)	(4.32)
Retained distributions on accumulation shares	5.67	5.56	4.61	-	-	-
Closing net asset value per share	194.44	195.00	158.10	165.13	170.68	142.78
*after direct transaction costs of	0.15	0.20	0.21	0.15	0.20	0.21
<b>Performance</b>						
Return after charges	(0.3%)	23.3%	8.5%	(0.2%)	23.1%	8.4%
<b>Other information</b>						
Closing net asset value (£'000)	346,783	344,431	135,011	425,342	393,341	176,763
Closing number of shares	178,349,299	176,634,560	85,397,852	257,572,619	230,459,185	123,803,884
Operating charges	0.93%	0.97%	0.99%	0.92%	0.97%	0.99%
Direct transaction costs	0.08%	0.12%	0.15%	0.08%	0.12%	0.15%
<b>Prices (pence per share)</b>						
Highest share price	207.00	195.30	159.10	180.10	172.90	145.20
Lowest share price	187.30	155.60	136.20	161.00	140.50	125.60

## Comparative Performance Table

	Y Accumulation Shares			Y Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)*						
Opening net asset value per share	212.45	172.62	159.40	180.25	151.12	144.03
Return before operating charges*	1.46	42.12	15.16	1.37	36.44	13.41
Operating charges	(2.54)	(2.29)	(1.94)	(2.14)	(1.99)	(1.73)
Return after operating charges*	(1.08)	39.83	13.22	(0.77)	34.45	11.68
Distributions	(6.23)	(6.07)	(5.05)	(5.48)	(5.32)	(4.58)
Retained distributions on accumulation shares	6.23	6.07	5.05	-	-	-
Closing net asset value per share	211.37	212.45	172.62	174.00	180.25	151.12
*after direct transaction costs of	0.15	0.20	0.21	0.15	0.20	0.21
<b>Performance</b>						
Return after charges	(0.5%)	23.1%	8.3%	(0.4%)	22.8%	8.1%
<b>Other information</b>						
Closing net asset value (£'000)	8,011	8,707	4,455	1,258	1,950	1,082
Closing number of shares	3,790,115	4,098,264	2,580,729	723,234	1,082,006	715,814
Operating charges	1.18%	1.19%	1.21%	1.17%	1.19%	1.21%
Direct transaction costs	0.08%	0.12%	0.15%	0.08%	0.12%	0.15%
<b>Prices (pence per share)</b>						
Highest share price	225.30	212.80	173.70	190.10	182.60	153.70
Lowest share price	203.70	169.80	148.90	169.60	148.60	133.10

	W Income (monthly) Shares	
	2018	2017 <sup>1</sup>
Change in net assets (pence per share)*		
Opening net asset value per share	119.58	100.00
Return before operating charges*	0.88	24.02
Operating charges	(1.14)	(1.11)
Return after operating charges*	(0.26)	22.91
Distributions	(3.63)	(3.33)
Retained distributions on accumulation shares	-	-
Closing net asset value per share	115.69	119.58
*after direct transaction costs of	0.15	0.20
<b>Performance</b>		
Return after charges	(0.2%)	22.9%
<b>Other information</b>		
Closing net asset value (£'000)	48,211	31,086
Closing number of shares	41,671,094	25,996,688
Operating charges	0.93%	0.96%
Direct transaction costs	0.08%	0.12%
<b>Prices (pence per share)</b>		
Highest share price	126.20	120.70
Lowest share price	112.00	97.92

1. W Income (monthly) Shares class launched on 14 March 2016.

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(19,626)		108,316
Revenue	5	28,756		18,953	
Expenses	6	(8,375)		(5,884)	
Interest payable and similar charges	8	(2)		(1)	
Net revenue/(expense) before taxation		20,379		13,068	
Taxation	7	(3,009)		(1,522)	
Net revenue/(expense) after taxation			17,370		11,546
<b>Total return before distributions</b>			(2,256)		119,862
Distributions	8		(25,188)		(17,359)
<b>Change in net assets attributable to shareholders from investment activities</b>			(27,444)		102,503

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			802,165		337,608
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		161,960		378,071	
Amounts payable on cancellation of shares		(100,396)		(26,686)	
			61,564		351,385
Swing price adjustment			13		-
Change in net assets attributable to shareholders from investment activities (see above)			(27,444)		102,503
Retained distribution on accumulation shares	8		10,820		10,669
<b>Closing net assets attributable to shareholders</b>			847,118		802,165

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			848,957		803,207
<b>Current assets:</b>					
Debtors	9	5,643		10,617	
Cash and bank balances		47		163	
Total other assets			5,690		10,780
<b>Total assets</b>			854,647		813,987
<b>Liabilities:</b>					
Creditors					
Distribution payable		(5,410)		(4,791)	
Other creditors	10	(2,119)		(7,031)	
Total other liabilities			(7,529)		(11,822)
<b>Total liabilities</b>			(7,529)		(11,822)
<b>Net assets attributable to shareholders</b>			847,118		802,165

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(19,060)	106,848
Other currency gains/(losses)	(543)	1,469
Transaction charges	(17)	(36)
Broker fee rebates	(6)	35
Net capital gains/(losses)	<u>(19,626)</u>	<u>108,316</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	435	240
UK dividends	4,164	2,799
UK property income distributions	207	-
Overseas dividends	21,685	14,762
Overseas property income distributions	2	200
Overseas scrip dividends	2,260	951
Bank interest	3	1
Total revenue	<u>28,756</u>	<u>18,953</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	6,670	4,663
Registrar fees	1,082	766
Service charges	433	295
Foreign exchange administration fees	(2)	17
	<u>8,183</u>	<u>5,741</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	62	55
Custody fees	67	37
	<u>129</u>	<u>92</u>
Other expenses:		
Audit fee	12	13
Other operating expenses	51	38
	<u>63</u>	<u>51</u>
Total expenses	<u>8,375</u>	<u>5,884</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	3,009	1,522
Total current taxation	<u>3,009</u>	<u>1,522</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>20,379</u>	<u>13,068</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	4,076	2,614
Effects of:		
Overseas taxation	3,009	1,522
Overseas tax expensed	(1)	(5)
Increase/(decrease) in unutilised management expenses	1,488	1,068
Revenue not included for tax purposes	<u>(5,563)</u>	<u>(3,677)</u>
Current tax charge/(credit)	<u>3,009</u>	<u>1,522</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £3,480,000 (2017: £1,992,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	464	598
<b>A Income Shares</b>		
Final	20	20
Interim	35	277
<b>W Accumulation Shares</b>		
Final	10,120	9,822
<b>W Income Shares</b>		
Final	5,027	4,454
Interim	8,419	5,785
<b>Y Accumulation Shares</b>		
Final	236	249
<b>Y Income Shares</b>		
Final	15	22
Interim	34	34
<b>W Income (monthly) Shares</b>		
Final	240	239
Interim	<u>996</u>	<u>180</u>
	<u>25,606</u>	<u>21,680</u>
Add: Revenue deducted on cancellation of shares	1,195	516
Deduct: Revenue received on issue of shares	<u>(1,613)</u>	<u>(4,837)</u>
Net distributions for the year	<u>25,188</u>	<u>17,359</u>
<b>Interest/other</b>		
Interest	2	1
Total finance costs	<u>25,190</u>	<u>17,360</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	17,370	11,546
<b>Add back (revenue)/expenses transferred to capital:</b>		
Investment management fees	6,670	4,663
Service charges	433	295
Audit fee	7	7

## Notes to the Financial Statements

Other operating expenses	29	21
Custody fees	37	20
Depository fees	36	29
Foreign exchange administration fees	(1)	9
Registrar fees	607	766
Equalisation on conversions	-	3
	<b>25,188</b>	<b>17,359</b>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	1,569	3,251
Sales awaiting settlement	-	954
Sales of currency awaiting settlement	1,141	3,303
Accrued revenue	2,324	2,744
Broker fee rebates receivable	-	11
Overseas tax recoverable	568	354
UK income tax recoverable	41	-
Total debtors	<b>5,643</b>	<b>10,617</b>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	320	65
Purchases awaiting settlement	-	3,022
Purchases of currency awaiting settlement	1,132	3,296
Accrued expenses	667	648
Total other creditors	<b>2,119</b>	<b>7,031</b>

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
	£'000	£'000	£'000	£'000
<b>28/02/18</b>				
Australian Dollar	12,039	-	293	12,332
Danish Krone	-	-	5	5
Euro	255,968	-	899	256,867
Hong Kong Dollar	9,344	-	-	9,344
Japanese Yen	58,557	-	438	58,995
Norwegian Krone	-	-	31	31
Swedish Krona	8,663	-	-	8,663
Swiss Franc	63,805	-	-	63,805
Taiwan Dollar	35,578	22	-	35,600
UK Pound	109,396	-	(5,227)	104,170
US Dollar	295,607	25	1,677	297,306
<b>Total</b>	<b>848,957</b>	<b>47</b>	<b>(1,886)</b>	<b>847,118</b>
<b>28/02/17</b>				
Australian Dollar	27,349	-	430	27,779
Danish Krone	-	-	5	5
Euro	204,218	-	361	204,579
Japanese Yen	67,728	-	509	68,237
New Zealand Dollar	6,655	-	-	6,655
Norwegian Krone	-	-	33	33

## Notes to the Financial Statements

South African Rand	3,564	-	-	3,564
Swiss Franc	45,174	-	199	45,373
Taiwan Dollar	20,400	11	1	20,412
UK Pound	96,324	-	(3,077)	93,247
US Dollar	331,795	152	334	332,281
<b>Total</b>	<b>803,207</b>	<b>163</b>	<b>(1,205)</b>	<b>802,165</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.87% rise or fall in the fund's market value (2017: 0.88%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

At the year end the fund holds no equity derivatives (2017: same).

## 12 Portfolio transaction costs

### 28/02/18

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	332,543	180	0.05	385	0.12
Corporate actions	2,260	-	-	-	-
<b>Total</b>	<b>334,803</b>	<b>180</b>		<b>385</b>	
<b>Total including transaction costs</b>	<b>335,368</b>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	274,799	126	0.05	6	-
Corporate actions	922	-	-	-	-
<b>Total</b>	<b>275,721</b>	<b>126</b>		<b>6</b>	
<b>Total including transaction costs</b>	<b>275,589</b>				
Total as a percentage of average net assets*		0.04 %		0.05 %	

### 28/02/17

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	489,705	284	0.06	343	0.07
Corporate actions	951	-	-	-	-
<b>Total</b>	<b>490,656</b>	<b>284</b>		<b>343</b>	
<b>Total including transaction costs</b>	<b>491,283</b>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	146,826	70	0.05	2	-
Corporate actions	675	-	-	-	-
<b>Total</b>	<b>147,501</b>	<b>70</b>		<b>2</b>	
<b>Total including transaction costs</b>	<b>147,429</b>				
Total as a percentage of average net assets		0.06 %		0.06 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.04% (2017: 0.05%).



## Notes to the Financial Statements

### 13 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	814,404	-	770,513	-
Level 2: Observable market data	34,553	-	32,694	-
Level 3: Unobservable data	-	-	-	-
	<u>848,957</u>	<u>-</u>	<u>803,207</u>	<u>-</u>

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	10,097,827	1,082,643	(3,408,101)	(34,204)	7,738,165
A Income Shares	1,007,930	298,109	(265,616)	(46,363)	994,060
W Accumulation Shares	176,634,560	26,464,376	(24,861,841)	112,204	178,349,299
W Income Shares	230,459,185	49,941,619	(22,977,393)	149,208	257,572,619
Y Accumulation Shares	4,098,264	715,043	(953,383)	(69,809)	3,790,115
Y Income Shares	1,082,006	84,373	(346,730)	(96,415)	723,234
W Income (monthly) Shares	25,996,688	16,858,888	(1,184,482)	-	41,671,094

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £593,000 (2017: £576,000) are included within accrued expenses in Note 10.

### 16 Shareholders' funds

The fund has seven share classes; A Accumulation Shares, A Income Shares, W Accumulation Shares, W Income Shares, Y Accumulation Shares, Y Income Shares and W Income (monthly) Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

A Income Shares : 1.50%

W Accumulation Shares : 0.75%

W Income Shares : 0.75%

Y Accumulation Shares : 1.00%

Y Income Shares : 1.00%

W Income (monthly) Shares : 0.75%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	204.68	210.00	2.60
A Income Shares	168.43	172.80	2.59
W Accumulation Shares	194.44	199.80	2.76
W Income Shares	165.13	169.69	2.76
Y Accumulation Shares	211.37	217.09	2.71
Y Income Shares	174.00	178.69	2.70
W Income (monthly) Shares	115.69	118.30	2.26

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 7 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	6.0012	-	6.0012	5.9195
Group 2	2.7238	3.2774	6.0012	5.9195

### A Income Shares - final distribution No. 25 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	1.9940	-	1.9940	1.9903
Group 2	0.5111	1.4829	1.9940	1.9903

### A Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 22 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 23 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 24 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 22 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 23 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 24 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 22	1.0840	-	1.0840	1.0340
Distribution No. 23	1.1198	-	1.1198	1.0840
Distribution No. 24	1.1198	-	1.1198	1.0840
Group 2				
Distribution No. 22	-	1.0840	1.0840	1.0340
Distribution No. 23	-	1.1198	1.1198	1.0840
Distribution No. 24	-	1.1198	1.1198	1.0840

### W Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	5.6743	-	5.6743	5.5608
Group 2	2.6815	2.9928	5.6743	5.5608

### W Income Shares - final distribution No. 22 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	1.9515	-	1.9515	1.9327
Group 2	0.5082	1.4433	1.9515	1.9327

## Distribution Statement

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 19 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 20 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 21 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 19 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 20 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 21 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 19	1.0489	-	1.0489	0.9994
Distribution No. 20	1.0954	-	1.0954	1.0489
Distribution No. 21	1.0954	-	1.0954	1.0489
Group 2				
Distribution No. 19	-	1.0489	1.0489	0.9994
Distribution No. 20	-	1.0954	1.0954	1.0489
Distribution No. 21	-	1.0954	1.0954	1.0489

### Y Accumulation Shares - final distribution No. 7 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	6.2293	-	6.2293	6.0656
Group 2	2.1424	4.0869	6.2293	6.0656

### Y Income Shares - final distribution No. 25 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	2.0573	-	2.0573	2.0425
Group 2	0.3763	1.6810	2.0573	2.0425

### Y Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 22 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 23 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 24 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 22 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 23 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 24 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 22	1.1095	-	1.1095	1.0576
Distribution No. 23	1.1553	-	1.1553	1.1095
Distribution No. 24	1.1553	-	1.1553	1.1095
Group 2				
Distribution No. 22	-	1.1095	1.1095	1.0576
Distribution No. 23	-	1.1553	1.1553	1.1095
Distribution No. 24	-	1.1553	1.1553	1.1095

## Distribution Statement

### W Income (monthly) Shares - final distribution No. 24 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.5769	-	0.5769	0.9195
Group 2	0.1191	0.4578	0.5769	0.9195

### W Income (monthly) Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 13	0.2300	-	0.2300	0.1115
Distribution No. 14	0.2300	-	0.2300	0.2300
Distribution No. 15	0.2300	-	0.2300	0.2300
Distribution No. 16	0.2800	-	0.2800	0.2300
Distribution No. 17	0.2800	-	0.2800	0.2300
Distribution No. 18	0.3000	-	0.3000	0.2300
Distribution No. 19	0.3000	-	0.3000	0.2300
Distribution No. 20	0.3000	-	0.3000	0.2300
Distribution No. 21	0.3000	-	0.3000	0.2300
Distribution No. 22	0.3000	-	0.3000	0.2300
Distribution No. 23	0.3000	-	0.3000	0.2300
Group 2				
Distribution No. 13	-	0.2300	0.2300	0.1115
Distribution No. 14	-	0.2300	0.2300	0.2300
Distribution No. 15	-	0.2300	0.2300	0.2300
Distribution No. 16	-	0.2800	0.2800	0.2300
Distribution No. 17	-	0.2800	0.2800	0.2300
Distribution No. 18	-	0.3000	0.3000	0.2300
Distribution No. 19	-	0.3000	0.3000	0.2300
Distribution No. 20	-	0.3000	0.3000	0.2300
Distribution No. 21	-	0.3000	0.3000	0.2300
Distribution No. 22	-	0.3000	0.3000	0.2300
Distribution No. 23	-	0.3000	0.3000	0.2300

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve income with the potential for some capital growth from a portfolio made up mainly of the securities of companies from around the world. Derivatives and forward transactions may be used for investment purposes and this may include using derivative instruments to generate additional income, for example, by the writing of call options. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

Performance and Portfolio Activity

The fund recorded negative returns over the period. Receding political risk, and strong economic and corporate data drove investors into sectors that were most likely to benefit from stronger GDP growth. The position in exchange operator Deutsche Boerse, a beneficiary of rising interest rates, added value. Holdings in semiconductor companies Maxim Integrated and Taiwan Semiconductor were supported by positive results given a favourable environment for the sector. We bought new positions in Assa Abloy, the global leader in “door opening solutions” and China Mobile, the largest telecommunications company in China with a market share that provides significant economies of scale. We sold holdings in Interpublic Group and Spark New Zealand.

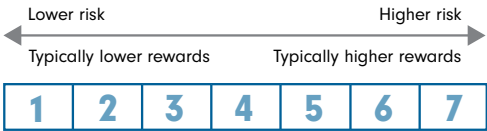
Outlook

The equity debate centres on how much good news has already been factored into share prices. In our view, the answer is ‘a lot’ for cyclicals, while quality stocks have been left behind as investors chase the cycle. Our stance is therefore positive but cautious.

Daniel James Roberts & David Jehan  
Fund Managers  
28 February 2018

Risk and Reward Indicator

	SRRI
A Income Shares	5
W Accumulation Shares	5
W Income (monthly) Shares	5
W Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- The use of derivatives to enhance income may reduce growth potential in certain market conditions.

## Comparative Performance Table

	A Income Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)*						
Opening net asset value per share	132.45	113.93	111.21	160.57	130.28	119.88
Return before operating charges*	0.75	27.10	10.57	0.47	31.75	11.70
Operating charges	(2.26)	(2.17)	(2.03)	(1.58)	(1.46)	(1.30)
Return after operating charges*	(1.51)	24.93	8.54	(1.11)	30.29	10.40
Distributions	(6.54)	(6.41)	(5.82)	(6.27)	(5.87)	(5.12)
Retained distributions on accumulation shares	-	-	-	6.27	5.87	5.12
Closing net asset value per share	124.40	132.45	113.93	159.46	160.57	130.28
*after direct transaction costs of	0.25	0.30	0.38	0.25	0.30	0.38
<b>Performance</b>						
Return after charges	(1.1%)	21.9%	7.7%	(0.7%)	23.3%	8.7%
<b>Other information</b>						
Closing net asset value (£'000)	2,228	2,101	1,324	41,148	43,807	24,014
Closing number of shares	1,791,185	1,586,340	1,162,457	25,804,481	27,281,195	18,432,182
Operating charges	1.68%	1.74%	1.86%	0.94%	0.99%	1.07%
Direct transaction costs	0.19%	0.23%	0.34%	0.19%	0.23%	0.34%
<b>Prices (pence per share)</b>						
Highest share price	138.00	134.00	117.80	169.60	160.90	130.90
Lowest share price	122.00	112.30	101.40	154.20	129.00	112.70

	W Income Shares			W Income (monthly) Shares	
	2018	2017	2016	2018	2017 <sup>1</sup>
Change in net assets (pence per share)*					
Opening net asset value per share	135.88	116.02	112.37	117.29	100.00
Return before operating charges*	0.55	27.49	10.55	0.43	23.69
Operating charges	(1.32)	(1.26)	(1.12)	(1.13)	(1.12)
Return after operating charges*	(0.77)	26.23	9.43	(0.70)	22.57
Distributions	(6.54)	(6.37)	(5.79)	(5.61)	(5.28)
Retained distributions on accumulation shares	-	-	-	-	-
Closing net asset value per share	128.57	135.88	116.02	110.98	117.29
*after direct transaction costs of	0.25	0.30	0.38	0.25	0.30
<b>Performance</b>					
Return after charges	(0.6%)	22.6%	8.4%	(0.6%)	22.6%
<b>Other information</b>					
Closing net asset value (£'000)	142,422	149,855	116,887	87,535	22,443
Closing number of shares	110,771,769	110,288,329	100,747,256	78,876,824	19,134,848
Operating charges	0.94%	0.99%	1.02%	0.94%	0.99%
Direct transaction costs	0.19%	0.23%	0.34%	0.19%	0.23%
<b>Prices (pence per share)</b>					
Highest share price	141.80	137.50	119.10	122.50	118.70
Lowest share price	126.00	114.60	102.90	107.90	98.03

1. W Income (monthly) Shares class launched on 14 March 2016.

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(12,572)		26,695
Revenue	5	13,953		8,816	
Expenses	6	(2,537)		(1,621)	
Interest payable and similar charges	8	(267)		(38)	
Net revenue/(expense) before taxation		11,149		7,157	
Taxation	7	(1,421)		(881)	
Net revenue/(expense) after taxation			9,728		6,276
<b>Total return before distributions</b>			(2,844)		32,971
Distributions	8		(11,908)		(7,371)
<b>Change in net assets attributable to shareholders from investment activities</b>			(14,752)		25,600

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			218,206		142,225
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		132,090		115,605	
Amounts payable on cancellation of shares		(63,834)		(66,923)	
			68,256		48,682
Swing price adjustment			5		97
Change in net assets attributable to shareholders from investment activities (see above)			(14,752)		25,600
Retained distribution on accumulation shares	8		1,618		1,602
<b>Closing net assets attributable to shareholders</b>			273,333		218,206

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			267,358		211,398
<b>Current assets:</b>					
Debtors	9	1,256		2,782	
Cash and bank balances	10	9,560		9,795	
Total other assets			10,816		12,577
<b>Total assets</b>			278,174		223,975
<b>Liabilities:</b>					
Investment liabilities			(1,177)		(1,804)
Creditors					
Bank overdrafts		-		(142)	
Distribution payable		(2,788)		(1,711)	
Other creditors	11	(876)		(2,112)	
Total other liabilities			(3,664)		(3,965)
<b>Total liabilities</b>			(4,841)		(5,769)
<b>Net assets attributable to shareholders</b>			273,333		218,206

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(8,919)	28,235
Gains/(losses) on derivative contracts	(2,672)	(1,395)
Other currency gains/(losses)	(948)	(125)
Transaction charges	(30)	(34)
Broker fee rebates	(3)	14
Net capital gains/(losses)	<u>(12,572)</u>	<u>26,695</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	48	49
Derivative revenue	5,711	3,828
UK dividends	1,267	485
UK property income distributions	66	-
Overseas dividends	6,204	4,124
Overseas property income distributions	-	50
Overseas scrip dividends	648	278
Bank interest	9	2
Total revenue	<u>13,953</u>	<u>8,816</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,995	1,254
Registrar fees	329	216
Service charges	132	82
Foreign exchange administration fees	7	20
	<u>2,463</u>	<u>1,572</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	28	20
Custody fees	20	9
	<u>48</u>	<u>29</u>
Other expenses:		
Audit fee	9	10
Other operating expenses	17	10
	<u>26</u>	<u>20</u>
Total expenses	<u>2,537</u>	<u>1,621</u>



## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	624	462
Overseas taxation	806	427
Double taxation relief	(9)	(8)
Total current taxation	<u>1,421</u>	<u>881</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>11,149</u>	<u>7,157</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	2,230	1,431
Effects of:		
Overseas taxation	806	427
Revenue not included for tax purposes	(1,606)	(969)
Double taxation relief	(9)	(8)
Current tax charge/(credit)	<u>1,421</u>	<u>881</u>
Open ended investment companies are exempt from UK tax on capital gains.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Income Shares</b>		
Final	31	21
Interim	82	74
<b>W Accumulation Shares</b>		
Final	1,618	1,602
<b>W Income Shares</b>		
Final	1,927	1,453
Interim	5,561	4,314
<b>W Income (monthly) Shares</b>		
Final	460	159
Interim	<u>3,059</u>	<u>288</u>
	<u>12,738</u>	<u>7,911</u>
Add: Revenue deducted on cancellation of shares	540	445
Deduct: Revenue received on issue of shares	<u>(1,370)</u>	<u>(985)</u>
Net distributions for the year	<u>11,908</u>	<u>7,371</u>
<b>Interest/other</b>		
Interest	6	1
Derivative expense	213	37
Contract for difference finance costs	<u>48</u>	<u>-</u>
	<u>267</u>	<u>38</u>
Total finance costs	<u>12,175</u>	<u>7,409</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	9,728	6,276
<b>Add back (revenue)/expenses transferred to capital:</b>		
Investment management fees	1,712	963
Service charges	113	63
Audit fee	8	8
Other operating expenses	15	8
Custody fees	17	7
Depositary fees	26	15
Foreign exchange administration fees	7	16

## Notes to the Financial Statements

Registrar fees	282	165
Equalisation on conversions	-	(150)
	<u>11,908</u>	<u>7,371</u>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	190	616
Sales awaiting settlement	-	368
Sales of currency awaiting settlement	145	943
Accrued revenue	758	748
Broker fee rebates receivable	-	4
Overseas tax recoverable	163	103
Total debtors	<u>1,256</u>	<u>2,782</u>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	7,781	9,293
Cash and bank balances	1,779	502
Total cash and bank balances	<u>9,560</u>	<u>9,795</u>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	38	17
Purchases awaiting settlement	71	735
Purchases of currency awaiting settlement	145	940
Accrued expenses	234	191
UK corporation tax payable	388	229
Total other creditors	<u>876</u>	<u>2,112</u>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	3,970	-	97	4,067
Danish Krone	-	-	2	2
Euro	82,796	141	265	83,202
Hong Kong Dollar	3,063	-	-	3,063
Japanese Yen	19,226	-	139	19,365
Norwegian Krone	-	-	9	9
Swedish Krona	2,851	-	-	2,851
Swiss Franc	20,813	-	-	20,813
Taiwan Dollar	11,497	22	-	11,519
UK Pound	35,392	11	(3,243)	32,160
US Dollar	86,573	9,386	323	96,282
<b>Total</b>	<b>266,181</b>	<b>9,560</b>	<b>(2,408)</b>	<b>273,333</b>

## Notes to the Financial Statements

28/02/17	£'000	£'000	£'000	£'000
Australian Dollar	7,470	-	111	7,581
Danish Krone	-	-	2	2
Euro	55,729	18	101	55,848
Japanese Yen	18,614	-	143	18,757
New Zealand Dollar	1,831	-	-	1,831
Norwegian Krone	-	-	9	9
South African Rand	983	-	-	983
Swiss Franc	12,357	8	50	12,415
Taiwan Dollar	5,574	20	-	5,594
UK Pound	25,450	9,150	(1,896)	32,704
US Dollar	81,586	457	439	82,482
<b>Total</b>	<b>209,594</b>	<b>9,653</b>	<b>(1,041)</b>	<b>218,206</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.87% rise or fall in the fund's market value (2017: 0.84%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Options

The fund writes call options on selected underlying equity positions, receiving a premium, but obligating it to sell the physical stock at a fixed price. A 10% change in the price of the underlying equities would lead to a change representing 0.81% (2017: 1.63%) of the fund's market value.

#### Equity derivatives

The fund invests into contracts for difference to gain exposure to the equity markets. A 10% change in the price of the contracts for difference would result in a 0.10% (2017: 0.03%) change in the fund's market value.

## 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	230,394	87	0.04	161	0.07
Corporate actions	648	-	-	-	-
Derivative	-	6	-	-	-
<b>Total</b>	<b>231,042</b>	<b>93</b>		<b>161</b>	
Total including transaction costs	<b>231,296</b>				
Analysis of total sales costs	Sales	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity	170,848	43	0.03	3	-
Corporate actions	254	-	-	-	-
Derivative	-	192	-	-	-
<b>Total</b>	<b>171,102</b>	<b>235</b>		<b>3</b>	
Total including transaction costs	<b>170,864</b>				
Total as a percentage of average net assets*		0.12 %		0.06 %	
28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	175,699	79	0.04	107	0.06
Corporate actions	278	-	-	-	-
Derivative	-	11	-	-	-
<b>Total</b>	<b>175,977</b>	<b>90</b>		<b>107</b>	
Total including transaction costs	<b>176,174</b>				

## Notes to the Financial Statements

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	124,301	39	0.03	1	-
Corporate actions	232	-	-	-	-
Derivative	-	151	-	-	-
Total	<u>124,533</u>	<u>190</u>		<u>1</u>	
Total including transaction costs	<u>124,342</u>				
Total as a percentage of average net assets		0.17 %		0.06 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.11% (2017: 0.16%).

### 14 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	262,421	(727)	211,359	(1,657)
Level 2: Observable market data	4,937	(450)	39	(147)
Level 3: Unobservable data	-	-	-	-
	<u>267,358</u>	<u>(1,177)</u>	<u>211,398</u>	<u>(1,804)</u>

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Income Shares	1,586,340	668,783	(433,747)	(30,191)	1,791,185
W Accumulation Shares	27,281,195	11,944,409	(13,421,123)	-	25,804,481
W Income Shares	110,288,329	27,667,350	(27,213,233)	29,323	110,771,769
W Income (monthly) Shares	19,134,848	64,048,285	(4,306,309)	-	78,876,824

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £197,000 (2017: £157,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
Goldman Sachs	-	336	-	(47)	(296)	(7)
Morgan Stanley	-	-	-	(37)	22	(15)
UBS	-	-	-	(1,098)	7,759	6,661
Total	<u>-</u>	<u>336</u>	<u>-</u>	<u>(1,182)</u>	<u>7,485</u>	<u>6,639</u>

28/02/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	-	-	(2,096)	9,293	7,197
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,096)</u>	<u>9,293</u>	<u>7,197</u>

## Notes to the Financial Statements

### 18 Shareholders' funds

The fund has four share classes; A Income Shares, W Accumulation Shares, W Income Shares and W Income (monthly) Shares. The annual management charge on each share class is as follows:

A Income Shares : 1.50%

W Accumulation Shares : 0.75%

W Income Shares : 0.75%

W Income (monthly) Shares : 0.75%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Income Shares	124.40	127.30	2.33
W Accumulation Shares	159.46	163.40	2.47
W Income Shares	128.57	131.80	2.51
W Income (monthly) Shares	110.98	112.80	1.64

## Distribution Statement

for the year ended 28 February 2018

### A Income Shares - final distribution No. 18 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	1.7457	-	1.7457	1.3322
Group 2	0.3951	1.3506	1.7457	1.3322

### A Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 15 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 16 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 17 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 15 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 16 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 17 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 15	1.5823	-	1.5823	2.4232
Distribution No. 16	1.5925	-	1.5925	1.5774
Distribution No. 17	1.6218	-	1.6218	1.0784
Group 2				
Distribution No. 15	-	1.5823	1.5823	2.4232
Distribution No. 16	0.2614	1.3311	1.5925	1.5774
Distribution No. 17	0.1872	1.4346	1.6218	1.0784

### W Accumulation Shares - final distribution No. 8 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	6.2684	-	6.2684	5.8716
Group 2	2.6367	3.6317	6.2684	5.8716

### W Income Shares - final distribution No. 18 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	1.7397	-	1.7397	1.3171
Group 2	0.8734	0.8663	1.7397	1.3171

## Distribution Statement

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 15 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 16 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 17 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 15 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 16 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 17 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 15	1.6000	-	1.6000	2.4339
Distribution No. 16	1.6000	-	1.6000	1.5626
Distribution No. 17	1.6000	-	1.6000	1.0540
Group 2				
Distribution No. 15	-	1.6000	1.6000	2.4339
Distribution No. 16	0.1904	1.4096	1.6000	1.5626
Distribution No. 17	0.2806	1.3194	1.6000	1.0540

### W Income (monthly) Shares - final distribution No. 24 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.5830	-	0.5830	0.8333
Group 2	0.3209	0.2621	0.5830	0.8333

### W Income (monthly) Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 13	0.4000	-	0.4000	0.2464
Distribution No. 14	0.4000	-	0.4000	0.5000
Distribution No. 15	0.4700	-	0.4700	0.5000
Distribution No. 16	0.4700	-	0.4700	0.4000
Distribution No. 17	0.4700	-	0.4700	0.4000
Distribution No. 18	0.4700	-	0.4700	0.4000
Distribution No. 19	0.4700	-	0.4700	0.4000
Distribution No. 20	0.4700	-	0.4700	0.4000
Distribution No. 21	0.4700	-	0.4700	0.4000
Distribution No. 22	0.4700	-	0.4700	0.4000
Distribution No. 23	0.4700	-	0.4700	0.4000
Group 2				
Distribution No. 13	0.0892	0.3108	0.4000	0.2464
Distribution No. 14	-	0.4000	0.4000	0.5000
Distribution No. 15	-	0.4700	0.4700	0.5000
Distribution No. 16	-	0.4700	0.4700	0.4000
Distribution No. 17	-	0.4700	0.4700	0.4000
Distribution No. 18	-	0.4700	0.4700	0.4000
Distribution No. 19	-	0.4700	0.4700	0.4000
Distribution No. 20	-	0.4700	0.4700	0.4000
Distribution No. 21	-	0.4700	0.4700	0.4000
Distribution No. 22	0.0005	0.4695	0.4700	0.4000
Distribution No. 23	0.1282	0.3418	0.4700	0.4000

Fund Manager’s Review

Investment Objective and Policy

The fund aims to provide long term capital growth through investment in global equities. The fund will predominantly invest in equities (and equity related securities) of medium sized companies, and aims to hold a concentrated portfolio within a range of 40-60 securities. The Investment Manager’s research and investment strategy will focus on company selection. The Investment Manager is not restricted in terms of region or industry sector. The fund can also invest in other transferable securities, money market instruments, cash and deposits, and is also able to use derivatives for efficient portfolio management.

Performance and Portfolio Activity

The fund delivered positive returns over the period. Holdings in quality consumer discretionary franchises Ocado Group and Jubilant FoodWorks advanced on positive news flow, expansion plans and strong momentum in key businesses. I invested in Japanese health care company Sysmex and US cloud services provider Akamai Technologies, both of which are benefiting from robust operating performance and continued focus on innovation. Meanwhile, holdings in certain US semiconductor stocks, including AMS were sold on valuation grounds. I also sold Vestas Wind Systems and Monsanto, which were hurt by subdued earnings results and challenging business conditions.

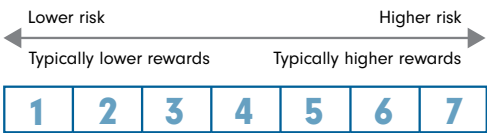
Outlook

Continued strength in the global economy and a positive earnings growth outlook support global equities. However, interest rate hikes, geopolitical risks and counterproductive trade policies may negatively impact markets. Consequently, it remains important to focus on companies that are undervalued, and where their ability to generate superior profits is underappreciated.

Amit Lodha  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
W Accumulation Shares	5
Y Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.



### Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,780.68	1,325.55	1,334.53	1,944.27	1,436.55	1,435.44
Return before operating charges*	169.75	481.49	14.07	185.98	523.81	14.79
Operating charges	(31.69)	(26.36)	(23.05)	(19.50)	(16.09)	(13.68)
Return after operating charges*	138.06	455.13	(8.98)	166.48	507.72	1.11
Distributions	-	-	-	(7.57)	(9.21)	(8.75)
Retained distributions on accumulation shares	-	-	-	7.57	9.21	8.75
Closing net asset value per share	1,918.74	1,780.68	1,325.55	2,110.75	1,944.27	1,436.55
*after direct transaction costs of	3.53	1.68	1.87	3.53	1.68	1.87
<b>Performance</b>						
Return after charges	7.8%	34.3%	(0.7%)	8.6%	35.3%	0.1%
<b>Other information</b>						
Closing net asset value (£'000)	146,265	153,122	123,927	270,404	267,611	213,199
Closing number of shares	7,622,978	8,599,086	9,349,052	12,810,802	13,764,018	14,841,078
Operating charges	1.68%	1.71%	1.72%	0.93%	0.96%	0.97%
Direct transaction costs	0.18%	0.10%	0.14%	0.18%	0.10%	0.14%
<b>Prices (pence per share)</b>						
Highest share price	2,004.00	1,787.00	1,428.00	2,203.00	1,951.00	1,537.00
Lowest share price	1,754.00	1,320.00	1,191.00	1,917.00	1,432.00	1,290.00

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	1,932.42	1,430.95	1,432.92
Return before operating charges*	184.64	521.15	19.75
Operating charges	(23.89)	(19.68)	(16.80)
Return after operating charges*	160.75	501.47	2.95
Distributions	(2.95)	(5.50)	(5.59)
Retained distributions on accumulation shares	2.95	5.50	5.59
Closing net asset value per share	2,093.17	1,932.42	1,430.95
*after direct transaction costs of	3.53	1.68	1.87
<b>Performance</b>			
Return after charges	8.3%	35.1%	0.2%
<b>Other information</b>			
Closing net asset value (£'000)	752	851	671
Closing number of shares	35,911	44,050	46,862
Operating charges	1.18%	1.18%	1.19%
Direct transaction costs	0.18%	0.10%	0.14%
<b>Prices (pence per share)</b>			
Highest share price	2,186.00	1,939.00	1,534.00
Lowest share price	1,904.00	1,426.00	1,285.00

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		32,818		110,846
Revenue	5	6,425		6,717	
Expenses	6	(5,122)		(4,598)	
Interest payable and similar charges	8	(53)		(3)	
Net revenue/(expense) before taxation		1,250		2,116	
Taxation	7	(571)		(577)	
Net revenue/(expense) after taxation			679		1,539
<b>Total return before distributions</b>			<b>33,497</b>		<b>112,385</b>
Distributions	8		(1,054)		(1,361)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>32,443</b>		<b>111,024</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			421,584		337,797
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		4,629		15,429	
Amounts payable on cancellation of shares		(42,206)		(43,936)	
			(37,577)		(28,507)
Change in net assets attributable to shareholders from investment activities (see above)			32,443		111,024
Retained distribution on accumulation shares	8		971		1,270
<b>Closing net assets attributable to shareholders</b>			<b>417,421</b>		<b>421,584</b>

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			416,434		421,456
<b>Current assets:</b>					
Debtors	9	6,407		712	
Cash and bank balances	10	2,639		98	
Total other assets			9,046		810
<b>Total assets</b>			<b>425,480</b>		<b>422,266</b>
<b>Liabilities:</b>					
Creditors					
Other creditors	11	(8,059)		(682)	
Total other liabilities			(8,059)		(682)
<b>Total liabilities</b>			<b>(8,059)</b>		<b>(682)</b>
<b>Net assets attributable to shareholders</b>			<b>417,421</b>		<b>421,584</b>

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	32,614	110,663
Gains/(losses) on derivative contracts	357	(79)
Other currency gains/(losses)	(127)	254
Transaction charges	(20)	(14)
Broker fee rebates	(6)	22
Net capital gains/(losses)	<u>32,818</u>	<u>110,846</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	162	69
Derivative revenue	141	-
UK dividends	889	516
UK scrip dividends	-	50
Overseas dividends	4,778	5,449
Overseas property income distributions	279	210
Overseas scrip dividends	174	397
Bank interest	3	-
Taxable interest	(1)	26
Total revenue	<u>6,425</u>	<u>6,717</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	4,275	3,823
Registrar fees	526	487
Service charges	210	187
Foreign exchange administration fees	9	5
	<u>5,020</u>	<u>4,502</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	37	37
Custody fees	29	26
	<u>66</u>	<u>63</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	28	25
	<u>36</u>	<u>33</u>
Total expenses	<u>5,122</u>	<u>4,598</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	571	577
Total current taxation	<u>571</u>	<u>577</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>1,250</u>	<u>2,116</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	250	423
Effects of:		
Overseas taxation	571	577
Overseas tax expensed	(9)	(10)
Increase/(decrease) in unutilised management expenses	907	846
Revenue not included for tax purposes	<u>(1,148)</u>	<u>(1,259)</u>
Current tax charge/(credit)	<u>571</u>	<u>577</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £12,326,000 (2017: £11,419,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares</b>		
Final	970	1,268
<b>Y Accumulation Shares</b>		
Final	<u>1</u>	<u>2</u>
	<u>971</u>	<u>1,270</u>
Add: Revenue deducted on cancellation of shares	89	111
Deduct: Revenue received on issue of shares	<u>(6)</u>	<u>(20)</u>
Net distributions for the year	<u>1,054</u>	<u>1,361</u>
<b>Interest/other</b>		
Interest	2	1
Derivative expense	<u>51</u>	<u>2</u>
	<u>53</u>	<u>3</u>
Total finance costs	<u>1,107</u>	<u>1,364</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	679	1,539
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	546	267
UK scrip dividends	-	(50)
Overseas scrip dividends	(174)	(397)
Equalisation on conversions	<u>3</u>	<u>2</u>
	<u>1,054</u>	<u>1,361</u>

Details of the distributions per share are set out in the Distribution Statement.

The A Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: same).

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	168	32
Sales awaiting settlement	2,130	4
Sales of currency awaiting settlement	3,453	107
Accrued revenue	565	455
Broker fee rebates receivable	-	9
Overseas tax recoverable	91	105
<b>Total debtors</b>	<b>6,407</b>	<b>712</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Cash and bank balances	2,547	98
Amounts held at futures clearing houses and brokers	92	-
<b>Total cash and bank balances</b>	<b>2,639</b>	<b>98</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	133	159
Purchases of currency awaiting settlement	3,444	107
Accrued expenses	416	416
Purchases awaiting settlement	4,066	-
<b>Total other creditors</b>	<b>8,059</b>	<b>682</b>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	2,194	-	-	2,194
Brazilian Real	-	4	-	4
Canadian Dollar	571	-	-	571
Danish Krone	14,128	-	18	14,146
Euro	43,635	-	73	43,708
Hong Kong Dollar	6,655	-	-	6,655
Indian Rupee	23,793	1,342	(1,341)	23,794
Japanese Yen	27,798	-	-	27,798
Korean Won	-	7	-	7
Singapore Dollar	9,727	-	186	9,913
Swedish Krona	16,070	-	29	16,099
Swiss Franc	7,532	-	-	7,532
Taiwan Dollar	5,200	1,119	(1,097)	5,222
Thai Baht	8,443	-	-	8,443
UK Pound	60,535	92	(809)	59,817
US Dollar	190,153	75	1,288	191,516
<b>Total</b>	<b>416,434</b>	<b>2,639</b>	<b>(1,652)</b>	<b>417,421</b>
28/02/17	£'000	£'000	£'000	£'000
Australian Dollar	-	1	-	1
Brazilian Real	-	5	-	5
Canadian Dollar	4,602	-	-	4,602

## Notes to the Financial Statements

Danish Krone	8,858	-	55	8,913
Euro	43,174	13	121	43,308
Hong Kong Dollar	3,300	-	-	3,300
Indian Rupee	10,941	1	-	10,942
Japanese Yen	39,798	-	10	39,808
Korean Won	2,690	4	3	2,697
Singapore Dollar	1,673	-	-	1,673
South African Rand	3,947	-	-	3,947
Swiss Franc	10,357	-	50	10,407
UK Pound	21,447	-	(532)	20,915
US Dollar	270,669	74	323	271,066
<b>Total</b>	<b>421,456</b>	<b>98</b>	<b>30</b>	<b>421,584</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.85% rise or fall in the fund's market value (2017: 0.95%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

### Equity derivatives

At the year end the fund holds no equity derivatives (2017: same).

## 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	403,202	205	0.05	365	0.09
Corporate actions	491	-	-	-	-
Derivative	-	1	-	-	-
<b>Total</b>	<b>403,693</b>	<b>206</b>		<b>365</b>	
Total including transaction costs	<b>404,264</b>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	439,243	155	0.04	27	0.01
Corporate actions	2,925	-	-	-	-
Derivative	-	1	-	-	-
<b>Total</b>	<b>442,168</b>	<b>156</b>		<b>27</b>	
Total including transaction costs	<b>441,985</b>				
Total as a percentage of average net assets*		0.09 %		0.09 %	
28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	212,642	114	0.05	77	0.04
Corporate actions	447	-	-	-	-
<b>Total</b>	<b>213,089</b>	<b>114</b>		<b>77</b>	
Total including transaction costs	<b>213,280</b>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	241,833	146	0.06	50	0.02
Corporate actions	862	-	-	-	-
<b>Total</b>	<b>242,695</b>	<b>146</b>		<b>50</b>	
Total including transaction costs	<b>242,499</b>				
Total as a percentage of average net assets		0.07 %		0.03 %	

## Notes to the Financial Statements

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.12% (2017: 0.04%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	401,588	-	406,092	-
Level 2: Observable market data	11,215	-	11,830	-
Level 3: Unobservable data*	3,630	-	3,534	-
	<u>416,433</u>	<u>-</u>	<u>421,456</u>	<u>-</u>

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	8,599,086	173,239	(1,084,659)	(64,688)	7,622,978
W Accumulation Shares	13,764,018	68,103	(1,080,726)	59,407	12,810,802
Y Accumulation Shares	44,050	1,179	(9,018)	(300)	35,911

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £374,000 (2017: £386,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

	28/02/18					
Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
Goldman Sachs	-	571	-	-	(632)	(61)
Total	-	571	-	-	(632)	(61)

## Notes to the Financial Statements

### 18 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	1,918.74	2,026.00	5.59
W Accumulation Shares	2,110.75	2,233.00	5.79
Y Accumulation Shares	2,093.17	2,213.00	5.72



## Distribution Statement

for the year ended 28 February 2018

**W Accumulation Shares - final distribution No. 6 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	7.5704	-	7.5704	9.2146
Group 2	0.9422	6.6282	7.5704	9.2146

**Y Accumulation Shares - final distribution No. 6 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.9548	-	2.9548	5.4994
Group 2	0.0000	2.9548	2.9548	5.4994

## Fund Manager's Review

### Investment Objective and Policy

The fund's investment objective is to achieve both capital growth and income. The fund will obtain exposure primarily to high-yielding, sub investment grade securities of issuers globally. The fund may invest directly in high-yielding, sub investment grade securities of issuers globally (those with a rating of BB+ or less from Standard & Poor's or equivalent rating from an internationally recognised rating agency) or may achieve exposure indirectly through the use of Derivatives. The fund may also invest in other transferable securities, money market instruments, collective investment schemes, cash and near cash and deposits. Derivatives may be used for efficient portfolio management and investment purposes and may include (but are not limited to) Derivatives on exchange rates, interest rates, inflation and credit. The fund may also take positions which enable it to benefit from falling asset prices.

### Performance and Portfolio Activity

The fund generated positive returns over the period, largely due to strong credit selection. The exposure to the capital goods sector, via the holding in Orano (previously known as New Areva Holding) contributed to performance. However, the bias against the insurance sector detracted from returns as financial credits performed well. Given expensive valuations, we reduced risk by selling financial credits Banco do Brasil and Türkiye İş Bankası (also known as Isbank). Meanwhile, we added consumer non-cyclical credits such as Aramark and HCA Inc. The cash buffer was also increased to capitalise on future opportunities.

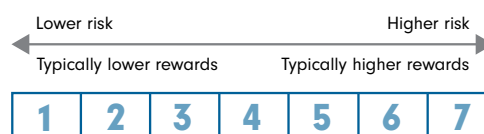
### Outlook

As we head towards the late stages of the credit cycle, we do not expect defaults to materially pick up over the next 12 months. Careful credit selection is warranted in such an environment, with returns likely to be in the low-to-mid single digits in 2018.

Peter Khan & Kristian Atkinson  
Fund Managers  
28 February 2018

## Risk and Reward Indicator

	SRRI
A Accumulation Shares	3
A Income Shares	3
Gross paying A Income Shares	3
Gross paying Y Accumulation Shares	3
Gross paying Y Income Shares	3
I Accumulation Shares	3
Y Accumulation Shares	3
Y Income Shares	3



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. While we seek to mitigate this, the fund may be exposed to the risk of financial loss if it invests into an instrument issued by an entity that subsequently defaults on its borrowings. Losses may also be realised if an entity that the fund is exposed to ceases to make interest payments over a period of time or indefinitely. Bond prices have an inverse relationship with interest rates such that when interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.
- The fund may be exposed to the risk of financial loss if a counterparty used for derivative instruments subsequently defaults.

## Comparative Performance Table

	A Income Shares			Gross paying A Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,072.78	937.92	1,042.78	1,072.40	938.21	1,042.98
Return before operating charges*	57.49	200.76	(34.95)	57.59	198.95	(35.15)
Operating charges	(15.94)	(15.47)	(16.17)	(15.90)	(15.37)	(16.17)
Return after operating charges*	41.55	185.29	(51.12)	41.69	183.58	(51.32)
Distributions	(33.33)	(50.43)	(53.74)	(33.35)	(49.39)	(53.45)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share	1,081.00	1,072.78	937.92	1,080.74	1,072.40	938.21
*after direct transaction costs of	0.03	0.03	0.06	0.03	0.03	0.06
<b>Performance</b>						
Return after charges	3.9%	19.8%	(4.9%)	3.9%	19.6%	(4.9%)
<b>Other information</b>						
Closing net asset value (£'000)	317	123	25	14	31	29
Closing number of shares	29,347	11,492	2,631	1,320	2,889	3,060
Operating charges	1.44%	1.47%	1.57%	1.44%	1.49%	1.57%
Direct transaction costs	0%	0%	0.01%	0%	0%	0.01%
<b>Prices (pence per share)</b>						
Highest share price	1,100.00	1,082.00	1,059.00	1,100.00	1,082.00	1,061.00
Lowest share price	1,067.00	950.40	927.70	1,067.00	950.80	928.30

	A Accumulation Shares			I Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,322.18	1,103.79	1,175.65	1,362.70	1,127.53	1,191.94
Return before operating charges*	71.90	251.58	(41.07)	74.45	260.09	(42.31)
Operating charges	(19.96)	(18.48)	(18.43)	(7.72)	(7.06)	(7.33)
Return after operating charges*	51.94	233.10	(59.50)	66.73	253.03	(49.64)
Distributions	(41.74)	(73.56)	(61.79)	(56.44)	(89.27)	(73.86)
Retained distributions on accumulation shares	41.74	58.85	49.43	56.44	71.41	59.09
Closing net asset value per share	1,374.12	1,322.18	1,103.79	1,429.43	1,362.70	1,127.53
*after direct transaction costs of	0.03	0.03	0.06	0.03	0.03	0.06
<b>Performance</b>						
Return after charges	3.9%	21.1%	(5.1%)	4.9%	22.4%	(4.2%)
<b>Other information</b>						
Closing net asset value (£'000)	32	31	24	115,090	67,257	40,867
Closing number of shares	2,296	2,366	2,150	8,051,421	4,935,549	3,624,415
Operating charges	1.45%	1.49%	1.57%	0.54%	0.56%	0.63%
Direct transaction costs	0%	0%	0.01%	0%	0%	0.01%
<b>Prices (pence per share)</b>						
Highest share price	1,392.00	1,328.00	1,203.00	1,447.00	1,369.00	1,222.00
Lowest share price	1,315.00	1,118.00	1,088.00	1,356.00	1,143.00	1,111.00

## Comparative Performance Table

	Y Accumulation Shares			Gross paying Y Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,362.63	1,122.91	1,190.82	1,410.70	1,170.64	1,227.29
Return before operating charges*	74.22	270.78	(41.77)	76.96	252.72	(44.08)
Operating charges	(13.31)	(11.97)	(12.34)	(13.81)	(12.66)	(12.57)
Return after operating charges*	60.91	258.81	(54.11)	63.15	240.06	(56.65)
Distributions	(51.01)	(95.43)	(68.99)	(52.45)	(70.15)	(71.50)
Retained distributions on accumulation shares	51.01	76.34	55.19	52.45	70.15	71.50
Closing net asset value per share	1,423.54	1,362.63	1,122.91	1,473.85	1,410.70	1,170.64
*after direct transaction costs of	0.03	0.03	0.06	0.03	0.03	0.06
<b>Performance</b>						
Return after charges	4.5%	23.1%	(4.5%)	4.5%	20.5%	(4.6%)
<b>Other information</b>						
Closing net asset value (£'000)	6,687	1,796	3,689	3,123	2,112	1,265
Closing number of shares	469,819	131,838	328,520	211,868	149,704	108,025
Operating charges	0.94%	0.96%	1.04%	0.94%	0.95%	1.03%
Direct transaction costs	0%	0%	0.01%	0%	0%	0.01%
<b>Prices (pence per share)</b>						
Highest share price	1,441.00	1,368.00	1,220.00	1,492.00	1,417.00	1,261.00
Lowest share price	1,356.00	1,138.00	1,106.00	1,404.00	1,186.00	1,153.00

	Y Income Shares			Gross paying Y Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,072.43	937.93	1,042.87	1,070.97	936.97	1,041.89
Return before operating charges*	57.60	200.90	(35.25)	57.79	198.66	(35.45)
Operating charges	(10.32)	(10.30)	(10.54)	(10.28)	(9.87)	(10.31)
Return after operating charges*	47.28	190.60	(45.79)	47.51	188.79	(45.76)
Distributions	(38.90)	(56.10)	(59.15)	(39.44)	(54.79)	(59.16)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share	1,080.81	1,072.43	937.93	1,079.04	1,070.97	936.97
*after direct transaction costs of	0.03	0.03	0.06	0.03	0.03	0.06
<b>Performance</b>						
Return after charges	4.4%	20.3%	(4.4%)	4.4%	20.2%	(4.4%)
<b>Other information</b>						
Closing net asset value (£'000)	5,669	6,864	1,560	2,016	1,494	809
Closing number of shares	524,487	640,024	166,349	186,859	139,484	86,327
Operating charges	0.94%	0.96%	1.04%	0.94%	0.96%	1.03%
Direct transaction costs	0%	0%	0.01%	0%	0%	0.01%
<b>Prices (pence per share)</b>						
Highest share price	1,100.00	1,082.00	1,060.00	1,098.00	1,081.00	1,060.00
Lowest share price	1,067.00	950.50	927.80	1,066.00	949.50	927.20

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		98		7,974
Revenue	5	6,387		4,816	
Expenses	6	(645)		(398)	
Interest payable and similar charges	8	(1,443)		(592)	
Net revenue/(expense) before taxation		4,299		3,826	
Taxation	7	(3)		4	
Net revenue/(expense) after taxation			4,296		3,830
<b>Total return before distributions</b>			4,394		11,804
Distributions	8		(4,296)		(3,830)
<b>Change in net assets attributable to shareholders from investment activities</b>			98		7,974

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			79,722		48,278
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		92,528		51,069	
Amounts payable on cancellation of shares		(44,712)		(31,598)	
			47,816		19,471
Swing price adjustment			416		266
Change in net assets attributable to shareholders from investment activities (see above)			98		7,974
Retained distribution on accumulation shares			4,896		3,733
<b>Closing net assets attributable to shareholders</b>			132,948		79,722

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			124,576		77,835
<b>Current assets:</b>					
Debtors	9	2,291		2,994	
Cash and bank balances	10	7,086		1,869	
Total other assets			9,377		4,863
<b>Total assets</b>			133,953		82,698
<b>Liabilities:</b>					
Investment liabilities			(693)		(1,493)
Creditors					
Bank overdrafts		-		(21)	
Distribution payable		(43)		(64)	
Other creditors	11	(269)		(1,398)	
Total other liabilities			(312)		(1,483)
<b>Total liabilities</b>			(1,005)		(2,976)
<b>Net assets attributable to shareholders</b>			132,948		79,722

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(7,130)	14,201
Gains/(losses) on derivative contracts	(267)	(23)
Gains/(losses) on forward currency contracts	7,380	(6,717)
Other currency gains/(losses)	129	523
Transaction charges	(14)	(10)
Net capital gains/(losses)	<u>98</u>	<u>7,974</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	6,213	4,801
Derivative revenue	143	-
Overseas dividends	28	9
Bank interest	3	6
Total revenue	<u>6,387</u>	<u>4,816</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	537	329
Registrar fees	15	8
Service charges	54	34
Foreign exchange administration fees	6	4
	<u>612</u>	<u>375</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	12	7
Custody fees	4	1
	<u>16</u>	<u>8</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	7	5
	<u>17</u>	<u>15</u>
Total expenses	<u>645</u>	<u>398</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	3	(4)
Total current taxation	<u>3</u>	<u>(4)</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>4,299</u>	<u>3,826</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	<u>860</u>	<u>765</u>

## Notes to the Financial Statements

Effects of:

Overseas taxation	3	(4)
Revenue not included for tax purposes	(6)	(2)
Interest distributions	(854)	(763)
	<u>3</u>	<u>(4)</u>

Current tax charge/(credit)

Open ended investment companies are exempt from UK tax on capital gains. The fund is an interest distributing fund under Corporation Tax Act 2009 and as interest distributions are deductible when calculating the liability, the corporation tax charge will usually be reduced to nil, except where there are expenses which are not deductible.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Income Shares</b>		
Final	1	1
Interim	7	2
<b>Gross paying A Income Shares</b>		
Final	-	-
Interim	1	1
<b>A Accumulation Shares</b>		
Final	1	1
<b>Gross paying A Accumulation Shares*</b>		
Final	-	1
<b>I Accumulation Shares</b>		
Final	4,545	3,525
<b>Y Accumulation Shares</b>		
Final	240	101
<b>Gross paying Y Accumulation Shares</b>		
Final	111	105
<b>Y Income Shares</b>		
Final	16	31
Interim	221	82
<b>Gross paying Y Income Shares</b>		
Final	6	7
Interim	68	58
	<u>5,217</u>	<u>3,915</u>
Add: Revenue deducted on cancellation of shares	889	760
Deduct: Revenue received on issue of shares	(1,810)	(845)
Net distributions for the year	<u>4,296</u>	<u>3,830</u>
<b>Interest/other</b>		
Interest	1	1
Derivative expense	1,442	591
	<u>1,443</u>	<u>592</u>
	<u>5,739</u>	<u>4,422</u>

Total finance costs

Details of the distributions per share are set out in the Distribution Statement.

\*This share class closed on 15 January 2018.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	125	292
Sales awaiting settlement	287	937
Sales of currency awaiting settlement	1	480
Accrued revenue	1,878	1,284
Overseas tax recoverable	-	1
	<u>2,291</u>	<u>2,994</u>

Total debtors

## Notes to the Financial Statements

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	762	1,108
Cash and bank balances	6,324	761
Total cash and bank balances	<u>7,086</u>	<u>1,869</u>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	18	15
Purchases awaiting settlement	165	775
Purchases of currency awaiting settlement	1	480
Accrued expenses	78	58
Amounts payable on closure of derivative contract	7	70
Total other creditors	<u>269</u>	<u>1,398</u>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Argentine Peso	-	28	-	28
Australian Dollar	(1)	10	-	9
Egyptian Pound	517	-	-	517
Euro	11,246	1	173	11,420
Indonesian Rupiah	303	-	2	305
Japanese Yen	185	-	-	185
Nigerian Naira	299	-	-	299
Swiss Franc	523	1	1	525
UK Pound	17,376	7,045	32	24,453
US Dollar	93,435	1	1,771	95,207
<b>Total</b>	<b>123,883</b>	<b>7,086</b>	<b>1,979</b>	<b>132,948</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Argentine Peso	9	-	-	9
Australian Dollar	(5)	-	-	(5)
Chinese Yuan Renminbi	(7)	-	-	(7)
Euro	7,741	(21)	(306)	7,414
Japanese Yen	8	-	-	8
Russian Ruble	705	-	3	708
Swiss Franc	2	2	-	4
UK Pound	6,609	1,866	710	9,185
US Dollar	61,280	1	1,125	62,406
<b>Total</b>	<b>76,342</b>	<b>1,848</b>	<b>1,532</b>	<b>79,722</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets was:

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
28/02/18	£'000	£'000	£'000	£'000
Argentine Peso	28	-	-	28



## Notes to the Financial Statements

Australian Dollar	10	-	-	10
Egyptian Pound	-	517	-	517
Euro	1	11,212	291	11,504
Indonesian Rupiah	-	303	2	305
Japanese Yen	-	-	185	185
Nigerian Naira	-	-	299	299
Swiss Franc	1	522	2	525
UK Pound	7,045	5,346	12,202	24,593
US Dollar	1	92,870	3,116	95,987
<b>Total</b>	<b>7,086</b>	<b>110,770</b>	<b>16,097</b>	<b>133,953</b>

<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Argentine Peso	-	-	9	9
Euro	-	8,432	109	8,541
Japanese Yen	-	-	8	8
Russian Ruble	-	705	3	708
Swiss Franc	2	-	2	4
UK Pound	1,866	4,548	2,925	9,339
US Dollar	1	61,156	2,932	64,089
<b>Total</b>	<b>1,869</b>	<b>74,841</b>	<b>5,988</b>	<b>82,698</b>

The interest rate risk profile of the fund's financial liabilities was:

Currency	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid	Total liabilities
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	-	-	1	1
Euro	-	-	84	84
UK Pound^	-	-	133,088	133,088
US Dollar	-	-	780	780
<b>Total</b>	<b>-</b>	<b>-</b>	<b>133,953</b>	<b>133,953</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Australian Dollar	-	-	5	5
Chinese Yuan Renminbi	-	-	7	7
Euro	21	637	469	1,127
UK Pound^	-	-	79,875	79,875
US Dollar	-	-	1,684	1,684
<b>Total</b>	<b>21</b>	<b>637</b>	<b>82,040</b>	<b>82,698</b>

^ Includes £132,948,000 in respect of the fund's liability to redeem all shares (2017: £79,722,000).

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.05% rise or fall in the fund's market value (2017: 0.01%).

#### Credit rating risk

As at the year end 73.71% (2017: 82.48%) of the fund's market value was invested in securities rated as below investment grade, additionally 3.26% (2017: 1.31%) of the fund's market value was invested into securities for which no rating was available at the year end.

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Credit default swaps exposure

At the year end the fund holds no credit default swaps that could impact it significantly (2017: A 2% change in credit spreads would lead to a change representing 0.84% of the fund's market value).

#### Options

At the year end the fund holds no options that could impact it significantly (2017: a 10% change in the price of the underlying equities would lead to a change representing 1.97% of the fund's market value).

#### Bond futures

At the year end the fund holds no derivatives that could impact it significantly (2017: A 1% change in interest rates would lead to a change representing 0.87% change of the fund's market value).

## Notes to the Financial Statements

### 13 Portfolio transaction costs

28/02/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total purchases costs</b>					
Equity	791	-	0.02	-	-
Bond	189,601	-	-	-	-
Derivative	-	1	-	-	-
<b>Total</b>	<b>190,392</b>	<b>1</b>		<b>-</b>	
Total including transaction costs	<b>190,393</b>				
	<b>Sales £'000</b>	<b>Commissions £'000</b>	<b>%</b>	<b>Taxes £'000</b>	<b>%</b>
<b>Analysis of total sales costs</b>					
Equity	641	-	0.02	-	-
Bond	141,998	-	-	-	-
Corporate actions	4,318	-	-	-	-
Derivative	-	1	-	-	-
<b>Total</b>	<b>146,957</b>	<b>1</b>		<b>-</b>	
Total including transaction costs	<b>146,956</b>				
Total as a percentage of average net assets*		0.00 %		0.00 %	

28/02/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total purchases costs</b>					
Equity	615	-	0.03	-	-
Bond	110,982	-	-	-	-
<b>Total</b>	<b>111,597</b>	<b>-</b>		<b>-</b>	
Total including transaction costs	<b>111,597</b>				
	<b>Sales £'000</b>	<b>Commissions £'000</b>	<b>%</b>	<b>Taxes £'000</b>	<b>%</b>
<b>Analysis of total sales costs</b>					
Equity	429	-	0.05	-	-
Bond	90,970	-	-	-	-
Corporate actions	1,915	-	-	-	-
Derivative	-	1	-	-	-
<b>Total</b>	<b>93,314</b>	<b>1</b>		<b>-</b>	
Total including transaction costs	<b>93,313</b>				
Total as a percentage of average net assets		0.00 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.75% (2017: 0.86%).

### 14 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
Level 1: Quoted prices	1,997	(7)	1,291	(75)
Level 2: Observable market data	122,374	(686)	76,422	(1,418)
Level 3: Unobservable data*	205	-	122	-
	<b>124,576</b>	<b>(693)</b>	<b>77,835</b>	<b>(1,493)</b>

## Notes to the Financial Statements

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Income Shares	11,492	30,361	(12,226)	(280)	29,347
Gross paying A Income Shares	2,889	320	(387)	(1,502)	1,320
A Accumulation Shares	2,366	146	(216)	-	2,296
Gross paying A Accumulation Shares	1,000	-	(1,000)	-	-
I Accumulation Shares	4,935,549	5,609,318	(2,493,446)	-	8,051,421
Y Accumulation Shares	131,838	507,238	(169,257)	-	469,819
Gross paying Y Accumulation Shares	149,704	167,768	(105,604)	-	211,868
Y Income Shares	640,024	346,281	(462,098)	280	524,487
Gross paying Y Income Shares	139,484	160,310	(114,439)	1,504	186,859

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £56,000 (2017: £38,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
BBH	4	-	-	-	-	4
BNP Paribas	2	-	-	-	-	2
Citibank	25	-	-	-	-	25
Citigroup Global Markets	-	-	11	12	-	23
Goldman Sachs	-	-	205	-	-	205
HSBC Global Markets	(6)	-	-	-	-	(6)
JP Morgan	(4)	-	-	-	-	(4)
Morgan Stanley	4	-	-	-	646	650
National Australia Bank	(7)	-	-	-	-	(7)
Northern Trust	1	-	-	-	-	1
Royal Bank of Canada	87	-	-	-	-	87
State Street	(589)	-	-	-	-	(589)
UBS	-	(2)	-	-	116	114
Total	(483)	(2)	216	12	762	505

Notes to the Financial Statements

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
BBH	(7)	-	-	-	-	(7)
BNP Paribas	2	-	-	-	-	2
Citibank	8	-	-	-	-	8
Goldman Sachs	-	-	(343)	-	-	(343)
HSBC Global Markets	2	-	-	-	-	2
JP Morgan	-	-	(294)	-	-	(294)
National Australia Bank	(17)	-	-	-	-	(17)
Northern Trust	2	-	-	-	-	2
Royal Bank of Canada	(698)	-	-	-	-	(698)
Societe Generale	10	-	-	-	-	10
UBS	-	(75)	-	(45)	357	237
Total	<u>(698)</u>	<u>(75)</u>	<u>(637)</u>	<u>(45)</u>	<u>357</u>	<u>(1,098)</u>

18 Shareholders' funds

The fund has eight share classes; A Income Shares, Gross paying A Income Shares, A Accumulation Shares, I Accumulation Shares, Y Accumulation Shares, Gross paying Y Accumulation Shares, Y Income Shares and Gross paying Y Income Shares. The annual management charge on each share class is as follows:

A Income Shares : 1.25%

Gross paying A Income Shares : 1.25%

A Accumulation Shares : 1.25%

I Accumulation Shares : 0.45%

Y Accumulation Shares : 0.75%

Gross paying Y Accumulation Shares : 0.75%

Y Income Shares : 0.75%

Gross paying Y Income Shares : 0.75%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Income Shares	1,081.00	1,072.00	(0.83)
A Accumulation Shares	1,374.12	1,369.00	(0.37)
I Accumulation Shares	1,429.43	1,426.00	(0.24)
Y Accumulation Shares	1,423.54	1,419.00	(0.32)
Y Income Shares	1,080.81	1,072.00	(0.82)

The Gross paying A Income Shares merged into the A Income Shares on 1 May 2018.

The Gross paying Y Accumulation Shares merged into Y Accumulation Shares on 1 May 2018.

The Gross paying Y Income Shares merged into Y Income Shares on 1 May 2018.

## Distribution Statement

for the year ended 28 February 2018

### A Income Shares - final distribution No. 72 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	2.5735	-	2.5735	4.4256
Group 2	0.1510	2.4225	2.5735	4.4256

### A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 61	3.1834	-	3.1834	3.5019
Distribution No. 62	2.8428	-	2.8428	3.3272
Distribution No. 63	2.8032	-	2.8032	3.2143
Distribution No. 64	3.1329	-	3.1329	3.1109
Distribution No. 65	2.9640	-	2.9640	3.4342
Distribution No. 66	3.0261	-	3.0261	3.5177
Distribution No. 67	2.3697	-	2.3697	3.4926
Distribution No. 68	1.8567	-	1.8567	3.2970
Distribution No. 69	3.7905	-	3.7905	3.0754
Distribution No. 70	2.4303	-	2.4303	3.0369
Distribution No. 71	2.3542	-	2.3542	2.9092
Group 2				
Distribution No. 61	0.0614	3.1220	3.1834	3.5019
Distribution No. 62	0.2615	2.5813	2.8428	3.3272
Distribution No. 63	1.5296	1.2736	2.8032	3.2143
Distribution No. 64	0.0268	3.1061	3.1329	3.1109
Distribution No. 65	0.6492	2.3148	2.9640	3.4342
Distribution No. 66	0.2421	2.7840	3.0261	3.5177
Distribution No. 67	0.1538	2.2159	2.3697	3.4926
Distribution No. 68	0.1201	1.7366	1.8567	3.2970
Distribution No. 69	0.9941	2.7964	3.7905	3.0754
Distribution No. 70	0.6269	1.8034	2.4303	3.0369
Distribution No. 71	0.1546	2.1996	2.3542	2.9092

### Gross paying A Income Shares - final distribution No. 72 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	2.5655	-	2.5655	4.4767
Group 2	-	2.5655	2.5655	4.4767

## Distribution Statement

### Gross paying A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 61	3.1812	-	3.1812	4.3619
Distribution No. 62	3.0350	-	3.0350	4.1663
Distribution No. 63	2.7466	-	2.7466	4.0365
Distribution No. 64	3.1316	-	3.1316	3.9039
Distribution No. 65	2.9587	-	2.9587	4.3106
Distribution No. 66	3.0220	-	3.0220	4.4026
Distribution No. 67	2.3951	-	2.3951	4.3275
Distribution No. 68	1.8321	-	1.8321	4.2064
Distribution No. 69	3.7462	-	3.7462	3.8378
Distribution No. 70	2.4062	-	2.4062	3.7970
Distribution No. 71	2.3276	-	2.3276	3.5672
Group 2				
Distribution No. 61	0.0891	3.0921	3.1812	4.3619
Distribution No. 62	0.2019	2.8331	3.0350	4.1663
Distribution No. 63	-	2.7466	2.7466	4.0365
Distribution No. 64	-	3.1316	3.1316	3.9039
Distribution No. 65	-	2.9587	2.9587	4.3106
Distribution No. 66	-	3.0220	3.0220	4.4026
Distribution No. 67	0.0001	2.3950	2.3951	4.3275
Distribution No. 68	0.0001	1.8320	1.8321	4.2064
Distribution No. 69	0.0002	3.7460	3.7462	3.8378
Distribution No. 70	0.0002	2.4060	2.4062	3.7970
Distribution No. 71	-	2.3276	2.3276	3.5672

### A Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	41.7379	-	41.7379	58.8466
Group 2	0.9552	40.7827	41.7379	58.8466

### I Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	56.4437	-	56.4437	71.4125
Group 2	27.5664	28.8773	56.4437	71.4125

## Distribution Statement

### Y Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	51.0125	-	51.0125	76.3445
Group 2	28.1487	22.8638	51.0125	76.3445

### Gross paying Y Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	52.4512	-	52.4512	70.1518
Group 2	25.2391	27.2121	52.4512	70.1518

### Y Income Shares - final distribution No. 72 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	2.9905	-	2.9905	4.8853
Group 2	1.3734	1.6171	2.9905	4.8853

### Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 61	3.6668	-	3.6668	3.8546
Distribution No. 62	3.3659	-	3.3659	3.6733
Distribution No. 63	3.2696	-	3.2696	3.5824
Distribution No. 64	3.6014	-	3.6014	3.4673
Distribution No. 65	3.4447	-	3.4447	3.8135
Distribution No. 66	3.5154	-	3.5154	3.8791
Distribution No. 67	2.9003	-	2.9003	3.8336
Distribution No. 68	2.2182	-	2.2182	3.7349
Distribution No. 69	4.1960	-	4.1960	3.4438
Distribution No. 70	2.9148	-	2.9148	3.4205
Distribution No. 71	2.8178	-	2.8178	3.2924

## Distribution Statement

Group 2				
Distribution No. 61	2.1155	1.5513	3.6668	3.8546
Distribution No. 62	1.9798	1.3861	3.3659	3.6733
Distribution No. 63	1.9321	1.3375	3.2696	3.5824
Distribution No. 64	1.4455	2.1559	3.6014	3.4673
Distribution No. 65	1.4227	2.0220	3.4447	3.8135
Distribution No. 66	1.6342	1.8812	3.5154	3.8791
Distribution No. 67	2.4389	0.4614	2.9003	3.8336
Distribution No. 68	2.1232	0.0950	2.2182	3.7349
Distribution No. 69	2.5887	1.6073	4.1960	3.4438
Distribution No. 70	1.6246	1.2902	2.9148	3.4205
Distribution No. 71	1.5698	1.2480	2.8178	3.2924

### Gross paying Y Income Shares - final distribution No. 72 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	2.9857	-	2.9857	4.9091
Group 2	1.4522	1.5335	2.9857	4.9091

### Gross paying Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 61	3.6613	-	3.6613	4.8027
Distribution No. 62	3.3591	-	3.3591	4.5783
Distribution No. 63	3.2619	-	3.2619	4.4795
Distribution No. 64	3.6036	-	3.6036	4.3318
Distribution No. 65	3.4456	-	3.4456	4.7704
Distribution No. 66	3.5112	-	3.5112	4.8750
Distribution No. 67	2.8922	-	2.8922	4.7713
Distribution No. 68	2.8350	-	2.8350	4.6769
Distribution No. 69	4.1631	-	4.1631	4.2929
Distribution No. 70	2.9103	-	2.9103	4.2665
Distribution No. 71	2.8127	-	2.8127	4.0382
Group 2				
Distribution No. 61	0.5672	3.0941	3.6613	4.8027
Distribution No. 62	1.7798	1.5793	3.3591	4.5783
Distribution No. 63	1.8585	1.4034	3.2619	4.4795
Distribution No. 64	2.0639	1.5397	3.6036	4.3318
Distribution No. 65	1.1529	2.2927	3.4456	4.7704
Distribution No. 66	2.3450	1.1662	3.5112	4.8750
Distribution No. 67	2.2608	0.6314	2.8922	4.7713
Distribution No. 68	2.5661	0.2689	2.8350	4.6769
Distribution No. 69	1.2249	2.9382	4.1631	4.2929
Distribution No. 70	0.8475	2.0628	2.9103	4.2665
Distribution No. 71	1.2800	1.5327	2.8127	4.0382



Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve a combination of income and long term capital growth from a portfolio primarily made up of the securities of companies principally involved in the real estate industry and other real estate related investments.

Performance and Portfolio Activity

The fund generated negative returns during the review. Selected holdings in the US were among the weak performers. While Welltower fell due to concerns over the outlook for senior housing, Simon Property Group retreated due to unfavourable retail sentiment in the US. These losses were partially offset by the position in Inmobiliaria Colonial, which benefited from the supportive real estate environment in Spain. Among the key transactions, I took profits in Buwog as it rose following Vonovia’s offer to acquire the company. I also sold the holding in Ventas due to reduced conviction. The proceeds were reinvested in Digital Realty Trust, which is witnessing stable growth in leasing rentals. I also bought additional shares in Welltower.

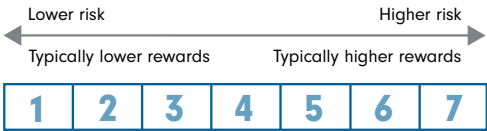
Outlook

The outlook for the global property market remains positive, driven by global economic growth, improving property fundamentals and supportive demand/ supply dynamics. I continue to find investment opportunities across regions and property types.

Dirk Philippa  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
W Accumulation Shares	5
W Income Shares	5
Y Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.

## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	188.72	152.06	152.50	172.40	137.88	137.24
Return before operating charges*	(14.23)	39.60	2.14	(13.08)	36.04	1.94
Operating charges	(3.16)	(2.94)	(2.58)	(1.63)	(1.52)	(1.30)
Return after operating charges*	(17.39)	36.66	(0.44)	(14.71)	34.52	0.64
Distributions	(2.37)	(2.00)	(1.80)	(3.43)	(2.89)	(2.64)
Retained distributions on accumulation shares	2.37	2.00	1.80	3.43	2.89	2.64
Closing net asset value per share	171.33	188.72	152.06	157.69	172.40	137.88
*after direct transaction costs of	0.10	0.11	0.14	0.10	0.11	0.14
<b>Performance</b>						
Return after charges	(9.2%)	24.1%	(0.3%)	(8.5%)	25.0%	0.5%
<b>Other information</b>						
Closing net asset value (£'000)	53,287	63,075	103,687	144,848	130,520	94,062
Closing number of shares	31,102,462	33,422,289	68,185,763	91,858,123	75,708,047	68,221,822
Operating charges	1.70%	1.70%	1.72%	0.95%	0.95%	0.97%
Direct transaction costs	0.06%	0.07%	0.10%	0.06%	0.07%	0.10%
<b>Prices (pence per share)</b>						
Highest share price	191.20	189.60	163.50	175.00	173.10	147.30
Lowest share price	168.00	152.40	137.00	154.50	138.20	123.70

	W Income Shares			Y Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	149.69	122.71	125.72	172.75	138.12	138.09
Return before operating charges*	(11.17)	32.01	1.56	(13.09)	36.49	1.99
Operating charges	(1.40)	(1.35)	(1.19)	(2.01)	(1.86)	(1.62)
Return after operating charges*	(12.57)	30.66	0.37	(15.10)	34.63	0.37
Distributions	(4.12)	(3.68)	(3.38)	(3.05)	(2.55)	(2.35)
Retained distributions on accumulation shares	-	-	-	3.05	2.55	2.35
Closing net asset value per share	133.00	149.69	122.71	157.65	172.75	138.12
*after direct transaction costs of	0.10	0.11	0.14	0.10	0.11	0.14
<b>Performance</b>						
Return after charges	(8.4%)	25.0%	0.3%	(8.7%)	24.8%	0.3%
<b>Other information</b>						
Closing net asset value (£'000)	5,997	4,180	2,085	1,138	1,181	1,485
Closing number of shares	4,509,413	2,792,293	1,699,012	722,062	683,439	1,072,640
Operating charges	0.95%	0.96%	0.97%	1.20%	1.17%	1.19%
Direct transaction costs	0.06%	0.07%	0.10%	0.06%	0.07%	0.10%
<b>Prices (pence per share)</b>						
Highest share price	152.00	153.20	134.90	175.30	173.50	148.20
Lowest share price	132.00	123.00	111.60	154.50	138.80	124.40

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(23,342)		41,526
Revenue	5	7,357		6,628	
Expenses	6	(2,539)		(2,538)	
Interest payable and similar charges	8	(54)		(7)	
Net revenue/(expense) before taxation		4,764		4,083	
Taxation	7	(831)		(723)	
Net revenue/(expense) after taxation			3,933		3,360
<b>Total return before distributions</b>			(19,409)		44,886
Distributions	8		(3,979)		(3,328)
<b>Change in net assets attributable to shareholders from investment activities</b>			(23,388)		41,558

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			198,956		201,319
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		41,274		30,614	
Amounts payable on cancellation of shares		(15,496)		(77,659)	
			25,778		(47,045)
Change in net assets attributable to shareholders from investment activities (see above)			(23,388)		41,558
Retained distribution on accumulation shares	8		3,924		3,124
<b>Closing net assets attributable to shareholders</b>			205,270		198,956

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			204,881		198,337
<b>Current assets:</b>					
Debtors	9	848		1,937	
Cash and bank balances		799		1,166	
Total other assets			1,647		3,103
<b>Total assets</b>			206,528		201,440
<b>Liabilities:</b>					
Creditors					
Distribution payable		(78)		(28)	
Other creditors	10	(1,180)		(2,456)	
Total other liabilities			(1,258)		(2,484)
<b>Total liabilities</b>			(1,258)		(2,484)
<b>Net assets attributable to shareholders</b>			205,270		198,956

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(23,685)	41,637
Gains/(losses) on derivative contracts	605	253
Other currency gains/(losses)	(239)	(361)
Transaction charges	(21)	(9)
Broker fee rebates	(2)	6
Net capital gains/(losses)	<u>(23,342)</u>	<u>41,526</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	134	39
Derivative revenue	354	71
UK dividends	193	26
UK property income distributions	419	269
UK property income scrip dividends	-	51
Overseas dividends	1,174	1,231
Overseas property income distributions	5,078	4,887
Overseas scrip dividends	-	51
Bank interest	5	1
Taxable interest	-	2
Total revenue	<u>7,357</u>	<u>6,628</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	2,086	2,127
Registrar fees	272	257
Service charges	109	99
Foreign exchange administration fees	10	6
	<u>2,477</u>	<u>2,489</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	23	19
Custody fees	14	8
	<u>37</u>	<u>27</u>
Other expenses:		
Audit fee	9	9
Other operating expenses	16	13
	<u>25</u>	<u>22</u>
Total expenses	<u>2,539</u>	<u>2,538</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	642	534
Overseas taxation	831	723
Double taxation relief	(642)	(534)
	<u>831</u>	<u>723</u>
Total current taxation	<u>831</u>	<u>723</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>4,764</u>	<u>4,083</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	953	817
Effects of:		
Overseas taxation	831	723
Revenue not included for tax purposes	(302)	(283)
Double taxation relief	(642)	(534)
Expenses not deductible for tax purposes	(9)	-
	<u>831</u>	<u>723</u>
Current tax charge/(credit)	<u>831</u>	<u>723</u>

Open ended investment companies are exempt from UK tax on capital gains.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	247	-
Interim	519	1,123
<b>W Accumulation Shares</b>		
Final	1,242	385
Interim	1,893	1,599
<b>W Income Shares</b>		
Final	78	28
Interim	90	60
<b>Y Accumulation Shares</b>		
Final	8	2
Interim	15	15
	<u>4,092</u>	<u>3,212</u>
Add: Revenue deducted on cancellation of shares	79	359
Deduct: Revenue received on issue of shares	(192)	(243)
Net distributions for the year	<u>3,979</u>	<u>3,328</u>
<b>Interest/other</b>		
Short dividend payments	54	-
Derivative expense	-	7
	<u>54</u>	<u>7</u>
Total finance costs	<u>4,033</u>	<u>3,335</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	3,933	3,360
<b>Add back (revenue)/expenses transferred to capital:</b>		
Investment management fees	42	24
Service charges	3	2
UK property scrip dividends	-	(51)
Revenue shortfall transferred from capital	-	44
Overseas scrip dividends	-	(51)
Equalisation on conversions	1	-
	<u>3,979</u>	<u>3,328</u>

Details of the distributions per share are set out in the Distribution Statement.

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	3	571
Sales of currency awaiting settlement	364	638
Accrued revenue	454	697
Broker fee rebates receivable	-	4
UK income tax recoverable	3	2
Overseas tax recoverable	22	25
Sales awaiting settlement	2	-
<b>Total debtors</b>	<b>848</b>	<b>1,937</b>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	606	162
Purchases awaiting settlement	-	1,463
Purchases of currency awaiting settlement	366	637
Accrued expenses	208	194
<b>Total other creditors</b>	<b>1,180</b>	<b>2,456</b>

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	15,780	-	208	15,988
Canadian Dollar	4,283	-	11	4,294
Euro	23,585	-	22	23,607
Hong Kong Dollar	19,015	-	-	19,015
Japanese Yen	16,915	-	-	16,915
Singapore Dollar	3,133	-	74	3,207
Swiss Franc	2,906	-	-	2,906
UK Pound	8,565	-	(521)	8,044
US Dollar	110,699	799	(204)	111,294
<b>Total</b>	<b>204,881</b>	<b>799</b>	<b>(410)</b>	<b>205,270</b>
28/02/17	£'000	£'000	£'000	£'000
Australian Dollar	18,248	-	358	18,606
Brazilian Real	-	1	-	1
Canadian Dollar	6,236	-	17	6,253
Euro	13,980	-	5	13,985
Hong Kong Dollar	10,492	-	-	10,492
Japanese Yen	12,706	-	-	12,706
Singapore Dollar	7,214	-	178	7,392
Swiss Franc	4,218	-	20	4,238
UK Pound	10,732	-	(26)	10,706
US Dollar	114,511	1,165	(1,099)	114,577
<b>Total</b>	<b>198,337</b>	<b>1,166</b>	<b>(547)</b>	<b>198,956</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

## Notes to the Financial Statements

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.96% rise or fall in the fund's market value (2017: 0.94%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## 12 Portfolio transaction costs

28/02/18	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	105,067	47	0.04	37	0.04
Derivative	-	1	-	-	-
Total	105,067	48		37	
Total including transaction costs	105,152				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	85,587	37	0.04	5	0.01
Corporate actions	227	-	-	-	-
Derivative	-	1	-	-	-
Total	85,814	38		5	
Total including transaction costs	85,771				
Total as a percentage of average net assets*		0.04 %		0.02 %	
28/02/17	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	64,262	39	0.06	30	0.05
Corporate actions	102	-	-	-	-
Derivative	-	2	-	-	-
Total	64,364	41		30	
Total including transaction costs	64,435				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	101,142	58	0.06	9	0.01
Corporate actions	1,481	-	-	-	-
Total	102,623	58		9	
Total including transaction costs	102,556				
Total as a percentage of average net assets		0.05 %		0.02 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.13% (2017: 0.11%).

## 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	189,131	-	192,272	-
Level 2: Observable market data	15,750	-	6,065	-
Level 3: Unobservable data	-	-	-	-
	204,881	-	198,337	-

## Notes to the Financial Statements

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	33,422,289	1,265,650	(3,398,427)	(187,050)	31,102,462
W Accumulation Shares	75,708,047	20,717,274	(4,888,649)	321,451	91,858,123
W Income Shares	2,792,293	2,422,818	(705,698)	-	4,509,413
Y Accumulation Shares	683,439	309,742	(153,420)	(117,699)	722,062

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £179,000 (2017: £177,000) are included within accrued expenses in Note 10.

### 16 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	417	-	-	(462)	(45)
Total	-	417	-	-	(462)	(45)

28/02/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	262	-	-	-	262
Total	-	262	-	-	-	262

### 17 Shareholders' funds

The fund has four share classes; A Accumulation Shares, W Accumulation Shares, Y Accumulation Shares and W Income Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

W Income Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 18 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	171.33	183.00	6.81
W Accumulation Shares	157.69	168.69	6.98
W Income Shares	133.00	142.30	6.99
Y Accumulation Shares	157.65	168.50	6.88



## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 23 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.7937	-	0.7937	-
Group 2	0.4222	0.3715	0.7937	-

### A Accumulation Shares - interim distribution No. 22 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/10/17	Amount accumulated 31/10/16
Group 1	1.5716	-	1.5716	1.9953
Group 2	0.8015	0.7701	1.5716	1.9953

### W Accumulation Shares - final distribution No. 11 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.3526	-	1.3526	0.5090
Group 2	0.6991	0.6535	1.3526	0.5090

### W Accumulation Shares - interim distribution No. 10 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/10/17	Amount accumulated 31/10/16
Group 1	2.0767	-	2.0767	2.3836
Group 2	1.1426	0.9341	2.0767	2.3836

### W Income Shares - final distribution No. 9 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 30/04/18	Amount distributed 30/04/17
Group 1	1.7232	-	1.7232	1.0176
Group 2	0.9761	0.7471	1.7232	1.0176

### W Income Shares - interim distribution No. 8 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 31/10/17	Amount distributed 31/10/16
Group 1	2.3977	-	2.3977	2.6643
Group 2	1.2745	1.1232	2.3977	2.6643

## Distribution Statement

### Y Accumulation Shares - final distribution No. 11 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.1617	-	1.1617	0.3279
Group 2	0.7383	0.4234	1.1617	0.3279

### Y Accumulation Shares - interim distribution No. 10 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/10/17	Amount accumulated 31/10/16
Group 1	1.8932	-	1.8932	2.2220
Group 2	1.1017	0.7915	1.8932	2.2220

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of companies around the world. The fund will have a blend of investments in larger, medium and smaller sized companies. The ACD is not restricted in its choice of companies either by size or industry, or in terms of the geographical split of the portfolio, and will choose stocks largely determined by the availability of attractive investment opportunities. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

Performance and Portfolio Activity

The fund delivered positive returns over the period. Selected European financials and industrials positions, including Commerzbank, Airbus and Vinci added value amid a cyclical recovery and improving fundamentals. I added exposure to the financials sector by purchasing holdings in insurance companies NN Group and Prudential, both of which have a strong growth outlook. Certain semiconductor positions, including ON Semiconductor, Sumco, Lam Research and Teradyne, benefited from robust demand trends across most end markets. Meanwhile, I took profits and sold holdings in Nvidia and NXP Semiconductors. Selected consumer staples positions were negatively impacted by the weak pricing environment and increased competitive intensity.

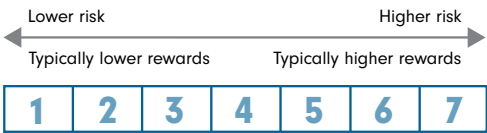
Outlook

Equities remain well supported, with a strong outlook for earnings growth prospects. The current benign economic backdrop is likely to result in interesting opportunities outside the US, given that earnings growth has reappeared and valuations are relatively more favourable in other regions.

Jeremy Podger  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
J Accumulation Shares	5
W Accumulation Shares	5
Y Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

### Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	3,541.29	2,581.34	2,548.76	3,376.66	2,443.02	2,394.09
Return before operating charges*	395.99	1,010.99	76.57	378.93	960.81	71.78
Operating charges	(63.10)	(51.04)	(43.99)	(33.78)	(27.17)	(22.85)
Return after operating charges*	332.89	959.95	32.58	345.15	933.64	48.93
Distributions	-	(1.99)	-	(24.27)	(23.31)	(12.80)
Retained distributions on accumulation shares	-	1.99	-	24.27	23.31	12.80
Closing net asset value per share	3,874.18	3,541.29	2,581.34	3,721.81	3,376.66	2,443.02
*after direct transaction costs of	1.84	2.09	1.68	1.84	2.09	1.68
<b>Performance</b>						
Return after charges	9.4%	37.2%	1.3%	10.2%	38.2%	2.0%
<b>Other information</b>						
Closing net asset value (£'000)	700,216	690,144	559,688	1,806,811	1,497,238	1,079,706
Closing number of shares	18,073,938	19,488,499	21,682,081	48,546,651	44,340,754	44,195,586
Operating charges	1.69%	1.70%	1.70%	0.95%	0.95%	0.95%
Direct transaction costs	0.05%	0.07%	0.07%	0.05%	0.07%	0.07%
<b>Prices (pence per share)</b>						
Highest share price	4,019.00	3,556.00	2,740.00	3,857.00	3,390.00	2,576.00
Lowest share price	3,442.00	2,546.00	2,309.00	3,285.00	2,414.00	2,184.00

	J Accumulation Shares			Y Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	308.38	224.72	221.81	3,509.85	2,545.06	2,499.59
Return before operating charges*	34.48	88.02	6.66	393.84	999.37	75.12
Operating charges	(5.42)	(4.36)	(3.75)	(43.51)	(34.58)	(29.65)
Return after operating charges*	29.06	83.66	2.91	350.33	964.79	45.47
Distributions	-	(0.25)	-	(16.97)	(17.69)	(7.72)
Retained distributions on accumulation shares	-	0.25	-	16.97	17.69	7.72
Closing net asset value per share	337.44	308.38	224.72	3,860.18	3,509.85	2,545.06
*after direct transaction costs of	1.84	2.09	1.68	1.84	2.09	1.68
<b>Performance</b>						
Return after charges	9.4%	37.2%	1.3%	10.0%	37.9%	1.8%
<b>Other information</b>						
Closing net asset value (£'000)	3,967	4,376	1,660,096	27,948	10,579	10,688
Closing number of shares	1,175,502	1,419,186	1,660,092	724,045	301,397	419,961
Operating charges	1.67%	1.67%	1.67%	1.17%	1.17%	1.17%
Direct transaction costs	0.05%	0.07%	0.07%	0.05%	0.07%	0.07%
<b>Prices (pence per share)</b>						
Highest share price	350.00	309.60	238.50	4,002.00	3,524.00	2,689.00
Lowest share price	299.70	221.70	201.00	3,414.00	2,513.00	2,276.00

# Fidelity Global Special Situations Fund

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		210,922		597,736
Revenue	5	48,192		40,521	
Expenses	6	(27,873)		(22,456)	
Interest payable and similar charges	8	(2,758)		(3,062)	
Net revenue/(expense) before taxation		17,561		15,003	
Taxation	7	(4,140)		(3,189)	
Net revenue/(expense) after taxation			13,421		11,814
<b>Total return before distributions</b>			224,343		609,550
Distributions	8		(11,370)		(10,912)
<b>Change in net assets attributable to shareholders from investment activities</b>			212,973		598,638

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			2,202,334		1,653,809
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		175,534		37,851	
Amounts payable on cancellation of shares		(63,804)		(98,746)	
			111,730		(60,895)
Change in net assets attributable to shareholders from investment activities (see above)			212,973		598,638
Retained distribution on accumulation shares	8		11,905		10,782
<b>Closing net assets attributable to shareholders</b>			2,538,942		2,202,334

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			2,545,514		2,207,116
<b>Current assets:</b>					
Debtors	9	25,591		14,245	
Cash and bank balances	10	2,792		889	
Total other assets			28,383		15,134
<b>Total assets</b>			2,573,897		2,222,250
<b>Liabilities:</b>					
Investment liabilities			(10,473)		(9,146)
Creditors					
Other creditors	11	(24,482)		(10,770)	
Total other liabilities			(24,482)		(10,770)
<b>Total liabilities</b>			(34,955)		(19,916)
<b>Net assets attributable to shareholders</b>			2,538,942		2,202,334

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	200,669	591,400
Gains/(losses) on derivative contracts	10,935	7,552
Gains/(losses) on forward currency contracts	-	(987)
Other currency gains/(losses)	(624)	(227)
Transaction charges	(53)	(46)
Broker fee rebates	(5)	44
Net capital gains/(losses)	<u>210,922</u>	<u>597,736</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	993	610
Derivative revenue	2,319	2,874
UK dividends	4,759	4,885
Overseas dividends	35,811	29,880
Overseas property income distributions	1,505	1,313
Overseas scrip dividends	2,787	922
Bank interest	10	2
Taxable interest	8	35
Total revenue	<u>48,192</u>	<u>40,521</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	23,264	18,718
Registrar fees	2,965	2,443
Service charges	1,189	941
Foreign exchange administration fees	4	9
	<u>27,422</u>	<u>22,111</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	85	85
Custody fees	200	118
	<u>285</u>	<u>203</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	156	132
	<u>166</u>	<u>142</u>
Total expenses	<u>27,873</u>	<u>22,456</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	4,081	3,189
Overseas capital gains tax	59	-
Total current taxation	<u>4,140</u>	<u>3,189</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>17,561</u>	<u>15,003</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	3,512	3,001
Effects of:		
Overseas taxation	4,081	3,189
Overseas tax expensed	(76)	(40)
Increase/(decrease) in unutilised management expenses	5,116	4,121
Revenue not included for tax purposes	(8,552)	(7,082)
Capital gains tax	59	-
Current tax charge/(credit)	<u>4,140</u>	<u>3,189</u>
Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £41,006,000 (2017: £35,890,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	-	388
<b>W Accumulation Shares</b>		
Final	11,782	10,337
<b>J Accumulation Shares</b>		
Final	-	4
Interim	-	-
<b>Y Accumulation Shares</b>		
Final	<u>123</u>	<u>53</u>
	<u>11,905</u>	<u>10,782</u>
Add: Revenue deducted on cancellation of shares	149	335
Deduct: Revenue received on issue of shares	<u>(684)</u>	<u>(205)</u>
Net distributions for the year	<u>11,370</u>	<u>10,912</u>
<b>Interest/other</b>		
Short dividend payments	1,435	-
Interest	6	2
Derivative expense	-	3,060
Contract for difference finance costs	<u>1,317</u>	<u>-</u>
	<u>2,758</u>	<u>3,062</u>
Total finance costs	<u>14,128</u>	<u>13,974</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	13,421	11,814
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	451	-
Overseas scrip dividends	(2,787)	(922)
Equalisation on conversions	226	20
Indian capital gains tax	<u>59</u>	<u>-</u>
	<u>11,370</u>	<u>10,912</u>

## Notes to the Financial Statements

Details of the distributions per share are set out in the Distribution Statement.

The A Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: £388,000).

The J Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: £4,000).

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	1,771	629
Sales awaiting settlement	9,408	3,721
Sales of currency awaiting settlement	9,085	4,432
Accrued revenue	4,606	4,988
Broker fee rebates receivable	-	21
Overseas tax recoverable	721	454
<b>Total debtors</b>	<b>25,591</b>	<b>14,245</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Cash and bank balances	343	889
Amounts held at futures clearing houses and brokers	2,449	-
<b>Total cash and bank balances</b>	<b>2,792</b>	<b>889</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	382	919
Purchases awaiting settlement	12,689	3,274
Purchases of currency awaiting settlement	9,114	4,445
Accrued expenses	2,291	2,030
Amounts payable on closure of derivative contract	6	102
<b>Total other creditors</b>	<b>24,482</b>	<b>10,770</b>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
28/02/18	£'000	£'000	£'000	£'000
Canadian Dollar	23,444	-	-	23,444
Danish Krone	76,186	-	125	76,311
Euro	328,662	-	579	329,241
Hong Kong Dollar	104,026	1	-	104,027
Indian Rupee	10,980	-	-	10,980
Indonesian Rupiah	24,806	-	-	24,806
Japanese Yen	277,778	-	1,393	279,171
Korean Won	65,319	7	1,053	66,379
Singapore Dollar	11,535	1	113	11,649
South African Rand	29,789	20	(452)	29,357
Swedish Krona	18,751	-	-	18,751
Swiss Franc	56,837	-	-	56,837
Thai Baht	52,399	-	-	52,399
UK Pound	124,085	2	(615)	123,472
US Dollar	1,330,444	2,761	(1,087)	1,332,118
<b>Total</b>	<b>2,535,041</b>	<b>2,792</b>	<b>1,109</b>	<b>2,538,942</b>



## Notes to the Financial Statements

28/02/17	£'000	£'000	£'000	£'000
Australian Dollar	12,488	-	-	12,488
Canadian Dollar	33,966	-	-	33,966
Danish Krone	30,659	-	12	30,671
Euro	250,216	1	426	250,643
Hong Kong Dollar	82,622	1	-	82,623
Indian Rupee	17,076	-	60	17,136
Indonesian Rupiah	16,525	-	-	16,525
Japanese Yen	219,455	-	763	220,218
Korean Won	68,655	4	1,192	69,851
Singapore Dollar	11,443	-	195	11,638
South African Rand	17,710	-	-	17,710
Swedish Krona	-	1	-	1
Swiss Franc	21,870	-	-	21,870
Thai Baht	17,216	-	(919)	16,297
UK Pound	86,474	442	(959)	85,957
US Dollar	1,311,595	440	2,705	1,314,740
<b>Total</b>	<b>2,197,970</b>	<b>889</b>	<b>3,475</b>	<b>2,202,334</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.95% rise or fall in the fund's market value (2017: 0.96%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	702,084	415	0.06	349	0.05
Bond	318	-	-	-	-
Corporate actions	2,787	-	-	-	-
Derivative	-	63	-	-	-
<b>Total</b>	<b>705,189</b>	<b>478</b>		<b>349</b>	
<b>Total including transaction costs</b>	<b>706,016</b>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	593,043	246	0.04	72	0.01
Corporate actions	124	-	-	-	-
Derivative	-	90	-	-	-
<b>Total</b>	<b>593,167</b>	<b>336</b>		<b>72</b>	
<b>Total including transaction costs</b>	<b>592,759</b>				
<b>Total as a percentage of average net assets*</b>		<b>0.03 %</b>		<b>0.02 %</b>	

## Notes to the Financial Statements

28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	602,514	346	0.06	335	0.06
Bond	5,710	-	-	-	-
Corporate actions	991	-	-	-	-
Derivative	-	129	-	-	-
Total	<u>609,215</u>	<u>475</u>		<u>335</u>	
Total including transaction costs	<u>610,025</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	694,635	314	0.05	138	0.02
Corporate actions	6,877	-	-	-	-
Derivative	-	123	-	-	-
Total	<u>701,512</u>	<u>437</u>		<u>138</u>	
Total including transaction costs	<u>700,937</u>				
Total as a percentage of average net assets		0.05 %		0.03 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.06% (2017: 0.05%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	2,424,672	-	2,109,446	-
Level 2: Observable market data	109,835	(10,473)	91,141	(9,146)
Level 3: Unobservable data*	11,007	-	6,529	-
	<u>2,545,514</u>	<u>(10,473)</u>	<u>2,207,116</u>	<u>(9,146)</u>

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	19,488,499	1,016,422	(1,161,664)	(1,269,319)	18,073,938
W Accumulation Shares	44,340,754	3,399,201	(524,604)	1,331,300	48,546,651
J Accumulation Shares	1,419,186	92,177	(335,861)	-	1,175,502
Y Accumulation Shares	301,397	449,805	(20,795)	(6,362)	724,045

## Notes to the Financial Statements

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £2,122,000 (2017: £1,949,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
Deutsche Bank	-	(1,757)	-	-	1,712	(45)
Goldman Sachs	-	21	-	-	-	21
HSBC Global Markets	-	(874)	-	-	737	(137)
UBS	-	12,346	-	-	(12,402)	(56)
Total	-	9,736	-	-	(9,953)	(217)

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
Deutsche Bank	-	353	-	-	-	353
UBS	-	(2,328)	-	-	-	(2,328)
Total	-	(1,975)	-	-	-	(1,975)

### 18 Shareholders' funds

The fund has four share classes; A Accumulation Shares, W Accumulation Shares, J Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

J Accumulation Shares : 1.50%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	3,874.18	3,944.00	1.80
W Accumulation Shares	3,721.81	3,795.00	1.97
J Accumulation Shares	337.44	343.50	1.80
Y Accumulation Shares	3,860.18	3,934.00	1.91

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 12 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	-	-	-	1.9914
Group 2	-	-	-	1.9914

### W Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	24.2691	-	24.2691	23.3128
Group 2	7.6695	16.5996	24.2691	23.3128

### J Accumulation Shares - final distribution No. 10 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	-	-	-	0.2512
Group 2	-	-	-	0.2512

### Y Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	16.9733	-	16.9733	17.6933
Group 2	1.1361	15.8372	16.9733	17.6933

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth by closely matching the performance of the MSCI Emerging Markets Index. The ACD will aim to hold securities that represent the MSCI Emerging Markets Index (or in the event of this index ceasing to be compiled such index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

Performance and Portfolio Activity

The fund generated positive returns as an improving economic environment in Russia and rising commodity prices boosted appetite for emerging market equities. As a “passive” or “index tracker” fund, the return of the fund and the index should be similar over time, before costs. However, the reported fund and index returns cannot be used to assess how well the fund tracks the index. This is because the fund is priced at midday, while the market index is calculated using closing market prices. To allow a meaningful comparison of tracking difference, we have revalued the primary P accumulation shares using company share prices that make up the index at market close. The revalued P accumulation shares returned 17.62% against the index return of 17.87% over the period. The difference in performance takes into account the effect of factors such as ongoing charges, taxation and transaction costs. Please note, the fund’s cash position, and investment of cash into a liquidity fund for diversification, does not mean that the fund is under exposed to the index. Such positions are typically equitised with equity index futures contracts. This helps to efficiently manage cash flows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund’s country and holdings weights more closely match the index.

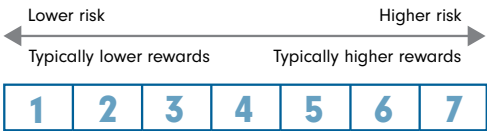
Outlook

Economic growth across the developing world appears robust. Monetary policy in the developed world may cause short-term volatility. Nonetheless, from a long-term perspective, emerging markets continue to offer many structural growth opportunities.

Geode Capital Management  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
F Accumulation Shares	6
P Accumulation Shares	6
P Income Shares	6



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	F Accumulation Shares			P Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,375.89	950.37	1,123.17	137.54	94.96	112.26
Return before operating charges*	236.96	427.87	(171.35)	23.70	42.83	(17.07)
Operating charges	(2.58)	(2.35)	(1.45)	(0.32)	(0.25)	(0.23)
Return after operating charges*	234.38	425.52	(172.80)	23.38	42.58	(17.30)
Distributions	(30.81)	(25.93)	(22.96)	(3.03)	(2.54)	(2.26)
Retained distributions on accumulation shares	30.81	25.93	22.96	3.03	2.54	2.26
Closing net asset value per share	1,610.27	1,375.89	950.37	160.92	137.54	94.96
*after direct transaction costs of	0.18	0.18	0.16	0.18	0.18	0.16
<b>Performance</b>						
Return after charges	17.0%	44.8%	(15.4%)	17.0%	44.8%	(15.4%)
<b>Other information</b>						
Closing net asset value (£'000)	26,018	23,106	4,058	134,652	36,590	20,083
Closing number of shares	1,615,747	1,679,357	427,046	83,676,814	26,603,338	21,147,612
Operating charges	0.17%	0.17%	0.17%	0.20%	0.21%	0.21%
Direct transaction costs	0.11%	0.13%	0.13%	0.11%	0.13%	0.13%
<b>Prices (pence per share)</b>						
Highest share price	1,682.00	1,394.00	1,250.00	168.10	139.40	124.90
Lowest share price	1,363.00	960.90	871.00	136.20	96.02	87.04

	P Income Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	117.53	82.88	100.32
Return before operating charges*	20.13	37.06	(15.19)
Operating charges	(0.27)	(0.21)	(0.20)
Return after operating charges*	19.86	36.85	(15.39)
Distributions	(2.57)	(2.20)	(2.05)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	134.82	117.53	82.88
*after direct transaction costs of	0.18	0.18	0.16
<b>Performance</b>			
Return after charges	16.9%	44.5%	(15.3%)
<b>Other information</b>			
Closing net asset value (£'000)	27,403	12,623	7,834
Closing number of shares	20,326,149	10,740,824	9,452,645
Operating charges	0.20%	0.21%	0.21%
Direct transaction costs	0.11%	0.13%	0.13%
<b>Prices (pence per share)</b>			
Highest share price	141.30	119.50	111.60
Lowest share price	116.40	83.81	76.25

# Fidelity Index Emerging Markets Fund

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		16,933		20,388
Revenue	5	3,327		1,673	
Expenses	6	(284)		(142)	
Interest payable and similar charges	8	(4)		(2)	
Net revenue/(expense) before taxation		3,039		1,529	
Taxation	7	(382)		(207)	
Net revenue/(expense) after taxation			2,657		1,322
<b>Total return before distributions</b>			19,590		21,710
Distributions	8		(2,628)		(1,311)
<b>Change in net assets attributable to shareholders from investment activities</b>			16,962		20,399

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			99,434		40,658
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		126,813		60,486	
Amounts payable on cancellation of shares		(58,440)		(23,806)	
			68,373		36,680
Swing price adjustment			270		128
Change in net assets attributable to shareholders from investment activities (see above)			16,962		20,399
Retained distribution on accumulation shares	8		3,034		1,569
<b>Closing net assets attributable to shareholders</b>			188,073		99,434

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			186,759		96,221
<b>Current assets:</b>					
Debtors	9	3,725		3,190	
Cash and bank balances	10	1,729		614	
Total other assets			5,454		3,804
<b>Total assets</b>			192,213		100,025
<b>Liabilities:</b>					
Investment liabilities			(48)		-
Creditors					
Bank overdrafts		(17)		-	
Distribution payable		(99)		(48)	
Other creditors	11	(3,976)		(543)	
Total other liabilities			(4,092)		(591)
<b>Total liabilities</b>			(4,140)		(591)
<b>Net assets attributable to shareholders</b>			188,073		99,434

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end the fund has the following commitments:

	28/02/18	28/02/17
	£'000	£'000
Rights issue	-	12
Total	-	12

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	15,903	19,420
Gains/(losses) on derivative contracts	1,313	803
Other currency gains/(losses)	(283)	165
Net capital gains/(losses)	16,933	20,388

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	223	17
Derivative revenue	88	76
Overseas dividends	2,944	1,540
Overseas property income distributions	30	14
Overseas scrip dividends	39	24
Bank interest	3	2
Total revenue	3,327	1,673

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	284	142
Total expenses	284	142

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £9,000 (including VAT) (2017: £9,000).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	75	35
Overseas taxation	364	185
Double taxation relief	(63)	(26)
Overseas capital gains tax	6	13
Total current taxation	382	207
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	3,039	1,529
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	608	306



## Notes to the Financial Statements

Effects of:

Overseas taxation	364	185
Revenue not included for tax purposes	(533)	(271)
Double taxation relief	(63)	(26)
Capital gains tax	6	13
	<u>382</u>	<u>207</u>
Current tax charge/(credit)		
Open ended investment companies are exempt from UK tax on capital gains.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares*</b>		
Final	-	458
<b>W Income Shares**</b>		
Final	-	7
Interim	47	22
<b>F Accumulation Shares</b>		
Final	498	435
<b>P Accumulation Shares</b>		
Final	2,536	676
<b>P Income Shares</b>		
Final	99	41
Interim	305	182
	<u>3,485</u>	<u>1,821</u>
Add: Revenue deducted on cancellation of shares	309	290
Deduct: Revenue received on issue of shares	(1,166)	(800)
Net distributions for the year	<u>2,628</u>	<u>1,311</u>
<b>Interest/other</b>		
Interest	4	2
	<u>2,632</u>	<u>1,313</u>
Total finance costs		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	2,657	1,322
<b>Add back (revenue)/expenses transferred to capital:</b>		
Overseas scrip dividends	(39)	(20)
Overseas REIT stock dividends	-	(4)
Equalisation on conversions	4	-
Overseas capital gains tax	6	13
	<u>2,628</u>	<u>1,311</u>

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to P Accumulation shares on 6 October 2017.

\*\*This share class converted to P Income shares on 6 October 2017.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	1,227	2,414
Sales of currency awaiting settlement	1,977	490
Accrued revenue	520	285
Overseas tax recoverable	1	1
	<u>3,725</u>	<u>3,190</u>
Total debtors		

## Notes to the Financial Statements

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	342	196
Cash and bank balances	1,387	418
Total cash and bank balances	<u>1,729</u>	<u>614</u>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1,920	34
Purchases of currency awaiting settlement	1,995	491
Accrued expenses	29	9
UK corporation tax payable	12	9
Purchases awaiting settlement	20	-
Total other creditors	<u>3,976</u>	<u>543</u>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Brazilian Real	13,927	20	175	14,122
Chilean Peso	2,301	1	-	2,302
Colombian Peso	779	-	-	779
Czech Koruna	334	3	-	337
Euro	606	3	-	609
Hong Kong Dollar	41,116	4	-	41,120
Hungarian Forint	590	1	-	591
Indian Rupee	14,782	101	22	14,905
Indonesian Rupiah	3,957	55	-	4,012
Korean Won	26,457	38	257	26,752
Malaysian Ringgit	4,429	53	6	4,488
Mexican Peso	5,277	9	4	5,290
Pakistan Rupee	145	-	-	145
Philippine Peso	1,879	34	1	1,914
Polish Zloty	2,338	38	1	2,377
Qatari Rial	917	7	27	951
South African Rand	13,014	-	10	13,024
Taiwan Dollar	20,514	21	(20)	20,515
Thai Baht	4,421	-	13	4,434
Turkish Lira	1,950	9	-	1,959
UAE Dirham	1,002	21	-	1,023
UK Pound	-	968	(832)	136
US Dollar	25,976	326	(14)	26,288
<b>Total</b>	<b>186,711</b>	<b>1,712</b>	<b>(350)</b>	<b>188,073</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Brazilian Real	7,709	8	79	7,796
Chilean Peso	1,123	3	-	1,126
Colombian Peso	409	3	-	412
Czech Koruna	178	3	-	181
Euro	313	6	-	319
Hong Kong Dollar	19,623	6	-	19,629

## Notes to the Financial Statements

Hungarian Forint	287	1	-	288
Indian Rupee	7,706	33	3	7,742
Indonesian Rupiah	2,325	13	-	2,338
Korean Won	13,896	2	186	14,084
Malaysian Ringgit	2,269	33	7	2,309
Mexican Peso	3,291	3	1	3,295
Philippine Peso	1,090	27	1	1,118
Polish Zloty	1,152	2	1	1,155
Qatari Rial	784	3	3	790
South African Rand	6,463	8	-	6,471
Taiwan Dollar	11,595	5	-	11,600
Thai Baht	2,097	-	5	2,102
Turkish Lira	994	1	-	995
UAE Dirham	698	1	-	699
UK Pound	-	183	1,822	2,005
US Dollar	12,219	270	491	12,980
<b>Total</b>	<b>96,221</b>	<b>614</b>	<b>2,599</b>	<b>99,434</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## 13 Portfolio transaction costs

### 28/02/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total purchases costs</b>					
Equity	95,807	55	0.06	55	0.06
Corporate actions	115	-	-	-	-
Derivative	-	5	-	-	-
<b>Total</b>	<b>95,922</b>	<b>60</b>		<b>55</b>	

Total including transaction costs

**96,037**

	Sales £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total sales costs</b>					
Equity	23,414	13	0.06	29	0.12
Corporate actions	387	-	-	-	-
Derivative	-	5	-	-	-
<b>Total</b>	<b>23,801</b>	<b>18</b>		<b>29</b>	

Total including transaction costs

**23,754**

Total as a percentage of average net assets\*

0.06 %

0.06 %

### 28/02/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total purchases costs</b>					
Equity	51,071	36	0.07	29	0.06
Corporate actions	74	-	-	-	-
Derivative	-	3	-	-	-
<b>Total</b>	<b>51,145</b>	<b>39</b>		<b>29</b>	

Total including transaction costs

**51,213**

## Notes to the Financial Statements

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	10,832	8	0.07	14	0.13
Bond	1,392	-	-	-	-
Corporate actions	355	-	-	-	-
Derivative	-	3	-	-	-
Total	<u>12,579</u>	<u>11</u>		<u>14</u>	
Total including transaction costs	<u>12,554</u>				
Total as a percentage of average net assets		0.07 %		0.06 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.17% (2017: 0.18%).

### 14 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	182,608	(48)	94,148	-
Level 2: Observable market data	4,148	-	2,070	-
Level 3: Unobservable data*	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
	<u>186,759</u>	<u>(48)</u>	<u>96,221</u>	<u>-</u>

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
W Accumulation Shares	19,386,308	12,784,518	(2,697,839)	(29,472,987)	-
W Income Shares	1,827,652	1,170,571	(475,298)	(2,522,925)	-
F Accumulation Shares	1,679,357	2,659,500	(2,723,110)	-	1,615,747
P Accumulation Shares	26,603,338	37,693,779	(8,207,490)	27,587,187	83,676,814
P Income Shares	10,740,824	9,422,405	(2,360,287)	2,523,207	20,326,149

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £29,000 (2017: £15,000) are included within accrued expenses in Note 11.

## Notes to the Financial Statements

### 17 Counterparty details of financial derivative transactions 28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	(48)	-	-	342	294
Total	-	(48)	-	-	342	294

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	22	-	-	196	218
Total	-	22	-	-	196	218

### 18 Shareholders' funds

The fund has three share classes; F Accumulation Shares, P Accumulation Shares and P Income Shares. The annual management charge on each share class is as follows:

F Accumulation Shares : 0.17%

P Accumulation Shares : 0.21%

P Income Shares : 0.21%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
F Accumulation Shares	1,610.27	1,592.73	(1.09)
P Accumulation Shares	160.92	159.15	(1.10)
P Income Shares	134.82	133.34	(1.10)

## Distribution Statement

for the year ended 28 February 2018

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	2.3623
Group 2	-	-	-	2.3623

^This share class converted to P Accumulation shares on 6 October 2017.

### W Income Shares - final distribution No. 14 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18^	Amount distributed 18/04/17
Group 1	-	-	-	0.3742
Group 2	-	-	-	0.3742

^This share class converted to P Income on 6 October 2017.

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	0.5197	-	0.5197	0.4027
Distribution No. 13	1.3215	-	1.3215	1.0864
Group 2				
Distribution No. 12	0.2817	0.2380	0.5197	0.4027
Distribution No. 13	0.3604	0.9611	1.3215	1.0864

### F Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	30.8114	-	30.8114	25.9283
Group 2	25.2284	5.5830	30.8114	25.9283

### P Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.0303	-	3.0303	2.5395
Group 2	0.8253	2.2050	3.0303	2.5395

## Distribution Statement

### P Income Shares - final distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.4887	-	0.4887	0.3789
Group 2	0.2338	0.2549	0.4887	0.3789

### P Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 14 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 14 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	0.5257	-	0.5257	0.4070
Distribution No. 13	1.3245	-	1.3245	1.0886
Distribution No. 14	0.2345	-	0.2345	0.3250
Group 2				
Distribution No. 12	0.2349	0.2908	0.5257	0.4070
Distribution No. 13	0.6376	0.6869	1.3245	1.0886
Distribution No. 14	0.0572	0.1773	0.2345	0.3250

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth by closely matching the performance of the MSCI Europe ex UK Index. The ACD will aim to hold securities that represent the MSCI Europe ex UK Index (or in the event of this index ceasing to be compiled such index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

Performance and Portfolio Activity

The fund gained over the period as markets were buoyed by encouraging economic data, reduced political risk following the French elections and strong corporate earnings. As a “passive” or “index tracker” fund, the return of the fund and the index should be similar over time, before costs. However, the reported fund and index returns cannot be used to assess how well the fund tracks the index. This is because the fund is priced at midday, while the market index is calculated using closing market prices. To allow a meaningful comparison of tracking difference, we have revalued the primary P accumulation shares using company share prices that make up the index at market close. The revalued P accumulation shares returned 11.58% against the index return of 12.07% over the period. The difference in performance takes into account the effect of factors such as ongoing charges, taxation and transaction costs. A substantial part of the difference is due to withholding taxes incurred by the fund, but not by the gross total return index, as evidenced by the 11.20% performance of the net total return index over the period. Please note, the fund’s cash position, and investment of cash into a liquidity fund for diversification, does not mean that the fund is under exposed to the index, as such positions are typically equitised with equity index futures contracts. This helps to efficiently manage cashflows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund’s country and holdings weights more closely match the index.

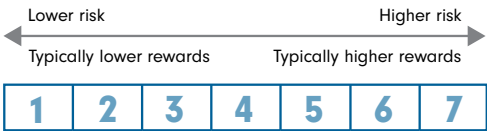
Outlook

The near-term outlook for Europe is encouraging. The synchronised global upswing with above-trend growth seen since the first quarter of 2017 is likely to continue. Across the region, investment is picking up amid favourable financing conditions and stronger economic sentiment.

Geode Capital Management  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
F Accumulation Shares	5
P Accumulation Shares	5
P Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.



## Comparative Performance Table

	F Accumulation Shares			P Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,262.45	997.36	1,058.44	126.17	99.70	105.81
Return before operating charges*	149.66	266.10	(60.13)	14.97	26.58	(6.01)
Operating charges	(1.27)	(1.01)	(0.94)	(0.14)	(0.11)	(0.10)
Return after operating charges*	148.39	265.09	(61.07)	14.83	26.47	(6.11)
Distributions	(30.75)	(28.51)	(25.85)	(3.07)	(2.84)	(2.58)
Retained distributions on accumulation shares	30.75	28.51	25.85	3.07	2.84	2.58
Closing net asset value per share	<b>1,410.84</b>	<b>1,262.45</b>	<b>997.36</b>	<b>141.00</b>	<b>126.17</b>	<b>99.70</b>
*after direct transaction costs of	0.08	0.09	0.10	0.08	0.09	0.10
<b>Performance</b>						
Return after charges	11.8%	26.6%	(5.8%)	11.8%	26.6%	(5.8%)
<b>Other information</b>						
Closing net asset value (£'000)	72,045	78,499	28,916	167,021	84,459	75,112
Closing number of shares	5,106,570	6,217,953	2,899,288	118,456,536	66,939,163	75,335,378
Operating charges	0.09%	0.09%	0.09%	0.10%	0.10%	0.10%
Direct transaction costs	0.04%	0.07%	0.07%	0.04%	0.07%	0.07%
<b>Prices (pence per share)</b>						
Highest share price	1,484.00	1,286.00	1,130.00	148.40	128.50	113.00
Lowest share price	1,280.00	998.40	920.90	127.90	99.81	92.05

	P Income Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	122.14	99.13	107.84
Return before operating charges*	14.50	25.95	(5.94)
Operating charges	(0.13)	(0.11)	(0.10)
Return after operating charges*	14.37	25.84	(6.04)
Distributions	(2.98)	(2.83)	(2.67)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	<b>133.53</b>	<b>122.14</b>	<b>99.13</b>
*after direct transaction costs of	0.08	0.09	0.10
<b>Performance</b>			
Return after charges	11.8%	26.1%	(5.6%)
<b>Other information</b>			
Closing net asset value (£'000)	50,434	33,266	15,174
Closing number of shares	37,769,760	27,235,873	15,307,697
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.04%	0.07%	0.07%
<b>Prices (pence per share)</b>			
Highest share price	140.80	124.50	115.20
Lowest share price	123.80	97.96	91.84

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		21,813		28,977
Revenue	5	8,324		4,843	
Expenses	6	(272)		(154)	
Interest payable and similar charges	8	(32)		(13)	
Net revenue/(expense) before taxation		8,020		4,676	
Taxation	7	(942)		(295)	
Net revenue/(expense) after taxation			7,078		4,381
<b>Total return before distributions</b>			28,891		33,358
Distributions	8		(6,115)		(4,015)
<b>Change in net assets attributable to shareholders from investment activities</b>			22,776		29,343

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			229,511		141,781
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		115,326		110,781	
Amounts payable on cancellation of shares		(83,381)		(56,822)	
			31,945		53,959
Swing price adjustment			63		96
Change in net assets attributable to shareholders from investment activities (see above)			22,776		29,343
Retained distribution on accumulation shares	8		5,205		4,332
<b>Closing net assets attributable to shareholders</b>			289,500		229,511

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			287,841		228,041
<b>Current assets:</b>					
Debtors	9	1,913		1,585	
Cash and bank balances	10	696		637	
Total other assets			2,609		2,222
<b>Total assets</b>			290,450		230,263
<b>Liabilities:</b>					
Investment liabilities			-		(26)
Creditors					
Bank overdrafts		-		(8)	
Distribution payable		(97)		(38)	
Other creditors	11	(853)		(680)	
Total other liabilities			(950)		(726)
<b>Total liabilities</b>			(950)		(752)
<b>Net assets attributable to shareholders</b>			289,500		229,511

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	21,573	28,551
Gains/(losses) on derivative contracts	729	828
Other currency gains/(losses)	(489)	(402)
Net capital gains/(losses)	<u>21,813</u>	<u>28,977</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Derivative revenue	278	89
UK dividends	12	2
Overseas dividends	6,972	4,332
Overseas property income distributions	90	53
Overseas scrip dividends	971	366
Bank interest	1	-
Taxable interest	-	1
Total revenue	<u>8,324</u>	<u>4,843</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	<u>272</u>	<u>154</u>
Total expenses	<u>272</u>	<u>154</u>

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £9,000 (including VAT) (2017: £9,000).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	96	48
Overseas taxation	858	254
Double taxation relief	(12)	(7)
Total current taxation	<u>942</u>	<u>295</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>8,020</u>	<u>4,676</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,604	935
Effects of:		
Overseas taxation	858	254
Revenue not included for tax purposes	(1,508)	(887)
Double taxation relief	(12)	(7)
Current tax charge/(credit)	<u>942</u>	<u>295</u>

Open ended investment companies are exempt from UK tax on capital gains.

## Notes to the Financial Statements

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares*</b>		
Final	-	658
<b>W Income Shares**</b>		
Final	-	4
Interim	109	81
<b>F Accumulation Shares</b>		
Final	1,570	1,773
<b>P Accumulation Shares</b>		
Final	3,635	1,901
<b>P Income Shares</b>		
Final	97	34
Interim	837	965
	<b>6,248</b>	<b>5,416</b>
Add: Revenue deducted on cancellation of shares	1,473	809
Deduct: Revenue received on issue of shares	(1,606)	(2,210)
Net distributions for the year	<b>6,115</b>	<b>4,015</b>
<b>Interest/other</b>		
Interest	28	13
Derivative expense	4	-
	<b>32</b>	<b>13</b>
	<b>6,147</b>	<b>4,028</b>
Total finance costs		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	7,078	4,381
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	5	-
Overseas scrip dividends	(971)	(366)
Equalisation on conversions	3	-
	<b>6,115</b>	<b>4,015</b>

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to P Accumulation shares on 6 October 2017.

\*\*This share class converted to P Income shares on 6 October 2017.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	569	603
Sales of currency awaiting settlement	768	625
Accrued revenue	85	33
Overseas tax recoverable	491	324
Total debtors	<b>1,913</b>	<b>1,585</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	375	525
Cash and bank balances	321	112
Total cash and bank balances	<b>696</b>	<b>637</b>

## Notes to the Financial Statements

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1	29
Purchases of currency awaiting settlement	767	624
Accrued expenses	21	15
UK corporation tax payable	64	12
Total other creditors	<u>853</u>	<u>680</u>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Danish Krone	11,552	4	56	11,612
Euro	202,961	445	846	204,252
Norwegian Krone	4,305	2	46	4,353
Swedish Krona	17,082	2	-	17,084
Swiss Franc	49,543	1	6	49,550
UK Pound	-	235	7	242
US Dollar	2,398	7	2	2,407
<b>Total</b>	<b>287,841</b>	<b>696</b>	<b>963</b>	<b>289,500</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Danish Krone	8,518	3	31	8,552
Euro	154,641	517	449	155,607
Norwegian Krone	3,404	2	27	3,433
Swedish Krona	14,822	9	-	14,831
Swiss Franc	45,115	57	162	45,334
UK Pound	-	38	511	549
US Dollar	1,515	3	(313)	1,205
<b>Total</b>	<b>228,015</b>	<b>629</b>	<b>867</b>	<b>229,511</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## Notes to the Financial Statements

### 13 Portfolio transaction costs

28/02/18					
	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	86,284	17	0.02	72	0.08
Corporate actions	2,006	-	-	-	-
Derivative	-	8	-	-	-
Total	88,290	25		72	
Total including transaction costs	88,387				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	48,532	12	0.02	-	-
Corporate actions	809	-	-	-	-
Derivative	-	8	-	-	-
Total	49,341	20		-	
Total including transaction costs	49,321				
Total as a percentage of average net assets*		0.02 %		0.03 %	
28/02/17					
	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	86,576	22	0.03	61	0.07
Corporate actions	885	-	-	-	-
Derivative	-	7	-	-	-
Total	87,461	29		61	
Total including transaction costs	87,551				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	30,602	9	0.03	-	-
Corporate actions	901	-	-	-	-
Derivative	-	7	-	-	-
Total	31,503	16		-	
Total including transaction costs	31,487				
Total as a percentage of average net assets		0.03 %		0.04 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.04% (2017: 0.05%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	283,542	-	223,522	(26)
Level 2: Observable market data	4,299	-	4,519	-
Level 3: Unobservable data	-	-	-	-
	287,841	-	228,041	(26)

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
W Accumulation Shares	24,241,752	8,866,696	(11,659,816)	(21,448,632)	-
W Income Shares	3,216,708	1,406,484	(781,674)	(3,841,518)	-
F Accumulation Shares	6,217,953	2,906,874	(4,018,257)	-	5,106,570
P Accumulation Shares	66,939,163	37,858,344	(6,924,665)	20,583,694	118,456,536
P Income Shares	27,235,873	7,775,128	(1,083,581)	3,842,340	37,769,760

## Notes to the Financial Statements

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £21,000 (2017: £15,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	74	-	-	375	449
Total	-	74	-	-	375	449

28/02/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	(26)	-	-	525	499
Total	-	(26)	-	-	525	499

### 18 Shareholders' funds

The fund has three share classes; F Accumulation Shares, P Accumulation Shares and P Income Shares. The annual management charge on each share class is as follows:

F Accumulation Shares : 0.09%

P Accumulation Shares : 0.10%

P Income Shares : 0.10%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
F Accumulation Shares	1,410.84	1,450.39	2.80
P Accumulation Shares	141.00	144.94	2.79
P Income Shares	133.53	137.27	2.80

## Distribution Statement

for the year ended 28 February 2018

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	2.7148
Group 2	-	-	-	2.7148

^This share class converted to P Accumulation shares on 6 October 2017.

### W Income Shares - final distribution No. 14 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18^	Amount distributed 18/04/17
Group 1	-	-	-	0.1203
Group 2	-	-	-	0.1203

^This share class converted to P Income shares on 6 October 2017.

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	2.6211	-	2.6211	2.1143
Distribution No. 13	0.0839	-	0.0839	0.3177
Group 2				
Distribution No. 12	1.4782	1.1429	2.6211	2.1143
Distribution No. 13	-	0.0839	0.0839	0.3177

### F Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	30.7486	-	30.7486	28.5094
Group 2	15.8217	14.9269	30.7486	28.5094

### P Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.0690	-	3.0690	2.8392
Group 2	0.4937	2.5753	3.0690	2.8392



## Distribution Statement

### P Income Shares - final distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.2555	-	0.2555	0.1243
Group 2	0.1276	0.1279	0.2555	0.1243

### P Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 14 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 14 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	2.6263	-	2.6263	2.1190
Distribution No. 13	0.0886	-	0.0886	0.3332
Distribution No. 14	0.0074	-	0.0074	0.2485
Group 2				
Distribution No. 12	1.9665	0.6598	2.6263	2.1190
Distribution No. 13	-	0.0886	0.0886	0.3332
Distribution No. 14	-	0.0074	0.0074	0.2485

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth by closely matching the performance of the MSCI Japan Index. The ACD will aim to hold securities that represent the MSCI Japan Index (or in the event of this index ceasing to be compiled such index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

Performance and Portfolio Activity

The fund generated positive returns over the review period, as a strong economic backdrop and positive corporate earnings lifted investor sentiment. As a “passive” or “index tracker” fund, the return of the fund and the index should be similar over time, before costs. However, the reported fund and index returns cannot be used to assess how well the fund tracks the index. This is because the fund is priced at midday, while the market index is calculated using closing market prices. To allow a meaningful comparison of tracking difference, we have revalued the primary W accumulation shares using company share prices that make up the index at market close. The revalued W accumulation shares returned 3.16% against the index return of 3.21% over the period. The difference in performance takes into account the effect of factors such as ongoing charges, taxation and transaction costs. Please note, the fund’s cash position does not mean that the fund is under exposed to the index, as such positions are typically equitised with equity index futures contracts. This helps to efficiently manage cashflows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund’s country and holdings weights more closely match the index.

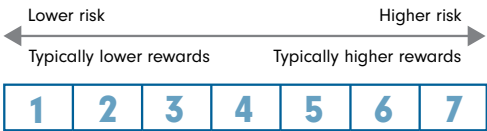
Outlook

Solid consumption and private capital expenditure growth buoyed GDP growth, and continue to support the long-term economic and investment outlook. Attractive valuations and favourable supply/demand conditions are also supportive of Japanese stocks, although geopolitical events surrounding North Korea remain a risk factor.

Geode Capital Management  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
F Accumulation Shares	6
P Accumulation Shares	6
P Income Shares	6



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	F Accumulation Shares			P Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,488.71	1,113.99	1,114.42	148.78	111.36	111.40
Return before operating charges*	142.11	375.87	0.60	14.20	37.55	0.07
Operating charges	(1.41)	(1.15)	(1.03)	(0.16)	(0.13)	(0.11)
Return after operating charges*	140.70	374.72	(0.43)	14.04	37.42	(0.04)
Distributions	(27.21)	(24.99)	(18.36)	(2.70)	(2.49)	(1.82)
Retained distributions on accumulation shares	27.21	24.99	18.36	2.70	2.49	1.82
Closing net asset value per share	1,629.41	1,488.71	1,113.99	162.82	148.78	111.36
*after direct transaction costs of	0.04	0.03	0.05	0.04	0.03	0.05
<b>Performance</b>						
Return after charges	9.5%	33.6%	0%	9.4%	33.6%	0%
<b>Other information</b>						
Closing net asset value (£'000)	65,140	12,019	28,917	108,185	44,561	49,377
Closing number of shares	3,997,763	807,297	1,351,649	66,443,488	29,950,423	44,341,869
Operating charges	0.09%	0.09%	0.09%	0.10%	0.10%	0.10%
Direct transaction costs	0.02%	0.02%	0.03%	0.02%	0.02%	0.03%
<b>Prices (pence per share)</b>						
Highest share price	1,718.00	1,515.00	1,229.00	171.70	151.40	122.80
Lowest share price	1,438.00	1,082.00	1,004.00	143.70	108.10	100.30

	P Income Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	144.48	110.25	112.08
Return before operating charges*	13.68	36.81	0.15
Operating charges	(0.15)	(0.13)	(0.11)
Return after operating charges*	13.53	36.68	0.04
Distributions	(2.61)	(2.45)	(1.87)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	155.40	144.48	110.25
*after direct transaction costs of	0.04	0.03	0.05
<b>Performance</b>			
Return after charges	9.4%	33.3%	(0.1%)
<b>Other information</b>			
Closing net asset value (£'000)	41,955	34,210	5,470
Closing number of shares	26,997,999	23,677,852	4,961,527
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.02%	0.02%	0.03%
<b>Prices (pence per share)</b>			
Highest share price	164.10	147.20	123.60
Lowest share price	139.60	107.10	99.51

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		15,212		25,916
Revenue	5	3,458		2,193	
Expenses	6	(179)		(102)	
Interest payable and similar charges	8	(8)		(5)	
Net revenue/(expense) before taxation		3,271		2,086	
Taxation	7	(337)		(215)	
Net revenue/(expense) after taxation			2,934		1,871
<b>Total return before distributions</b>			18,146		27,787
Distributions	8		(2,937)		(1,871)
<b>Change in net assets attributable to shareholders from investment activities</b>			15,209		25,916

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			116,741		87,557
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		136,587		45,897	
Amounts payable on cancellation of shares		(56,219)		(44,001)	
			80,368		1,896
Swing price adjustment			78		28
Change in net assets attributable to shareholders from investment activities (see above)			15,209		25,916
Retained distribution on accumulation shares	8		2,884		1,344
<b>Closing net assets attributable to shareholders</b>			215,280		116,741

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			209,384		114,284
<b>Current assets:</b>					
Debtors	9	2,012		7,697	
Cash and bank balances	10	4,980		2,811	
Total other assets			6,992		10,508
<b>Total assets</b>			216,376		124,792
<b>Liabilities:</b>					
Investment liabilities			-		(3)
Creditors					
Distribution payable		(56)		(46)	
Other creditors	11	(1,040)		(8,002)	
Total other liabilities			(1,096)		(8,048)
<b>Total liabilities</b>			(1,096)		(8,051)
<b>Net assets attributable to shareholders</b>			215,280		116,741

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	14,740	25,534
Gains/(losses) on derivative contracts	527	479
Other currency gains/(losses)	(55)	(97)
Net capital gains/(losses)	<u>15,212</u>	<u>25,916</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Derivative revenue	79	41
Overseas dividends	3,306	2,106
Overseas property income distributions	73	46
Total revenue	<u>3,458</u>	<u>2,193</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	<u>179</u>	<u>102</u>
Total expenses	<u>179</u>	<u>102</u>

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £9,000 (including VAT) (2017: £9,000).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	<u>337</u>	<u>215</u>
Total current taxation	<u>337</u>	<u>215</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>3,271</u>	<u>2,086</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	654	417
Effects of:		
Overseas taxation	337	215
Overseas tax expensed	(1)	(1)
Increase/(decrease) in unutilised management expenses	8	5
Revenue not included for tax purposes	<u>(661)</u>	<u>(421)</u>
Current tax charge/(credit)	<u>337</u>	<u>215</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £24,000 (2017: £16,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

## Notes to the Financial Statements

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares*</b>		
Final	-	398
<b>W Income Shares**</b>		
Final	-	2
Interim	33	22
<b>F Accumulation Shares</b>		
Final	1,088	202
<b>P Accumulation Shares</b>		
Final	1,796	744
<b>P Income Shares</b>		
Final	56	43
Interim	617	468
	<b>3,590</b>	<b>1,879</b>
Add: Revenue deducted on cancellation of shares	583	464
Deduct: Revenue received on issue of shares	(1,236)	(472)
Net distributions for the year	<b>2,937</b>	<b>1,871</b>
<b>Interest/other</b>		
Interest	8	5
	<b>2,945</b>	<b>1,876</b>
Total finance costs		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	2,934	1,871
<b>Add back (revenue)/expenses transferred to capital:</b>		
Equalisation on conversions	3	-
	<b>2,937</b>	<b>1,871</b>

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to P Accumulation shares on 3 October 2017.

\*\*This share class converted to P Income shares on 3 October 2017.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	707	2,499
Sales awaiting settlement	-	313
Sales of currency awaiting settlement	975	4,705
Accrued revenue	330	180
	<b>2,012</b>	<b>7,697</b>
Total debtors		

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	174	298
Cash and bank balances	4,806	2,513
	<b>4,980</b>	<b>2,811</b>
Total cash and bank balances		

## Notes to the Financial Statements

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	16	22
Purchases awaiting settlement	37	3,275
Purchases of currency awaiting settlement	971	4,696
Accrued expenses	16	9
Total other creditors	<u>1,040</u>	<u>8,002</u>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Japanese Yen	209,384	4,474	780	214,638
UK Pound	-	249	676	925
US Dollar	-	257	(540)	(283)
<b>Total</b>	<b>209,384</b>	<b>4,980</b>	<b>916</b>	<b>215,280</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Japanese Yen	114,281	2,532	(427)	116,386
UK Pound	-	278	79	357
US Dollar	-	1	(3)	(2)
<b>Total</b>	<b>114,281</b>	<b>2,811</b>	<b>(351)</b>	<b>116,741</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

### 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	103,868	24	0.02	-	-
Derivative	-	6	-	-	-
<b>Total</b>	<b>103,868</b>	<b>30</b>			
Total including transaction costs	<u>103,898</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	23,622	6	0.02	-	-
Corporate actions	1	-	-	-	-
Derivative	-	6	-	-	-
<b>Total</b>	<b>23,623</b>	<b>12</b>			
Total including transaction costs	<u>23,611</u>				
Total as a percentage of average net assets*		0.02 %		0.00 %	

## Notes to the Financial Statements

28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	26,975	7	0.03	-	-
Derivative	-	4	-	-	-
Total	<u>26,975</u>	<u>11</u>		<u>-</u>	
Total including transaction costs	<u>26,986</u>				
Analysis of total sales costs	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	23,757	7	0.03	-	-
Derivative	-	4	-	-	-
Total	<u>23,757</u>	<u>11</u>		<u>-</u>	
Total including transaction costs	<u>23,746</u>				
Total as a percentage of average net assets		0.02 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.13% (2017: 0.12%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	209,384	-	114,284	(3)
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
	<u>209,384</u>	<u>-</u>	<u>114,284</u>	<u>(3)</u>

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
W Accumulation Shares	15,120,936	6,209,409	(1,836,185)	(19,494,160)	-
W Income Shares	1,310,188	1,777,536	(206,860)	(2,880,864)	-
F Accumulation Shares	807,297	4,207,525	(1,017,059)	-	3,997,763
P Accumulation Shares	29,950,423	31,474,052	(15,826,541)	20,845,554	66,443,488
P Income Shares	23,677,852	8,922,836	(8,483,478)	2,880,789	26,997,999

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £16,000 (2017: £9,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
Broker	£'000	£'000	£'000	£'000	£'000	£'000
UBS	-	76	-	-	174	250
Total	<u>-</u>	<u>76</u>	<u>-</u>	<u>-</u>	<u>174</u>	<u>250</u>
28/02/17	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
Broker	£'000	£'000	£'000	£'000	£'000	£'000
UBS	-	(3)	-	-	305	302
Total	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>305</u>	<u>302</u>



## Notes to the Financial Statements

### 18 Shareholders' funds

The fund has three share classes; F Accumulation Shares, P Accumulation Shares and P Income Shares. The annual management charge on each share class is as follows:

F Accumulation Shares : 0.09%

P Accumulation Shares : 0.10%

P Income Shares : 0.10%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
F Accumulation Shares	1,629.41	1,667.60	2.34
P Accumulation Shares	162.82	166.63	2.34
P Income Shares	155.40	159.03	2.34

## Distribution Statement

for the year ended 28 February 2018

### F Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	27.2133	-	27.2133	24.9932
Group 2	13.8375	13.3758	27.2133	24.9932

### P Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.7031	-	2.7031	2.4858
Group 2	0.7496	1.9535	2.7031	2.4858

### P Income Shares - final distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.2077	-	0.2077	0.1837
Group 2	0.0724	0.1353	0.2077	0.1837

### P Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 14 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 14 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	1.1717	-	1.1717	0.9391
Distribution No. 13	0.1791	-	0.1791	0.3509
Distribution No. 14	1.0512	-	1.0512	0.9716
Group 2				
Distribution No. 12	0.2733	0.8984	1.1717	0.9391
Distribution No. 13	0.0573	0.1218	0.1791	0.3509
Distribution No. 14	0.1529	0.8983	1.0512	0.9716

### W Income Shares - final distribution No. 14 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18^	Amount distributed 18/04/17
Group 1	-	-	-	0.1771
Group 2	-	-	-	0.1771

^This share class converted to P Income shares on 3 October 2017.

## Distribution Statement

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	1.1653	-	1.1653	0.9338
Distribution No. 13	0.1719	-	0.1719	0.3446
Group 2				
Distribution No. 12	0.2637	0.9016	1.1653	0.9338
Distribution No. 13	0.0786	0.0933	0.1719	0.3446

for the year ended 28 February 2018

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	2.6311
Group 2	-	-	-	2.6311

^This share class converted to P Accumulation shares on 3 October 2017.

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth by closely matching the performance of the MSCI Pacific ex Japan Index. The ACD will aim to hold securities that represent the MSCI Pacific ex Japan Index (or in the event of this index ceasing to be compiled such index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

Performance and Portfolio Activity

The fund generated positive returns over the review period. Synchronised global economic growth supported equities. Materials and energy companies benefited from higher commodity prices. Meanwhile, concerns about a new tax and risks associated with the housing market weighed on shares in major Australian banks. As a “passive” or “index tracker” fund, the return of the fund and the index should be similar over time, before costs. However, the reported fund and index returns cannot be used to assess how well the fund tracks the index. This is because the fund is priced at midday, while the market index is calculated using closing market prices. To allow a meaningful comparison of tracking difference, we have revalued the primary P accumulation shares using company share prices that make up the index at market close. The revalued P accumulation shares returned 4.56% against the index return of 4.83% over the period. The difference in performance takes into account the effect of factors such as ongoing charges, taxation and transaction costs. Please note, the fund’s cash position does not mean that the fund is under exposed to the index, as such positions are typically equitised with equity index futures contracts. This helps to efficiently manage cash flows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund’s country and holdings weights more closely match the index.

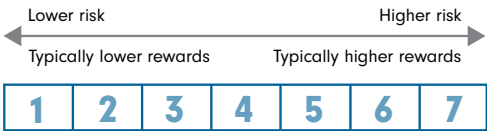
Outlook

Fundamentals in the region are solid. Australia’s low-cost resources, modest population growth, healthy dividend yield and dividend growth, as well as disciplined capital management should continue to attract investor interest. Structural reforms and rising infrastructure spending in Asia should also be positive.

Geode Capital Management  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
F Accumulation Shares	5
P Accumulation Shares	5
P Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	F Accumulation Shares			P Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,466.87	1,022.75	1,155.82	146.65	102.27	115.57
Return before operating charges*	63.71	445.51	(131.91)	6.39	44.54	(13.16)
Operating charges	(1.66)	(1.39)	(1.16)	(0.20)	(0.16)	(0.14)
Return after operating charges*	62.05	444.12	(133.07)	6.19	44.38	(13.30)
Distributions	(52.30)	(42.96)	(37.16)	(5.22)	(4.26)	(3.71)
Retained distributions on accumulation shares	52.30	42.96	37.16	5.22	4.26	3.71
Closing net asset value per share	1,528.92	1,466.87	1,022.75	152.84	146.65	102.27
*after direct transaction costs of	0.03	0.05	0.10	0.03	0.05	0.10
<b>Performance</b>						
Return after charges	4.2%	43.4%	(11.5%)	4.2%	43.4%	(11.5%)
<b>Other information</b>						
Closing net asset value (£'000)	21,177	19,107	15,642	110,492	33,813	23,702
Closing number of shares	1,385,066	1,302,586	1,529,463	72,292,203	23,057,629	23,176,685
Operating charges	0.11%	0.11%	0.11%	0.13%	0.13%	0.13%
Direct transaction costs	0.02%	0.04%	0.07%	0.02%	0.04%	0.07%
<b>Prices (pence per share)</b>						
Highest share price	1,588.00	1,481.00	1,245.00	158.80	148.00	124.50
Lowest share price	1,413.00	1,033.00	922.80	141.30	103.30	92.26

	P Income Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	119.05	85.93	100.64
Return before operating charges*	5.09	36.80	(11.37)
Operating charges	(0.16)	(0.14)	(0.11)
Return after operating charges*	4.93	36.66	(11.48)
Distributions	(4.18)	(3.54)	(3.23)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	119.80	119.05	85.93
*after direct transaction costs of	0.03	0.05	0.10
<b>Performance</b>			
Return after charges	4.1%	42.7%	(11.4%)
<b>Other information</b>			
Closing net asset value (£'000)	24,471	13,642	6,994
Closing number of shares	20,427,116	11,459,633	8,139,706
Operating charges	0.13%	0.13%	0.13%
Direct transaction costs	0.02%	0.04%	0.07%
<b>Prices (pence per share)</b>			
Highest share price	125.10	120.60	108.40
Lowest share price	114.70	86.78	79.02

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		407		24,918
Revenue	5	5,183		3,304	
Expenses	6	(179)		(109)	
Net revenue/(expense) before taxation		5,004		3,195	
Taxation	7	(111)		(76)	
Net revenue/(expense) after taxation			4,893		3,119
<b>Total return before distributions</b>			5,300		28,037
Distributions	8		(4,650)		(2,688)
<b>Change in net assets attributable to shareholders from investment activities</b>			650		25,349

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			111,364		63,597
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		64,646		45,550	
Amounts payable on cancellation of shares		(25,051)		(25,939)	
			39,595		19,611
Swing price adjustment			32		27
Change in net assets attributable to shareholders from investment activities (see above)			650		25,349
Retained distribution on accumulation shares	8		4,499		2,780
<b>Closing net assets attributable to shareholders</b>			156,140		111,364

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			151,114		107,785
<b>Current assets:</b>					
Debtors	9	1,886		2,038	
Cash and bank balances	10	4,121		3,239	
Total other assets			6,007		5,277
<b>Total assets</b>			157,121		113,062
<b>Liabilities:</b>					
Investment liabilities			-		(19)
Creditors					
Bank overdrafts		(99)		-	
Distribution payable		(121)		(51)	
Other creditors	11	(761)		(1,628)	
Total other liabilities			(981)		(1,679)
<b>Total liabilities</b>			(981)		(1,698)
<b>Net assets attributable to shareholders</b>			156,140		111,364

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	708	24,068
Gains/(losses) on derivative contracts	319	421
Other currency gains/(losses)	(620)	429
Net capital gains/(losses)	<u>407</u>	<u>24,918</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Derivative revenue	97	59
Overseas dividends	4,328	2,548
Overseas property income distributions	509	265
Overseas scrip dividends	247	431
Bank interest	2	1
Total revenue	<u>5,183</u>	<u>3,304</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	<u>179</u>	<u>109</u>
	<u>179</u>	<u>109</u>
Total expenses	<u>179</u>	<u>109</u>

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £9,000 (including VAT) (2017: £9,000).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	86	63
Overseas taxation	63	43
Double taxation relief	(38)	(30)
Total current taxation	<u>111</u>	<u>76</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>5,004</u>	<u>3,195</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,001	639
Effects of:		
Overseas taxation	63	43
Revenue not included for tax purposes	(915)	(576)
Double taxation relief	(38)	(30)
Current tax charge/(credit)	<u>111</u>	<u>76</u>

Open ended investment companies are exempt from UK tax on capital gains.

## Notes to the Financial Statements

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares*</b>		
Final	-	1,237
<b>W Income Shares**</b>		
Final	-	7
Interim	87	36
<b>F Accumulation Shares</b>		
Final	724	560
<b>P Accumulation Shares</b>		
Final	3,775	983
<b>P Income Shares</b>		
Final	121	44
Interim	524	297
	<u>5,231</u>	<u>3,164</u>
Add: Revenue deducted on cancellation of shares	536	399
Deduct: Revenue received on issue of shares	(1,117)	(875)
Net distributions for the year	<u>4,650</u>	<u>2,688</u>
<b>Interest/other</b>		
	<u>4,650</u>	<u>2,688</u>
Total finance costs	<u>4,650</u>	<u>2,688</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	4,893	3,119
<b>Add back (revenue)/expenses transferred to capital:</b>		
Overseas scrip dividends	(247)	(404)
Stapled scrip dividends	-	(27)
Equalisation on conversions	4	-
	<u>4,650</u>	<u>2,688</u>

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to P Accumulation shares on 5 October 2017.

\*\*This share class converted to P Income shares on 5 October 2017.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	424	535
Sales of currency awaiting settlement	717	894
Accrued revenue	744	608
Overseas tax recoverable	1	1
Total debtors	<u>1,886</u>	<u>2,038</u>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	223	240
Cash and bank balances	3,898	2,999
Total cash and bank balances	<u>4,121</u>	<u>3,239</u>



## Notes to the Financial Statements

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	-	33
Purchases awaiting settlement	-	667
Purchases of currency awaiting settlement	716	894
Accrued expenses	15	11
UK corporation tax payable	30	23
	<u>761</u>	<u>1,628</u>
Total other creditors		

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the Trust are denominated in currencies other than sterling, which is the Trust's base currency, with the effect that the balance sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	85,181	3,950	1,077	90,208
Hong Kong Dollar	43,352	110	-	43,462
New Zealand Dollar	2,094	6	-	2,100
Singapore Dollar	17,080	3	16	17,099
UK Pound	-	(99)	(99)	(198)
US Dollar	3,407	52	10	3,469
<b>Total</b>	<b>151,114</b>	<b>4,022</b>	<b>1,004</b>	<b>156,140</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Australian Dollar	63,881	2,922	969	67,772
Hong Kong Dollar	28,238	59	(39)	28,258
New Zealand Dollar	1,598	1	4	1,603
Singapore Dollar	11,502	49	17	11,568
UK Pound	-	192	(29)	163
US Dollar	2,547	16	(563)	2,000
<b>Total</b>	<b>107,766</b>	<b>3,239</b>	<b>359</b>	<b>111,364</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## Notes to the Financial Statements

### 13 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	48,082	11	0.02	16	0.03
Corporate actions	384	-	-	-	-
Derivative	-	2	-	-	-
Total	48,466	13		16	
Total including transaction costs	48,495				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	4,698	1	0.02	2	0.03
Corporate actions	1,195	-	-	-	-
Derivative	-	2	-	-	-
Total	5,893	3		2	
Total including transaction costs	5,888				

Total as a percentage of average net assets\*

0.01 %

0.01 %

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	31,660	9	0.03	12	0.04
Corporate actions	464	-	-	-	-
Derivative	-	1	-	-	-
Total	32,124	10		12	
Total including transaction costs	32,146				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	10,216	3	0.03	4	0.04
Corporate actions	277	-	-	-	-
Derivative	-	2	-	-	-
Total	10,493	5		4	
Total including transaction costs	10,484				

Total as a percentage of average net assets

0.02 %

0.02 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.13% (2017: 0.13%).

### 14 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	151,114	-	107,785	(19)
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
	151,114	-	107,785	(19)

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
W Accumulation Shares	31,811,904	9,166,207	(5,125,681)	(35,852,430)	-
W Income Shares	1,834,811	2,591,428	(507,964)	(3,918,275)	-
F Accumulation Shares	1,302,586	589,085	(506,605)	-	1,385,066
P Accumulation Shares	23,057,629	21,848,590	(5,361,984)	32,747,968	72,292,203
P Income Shares	11,459,633	6,864,856	(1,816,228)	3,918,855	20,427,116

## Notes to the Financial Statements

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £15,000 (2017: £11,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	102	-	-	223	325
Total	-	102	-	-	223	325

28/02/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	(19)	-	-	232	213
Total	-	(19)	-	-	232	213

### 18 Shareholders' funds

The fund has three share classes; F Accumulation Shares, P Accumulation Shares and P Income Shares. The annual management charge on each share class is as follows:

F Accumulation Shares : 0.11%

P Accumulation Shares : 0.13%

P Income Shares : 0.13%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
F Accumulation Shares	1,528.92	1,564.24	2.31
P Accumulation Shares	152.84	156.38	2.32
P Income Shares	119.80	122.58	2.32

## Distribution Statement

for the year ended 28 February 2018

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	3.8889
Group 2	-	-	-	3.8889

^This share class converted to P Accumulation shares on 5 October 2017.

### W Income Shares - final distribution No. 14 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18^	Amount distributed 18/04/17
Group 1	-	-	-	0.3820
Group 2	-	-	-	0.3820

^This share class converted to P Income shares on 5 October 2017.

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	1.5112	-	1.5112	1.1388
Distribution No. 13	1.0312	-	1.0312	0.9884
Group 2				
Distribution No. 12	0.7561	0.7551	1.5112	1.1388
Distribution No. 13	0.7102	0.3210	1.0312	0.9884

### F Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	52.3005	-	52.3005	42.9647
Group 2	35.5145	16.7860	52.3005	42.9647

### P Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	5.2219	-	5.2219	4.2635
Group 2	1.4707	3.7512	5.2219	4.2635

## Distribution Statement

### P Income Shares - final distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.5939	-	0.5939	0.3820
Group 2	0.3998	0.1941	0.5939	0.3820

### P Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 14 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 14 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	1.5171	-	1.5171	1.1434
Distribution No. 13	1.0309	-	1.0309	0.9919
Distribution No. 14	1.0390	-	1.0390	1.0248
Group 2				
Distribution No. 12	0.8457	0.6714	1.5171	1.1434
Distribution No. 13	0.7500	0.2809	1.0309	0.9919
Distribution No. 14	0.5789	0.4601	1.0390	1.0248

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth by closely matching the performance of the FTSE Actuaries AllShare Index. The ACD will aim to hold securities that represent the FTSE Actuaries AllShare Index (or, in the event of this index ceasing to be compiled, such other index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

Note: The Shares in the fund are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited (“FTSE”) or by the London Stock Exchange Plc (“the Exchange”) or by The Financial Times Limited (“FT”), and neither FTSE nor the Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Actuaries AllShare Index (“the Index”) and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor the Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index, and neither FTSE nor the Exchange nor FT shall be under any obligation to advise any person of any error in the Index. “FTSE™” and “FTSE®” are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited under licence. “AllShare™” is a trade mark of FTSE International Limited.

Performance and Portfolio Activity

The fund rose over the review period, mainly driven by gains in the resources and technology sectors. Investor sentiment remained positive despite concerns around rising inflation and a lacklustre UK economic outlook, with equities rallying in line with strong global markets. As a “passive” or “index tracker” fund, the return of the fund and the index should be similar over time, before costs. The difference in performance is due to the effect of factors such as ongoing charges, taxation and transaction costs. Please note, the fund’s cash position, and investment of cash into a liquidity fund for diversification, does not mean that the fund is under exposed to the index, as any cash is typically equitised with equity index futures contracts. This helps to efficiently manage cashflows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund’s sector and holdings weights more closely match the index.

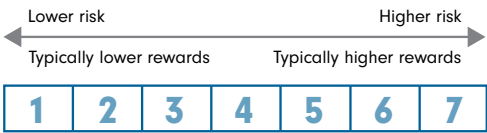
Outlook

The overall economic outlook for the UK remains uncertain, given slightly weaker business investment and higher inflation. However, the Bank of England expects real income and spending growth to recover gradually, as nominal pay growth picks up and imported inflation declines.

Geode Capital Management  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
F Accumulation Shares	5
I Accumulation Shares	5
P Accumulation Shares	5
P Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	A Accumulation Shares			F Accumulating Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	99.80	81.21	88.25	1,220.38	990.68	1,073.95
Return before operating charges*	5.01	18.86	(6.78)	60.91	230.25	(82.76)
Operating charges	(0.31)	(0.27)	(0.26)	(0.64)	(0.55)	(0.51)
Return after operating charges*	4.70	18.59	(7.04)	60.27	229.70	(83.27)
Distributions	(2.69)	(2.49)	(2.56)	(35.88)	(32.64)	(34.14)
Retained distributions on accumulation shares	2.69	2.49	2.56	35.88	32.64	34.14
Closing net asset value per share	104.50	99.80	81.21	1,280.65	1,220.38	990.68
*after direct transaction costs of	0.03	0.05	0.09	0.03	0.05	0.09
<b>Performance</b>						
Return after charges	4.7%	22.9%	(8.0%)	4.9%	23.2%	(7.8%)
<b>Other information</b>						
Closing net asset value (£'000)	217,126	227,768	238,946	119,515	139,856	128,756
Closing number of shares	207,785,051	228,215,460	294,221,622	9,332,344	11,460,027	12,996,688
Operating charges	0.30%	0.30%	0.30%	0.05%	0.05%	0.05%
Direct transaction costs	0.02%	0.04%	0.09%	0.02%	0.04%	0.09%
<b>Prices (pence per share)</b>						
Highest share price	111.10	100.30	91.52	1,361.00	1,226.00	1,114.00
Lowest share price	99.19	80.58	73.93	1,213.00	983.70	901.80

	I Accumulation Shares			P Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	124.48	101.15	109.74	122.00	99.05	107.37
Return before operating charges*	6.24	23.50	(8.43)	6.09	23.02	(8.26)
Operating charges	(0.20)	(0.17)	(0.16)	(0.08)	(0.07)	(0.06)
Return after operating charges*	6.04	23.33	(8.59)	6.01	22.95	(8.32)
Distributions	(3.55)	(3.23)	(3.38)	(3.58)	(3.25)	(3.40)
Retained distributions on accumulation shares	3.55	3.23	3.38	3.58	3.25	3.40
Closing net asset value per share	130.52	124.48	101.15	128.01	122.00	99.05
*after direct transaction costs of	0.03	0.05	0.09	0.03	0.05	0.09
<b>Performance</b>						
Return after charges	4.9%	23.1%	(7.8%)	4.9%	23.2%	(7.8%)
<b>Other information</b>						
Closing net asset value (£'000)	25,269	24,980	16,345	1,769,680	1,313,981	1,155,406
Closing number of shares	19,359,459	20,067,301	16,159,849	1,382,406,914	1,077,047,385	1,166,472,324
Operating charges	0.15%	0.15%	0.15%	0.06%	0.06%	0.06%
Direct transaction costs	0.02%	0.04%	0.09%	0.02%	0.04%	0.09%
<b>Prices (pence per share)</b>						
Highest share price	138.70	125.10	113.90	136.00	122.60	111.40
Lowest share price	123.70	100.40	92.07	121.30	98.35	90.16

## Comparative Performance Table

### P Income Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	111.78	93.50	104.78
Return before operating charges*	5.59	21.38	(7.92)
Operating charges	(0.07)	(0.06)	(0.06)
Return after operating charges*	5.52	21.32	(7.99)
Distributions	(3.24)	(3.04)	(3.29)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	<b>114.06</b>	<b>111.78</b>	<b>93.50</b>
*after direct transaction costs of	0.03	0.05	0.09
<b>Performance</b>			
Return after charges	5.0%	22.8%	(7.6%)
<b>Other information</b>			
Closing net asset value (£'000)	264,720	166,291	71,059
Closing number of shares	232,084,292	148,767,985	75,994,987
Operating charges	0.06%	0.06%	0.06%
Direct transaction costs	0.02%	0.04%	0.09%
<b>Prices (pence per share)</b>			
Highest share price	121.80	112.50	108.70
Lowest share price	111.10	91.77	85.59



## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		23,971		345,212
Revenue	5	89,108		82,805	
Expenses	6	(2,038)		(1,823)	
Interest payable and similar charges	8	(1)		(2)	
Net revenue/(expense) before taxation		87,069		80,980	
Taxation	7	(553)		(295)	
Net revenue/(expense) after taxation			86,516		80,685
<b>Total return before distributions</b>			110,487		425,897
Distributions	8		(66,233)		(60,348)
<b>Change in net assets attributable to shareholders from investment activities</b>			44,254		365,549

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			2,201,031		1,844,044
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		364,020		248,258	
Amounts payable on cancellation of shares		(272,552)		(308,884)	
			91,468		(60,626)
Swing price adjustment			476		188
Change in net assets attributable to shareholders from investment activities (see above)			44,254		365,549
Retained distribution on accumulation shares	8		59,081		51,876
<b>Closing net assets attributable to shareholders</b>			2,396,310		2,201,031

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			2,378,278		2,184,060
<b>Current assets:</b>					
Debtors	9	15,337		15,829	
Cash and bank balances	10	6,275		2,899	
Total other assets			21,612		18,728
<b>Total assets</b>			2,399,890		2,202,788
<b>Liabilities:</b>					
Investment liabilities			(1,561)		-
Creditors					
Distribution payable		(1,414)		(350)	
Other creditors	11	(605)		(1,407)	
Total other liabilities			(2,019)		(1,757)
<b>Total liabilities</b>			(3,580)		(1,757)
<b>Net assets attributable to shareholders</b>			2,396,310		2,201,031

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	25,371	340,890
Gains/(losses) on derivative contracts	234	4,223
Other currency gains/(losses)	(1,634)	99
Net capital gains/(losses)	<u>23,971</u>	<u>345,212</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	101	135
Interest distributions	145	84
Derivative revenue	2,548	1,982
Overseas dividend distributions	345	-
UK dividend distributions	1,623	-
UK dividends	57,918	55,555
UK property income distributions	1,329	968
UK scrip dividends	8,048	9,463
UK property income scrip dividends	127	152
Overseas dividends	4,779	3,737
Overseas scrip dividends	12,142	10,723
Bank interest	3	6
Total revenue	<u>89,108</u>	<u>82,805</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	<u>2,038</u>	<u>1,823</u>
	<u>2,038</u>	<u>1,823</u>
Total expenses	<u>2,038</u>	<u>1,823</u>

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £9,000 (including VAT) (2017: £9,000).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	444	170
Overseas taxation	109	125
Total current taxation	<u>553</u>	<u>295</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>87,069</u>	<u>80,980</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	17,414	16,196

## Notes to the Financial Statements

Effects of:

Increase/(decrease) in unutilised management expenses	-	(130)
Overseas taxation	109	125
Revenue not included for tax purposes	(16,971)	(15,896)
Prior year adjustment	1	-
	<u>553</u>	<u>295</u>
Current tax charge/(credit)		
Open ended investment companies are exempt from UK tax on capital gains.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	5,598	5,677
<b>W Accumulation Shares*</b>		
Final	-	6,791
<b>W Income Shares**</b>		
Final	-	104
Interim	1,530	1,965
<b>F Accumulating Shares</b>		
Final	3,349	3,740
<b>I Accumulation Shares</b>		
Final	688	649
<b>P Accumulation Shares</b>		
Final	49,446	35,019
<b>P Income Shares</b>		
Final	1,414	246
Interim	4,818	3,972
	<u>66,843</u>	<u>58,163</u>
Add: Revenue deducted on cancellation of shares	3,568	5,073
Deduct: Revenue received on issue of shares	(4,178)	(2,888)
Net distributions for the year	<u>66,233</u>	<u>60,348</u>
<b>Interest/other</b>		
Interest	1	2
	<u>66,234</u>	<u>60,350</u>
Total finance costs		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	86,516	80,685
<b>Add back (revenue)/expenses transferred to capital:</b>		
UK scrip dividends	(8,048)	(9,463)
Overseas scrip dividends	(12,142)	(10,723)
UK Property Income scrip dividends	(127)	(152)
Equalisation on conversions	33	3
Revenue b/f	2	-
Revenue c/f	(1)	(2)
	<u>66,233</u>	<u>60,348</u>

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to P Accumulation shares on 6 October 2017.

\*\*This share class converted to P Income shares on 6 October 2017.

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	2,819	1,783
Accrued revenue	12,297	13,846
UK income tax recoverable	30	8
Overseas tax recoverable	191	192
<b>Total debtors</b>	<b>15,337</b>	<b>15,829</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	5,097	1,187
Cash and bank balances	1,178	1,712
<b>Total cash and bank balances</b>	<b>6,275</b>	<b>2,899</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	95	1,102
Accrued expenses	151	150
UK corporation tax payable	359	155
<b>Total other creditors</b>	<b>605</b>	<b>1,407</b>

### 12 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	-	3	-	3
Euro	-	294	-	294
Swiss Franc	-	5	-	5
UK Pound	2,376,717	5,862	13,318	2,395,897
US Dollar	-	111	-	111
<b>Total</b>	<b>2,376,717</b>	<b>6,275</b>	<b>13,318</b>	<b>2,396,310</b>
28/02/17	£'000	£'000	£'000	£'000
Australian Dollar	-	4	-	4
Euro	-	38	-	38
Swiss Franc	-	6	-	6
UK Pound	2,184,060	2,731	14,072	2,200,863
US Dollar	-	120	-	120
<b>Total</b>	<b>2,184,060</b>	<b>2,899</b>	<b>14,072</b>	<b>2,201,031</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.00% rise or fall in the fund's market value (2017: 0.00%).

## Notes to the Financial Statements

### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 0.00% fall or rise in the fund's market value (2017: 0.00%).

### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	119,442	26	0.02	555	0.46
Mutual Fund	6,778	2	0.02	10	0.15
Corporate actions	23,688	-	-	-	-
Derivative	-	10	-	-	-
Total	149,908	38		565	
Total including transaction costs	150,511				
Analysis of total sales costs	Sales	Commissions	%	Taxes	%
	£'000	£'000		£'000	
Equity	23,767	5	0.02	-	-
Mutual Fund	1,003	-	0.02	-	-
Corporate actions	17,674	-	-	-	-
Derivative	-	9	-	-	-
Total	42,444	14		-	
Total including transaction costs	42,430				
Total as a percentage of average net assets*		0.00 %		0.02 %	

28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	170,339	49	0.03	748	0.44
Mutual Fund	5,562	2	0.03	18	0.33
Corporate actions	24,312	-	-	-	-
Derivative	-	11	-	-	-
Total	200,213	62		766	
Total including transaction costs	201,041				
Analysis of total sales costs	Sales	Commissions	%	Taxes	%
	£'000	£'000		£'000	
Equity	50,811	15	0.03	-	-
Mutual Fund	1,361	-	0.03	-	-
Corporate actions	69,570	-	-	-	-
Derivative	-	13	-	-	-
Total	121,742	28		-	
Total including transaction costs	121,714				
Total as a percentage of average net assets		0.00 %		0.04 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.10% (2017: 0.09%).

## 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
Assets		Liabilities	Assets	Liabilities
Level 1: Quoted prices	2,313,608	(1,561)	2,178,846	-
Level 2: Observable market data	64,572	-	5,186	-
Level 3: Unobservable data*	98	-	28	-
	2,378,278	(1,561)	2,184,060	-

## Notes to the Financial Statements

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	228,215,460	3,145,254	(21,345,952)	(2,229,711)	207,785,051
W Accumulation Shares	215,714,710	65,718,075	(73,054,138)	(208,378,647)	-
W Income Shares	64,773,464	22,505,669	(2,680,531)	(84,598,602)	-
F Accumulating Shares	11,460,027	2,041,015	(4,168,698)	-	9,332,344
I Accumulation Shares	20,067,301	2,734,580	(3,119,185)	(323,237)	19,359,459
P Accumulation Shares	1,077,047,385	137,634,364	(36,911,625)	204,636,790	1,382,406,914
P Income Shares	148,767,985	46,116,404	(47,387,955)	84,587,858	232,084,292

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £151,000 (2017: £150,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
UBS	-	(1,561)	-	-	5,097	3,536
Total	-	(1,561)	-	-	5,097	3,536

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
UBS	-	66	-	-	1,187	1,253
Total	-	66	-	-	1,187	1,253

### 18 Shareholders' funds

The fund has five share classes; A Accumulation Shares, I Accumulation Shares, F Accumulating Shares, P Accumulation Shares and P Income Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 0.30%

F Accumulating Shares : 0.05%

I Accumulation Shares : 0.15%

P Accumulation Shares : 0.06%

P Income Shares : 0.06%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

## Notes to the Financial Statements

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	104.50	112.54	7.69
F Accumulating Shares	1,280.65	1,379.92	7.75
I Accumulation Shares	130.52	140.62	7.74
P Accumulation Shares	128.01	137.94	7.76
P Income Shares	114.06	122.90	7.75

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 24 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.6943	-	2.6943	2.4875
Group 2	0.9375	1.7568	2.6943	2.4875

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	3.1482
Group 2	-	-	-	3.1482

^ This share class converted to P Accumulation shares on 6 October 2017.

### W Income Shares - final distribution No. 14 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18^	Amount distributed 18/04/17
Group 1	-	-	-	0.1608
Group 2	-	-	-	0.1608

^ This share class converted to P Income shares on 6 October 2017.

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	1.1349	-	1.1349	1.1221
Distribution No. 13	0.8461	-	0.8461	0.9522
Group 2				
Distribution No. 12	0.6808	0.4541	1.1349	1.1221
Distribution No. 13	0.2980	0.5481	0.8461	0.9522

### F Accumulating Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	35.8825	-	35.8825	32.6395
Group 2	18.7636	17.1189	35.8825	32.6395



## Distribution Statement

### I Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.5541	-	3.5541	3.2330
Group 2	1.9635	1.5906	3.5541	3.2330

### P Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.5768	-	3.5768	3.2514
Group 2	1.4283	2.1485	3.5768	3.2514

### P Income Shares - final distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.6094	-	0.6094	0.1653
Group 2	0.5009	0.1085	0.6094	0.1653

### P Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 14 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 14 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	1.1408	-	1.1408	1.1252
Distribution No. 13	0.8495	-	0.8495	0.9886
Distribution No. 14	0.6451	-	0.6451	0.7635
Group 2				
Distribution No. 12	0.6791	0.4617	1.1408	1.1252
Distribution No. 13	0.3020	0.5475	0.8495	0.9886
Distribution No. 14	0.4495	0.1956	0.6451	0.7635

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth by closely matching the performance of the S&P 500 index. The ACD will aim to hold securities that represent the S&P 500 index (or in the event of this index ceasing to be compiled such index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

Performance and Portfolio Activity

The fund delivered positive returns over the period as US equities were supported by the success of the Republican tax reform bill, robust economic data, strong corporate earnings and interest rate increases by the US Federal Reserve (Fed). As a “passive” or “index tracker” fund, the return of the fund and the index should be similar over time, before costs. However, the reported fund and index returns cannot be used to assess how well the fund tracks the index. This is because the fund is priced at midday, while the market index is calculated using closing market prices. To allow a meaningful comparison of tracking difference, we have revalued the primary P accumulation shares using company share prices that make up the index at market close. The revalued P accumulation shares returned 5.33% against the index return of 5.45% over the period. The difference in performance takes into account the effect of factors such as ongoing charges, taxation and transaction costs. Please note, the fund’s cash position, and investment of cash into a liquidity fund for diversification, does not mean that the fund is under exposed to the index, as such positions are typically equitised with equity index futures contracts. This helps to efficiently manage cashflows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund’s holdings weights more closely match the index.

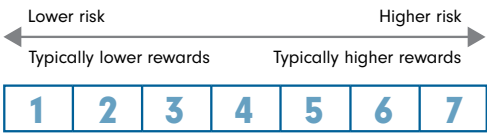
Outlook

The outlook for the US economy remains attractive compared to other developed markets. Moreover, renewed hopes for deregulation under new Fed chairman Jerome Powell and tax reforms have lifted small business optimism to the highest levels in decades.

Geode Capital Management  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
F Accumulation Shares	5
I Accumulation Shares	5
P Accumulation Shares	5
P Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	A Accumulation Shares			F Accumulation Shares		
Change in net assets (pence per share)	2018	2017	2016	2018	2017	2016
Opening net asset value per share	235.01	170.73	163.72	2,374.91	1,721.25	1,646.46
Return before operating charges*	13.56	64.88	7.50	137.31	654.45	75.44
Operating charges	(0.71)	(0.60)	(0.49)	(0.97)	(0.79)	(0.65)
Return after operating charges*	12.85	64.28	7.01	136.34	653.66	74.79
Distributions	(3.30)	(3.19)	(2.54)	(39.60)	(37.09)	(29.67)
Retained distributions on accumulation shares	3.30	3.19	2.54	39.60	37.09	29.67
Closing net asset value per share	247.86	235.01	170.73	2,511.25	2,374.91	1,721.25
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	5.5%	37.7%	4.3%	5.7%	38.0%	4.5%
<b>Other information</b>						
Closing net asset value (£'000)	6,140	8,167	10,026	81,248	50,563	61,160
Closing number of shares	2,477,209	3,475,387	5,872,290	3,235,359	2,129,060	3,553,207
Operating charges	0.30%	0.30%	0.30%	0.04%	0.04%	0.04%
Direct transaction costs	0%	0%	0%	0%	0%	0%
<b>Prices (pence per share)</b>						
Highest share price	255.00	235.20	172.60	2,583.00	2,377.00	1,737.00
Lowest share price	223.00	169.20	146.70	2,255.00	1,707.00	1,477.00

	I Accumulation Shares			P Accumulation Shares		
Change in net assets (pence per share)	2018	2017	2016	2018	2017	2016
Opening net asset value per share	236.58	171.63	164.34	181.99	131.92	126.23
Return before operating charges*	13.66	65.25	7.54	10.52	50.18	5.78
Operating charges	(0.36)	(0.30)	(0.25)	(0.13)	(0.11)	(0.09)
Return after operating charges*	13.30	64.95	7.29	10.39	50.07	5.69
Distributions	(3.68)	(3.51)	(2.80)	(2.98)	(2.81)	(2.24)
Retained distributions on accumulation shares	3.68	3.51	2.80	2.98	2.81	2.24
Closing net asset value per share	249.88	236.58	171.63	192.38	181.99	131.92
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	5.6%	37.9%	4.4%	5.7%	38.0%	4.5%
<b>Other information</b>						
Closing net asset value (£'000)	6,003	18,962	7,716	733,254	450,542	238,732
Closing number of shares	2,402,151	8,014,840	4,496,107	381,148,406	247,568,384	180,963,681
Operating charges	0.15%	0.15%	0.15%	0.06%	0.07%	0.07%
Direct transaction costs	0%	0%	0%	0%	0%	0%
<b>Prices (pence per share)</b>						
Highest share price	257.10	236.80	173.30	197.90	182.10	133.10
Lowest share price	224.60	170.10	147.30	172.80	130.80	113.20

## Comparative Performance Table

### P Income Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	165.44	122.07	118.90
Return before operating charges*	9.48	46.05	5.36
Operating charges	(0.12)	(0.10)	(0.09)
Return after operating charges*	9.36	45.95	5.27
Distributions	(2.69)	(2.58)	(2.10)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	172.11	165.44	122.07
*after direct transaction costs of	-	-	-

### Performance

Return after charges	5.7%	37.6%	4.4%
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### Other information

Closing net asset value (£'000)	350,590	243,530	115,595
Closing number of shares	203,700,483	147,205,958	94,692,336
Operating charges	0.06%	0.07%	0.07%
Direct transaction costs	0%	0%	0%

### Prices (pence per share)

Highest share price	177.70	166.20	125.40
Lowest share price	157.10	121.00	106.20

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		45,184		220,429
Revenue	5	20,901		15,599	
Expenses	6	(786)		(549)	
Interest payable and similar charges	8	(1)		(2)	
Net revenue/(expense) before taxation		20,114		15,048	
Taxation	7	(2,896)		(2,016)	
Net revenue/(expense) after taxation			17,218		13,032
<b>Total return before distributions</b>			62,402		233,461
Distributions	8		(17,237)		(13,044)
<b>Change in net assets attributable to shareholders from investment activities</b>			45,165		220,417

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			933,493		523,729
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		382,524		309,118	
Amounts payable on cancellation of shares		(196,764)		(129,733)	
			185,760		179,385
Swing price adjustment			12		-
Change in net assets attributable to shareholders from investment activities (see above)			45,165		220,417
Retained distribution on accumulation shares	8		12,805		9,962
<b>Closing net assets attributable to shareholders</b>			1,177,235		933,493

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			1,174,424		930,636
<b>Current assets:</b>					
Debtors	9	4,765		5,698	
Cash and bank balances	10	857		761	
Total other assets			5,622		6,459
<b>Total assets</b>			1,180,046		937,095
<b>Liabilities:</b>					
Creditors					
Bank overdrafts		(321)		-	
Distribution payable		(1,342)		(1,153)	
Other creditors	11	(1,148)		(2,449)	
Total other liabilities			(2,811)		(3,602)
<b>Total liabilities</b>			(2,811)		(3,602)
<b>Net assets attributable to shareholders</b>			1,177,235		933,493

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	41,330	213,360
Gains/(losses) on derivative contracts	3,971	7,336
Other currency gains/(losses)	(117)	(267)
Net capital gains/(losses)	<u>45,184</u>	<u>220,429</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	202	177
Derivative revenue	140	441
UK dividends	53	28
Overseas dividends	19,482	14,257
Overseas property income distributions	1,021	693
Bank interest	3	3
Total revenue	<u>20,901</u>	<u>15,599</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	<u>786</u>	<u>549</u>
Total expenses	<u>786</u>	<u>549</u>

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £10,000 (including VAT) (2017: £10,000).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	116	153
Overseas taxation	2,896	1,967
Double taxation relief	(116)	(104)
Total current taxation	<u>2,896</u>	<u>2,016</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>20,114</u>	<u>15,048</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	4,023	3,010
Effects of:		
Overseas taxation	2,896	1,967
Revenue not included for tax purposes	(3,907)	(2,857)
Double taxation relief	(116)	(104)
Current tax charge/(credit)	<u>2,896</u>	<u>2,016</u>

Open ended investment companies are exempt from UK tax on capital gains.

## Notes to the Financial Statements

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	82	111
<b>W Accumulation Shares*</b>		
Final	-	1,821
<b>W Income Shares**</b>		
Final	-	171
Interim	554	350
<b>F Accumulation Shares</b>		
Final	1,281	790
<b>I Accumulation Shares</b>		
Final	88	281
<b>P Accumulation Shares</b>		
Final	11,354	6,959
<b>P Income Shares</b>		
Final	1,342	982
Interim	3,655	2,596
	<b>18,356</b>	<b>14,061</b>
Add: Revenue deducted on cancellation of shares	994	829
Deduct: Revenue received on issue of shares	(2,113)	(1,846)
Net distributions for the year	<b>17,237</b>	<b>13,044</b>
<b>Interest/other</b>		
Interest	1	2
	<b>17,238</b>	<b>13,046</b>
Total finance costs		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	17,218	13,032
<b>Add back (revenue)/expenses transferred to capital:</b>		
Equalisation on conversions	19	12
	<b>17,237</b>	<b>13,044</b>

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to P Accumulation shares on 5 October 2017.

\*\*This share class converted to P Income shares on 5 October 2017.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	1,876	2,807
Sales of currency awaiting settlement	1,067	1,270
Accrued revenue	1,798	1,620
Overseas tax recoverable	-	1
UK corporation tax recoverable	24	-
	<b>4,765</b>	<b>5,698</b>
Total debtors		

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	494	356
Cash and bank balances	363	405
	<b>857</b>	<b>761</b>
Total cash and bank balances		

## Notes to the Financial Statements

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	30	61
Purchases awaiting settlement	-	1,059
Purchases of currency awaiting settlement	1,057	1,266
Accrued expenses	61	53
UK corporation tax payable	-	10
Total other creditors	<u>1,148</u>	<u>2,449</u>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
Currency	£'000	£'000	£'000	£'000
28/02/18				
Euro	-	1	-	1
UK Pound	-	363	1,808	2,170
US Dollar	1,174,424	172	468	1,175,064
Total	<u>1,174,424</u>	<u>536</u>	<u>2,275</u>	<u>1,177,235</u>
28/02/17				
Canadian Dollar	1,297	-	-	1,297
Euro	-	1	-	1
UK Pound	-	266	265	531
US Dollar	929,339	494	1,831	931,664
Total	<u>930,636</u>	<u>761</u>	<u>2,096</u>	<u>933,493</u>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

### 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	242,935	-	-	-	-
Corporate actions	410	-	-	-	-
Derivative	-	6	-	-	-
Total	<u>243,345</u>	<u>6</u>		<u>-</u>	
Total including transaction costs	<u>243,351</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	44,717	-	-	1	-
Corporate actions	5,259	-	-	-	-
Derivative	-	5	-	-	-
Total	<u>49,976</u>	<u>5</u>		<u>1</u>	
Total including transaction costs	<u>49,970</u>				
Total as a percentage of average net assets*		0.00 %		0.00 %	



## Notes to the Financial Statements

28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	236,353	-	-	-	-
Derivative	-	7	-	-	-
Total	<u>236,353</u>	<u>7</u>		-	
Total including transaction costs	<u>236,360</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	18,783	-	-	-	-
Corporate actions	5,416	-	-	-	-
Derivative	-	7	-	-	-
Total	<u>24,199</u>	<u>7</u>		-	
Total including transaction costs	<u>24,192</u>				
Total as a percentage of average net assets		0.00 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.02% (2017: 0.02%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	1,151,375	-	913,662	-
Level 2: Observable market data	23,049	-	16,747	-
Level 3: Unobservable data*	-	-	227	-
	<u>1,174,424</u>	<u>-</u>	<u>930,636</u>	<u>-</u>

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	3,475,387	309,668	(1,208,435)	(99,411)	2,477,209
W Accumulation Shares	67,678,425	24,707,371	(8,957,604)	(83,428,192)	-
W Income Shares	25,888,589	19,418,527	(585,535)	(44,721,581)	-
F Accumulation Shares	2,129,060	2,302,768	(1,196,469)	-	3,235,359
I Accumulation Shares	8,014,840	2,544,656	(8,144,276)	(13,069)	2,402,151
P Accumulation Shares	247,568,384	74,555,015	(21,658,844)	80,683,851	381,148,406
P Income Shares	147,205,958	65,066,643	(53,278,091)	44,705,973	203,700,483

## Notes to the Financial Statements

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £61,000 (2017: £53,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	708	-	-	494	1,202
Total	-	708	-	-	494	1,202

28/02/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
UBS	-	511	-	-	356	867
Total	-	511	-	-	356	867

### 18 Shareholders' funds

The fund has five share classes; A Accumulation Shares, F Accumulation Shares, I Accumulation Shares, P Accumulation Shares and P Income Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 0.30%

F Accumulation Shares : 0.04%

I Accumulation Shares : 0.15%

P Accumulation Shares : 0.07%

P Income Shares : 0.07%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	247.86	253.00	2.07
F Accumulation Shares	2,511.25	2,564.63	2.13
I Accumulation Shares	249.88	255.13	2.10
P Accumulation Shares	192.38	196.46	2.12
P Income Shares	172.11	175.75	2.11

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.2951	-	3.2951	3.1872
Group 2	2.1101	1.1850	3.2951	3.1872

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	2.6901
Group 2	-	-	-	2.6901

^ This share class converted to P Accumulation shares on 5 October 2017

### W Income Shares - final distribution No. 14 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18^	Amount distributed 18/04/17
Group 1	-	-	-	0.6615
Group 2	-	-	-	0.6615

^ This share class converted to P Income shares on 5 October 2017

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	0.6910	-	0.6910	0.5714
Distribution No. 13	0.7031	-	0.7031	0.6544
Group 2				
Distribution No. 12	0.3135	0.3775	0.6910	0.5714
Distribution No. 13	0.3622	0.3409	0.7031	0.6544

### F Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	39.6043	-	39.6043	37.0948
Group 2	20.1633	19.4410	39.6043	37.0948

## Distribution Statement

### I Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.6776	-	3.6776	3.5097
Group 2	2.6275	1.0501	3.6776	3.5097

### P Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.9790	-	2.9790	2.8111
Group 2	1.3043	1.6747	2.9790	2.8111

### P Income Shares - final distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.6590	-	0.6590	0.6668
Group 2	0.2795	0.3795	0.6590	0.6668

### P Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 14 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 14 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	0.6995	-	0.6995	0.5778
Distribution No. 13	0.7115	-	0.7115	0.6587
Distribution No. 14	0.6220	-	0.6220	0.6802
Group 2				
Distribution No. 12	0.5461	0.1534	0.6995	0.5778
Distribution No. 13	0.4091	0.3024	0.7115	0.6587
Distribution No. 14	0.3178	0.3042	0.6220	0.6802

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth by closely matching the performance of the MSCI World Index. The ACD will aim to hold securities that represent the MSCI World Index (or in the event of this index ceasing to be compiled such index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

Performance and Portfolio Activity

The fund delivered positive returns over the period. Developed world equities were supported by synchronised global growth, the smooth passage of a tax reform bill in the US, robust economic data and strong corporate earnings across most regions. As a “passive” or “index tracker” fund, the return of the fund and the index should be similar over time, before costs. However, the reported fund and index returns cannot be used to assess how well the fund tracks the index. This is because the fund is priced at midday, while the market index is calculated using closing market prices. To allow a meaningful comparison of tracking difference, we have revalued the primary P accumulation shares using company share prices that make up the index at market close. The revalued P accumulation shares returned 6.16% against the index return of 5.99% over the period. The difference in performance takes into account the effect of factors such as ongoing charges, taxation and transaction costs. Taxation was a positive source of tracking difference, where the fund’s withholding tax treatment is more favourable versus the net total return index. Please note, the fund’s cash position, and investment of cash into a liquidity fund for diversification, does not mean that the fund is under exposed to the index, as such positions are typically equitised with equity index futures contracts. This helps to efficiently manage cashflows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund’s holdings weights more closely match the index.

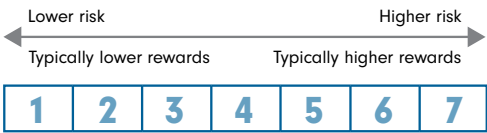
Outlook

Continued strength in the global economy and a positive earnings growth outlook support global equities. However, interest rate hikes, geopolitical risks and counterproductive trade policies may negatively impact markets.

Geode Capital Management  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
F Accumulation Shares	5
I Accumulation Shares	5
P Accumulation Shares	5
P Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

### Comparative Performance Table

	A Accumulation Shares			F Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	195.13	144.67	145.86	1,970.45	1,457.70	1,466.45
Return before operating charges*	12.68	50.96	(0.76)	127.86	514.11	(7.59)
Operating charges	(0.60)	(0.50)	(0.43)	(1.63)	(1.36)	(1.16)
Return after operating charges*	12.08	50.46	(1.19)	126.23	512.75	(8.75)
Distributions	(3.44)	(3.17)	(2.68)	(39.04)	(35.74)	(30.13)
Retained distributions on accumulation shares	3.44	3.17	2.68	39.04	35.74	30.13
Closing net asset value per share	207.21	195.13	144.67	2,096.68	1,970.45	1,457.70
*after direct transaction costs of	0.04	0.03	0.05	0.04	0.03	0.05
<b>Performance</b>						
Return after charges	6.2%	34.9%	(0.8%)	6.4%	35.2%	(0.6%)
<b>Other information</b>						
Closing net asset value (£'000)	6,262	6,600	6,070	120,766	118,148	93,915
Closing number of shares	3,022,232	3,382,326	4,195,888	5,759,871	5,996,001	6,442,706
Operating charges	0.30%	0.30%	0.30%	0.08%	0.08%	0.08%
Direct transaction costs	0.02%	0.01%	0.03%	0.02%	0.01%	0.03%
<b>Prices (pence per share)</b>						
Highest share price	215.10	195.40	154.60	2,176.00	1,973.00	1,555.00
Lowest share price	189.60	144.30	130.20	1,915.00	1,454.00	1,312.00

	I Accumulation Shares			P Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	196.34	145.36	146.33	159.27	117.88	118.68
Return before operating charges*	12.76	51.23	(0.75)	10.35	41.57	(0.59)
Operating charges	(0.30)	(0.25)	(0.22)	(0.22)	(0.18)	(0.18)
Return after operating charges*	12.46	50.98	(0.97)	10.13	41.39	(0.79)
Distributions	(3.77)	(3.44)	(2.90)	(3.09)	(2.82)	(2.34)
Retained distributions on accumulation shares	3.77	3.44	2.90	3.09	2.82	2.34
Closing net asset value per share	208.80	196.34	145.36	169.40	159.27	117.88
*after direct transaction costs of	0.04	0.03	0.05	0.04	0.03	0.05
<b>Performance</b>						
Return after charges	6.4%	35.1%	(0.7%)	6.4%	35.1%	(0.7%)
<b>Other information</b>						
Closing net asset value (£'000)	16,159	14,661	33,295	402,971	145,265	83,195
Closing number of shares	7,738,930	7,467,151	22,905,869	237,878,797	91,209,099	70,576,687
Operating charges	0.15%	0.15%	0.15%	0.12%	0.13%	0.13%
Direct transaction costs	0.02%	0.01%	0.03%	0.02%	0.01%	0.03%
<b>Prices (pence per share)</b>						
Highest share price	216.70	196.60	155.20	175.80	159.40	125.80
Lowest share price	190.80	145.00	130.80	154.80	117.60	106.10

## Comparative Performance Table

### P Income Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	145.52	109.96	112.96
Return before operating charges*	9.40	38.34	(0.59)
Operating charges	(0.20)	(0.17)	(0.17)
Return after operating charges*	9.20	38.17	(0.76)
Distributions	(2.81)	(2.61)	(2.24)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	151.91	145.52	109.96
*after direct transaction costs of	0.04	0.03	0.05
<b>Performance</b>			
Return after charges	6.3%	34.7%	(0.7%)
<b>Other information</b>			
Closing net asset value (£'000)	67,552	15,437	7,064
Closing number of shares	44,467,464	10,607,710	6,424,254
Operating charges	0.12%	0.13%	0.15%
Direct transaction costs	0.02%	0.01%	0.03%
<b>Prices (pence per share)</b>			
Highest share price	158.20	146.10	119.80
Lowest share price	141.40	109.70	99.41

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		20,967		88,387
Revenue	5	11,770		7,967	
Expenses	6	(634)		(387)	
Interest payable and similar charges	8	(3)		(1)	
Net revenue/(expense) before taxation		11,133		7,579	
Taxation	7	(1,178)		(708)	
Net revenue/(expense) after taxation			9,955		6,871
<b>Total return before distributions</b>			30,922		95,258
Distributions	8		(9,324)		(6,421)
<b>Change in net assets attributable to shareholders from investment activities</b>			21,598		88,837

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			402,916		269,165
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		204,035		90,665	
Amounts payable on cancellation of shares		(24,846)		(52,451)	
			179,189		38,214
Swing price adjustment			10		7
Change in net assets attributable to shareholders from investment activities (see above)			21,598		88,837
Retained distribution on accumulation shares	8		9,997		6,693
<b>Closing net assets attributable to shareholders</b>			613,710		402,916

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			611,009		400,228
<b>Current assets:</b>					
Debtors	9	4,400		2,634	
Cash and bank balances	10	2,806		866	
Total other assets			7,206		3,500
<b>Total assets</b>			618,215		403,728
<b>Liabilities:</b>					
Investment liabilities			(513)		(1)
Creditors					
Bank overdrafts		(225)		-	
Distribution payable		(230)		(78)	
Other creditors	11	(3,537)		(733)	
Total other liabilities			(3,992)		(811)
<b>Total liabilities</b>			(4,505)		(812)
<b>Net assets attributable to shareholders</b>			613,710		402,916



## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	18,345	86,483
Gains/(losses) on derivative contracts	2,568	1,643
Other currency gains/(losses)	54	261
Net capital gains/(losses)	<u>20,967</u>	<u>88,387</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	167	42
Derivative revenue	170	118
UK dividends	929	636
UK property income distributions	13	8
UK scrip dividends	125	122
UK property income scrip dividends	1	2
Overseas dividends	9,388	6,411
Overseas property income distributions	456	298
Overseas scrip dividends	519	328
Bank interest	2	1
Taxable interest	-	1
Total revenue	<u>11,770</u>	<u>7,967</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	<u>634</u>	<u>387</u>
Total expenses	<u>634</u>	<u>387</u>

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £10,000 (including VAT) (2017: £10,000).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
UK corporation tax	62	39
Overseas taxation	1,163	708
Double taxation relief	(47)	(39)
Total current taxation	<u>1,178</u>	<u>708</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>11,133</u>	<u>7,579</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	<u>2,227</u>	<u>1,516</u>

## Notes to the Financial Statements

Effects of:

Overseas taxation	1,163	708
Revenue not included for tax purposes	(2,165)	(1,477)
Double taxation relief	(47)	(39)

Current tax charge/(credit)	1,178	708
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Open ended investment companies are exempt from UK tax on capital gains.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000

#### Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.

#### A Accumulation Shares

Final	104	107
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#### W Accumulation Shares\*

Final	-	1,613
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#### W Income Shares\*\*

Final	-	32
Interim	147	129

#### F Accumulation Shares

Final	2,248	2,143
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#### I Accumulation Shares

Final	292	257
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#### P Accumulation Shares

Final	7,353	2,573
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#### P Income Shares

Final	230	46
Interim	548	182

	10,922	7,082
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Add: Revenue deducted on cancellation of shares	236	335
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Deduct: Revenue received on issue of shares	(1,834)	(996)
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Net distributions for the year	9,324	6,421
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#### Interest/other

Interest	3	1
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Total finance costs	9,327	6,422
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#### Reconciliation of Net revenue after taxation to Net distribution for the year:

Net revenue after taxation for the year, per the Statement of Total Return	9,955	6,871
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#### Add back (revenue)/expenses transferred to capital:

UK scrip dividends	(125)	(122)
Overseas scrip dividends	(519)	(327)
Stapled scrip dividends	-	(1)
UK Property Income scrip dividends	(1)	(2)
Equalisation on conversions	14	2
	9,324	6,421

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to P Accumulation shares on 5 October 2017.

\*\*This share class converted to P Income shares on 5 October 2017.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	1,416	1,251
Sales of currency awaiting settlement	1,801	468
Accrued revenue	1,028	803
Overseas tax recoverable	155	112
Total debtors	4,400	2,634

## Notes to the Financial Statements

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,765	436
Cash and bank balances	1,041	430
Total cash and bank balances	<u>2,806</u>	<u>866</u>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1,645	229
Purchases of currency awaiting settlement	1,821	467
Accrued expenses	56	37
UK corporation tax payable	15	-
Total other creditors	<u>3,537</u>	<u>733</u>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	14,733	12	123	14,868
Canadian Dollar	19,238	79	21	19,338
Danish Krone	3,990	10	17	4,017
Euro	69,633	187	149	69,969
Hong Kong Dollar	7,232	11	-	7,243
Israeli Shekel	568	13	-	581
Japanese Yen	52,787	12	82	52,881
New Zealand Dollar	349	13	-	362
Norwegian Krone	1,456	15	15	1,486
Singapore Dollar	2,806	76	2	2,884
Swedish Krona	5,842	21	-	5,863
Swiss Franc	16,953	40	1	16,994
UK Pound	36,446	553	881	37,880
US Dollar	378,463	1,539	(658)	379,344
<b>Total</b>	<b>610,496</b>	<b>2,581</b>	<b>633</b>	<b>613,710</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Australian Dollar	10,612	15	89	10,716
Canadian Dollar	14,094	45	27	14,166
Danish Krone	2,252	8	10	2,270
Euro	41,869	8	55	41,932
Hong Kong Dollar	4,447	10	13	4,470
Israeli Shekel	350	14	-	364
Japanese Yen	33,604	27	53	33,684
New Zealand Dollar	246	18	1	265
Norwegian Krone	918	15	8	941
Singapore Dollar	1,792	12	3	1,807
Swedish Krona	3,984	9	-	3,993
Swiss Franc	12,159	10	49	12,218
UK Pound	24,975	72	633	25,680
US Dollar	248,925	603	882	250,410
<b>Total</b>	<b>400,227</b>	<b>866</b>	<b>1,823</b>	<b>402,916</b>

## Notes to the Financial Statements

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.94% rise or fall in the fund's market value (2017: 0.94%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## 13 Portfolio transaction costs

28/02/18					
	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	195,575	21	0.01	86	0.04
Corporate actions	1,060	-	-	-	-
Derivative	-	4	-	-	-
Total	196,635	25		86	
Total including transaction costs	196,746				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	15,186	1	-	-	-
Corporate actions	2,361	-	-	-	-
Derivative	-	4	-	-	-
Total	17,547	5		-	
Total including transaction costs	17,542				
Total as a percentage of average net assets*		0.01 %		0.02 %	
28/02/17					
	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	64,979	9	0.01	27	0.04
Corporate actions	633	-	-	-	-
Derivative	-	2	-	-	-
Total	65,612	11		27	
Total including transaction costs	65,650				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	23,485	3	0.01	1	-
Corporate actions	3,279	-	-	-	-
Derivative	-	2	-	-	-
Total	26,764	5		1	
Total including transaction costs	26,758				
Total as a percentage of average net assets		0.01 %		0.01 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.05% (2017: 0.04%).

## Notes to the Financial Statements

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	584,983	(513)	386,948	(1)
Level 2: Observable market data	26,026	-	13,222	-
Level 3: Unobservable data*	-	-	58	-
	<u>611,009</u>	<u>(513)</u>	<u>400,228</u>	<u>(1)</u>

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	3,382,326	531,375	(818,348)	(73,121)	3,022,232
W Accumulation Shares	59,892,950	27,077,886	(3,285,988)	(83,684,848)	-
W Income Shares	7,469,435	2,203,284	(704,008)	(8,968,711)	-
F Accumulation Shares	5,996,001	106,141	(342,271)	-	5,759,871
I Accumulation Shares	7,467,151	1,330,351	(1,054,525)	(4,047)	7,738,930
P Accumulation Shares	91,209,099	68,472,099	(2,542,834)	80,740,433	237,878,797
P Income Shares	10,607,710	27,449,116	(2,558,091)	8,968,729	44,467,464

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £56,000 (2017: £37,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
UBS	-	(513)	-	-	1,765	1,252
Total	-	(513)	-	-	1,765	1,252

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
UBS	-	332	-	-	436	768
Total	-	332	-	-	436	768

## Notes to the Financial Statements

### 18 Shareholders' funds

The fund has five share classes; A Accumulation Shares, F Accumulation Shares, I Accumulation Shares, P Accumulation Shares and P Income Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 0.30%

F Accumulation Shares : 0.08%

I Accumulation Shares : 0.15%

P Accumulation Shares : 0.13%

P Income Shares : 0.13%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	207.21	212.84	2.72
F Accumulation Shares	2,096.68	2,154.92	2.78
I Accumulation Shares	208.80	214.56	2.76
P Accumulation Shares	169.40	174.08	2.76
P Income Shares	151.91	156.11	2.76

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.4444	-	3.4444	3.1717
Group 2	1.2329	2.2115	3.4444	3.1717

### W Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	2.6926
Group 2	-	-	-	2.6926

^ This share class converted to P Accumulation shares on 5 October 2017

### W Income Shares - final distribution No. 14 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18^	Amount distributed 18/04/17
Group 1	-	-	-	0.4224
Group 2	-	-	-	0.4224

^ This share class converted to P Income shares on 5 October 2017

### W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	1.1490	-	1.1490	0.9516
Distribution No. 13	0.5685	-	0.5685	0.5994
Group 2				
Distribution No. 12	0.5340	0.6150	1.1490	0.9516
Distribution No. 13	0.2575	0.3110	0.5685	0.5994

### F Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	39.0365	-	39.0365	35.7417
Group 2	16.4526	22.5839	39.0365	35.7417

## Distribution Statement

### I Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.7719	-	3.7719	3.4429
Group 2	1.8351	1.9368	3.7719	3.4429

### P Accumulation Shares - final distribution No. 4 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.0911	-	3.0911	2.8207
Group 2	1.0048	2.0863	3.0911	2.8207

### P Income Shares - final distribution No. 15 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.5164	-	0.5164	0.4310
Group 2	0.2545	0.2619	0.5164	0.4310

### P Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 12 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 13 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 14 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 12 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 13 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 14 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 12	1.1563	-	1.1563	0.9574
Distribution No. 13	0.5725	-	0.5725	0.6038
Distribution No. 14	0.5608	-	0.5608	0.6183
Group 2				
Distribution No. 12	0.5802	0.5761	1.1563	0.9574
Distribution No. 13	0.4810	0.0915	0.5725	0.6038
Distribution No. 14	0.2890	0.2718	0.5608	0.6183



Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily made up of shares of Japanese companies. The portfolio is likely to have a bias towards larger companies, although the ACD is not restricted in its choice of company by either size or industry.

Performance and Portfolio Activity

The fund generated positive returns over the period, as upbeat earnings momentum supported staffing provider Recruit Holdings and precision motor maker Nidec. In the machinery sector, the holding in SMC added value, given strong demand for its pneumatic equipment amid rising investment in automation. Since I took over the management of the fund in September 2017, it has become more diversified in terms of the number of holdings and market-cap exposure. I prefer companies with high and sustainable returns on invested capital and good earnings visibility. I increased the exposure to SMC and Keyence, makers of factory automation components with high market share and margins. I sold electronic components makers Murata Manufacturing and Renesas Electronics as their earnings outlook weakened.

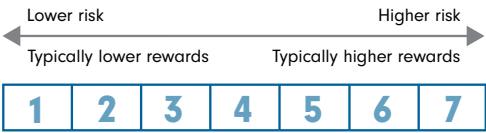
Outlook

Japan’s economic progress remains strong and labour market conditions are at the tightest level in several decades. The upbeat global economic outlook, along with the supportive domestic policy environment, should help Japanese companies to post another year of robust profits.

Takuya Furuta  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	6
W Accumulation Shares	6
Y Accumulation Shares	6



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

# Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	344.06	273.02	271.69	342.52	269.77	266.44
Return before operating charges*	36.39	76.48	6.25	36.46	75.82	6.04
Operating charges	(6.17)	(5.44)	(4.92)	(3.58)	(3.07)	(2.71)
Return after operating charges*	30.22	71.04	1.33	32.88	72.75	3.33
Distributions	-	-	-	(1.67)	(1.93)	(1.46)
Retained distributions on accumulation shares	-	-	-	1.67	1.93	1.46
Closing net asset value per share	374.28	344.06	273.02	375.40	342.52	269.77
*after direct transaction costs of	0.67	0.79	0.84	0.67	0.79	0.84
<b>Performance</b>						
Return after charges	8.8%	26.0%	0.5%	9.6%	27.0%	1.3%
<b>Other information</b>						
Closing net asset value (£'000)	16,063	71,928	64,637	32,660	31,789	26,546
Closing number of shares	4,291,759	20,905,854	23,675,045	8,699,996	9,281,050	9,840,176
Operating charges	1.73%	1.74%	1.76%	0.98%	0.99%	0.99%
Direct transaction costs	0.19%	0.25%	0.30%	0.19%	0.25%	0.30%
<b>Prices (pence per share)</b>						
Highest share price	392.60	350.60	301.70	393.40	348.20	296.10
Lowest share price	332.60	268.60	245.80	331.50	265.60	242.80

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	336.26	265.43	262.74
Return before operating charges*	35.74	74.49	6.02
Operating charges	(4.29)	(3.66)	(3.33)
Return after operating charges*	31.45	70.83	2.69
Distributions	(0.86)	(1.22)	(0.85)
Retained distributions on accumulation shares	0.86	1.22	0.85
Closing net asset value per share	367.71	336.26	265.43
*after direct transaction costs of	0.67	0.79	0.83
<b>Performance</b>			
Return after charges	9.4%	26.7%	1.0%
<b>Other information</b>			
Closing net asset value (£'000)	100	121	156
Closing number of shares	27,227	35,978	58,814
Operating charges	1.22%	1.22%	1.22%
Direct transaction costs	0.19%	0.25%	0.30%
<b>Prices (pence per share)</b>			
Highest share price	385.50	342.10	291.90
Lowest share price	325.30	261.30	238.90

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		5,041		20,432
Revenue	5	1,204		1,642	
Expenses	6	(894)		(1,362)	
Interest payable and similar charges	8	(3)		(3)	
Net revenue/(expense) before taxation		307		277	
Taxation	7	(120)		(164)	
Net revenue/(expense) after taxation			187		113
<b>Total return before distributions</b>			5,228		20,545
Distributions	8		(235)		(198)
<b>Change in net assets attributable to shareholders from investment activities</b>			4,993		20,347

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			103,838		91,340
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		2,513		20,297	
Amounts payable on cancellation of shares		(62,725)		(28,325)	
			(60,212)		(8,028)
Swing price adjustment			58		-
Change in net assets attributable to shareholders from investment activities (see above)			4,993		20,347
Retained distribution on accumulation shares	8		146		179
<b>Closing net assets attributable to shareholders</b>			48,823		103,838

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			48,381		101,948
<b>Current assets:</b>					
Debtors	9	244		1,901	
Cash and bank balances		452		1,777	
Total other assets			696		3,678
<b>Total assets</b>			49,077		105,626
<b>Liabilities:</b>					
Creditors					
Other creditors	10	(254)		(1,788)	
Total other liabilities			(254)		(1,788)
<b>Total liabilities</b>			(254)		(1,788)
<b>Net assets attributable to shareholders</b>			48,823		103,838

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	5,434	20,790
Other currency gains/(losses)	(371)	(336)
Transaction charges	(22)	(28)
Broker fee rebates	-	6
Net capital gains/(losses)	<u>5,041</u>	<u>20,432</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Overseas dividends	1,204	1,642
Total revenue	<u>1,204</u>	<u>1,642</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	752	1,163
Registrar fees	84	120
Service charges	33	46
Foreign exchange administration fees	2	(2)
	<u>871</u>	<u>1,327</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	5	11
Custody fees	6	9
	<u>11</u>	<u>20</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	4	7
	<u>12</u>	<u>15</u>
Total expenses	<u>894</u>	<u>1,362</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	120	164
Total current taxation	<u>120</u>	<u>164</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>307</u>	<u>277</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	61	55
Effects of:		
Overseas taxation	120	164
Increase/(decrease) in unutilised management expenses	179	273
Revenue not included for tax purposes	(240)	(328)
Current tax charge/(credit)	<u>120</u>	<u>164</u>

## Notes to the Financial Statements

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £6,644,000 (2017: £6,465,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares</b>		
Final	146	179
<b>Y Accumulation Shares</b>		
Final	-	-
Add: Revenue deducted on cancellation of shares	98	88
Deduct: Revenue received on issue of shares	(9)	(69)
Net distributions for the year	235	198
<b>Interest/other</b>		
Interest	3	3
Total finance costs	238	201
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	187	113
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	47	83
Equalisation on conversions	1	2
	235	198
Details of the distributions per share are set out in the Distribution Statement.		
The A Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: same).		

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Sales awaiting settlement	184	1,569
Sales of currency awaiting settlement	-	216
Accrued revenue	46	113
Broker fee rebates receivable	-	3
Amounts receivable for issue of shares	14	-
Total debtors	244	1,901

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	6	256
Purchases awaiting settlement	189	1,180
Purchases of currency awaiting settlement	-	216
Accrued expenses	59	136
Total other creditors	254	1,788

## Notes to the Financial Statements

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
28/02/18	£'000	£'000	£'000	£'000
Japanese Yen	48,381	352	41	48,774
UK Pound	-	99	(51)	48
US Dollar	-	1	-	1
<b>Total</b>	<b>48,381</b>	<b>452</b>	<b>(10)</b>	<b>48,823</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Japanese Yen	101,948	1,736	412	104,096
UK Pound	-	40	(388)	(348)
US Dollar	-	1	89	90
<b>Total</b>	<b>101,948</b>	<b>1,777</b>	<b>113</b>	<b>103,838</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives (2017: same).

### 12 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	66,810	41	0.06	-	-
Total	66,810	41		-	
Total including transaction costs	66,851				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	125,149	84	0.07	-	-
Corporate actions	417	-	-	-	-
Total	125,566	84		-	
Total including transaction costs	125,482				
Total as a percentage of average net assets*		0.19 %		0.00 %	
<b>28/02/17</b>	<b>Purchases</b>	<b>Commissions</b>		<b>Taxes</b>	
<b>Analysis of total purchases costs</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>	<b>£'000</b>	<b>%</b>
Equity	137,131	119	0.09	-	-
Total	137,131	119		-	
Total including transaction costs	137,250				

## Notes to the Financial Statements

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	145,151	118	0.08	-	-
Total	145,151	118		-	
Total including transaction costs	145,033				
Total as a percentage of average net assets		0.25 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.15% (2017: 0.14%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	48,381	-	101,948	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
	48,381	-	101,948	-

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	20,905,854	332,197	(16,789,466)	(156,826)	4,291,759
W Accumulation Shares	9,281,050	361,309	(1,101,580)	159,217	8,699,996
Y Accumulation Shares	35,978	550	(7,353)	(1,948)	27,227

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £42,000 (2017: £115,000) are included within accrued expenses in Note 10.

### 16 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	374.28	380.80	1.74
W Accumulation Shares	375.40	382.60	1.92
Y Accumulation Shares	367.71	374.60	1.87

## Distribution Statement

for the year ended 28 February 2018

**W Accumulation Shares - final distribution No. 6 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.6736	-	1.6736	1.9267
Group 2	-	1.6736	1.6736	1.9267

**Y Accumulation Shares - final distribution No. 6 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.8574	-	0.8574	1.2210
Group 2	-	0.8574	0.8574	1.2210



Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to provide long term growth potential from a portfolio of Japanese equities. The portfolio is likely to have a bias towards medium-sized and smaller companies, although the ACD is not restricted in its choice of company by either size or industry.

Performance and Portfolio Activity

The fund generated strong positive returns, supported by holdings in automation-related stocks Daifuku and MISUMI Group, which benefited from solid demand growth. Systems integration company Otsuka Corp and precision processing machinery maker DISCO also added value on the back of strong earnings results. I bought a new position in Isuzu Motors, a manufacturer of commercial vehicles (CV) and pickup trucks. Demand in emerging economies is improving, new CV models are more profitable and after-sales services provide a stable source of earnings. Hitachi Construction Machinery, which is a key beneficiary of improving demand for construction and mining machinery in Asia and the US was another new holding. I took profits in Keyence and Renesas Electronics following their strong performance.

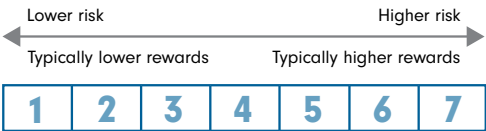
Outlook

Japan is witnessing its longest run of economic expansion since the late 1980s, and it appears on course to continue this trend in the current environment. Corporate earnings and an accommodative policy environment remain supportive, but a stronger yen represents a near-term risk factor.

Jun Tano  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	6
W Accumulation Shares	6



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.

## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	264.27	201.76	188.97	288.12	218.33	202.95
Return before operating charges*	74.18	66.65	16.27	81.18	72.36	17.53
Operating charges	(5.15)	(4.14)	(3.48)	(3.19)	(2.57)	(2.15)
Return after operating charges*	69.03	62.51	12.79	77.99	69.79	15.38
Distributions	-	-	-	(0.89)	(1.12)	(0.57)
Retained distributions on accumulation shares	-	-	-	0.89	1.12	0.57
Closing net asset value per share	333.30	264.27	201.76	366.11	288.12	218.33
*after direct transaction costs of	0.30	0.27	0.22	0.30	0.27	0.22
<b>Performance</b>						
Return after charges	26.1%	31.0%	6.8%	27.1%	32.0%	7.6%
<b>Other information</b>						
Closing net asset value (£'000)	41,940	33,001	29,544	123,534	79,416	60,567
Closing number of shares	12,583,166	12,487,652	14,643,198	33,741,892	27,563,025	27,741,057
Operating charges	1.69%	1.75%	1.74%	0.94%	0.99%	1.00%
Direct transaction costs	0.09%	0.11%	0.11%	0.09%	0.11%	0.11%
<b>Prices (pence per share)</b>						
Highest share price	348.50	271.00	212.70	382.50	294.70	229.90
Lowest share price	258.90	201.60	180.20	282.60	218.20	194.20

# Fidelity Japan Smaller Companies Fund

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		30,433		26,426
Revenue	5	1,791		1,593	
Expenses	6	(1,555)		(1,207)	
Interest payable and similar charges	8	(8)		(4)	
Net revenue/(expense) before taxation		228		382	
Taxation	7	(179)		(160)	
Net revenue/(expense) after taxation			49		222
<b>Total return before distributions</b>			30,482		26,648
Distributions	8		(226)		(319)
<b>Change in net assets attributable to shareholders from investment activities</b>			30,256		26,329

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			112,417		90,111
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		33,048		17,694	
Amounts payable on cancellation of shares		(10,554)		(22,026)	
			22,494		(4,332)
Swing price adjustment			6		-
Change in net assets attributable to shareholders from investment activities (see above)			30,256		26,329
Retained distribution on accumulation shares	8		301		309
<b>Closing net assets attributable to shareholders</b>			165,474		112,417

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			158,803		108,070
<b>Current assets:</b>					
Debtors	9	1,501		1,420	
Cash and bank balances		7,377		3,562	
Total other assets			8,878		4,982
<b>Total assets</b>			167,681		113,052
<b>Liabilities:</b>					
Creditors					
Other creditors	10	(2,207)		(635)	
Total other liabilities			(2,207)		(635)
<b>Total liabilities</b>			(2,207)		(635)
<b>Net assets attributable to shareholders</b>			165,474		112,417

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	30,888	26,272
Other currency gains/(losses)	(441)	173
Transaction charges	(13)	(25)
Broker fee rebates	(1)	6
Net capital gains/(losses)	<u>30,433</u>	<u>26,426</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Overseas dividends	1,791	1,593
Total revenue	<u>1,791</u>	<u>1,593</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,280	988
Registrar fees	166	131
Service charges	67	50
Foreign exchange administration fees	(2)	5
	<u>1,511</u>	<u>1,174</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	13	9
Custody fees	13	9
	<u>26</u>	<u>18</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	10	7
	<u>18</u>	<u>15</u>
Total expenses	<u>1,555</u>	<u>1,207</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	179	160
Total current taxation	<u>179</u>	<u>160</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>228</u>	<u>382</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	46	76

## Notes to the Financial Statements

Effects of:

Overseas taxation	179	160
Increase/(decrease) in unutilised management expenses	313	242
Revenue not included for tax purposes	(359)	(318)
	<u>179</u>	<u>160</u>

Current tax charge/(credit)

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £6,963,000 (2017: £6,650,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>W Accumulation Shares</b>		
Final	301	309
Add: Revenue deducted on cancellation of shares	26	91
Deduct: Revenue received on issue of shares	(101)	(81)
Net distributions for the year	<u>226</u>	<u>319</u>
<b>Interest/other</b>		
Interest	8	4
Total finance costs	<u>234</u>	<u>323</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	49	222
<b>Add back (revenue)/expenses transferred to capital:</b>		
Revenue shortfall transferred from capital	176	96
Equalisation on conversions	1	1
	<u>226</u>	<u>319</u>

Details of the distribution per share is set out in the Distribution Statement.

The A Accumulation Shares have an excess of expenses over revenue for the current year and therefore there is no accumulation (2017: same).

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	97	114
Sales awaiting settlement	1,203	1,169
Accrued revenue	200	135
Broker fee rebates receivable	-	2
Sales of currency awaiting settlement	1	-
Total debtors	<u>1,501</u>	<u>1,420</u>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	129	151
Purchases awaiting settlement	1,917	364
Accrued expenses	160	120
Purchases of currency awaiting settlement	1	-
Total other creditors	<u>2,207</u>	<u>635</u>

## Notes to the Financial Statements

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Japanese Yen	158,803	7,071	(514)	165,360
UK Pound	-	305	(192)	113
US Dollar	-	1	-	1
<b>Total</b>	<b>158,803</b>	<b>7,377</b>	<b>(706)</b>	<b>165,474</b>
28/02/17	£'000	£'000	£'000	£'000
Japanese Yen	108,070	3,535	941	112,546
UK Pound	-	26	(156)	(130)
US Dollar	-	1	-	1
<b>Total</b>	<b>108,070</b>	<b>3,562</b>	<b>785</b>	<b>112,417</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 1.00% rise or fall in the fund's market value (2017: 1.00%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

### 12 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	101,374	67	0.07	-	-
Total	101,374	67		-	
Total including transaction costs	101,441				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	81,501	57	0.07	-	-
Total	81,501	57		-	
Total including transaction costs	81,444				
Total as a percentage of average net assets*		0.09 %		0.00 %	
28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	65,170	51	0.08	-	-
Total	65,170	51		-	
Total including transaction costs	65,221				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	70,494	56	0.08	-	-
Total	70,494	56		-	
Total including transaction costs	70,438				
Total as a percentage of average net assets		0.11 %		0.00 %	

## Notes to the Financial Statements

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.18% (2017: 0.19%).

### 13 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	158,531	-	107,781	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data*	272	-	289	-
	<u>158,803</u>	<u>-</u>	<u>108,070</u>	<u>-</u>

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	12,487,652	1,525,933	(1,147,635)	(282,784)	12,583,166
W Accumulation Shares	27,563,025	8,165,895	(2,245,854)	258,826	33,741,892

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £136,000 (2017: £102,000) are included within accrued expenses in Note 10.

### 16 Shareholders' funds

The fund has two share classes; A Accumulation Shares and W Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	333.30	329.60	(1.11)
W Accumulation Shares	366.11	362.60	(0.96)

## Distribution Statement

for the year ended 28 February 2018

**W Accumulation Shares - final distribution No. 6 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	0.8913	-	0.8913	1.1202
Group 2	-	0.8913	0.8913	1.1202



Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve an attractive level of income together with some long term capital growth. The fund will obtain exposure primarily to the UK. The fund may invest directly in UK government and corporate bonds and other fixed interest securities, preference shares, convertibles and ordinary shares or may achieve exposure indirectly through the use of Derivatives. The fund may also invest in other transferable securities, money market instruments, collective investment schemes, cash and near cash and deposits. Derivatives may be used for efficient portfolio management and investment purposes and may include (but are not limited to) Derivatives on exchange rates, interest rates, inflation and credit. The fund may also take positions which enable it to benefit from falling asset prices.

Performance and Portfolio Activity

The fund recorded negative returns over the period. The significant underperformance of defensive sectors such as utilities and telecommunications, compared to mining, technology and financials was a headwind given the fund’s conservative approach and strict valuation discipline. Specialist lender Provident Financial’s shares declined following two profit warnings in 2017. The fixed income portfolio added value as the yield curve flattened, with longer dated UK government bond (Gilt) yields remaining well anchored. We bought new positions in insurance provider Prudential for its growth outlook and International Airlines Group given its well-diversified revenue base in an increasingly consolidated industry. We sold Altria and Provident Financial.

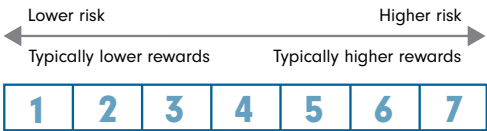
Outlook

Uncertainties in the UK market have led to an unexpected discount on domestic stocks. We think yields will remain at historically low levels, given high debt, an ageing population and low nominal growth. Our stance is positive but cautious.

Michael Clark & Ian Spreadbury  
Fund Managers  
28 February 2018

Risk and Reward Indicator

	SRRI
A Income Shares	4
Y Accumulation Shares	4
Y Income Shares	4



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. While we seek to mitigate this, the fund may be exposed to the risk of financial loss if it invests into an instrument issued by an entity that subsequently defaults on its borrowings. Losses may also be realised if an entity that the fund is exposed to ceases to make interest payments over a period of time or indefinitely. Bond prices have an inverse relationship with interest rates such that when interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.
- The fund may be exposed to the risk of financial loss if a counterparty used for derivative instruments subsequently defaults.

## Comparative Performance Table

	A Income Shares			Y Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	52.13	49.40	51.36	55.68	50.50	50.00
Return before operating charges*	(1.29)	5.32	0.61	(1.46)	5.54	0.60
Operating charges	(0.62)	(0.61)	(0.61)	(0.38)	(0.36)	(0.10)
Return after operating charges*	(1.91)	4.71	-	(1.84)	5.18	0.50
Distributions	(2.08)	(2.48)	(2.46)	(1.96)	(2.23)	(0.61)
Retained distributions on accumulation shares	-	-	-	1.96	1.78	0.49
Closing net asset value per share	<b>48.14</b>	<b>52.13</b>	<b>49.40</b>	<b>53.84</b>	<b>55.68</b>	<b>50.50</b>
*after direct transaction costs of	0.06	0.05	0.06	0.06	0.05	0.06
<b>Performance</b>						
Return after charges	(3.7%)	10.6%	1.0%	(3.3%)	11.1%	1.3%
<b>Other information</b>						
Closing net asset value (£'000)	59,632	77,460	81,624	67,895	67,907	8,518
Closing number of shares	123,869,132	148,590,975	165,237,992	126,098,321	121,966,513	16,866,141
Operating charges	1.17%	1.20%	1.21%	0.67%	0.67%	0.66%
Direct transaction costs	0.10%	0.08%	0.12%	0.10%	0.08%	0.12%
<b>Prices (pence per share)</b>						
Highest share price	54.38	54.17	52.53	58.45	56.33	51.53
Lowest share price	48.33	48.87	47.81	53.28	50.33	48.24

	Y Income Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	60.92	57.43	59.42
Return before operating charges*	(1.52)	6.22	0.70
Operating charges	(0.41)	(0.40)	(0.39)
Return after operating charges*	(1.93)	5.82	0.31
Distributions	(2.45)	(2.91)	(2.87)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	<b>56.54</b>	<b>60.92</b>	<b>57.43</b>
*after direct transaction costs of	0.06	0.05	0.06
<b>Performance</b>			
Return after charges	(3.2%)	11.1%	1.5%
<b>Other information</b>			
Closing net asset value (£'000)	395,668	487,404	444,225
Closing number of shares	699,842,722	800,127,003	773,452,845
Operating charges	0.67%	0.67%	0.67%
Direct transaction costs	0.10%	0.08%	0.12%
<b>Prices (pence per share)</b>			
Highest share price	63.63	63.13	60.81
Lowest share price	56.74	56.90	55.58

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(35,411)		40,700
Revenue	5	22,360		21,149	
Expenses	6	(4,456)		(4,445)	
Interest payable and similar charges	8	(174)		(19)	
Net revenue/(expense) before taxation		17,730		16,685	
Taxation	7	(298)		(116)	
Net revenue/(expense) after taxation			17,432		16,569
<b>Total return before distributions</b>			(17,979)		57,269
Distributions	8		(24,190)		(23,187)
<b>Change in net assets attributable to shareholders from investment activities</b>			(42,169)		34,082

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

		28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			632,770		534,366
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		25,831		95,812	
Amounts payable on cancellation of shares		(95,703)		(33,667)	
			(69,872)		62,145
Change in net assets attributable to shareholders from investment activities (see above)			(42,169)		34,082
Retained distribution on accumulation shares			2,466		2,177
<b>Closing net assets attributable to shareholders</b>			523,195		632,770

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			523,418		629,546
<b>Current assets:</b>					
Debtors	9	5,949		10,132	
Cash and bank balances	10	2,369		2,583	
Total other assets			8,318		12,715
<b>Total assets</b>			531,736		642,261
<b>Liabilities:</b>					
Investment liabilities			(25)		(224)
Creditors					
Distribution payable		(6,449)		(6,594)	
Other creditors	11	(2,067)		(2,673)	
Total other liabilities			(8,516)		(9,267)
<b>Total liabilities</b>			(8,541)		(9,491)
<b>Net assets attributable to shareholders</b>			523,195		632,770

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(36,184)	40,876
Gains/(losses) on derivative contracts	274	126
Gains/(losses) on forward currency contracts	405	(341)
Other currency gains/(losses)	105	29
Transaction charges	(6)	(6)
Broker fee rebates	(5)	16
	<u>(35,411)</u>	<u>40,700</u>
Net capital gains/(losses)		

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	3,334	3,459
Derivative revenue	-	12
Overseas dividend distributions	25	-
UK dividend distributions	174	-
UK dividends	15,480	14,920
UK property income distributions	375	35
UK scrip dividends	316	331
Overseas dividends	1,690	1,945
Overseas scrip dividends	965	423
Bank interest	1	7
Underwriting commission	-	16
Taxable interest	-	1
	<u>22,360</u>	<u>21,149</u>
Total revenue		

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	3,406	3,402
Registrar fees	628	625
Service charges	305	301
Foreign exchange administration fees	-	1
	<u>4,339</u>	<u>4,329</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	51	51
Custody fees	14	13
	<u>65</u>	<u>64</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	42	42
	<u>52</u>	<u>52</u>
Total expenses	<u>4,456</u>	<u>4,445</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	298	116
Total current taxation	<u>298</u>	<u>116</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>17,730</u>	<u>16,685</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	3,546	3,337
Effects of:		
Overseas taxation	298	116
Increase/(decrease) in unutilised management expenses	184	174
Revenue not included for tax purposes	(3,730)	(3,511)
Current tax charge/(credit)	<u>298</u>	<u>116</u>
Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £1,146,000 (2017: £962,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Income Shares</b>		
Final	842	899
Interim	1,926	2,118
<b>Y Accumulation Shares</b>		
Final	2,466	2,177
<b>Y Income Shares</b>		
Final	5,607	5,695
Interim	<u>12,605</u>	<u>13,104</u>
	<u>23,446</u>	<u>23,993</u>
Add: Revenue deducted on cancellation of shares	1,005	296
Deduct: Revenue received on issue of shares	<u>(261)</u>	<u>(1,102)</u>
Net distributions for the year	<u>24,190</u>	<u>23,187</u>
<b>Interest/other</b>		
Interest	1	1
Derivative expense	<u>173</u>	<u>18</u>
	<u>174</u>	<u>19</u>
Total finance costs	<u>24,364</u>	<u>23,206</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	17,432	16,569
<b>Add back (revenue)/expenses transferred to capital:</b>		
Investment management fees	3,042	3,190
Service charges	269	280
Revenue b/f	-	1
Coupon distribution adjustment	<u>3,447</u>	<u>3,147</u>
	<u>24,190</u>	<u>23,187</u>

Details of the distributions per share are set out in the Distribution Statement.

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	31	862
Sales awaiting settlement	968	3,828
Accrued revenue	4,791	5,198
Broker fee rebates receivable	-	6
Overseas tax recoverable	153	238
UK income tax recoverable	6	-
<b>Total debtors</b>	<b>5,949</b>	<b>10,132</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	261	540
Cash and bank balances	2,108	2,043
<b>Total cash and bank balances</b>	<b>2,369</b>	<b>2,583</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1,290	592
Purchases awaiting settlement	442	1,699
Accrued expenses	335	382
<b>Total other creditors</b>	<b>2,067</b>	<b>2,673</b>

### 12 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

28/02/18	£'000	£'000	£'000	£'000
	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
Euro	3,479	53	108	3,640
Swiss Franc	6,295	55	-	6,350
UK Pound	505,840	2,055	(2,710)	505,185
US Dollar	7,779	207	34	8,020
<b>Total</b>	<b>523,393</b>	<b>2,370</b>	<b>(2,568)</b>	<b>523,195</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Euro	9,418	-	200	9,618
Swiss Franc	8,407	-	179	8,586
UK Pound	583,431	2,550	203	586,184
US Dollar	28,066	33	283	28,382
<b>Total</b>	<b>629,322</b>	<b>2,583</b>	<b>865</b>	<b>632,770</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

## Notes to the Financial Statements

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets was:

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
28/02/18	£'000	£'000	£'000	£'000
Euro	53	292	3,295	3,640
Swiss Franc	55	-	6,295	6,350
UK Pound	2,109	181,384	330,215	513,708
US Dollar	207	3,510	4,322	8,039
<b>Total</b>	<b>2,424</b>	<b>185,186</b>	<b>344,127</b>	<b>531,737</b>
28/02/17	£'000	£'000	£'000	£'000
Euro	-	296	9,350	9,646
Swiss Franc	-	-	8,586	8,586
UK Pound	2,634	190,995	401,973	595,602
US Dollar	33	3,974	24,420	28,427
<b>Total</b>	<b>2,667</b>	<b>195,265</b>	<b>444,329</b>	<b>642,261</b>

The interest rate risk profile of the fund's financial liabilities was:

Currency	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid	Total liabilities
28/02/18	£'000	£'000	£'000	£'000
UK Pound^	-	-	531,718	531,718
US Dollar	-	-	19	19
<b>Total</b>	<b>-</b>	<b>-</b>	<b>531,737</b>	<b>531,737</b>
28/02/17	£'000	£'000	£'000	£'000
Euro	-	-	28	28
UK Pound^	-	-	642,188	642,188
US Dollar	-	-	45	45
<b>Total</b>	<b>-</b>	<b>-</b>	<b>642,261</b>	<b>642,261</b>

^ Includes £523,195,000 in respect of the fund's liability to redeem all shares (2017: £632,770,000).

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.03% rise or fall in the fund's market value (2017: 0.07%).

#### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 2.72% fall or rise in the fund's market value (2017: 2.54%).

#### Credit rating risk

As at the year end 0.19% (2017: 0.13%) of the fund's market value was invested in securities rated as below investment grade, additionally 0.17% (2017: 0.15%) of the fund's market value was invested into securities for which no rating was available at the year end.

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

### 13 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	92,332	91	0.10	418	0.45
Bond	742	-	-	-	-
Mutual Fund	405	-	-	-	-
Corporate actions	1,707	-	-	-	-
<b>Total</b>	<b>95,186</b>	<b>91</b>		<b>418</b>	
<b>Total including transaction costs</b>	<b>95,695</b>				

## Notes to the Financial Statements

	Sales £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total sales costs</b>					
Equity	155,353	106	0.07	1	-
Bond	3,281	-	-	-	-
Mutual Fund	1,186	1	0.07	-	-
Corporate actions	1,063	-	-	-	-
<b>Total</b>	<b>160,883</b>	<b>107</b>		<b>1</b>	
Total including transaction costs	<b>160,775</b>				
Total as a percentage of average net assets*		0.03 %		0.07 %	

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>28/02/17</b>					
<b>Analysis of total purchases costs</b>					
Equity	85,746	64	0.07	374	0.44
Bond	69,018	-	-	-	-
Mutual Fund	1,053	-	0.02	1	0.07
Corporate actions	2,447	-	-	-	-
<b>Total</b>	<b>158,264</b>	<b>64</b>		<b>375</b>	
Total including transaction costs	<b>158,703</b>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total sales costs</b>					
Equity	45,692	32	0.07	-	-
Bond	52,223	-	-	-	-
Mutual Fund	177	-	0.14	-	-
Corporate actions	1,330	-	-	-	-
Derivative	-	1	-	-	-
<b>Total</b>	<b>99,422</b>	<b>33</b>		<b>-</b>	
Total including transaction costs	<b>99,389</b>				
Total as a percentage of average net assets		0.02 %		0.06 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.09% (2017: 0.11%).

### 14 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	499,831	(6)	603,888	(185)
Level 2: Observable market data	23,587	(19)	25,658	(39)
Level 3: Unobservable data	-	-	-	-
	<b>523,418</b>	<b>(25)</b>	<b>629,546</b>	<b>(224)</b>

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Income Shares	148,590,975	8,589,262	(32,076,607)	(1,234,498)	123,869,132
Y Accumulation Shares	121,966,513	27,190,034	(23,058,226)	-	126,098,321
Y Income Shares	800,127,003	10,104,459	(111,443,453)	1,054,713	699,842,722

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £290,000 (2017: £346,000) are included within accrued expenses in Note 11.



## Notes to the Financial Statements

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
Citibank	1	-	-	-	-	1
JP Morgan	-	21	-	-	261	282
Societe Generale	(19)	-	-	-	-	(19)
Total	(18)	21	-	-	261	264

28/02/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
JP Morgan	-	(185)	-	-	540	355
National Australia Bank	(39)	-	-	-	-	(39)
Total	(39)	(185)	-	-	540	316

### 18 Shareholders' funds

The fund has three share classes; A Income Shares, Y Income Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Income Shares : 1.00%

Y Accumulation Shares : 0.50%

Y Income Shares : 0.50%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Income Shares	48.14	50.18	4.24
Y Accumulation Shares	53.84	56.49	4.92
Y Income Shares	56.54	59.00	4.35

## Distribution Statement

for the year ended 28 February 2018

### A Income Shares - final distribution No. 300 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/03/18	Amount distributed 28/03/17
Group 1	0.6801	-	0.6801	0.6048
Group 2	0.1413	0.5388	0.6801	0.6048

### A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 289	0.1260	-	0.1260	0.1200
Distribution No. 290	0.1260	-	0.1260	0.1260
Distribution No. 291	0.1276	-	0.1276	0.1260
Distribution No. 292	0.1274	-	0.1274	0.1260
Distribution No. 293	0.1272	-	0.1272	0.1260
Distribution No. 294	0.1273	-	0.1273	0.1260
Distribution No. 295	0.1272	-	0.1272	0.1260
Distribution No. 296	0.1270	-	0.1270	0.1260
Distribution No. 297	0.1270	-	0.1270	0.1260
Distribution No. 298	0.1269	-	0.1269	0.1260
Distribution No. 299	0.1271	-	0.1271	0.1260
Group 2				
Distribution No. 289	0.0841	0.0419	0.1260	0.1200
Distribution No. 290	-	0.1260	0.1260	0.1260
Distribution No. 291	-	0.1276	0.1276	0.1260
Distribution No. 292	-	0.1274	0.1274	0.1260
Distribution No. 293	-	0.1272	0.1272	0.1260
Distribution No. 294	-	0.1273	0.1273	0.1260
Distribution No. 295	-	0.1272	0.1272	0.1260
Distribution No. 296	-	0.1270	0.1270	0.1260
Distribution No. 297	-	0.1270	0.1270	0.1260
Distribution No. 298	-	0.1269	0.1269	0.1260
Distribution No. 299	-	0.1271	0.1271	0.1260

### Y Accumulation Shares - final distribution No. 3 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.9554	-	1.9554	1.7848
Group 2	1.0614	0.8940	1.9554	1.7848

## Distribution Statement

### Y Income Shares - final distribution No. 66 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/03/18	Amount distributed 28/03/17
Group 1	0.8012	-	0.8012	0.7118
Group 2	0.1525	0.6487	0.8012	0.7118

### Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 55	0.1484	-	0.1484	0.1405
Distribution No. 56	0.1481	-	0.1481	0.1478
Distribution No. 57	0.1500	-	0.1500	0.1473
Distribution No. 58	0.1500	-	0.1500	0.1476
Distribution No. 59	0.1500	-	0.1500	0.1478
Distribution No. 60	0.1500	-	0.1500	0.1477
Distribution No. 61	0.1500	-	0.1500	0.1479
Distribution No. 62	0.1500	-	0.1500	0.1480
Distribution No. 63	0.1500	-	0.1500	0.1480
Distribution No. 64	0.1500	-	0.1500	0.1482
Distribution No. 65	0.1500	-	0.1500	0.1484
Group 2				
Distribution No. 55	0.0349	0.1135	0.1484	0.1405
Distribution No. 56	-	0.1481	0.1481	0.1478
Distribution No. 57	-	0.1500	0.1500	0.1473
Distribution No. 58	-	0.1500	0.1500	0.1476
Distribution No. 59	-	0.1500	0.1500	0.1478
Distribution No. 60	-	0.1500	0.1500	0.1477
Distribution No. 61	-	0.1500	0.1500	0.1479
Distribution No. 62	-	0.1500	0.1500	0.1480
Distribution No. 63	-	0.1500	0.1500	0.1480
Distribution No. 64	-	0.1500	0.1500	0.1482
Distribution No. 65	-	0.1500	0.1500	0.1484

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve a combination of income and long term capital growth from a portfolio primarily made up of investments in the UK, including ordinary shares, preference shares, convertibles and fixed interest securities. The portfolio is likely to have a bias towards larger companies, although the ACD is not restricted in its choice of company by either size or industry.

Performance and Portfolio Activity

The fund recorded negative returns over the period. The significant underperformance of defensive sectors such as utilities and telecommunications, compared to mining, technology and financials stocks was a headwind given the fund’s conservative approach and strict valuation discipline. Shares in tobacco companies Altria and Imperial Brands also fell after the US Food and Drug Administration announced plans for new nicotine regulations. Specialist lender Provident Financial declined following two profit warnings in 2017. I bought new positions in insurance provider Prudential for its growth outlook and International Airlines Group given its well-diversified revenue base in an increasingly consolidated industry. I sold Altria and Provident Financial.

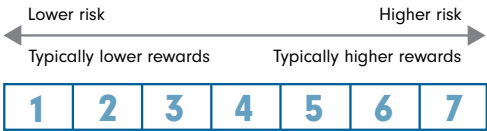
Outlook

Uncertainties in the UK market have led to an unexpected discount on domestic stocks. I have reacted accordingly, by adding to domestic names where the fund’s criteria are met. My stance is positive but cautious.

Michael Clark  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
A Income Shares	5
Y Income (monthly) Shares	5
Y Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	A Accumulation Shares			A Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)*						
Opening net asset value per share	128.58	114.35	116.00	270.74	251.43	266.65
Return before operating charges*	(5.24)	15.67	(0.27)	(10.55)	34.00	(0.58)
Operating charges	(1.55)	(1.44)	(1.38)	(3.21)	(3.13)	(3.16)
Return after operating charges*	(6.79)	14.23	(1.65)	(13.76)	30.87	(3.74)
Distributions	(4.25)	(3.87)	(3.66)	(12.07)	(11.56)	(11.48)
Retained distributions on accumulation shares	4.25	3.87	3.66	-	-	-
Closing net asset value per share	121.79	128.58	114.35	244.91	270.74	251.43
*after direct transaction costs of	0.21	0.14	0.17	0.21	0.14	0.17
<b>Performance</b>						
Return after charges	(5.3%)	12.4%	(1.4%)	(5.1%)	12.3%	(1.4%)
<b>Other information</b>						
Closing net asset value (£'000)	107,236	141,974	67,045	143,965	189,348	181,542
Closing number of shares	88,049,213	110,420,896	114,964,653	58,783,692	69,937,343	72,203,517
Operating charges	1.17%	1.19%	1.20%	1.17%	1.19%	1.20%
Direct transaction costs	0.14%	0.10%	0.11%	0.14%	0.10%	0.11%
<b>Prices (pence per share)</b>						
Highest share price	137.20	129.10	119.30	288.30	279.20	274.30
Lowest share price	119.90	111.70	105.90	246.00	243.60	237.30

	Y Income Shares			Y Income (monthly) Shares	
	2018	2017	2016	2018	2017 <sup>1</sup>
Change in net assets (pence per share)*					
Opening net asset value per share	136.78	126.35	133.28	107.70	100.00
Return before operating charges*	(5.38)	17.13	(0.30)	(4.19)	12.69
Operating charges	(0.91)	(0.88)	(0.88)	(0.71)	(0.70)
Return after operating charges*	(6.29)	16.25	(1.18)	(4.90)	11.99
Distributions	(6.11)	(5.82)	(5.75)	(4.79)	(4.29)
Retained distributions on accumulation shares	-	-	-	-	-
Closing net asset value per share	124.38	136.78	126.35	98.01	107.70
*after direct transaction costs of	0.21	0.14	0.17	0.21	0.14
<b>Performance</b>					
Return after charges	(4.6%)	12.9%	(0.9%)	(4.6%)	12.0%
<b>Other information</b>					
Closing net asset value (£'000)	680,635	777,914	686,270	8,126	1,975
Closing number of shares	547,231,555	568,751,657	543,154,204	8,290,839	1,833,614
Operating charges	0.67%	0.67%	0.67%	0.67%	0.67%
Direct transaction costs	0.14%	0.10%	0.11%	0.14%	0.10%
<b>Prices (pence per share)</b>					
Highest share price	145.80	140.70	137.20	114.10	110.20
Lowest share price	124.90	122.60	119.20	97.40	96.44

1. The Y Income (monthly) Share class launched 14 March 2016.

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(88,860)		91,813
Revenue	5	49,964		47,803	
Expenses	6	(8,890)		(8,907)	
Interest payable and similar charges	8	(3)		-	
Net revenue/(expense) before taxation		41,071		38,896	
Taxation	7	(1,153)		(346)	
Net revenue/(expense) after taxation			39,918		38,550
<b>Total return before distributions</b>			(48,942)		130,363
Distributions	8		(47,121)		(45,780)
<b>Change in net assets attributable to shareholders from investment activities</b>			(96,063)		84,583

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			1,111,212		999,275
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		98,609		114,965	
Amounts payable on cancellation of shares		(177,534)		(91,879)	
			(78,925)		23,086
Change in net assets attributable to shareholders from investment activities (see above)			(96,063)		84,583
Retained distribution on accumulation shares	8		3,738		4,268
<b>Closing net assets attributable to shareholders</b>			939,962		1,111,212

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			951,203		1,121,165
<b>Current assets:</b>					
Debtors	9	8,901		22,213	
Cash and bank balances		371		521	
Total other assets			9,272		22,734
<b>Total assets</b>			960,475		1,143,899
<b>Liabilities:</b>					
Creditors					
Distribution payable		(16,762)		(17,169)	
Other creditors	10	(3,751)		(15,518)	
Total other liabilities			(20,513)		(32,687)
<b>Total liabilities</b>			(20,513)		(32,687)
<b>Net assets attributable to shareholders</b>			939,962		1,111,212

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(88,841)	91,624
Other currency gains/(losses)	1	154
Transaction charges	(6)	(3)
Broker fee rebates	(14)	38
Net capital gains/(losses)	<u>(88,860)</u>	<u>91,813</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	25	43
Overseas dividend distributions	64	-
UK dividend distributions	461	-
UK dividends	40,637	40,227
UK property income distributions	991	201
UK scrip dividends	804	847
Overseas dividends	4,456	5,311
Overseas scrip dividends	2,524	1,125
Bank interest	-	2
Underwriting commission	-	42
Taxable interest	2	5
Total revenue	<u>49,964</u>	<u>47,803</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	7,011	7,028
Registrar fees	1,173	1,177
Service charges	547	540
Foreign exchange administration fees	1	1
	<u>8,732</u>	<u>8,746</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	69	58
Custody fees	25	24
	<u>94</u>	<u>82</u>
Other expenses:		
Audit fee	10	8
Other operating expenses	54	71
	<u>64</u>	<u>79</u>
Total expenses	<u>8,890</u>	<u>8,907</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	1,153	346
Total current taxation	<u>1,153</u>	<u>346</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>41,071</u>	<u>38,896</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	8,214	7,779
Effects of:		
Overseas taxation	1,153	346
Increase/(decrease) in unutilised management expenses	1,575	1,723
Revenue not included for tax purposes	<u>(9,789)</u>	<u>(9,502)</u>
Current tax charge/(credit)	<u>1,153</u>	<u>346</u>
Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £16,319,000 (2017: £14,744,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	3,738	4,268
<b>A Income Shares</b>		
Final	2,914	3,362
Interim	4,384	4,772
<b>Y Income Shares</b>		
Final	13,754	13,785
Interim	20,538	19,461
<b>Y Income (monthly) Shares</b>		
Final	78	17
Interim	<u>150</u>	<u>23</u>
	<u>45,556</u>	<u>45,688</u>
Add: Revenue deducted on cancellation of shares	2,648	1,303
Deduct: Revenue received on issue of shares	<u>(1,083)</u>	<u>(1,211)</u>
Net distributions for the year	<u>47,121</u>	<u>45,780</u>
<b>Interest/other</b>		
Interest	3	-
Total finance costs	<u>47,124</u>	<u>45,780</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	39,918	38,550
<b>Add back (revenue)/expenses transferred to capital:</b>		
Investment management fees	5,595	5,616
Service charges	476	469
Audit fee	9	7
Other operating expenses	45	70
Custody fees	22	21
Depository fees	61	53
Foreign exchange administration fees	1	1
Registrar fees	<u>994</u>	<u>993</u>
	<u>47,121</u>	<u>45,780</u>

Details of the distributions per share are set out in the Distribution Statement.



## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	19	22
Sales awaiting settlement	2,649	12,737
Sales of currency awaiting settlement	-	1,911
Accrued revenue	5,841	6,506
Broker fee rebates receivable	-	15
Overseas tax recoverable	376	1,022
UK income tax recoverable	16	-
<b>Total debtors</b>	<b>8,901</b>	<b>22,213</b>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1,897	934
Purchases awaiting settlement	1,205	11,911
Purchases of currency awaiting settlement	-	1,912
Accrued expenses	649	761
<b>Total other creditors</b>	<b>3,751</b>	<b>15,518</b>

### 11 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Euro	8,706	-	220	8,926
Swiss Franc	17,192	-	-	17,192
UK Pound	913,388	368	(11,832)	901,924
US Dollar	11,917	3	-	11,920
<b>Total</b>	<b>951,203</b>	<b>371</b>	<b>(11,612)</b>	<b>939,962</b>
28/02/17	£'000	£'000	£'000	£'000
Euro	23,411	139	187	23,737
Swiss Franc	21,510	-	706	22,216
UK Pound	1,014,491	381	(11,365)	1,003,507
US Dollar	61,753	1	(2)	61,752
<b>Total</b>	<b>1,121,165</b>	<b>521</b>	<b>(10,474)</b>	<b>1,111,212</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.04% rise or fall in the fund's market value (2017: 0.09%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	237,757	240	0.10	1,070	0.45
Mutual Fund	1,080	-	-	-	-
Corporate actions	4,446	-	-	-	-
Total	<u>243,283</u>	<u>240</u>		<u>1,070</u>	
Total including transaction costs	<u>244,593</u>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	328,626	227	0.07	1	-
Mutual Fund	2,630	2	0.06	-	-
Corporate actions	2,718	-	-	-	-
Total	<u>333,974</u>	<u>229</u>		<u>1</u>	
Total including transaction costs	<u>333,744</u>				

Total as a percentage of average net assets\* 0.04 % 0.10 %

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	188,433	156	0.08	827	0.44
Mutual Fund	2,401	-	-	-	-
Corporate actions	6,434	-	-	-	-
Total	<u>197,268</u>	<u>156</u>		<u>827</u>	
Total including transaction costs	<u>198,251</u>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	174,167	110	0.06	1	-
Mutual Fund	916	1	0.14	-	-
Corporate actions	2,600	-	-	-	-
Total	<u>177,683</u>	<u>111</u>		<u>1</u>	
Total including transaction costs	<u>177,571</u>				

Total as a percentage of average net assets 0.02 % 0.08 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.07% (2017: 0.08%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	931,026	-	1,110,059	-
Level 2: Observable market data	20,171	-	11,104	-
Level 3: Unobservable data*	6	-	2	-
	<u>951,203</u>	<u>-</u>	<u>1,121,165</u>	<u>-</u>

## Notes to the Financial Statements

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	110,420,896	21,471,480	(43,843,163)	-	88,049,213
A Income Shares	69,937,343	2,468,661	(13,236,109)	(386,203)	58,783,692
Y Income Shares	568,751,657	42,129,065	(64,412,046)	762,879	547,231,555
Y Income (monthly) Shares	1,833,614	7,209,729	(752,504)	-	8,290,839

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £579,000 (2017: £687,000) are included within accrued expenses in Note 10.

### 16 Shareholders' funds

The fund has four share classes; A Income Shares, Y Income Shares, A Accumulation Shares and Y Income (monthly) Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.00%

A Income Shares : 1.00%

Y Income Shares : 0.50%

Y Income (monthly) Shares : 0.50%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	121.79	130.80	7.40
A Income Shares	244.91	263.00	7.39
Y Income Shares	124.38	133.69	7.49
Y Income (monthly) Shares	98.01	104.59	6.71

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	4.2457	-	4.2457	3.8655
Group 2	2.1430	2.1027	4.2457	3.8655

### A Income Shares - final distribution No. 149 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	4.9574	-	4.9574	4.8069
Group 2	1.5453	3.4121	4.9574	4.8069

### A Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 146 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 147 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 148 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 146 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 147 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 148 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 146	2.3736	-	2.3736	2.2500
Distribution No. 147	2.3714	-	2.3714	2.2500
Distribution No. 148	2.3698	-	2.3698	2.2500
Group 2				
Distribution No. 146	1.3427	1.0309	2.3736	2.2500
Distribution No. 147	-	2.3714	2.3714	2.2500
Distribution No. 148	-	2.3698	2.3698	2.2500

### Y Income Shares - final distribution No. 25 in pence per share

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	2.5133	-	2.5133	2.4238
Group 2	0.8566	1.6567	2.5133	2.4238

## Distribution Statement

### Y Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 22 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 23 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 24 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 22 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 23 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 24 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 22	1.2000	-	1.2000	1.1315
Distribution No. 23	1.2000	-	1.2000	1.1325
Distribution No. 24	1.2000	-	1.2000	1.1333
Group 2				
Distribution No. 22	0.4668	0.7332	1.2000	1.1315
Distribution No. 23	-	1.2000	1.2000	1.1325
Distribution No. 24	-	1.2000	1.2000	1.1333

### Y Income (monthly) Shares - final distribution No. 24 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 18/04/18	Amount distributed 18/04/17
Group 1	0.9359	-	0.9359	0.9287
Group 2	0.2914	0.6445	0.9359	0.9287

### Y Income (monthly) Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 13	0.3500	-	0.3500	0.0598
Distribution No. 14	0.3500	-	0.3500	0.3300
Distribution No. 15	0.3500	-	0.3500	0.3300
Distribution No. 16	0.3500	-	0.3500	0.3300
Distribution No. 17	0.3500	-	0.3500	0.3300
Distribution No. 18	0.3500	-	0.3500	0.3300
Distribution No. 19	0.3500	-	0.3500	0.3300
Distribution No. 20	0.3500	-	0.3500	0.3300
Distribution No. 21	0.3500	-	0.3500	0.3300
Distribution No. 22	0.3500	-	0.3500	0.3300
Distribution No. 23	0.3500	-	0.3500	0.3300
Group 2				
Distribution No. 13	0.1112	0.2388	0.3500	0.0598
Distribution No. 14	0.1294	0.2206	0.3500	0.3300
Distribution No. 15	-	0.3500	0.3500	0.3300
Distribution No. 16	-	0.3500	0.3500	0.3300
Distribution No. 17	-	0.3500	0.3500	0.3300
Distribution No. 18	-	0.3500	0.3500	0.3300
Distribution No. 19	-	0.3500	0.3500	0.3300
Distribution No. 20	-	0.3500	0.3500	0.3300
Distribution No. 21	-	0.3500	0.3500	0.3300
Distribution No. 22	-	0.3500	0.3500	0.3300
Distribution No. 23	-	0.3500	0.3500	0.3300

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve a combination of income and long term capital growth from a portfolio primarily made up of the shares of UK companies. The portfolio is likely to have a bias towards larger companies, although the ACD is not restricted in its choice of company by either size or industry.

Performance and Portfolio Activity

The fund remained largely unchanged over the period. At a stock level, the position in Glencore benefited from strong metal prices. The allocation to housebuilder Cairn Homes also contributed to returns as a strong forward sales pipeline supported its shares. I bought a new holding in luxury clothing retail company Ted Baker, which has a strong brand. The longevity of its returns is underappreciated by the market. I also purchased a new position in software and services group Sage, whose existing installed base should continue to provide strong growth prospects. Meanwhile, the exposure to Royal Dutch Shell and Ferguson was reduced following their strong performance.

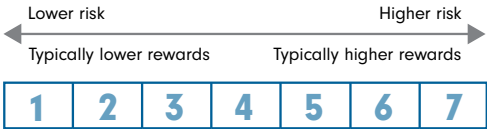
Outlook

The overall economic outlook for the UK remains uncertain, given slightly weaker business investment and higher inflation. However, the Bank of England expects real income and spending growth to recover gradually, as nominal pay growth picks up and imported inflation declines.

James Griffin  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Income Shares	5
ISA class Income Shares	5
Y Income Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	A Income Shares			ISA class income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	78.89	71.24	76.17	79.66	71.89	76.82
Return before operating charges*	0.49	10.80	(2.03)	0.50	10.92	(2.04)
Operating charges	(0.95)	(0.89)	(0.92)	(0.81)	(0.75)	(0.78)
Return after operating charges*	(0.46)	9.91	(2.95)	(0.31)	10.17	(2.82)
Distributions	(1.79)	(2.26)	(1.98)	(1.92)	(2.40)	(2.11)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share	76.64	78.89	71.24	77.43	79.66	71.89
*after direct transaction costs of	0.23	0.28	0.21	0.23	0.28	0.21
<b>Performance</b>						
Return after charges	(0.6%)	13.9%	(3.9%)	(0.4%)	14.1%	(3.7%)
<b>Other information</b>						
Closing net asset value (£'000)	183,573	220,482	185,725	2,422	3,085	3,432
Closing number of shares	239,521,059	279,486,410	260,688,319	3,128,209	3,872,392	4,773,191
Operating charges	1.17%	1.20%	1.21%	1.00%	1.00%	1.01%
Direct transaction costs	0.29%	0.38%	0.28%	0.29%	0.38%	0.28%
<b>Prices (pence per share)</b>						
Highest share price	82.46	80.62	80.78	83.35	81.44	81.51
Lowest share price	75.36	66.72	64.47	76.18	67.37	65.09

	Y Income Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	79.71	71.62	76.18
Return before operating charges*	0.49	10.89	(2.06)
Operating charges	(0.54)	(0.50)	(0.50)
Return after operating charges*	(0.05)	10.39	(2.56)
Distributions	(1.83)	(2.30)	(2.00)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	77.83	79.71	71.62
*after direct transaction costs of	0.23	0.28	0.21
<b>Performance</b>			
Return after charges	(0.1%)	14.5%	(3.4%)
<b>Other information</b>			
Closing net asset value (£'000)	370,284	403,767	385,933
Closing number of shares	475,767,822	506,553,017	538,876,739
Operating charges	0.67%	0.67%	0.67%
Direct transaction costs	0.29%	0.38%	0.28%
<b>Prices (pence per share)</b>			
Highest share price	83.70	81.41	80.89
Lowest share price	76.52	67.19	64.79

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(10,878)		67,514
Revenue	5	16,128		19,941	
Expenses	6	(5,058)		(5,132)	
Interest payable and similar charges	8	(6)		(7)	
Net revenue/(expense) before taxation		11,064		14,802	
Taxation	7	(503)		(126)	
Net revenue/(expense) after taxation			10,561		14,676
<b>Total return before distributions</b>			(317)		82,190
Distributions	8		(13,662)		(18,471)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>(13,979)</u>		<u>63,719</u>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

		28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			627,334		575,090
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		14,351		51,686	
Amounts payable on cancellation of shares		(71,427)		(63,161)	
			(57,076)		(11,475)
Change in net assets attributable to shareholders from investment activities (see above)			(13,979)		63,719
<b>Closing net assets attributable to shareholders</b>			<u>556,279</u>		<u>627,334</u>

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			560,023		630,799
<b>Current assets:</b>					
Debtors	9	1,510		2,806	
Cash and bank balances		149		367	
Total other assets			1,659		3,173
<b>Total assets</b>			<u>561,682</u>		<u>633,972</u>
<b>Liabilities:</b>					
Creditors					
Distribution payable		(4,222)		(5,546)	
Other creditors	10	(1,181)		(1,092)	
Total other liabilities			(5,403)		(6,638)
<b>Total liabilities</b>			<u>(5,403)</u>		<u>(6,638)</u>
<b>Net assets attributable to shareholders</b>			<u>556,279</u>		<u>627,334</u>



## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(10,837)	67,422
Other currency gains/(losses)	(5)	2
Transaction charges	(9)	(10)
Broker fee rebates	(27)	100
Net capital gains/(losses)	<u>(10,878)</u>	<u>67,514</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	1	3
UK dividends	12,318	16,973
UK scrip dividends	650	178
Overseas dividends	2,609	2,388
Overseas scrip dividends	549	388
Bank interest	1	1
Underwriting commission	-	10
Total revenue	<u>16,128</u>	<u>19,941</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	4,002	4,062
Registrar fees	646	661
Service charges	298	299
Foreign exchange administration fees	2	1
	<u>4,948</u>	<u>5,023</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	49	49
Custody fees	13	16
	<u>62</u>	<u>65</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	40	36
	<u>48</u>	<u>44</u>
Total expenses	<u>5,058</u>	<u>5,132</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	503	126
Total current taxation	<u>503</u>	<u>126</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>11,064</u>	<u>14,802</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	2,213	2,960
Effects of:		
Overseas taxation	503	126
Increase/(decrease) in unutilised management expenses	1,012	1,025
Revenue not included for tax purposes	(3,225)	(3,985)
Current tax charge/(credit)	<u>503</u>	<u>126</u>
Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £17,474,000 (2017: £16,462,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Income Shares</b>		
Final	1,378	1,926
Interim	3,028	4,452
<b>ISA class income Shares</b>		
Final	20	29
Interim	42	69
<b>Y Income Shares</b>		
Final	2,824	3,591
Interim	<u>6,055</u>	<u>8,279</u>
	<u>13,347</u>	<u>18,346</u>
Add: Revenue deducted on cancellation of shares	355	523
Deduct: Revenue received on issue of shares	<u>(40)</u>	<u>(398)</u>
Net distributions for the year	<u>13,662</u>	<u>18,471</u>
<b>Interest/other</b>		
Interest	<u>6</u>	<u>7</u>
Total finance costs	<u>13,668</u>	<u>18,478</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	10,561	14,676
<b>Add back (revenue)/expenses transferred to capital:</b>		
Investment management fees	4,002	4,062
Service charges	298	299
UK scrip dividends	(650)	(178)
Overseas scrip dividends	<u>(549)</u>	<u>(388)</u>
	<u>13,662</u>	<u>18,471</u>

Details of the distributions per share are set out in the Distribution Statement.

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	26	24
Accrued revenue	1,459	2,385
Broker fee rebates receivable	-	34
Overseas tax recoverable	25	363
<b>Total debtors</b>	<b>1,510</b>	<b>2,806</b>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	775	648
Accrued expenses	406	444
<b>Total other creditors</b>	<b>1,181</b>	<b>1,092</b>

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Euro	12,056	-	-	12,056
UK Pound	547,967	148	(3,893)	544,222
US Dollar	-	1	-	1
<b>Total</b>	<b>560,023</b>	<b>149</b>	<b>(3,893)</b>	<b>556,279</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Euro	12,880	-	-	12,880
Swiss Franc	7,233	-	317	7,550
UK Pound	590,705	335	(4,149)	586,891
US Dollar	19,981	32	-	20,013
<b>Total</b>	<b>630,799</b>	<b>367</b>	<b>(3,832)</b>	<b>627,334</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.02% rise or fall in the fund's market value (2017: 0.06%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives (2017: same).

## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	281,598	255	0.09	1,215	0.43
Corporate actions	1,199	-	-	-	-
<b>Total</b>	<b>282,797</b>	<b>255</b>		<b>1,215</b>	

Total including transaction costs

**284,267**

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	342,863	265	0.08	1	-
Corporate actions	16	-	-	-	-
<b>Total</b>	<b>342,879</b>	<b>265</b>		<b>1</b>	

Total including transaction costs

**342,613**

Total as a percentage of average net assets\*

0.09 %

0.20 %

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	384,249	344	0.09	1,604	0.42
Corporate actions	565	-	-	-	-
<b>Total</b>	<b>384,814</b>	<b>344</b>		<b>1,604</b>	

Total including transaction costs

**386,762**

#### Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	401,525	352	0.09	1	-
Corporate actions	483	-	-	-	-
<b>Total</b>	<b>402,008</b>	<b>352</b>		<b>1</b>	

Total including transaction costs

**401,655**

Total as a percentage of average net assets

0.12 %

0.27 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.07% (2017: 0.06%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	559,121	-	629,993	-
Level 2: Observable market data	902	-	806	-
Level 3: Unobservable data	-	-	-	-
	<b>560,023</b>	<b>-</b>	<b>630,799</b>	<b>-</b>

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Income Shares	279,486,410	8,246,938	(47,201,325)	(1,010,964)	239,521,059
ISA class income Shares	3,872,392	121,205	(369,197)	(496,191)	3,128,209
Y Income Shares	506,553,017	9,597,001	(41,875,784)	1,493,588	475,767,822

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £354,000 (2017: £404,000) are included within accrued expenses in Note 10.

Notes to the Financial Statements

16 Shareholders' funds

The fund has three share classes; A Income Shares, ISA class income Shares and Y Income Shares. The annual management charge on each share class is as follows:

A Income Shares : 1.00%

ISA class income Shares : 1.00%

Y Income Shares : 0.50%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Income Shares	76.64	82.43	7.55
ISA class income Shares	77.43	83.31	7.59
Y Income Shares	77.83	83.79	7.66

## Distribution Statement

for the year ended 28 February 2018

### A Income Shares - final distribution No. 49 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 12/04/18	Amount distributed 12/04/17
Group 1	0.5755	-	0.5755	0.6893
Group 2	0.4122	0.1633	0.5755	0.6893

### A Income Shares - interim distribution No. 48 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 12/10/17	Amount distributed 12/10/16
Group 1	1.2117	-	1.2117	1.5693
Group 2	0.3625	0.8492	1.2117	1.5693

### ISA class income Shares - final distribution No. 37 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 12/04/18	Amount distributed 12/04/17
Group 1	0.6388	-	0.6388	0.7554
Group 2	0.3148	0.3240	0.6388	0.7554

### ISA class income Shares - interim distribution No. 36 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 12/10/17	Amount distributed 12/10/16
Group 1	1.2845	-	1.2845	1.6398
Group 2	0.7477	0.5368	1.2845	1.6398

### Y Income Shares - final distribution No. 12 in pence per share

Group 1 - Shares purchased on or before 31 August 2017.

Group 2 - Shares purchased from 1 September 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 12/04/18	Amount distributed 12/04/17
Group 1	0.5935	-	0.5935	0.7089
Group 2	0.3838	0.2097	0.5935	0.7089

### Y Income Shares - interim distribution No. 11 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 31 August 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 12/10/17	Amount distributed 12/10/16
Group 1	1.2379	-	1.2379	1.5920
Group 2	0.6339	0.6040	1.2379	1.5920

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve an attractive level of income. The fund will obtain exposure primarily to sterling-denominated (or hedged back to Sterling) fixed interest securities. The fund may invest directly in fixed interest securities or may achieve exposure indirectly through the use of Derivatives. The fund may also invest in other transferable securities, money market instruments, collective investment schemes, cash and near cash and deposits. Derivatives may be used for efficient portfolio management and investment purposes and may include (but are not limited to) Derivatives on exchange rates, interest rates, inflation and credit. The fund may also take positions which enable it to benefit from falling asset prices.

Performance and Portfolio Activity

The fund posted positive returns over the period, primarily driven by its credit strategy as spreads tightened. An overweight stance in BBB rated bonds and the modest exposure to high yield names (capped at 5%) added value. However, an underweight allocation to banks weighed on returns as the sector advanced. We remained disciplined and took a far more discerning approach to sector and credit selection. We selectively participated in attractively priced sterling issues, including Annington Homes and AT&T. The exposure to rolling stock names such as Eversholt Rail and Porterbrook Rail was reduced due to caution around new supply, increasing competition and heightened UK political risk.

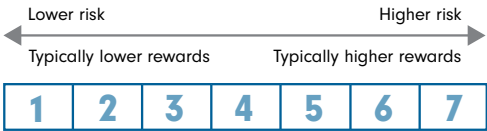
Outlook

The Bank of England must balance inflation numbers with the still uncertain outcome of the UK’s negotiations to exit the European Union. Overall, we think yields will remain at historically low levels, given high debt, an ageing population and low nominal growth. With prudent sector and security selection, value is likely to be found in investment grade corporate bonds.

Ian Spreadbury & Sajiv Vaid  
Fund Managers  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	3
A Income Shares	3
Y Accumulation Shares	3
Y Income Shares	3



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. While we seek to mitigate this, the fund may be exposed to the risk of financial loss if it invests into an instrument issued by an entity that subsequently defaults on its borrowings. Losses may also be realised if an entity that the fund is exposed to ceases to make interest payments over a period of time or indefinitely. Bond prices have an inverse relationship with interest rates such that when interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.
- The fund may be exposed to the risk of financial loss if a counterparty used for derivative instruments subsequently defaults.

## Comparative Performance Table

	A Income Shares			A Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	36.96	34.70	36.38	176.86	161.02	164.55
Return before operating charges*	0.82	3.75	(0.20)	3.87	18.89	(0.87)
Operating charges	(0.37)	(0.36)	(0.35)	(1.79)	(1.71)	(1.62)
Return after operating charges*	0.45	3.39	(0.55)	2.08	17.18	(2.49)
Distributions	(1.05)	(1.13)	(1.13)	(5.08)	(6.67)	(5.19)
Retained distributions on accumulation shares	-	-	-	5.08	5.33	4.15
Closing net asset value per share	36.36	36.96	34.70	178.94	176.86	161.02
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	1.2%	9.8%	(1.5%)	1.2%	10.7%	(1.5%)
<b>Other information</b>						
Closing net asset value (£'000)	487,447	334,206	366,199	140,191	151,875	112,240
Closing number of shares	1,340,743,712	904,246,657	1,055,403,981	78,345,363	85,874,344	69,705,639
Operating charges	0.96%	0.99%	0.99%	0.96%	0.99%	0.99%
Direct transaction costs	0%	0%	0%	0%	0%	0%
<b>Prices (pence per share)</b>						
Highest share price	37.86	38.93	37.09	183.80	182.60	167.80
Lowest share price	36.39	34.81	34.70	176.80	161.50	159.20

	Y Accumulation Shares			Y Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	1,249.70	1,140.76	1,161.71	123.62	116.06	121.68
Return before operating charges*	27.30	124.44	(6.16)	2.72	12.57	(0.64)
Operating charges	(7.20)	(6.89)	(6.46)	(0.70)	(0.69)	(0.67)
Return after operating charges*	20.10	117.55	(12.62)	2.02	11.88	(1.31)
Distributions	(41.39)	(43.05)	(41.67)	(4.03)	(4.32)	(4.31)
Retained distributions on accumulation shares	41.39	34.44	33.34	-	-	-
Closing net asset value per share	1,269.80	1,249.70	1,140.76	121.61	123.62	116.06
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges	1.6%	10.3%	(1.1%)	1.6%	10.2%	(1.1%)
<b>Other information</b>						
Closing net asset value (£'000)	658,399	424,811	230,723	2,639,292	1,355,681	1,129,625
Closing number of shares	51,850,451	33,992,935	20,225,363	2,170,364,308	1,096,621,227	973,319,798
Operating charges	0.56%	0.56%	0.56%	0.56%	0.56%	0.56%
Direct transaction costs	0%	0%	0%	0%	0%	0%
<b>Prices (pence per share)</b>						
Highest share price	1,302.00	1,296.00	1,185.00	126.60	130.20	124.10
Lowest share price	1,249.00	1,144.00	1,125.00	121.70	116.40	116.10



## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(45,405)		233,117
Revenue	5	139,760		141,831	
Expenses	6	(26,055)		(24,334)	
Interest payable and similar charges	8	(4,953)		(3,260)	
Net revenue/(expense) before taxation		108,752		114,237	
Taxation	7	-		-	
Net revenue/(expense) after taxation			108,752		114,237
<b>Total return before distributions</b>			63,347		347,354
Distributions	8		(129,959)		(129,504)
<b>Change in net assets attributable to shareholders from investment activities</b>			(66,612)		217,850

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

		28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			3,961,301		3,367,367
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		509,369		713,729	
Amounts payable on cancellation of shares		(504,179)		(358,659)	
			5,191		355,070
Swing price adjustment			309		-
Change in net assets attributable to shareholders from investment activities (see above)			(66,612)		217,850
Retained distribution on accumulation shares			25,141		21,014
<b>Closing net assets attributable to shareholders</b>			3,925,329		3,961,301

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			3,844,229		3,906,066
<b>Current assets:</b>					
Debtors	9	71,587		68,400	
Cash and bank balances	10	26,536		30,332	
Total other assets			98,123		98,732
<b>Total assets</b>			3,942,352		4,004,798
<b>Liabilities:</b>					
Investment liabilities			(2,193)		(12,934)
Creditors					
Bank overdrafts		-		(139)	
Distribution payable		(7,526)		(11,578)	
Other creditors	11	(7,304)		(18,846)	
Total other liabilities			(14,830)		(30,563)
<b>Total liabilities</b>			(17,023)		(43,497)
<b>Net assets attributable to shareholders</b>			3,925,329		3,961,301

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil)

	28/02/18	28/02/17
	£'000	£'000
Rights issue	-	12
Total	-	12

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(83,152)	309,783
Gains/(losses) on derivative contracts	14,752	(20,935)
Gains/(losses) on forward currency contracts	19,867	(54,900)
Other currency gains/(losses)	3,136	(821)
Transaction charges	(8)	(10)
Net capital gains/(losses)	(45,405)	233,117

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	139,411	141,829
Derivative revenue	347	-
Bank interest	2	2
Total revenue	139,760	141,831

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	19,198	17,998
Registrar fees	4,283	3,986
Service charges	2,055	1,884
Foreign exchange administration fees	3	4
	25,539	23,872
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	112	108
Custody fees	147	85
	259	193
Other expenses:		
Audit fee	10	10
Other operating expenses	247	259
	257	269
Total expenses	26,055	24,334

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Total current taxation	-	-
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	108,752	114,237
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	21,750	22,847
Effects of:		
Interest distributions	(21,750)	(22,847)
Current tax charge/(credit)	-	-
Open ended investment companies are exempt from UK tax on capital gains. The fund is an interest distributing fund under Corporation Tax Act 2009 and as interest distributions are deductible when calculating the liability, the corporation tax charge will usually be reduced to nil, except where there are expenses which are not deductible.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Income Shares</b>		
Final	1,046	842
Interim	8,701	10,136
<b>Gross paying A Income Shares*</b>		
Final	-	609
Interim	5,450	7,124
<b>A Accumulation Shares</b>		
Final	3,976	4,579
<b>Y Accumulation Shares</b>		
Final	1,613	1,204
Interim	15,101	10,807
<b>Gross paying Y Accumulation Shares**</b>		
Final	-	424
Interim	4,451	6,364
<b>Y Income Shares</b>		
Final	6,481	3,856
Interim	45,537	41,514
<b>Gross paying Y Income Shares***</b>		
Final	-	3,710
Interim	37,497	39,521
	129,853	130,690
Add: Revenue deducted on cancellation of shares	900	452
Deduct: Revenue received on issue of shares	(794)	(1,638)
Net distributions for the year	129,959	129,504
<b>Interest/other</b>		
Interest	8	8
Derivative expense	4,945	3,252
	4,953	3,260
Total finance costs	134,912	132,764
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	108,752	114,237
<b>Add back (revenue)/expenses transferred to capital:</b>		
Equalisation on conversions	(2)	(5)
Revenue b/f	1	3
Revenue c/f	(2)	(1)
Coupon distribution adjustment	21,210	15,270
	129,959	129,504

## Notes to the Financial Statements

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to A Income shares on 29 January 2018.

\*\*This share class converted to Y Accumulation shares on 29 January 2018.

\*\*\*This share class converted to Y Income shares on 29 January 2018.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	2,333	4,508
Sales awaiting settlement	13,597	5,989
Sales of currency awaiting settlement	-	294
Accrued revenue	55,657	57,609
<b>Total debtors</b>	<b>71,587</b>	<b>68,400</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	14,162	20,144
Cash and bank balances	12,374	10,188
<b>Total cash and bank balances</b>	<b>26,536</b>	<b>30,332</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	5,102	2,006
Purchases awaiting settlement	-	14,421
Purchases of currency awaiting settlement	-	297
Accrued expenses	2,092	2,016
Amounts payable on closure of derivative contract	110	106
<b>Total other creditors</b>	<b>7,304</b>	<b>18,846</b>

### 12 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	-	1	-	1
Euro	71,219	447	659	72,325
New Zealand Dollar	-	1	-	1
Polish Zloty	-	1	-	1
Swiss Franc	-	1	-	1
UK Pound	3,595,901	26,084	54,557	3,676,542
US Dollar	174,916	1	1,541	176,458
<b>Total</b>	<b>3,842,036</b>	<b>26,536</b>	<b>56,757</b>	<b>3,925,329</b>
28/02/17	£'000	£'000	£'000	£'000
Australian Dollar	-	1	-	1
Canadian Dollar	-	1	-	1
Euro	167,438	(111)	2,443	169,770
New Zealand Dollar	-	1	-	1
Polish Zloty	-	1	-	1
Swiss Franc	-	1	-	1
UK Pound	3,433,241	30,466	18,764	3,482,471
US Dollar	305,387	(28)	3,696	309,055
<b>Total</b>	<b>3,906,066</b>	<b>30,332</b>	<b>24,903</b>	<b>3,961,301</b>

## Notes to the Financial Statements

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets was:

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	1	-	-	1
Euro	447	69,381	3,032	72,860
New Zealand Dollar	1	-	-	1
Polish Zloty	1	-	-	1
Swiss Franc	1	-	-	1
UK Pound	71,546	3,535,781	84,278	3,691,605
US Dollar	1	175,816	2,066	177,883
<b>Total</b>	<b>71,998</b>	<b>3,780,978</b>	<b>89,376</b>	<b>3,942,352</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Australian Dollar	1	-	-	1
Canadian Dollar	1	-	-	1
Euro	11,758	159,313	2,549	173,620
New Zealand Dollar	1	-	-	1
Polish Zloty	1	-	-	1
Swiss Franc	1	-	-	1
UK Pound	70,098	3,374,942	72,225	3,517,265
US Dollar	-	309,409	4,499	313,908
<b>Total</b>	<b>81,861</b>	<b>3,843,664</b>	<b>79,273</b>	<b>4,004,798</b>

The interest rate risk profile of the fund's financial liabilities was:

Currency	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid	Total liabilities
28/02/18	£'000	£'000	£'000	£'000
Euro	-	403	132	535
UK Pound^	-	-	3,940,392	3,940,392
US Dollar	-	-	1,425	1,425
<b>Total</b>	<b>-</b>	<b>403</b>	<b>3,941,949</b>	<b>3,942,352</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Euro	111	561	3,178	3,850
UK Pound^	-	-	3,996,095	3,996,095
US Dollar	28	-	4,825	4,853
<b>Total</b>	<b>139</b>	<b>561</b>	<b>4,004,098</b>	<b>4,004,798</b>

^ Includes £3,925,329,000 in respect of the fund's liability to redeem all shares (2017: £3,961,301,000).

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.00% rise or fall in the fund's market value (2017: 0.00%).

#### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 7.10% fall or rise in the fund's market value (2017: 7.50%).

#### Credit rating risk

As at the year end 4.87% (2017: 4.68%) of the fund's market value was invested in securities rated as below investment grade, additionally 2.98% (2017: 2.27%) of the fund's market value was invested into securities for which no rating was available at the year end.

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Futures exposure

The fund invests into futures to gain exposure to the bond markets. A 1% change in interest rates would lead to a change representing 1.99% (2017: 1.39%) of the fund's market value.

#### Credit default swaps exposure

## Notes to the Financial Statements

At the year end the fund holds no credit default swaps that could impact it significantly (2017: same).

### 13 Portfolio transaction costs

28/02/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total purchases costs</b>					
Bond	1,653,086	-	-	-	-
Derivative	-	37	-	-	-
<b>Total</b>	<b>1,653,086</b>	<b>37</b>			
<b>Total including transaction costs</b>	<b>1,653,123</b>				
	<b>Sales £'000</b>	<b>Commissions £'000</b>	<b>%</b>	<b>Taxes £'000</b>	<b>%</b>
<b>Analysis of total sales costs</b>					
Bond	1,588,097	-	-	-	-
Corporate actions	29,279	-	-	-	-
Derivative	-	41	-	-	-
<b>Total</b>	<b>1,617,376</b>	<b>41</b>			
<b>Total including transaction costs</b>	<b>1,617,335</b>				
<b>Total as a percentage of average net assets*</b>		0.00 %		0.00 %	

28/02/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total purchases costs</b>					
Bond	1,650,392	-	-	-	-
Corporate actions	173	-	-	-	-
Derivative	-	39	-	-	-
<b>Total</b>	<b>1,650,565</b>	<b>39</b>			
<b>Total including transaction costs</b>	<b>1,650,604</b>				
	<b>Sales £'000</b>	<b>Commissions £'000</b>	<b>%</b>	<b>Taxes £'000</b>	<b>%</b>
<b>Analysis of total sales costs</b>					
Bond	1,295,358	-	-	-	-
Corporate actions	70,002	-	-	-	-
Derivative	-	37	-	-	-
<b>Total</b>	<b>1,365,360</b>	<b>37</b>			
<b>Total including transaction costs</b>	<b>1,365,323</b>				
<b>Total as a percentage of average net assets</b>		0.00 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.72% (2017: 0.88%).

### 14 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
Level 1: Quoted prices	347,037	(604)	393,158	(9,036)
Level 2: Observable market data	3,478,311	(1,589)	3,492,909	(3,898)
Level 3: Unobservable data*	18,881	-	19,999	-
	<b>3,844,229</b>	<b>(2,193)</b>	<b>3,906,066</b>	<b>(12,934)</b>

## Notes to the Financial Statements

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Income Shares	904,246,657	202,560,504	(152,963,370)	386,899,921	1,340,743,712
Gross paying A Income Shares	654,646,834	100,182,889	(347,379,329)	(407,450,394)	-
A Accumulation Shares	85,874,344	3,413,022	(10,604,968)	(337,035)	78,345,363
Y Accumulation Shares	33,992,935	9,265,142	(4,366,755)	12,959,129	51,850,451
Gross paying Y Accumulation Shares	10,374,017	1,560,432	(732,739)	(11,201,710)	-
Y Income Shares	1,096,621,227	77,373,527	(104,112,367)	1,100,481,921	2,170,364,308
Gross paying Y Income Shares	1,053,934,466	123,276,491	(83,213,963)	(1,093,996,994)	-

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £1,889,000 (2017: £1,899,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
Citibank	(523)	-	19	-	(394)	(898)
HSBC Global Markets	50	-	-	-	-	50
JP Morgan	(577)	1,670	-	-	13,618	14,711
Morgan Stanley	21	-	(403)	-	545	163
Royal Bank of Canada	355	-	-	-	-	355
Total	<u>(674)</u>	<u>1,670</u>	<u>(384)</u>	<u>-</u>	<u>13,769</u>	<u>14,381</u>

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
Bank of America	(844)	-	-	-	-	(844)
BNP Paribas	(777)	-	-	-	-	(777)
Citibank	-	-	(357)	-	-	(357)
Deutsche Bank	-	-	(669)	-	-	(669)
JP Morgan	(1,026)	(8,248)	(642)	-	19,144	9,228
Morgan Stanley	-	-	(561)	-	1,000	439
Northern Trust	(676)	-	-	-	-	(676)
Total	<u>(3,323)</u>	<u>(8,248)</u>	<u>(2,229)</u>	<u>-</u>	<u>20,144</u>	<u>6,344</u>

## Notes to the Financial Statements

### 18 Shareholders' funds

The fund has four share classes; A Income Shares, A Accumulation Shares, Y Accumulation Shares and Y Income Shares. The annual management charge on each share class is as follows:

A Income Shares : 0.80%

A Accumulation Shares : 0.80%

Y Accumulation Shares : 0.40%

Y Income Shares : 0.40%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Income Shares	36.36	36.22	(0.39)
A Accumulation Shares	178.94	179.09	0.08
Y Accumulation Shares	1,269.80	1,272.00	0.17
Y Income Shares	121.61	121.20	(0.34)



## Distribution Statement

for the year ended 28 February 2018

### A Income Shares - final distribution No. 269 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 26/03/18	Amount distributed 26/03/17
Group 1	0.0780	-	0.0780	0.0744
Group 2	0.0367	0.0413	0.0780	0.0744

### A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 258	0.0933	-	0.0933	0.0798
Distribution No. 259	0.0906	-	0.0906	0.0761
Distribution No. 260	0.0915	-	0.0915	0.0776
Distribution No. 261	0.0884	-	0.0884	0.0766
Distribution No. 262	0.0904	-	0.0904	0.0781
Distribution No. 263	0.0893	-	0.0893	0.0775
Distribution No. 264	0.0857	-	0.0857	0.0733
Distribution No. 265	0.0864	-	0.0864	0.0741
Distribution No. 266	0.0838	-	0.0838	0.0732
Distribution No. 267	0.0849	-	0.0849	0.0774
Distribution No. 268	0.0855	-	0.0855	0.0694
Group 2				
Distribution No. 258	0.0502	0.0431	0.0933	0.0798
Distribution No. 259	0.0593	0.0313	0.0906	0.0761
Distribution No. 260	0.0553	0.0362	0.0915	0.0776
Distribution No. 261	0.0548	0.0336	0.0884	0.0766
Distribution No. 262	0.0540	0.0364	0.0904	0.0781
Distribution No. 263	0.0635	0.0258	0.0893	0.0775
Distribution No. 264	0.0630	0.0227	0.0857	0.0733
Distribution No. 265	0.0490	0.0374	0.0864	0.0741
Distribution No. 266	0.0515	0.0323	0.0838	0.0732
Distribution No. 267	0.0602	0.0247	0.0849	0.0774
Distribution No. 268	0.0316	0.0539	0.0855	0.0694

### Gross paying A Income Shares - final distribution No. 182 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 26/03/18^	Amount distributed 26/03/17
Group 1	-	-	-	0.0931
Group 2	-	-	-	0.0931

^This share class was converted to A Income shares on 29 January 2018.

### Gross paying A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

## Distribution Statement

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 172	0.0933	-	0.0933	0.0997
Distribution No. 173	0.0911	-	0.0911	0.0953
Distribution No. 174	0.0915	-	0.0915	0.0970
Distribution No. 175	0.0884	-	0.0884	0.0958
Distribution No. 176	0.0904	-	0.0904	0.0977
Distribution No. 177	0.0893	-	0.0893	0.0968
Distribution No. 178	0.0857	-	0.0857	0.0917
Distribution No. 179	0.0864	-	0.0864	0.0927
Distribution No. 180	0.0839	-	0.0839	0.0915
Distribution No. 181	0.0848	-	0.0848	0.0969
Group 2				
Distribution No. 172	0.0414	0.0519	0.0933	0.0997
Distribution No. 173	0.0710	0.0201	0.0911	0.0953
Distribution No. 174	0.0586	0.0329	0.0915	0.0970
Distribution No. 175	0.0702	0.0182	0.0884	0.0958
Distribution No. 176	0.0542	0.0362	0.0904	0.0977
Distribution No. 177	0.0531	0.0362	0.0893	0.0968
Distribution No. 178	0.0426	0.0431	0.0857	0.0917
Distribution No. 179	0.0605	0.0259	0.0864	0.0927
Distribution No. 180	0.0463	0.0376	0.0839	0.0915
Distribution No. 181	0.0477	0.0371	0.0848	0.0969

### A Accumulation Shares - final distribution No. 9 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	5.0753	-	5.0753	5.3324
Group 2	2.5068	2.5685	5.0753	5.3324

### Y Accumulation Shares - final distribution No. 57 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 26/03/18	Amount accumulated 26/03/17
Group 1	3.1104	-	3.1104	2.8385
Group 2	1.8217	1.2887	3.1104	2.8385

### Y Accumulation Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 2017/2018	Amount accumulated 2016/2017
Group 1				
Distribution No. 46	3.6136	-	3.6136	2.9615
Distribution No. 47	3.5107	-	3.5107	2.8423
Distribution No. 48	3.5773	-	3.5773	2.9081
Distribution No. 49	3.4699	-	3.4699	2.8756
Distribution No. 50	3.5560	-	3.5560	2.9577
Distribution No. 51	3.5322	-	3.5322	2.9519

## Distribution Statement

Distribution No. 52	3.4021	-	3.4021	2.8069
Distribution No. 53	3.4456	-	3.4456	2.8439
Distribution No. 54	3.3540	-	3.3540	2.7981
Distribution No. 55	3.4127	-	3.4127	2.9590
Distribution No. 56	3.4027	-	3.4027	2.6965
Group 2				
Distribution No. 46	1.7277	1.8859	3.6136	2.9615
Distribution No. 47	1.7838	1.7269	3.5107	2.8423
Distribution No. 48	2.0964	1.4809	3.5773	2.9081
Distribution No. 49	1.7341	1.7358	3.4699	2.8756
Distribution No. 50	1.8846	1.6714	3.5560	2.9577
Distribution No. 51	1.9689	1.5633	3.5322	2.9519
Distribution No. 52	1.8258	1.5763	3.4021	2.8069
Distribution No. 53	1.9732	1.4724	3.4456	2.8439
Distribution No. 54	1.9343	1.4197	3.3540	2.7981
Distribution No. 55	2.0908	1.3219	3.4127	2.9590
Distribution No. 56	1.6469	1.7558	3.4027	2.6965

### Gross paying Y Accumulation Shares - final distribution No. 59 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 26/01/18^	Amount accumulated 26/01/17
Group 1	-	-	-	4.0894
Group 2	-	-	-	4.0894

^This share class converted to Y Accumulation shares on 29 January 2018.

### Gross paying Y Accumulation Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 2017/2018	Amount accumulated 2016/2017
Group 1				
Distribution No. 49	4.1658	-	4.1658	4.2375
Distribution No. 50	4.0522	-	4.0522	4.0712
Distribution No. 51	4.1240	-	4.1240	4.1676
Distribution No. 52	4.0004	-	4.0004	4.1228
Distribution No. 53	4.0987	-	4.0987	4.2412
Distribution No. 54	4.0714	-	4.0714	4.2367
Distribution No. 55	3.9208	-	3.9208	4.0324
Distribution No. 56	3.9719	-	3.9719	4.0869
Distribution No. 57	3.8655	-	3.8655	4.0237
Distribution No. 58	3.9340	-	3.9340	4.2581
Group 2				
Distribution No. 49	1.7966	2.2692	4.1658	4.2375
Distribution No. 50	2.5050	1.5472	4.0522	4.0712
Distribution No. 51	2.3591	1.7649	4.1240	4.1676
Distribution No. 52	2.3264	1.6740	4.0004	4.1228
Distribution No. 53	2.2028	1.8959	4.0987	4.2412
Distribution No. 54	2.2569	1.8145	4.0714	4.2367
Distribution No. 55	2.2698	1.6510	3.9208	4.0324
Distribution No. 56	1.9146	2.0573	3.9719	4.0869
Distribution No. 57	2.1356	1.7299	3.8655	4.0237
Distribution No. 58	2.3426	1.5914	3.9340	4.2581

## Distribution Statement

### Y Income Shares - final distribution No. 101 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 26/03/18	Amount distributed 26/03/17
Group 1	0.2986	-	0.2986	0.2814
Group 2	0.1592	0.1394	0.2986	0.2814

### Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 90	0.3575	-	0.3575	0.3012
Distribution No. 91	0.3463	-	0.3463	0.2885
Distribution No. 92	0.3519	-	0.3519	0.2944
Distribution No. 93	0.3404	-	0.3404	0.2904
Distribution No. 94	0.3479	-	0.3479	0.2979
Distribution No. 95	0.3446	-	0.3446	0.2967
Distribution No. 96	0.3310	-	0.3310	0.2815
Distribution No. 97	0.3344	-	0.3344	0.2846
Distribution No. 98	0.3246	-	0.3246	0.2792
Distribution No. 99	0.3294	-	0.3294	0.2947
Distribution No. 100	0.3279	-	0.3279	0.2679
Group 2				
Distribution No. 90	0.1834	0.1741	0.3575	0.3012
Distribution No. 91	0.2095	0.1368	0.3463	0.2885
Distribution No. 92	0.2137	0.1382	0.3519	0.2944
Distribution No. 93	0.1956	0.1448	0.3404	0.2904
Distribution No. 94	0.1790	0.1689	0.3479	0.2979
Distribution No. 95	0.1872	0.1574	0.3446	0.2967
Distribution No. 96	0.1995	0.1315	0.3310	0.2815
Distribution No. 97	0.1901	0.1443	0.3344	0.2846
Distribution No. 98	0.1802	0.1444	0.3246	0.2792
Distribution No. 99	0.1985	0.1309	0.3294	0.2947
Distribution No. 100	0.1474	0.1805	0.3279	0.2679

### Gross paying Y Income Shares - final distribution No. 100 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 26/03/18^	Amount distributed 26/03/17
Group 1	-	-	-	0.3520
Group 2	-	-	-	0.3520

^This share class converted to Y Income shares on 29 January 2018.

## Distribution Statement

### Gross paying Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 90	0.3575	-	0.3575	0.3768
Distribution No. 91	0.3463	-	0.3463	0.3608
Distribution No. 92	0.3521	-	0.3521	0.3683
Distribution No. 93	0.3404	-	0.3404	0.3632
Distribution No. 94	0.3481	-	0.3481	0.3726
Distribution No. 95	0.3447	-	0.3447	0.3710
Distribution No. 96	0.3311	-	0.3311	0.3521
Distribution No. 97	0.3345	-	0.3345	0.3559
Distribution No. 98	0.3247	-	0.3247	0.3493
Distribution No. 99	0.3296	-	0.3296	0.3686
Group 2				
Distribution No. 90	0.1731	0.1844	0.3575	0.3768
Distribution No. 91	0.2114	0.1349	0.3463	0.3608
Distribution No. 92	0.1983	0.1538	0.3521	0.3683
Distribution No. 93	0.1840	0.1564	0.3404	0.3632
Distribution No. 94	0.1837	0.1644	0.3481	0.3726
Distribution No. 95	0.1808	0.1639	0.3447	0.3710
Distribution No. 96	0.1854	0.1457	0.3311	0.3521
Distribution No. 97	0.1453	0.1892	0.3345	0.3559
Distribution No. 98	0.0447	0.2800	0.3247	0.3493
Distribution No. 99	0.1922	0.1374	0.3296	0.3686

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve both capital growth and income. The fund will obtain global exposure primarily to sterling-denominated (or hedged back to Sterling) corporate fixed interest securities with a remaining maturity of less than or equal to 5 years. The fund will invest directly in fixed interest securities and may achieve exposure indirectly through the use of Derivatives. The fund may also invest in other transferable securities money market instruments, collective investment schemes, cash and near cash and deposits. Derivatives may be used for efficient portfolio management and investment purposes and may include (but are not limited to) Derivatives on exchange rates, interest rates, inflation and credit. The fund may also take positions which enable it to benefit from falling asset prices.

Performance and Portfolio Activity

The fund posted positive returns over the period, primarily due to its credit strategy as spreads tightened. The overweight stance in BBB rated bonds and an underweight holding in AA rated bonds added value. The exposure to US dollar denominated investment grade names also buoyed returns. I remained disciplined and took a far more discerning approach to sector and credit selection. I selectively participated in attractively priced issues, including Annington Homes and an emerging market issue from the government of Qatar. I reduced the exposure to rolling stock names such as Porterbrook and Great Rolling Stock due to caution around new supply, increasing competition and heightened UK political risk.

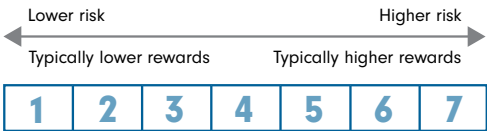
Outlook

The Bank of England must balance inflation numbers with the still uncertain outcome of the UK’s negotiations to exit the European Union. Overall, we think yields will remain at historically low levels, given high debt, an ageing population and low nominal growth. With prudent sector and security selection, value is likely to be found in investment grade corporate bonds.

Sajiv Vaid  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
Gross paying Y Accumulation Shares	2
Gross paying Y Income Shares	2



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- The use of derivatives may result in "leverage" by which we mean a level of exposure which could expose the fund to the potential of greater gains or losses than would otherwise be the case.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. While we seek to mitigate this, the fund may be exposed to the risk of financial loss if it invests into an instrument issued by an entity that subsequently defaults on its borrowings. Losses may also be realised if an entity that the fund is exposed to ceases to make interest payments over a period of time or indefinitely. Bond prices have an inverse relationship with interest rates such that when interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.

# Fidelity Short Dated Corporate Bond Fund

## Comparative Performance Table

	Gross paying Y Accumulation Shares		Gross paying Y Income Shares	
	2018	2017 <sup>1</sup>	2018	2017 <sup>1</sup>
Change in net assets (pence per share)*				
Opening net asset value per share	1,015.34	1,000.00	1,003.30	1,000.00
Return before operating charges*	11.92	16.41	21.86	19.40
Operating charges	(3.90)	(1.07)	(3.78)	(1.07)
Return after operating charges*	8.02	15.34	18.08	18.33
Distributions	(51.15)	(15.04)	(49.82)	(15.03)
Retained distributions on accumulation shares	40.92	12.03	-	-
Closing net asset value per share	1,023.36	1,015.34	971.56	1,003.30
*after direct transaction costs of	-	-	-	-
<b>Performance</b>				
Return after charges	1.8%	1.8%	1.8%	1.8%
<b>Other information</b>				
Closing net asset value (£'000)	42,236	20,944	24,831	7,636
Closing number of shares	4,127,181	2,062,793	2,555,769	761,078
Operating charges	0.38%	0.38%	0.38%	0.38%
Direct transaction costs	0%	0%	0%	0%
<b>Prices (pence per share)</b>				
Highest share price	1,034.00	1,017.00	1,015.00	1,017.00
Lowest share price	1,016.00	1,001.00	981.70	1,001.00

1. The fund launched on 17 November 2016.

# Fidelity Short Dated Corporate Bond Fund

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(835)		217
Revenue	5	1,112		160	
Expenses	6	(179)		(28)	
Interest payable and similar charges	8	(18)		-	
Net revenue/(expense) before taxation		915		132	
Taxation	7	(10)		2	
Net revenue/(expense) after taxation			905		134
<b>Total return before distributions</b>			70		351
Distributions	8		(1,895)		(320)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>(1,825)</u>		<u>31</u>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			28,580		-
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		47,964		28,244	
Amounts payable on cancellation of shares		(9,356)		-	
			38,608		28,244
Swing price adjustment			15		57
Change in net assets attributable to shareholders from investment activities (see above)			(1,825)		31
Retained distribution on accumulation shares	8		1,689		248
<b>Closing net assets attributable to shareholders</b>			<u>67,067</u>		<u>28,580</u>

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			65,283		27,838
<b>Current assets:</b>					
Debtors	9	1,552		813	
Cash and bank balances		504		30	
Total other assets			2,056		843
<b>Total assets</b>			<u>67,339</u>		<u>28,681</u>
<b>Liabilities:</b>					
Investment liabilities			(13)		(8)
Creditors					
Distribution payable		(240)		(85)	
Other creditors	10	(19)		(8)	
Total other liabilities			(259)		(93)
<b>Total liabilities</b>			<u>(272)</u>		<u>(101)</u>
<b>Net assets attributable to shareholders</b>			<u>67,067</u>		<u>28,580</u>



## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(1,076)	213
Gains/(losses) on forward currency contracts	254	3
Other currency gains/(losses)	(13)	1
Net capital gains/(losses)	<u>(835)</u>	<u>217</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	1,112	160
Total revenue	<u>1,112</u>	<u>160</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees*	179	28
Total expenses	<u>179</u>	<u>28</u>

\*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £6,000 (including VAT) (2017: nil).

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	10	(2)
Total current taxation	<u>10</u>	<u>(2)</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>915</u>	<u>132</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	183	26
Effects of:		
Overseas taxation	10	(2)
Interest distributions	(183)	(26)
Current tax charge/(credit)	<u>10</u>	<u>(2)</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund is an interest distributing fund under Corporation Tax Act 2009 and as interest distributions are deductible when calculating the liability, the corporation tax charge will usually be reduced to nil, except where there are expenses which are not deductible.

## Notes to the Financial Statements

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>Gross paying Y Accumulation Shares</b>		
Final	1,689	248
<b>Gross paying Y Income Shares</b>		
Final	240	85
Interim	489	5
	<u>2,418</u>	<u>338</u>
Add: Revenue deducted on cancellation of shares	121	-
Deduct: Revenue received on issue of shares	(644)	(18)
Net distributions for the year	<u>1,895</u>	<u>320</u>
<b>Interest/other</b>		
Derivative expense	18	-
	<u>1,913</u>	<u>320</u>
<b>Total finance costs</b>		
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	905	134
<b>Add back (revenue)/expenses transferred to capital:</b>		
Coupon distribution adjustment	990	186
	<u>1,895</u>	<u>320</u>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	506	265
Accrued revenue	1,046	548
	<u>1,552</u>	<u>813</u>

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Accrued expenses	19	8
	<u>19</u>	<u>8</u>

### 11 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Euro	2,625	1	13	2,639
UK Pound	60,088	502	1,255	61,845
US Dollar	2,557	1	25	2,583
<b>Total</b>	<b>65,270</b>	<b>504</b>	<b>1,293</b>	<b>67,067</b>
28/02/17	£'000	£'000	£'000	£'000
Euro	584	1	6	591
UK Pound	26,345	28	708	27,081
US Dollar	901	1	6	908
<b>Total</b>	<b>27,830</b>	<b>30</b>	<b>720</b>	<b>28,580</b>

## Notes to the Financial Statements

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets was:

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
28/02/18	£'000	£'000	£'000	£'000
Euro	1	2,616	22	2,639
UK Pound	5,491	55,097	1,516	62,104
US Dollar	1	2,570	25	2,596
<b>Total</b>	<b>5,493</b>	<b>60,283</b>	<b>1,563</b>	<b>67,339</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Euro	1	585	6	592
UK Pound	1,005	25,369	800	27,174
US Dollar	1	908	6	915
<b>Total</b>	<b>1,007</b>	<b>26,862</b>	<b>812</b>	<b>28,681</b>

The interest rate risk profile of the fund's financial liabilities was:

Currency	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid	Total liabilities
28/02/18	£'000	£'000	£'000	£'000
UK Pound^	-	-	67,326	67,326
US Dollar	-	-	13	13
<b>Total</b>	<b>-</b>	<b>-</b>	<b>67,339</b>	<b>67,339</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Euro	-	-	1	1
UK Pound^	-	-	28,673	28,673
US Dollar	-	-	7	7
<b>Total</b>	<b>-</b>	<b>-</b>	<b>28,681</b>	<b>28,681</b>

^ Includes £67,067,000 in respect of the fund's liability to redeem all shares (2017: £28,580,000).

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.00% rise or fall in the fund's market value (2017: 0.00%).

#### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 2.76% fall or rise in the fund's market value (2017: 2.86%).

#### Credit rating risk

As at the year end 8.53% (2017: 3.83%) of the fund's market value was invested in securities rated as below investment grade, additionally 11.85% (2017: 6.72%) of the fund's market value was invested into securities for which no rating was available at the year end.

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

At the year end the fund holds no equity derivatives (2017: same).

## Notes to the Financial Statements

### 12 Portfolio transaction costs

28/02/18

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	56,885	-	-	-	-
Total	56,885	-		-	
Total including transaction costs	56,885				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	16,532	-	-	-	-
Corporate actions	846	-	-	-	-
Total	17,378	-		-	

Total including transaction costs

Total as a percentage of average net assets\*

0.00 %

0.00 %

28/02/17

#### Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	32,020	-	-	-	-
Total	32,020	-		-	
Total including transaction costs	32,020				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	3,639	-	-	-	-
Total	3,639	-		-	

Total including transaction costs

Total as a percentage of average net assets

0.00 %

0.00 %

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.39% (2017: 0.42%).

### 13 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	177	-	-	-
Level 2: Observable market data	64,256	(13)	27,838	(8)
Level 3: Unobservable data*	850	-	-	-
	65,283	(13)	27,838	(8)

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

## Notes to the Financial Statements

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Shares in issue as at 28/02/18
Gross paying Y Accumulation Shares	2,062,793	2,761,542	(697,154)	4,127,181
Gross paying Y Income Shares	761,078	2,025,138	(230,447)	2,555,769

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £19,000 (2017: £8,000) are included within accrued expenses in Note 10.

### 16 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
Citibank	9	-	-	-	9
Royal Bank of Canada	1	-	-	-	1
Societe Generale	(13)	-	-	-	(13)
Total	(3)	-	-	-	(3)

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
National Australia Bank	(1)	-	-	-	(1)
Royal Bank of Canada	(7)	-	-	-	(7)
Total	(8)	-	-	-	(8)

### 17 Shareholders' funds

The fund has two share classes; Gross paying Y Accumulation Shares and Gross paying Y Income Shares. The annual management charge on each share class is as follows:

Gross paying Y Accumulation Shares : 0.38%

Gross paying Y Income Shares : 0.38%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 18 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
Gross paying Y Accumulation Shares	1,023.36	1,030.40	0.69
Gross paying Y Income Shares	971.56	978.28	0.69

# Fidelity Short Dated Corporate Bond Fund

## Distribution Statement

for the year ended 28 February 2018

**Gross paying Y Accumulation Shares - final distribution No. 2 in pence per share**

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	40.9210	-	40.9210	12.0313
Group 2	20.4739	20.4471	40.9210	12.0313

**Gross paying Y Income Shares - final distribution No. 6 in pence per share**

Group 1 - Shares purchased on or before 30 November 2017.

Group 2 - Shares purchased from 1 December 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount distributed 30/04/18	Amount distributed 30/04/17
Group 1	9.4025	-	9.4025	11.1163
Group 2	5.4119	3.9906	9.4025	11.1163

**Gross paying Y Income Shares - interim distributions in pence per share**

Group 1 - Distribution No. 3 Shares purchased on or before 28 February 2017.

Group 1 - Distribution No. 4 Shares purchased on or before 31 May 2017.

Group 1 - Distribution No. 5 Shares purchased on or before 31 August 2017.

Group 2 - Distribution No. 3 Shares purchased from 1 March 2017 to 31 May 2017.

Group 2 - Distribution No. 4 Shares purchased from 1 June 2017 to 31 August 2017.

Group 2 - Distribution No. 5 Shares purchased from 1 September 2017 to 30 November 2017.

	Net revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017^
Group 1				
Distribution No. 3	10.6568	-	10.6568	-
Distribution No. 4	10.0546	-	10.0546	-
Distribution No. 5	9.7395	-	9.7395	0.9089
Group 2				
Distribution No. 3	5.5939	5.0629	10.6568	-
Distribution No. 4	6.9442	3.1104	10.0546	-
Distribution No. 5	5.6529	4.0866	9.7395	0.9089

^ The fund was launched on 17 November 2016.

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of UK companies. The fund will have a blend of investments in larger, medium and smaller sized companies. The ACD is not restricted in its choice of companies either by size or industry, and will choose stocks largely determined by the availability of attractive investment opportunities. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

Performance and Portfolio Activity

The fund recorded positive returns over the period, driven by strong stock selection in the consumer services and financials sectors. Online gaming group Ladbrokes Coral advanced after it agreed to be taken over by smaller online-focused rival GVC Holdings. Prospects of strong earnings growth supported industrial threads maker Coats and US bank Citigroup. I still see a good supply of attractive investment opportunities in diverse sectors such as financial services and industrials, but remain focussed primarily on analysing individual companies. I bought new holdings in Royal Bank of Scotland given its strong capital position and robust business franchise, and Discover Financial Services, as its market share in domestic card loans has increased. I sold positions in support services group HomeServe following its strong performance and financial services group Nex due to its weak outlook.

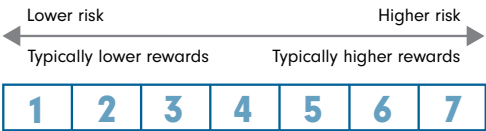
Outlook

A strong run in the market over the period has left valuations above historical averages in some areas, and I believe markets may be more vulnerable to a shock. However, a selective approach, focussed on identifying cheap companies with improving fundamentals, is likely to outperform the market.

Alex Wright  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
W Accumulation Shares	5
Y Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	3,619.23	2,919.27	2,965.06	3,318.84	2,657.06	2,678.40
Return before operating charges*	321.57	755.01	6.13	295.31	689.83	4.37
Operating charges	(65.02)	(55.05)	(51.92)	(33.33)	(28.05)	(25.71)
Return after operating charges*	256.55	699.96	(45.79)	261.98	661.78	(21.34)
Distributions	(35.85)	(34.94)	(31.74)	(59.45)	(54.13)	(49.61)
Retained distributions on accumulation shares	35.85	34.94	31.74	59.45	54.13	49.61
Closing net asset value per share	3,875.78	3,619.23	2,919.27	3,580.82	3,318.84	2,657.06
*after direct transaction costs of	6.77	5.55	6.66	6.77	5.55	6.66
<b>Performance</b>						
Return after charges	7.1%	24.0%	(1.5%)	7.9%	24.9%	(0.8%)
<b>Other information</b>						
Closing net asset value (£'000)	903,292	950,488	853,950	2,270,597	2,085,839	1,744,519
Closing number of shares	23,306,063	26,262,183	29,252,202	63,410,010	62,848,407	65,656,000
Operating charges	1.66%	1.69%	1.69%	0.91%	0.94%	0.94%
Direct transaction costs	0.21%	0.19%	0.26%	0.21%	0.19%	0.26%
<b>Prices (pence per share)</b>						
Highest share price	4,103.00	3,643.00	3,190.00	3,787.00	3,340.00	2,887.00
Lowest share price	3,648.00	2,814.00	2,661.00	3,345.00	2,567.00	2,421.00

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	215.20	172.69	174.47
Return before operating charges*	19.08	44.74	0.31
Operating charges	(2.66)	(2.23)	(2.09)
Return after operating charges*	16.42	42.51	(1.78)
Distributions	(3.33)	(3.09)	(2.83)
Retained distributions on accumulation shares	3.33	3.09	2.83
Closing net asset value per share	231.62	215.20	172.69
*after direct transaction costs of	6.77	5.55	6.66
<b>Performance</b>			
Return after charges	7.6%	24.6%	(1.0%)
<b>Other information</b>			
Closing net asset value (£'000)	17,341	13,076	20,409
Closing number of shares	7,486,562	6,076,275	11,818,134
Operating charges	1.16%	1.16%	1.16%
Direct transaction costs	0.21%	0.19%	0.26%
<b>Prices (pence per share)</b>			
Highest share price	245.10	216.60	188.00
Lowest share price	216.90	166.70	157.30



## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		180,631		566,855
Revenue	5	94,004		96,308	
Expenses	6	(37,227)		(33,158)	
Interest payable and similar charges	8	(4,011)		(12,460)	
Net revenue/(expense) before taxation		52,766		50,690	
Taxation	7	(978)		(782)	
Net revenue/(expense) after taxation			51,788		49,908
<b>Total return before distributions</b>			232,419		616,763
Distributions	8		(47,039)		(45,071)
<b>Change in net assets attributable to shareholders from investment activities</b>			185,380		571,692

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			3,049,403		2,618,878
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		104,430		64,520	
Amounts payable on cancellation of shares		(194,286)		(249,072)	
			(89,856)		(184,552)
Change in net assets attributable to shareholders from investment activities (see above)			185,380		571,692
Retained distribution on accumulation shares	8		46,303		43,385
<b>Closing net assets attributable to shareholders</b>			3,191,230		3,049,403

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			3,166,563		3,075,112
<b>Current assets:</b>					
Debtors	9	30,492		22,757	
Cash and bank balances	10	34,282		8,178	
Total other assets			64,774		30,935
<b>Total assets</b>			3,231,337		3,106,047
<b>Liabilities:</b>					
Investment liabilities			(19,093)		(17,932)
Creditors					
Other creditors	11	(21,014)		(38,712)	
Total other liabilities			(21,014)		(38,712)
<b>Total liabilities</b>			(40,107)		(56,644)
<b>Net assets attributable to shareholders</b>			3,191,230		3,049,403

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	206,044	520,104
Gains/(losses) on derivative contracts	(26,101)	48,792
Other currency gains/(losses)	773	(2,204)
Transaction charges	(17)	(58)
Broker fee rebates	(68)	221
Net capital gains/(losses)	<u>180,631</u>	<u>566,855</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	3,709	1,942
Derivative revenue	8,486	19,941
UK dividends	58,421	51,778
UK scrip dividends	334	502
Overseas dividends	17,696	17,405
Overseas REIT dividends	688	-
Overseas scrip dividends	4,658	4,365
Bank interest	12	54
Underwriting commission	-	316
Taxable interest	-	5
Total revenue	<u>94,004</u>	<u>96,308</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	31,231	27,739
Registrar fees	3,992	3,639
Service charges	1,598	1,401
Foreign exchange administration fees	(2)	9
	<u>36,819</u>	<u>32,788</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	101	96
Custody fees	81	77
	<u>182</u>	<u>173</u>
Other expenses:		
Audit fee	9	9
Other operating expenses	217	188
	<u>226</u>	<u>197</u>
Total expenses	<u>37,227</u>	<u>33,158</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	978	782
Total current taxation	<u>978</u>	<u>782</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>52,766</u>	<u>50,690</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	10,553	10,138
Effects of:		
Overseas taxation	978	782
Overseas tax expensed	(19)	-
Increase/(decrease) in unutilised management expenses	5,664	4,672
Revenue not included for tax purposes	<u>(16,198)</u>	<u>(14,810)</u>
Current tax charge/(credit)	<u>978</u>	<u>782</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £130,003,000 (2017: £124,339,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	8,355	9,175
<b>W Accumulation Shares</b>		
Final	37,698	34,022
<b>Y Accumulation Shares</b>		
Final	<u>250</u>	<u>188</u>
	<u>46,303</u>	<u>43,385</u>
Add: Revenue deducted on cancellation of shares	1,775	2,420
Deduct: Revenue received on issue of shares	<u>(1,039)</u>	<u>(734)</u>
Net distributions for the year	<u>47,039</u>	<u>45,071</u>
<b>Interest/other</b>		
Short dividend payments	2,534	-
Interest	4	2
Derivative expense	-	12,458
Contract for difference finance costs	<u>1,473</u>	<u>-</u>
	<u>4,011</u>	<u>12,460</u>
Total finance costs	<u>51,050</u>	<u>57,531</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	51,788	49,908
<b>Add back (revenue)/expenses transferred to capital:</b>		
UK scrip dividends	(334)	(502)
Overseas scrip dividends	(4,658)	(4,365)
Equalisation on conversions	<u>243</u>	<u>30</u>
	<u>47,039</u>	<u>45,071</u>

Details of the distributions per share are set out in the Distribution Statement.

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	15,515	48
Sales awaiting settlement	1,363	3,455
Sales of currency awaiting settlement	9,235	13,695
Accrued revenue	3,889	5,397
Broker fee rebates receivable	-	88
Overseas tax recoverable	490	74
<b>Total debtors</b>	<b>30,492</b>	<b>22,757</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Cash and bank balances	21,152	8,178
Amounts held at futures clearing houses and brokers	13,130	-
<b>Total cash and bank balances</b>	<b>34,282</b>	<b>8,178</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	586	1,580
Purchases awaiting settlement	8,314	20,530
Purchases of currency awaiting settlement	9,242	13,689
Accrued expenses	2,872	2,821
Amounts payable on closure of derivative contract	-	92
<b>Total other creditors</b>	<b>21,014</b>	<b>38,712</b>

### 12 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Canadian Dollar	31,294	-	-	31,294
Danish Krone	-	-	349	349
Euro	176,992	21	1,640	178,653
Japanese Yen	(747)	-	-	(747)
UK Pound	2,377,669	34,191	13,467	2,425,327
US Dollar	562,262	70	(5,978)	556,354
<b>Total</b>	<b>3,147,470</b>	<b>34,282</b>	<b>9,478</b>	<b>3,191,230</b>
28/02/17	£'000	£'000	£'000	£'000
Canadian Dollar	5,349	-	-	5,349
Danish Krone	52,885	-	-	52,885
Euro	132,658	4	1,282	133,944
Polish Zloty	(1,981)	-	-	(1,981)
UK Pound	2,343,572	4,071	(6,686)	2,340,957
US Dollar	524,697	4,103	(10,551)	518,249
<b>Total</b>	<b>3,057,180</b>	<b>8,178</b>	<b>(15,955)</b>	<b>3,049,403</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Fair value of financial assets and financial liabilities

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

## Notes to the Financial Statements

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.24% rise or fall in the fund's market value (2017: 0.23%).

#### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 0.02% fall or rise in the fund's market value (2017: 0.02%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

The fund invests into contracts for difference to gain exposure to the equity markets. A 10% change in the price of the contracts for difference would result in a 0.76% (2017: 0.84%) change in the fund's market value.

### 13 Portfolio transaction costs

#### 28/02/18

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	1,170,475	974	0.08	3,985	0.34
Bond	81	-	-	-	-
Mutual Fund	34,857	42	0.12	173	0.50
Corporate actions	6,175	-	-	-	-
Derivative	-	265	-	-	-
Total	<u>1,211,588</u>	<u>1,281</u>		<u>4,158</u>	
Total including transaction costs	<u>1,217,027</u>				

	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	1,158,651	1,041	0.09	6	-
Bond	722	-	-	-	-
Corporate actions	147,058	-	-	-	-
Derivative	-	172	-	-	-
Total	<u>1,306,431</u>	<u>1,213</u>		<u>6</u>	
Total including transaction costs	<u>1,305,212</u>				
Total as a percentage of average net assets*		0.08 %		0.13 %	

#### 28/02/17

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	955,708	621	0.06	3,016	0.32
Bond	21,516	-	-	-	-
Mutual Fund	16,166	19	0.12	80	0.50
Corporate actions	31,981	-	-	-	-
Derivative	-	320	-	-	-
Total	<u>1,025,371</u>	<u>960</u>		<u>3,096</u>	
Total including transaction costs	<u>1,029,427</u>				

	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	1,116,237	1,070	0.10	10	-
Bond	20,700	-	-	-	-
Mutual Fund	6,639	6	0.09	-	-
Corporate actions	140,526	-	-	-	-
Derivative	-	314	-	-	-
Total	<u>1,284,102</u>	<u>1,390</u>		<u>10</u>	
Total including transaction costs	<u>1,282,702</u>				
Total as a percentage of average net assets		0.08 %		0.11 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.36% (2017: 0.50%).

## Notes to the Financial Statements

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	2,889,195	-	2,768,812	-
Level 2: Observable market data	258,347	(19,093)	294,223	(17,932)
Level 3: Unobservable data*	19,021	-	12,077	-
	<u>3,166,563</u>	<u>(19,093)</u>	<u>3,075,112</u>	<u>(17,932)</u>

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	26,262,183	191,045	(1,683,895)	(1,463,270)	23,306,063
W Accumulation Shares	62,848,407	2,051,169	(3,105,279)	1,615,713	63,410,010
Y Accumulation Shares	6,076,275	11,475,258	(9,649,023)	(415,948)	7,486,562

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £2,698,000 (2017: £2,721,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
HSBC Global Markets	-	(14,434)	-	-	10,640	(3,794)
Morgan Stanley	-	(2,164)	-	-	2,490	326
UBS	-	23,151	-	-	(28,870)	(5,719)
Total	-	<u>6,553</u>	-	-	<u>(15,740)</u>	<u>(9,187)</u>

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000
HSBC Global Markets	-	(3,515)	-	-	-	(3,515)
Morgan Stanley	-	2,114	-	-	-	2,114
UBS	-	(2,830)	-	-	-	(2,830)
Total	-	<u>(4,231)</u>	-	-	-	<u>(4,231)</u>

## Notes to the Financial Statements

### 18 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	3,875.78	4,181.00	7.88
W Accumulation Shares	3,580.82	3,869.00	8.05
Y Accumulation Shares	231.62	250.19	8.02

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 41 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	35.8497	-	35.8497	34.9356
Group 2	4.3382	31.5115	35.8497	34.9356

### W Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	59.4518	-	59.4518	54.1333
Group 2	18.9182	40.5336	59.4518	54.1333

### Y Accumulation Shares - final distribution No. 9 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.3341	-	3.3341	3.0867
Group 2	2.5317	0.8024	3.3341	3.0867



Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve both capital growth and income from a portfolio providing exposure primarily to UK and international government and corporate bonds, emerging market debt and high yield securities. While the fund will be substantially invested in the Sterling Core Plus Bond Fund, it is the intention through the use of Derivatives to adjust interest rate risk such that the returns achieved may be substantially different to those of the Sterling Core Plus Bond Fund.

Performance and Portfolio Activity

The fund advanced over the period, primarily due to its long credit beta position as credit spreads tightened. The bias towards financials was the largest contributor to performance as the sector advanced on renewed hopes of deregulation. The exposure to AT&T in the telecommunications sector also aided returns, driven by the strong performance of its wireless business. I maintained the positive credit beta position and remain focused on high conviction credits. I increased the exposure to the utility sector by buying a holding in Cadent Gas Ltd. The allocation to telecommunications names was also increased by raising the position in AT&T. Meanwhile, the exposure to the energy sector was reduced by selling holdings in Halliburton and BP.

Outlook

UK government bonds (Gilts) remain a difficult call due to political uncertainties, while the Bank of England has indicated that it may raise rates three times in 2018 and 2019. Credit markets also showed some sign of stress due to rising government bond yields. Therefore, I remain cautious on sterling credit markets and have a prudent security selection process.

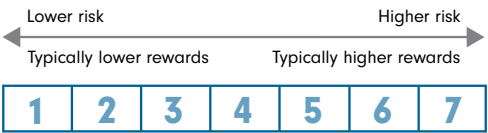
Ian Robert Fishwick  
Fund Manager  
28 February 2018

Risk and Reward Indicator

SRRI

Gross paying Accumulation Shares

4



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. While we seek to mitigate this, the fund may be exposed to the risk of financial loss if it invests into an instrument issued by an entity that subsequently defaults on its borrowings. Losses may also be realised if an entity that the fund is exposed to ceases to make interest payments over a period of time or indefinitely. Bond prices have an inverse relationship with interest rates such that when interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.
- The fund may be exposed to the risk of financial loss if a counterparty used for derivative instruments subsequently defaults.

## Fidelity Sterling Core Plus Reduced Duration Bond Fund

### Comparative Performance Table

	Gross paying Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	1,092.58	976.23	1,000.00
Return before operating charges*	25.80	116.70	(23.48)
Operating charges	(0.42)	(0.35)	(0.29)
Return after operating charges*	25.38	116.35	(23.77)
Distributions	(21.53)	(23.49)	(6.00)
Retained distributions on accumulation shares	21.53	23.49	6.00
Closing net asset value per share	<b>1,117.96</b>	<b>1,092.58</b>	<b>976.23</b>
*after direct transaction costs of	0.01	0.01	-
<b>Performance</b>			
Return after charges	2.3%	11.9%	0%
<b>Other information</b>			
Closing net asset value (£'000)	75,038	72,801	63,375
Closing number of shares	6,712,072	6,663,232	6,491,872
Operating charges	0.04%	0.51%	0.59%
Direct transaction costs	0%	0%	0%
<b>Prices (pence per share)</b>			
Highest share price	1,135.00	1,093.00	1,016.00
Lowest share price	1,091.00	979.50	976.00

# Fidelity Sterling Core Plus Reduced Duration Bond Fund

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		246		6,133
Revenue	5	1,883		1,727	
Expenses	6	(26)		(24)	
Interest payable and similar charges	8	(417)		(138)	
Net revenue/(expense) before taxation		1,440		1,565	
Taxation	7	-		-	
Net revenue/(expense) after taxation			1,440		1,565
<b>Total return before distributions</b>			<b>1,686</b>		<b>7,698</b>
Distributions	8		(1,440)		(1,565)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>246</b>		<b>6,133</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			72,801		63,375
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		628		3,130	
Amounts payable on cancellation of shares		(82)		(1,402)	
			546		1,728
Change in net assets attributable to shareholders from investment activities (see above)			246		6,133
Retained distribution on accumulation shares	8		1,445		1,565
<b>Closing net assets attributable to shareholders</b>			<b>75,038</b>		<b>72,801</b>

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			74,299		74,054
<b>Current assets:</b>					
Debtors	9	1,125		161	
Cash and bank balances	10	509		2,768	
Total other assets			1,634		2,929
<b>Total assets</b>			<b>75,933</b>		<b>76,983</b>
<b>Liabilities:</b>					
Investment liabilities			(820)		(3,490)
Creditors					
Bank overdrafts		-		(621)	
Other creditors	11	(75)		(71)	
Total other liabilities			(75)		(692)
<b>Total liabilities</b>			<b>(895)</b>		<b>(4,182)</b>
<b>Net assets attributable to shareholders</b>			<b>75,038</b>		<b>72,801</b>

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(1,319)	7,509
Gains/(losses) on derivative contracts	1,624	(1,377)
Other currency gains/(losses)	(57)	1
Transaction charges	(2)	-
Net capital gains/(losses)	<u>246</u>	<u>6,133</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	1,652	1,726
Derivative revenue	230	-
Bank interest	1	1
Total revenue	<u>1,883</u>	<u>1,727</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	9	8
Custody fees	1	1
	<u>10</u>	<u>9</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	6	5
	<u>16</u>	<u>15</u>
Total expenses	<u>26</u>	<u>24</u>

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Total current taxation	<u>-</u>	<u>-</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>1,440</u>	<u>1,565</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	288	313
Effects of:		
Interest distributions	(288)	(313)
Current tax charge/(credit)	<u>-</u>	<u>-</u>

Open ended investment companies are exempt from UK tax on capital gains. The fund is an interest distributing fund under Corporation Tax Act 2009 and as interest distributions are deductible when calculating the liability, the corporation tax charge will usually be reduced to nil, except where there are expenses which are not deductible.

## Notes to the Financial Statements

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>Gross paying Accumulation Shares</b>		
Final	1,445	1,565
Add: Revenue deducted on cancellation of shares	1	26
Deduct: Revenue received on issue of shares	(6)	(26)
Net distributions for the year	1,440	1,565
<b>Interest/other</b>		
Swap expenses	412	-
Interest	2	4
Derivative expense	3	134
	417	138
	1,857	1,703
Total finance costs		
Details of the distribution per share is set out in the Distribution Statement.		

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Accrued revenue	125	161
Sales awaiting settlement	1,000	-
Total debtors	1,125	161

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	487	2,748
Cash and bank balances	22	20
Total cash and bank balances	509	2,768

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Accrued expenses	15	12
Amounts payable on closure of derivative contract	60	59
Total other creditors	75	71

### 12 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Euro	79	11	8	98
UK Pound	72,569	498	1,043	74,110
US Dollar	831	-	(1)	830
<b>Total</b>	<b>73,479</b>	<b>509</b>	<b>1,050</b>	<b>75,038</b>
28/02/17	£'000	£'000	£'000	£'000
Euro	69	20	8	97
UK Pound	70,495	2,127	82	72,704
<b>Total</b>	<b>70,564</b>	<b>2,147</b>	<b>90</b>	<b>72,801</b>

## Notes to the Financial Statements

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets was:

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
28/02/18	£'000	£'000	£'000	£'000
Euro	11	79	8	98
UK Pound	676	6,544	67,780	75,000
US Dollar	823	-	12	835
<b>Total</b>	<b>1,510</b>	<b>6,623</b>	<b>67,800</b>	<b>75,933</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Euro	20	69	8	97
UK Pound	2,748	6,594	67,544	76,886
<b>Total</b>	<b>2,768</b>	<b>6,663</b>	<b>67,552</b>	<b>76,983</b>

The interest rate risk profile of the fund's financial liabilities was:

Currency	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid	Total liabilities
28/02/18	£'000	£'000	£'000	£'000
UK Pound^	251	565	75,112	75,928
US Dollar	-	-	5	5
<b>Total</b>	<b>251</b>	<b>565</b>	<b>75,117</b>	<b>75,933</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
UK Pound^	4,110	-	72,873	76,983
<b>Total</b>	<b>4,110</b>	<b>-</b>	<b>72,873</b>	<b>76,983</b>

^ Includes £75,038,000 in respect of the fund's liability to redeem all shares (2017: £72,801,000).

### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.02% rise or fall in the fund's market value (2017: 0.02%).

#### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 4.75% fall or rise in the fund's market value (2017: 5.14%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

Value-at-Risk (VaR) analysis assesses potential losses for a given statistical confidence level and a specified time horizon. The company uses a 99% confidence level and a 20 trading day (approx. 1 calendar month) time horizon for its analysis. The model employed is based on a Monte Carlo simulation of market risk factors to simulate the expected changes to the valuation of individual assets held in a fund. The sum of these simulations provides the basis for the estimation process at fund level. The reliability of VaR analysis can be negatively affected by significant changes to the volatility of market risk factors as well as the deviation of actual market prices from those derived in the simulation framework. For this fund the lowest, the highest and the average utilisation of the value-at-risk limit calculated during the financial year are 41.83% (2017: 11.95%), 65.00% (2017: 90.60%) and 49.77% (2017: 48.16%) respectively. The model and inputs used for the VaR calculation are the Monte Carlo Simulation model with 5,000 simulations, 99% confidence level and 20 days holding period. Additionally as this fund is an Absolute VaR fund the reference portfolio is not used as part of limit. The Fund's VaR limit was reviewed during the year and is now limited to 6% of the net asset value of the fund.

## Notes to the Financial Statements

### 13 Portfolio transaction costs

28/02/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Bond	5,229	-	-	-	-
Mutual Fund	5,156	-	-	-	-
Total	10,385	-		-	
Total including transaction costs	10,385				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Bond	3,956	-	-	-	-
Mutual Fund	4,566	-	-	-	-
Total	8,522	-		-	
Total including transaction costs	8,522				
Total as a percentage of average net assets*		0.00 %		0.00 %	

28/02/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Bond	7,630	-	-	-	-
Mutual Fund	4,785	-	-	-	-
Total	12,415	-		-	
Total including transaction costs	12,415				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Bond	2,133	-	-	-	-
Mutual Fund	10,551	-	-	-	-
Total	12,684	-		-	
Total including transaction costs	12,684				
Total as a percentage of average net assets		0.00 %		0.00 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.22% (2017: 0.22%).

### 14 Basis of valuation

	28/02/18 £'000	28/02/18 £'000	28/02/17 £'000	28/02/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	6,513	(1)	5,485	-
Level 2: Observable market data	67,786	(819)	68,569	(3,490)
Level 3: Unobservable data	-	-	-	-
	74,299	(820)	74,054	(3,490)

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Shares in issue as at 28/02/18
Gross paying Accumulation Shares	6,663,232	56,309	(7,469)	6,712,072

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

During the period, the aggregate value of purchases and sales in Fidelity Sterling Core Plus Bond Fund ('the Master Fund') were £5,156,000 (2017: £6,541,000) and £3,985,000 (2017: £12,307,000) respectively. In addition interest from the master fund of £1,641,000 (2017: £1,725,000) is included within revenue in Note 5.

## Notes to the Financial Statements

### 17 Counterparty details of financial derivative transactions 28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Stock £'000	Collateral - Cash £'000	Grand Total £'000
Barclays	-	-	24	-	-	-	24
HSBC Global Markets	(3)	-	(208)	-	-	-	(211)
Lloyd's	-	-	(90)	-	-	-	(90)
Morgan Stanley	-	-	570	-	4,945	193	5,708
Societe Generale	(1)	-	-	-	-	-	(1)
UBS	-	11	12	-	-	294	317
Total	<u>(4)</u>	<u>11</u>	<u>308</u>	<u>-</u>	<u>4,945</u>	<u>487</u>	<u>5,747</u>

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Stock £'000	Collateral - Cash £'000	Grand Total £'000
Barclays	-	-	242	-	-	-	242
HSBC Global Markets	-	-	(1,247)	-	-	-	(1,247)
Lloyd's	-	-	(1,648)	-	-	-	(1,648)
Morgan Stanley	-	-	181	-	4,512	2,730	7,423
UBS	-	14	174	-	-	18	206
Total	<u>-</u>	<u>14</u>	<u>(2,298)</u>	<u>-</u>	<u>4,512</u>	<u>2,748</u>	<u>4,976</u>

### 18 Shareholders' funds

The fund has one share class; Gross paying Accumulation Shares. The annual management charge is as follows:

Gross paying Accumulation Shares : 0.00%

The distributions per share class are given in the Distribution Statement.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
Gross paying Accumulation Shares	1,117.96	1,131.25	1.19



## Distribution Statement

for the year ended 28 February 2018

Gross paying Accumulation Shares - final distribution No. 3 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	21.5255	-	21.5255	23.4858
Group 2	10.3778	11.1477	21.5255	23.4858

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve a relatively high income with the possibility of capital growth. The fund will obtain exposure primarily to sterling denominated (or hedged back to sterling) fixed interest securities. The fund may invest directly in fixed interest securities or may achieve exposure indirectly through the use of Derivatives. The fund may also invest in other transferable securities, money market instruments, collective investment schemes, cash and near cash and deposits. Derivatives may be used for efficient portfolio management and investment purposes and may include (but are not limited to) Derivatives on exchange rates, interest rates, inflation and credit. The fund may also take positions which enable it to benefit from falling asset prices.

Performance and Portfolio Activity

The fund posted positive returns over the period, primarily driven by lower rated investment grade bonds and high yield bonds as credit spreads tightened. At the sector level, the exposure to financials, consumer non-cyclicals, telecommunications and utilities added notable value. However, cautious positioning in high beta bonds partially offset these gains. We remained disciplined and took a far more discerning approach to sector and credit selection. We selectively participated in attractively priced sterling issues, including Annington Homes and AT&T. We reduced the exposure to rolling stock names such as Great Rolling Stock and Porterbrook Rail due to caution around new supply, increasing competition and heightened UK political risk.

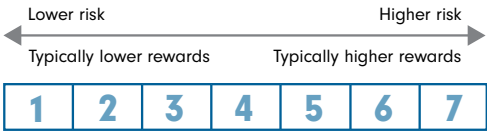
Outlook

The Bank of England must balance inflation numbers with the still uncertain outcome of the UK’s negotiations to exit the European Union. Overall, we think yields will remain at historically low levels, given high debt, an ageing population and low nominal growth. With prudent sector and security selection, value is likely to be found in investment grade corporate bonds.

Ian Spreadbury, Claudio Ferrarese & Tim Foster  
Fund Managers  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	3
A Income Shares	3
Gross paying Y Income Shares	3
Y Accumulation Shares	3



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. While we seek to mitigate this, the fund may be exposed to the risk of financial loss if it invests into an instrument issued by an entity that subsequently defaults on its borrowings. Losses may also be realised if an entity that the fund is exposed to ceases to make interest payments over a period of time or indefinitely. Bond prices have an inverse relationship with interest rates such that when interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.
- The fund may be exposed to the risk of financial loss if a counterparty used for derivative instruments subsequently defaults.

## Comparative Performance Table

	A Income Shares			A Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	31.65	30.46	32.53	139.94	131.21	137.02
Return before operating charges*	0.87	2.24	(0.82)	3.87	10.39	(4.19)
Operating charges	(0.38)	(0.38)	(0.38)	(1.71)	(1.66)	(1.62)
Return after operating charges*	0.49	1.86	(1.19)	2.16	8.73	(5.81)
Distributions	(0.52)	(0.67)	(0.71)	(2.31)	(3.67)	(3.00)
Retained distributions on accumulation shares	-	-	-	2.31	3.67	3.00
Closing net asset value per share	31.62	31.65	30.46	142.10	139.94	131.21
*after direct transaction costs of	0.01	0.01	-	0.01	0.01	-
<b>Performance</b>						
Return after charges	1.6%	6.1%	(4.2%)	1.6%	6.7%	(4.2%)
<b>Other information</b>						
Closing net asset value (£'000)	133,411	158,316	187,235	30,507	31,741	37,174
Closing number of shares	421,906,418	500,277,183	614,631,300	21,468,072	22,682,256	28,331,633
Operating charges	1.17%	1.20%	1.70%	1.17%	1.20%	1.21%
Direct transaction costs	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
<b>Prices (pence per share)</b>						
Highest share price	32.48	33.10	32.87	144.80	143.80	138.70
Lowest share price	31.59	30.60	30.42	139.70	131.80	130.80

	Y Accumulation Shares			Y Income Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	117.10	109.29	113.63	122.15	117.58	125.58
Return before operating charges*	3.25	8.58	(3.59)	3.39	8.51	(3.93)
Operating charges	(0.81)	(0.77)	(0.75)	(0.83)	(0.82)	(0.82)
Return after operating charges*	2.44	7.81	(4.34)	2.56	7.69	(4.75)
Distributions	(2.57)	(3.61)	(2.97)	(2.66)	(3.12)	(3.25)
Retained distributions on accumulation shares	2.57	3.61	2.97	-	-	-
Closing net asset value per share	119.54	117.10	109.29	122.05	122.15	117.58
*after direct transaction costs of	0.01	0.01	-	0.01	0.01	-
<b>Performance</b>						
Return after charges	2.1%	7.2%	(3.8%)	2.1%	6.5%	(3.8%)
<b>Other information</b>						
Closing net asset value (£'000)	605,535	414,399	268,439	981,753	656,577	638,027
Closing number of shares	506,563,425	353,884,636	245,622,121	804,408,202	537,535,616	542,634,624
Operating charges	0.66%	0.67%	0.67%	0.66%	0.67%	0.68%
Direct transaction costs	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
<b>Prices (pence per share)</b>						
Highest share price	121.70	120.00	115.10	125.40	127.80	126.90
Lowest share price	116.90	109.80	108.90	122.00	118.10	117.40

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		(1,892)		56,671
Revenue	5	70,969		75,426	
Expenses	6	(12,935)		(12,801)	
Interest payable and similar charges	8	(21,013)		(9,343)	
Net revenue/(expense) before taxation		37,021		53,282	
Taxation	7	6		11	
Net revenue/(expense) after taxation			37,027		53,293
<b>Total return before distributions</b>			35,135		109,964
Distributions	8		(37,028)		(53,295)
<b>Change in net assets attributable to shareholders from investment activities</b>			<u>(1,893)</u>		<u>56,669</u>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			1,767,773		1,559,457
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		159,917		278,692	
Amounts payable on cancellation of shares		(188,209)		(144,576)	
			(28,292)		134,116
Swing price adjustment			96		-
Change in net assets attributable to shareholders from investment activities (see above)			(1,893)		56,669
Retained distribution on accumulation shares			13,522		17,531
<b>Closing net assets attributable to shareholders</b>			<u>1,751,206</u>		<u>1,767,773</u>

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			1,705,219		1,748,373
<b>Current assets:</b>					
Debtors	9	51,474		58,658	
Cash and bank balances	10	45,566		50,899	
Total other assets			97,040		109,557
<b>Total assets</b>			<u>1,802,259</u>		<u>1,857,930</u>
<b>Liabilities:</b>					
Investment liabilities			(33,832)		(46,455)
Creditors					
Bank overdrafts		(13)		-	
Distribution payable		(2,045)		(9,462)	
Other creditors	11	(15,163)		(34,240)	
Total other liabilities			(17,221)		(43,702)
<b>Total liabilities</b>			<u>(51,053)</u>		<u>(90,157)</u>
<b>Net assets attributable to shareholders</b>			<u>1,751,206</u>		<u>1,767,773</u>

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(50,743)	178,814
Gains/(losses) on derivative contracts	(10,063)	(30,236)
Gains/(losses) on forward currency contracts	60,013	(90,986)
Other currency gains/(losses)	(1,084)	(902)
Transaction charges	(15)	(19)
	<u>(1,892)</u>	<u>56,671</u>
Net capital gains/(losses)		

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	68,950	74,676
ACD fee rebate/waiver to income	255	591
Derivative revenue	1,744	-
Overseas dividends	-	152
Bank interest	20	7
	<u>70,969</u>	<u>75,426</u>
Total revenue		

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	9,849	9,851
Registrar fees	1,826	1,796
Service charges	889	861
Foreign exchange administration fees	6	8
	<u>12,570</u>	<u>12,516</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	84	84
Custody fees	151	73
	<u>235</u>	<u>157</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	120	118
	<u>130</u>	<u>128</u>
Total expenses	<u>12,935</u>	<u>12,801</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	(6)	(11)
Total current taxation	<u>(6)</u>	<u>(11)</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>37,021</u>	<u>53,282</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	7,404	10,656
Effects of:		
Revenue not included for tax purposes	-	(30)
Overseas taxation	(6)	(11)
Interest distributions	<u>(7,404)</u>	<u>(10,626)</u>
Current tax charge/(credit)	<u>(6)</u>	<u>(11)</u>
Open ended investment companies are exempt from UK tax on capital gains. The fund is an interest distributing fund under Corporation Tax Act 2009 and as interest distributions are deductible when calculating the liability, the corporation tax charge will usually be reduced to nil, except where there are expenses which are not deductible.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Income Shares</b>		
Final	199	1,129
Interim	1,748	3,146
<b>Gross paying A Income Shares*</b>		
Final	-	337
Interim	587	920
<b>A Accumulation Shares</b>		
Final	497	833
<b>Gross paying A Accumulation Shares**</b>		
Final	-	123
<b>Y Accumulation Shares</b>		
Final	13,025	12,773
<b>Gross paying Y Accumulation Shares***</b>		
Final	-	3,802
<b>Y Income Shares</b>		
Final	1,846	4,948
Interim	13,277	16,894
<b>Gross paying Y Income Shares****</b>		
Final	-	2,515
Interim	<u>6,278</u>	<u>7,679</u>
	<u>37,457</u>	<u>55,099</u>
Add: Revenue deducted on cancellation of shares	595	305
Deduct: Revenue received on issue of shares	<u>(1,024)</u>	<u>(2,109)</u>
Net distributions for the year	37,028	53,295
<b>Interest/other</b>		
Swap expenses	11,648	-
Interest	23	16
Derivative expense	<u>9,342</u>	<u>9,327</u>
	<u>21,013</u>	<u>9,343</u>
Total finance costs	<u>58,041</u>	<u>62,638</u>

## Notes to the Financial Statements

### Reconciliation of Net revenue after taxation to Net distribution for the year:

Net revenue after taxation for the year, per the Statement of Total Return	37,027	53,293
<b>Add back (revenue)/expenses transferred to capital:</b>		
Equalisation on conversions	1	2
Revenue b/f	1	1
Revenue c/f	(1)	(1)
	<b>37,028</b>	<b>53,295</b>

Details of the distributions per share are set out in the Distribution Statement.

\*This share class converted to A Income shares on 29 January 2018.

\*\*This share class converted to A Accumulation shares on 29 January 2018.

\*\*\*This share class converted to Y Accumulation shares on 29 January 2018.

\*\*\*\*This share class converted to Y Income shares on 29 January 2018.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	47	2,226
Sales awaiting settlement	22,580	17,287
Sales of currency awaiting settlement	5,870	12,869
Accrued revenue	22,827	26,080
ACD fee rebate/waiver recoverable	-	42
Overseas tax recoverable	150	154
Total debtors	<b>51,474</b>	<b>58,658</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	30,579	45,565
Cash and bank balances	14,987	5,334
Total cash and bank balances	<b>45,566</b>	<b>50,899</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	1,706	5,300
Purchases awaiting settlement	3,582	12,158
Purchases of currency awaiting settlement	5,900	12,911
Accrued expenses	1,062	1,088
Amounts payable on closure of derivative contract	2,913	2,783
Total other creditors	<b>15,163</b>	<b>34,240</b>

### 12 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Argentine Peso	8,366	-	416	8,782
Australian Dollar	206	125	(24)	307
Brazilian Real	(14)	-	-	(14)
Canadian Dollar	71,284	(13)	582	71,853
Colombian Peso	111	-	-	111
Euro	249,711	490	1,710	251,911
Hong Kong Dollar	4,419	-	5	4,424
Hungarian Forint	55	-	-	55
Indonesian Rupiah	5,096	-	34	5,130
Israeli Shekel	(551)	-	-	(551)

## Notes to the Financial Statements

Japanese Yen	(1,070)	50	(9)	(1,029)
Korean Won	(57)	-	-	(57)
Mexican Peso	29,333	1	579	29,913
New Zealand Dollar	48,556	-	631	49,187
Nigerian Naira	9,054	-	-	9,054
Polish Zloty	6	-	128	134
Russian Ruble	(26)	-	-	(26)
South African Rand	(347)	1,025	-	678
Swedish Krona	35	-	(33)	2
Swiss Franc	(296)	44	47	(205)
Turkish Lira	39	-	-	39
UK Pound	794,128	37,854	14,504	846,486
US Dollar	453,349	5,977	15,696	475,022
<b>Total</b>	<b>1,671,387</b>	<b>45,553</b>	<b>34,266</b>	<b>1,751,206</b>

<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Argentine Peso	14,088	-	1,399	15,487
Australian Dollar	11,180	124	142	11,446
Brazilian Real	44,319	1	780	45,100
Canadian Dollar	70,989	16	469	71,474
Euro	217,467	6,128	1,356	224,951
Japanese Yen	(297)	-	-	(297)
Mexican Peso	29,462	-	597	30,059
New Zealand Dollar	64,021	1	651	64,673
Peruvian Sol	8,934	-	10	8,944
Polish Zloty	28,830	-	607	29,437
Swiss Franc	-	1	-	1
UK Pound	814,157	44,205	(137)	858,225
US Dollar	398,768	423	9,082	408,273
<b>Total</b>	<b>1,701,918</b>	<b>50,899</b>	<b>14,956</b>	<b>1,767,773</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets was:

Currency	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
<b>28/02/18</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Argentine Peso	-	8,366	416	8,782
Australian Dollar	330	-	-	330
Canadian Dollar	723	69,612	1,579	71,914
Colombian Peso	-	-	111	111
Euro	20,042	247,222	7,541	274,805
Hong Kong Dollar	-	4,439	5	4,444
Hungarian Forint	-	-	74	74
Indonesian Rupiah	-	5,096	34	5,130
Japanese Yen	58	-	-	58
Mexican Peso	14,346	14,995	620	29,961
New Zealand Dollar	13,195	35,261	972	49,428
Nigerian Naira	-	-	9,054	9,054
Polish Zloty	-	-	165	165
South African Rand	1,025	-	139	1,164
Swedish Krona	10	25	1	36
Swiss Franc	44	-	47	91
Turkish Lira	-	-	39	39
UK Pound	45,442	776,436	24,107	845,985
US Dollar	6,296	460,636	33,756	500,688
<b>Total</b>	<b>101,511</b>	<b>1,622,088</b>	<b>78,660</b>	<b>1,802,259</b>



## Notes to the Financial Statements

28/02/17	£'000	£'000	£'000	£'000
Argentine Peso	-	14,088	1,399	15,487
Australian Dollar	124	10,984	472	11,580
Brazilian Real	45,404	-	780	46,184
Canadian Dollar	16	71,323	469	71,808
Euro	33,415	203,708	9,777	246,900
Mexican Peso	14,686	15,900	597	31,183
New Zealand Dollar	27,029	37,516	651	65,196
Peruvian Sol	-	8,934	10	8,944
Polish Zloty	-	28,896	606	29,502
Swiss Franc	1	-	-	1
UK Pound	44,590	803,774	32,029	880,393
US Dollar	19,474	362,868	68,410	450,752
<b>Total</b>	<b>184,739</b>	<b>1,557,991</b>	<b>115,200</b>	<b>1,857,930</b>

The interest rate risk profile of the fund's financial liabilities was:

Currency	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid	Total liabilities
28/02/18	£'000	£'000	£'000	£'000
Australian Dollar	-	-	23	23
Brazilian Real	-	-	14	14
Canadian Dollar	13	-	48	61
Euro	-	20,891	2,003	22,894
Hong Kong Dollar	-	-	20	20
Hungarian Forint	-	-	19	19
Israeli Shekel	-	-	551	551
Japanese Yen	349	-	738	1,087
Korean Won	-	-	57	57
Mexican Peso	-	-	48	48
New Zealand Dollar	-	137	104	241
Polish Zloty	-	-	31	31
Russian Ruble	-	-	26	26
South African Rand	-	-	486	486
Swedish Krona	-	-	34	34
Swiss Franc	-	296	-	296
UK Pound^	247	-	1,750,458	1,750,705
US Dollar	23	5,647	19,996	25,666
<b>Total</b>	<b>632</b>	<b>26,971</b>	<b>1,774,656</b>	<b>1,802,259</b>

28/02/17	£'000	£'000	£'000	£'000
Australian Dollar	-	-	134	134
Brazilian Real	1,084	-	-	1,084
Canadian Dollar	-	-	334	334
Euro	-	16,966	4,983	21,949
Japanese Yen	-	-	297	297
Mexican Peso	-	-	1,124	1,124
New Zealand Dollar	-	-	523	523
Polish Zloty	-	-	65	65
UK Pound^	3,595	-	1,786,346	1,789,941
US Dollar	-	6,621	35,858	42,479
<b>Total</b>	<b>4,679</b>	<b>23,587</b>	<b>1,829,664</b>	<b>1,857,930</b>

^ Includes £1,751,206,000 in respect of the fund's liability to redeem all shares (2017: £1,767,773,000).

### Fair value of financial assets and financial liabilities

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

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.02% rise or fall in the fund's market value (2017: 0.01%).

#### Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 5.10% fall or rise in the fund's market value (2017: 6.71%).

## Notes to the Financial Statements

### Credit rating risk

As at the year end 25.74% (2017: 24.50%) of the fund's market value was invested in securities rated as below investment grade, additionally 4.10% (2017: 2.07%) of the fund's market value was invested into securities for which no rating was available at the year end.

### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

### Futures exposure

The fund invests into futures to gain exposure to the bond markets. A 1% change in interest rates would lead to a change representing 0.62% (2017: 0.30%) of the fund's market value.

### Interest rate swaps exposure

The fund invests into interest rate swaps to manage interest rate exposure. A 1% percent change in interest rates would lead to a change representing 0.70% (2017: 0.85%) of the fund's market value.

### Credit default swaps exposure

The fund invests into credit default swaps during the year selling protection in return for a premium greater than the credit spread of the underlying bonds, and buying protection against the credit risk of the underlying bonds. A 2% change in credit spreads would lead to a change representing 1.82% (2017: 1.42%) of the fund's market value.

### Leverage risk

The use of derivatives can introduce higher levels of risk into a fund with a view to increasing returns, which is commonly referred to as "leverage". Leverage includes any method by which a fund may generate exposure to investments exceeding the net asset value of the fund and may be provided through borrowing of cash or securities or through the use of derivatives. Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount of a premium paid, if any, to enter into the derivative transaction itself. After taking into account netting and hedging arrangements the average level of leverage employed during the year was 84.65% (2017: 49.95%).

## 13 Portfolio transaction costs

### 28/02/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total purchases costs</b>					
Equity	224	-	-	-	-
Bond	1,774,911	-	-	-	-
Corporate actions	2,255	-	-	-	-
Derivative	-	49	-	-	-
<b>Total</b>	<b>1,777,390</b>	<b>49</b>			
Total including transaction costs	<u>1,777,439</u>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total sales costs</b>					
Bond	1,711,865	-	-	-	-
Mutual Fund	36,852	-	-	-	-
Corporate actions	21,455	-	-	-	-
Derivative	-	50	-	-	-
<b>Total</b>	<b>1,770,172</b>	<b>50</b>			
Total including transaction costs	<u>1,770,122</u>				
Total as a percentage of average net assets*		0.01 %		0.00 %	

### 28/02/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total purchases costs</b>					
Bond	1,435,696	-	-	-	-
Mutual Fund	18,420	-	-	-	-
Derivative	-	56	-	-	-
<b>Total</b>	<b>1,454,116</b>	<b>56</b>			
Total including transaction costs	<u>1,454,172</u>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
<b>Analysis of total sales costs</b>					
Equity	3,403	-	-	-	-
Bond	1,329,535	-	-	-	-
Mutual Fund	97,013	-	-	-	-
Corporate actions	12,872	-	-	-	-
Derivative	-	58	-	-	-
<b>Total</b>	<b>1,442,823</b>	<b>58</b>			
Total including transaction costs	<u>1,442,765</u>				
Total as a percentage of average net assets		0.01 %		0.00 %	

## Notes to the Financial Statements

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.58% (2017: 0.70%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	497,554	(1,072)	409,818	(5,611)
Level 2: Observable market data	1,207,471	(32,760)	1,338,250	(40,844)
Level 3: Unobservable data*	194	-	305	-
	<u>1,705,219</u>	<u>(33,832)</u>	<u>1,748,373</u>	<u>(46,455)</u>

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Income Shares	500,277,183	5,587,404	(162,746,818)	78,788,649	421,906,418
Gross paying A Income Shares	149,315,375	9,508,636	(21,877,600)	(136,946,411)	-
A Accumulation Shares	22,682,256	1,456,609	(5,316,648)	2,645,855	21,468,072
Gross paying A Accumulation Shares	3,226,140	257,725	(753,524)	(2,730,341)	-
Y Accumulation Shares	353,884,636	65,400,042	(23,058,142)	110,336,889	506,563,425
Gross paying Y Accumulation Shares	103,005,327	12,637,115	(6,037,246)	(109,605,196)	-
Y Income Shares	537,535,616	23,618,368	(46,723,845)	289,978,063	804,408,202
Gross paying Y Income Shares	273,202,705	24,662,504	(22,883,746)	(274,981,463)	-

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £950,000 (2017: £987,000) are included within accrued expenses in Note 11.

Amounts rebated from the ACD in respect of the ACD fee rebate/waiver to income are included in note 5 and amounts receivable at the year end are included within the ACD fee rebate/waiver recoverable in note 11.

## Notes to the Financial Statements

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Stock	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bank of America	(195)	-	-	-	-	-	(195)
BNP Paribas	(58)	-	-	-	-	-	(58)
CIBC	(547)	-	-	-	-	-	(547)
Citibank	(51)	-	13	-	-	-	(38)
Citigroup Global Markets	-	-	(673)	1,142	-	430	899
Goldman Sachs	-	-	968	246	-	(655)	559
HSBC Global Markets	(156)	-	-	-	-	-	(156)
JP Morgan	(413)	1,722	(1,189)	-	-	6,011	6,131
Merrill Lynch	-	-	(1,286)	-	-	1,300	14
Morgan Stanley	34	-	(19,821)	-	17,886	22,442	20,541
Northern Trust	557	-	-	-	-	-	557
Royal Bank of Canada	(595)	-	-	-	-	-	(595)
Societe Generale	(34)	-	-	-	-	-	(34)
Total	<u>(1,458)</u>	<u>1,722</u>	<u>(21,988)</u>	<u>1,388</u>	<u>17,886</u>	<u>29,528</u>	<u>27,078</u>

28/02/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Stock	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BNP Paribas	(317)	-	-	-	-	-	(317)
Citibank	(1,781)	-	(1,720)	(1)	-	-	(3,502)
Deutsche Bank	-	-	(7,826)	(132)	-	-	(7,958)
Goldman Sachs	-	-	(13,405)	(659)	-	5,811	(8,253)
HSBC Global Markets	(5)	-	-	-	-	-	(5)
JP Morgan	(4,419)	(3,683)	(14,100)	-	-	13,987	(8,215)
Morgan Stanley	(141)	-	(2,937)	(352)	26,928	25,767	49,265
National Australia Bank	(1,632)	-	-	-	-	-	(1,632)
Northern Trust	(1,691)	-	-	-	-	-	(1,691)
Royal Bank of Canada	(1,550)	-	-	-	-	-	(1,550)
Societe Generale	46	-	-	-	-	-	46
UBS	-	-	(125)	-	-	-	(125)
Total	<u>(11,490)</u>	<u>(3,683)</u>	<u>(40,113)</u>	<u>(1,144)</u>	<u>26,928</u>	<u>45,565</u>	<u>16,063</u>

### 18 Shareholders' funds

The fund has four share classes; A Income Shares, A Accumulation Shares, Y Income Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Income Shares : 1.00%

A Accumulation Shares : 1.00%

Y Accumulation Shares : 0.50%

Y Income Shares : 0.50%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Income Shares	31.62	31.19	(1.36)
A Accumulation Shares	142.10	140.50	(1.13)
Y Accumulation Shares	119.54	118.30	(1.04)
Y Income Shares	122.05	120.40	(1.35)

## Distribution Statement

for the year ended 28 February 2018

### A Income Shares - final distribution No. 154 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 25/03/18	Amount distributed 25/03/17
Group 1	0.0472	-	0.0472	0.1804
Group 2	0.0373	0.0099	0.0472	0.1804

### A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018^	Amount distributed 2016/2017
Group 1				
Distribution No. 143	0.0406	-	0.0406	0.0561
Distribution No. 144	0.0408	-	0.0408	0.0532
Distribution No. 145	0.0383	-	0.0383	0.0479
Distribution No. 146	0.0425	-	0.0425	0.0491
Distribution No. 147	0.0413	-	0.0413	0.0509
Distribution No. 148	0.0571	-	0.0571	0.0666
Distribution No. 149	0.0383	-	0.0383	0.0409
Distribution No. 150	0.0597	-	0.0597	0.0285
Distribution No. 151	0.0391	-	0.0391	0.0368
Distribution No. 152	0.0446	-	0.0446	0.0238
Distribution No. 153	0.0299	-	0.0299	0.0382
Group 2				
Distribution No. 143	0.0324	0.0082	0.0406	0.0561
Distribution No. 144	0.0254	0.0154	0.0408	0.0532
Distribution No. 145	0.0229	0.0154	0.0383	0.0479
Distribution No. 146	0.0260	0.0165	0.0425	0.0491
Distribution No. 147	0.0235	0.0178	0.0413	0.0509
Distribution No. 148	0.0275	0.0296	0.0571	0.0666
Distribution No. 149	0.0126	0.0257	0.0383	0.0409
Distribution No. 150	0.0419	0.0178	0.0597	0.0285
Distribution No. 151	0.0204	0.0187	0.0391	0.0368
Distribution No. 152	0.0229	0.0217	0.0446	0.0238
Distribution No. 153	0.0131	0.0168	0.0299	0.0382

### Gross paying A Income Shares - final distribution No. 153 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 25/03/18^	Amount distributed 25/03/17
Group 1	-	-	-	0.2255
Group 2	-	-	-	0.2255

^This share class converted to A Income shares on 29 January 2018.

## Distribution Statement

### Gross paying A Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018^	Amount distributed 2016/2017
Group 1				
Distribution No. 143	0.0410	-	0.0410	0.0702
Distribution No. 144	0.0409	-	0.0409	0.0665
Distribution No. 145	0.0382	-	0.0382	0.0599
Distribution No. 146	0.0425	-	0.0425	0.0613
Distribution No. 147	0.0413	-	0.0413	0.0638
Distribution No. 148	0.0572	-	0.0572	0.0832
Distribution No. 149	0.0382	-	0.0382	0.0512
Distribution No. 150	0.0598	-	0.0598	0.0356
Distribution No. 151	0.0391	-	0.0391	0.0460
Distribution No. 152	-	-	-	0.0298
Group 2				
Distribution No. 143	-	-	0.0410	0.0702
Distribution No. 144	-	-	0.0409	0.0665
Distribution No. 145	-	-	0.0382	0.0599
Distribution No. 146	-	-	0.0425	0.0613
Distribution No. 147	-	-	0.0413	0.0638
Distribution No. 148	-	-	0.0572	0.0832
Distribution No. 149	-	-	0.0382	0.0512
Distribution No. 150	-	-	0.0598	0.0356
Distribution No. 151	-	-	0.0391	0.0460
Distribution No. 152	-	-	-	0.0298

^ This share class converted to A Income shares on 29 January 2018.

### A Accumulation Shares - final distribution No. 8 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.3139	-	2.3139	3.6735
Group 2	1.1233	1.1906	2.3139	3.6735

### Gross paying A Accumulation Shares - final distribution No. 8 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	3.8005
Group 2	-	-	-	3.8005

^This share class converted to A Accumulation shares on 29 January 2018.

### Y Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.5713	-	2.5713	3.6094
Group 2	1.1311	1.4402	2.5713	3.6094

## Distribution Statement

### Gross paying Y Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 30/04/18^	Amount accumulated 30/04/17
Group 1	-	-	-	3.6908
Group 2	-	-	-	3.6908

^This share class converted to Y Accumulation shares on 29 January 2018.

### Y Income Shares - final distribution No. 101 in pence per share

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 25/03/18	Amount distributed 25/03/17
Group 1	0.2295	-	0.2295	0.7362
Group 2	0.1606	0.0689	0.2295	0.7362

### Y Income Shares - interim distributions in pence per share

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 90	0.2132	-	0.2132	0.2602
Distribution No. 91	0.2096	-	0.2096	0.2478
Distribution No. 92	0.2035	-	0.2035	0.2288
Distribution No. 93	0.2182	-	0.2182	0.2322
Distribution No. 94	0.2154	-	0.2154	0.2418
Distribution No. 95	0.2769	-	0.2769	0.3026
Distribution No. 96	0.2018	-	0.2018	0.2019
Distribution No. 97	0.2867	-	0.2867	0.1549
Distribution No. 98	0.2050	-	0.2050	0.1848
Distribution No. 99	0.2285	-	0.2285	0.1360
Distribution No. 100	0.1683	-	0.1683	0.1917
Group 2				
Distribution No. 90	0.1419	0.0713	0.2132	0.2602
Distribution No. 91	0.1218	0.0878	0.2096	0.2478
Distribution No. 92	0.1077	0.0958	0.2035	0.2288
Distribution No. 93	0.0832	0.1350	0.2182	0.2322
Distribution No. 94	0.1036	0.1118	0.2154	0.2418
Distribution No. 95	0.1811	0.0958	0.2769	0.3026
Distribution No. 96	0.0787	0.1231	0.2018	0.2019
Distribution No. 97	0.1679	0.1188	0.2867	0.1549
Distribution No. 98	0.1115	0.0935	0.2050	0.1848
Distribution No. 99	0.1156	0.1129	0.2285	0.1360
Distribution No. 100	0.0598	0.1085	0.1683	0.1917

## Distribution Statement

**Gross paying Y Income Shares - final distribution No. 100 in pence per share**

Group 1 - Shares purchased on or before 31 January 2018.

Group 2 - Shares purchased from 1 February 2018 to 28 February 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 25/03/18^	Amount distributed 25/03/17
Group 1	-	-	-	0.9204
Group 2	-	-	-	0.9204

^This share class converted to Y Income shares on 29 January 2018.

**Gross paying Y Income Shares - interim distributions in pence per share**

For the monthly distributing funds, shares purchased during the month prior to the ex-dividend date are classified as Group 2 shares.

All other holdings are classified as Group 1 shares.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018^	Amount distributed 2016/2017
Group 1				
Distribution No. 90	0.2131	-	0.2131	0.3253
Distribution No. 91	0.2094	-	0.2094	0.3097
Distribution No. 92	0.2035	-	0.2035	0.2861
Distribution No. 93	0.2181	-	0.2181	0.2902
Distribution No. 94	0.2154	-	0.2154	0.3022
Distribution No. 95	0.2768	-	0.2768	0.3783
Distribution No. 96	0.2017	-	0.2017	0.2524
Distribution No. 97	0.2865	-	0.2865	0.1937
Distribution No. 98	0.2050	-	0.2050	0.2309
Distribution No. 99	-	-	-	0.1700
Group 2				
Distribution No. 90	-	-	0.2131	0.3253
Distribution No. 91	-	-	0.2094	0.3097
Distribution No. 92	-	-	0.2035	0.2861
Distribution No. 93	-	-	0.2181	0.2902
Distribution No. 94	-	-	0.2154	0.3022
Distribution No. 95	-	-	0.2768	0.3783
Distribution No. 96	-	-	0.2017	0.2524
Distribution No. 97	-	-	0.2865	0.1937
Distribution No. 98	-	-	0.2050	0.2309
Distribution No. 99	-	-	-	0.1700

^This share class converted to Y Income shares on 29 January 2018



Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily invested in the shares of UK companies. The portfolio is likely to be concentrated although the ACD is not restricted in terms of number of holdings and is not restricted in its choice of company by either size or industry. A concentrated portfolio may comprise a smaller number of holdings having a large weighting in the overall portfolio and any price movement of any individual holdings may impact the fund to a greater extent than if the fund’s investments were comprised of a larger number of holdings. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. The fund can use derivatives for the purpose of efficient portfolio management with the aim of risk or cost reduction or to generate additional capital or income in line with the fund’s risk profile.

Performance and Portfolio Activity

The fund generated positive returns over the period, mainly driven by the strong contribution from consumer and financials holdings. At a stock level, Just Eat performed well as its overall growth prospects remained strong. Consumer staples stocks such as Diageo and L’Oreal also enhanced gains. Among key transactions, I bought a holding in London Stock Exchange, which has transformed itself from a cyclical business into a diversified exchange, with a broader range of higher value-add services. The exposure to British American Tobacco was increased on attractive valuations. Meanwhile, positions in HSBC Holdings and St. James’s Place were reduced following strong performance.

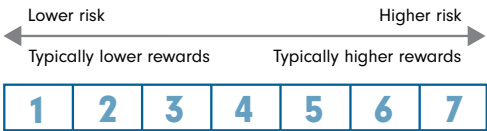
Outlook

The overall economic outlook for the UK remains uncertain, given a slightly weaker business investment and higher inflation. Against this backdrop, bottom-up stock picking will drive security selection, while I continue to monitor and manage any macroeconomic biases that build up in the fund.

Aruna Karunathilake  
Fund Manager  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	5
I Accumulation Shares	5
W Accumulation Shares	5



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.

### Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	276.80	236.81	243.84	273.00	231.82	236.91
Return before operating charges*	18.12	44.33	(2.84)	17.90	43.58	(2.84)
Operating charges	(4.96)	(4.34)	(4.19)	(2.74)	(2.40)	(2.25)
Return after operating charges*	13.16	39.99	(7.03)	15.16	41.18	(5.09)
Distributions	(2.84)	(2.30)	(2.38)	(4.98)	(4.14)	(4.12)
Retained distributions on accumulation shares	2.84	2.30	2.38	4.98	4.14	4.12
Closing net asset value per share	289.96	276.80	236.81	288.16	273.00	231.82
*after direct transaction costs of	0.72	0.75	0.63	0.72	0.75	0.63
<b>Performance</b>						
Return after charges	4.8%	16.9%	(2.9%)	5.6%	17.8%	(2.2%)
<b>Other information</b>						
Closing net asset value (£'000)	121,130	147,904	3,778	399,153	388,720	103,066
Closing number of shares	41,774,259	53,434,178	54,640,645	138,519,072	142,387,479	44,459,752
Operating charges	1.67%	1.70%	1.70%	0.92%	0.95%	0.95%
Direct transaction costs	0.25%	0.30%	0.26%	0.25%	0.30%	0.26%
<b>Prices (pence per share)</b>						
Highest share price	308.00	277.50	256.90	305.80	273.60	250.00
Lowest share price	278.90	230.90	216.50	275.30	226.60	211.80

	I Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	287.21	243.72	248.87
Return before operating charges*	18.76	45.78	(2.95)
Operating charges	(2.65)	(2.29)	(2.20)
Return after operating charges*	16.11	43.49	(5.15)
Distributions	(5.48)	(4.56)	(4.52)
Retained distributions on accumulation shares	5.48	4.56	4.52
Closing net asset value per share	303.32	287.21	243.72
*after direct transaction costs of	0.72	0.75	0.63
<b>Performance</b>			
Return after charges	5.6%	17.9%	(2.1%)
<b>Other information</b>			
Closing net asset value (£'000)	3,134	3,311	3,777
Closing number of shares	1,033,120	1,152,692	1,549,878
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.25%	0.30%	0.26%
<b>Prices (pence per share)</b>			
Highest share price	321.80	287.90	262.70
Lowest share price	289.70	238.30	222.70

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		20,591		78,143
Revenue	5	14,883		12,891	
Expenses	6	(6,253)		(5,722)	
Net revenue/(expense) before taxation		8,630		7,169	
Taxation	7	(145)		(102)	
Net revenue/(expense) after taxation			8,485		7,067
<b>Total return before distributions</b>			29,076		85,210
Distributions	8		(8,586)		(6,462)
<b>Change in net assets attributable to shareholders from investment activities</b>			20,490		78,748

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			539,935		236,237
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		3,114		13,067	
Amounts payable on cancellation of shares		(48,271)		(112,174)	
In specie creation of shares		-		316,881	
			(45,157)		217,774
Change in net assets attributable to shareholders from investment activities (see above)			20,490		78,748
Retained distribution on accumulation shares	8		8,149		7,176
<b>Closing net assets attributable to shareholders</b>			523,417		539,935

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			523,993		538,021
<b>Current assets:</b>					
Debtors	9	1,582		7,433	
Cash and bank balances		438		188	
Total other assets			2,020		7,621
<b>Total assets</b>			526,013		545,642
<b>Liabilities:</b>					
Creditors					
Other creditors	10	(2,596)		(5,707)	
Total other liabilities			(2,596)		(5,707)
<b>Total liabilities</b>			(2,596)		(5,707)
<b>Net assets attributable to shareholders</b>			523,417		539,935

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	20,585	78,049
Other currency gains/(losses)	20	40
Transaction charges	(3)	(7)
Broker fee rebates	(11)	61
Net capital gains/(losses)	<u>20,591</u>	<u>78,143</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	58	36
UK dividends	12,621	10,129
UK property income distributions	-	79
UK scrip dividends	-	395
Overseas dividends	2,207	2,036
Overseas scrip dividends	-	211
Bank interest	1	1
Taxable interest	(4)	4
Total revenue	<u>14,883</u>	<u>12,891</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	5,194	4,771
Registrar fees	683	619
Service charges	275	240
Foreign exchange administration fees	1	2
	<u>6,153</u>	<u>5,632</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	48	41
Custody fees	12	10
	<u>60</u>	<u>51</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	32	31
	<u>40</u>	<u>39</u>
Total expenses	<u>6,253</u>	<u>5,722</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	145	102
Total current taxation	<u>145</u>	<u>102</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>8,630</u>	<u>7,169</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,726	1,434
Effects of:		
Overseas taxation	145	102
Increase/(decrease) in unutilised management expenses	1,240	1,120
Revenue not included for tax purposes	(2,966)	(2,554)
Current tax charge/(credit)	<u>145</u>	<u>102</u>
Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £11,990,000 (2017: £10,750,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	1,188	1,228
<b>W Accumulation Shares</b>		
Final	6,904	5,895
<b>I Accumulation Shares</b>		
Final	<u>57</u>	<u>53</u>
	<u>8,149</u>	<u>7,176</u>
Add: Revenue deducted on cancellation of shares	468	738
Deduct: Revenue received on issue of shares	<u>(31)</u>	<u>(1,452)</u>
Net distributions for the year	<u>8,586</u>	<u>6,462</u>
<b>Interest/other</b>		
Total finance costs	<u>8,586</u>	<u>6,462</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	8,485	7,067
<b>Add back (revenue)/expenses transferred to capital:</b>		
UK scrip dividends	-	(395)
Overseas scrip dividends	-	(211)
Equalisation on conversions	101	1
	<u>8,586</u>	<u>6,462</u>

Details of the distributions per share are set out in the Distribution Statement.

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	21	35
Sales awaiting settlement	-	2,723
Sales of currency awaiting settlement	-	2,758
Accrued revenue	1,457	1,789
Broker fee rebates receivable	-	20
Overseas tax recoverable	104	108
Total debtors	<u>1,582</u>	<u>7,433</u>

## Notes to the Financial Statements

### 10 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	422	2,445
Purchases of currency awaiting settlement	-	2,751
Accrued expenses	475	511
Purchases awaiting settlement	1,699	-
Total other creditors	<u>2,596</u>	<u>5,707</u>

### 11 Financial instruments exposure

#### Currency exposure

A substantial portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be significantly affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Danish Krone	12,586	-	21	12,607
Euro	-	-	12	12
UK Pound	500,674	436	(1,047)	500,063
US Dollar	10,733	2	-	10,735
<b>Total</b>	<b>523,993</b>	<b>438</b>	<b>(1,014)</b>	<b>523,417</b>
<b>28/02/17</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Danish Krone	-	-	14	14
Euro	17,143	18	41	17,202
UK Pound	507,053	170	(1,078)	506,145
US Dollar	13,825	-	2,749	16,574
<b>Total</b>	<b>538,021</b>	<b>188</b>	<b>1,726</b>	<b>539,935</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

#### Market value sensitivity analysis

##### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.04% rise or fall in the fund's market value (2017: 0.06%).

##### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

##### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

### 12 Portfolio transaction costs

28/02/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	218,425	183	0.08	950	0.44
Corporate actions	115	-	-	-	-
Total	<u>218,540</u>	<u>183</u>		<u>950</u>	
Total including transaction costs	<u>219,673</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	252,431	229	0.09	1	-
Corporate actions	2,470	-	-	-	-
Total	<u>254,901</u>	<u>229</u>		<u>1</u>	
Total including transaction costs	<u>254,671</u>				
Total as a percentage of average net assets*		0.08 %		0.17 %	

## Notes to the Financial Statements

28/02/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	518,708	178	0.03	957	0.18
Corporate actions	607	-	-	-	-
Total	519,315	178		957	
Total including transaction costs	520,450				
Analysis of total sales costs	Sales	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity	303,160	293	0.10	1	-
Total	303,160	293		1	
Total including transaction costs	302,866				
Total as a percentage of average net assets		0.10 %		0.20 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.07% (2017: 0.06%).

### 13 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	512,993	-	528,323	-
Level 2: Observable market data	11,000	-	9,698	-
Level 3: Unobservable data	-	-	-	-
	523,993	-	538,021	-

### 14 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	53,434,178	541,751	(5,610,269)	(6,591,401)	41,774,259
W Accumulation Shares	142,387,479	365,019	(10,880,860)	6,647,434	138,519,072
I Accumulation Shares	1,152,692	119,751	(239,323)	-	1,033,120

### 15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £434,000 (2017: £475,000) are included within accrued expenses in Note 10.

### 16 Shareholders' funds

The fund has three share classes; A Accumulation Shares, I Accumulation Shares and W Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

I Accumulation Shares : 0.80%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

### 17 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	289.96	306.10	5.57
W Accumulation Shares	288.16	304.69	5.74
I Accumulation Shares	303.32	320.80	5.76

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 33 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	2.8433	-	2.8433	2.2975
Group 2	0.2313	2.6120	2.8433	2.2975

### W Accumulation Shares - final distribution No. 5 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	4.9841	-	4.9841	4.1400
Group 2	1.7185	3.2656	4.9841	4.1400

### I Accumulation Shares - final distribution No. 9 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	5.4803	-	5.4803	4.5612
Group 2	1.5214	3.9589	5.4803	4.5612



Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of smaller capitalisation United Kingdom Companies. There is no policy to restrict investment to particular economic sectors. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

Performance and Portfolio Activity

The fund recorded positive returns, driven by strong stock selection in financials and consumer services. Impax Asset Management and industrial threads specialist Coats Group added notable value. We invest in companies that are undergoing a positive change in their operating environment that is not reflected in their share price. We bought a new position in Irish homebuilder Glenveagh Properties as domestic demand is currently outstripping supply. We purchased a new holding in attractively valued Morgan Advanced Materials given its long-term growth prospects. We sold the position in Scandinavian Tobacco, due to concerns around stricter regulations in the US. Luxury shoemaker Jimmy Choo, which was acquired by fashion group Michael Kors Holdings, was also sold.

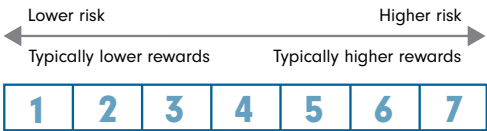
Outlook

There are a number of small-cap stocks trading at attractive valuations that do not reflect the positive changes occurring at the sector or company level. Our holdings are based on fundamental prospects and valuations, rather than trying to forecast political or macroeconomic outcomes.

Alex Wright & Jonathan Winton  
Fund Managers  
28 February 2018

Risk and Reward Indicator

	SRRI
A Accumulation Shares	4
W Accumulation Shares	4
Y Accumulation Shares	4



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- The risk category was calculated using historical performance data.
- The risk category may not be a reliable indication of the future risk profile of the fund, is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging may be used to minimise the effect of this but may not always be successful.
- The use of financial derivative instruments may result in increased gains or losses within the fund.
- Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be more difficult to sell.

## Comparative Performance Table

	A Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	243.78	203.11	197.95	220.61	182.43	176.45
Return before operating charges*	29.68	44.41	8.73	26.88	40.07	7.77
Operating charges	(4.54)	(3.74)	(3.57)	(2.31)	(1.89)	(1.79)
Return after operating charges*	25.14	40.67	5.16	24.57	38.18	5.98
Distributions	(1.79)	(2.06)	(1.32)	(3.44)	(3.34)	(2.59)
Retained distributions on accumulation shares	1.79	2.06	1.32	3.44	3.34	2.59
Closing net asset value per share	268.92	243.78	203.11	245.18	220.61	182.43
*after direct transaction costs of	0.59	0.41	0.65	0.59	0.41	0.65
<b>Performance</b>						
Return after charges	10.3%	20.0%	2.6%	11.1%	20.9%	3.4%
<b>Other information</b>						
Closing net asset value (£'000)	42,752	45,953	52,525	344,509	325,337	299,870
Closing number of shares	15,897,666	18,850,683	25,859,732	140,514,882	147,469,595	164,374,570
Operating charges	1.67%	1.70%	1.71%	0.92%	0.95%	0.96%
Direct transaction costs	0.24%	0.20%	0.33%	0.24%	0.20%	0.33%
<b>Prices (pence per share)</b>						
Highest share price	287.80	246.90	217.30	262.10	223.40	194.90
Lowest share price	244.70	194.90	195.80	221.50	175.40	175.60

	Y Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	249.82	207.04	200.70
Return before operating charges*	30.44	45.43	8.84
Operating charges	(3.22)	(2.65)	(2.50)
Return after operating charges*	27.22	42.78	6.34
Distributions	(3.27)	(3.29)	(2.47)
Retained distributions on accumulation shares	3.27	3.29	2.47
Closing net asset value per share	277.04	249.82	207.04
*after direct transaction costs of	0.59	0.41	0.65
<b>Performance</b>			
Return after charges	10.9%	20.7%	3.2%
<b>Other information</b>			
Closing net asset value (£'000)	11,673	15,784	11,704
Closing number of shares	4,213,268	6,318,053	5,653,143
Operating charges	1.17%	1.17%	1.18%
Direct transaction costs	0.24%	0.20%	0.33%
<b>Prices (pence per share)</b>			
Highest share price	296.30	253.00	221.30
Lowest share price	250.80	199.00	199.60

## Statement of Total Return

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Net capital gains/(losses)	4		38,263		63,400
Revenue	5	10,488		10,296	
Expenses	6	(4,361)		(3,890)	
Interest payable and similar charges	8	(377)		(380)	
Net revenue/(expense) before taxation		5,750		6,026	
Taxation	7	(26)		(43)	
Net revenue/(expense) after taxation			5,724		5,983
<b>Total return before distributions</b>			43,987		69,383
Distributions	8		(5,687)		(5,987)
<b>Change in net assets attributable to shareholders from investment activities</b>			38,300		63,396

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			387,074		364,099
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		17,398		34,660	
Amounts payable on cancellation of shares		(49,121)		(80,604)	
			(31,723)		(45,944)
Swing price adjustment			32		-
Change in net assets attributable to shareholders from investment activities (see above)			38,300		63,396
Retained distribution on accumulation shares	8		5,251		5,523
<b>Closing net assets attributable to shareholders</b>			398,934		387,074

## Balance Sheet

as at 28 February 2018

	Note	28/02/18		28/02/17	
		£'000	£'000	£'000	£'000
<b>Assets</b>					
Investments			396,525		380,660
<b>Current assets:</b>					
Debtors	9	2,159		5,930	
Cash and bank balances	10	3,225		2,216	
Total other assets			5,384		8,146
<b>Total assets</b>			401,909		388,806
<b>Liabilities:</b>					
Investment liabilities			(1,883)		(1,004)
Creditors					
Other creditors	11	(1,092)		(728)	
Total other liabilities			(1,092)		(728)
<b>Total liabilities</b>			(2,975)		(1,732)
<b>Net assets attributable to shareholders</b>			398,934		387,074

## Notes to the Financial Statements

### 1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

### 2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the 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.

### 3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2017: nil).

### 4 Net capital gains/(losses)

	28/02/18	28/02/17
	£'000	£'000
Gains/(losses) on non-derivative securities	37,256	61,832
Gains/(losses) on derivative contracts	1,077	1,652
Other currency gains/(losses)	(53)	(89)
Transaction charges	(11)	(14)
Broker fee rebates	(6)	19
Net capital gains/(losses)	<u>38,263</u>	<u>63,400</u>

### 5 Revenue

	28/02/18	28/02/17
	£'000	£'000
Interest on securities	35	74
Derivative revenue	304	386
UK dividends	9,360	8,409
UK scrip dividends	40	-
Overseas dividends	748	1,405
Bank interest	1	10
Underwriting commission	-	12
Total revenue	<u>10,488</u>	<u>10,296</u>

### 6 Expenses

	28/02/18	28/02/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	3,539	3,147
Registrar fees	523	474
Service charges	211	184
Foreign exchange administration fees	(1)	2
	<u>4,272</u>	<u>3,807</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	40	37
Custody fees	9	12
	<u>49</u>	<u>49</u>
Other expenses:		
Audit fee	9	9
Other operating expenses	31	25
	<u>40</u>	<u>34</u>
Total expenses	<u>4,361</u>	<u>3,890</u>

## Notes to the Financial Statements

### 7 Taxation

	28/02/18	28/02/17
	£'000	£'000
<b>a) Analysis of charge/(credit) for the year</b>		
Overseas taxation	26	43
Total current taxation	<u>26</u>	<u>43</u>
<b>b) Factors affecting tax charge/(credit) for the year</b>		
Net revenue/(expense) before taxation	<u>5,750</u>	<u>6,026</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,150	1,205
Effects of:		
Overseas taxation	26	43
Overseas tax expensed	(3)	(5)
Increase/(decrease) in unutilised management expenses	855	728
Revenue not included for tax purposes	<u>(2,002)</u>	<u>(1,928)</u>
Current tax charge/(credit)	<u>26</u>	<u>43</u>
Open ended investment companies are exempt from UK tax on capital gains. The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £4,408,000 (2017: £3,553,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.		

### 8 Finance costs

	28/02/18	28/02/17
	£'000	£'000
<b>Distributions</b>		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
<b>A Accumulation Shares</b>		
Final	284	388
<b>W Accumulation Shares</b>		
Final	4,829	4,927
<b>Y Accumulation Shares</b>		
Final	<u>138</u>	<u>208</u>
	5,251	5,523
Add: Revenue deducted on cancellation of shares	470	833
Deduct: Revenue received on issue of shares	<u>(34)</u>	<u>(369)</u>
Net distributions for the year	<u>5,687</u>	<u>5,987</u>
<b>Interest/other</b>		
Short dividend payments	310	-
Interest	1	1
Derivative expense	<u>66</u>	<u>379</u>
	<u>377</u>	<u>380</u>
Total finance costs	<u>6,064</u>	<u>6,367</u>
<b>Reconciliation of Net revenue after taxation to Net distribution for the year:</b>		
Net revenue after taxation for the year, per the Statement of Total Return	5,724	5,983
<b>Add back (revenue)/expenses transferred to capital:</b>		
UK scrip dividends	(40)	-
Equalisation on conversions	<u>3</u>	<u>4</u>
	<u>5,687</u>	<u>5,987</u>

Details of the distributions per share are set out in the Distribution Statement.

## Notes to the Financial Statements

### 9 Debtors

	28/02/18	28/02/17
	£'000	£'000
Amounts receivable for issue of shares	-	4,708
Sales awaiting settlement	1,951	741
Accrued revenue	208	474
Broker fee rebates receivable	-	7
<b>Total debtors</b>	<b>2,159</b>	<b>5,930</b>

### 10 Cash and bank balances

	28/02/18	28/02/17
	£'000	£'000
Cash and bank balances	2,405	2,216
Amounts held at futures clearing houses and brokers	820	-
<b>Total cash and bank balances</b>	<b>3,225</b>	<b>2,216</b>

### 11 Other creditors

	28/02/18	28/02/17
	£'000	£'000
Amounts payable for cancellation of shares	641	153
Purchases awaiting settlement	109	245
Accrued expenses	342	330
<b>Total other creditors</b>	<b>1,092</b>	<b>728</b>

### 12 Financial instruments exposure

#### Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

	Non-monetary exposures	Monetary exposures	Monetary exposures	Total exposure
Currency	Investments	Cash balances	Debtors/(Creditors)	
28/02/18	£'000	£'000	£'000	£'000
Canadian Dollar	1,937	-	-	1,937
Danish Krone	(800)	-	-	(800)
Euro	22,221	10	98	22,329
Singapore Dollar	(92)	-	-	(92)
UK Pound	371,376	3,215	969	375,560
<b>Total</b>	<b>394,642</b>	<b>3,225</b>	<b>1,067</b>	<b>398,934</b>
28/02/17	£'000	£'000	£'000	£'000
Canadian Dollar	(95)	-	-	(95)
Danish Krone	(224)	-	-	(224)
Euro	17,428	-	-	17,428
UK Pound	362,489	2,215	5,202	369,906
US Dollar	58	1	-	59
<b>Total</b>	<b>379,656</b>	<b>2,216</b>	<b>5,202</b>	<b>387,074</b>

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

#### Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

#### Fair value of financial assets and financial liabilities

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

## Notes to the Financial Statements

### Market value sensitivity analysis

#### Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.06% rise or fall in the fund's market value (2017: 0.05%).

#### Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

#### Equity derivatives

At the year end the fund holds no equity derivatives that could impact it significantly (2017: same).

### 13 Portfolio transaction costs

28/02/18

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	145,048	129	0.09	616	0.42
Mutual Fund	9,871	10	0.10	40	0.40
Corporate actions	633	-	-	-	-
Derivative	-	22	-	-	-
Total	155,552	161		656	
Total including transaction costs	156,369				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	172,503	162	0.09	1	-
Corporate actions	22,185	-	-	-	-
Derivative	-	25	-	-	-
Total	194,688	187		1	
Total including transaction costs	194,500				
Total as a percentage of average net assets*		0.08 %		0.16 %	

28/02/17

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	121,032	108	0.09	457	0.38
Mutual Fund	3,490	4	0.11	11	0.32
Corporate actions	769	-	-	-	-
Derivative	-	23	-	-	-
Total	125,291	135		468	
Total including transaction costs	125,894				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	102,926	103	0.10	-	-
Mutual Fund	753	1	0.12	-	-
Corporate actions	37,210	-	-	-	-
Derivative	-	47	-	-	-
Total	140,889	151		-	
Total including transaction costs	140,738				
Total as a percentage of average net assets		0.08 %		0.13 %	

\*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 1.24% (2017: 1.13%).

### 14 Basis of valuation

	28/02/18	28/02/18	28/02/17	28/02/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	368,396	-	370,060	-
Level 2: Observable market data	27,875	(1,883)	10,600	(1,004)
Level 3: Unobservable data*	254	-	-	-
	396,525	(1,883)	380,660	(1,004)

## Notes to the Financial Statements

\*It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Investments classified as using inputs that are not based on observable market data comprise fair value adjusted securities and single sourced bonds. In seeking to value such securities where no liquid market exists, the FVC will gather valuation related information from multiple internal and external sources. These sources include historic trading and pricing information (including grey market trades) and the views of internal security analysts. Internal security analysts have access to a range of material including, company specific news and earnings, cash flow forecasts, valuations of the underlying portfolio company and competitor company valuations within related industries and sectors to determine a valuation recommendation for each unlisted security. The FVC has the ability to apply discounts to security valuations. Management determines the discount based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. Generally for fair valued securities and single source bonds where there is no price source from an active market, the FVC has applied judgement in determining the fair value. This fair value is established by using measures such as; suspended securities where the last traded price is used or the price of a recent transaction made by management or a third party which will also factor in a discount where negative news has been observed. Generally unlisted securities are valued at cost, a trade executed by another Fidelity Fund, grey market trades or at a nil value where companies have gone into liquidation, administration or are deemed worthless. Single sourced broker prices use data received from a single pricing vendor and stale prices use the most recent broker quote available. The valuation approaches used by FIL are fully transparent and aim to be consistent with industry standards and best practice principles, including guidance from the IPEV (International Private Equity and Venture Capital) Valuation Guidelines, International Organization of Securities Commissions (IOSCO) valuation principles and the required accounting standards. For further detail on the basis of valuation of investments please refer to note 1h) of the accounting policies section.

### 15 Shares in issue reconciliation

	Shares in issue as at 28/02/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 28/02/18
A Accumulation Shares	18,850,683	27,346	(2,618,129)	(362,234)	15,897,666
W Accumulation Shares	147,469,595	7,654,930	(15,125,735)	516,092	140,514,882
Y Accumulation Shares	6,318,053	13,625	(2,015,252)	(103,158)	4,213,268

### 16 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 11.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £305,000 (2017: £305,000) are included within accrued expenses in Note 11.

### 17 Counterparty details of financial derivative transactions

28/02/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
Deutsche Bank	-	2,766	-	-	(2,990)	(224)
Goldman Sachs	-	(188)	-	-	210	22
UBS	-	(578)	-	-	610	32
Total	-	2,000	-	-	(2,170)	(170)

28/02/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Collateral - Cash £'000	Grand Total £'000
Deutsche Bank	-	(925)	-	-	-	(925)
Goldman Sachs	-	(264)	-	-	-	(264)
UBS	-	(29)	-	-	-	(29)
Total	-	(1,218)	-	-	-	(1,218)

### 18 Shareholders' funds

The fund has three share classes; A Accumulation Shares, W Accumulation Shares and Y Accumulation Shares. The annual management charge on each share class is as follows:

A Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

Y Accumulation Shares : 1.00%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.



Notes to the Financial Statements

19 Post balance sheet event

The net asset value in pence per share at the balance sheet date and the latest practicable date prior to the publication of this report have been recorded below. The percentage increase/(decrease) is a reflection of market fluctuation during this period.

	NAV as at 28/02/18	NAV as at 17/05/18	Increase/(decrease)%
A Accumulation Shares	268.92	288.39	7.24
W Accumulation Shares	245.18	263.39	7.43
Y Accumulation Shares	277.04	297.39	7.35

## Distribution Statement

for the year ended 28 February 2018

### A Accumulation Shares - final distribution No. 8 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	1.7860	-	1.7860	2.0568
Group 2	0.2952	1.4908	1.7860	2.0568

### W Accumulation Shares - final distribution No. 6 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.4367	-	3.4367	3.3409
Group 2	1.5677	1.8690	3.4367	3.3409

### Y Accumulation Shares - final distribution No. 8 in pence per share

Group 1 - Shares purchased on or before 28 February 2017.

Group 2 - Shares purchased from 1 March 2017 to 28 February 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/04/18	Amount accumulated 30/04/17
Group 1	3.2669	-	3.2669	3.2948
Group 2	0.2691	2.9978	3.2669	3.2948

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Information Technology - (25.30%)</b>		
938,773	Oracle	34,425	3.86
259,450	NXP Semiconductors	23,359	2.62
23,539	Alphabet (A)	18,994	2.13
134,790	MasterCard (A)	17,128	1.92
521,137	Cisco Systems	16,950	1.90
131,363	Apple	16,923	1.90
240,447	Microsoft	16,362	1.83
319,916	Intel	11,533	1.29
154,539	Fidelity National Information Services	10,988	1.23
161,078	Akamai Technologies	7,937	0.89
251,717	Ebay	7,843	0.88
2,242	Spotify Technology (unlisted)	7,773	0.87
155,278	Leidos Holdings	7,315	0.82
149,446	Amdocs	7,167	0.80
185,054	FLIR Systems	6,555	0.73
71,523	salesforce.com	6,014	0.67
110,989	Paychex	5,285	0.59
34,088	International Business Machines	3,854	0.43
		<b>226,405</b>	<b>25.39</b>
	<b>Financials - (6.09%)</b>		
4,132	Fidelity Institutional USD Fund Class A-Acc	51,794	5.81
248,636	Berkshire Hathaway	37,659	4.22
215,722	PNC Financial Services Group	24,964	2.80
151,871	CME Group (A)	18,284	2.05
43,169	BlackRock	17,236	1.93
728,291	Bank of America	17,007	1.91
93,427	Willis Towers Watson	10,864	1.22
103,740	Travelers Cos	10,604	1.19
75,265	Chubb	7,841	0.88
5,091	Intercontinental Exchange	270	0.03
		<b>196,523</b>	<b>22.04</b>
	<b>Health Care - (4.90%)</b>		
902,095	Abbott Laboratories	39,490	4.43
222,824	Aetna	28,340	3.18
329,491	Bioverativ	24,915	2.79
149,677	Danaher	10,761	1.21
172,259	Gilead Sciences	9,997	1.12
61,862	Laboratory of Amer Holdings	7,830	0.88
175,448	Merck	6,932	0.78
120,089	Bristol-Myers Squibb	5,883	0.66
69,510	AmerisourceBergen	4,902	0.55
226,525	Boston Scientific	4,490	0.50
62,508	Halyard Health	2,207	0.25
		<b>145,747</b>	<b>16.34</b>

**Portfolio Statement**

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Materials - (12.06%)</b>		
388,955	Monsanto	34,476	3.87
480,472	Dowdupont	25,115	2.82
327,512	Mosaic	6,342	0.71
31,692	Linde	5,160	0.58
72,987	Steel Dynamics	2,504	0.28
		<b>73,597</b>	<b>8.25</b>
	<b>Consumer Discretionary - (11.06%)</b>		
210,632	Time Warner	14,340	1.61
145,744	Dollar General	10,052	1.13
272,580	Coach	9,974	1.12
290,820	Twenty-First Centy Fox (A)	7,904	0.89
158,388	NIKE (B)	7,784	0.87
101,315	Las Vegas Sands	5,344	0.60
3,278	The Booking Holdings	4,501	0.50
65,067	Aptiv	4,352	0.49
69,360	Delphi Technologies	2,426	0.27
125,330	Extended Stay America	1,779	0.20
		<b>68,456</b>	<b>7.68</b>
	<b>Industrials - (16.45%)</b>		
235,954	AMETEK	13,239	1.48
282,805	Textron	12,307	1.38
137,689	United Parcel Service (B)	10,511	1.18
106,772	United Technologies	10,326	1.16
51,500	L3 Technologies	7,917	0.89
21,615	Huntington Ingalls Industries	4,099	0.46
18,151	Roper Technologies	3,674	0.41
50,013	Allegion	3,141	0.35
37,678	General Electric	395	0.04
		<b>65,609</b>	<b>7.36</b>
	<b>Consumer Staples - (14.18%)</b>		
333,995	Walmart Inc	22,081	2.48
389,477	Sysco	16,839	1.89
231,771	Altria Group	10,712	1.20
83,416	PepsiCo	6,681	0.75
71,135	Diageo	1,759	0.20
25,575	CVS Health	1,261	0.14
		<b>59,333</b>	<b>6.65</b>
	<b>Energy - (6.16%)</b>		
409,159	Halliburton	14,070	1.58
495,993	Royal Dutch Shell (B)	11,532	1.29
383,129	Cabot Oil & Gas	6,708	0.75
85,510	Phillips 66	5,688	0.64
		<b>37,998</b>	<b>4.26</b>
	<b>Telecommunication Services - (3.46%)</b>		
286,616	Verizon Communications	9,947	1.12
		<b>9,947</b>	<b>1.12</b>
	<b>Utilities - (0.00%)</b>		
315,410	CMS Energy	9,741	1.09
		<b>9,741</b>	<b>1.09</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Contracts for Difference - (0.00%)</b>		
405,046	Diageo (CFD)	(66)	(0.01)
89,963	Royal Dutch Shell (B) (CFD)	(125)	(0.01)
35,874	Fairfax Financial Holdings (CFD)	(280)	(0.03)
		<b>(471)</b>	<b>(0.05)</b>
	<b>Portfolio of investments</b>	<b>892,885</b>	<b>100.13</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(1,019)</b>	<b>(0.13)</b>
	<b>Net assets</b>	<b>891,866</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Financials - (23.16%)</b>		
460,317	Berkshire Hathaway	69,721	6.03
440,014	Willis Towers Watson	51,168	4.42
1,008,036	Bank New of York Mellon	42,207	3.65
756,343	Wells Fargo	32,351	2.80
76,985	Fairfax Financial	27,955	2.42
475,411	Citigroup	26,217	2.27
1,867	Fidelity Institutional USD Fund Class A-Acc	23,411	2.02
220,751	Northern Trust	17,155	1.48
163,128	Travelers Cos	16,675	1.44
243,596	XL Group	7,509	0.65
		<b>314,369</b>	<b>27.17</b>
	<b>Information Technology - (27.94%)</b>		
1,962,753	Oracle	71,975	6.22
955,071	Cisco Systems	31,063	2.68
546,730	Akamai Technologies	26,940	2.33
214,572	International Business Machines	24,259	2.10
498,398	Leidos Holdings	23,478	2.03
1,220,955	Juniper Networks	23,017	1.99
1,212,761	Sabre	20,366	1.76
388,969	Amdocs	18,655	1.61
237,529	Check Point Software Technologies	17,791	1.54
293,438	Dell Technologies (V)	15,411	1.33
128,982	F5 Networks	14,043	1.21
2,752,869	Ericsson (B)	13,500	1.17
		<b>300,498</b>	<b>25.97</b>
	<b>Health Care - (10.56%)</b>		
793,673	Abbott Laboratories	34,745	3.00
348,577	AmerisourceBergen	24,580	2.12
875,118	Pfizer	23,235	2.01
110,582	Anthem	18,935	1.64
633,816	Mylan	18,815	1.63
171,652	Jazz Pharmaceuticals	17,810	1.54
290,441	Gilead Sciences	16,856	1.46
120,437	United Therapeutics	10,006	0.86
32,224	Cigna	4,580	0.40
		<b>169,562</b>	<b>14.66</b>
	<b>Consumer Staples - (6.84%)</b>		
545,076	Molson Coors Brewing (B)	30,149	2.61
440,285	Walgreens Boots Alliance	21,987	1.90
388,932	Kellogg	18,853	1.63
542,664	Archer Daniels Midland	16,321	1.41
356,771	Kroger	7,027	0.61
		<b>94,337</b>	<b>8.15</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Industrials - (14.58%)</b>		
311,839	United Parcel Service (B)	23,805	2.06
128,798	L3 Technologies	19,800	1.71
319,474	KIRBY CORP	17,491	1.51
143,382	Dun & Bradstreet	12,973	1.12
243,722	Jacobs Engineering Group	10,870	0.94
787,337	General Electric	8,246	0.71
		<b>93,185</b>	<b>8.05</b>
	<b>Materials - (2.01%)</b>		
1,121,064	Mosaic	21,709	1.88
889,575	Valvoline	14,919	1.29
104,409	Praxair	11,612	1.00
		<b>48,240</b>	<b>4.17</b>
	<b>Energy - (4.88%)</b>		
1,395,784	SBM Offshore	17,250	1.49
618,191	Apache Corporation	15,539	1.34
301,957	Baker Hughes A GE (A)	5,887	0.51
		<b>38,676</b>	<b>3.34</b>
	<b>Consumer Discretionary - (5.77%)</b>		
209,129	Dollar General	14,424	1.25
788,507	Liberty Latin America (C)	11,892	1.03
316,646	Coach	11,586	1.00
		<b>37,902</b>	<b>3.28</b>
	<b>Telecommunication Services - (3.38%)</b>		
1,033,170	Verizon Communications	35,857	3.10
		<b>35,857</b>	<b>3.10</b>
	<b>Utilities - (0.00%)</b>		
827,557	Exelon	22,266	1.92
		<b>22,266</b>	<b>1.92</b>
	<b>Contracts for Difference - (0.17%)</b>		
15,810	Fairfax Financial Holdings (CFD)	(512)	(0.04)
		<b>(512)</b>	<b>(0.04)</b>
	<b>Portfolio of investments</b>	<b>1,154,380</b>	<b>99.77</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>2,615</b>	<b>0.23</b>
	<b>Net assets</b>	<b>1,156,995</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>China - (32.84%)</b>		
5,523,100	Tencent Holdings	220,276	7.64
1,118,688	Alibaba Group Holding (ADR)	152,140	5.28
116,913,020	Industrial & Coml Bank China (H)	72,823	2.53
77,917,300	China Construction Bank (H)	58,527	2.03
3,436,000	Sunny Optical Technology Group	41,377	1.44
20,730,000	Brilliance China Auto Holding	40,363	1.40
455,828	Kweichow Moutai (A) (CN) 08/02/2018 (ELN)	37,763	1.31
5,449,500	China Mobile	36,886	1.28
7,134,335	Wuxi Biologics (Cayman)	35,649	1.24
9,049,200	China Pacific Insurance Group (H)	32,107	1.11
50,928,000	China Petroleum & Chemical (H)	29,607	1.03
418,030	New Oriental Ed & Tech Group (ADR)	27,204	0.94
12,600,000	China Life Insurance (H)	26,975	0.94
25,510,000	CNOOC	26,789	0.93
306,100	Kweichow Moutai (A)	25,359	0.88
4,014,000	Midea Group (A)	25,189	0.87
3,463,000	Shenzhou International Group Holdings	24,702	0.86
4,861,610	Zhejiang Supor Cookware (A) 02/03/2020 (ELN)	24,372	0.85
738,724	Yum China Holdings	23,189	0.80
8,454,000	China Overseas Land & Investment	21,414	0.74
628,711	Ctrip.com International (ADR)	21,093	0.73
3,323,571	Gree Electric Appliances of Zhuhai (A)	19,622	0.68
3,105,738	Hangzhou Hikvision Digital Technology (A) (CN)	15,101	0.52
4,226,535	Angel Yeast (A) (CN) 07/04/2020 (ELN)	14,975	0.52
2,012,794	DONG E-E-Jiao (A) (CN)	13,817	0.48
13,898,000	Weichai Power (H)	11,312	0.39
21,041,000	Sinotrans (H)	8,427	0.29
6,876,000	Tong Ren Tang Technologies (H)	8,388	0.29
7,936,800	China State Construction International Holdings	7,793	0.27
2,096,834	Weifu High-Technology (B)	3,284	0.11
591,675	Hangzhou Hikvision Digital Technology (A)	2,877	0.10
546,054	Zhejiang Supor Cookware (A) (CN) 02/12/2019 (ELN)	2,737	0.09
133,132	Zhejiang Supor Cookware (A)	667	0.02
		<b>1,112,804</b>	<b>38.61</b>
	<b>Korea - (16.27%)</b>		
71,868	Samsung Electronics	112,975	3.92
1,473,966	Shinhan Financial Group	46,626	1.62
771,235	SK Hynix	39,571	1.37
302,020	Hyundai Motor	32,586	1.13
39,081	LG Household & Healthcare	28,720	1.00
95,042	Samsung Biologics	28,573	0.99
131,671	Samsung Fire & Marine Insurance	25,422	0.88
181,194	SK Innovation	24,876	0.86
45,621	NAVER	24,444	0.85
282,961	CJ E&M	16,371	0.57
84,498	AmorePacific	15,891	0.55
11,254	Samsung Electronics Preferred	14,999	0.52
33,041	Korea Zinc	11,258	0.39
20,121	BGF Retail Ltd/New	2,332	0.08
		<b>424,644</b>	<b>14.73</b>



# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>India - (12.73%)</b>		
3,284,477	HDFC Bank	69,388	2.41
2,522,218	Housing Development Finance	50,572	1.75
859,823	Tata Consultancy Services	28,913	1.00
289,998	Maruti Suzuki India	28,451	0.99
9,252,895	Power Grid of India	20,320	0.71
3,730,999	Bharti Airtel	17,785	0.62
5,863,891	ITC	17,220	0.60
5,948,804	Hindalco Industries	16,137	0.56
346,399	UltraTech Cement	15,940	0.55
50,524	Eicher Motors	15,358	0.53
2,695,217	HDFC Standard Life Insurance	13,771	0.48
2,640,367	Tata Motors	10,821	0.38
1,261,972	Mahindra & Mahindra	10,157	0.35
458,872	Kotak Mahindra Bank	5,533	0.19
		<b>320,366</b>	<b>11.12</b>
	<b>Taiwan - (11.98%)</b>		
28,296,128	Taiwan Semiconductor Manufacturing	169,768	5.89
61,340,560	E.Sun Financial Holdings	28,948	1.00
28,253,718	Advanced Semiconductor Engineering	27,356	0.95
10,639,284	Uni-President Enterprises	17,878	0.62
2,020,000	Catcher Technology	17,440	0.61
2,634,450	Advantech	13,943	0.48
1,257,000	MediaTek	9,212	0.32
6,492,567	Cathay Financial Holding	8,630	0.30
3,421,000	WPG Holding	3,125	0.11
		<b>296,300</b>	<b>10.28</b>
	<b>Hong Kong - (10.16%)</b>		
20,029,200	AIA Group	121,153	4.20
7,552,000	Sands China	30,733	1.07
3,994,500	CK Asset Holdings	24,936	0.87
2,564,000	Dah Sing Financial Holdings	12,043	0.42
986,000	Sun Hung Kai Properties	11,856	0.41
10,997,000	HKT Trust & HKT	10,107	0.35
5,061,600	Dah Sing Banking Group	8,155	0.28
		<b>218,983</b>	<b>7.60</b>
	<b>Thailand - (4.49%)</b>		
3,687,200	PTT (F)	48,160	1.67
22,727,800	Airports of Thailand (F)	36,976	1.28
3,709,100	Kasikornbank (F)	19,788	0.69
8,908,500	CP ALL (F)	17,156	0.60
3,013,900	Bumrungrad Hospital (F)	14,208	0.49
3,383,400	Carabao Group (F)	5,135	0.18
830,000	Kasikornbank (NVDR)	4,428	0.15
		<b>145,851</b>	<b>5.06</b>

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Indonesia - (3.62%)</b>		
34,350,800	Bank Central Asia	41,748	1.45
120,068,000	Bank Rakyat Indonesia	23,827	0.83
3,158,600	Gudang Garam PT Perusahaan	13,208	0.46
10,828,300	First Resources	10,462	0.36
10,953,500	Matahari Department Store	6,124	0.21
		<b>95,369</b>	<b>3.31</b>
	<b>United States - (0.55%)</b>		
4,284	Fidelity Institutional USD Fund Class A-Acc	53,708	1.86
516,308	Cognizant Technology Solutions (A)	30,758	1.07
2,194,700	Vincom Retail Joint Stock Company 15/02/2019 (ELN)	3,667	0.13
		<b>88,133</b>	<b>3.06</b>
	<b>Singapore - (3.40%)</b>		
3,970,168	United Overseas Bank	60,441	2.10
725,500	Jardine Cycle & Carriage	14,700	0.51
14,307,946	Raffles Medical Group	8,903	0.31
		<b>84,044</b>	<b>2.92</b>
	<b>Philippines - (2.03%)</b>		
969,490	Ayala	14,201	0.49
8,252,820	Robinsons Retail Holdings	10,636	0.37
531,095	GT Capital Holdings	9,877	0.34
31,316,700	Alliance Global Group	6,449	0.22
		<b>41,163</b>	<b>1.43</b>
	<b>Malaysia - (0.83%)</b>		
5,170,200	Public Bank	21,850	0.76
		<b>21,850</b>	<b>0.76</b>
	<b>United Kingdom - (0.00%)</b>		
1,904,818	Gree Electric Appliances of Zhuhai (A) (CN) 12/02/2019 (ELN)	11,246	0.39
		<b>11,246</b>	<b>0.39</b>
	<b>Portfolio of investments</b>	<b>2,860,753</b>	<b>99.27</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>21,471</b>	<b>0.73</b>
	<b>Net assets</b>	<b>2,882,224</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>China - (18.94%)</b>		
72,142	Kweichow Moutai (A)	5,977	8.24
554,928	Foshan Haitian Flavouring (A) (CN)	3,508	4.84
5,928,000	China Petroleum & Chemical (H)	3,446	4.75
399,712	Midea Group (A) (CN)	2,508	3.46
760,000	China Resource Gas Group	1,844	2.54
912,000	China Oilfield Services (H)	694	0.96
96,463	Foshan Haitian Flavouring (A) (HK)	610	0.84
4,900	Kweichow Moutai (A) (CN)	406	0.56
26,700	Midea Group (A)	168	0.23
190,000	Sany Heavy Equipment International	39	0.05
		<b>19,200</b>	<b>26.49</b>
	<b>Hong Kong - (18.96%)</b>		
1,084,800	AIA Group	6,562	9.05
232,000	Sun Hung Kai Properties	2,790	3.85
996,000	Shangri La Asia	1,619	2.23
		<b>10,971</b>	<b>15.13</b>
	<b>Taiwan - (7.29%)</b>		
967,000	Taiwan Semiconductor Manufacturing	5,802	8.00
2,643,000	TSRC	2,127	2.93
96,000	Silergy	1,510	2.08
		<b>9,439</b>	<b>13.02</b>
	<b>India - (14.71%)</b>		
265,510	HDFC Bank	5,609	7.74
535,894	ITC	1,574	2.17
290,147	Tata Motors	1,189	1.64
		<b>8,372</b>	<b>11.55</b>
	<b>Australia - (12.45%)</b>		
605,565	Charter Hall Group	1,991	2.75
1,001,525	Domain Holdings Australia	1,717	2.37
3,785,753	Fairfax Media	1,601	2.21
302,928	Ariadne Australia	129	0.18
360,819	Getswift	123	0.17
		<b>5,561</b>	<b>7.67</b>
	<b>Korea - (14.44%)</b>		
19,196	SK Innovation	2,635	3.63
78,981	Korea Electric Power	1,744	2.41
		<b>4,379</b>	<b>6.04</b>
	<b>Indonesia - (1.72%)</b>		
13,756,600	Bank Rakyat Indonesia	2,730	3.77
340,700	Gudang Garam PT Perusahaan	1,425	1.97
		<b>4,155</b>	<b>5.73</b>
	<b>United States - (6.14%)</b>		
317	Fidelity Institutional USD Fund Class A-Acc	3,977	5.49
		<b>3,977</b>	<b>5.49</b>
	<b>Canada - (0.00%)</b>		
62,258	Franco-Nevada (US)	3,197	4.41
		<b>3,197</b>	<b>4.41</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>New Zealand - (0.00%)</b>		
299,635	Restaurant Brands NZ	1,123	1.55
		<b>1,123</b>	<b>1.55</b>
	<b>Philippines - (1.91%)</b>		
6,479,000	Pepsi-Cola Products Philippines	265	0.37
		<b>265</b>	<b>0.37</b>
	<b>Portfolio of investments</b>	<b>70,639</b>	<b>97.45</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>1,854</b>	<b>2.55</b>
	<b>Net assets</b>	<b>72,493</b>	<b>100.00</b>

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## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Hong Kong - (22.39%)</b>		
48,000	Cheung Kong Infrastructure Holdings	291	3.43
47,800	AIA Group	289	3.40
261,000	WH Group	233	2.74
18,000	Sun Hung Kai Properties	216	2.54
237,500	HKBN	196	2.31
9,900	Hang Seng Bank	178	2.10
34,300	Hongkong Land	171	2.01
102,500	Swire Pacific (B)	127	1.49
36,600	Samsonite International	115	1.35
		<b>1,816</b>	<b>21.38</b>
	<b>Taiwan - (10.95%)</b>		
56,000	Taiwan Semiconductor Manufacturing	337	3.96
147,000	Uni-President Enterprises	247	2.91
255,000	Mega Financial Holding	155	1.82
182,000	TSRC	146	1.72
89,000	Quanta Computer	129	1.52
18,000	Nien Made Enterprise	126	1.48
		<b>1,140</b>	<b>13.41</b>
	<b>Australia - (16.98%)</b>		
10,211	Caltex Australia	202	2.38
39,642	Westfield	196	2.31
2,103	CSL	193	2.27
52,276	Pact Group Holdings	165	1.94
346,548	Fairfax Media	147	1.73
56,810	APN Outdoor Group	137	1.61
34,654	Domain Holdings Australia	59	0.69
		<b>1,099</b>	<b>12.94</b>
	<b>China - (13.32%)</b>		
484,000	China Petroleum & Chemical (H)	281	3.31
29,500	China Mobile	200	2.35
162,000	Guangdong Investment	179	2.11
272,000	Anhui Expressway (H)	154	1.81
60,000	China Resource Gas Group	146	1.72
38,600	China Pacific Insurance Group (H)	137	1.61
		<b>1,097</b>	<b>12.91</b>
	<b>Korea - (6.45%)</b>		
194	Samsung Electronics Preferred	259	3.05
5,174	KB Financial Group	221	2.60
1,395	Samsung Fire & Marine Insurance Preferred	179	2.11
2,452	KT & G	163	1.92
1,177	SK Innovation	162	1.91
		<b>984</b>	<b>11.58</b>
	<b>Thailand - (10.25%)</b>		
26,600	PTT (F)	348	4.08
74,200	Tisco Financial Group (F)	151	1.78
299,300	Thai Beverage	136	1.60
		<b>635</b>	<b>7.46</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Singapore - (2.58%)</b>		
16,000	DBS Group Holdings	250	2.94
115,000	Singapore Telecommunications	212	2.50
136,000	ComfortDelGro	149	1.75
		<b>611</b>	<b>7.19</b>
	<b>India - (6.60%)</b>		
16,449	Infosys	213	2.51
9,634	Housing Development Finance	193	2.27
44,064	Coal India	152	1.79
		<b>558</b>	<b>6.57</b>
	<b>United Kingdom - (1.94%)</b>		
22,000	HSBC Holdings	158	1.86
		<b>158</b>	<b>1.86</b>
	<b>Contracts for Difference - (0.38%)</b>		
51,800	Huayu Automotive Systems (A) (CFD)	63	0.74
		<b>63</b>	<b>0.74</b>
	<b>Portfolio of investments</b>	<b>8,161</b>	<b>96.04</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>334</b>	<b>3.96</b>
	<b>Net assets</b>	<b>8,495</b>	<b>100.00</b>

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## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
<b>Commercial Paper - (35.89%)</b>			
46,000,000	ING Bank CP 0.50% 20/03/2018	45,988	4.88
45,000,000	DBS Bank SI CP 0.505% 08/03/2018	44,996	4.77
40,000,000	Standard Chartered Bank Singapore CP 0.585% 05/03/2018	39,997	4.24
30,000,000	Barclays Bank VCP 03/07/2018	30,000	3.18
23,000,000	Honda Finance Europe CP 0.53% 15/03/2018	22,995	2.44
23,000,000	DNB Bank CP 0.50% 16/05/2018	22,976	2.44
22,000,000	Santander UK PL CP 0.50% 08/05/2018	21,980	2.33
22,000,000	DZ Bank CP 0.50% 16/05/2018	21,977	2.33
22,000,000	Dekabank Deutsche Girozentrale CP 0.51% 22/05/2018	21,975	2.33
20,000,000	BFCM Paris CP 0.53% 01/03/2018	20,000	2.12
20,000,000	BFCM Paris CP 0.52% 01/03/2018	20,000	2.12
20,000,000	DZ Bank CP 0.48% 11/04/2018	19,989	2.12
20,000,000	ABN AMRO Bank CP 0.495% 04/05/2018	19,983	2.12
20,000,000	Sumitomo Mitsui Banking Brussels CP 0.52% 08/05/2018	19,981	2.12
20,000,000	Nordea Bank CP 0.50% 07/06/2018	19,973	2.12
20,000,000	Lloyds Bank (Ugtd) CP 0.55% 01/06/2018	19,972	2.12
20,000,000	BFCM Paris CP 0.56% 01/06/2018	19,972	2.12
19,000,000	Honda Finance Europe CP 0.52% 19/04/2018	18,987	2.01
15,000,000	Honda Finance Europe CP 0.53% 05/03/2018	14,999	1.59
10,000,000	Santander UK PL CP 0.48% 16/04/2018	9,994	1.06
10,000,000	Rabobank Nederland CP 0.54% 08/05/2018	9,990	1.06
9,500,000	Nordea Bank CP 0.485% 08/05/2018	9,491	1.01
9,000,000	ABN AMRO Bank CP 0.52% 04/05/2018	8,992	0.95
4,500,000	Nordea Bank CP 0.50% 07/06/2018	4,494	0.48
4,000,000	Nordea Bank CP 0.54% 09/05/2018	3,996	0.42
		<b>513,697</b>	<b>54.51</b>
<b>Certificate of Deposit - (61.27%)</b>			
40,000,000	BNP Paribas CD 0.00% 07/03/2018	39,997	4.24
35,000,000	Svenska Handelsbanken CD 0.495% 09/05/2018	35,000	3.71
23,500,000	Citibank CD 0.48% 09/05/2018	23,500	2.49
23,500,000	Credit Agricole Corporate & Investment Bank London CD 0.48% 09/05/2018	23,500	2.49
23,500,000	Sumitomo Mitsui Trust Bank CD 0.00% 14/05/2018	23,475	2.49
23,500,000	Sumitomo Mitsui Banking Brussels CD 0.00% 14/05/2018	23,474	2.49
22,000,000	Citibank CD 0.48% 04/04/2018	22,000	2.33
22,000,000	Credit Agricole Corporate & Investment Bank CD 0.48% 05/03/2018	22,000	2.33
22,000,000	Bank of Tokyo Mitsubishi CD 0.00% 08/05/2018	21,978	2.33
22,000,000	Bank of Tokyo Mitsubishi CD 0.00% 22/05/2018	21,974	2.33
20,000,000	Sumitomo Mitsui Trust Holdings CD 0.00% 01/03/2018	20,000	2.12
20,000,000	TD Bank London VCD 0.00% 04/04/2018	20,000	2.12
20,000,000	Dexia Credit VCD 16/07/2018	20,000	2.12
20,000,000	KBC Bank CD 0.00% 17/04/2018	19,988	2.12
15,000,000	Rabobank London 0.3651% VRN 03/08/2018 Reg S	15,000	1.59
10,000,000	Svenska Handelsbanken CD 0.495% 08/05/2018	10,000	1.06
8,000,000	Rabobank Nederland CD 0.00% 08/05/2018	7,992	0.85
5,000,000	UBS Group CD 0.00% 23/04/2018	4,996	0.53
3,500,000	Rabobank Nederland CD 0.00% 15/05/2018	3,496	0.37
		<b>378,370</b>	<b>40.15</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Time Deposit - (3.98%)</b>		
51,402,519	Bred Banque Populaire TD 0.46% 01/03/2018	51,403	5.45
		<b>51,403</b>	<b>5.45</b>
	<b>Corporate Bonds - (0.00%)</b>		
20,000,000	Commonwealth Bank Australia FRN 12/04/2018	20,000	2.12
20,000,000	Toronto Dominion Bank FRN 17/12/2018 EMTN Reg S	20,000	2.12
		<b>40,000</b>	<b>4.24</b>
	<b>Portfolio of investments</b>	<b>983,470</b>	<b>104.35</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(41,088)</b>	<b>(4.35)</b>
	<b>Net assets</b>	<b>942,382</b>	<b>100.00</b>

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## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Information Technology - (23.12%)</b>		
230,700	Tencent Holdings	9,201	9.08
64,423	Alibaba Group Holding (ADR)	8,761	8.65
19,084	NetEase (ADR)	4,084	4.03
20,379	Baidu (A) (ADR)	3,687	3.64
642,000	Kingsoft	1,528	1.51
3,248,000	Lenovo Group	1,226	1.21
1,420,000	Kingdee International Software Group	738	0.73
28,211	Momo (ADR)	682	0.67
138,100	Hangzhou Hikvision Digital Technology (A) (CN)	671	0.66
		<b>30,578</b>	<b>30.19</b>
	<b>Consumer Discretionary - (24.87%)</b>		
146,218	Yum China Holdings	4,590	4.53
545,000	Galaxy Entertainment Group	3,445	3.40
47,208	New Oriental Ed & Tech Group (ADR)	3,072	3.03
110,015	Melco Resorts And Entertainment (ADR)	2,187	2.16
2,212,000	Dongfeng Motor Group (H)	2,021	2.00
1,142,000	Guangzhou Automobil Group (H)	1,834	1.81
236,000	Shenzhen International Group Holdings	1,683	1.66
10,837	China Lodging Group (ADR)	1,183	1.17
180,431	Midea Group (A) (CN)	1,132	1.12
672,000	Shangri La Asia	1,093	1.08
1,557,000	Li Ning	1,033	1.02
389,600	Wynn Macau	985	0.97
49,596	Vipshop Holdings (ADR)	620	0.61
666,000	China Education Group Holdings	498	0.49
67,798	Hangzhou Hikvision Digital Technology (A) 13/11/2020 (ELN)	330	0.33
12,000	Nien Made Enterprise	84	0.08
		<b>25,790</b>	<b>25.46</b>
	<b>Financials - (22.20%)</b>		
973,000	AIA Group	5,886	5.81
2,570,000	China Life Insurance (H)	5,502	5.43
1,171,000	China Pacific Insurance Group (H)	4,155	4.10
292,500	Ping AN Insurance Group China (H)	2,251	2.22
771,000	Huatai Securities (H)	1,121	1.11
8,298	Kweichow Moutai (A) (CN) 20/03/2019 (ELN)	687	0.68
14,039	Noah Holdings (ADR)	473	0.47
96,666	Inner Mongolia Yili Industrial Group (CN) 15/05/2020 (ELN)	358	0.35
27,513	Foshan Haitian Flavouring (A) 08/02/2018 (ELN)	174	0.17
37,800	Angel Yeast (A) (CN) 07/04/2020 (ELN)	134	0.13
		<b>20,741</b>	<b>20.48</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Consumer Staples - (7.79%)</b>		
284,000	President Chain Store	2,040	2.01
2,869,000	Uni-President China Holdings	1,771	1.75
1,789,500	Sun Art Retail Group	1,717	1.70
100,800	Shanghai Flyco Electrical Appliance (A) (CN)	689	0.68
8,061	Cosmax	687	0.68
100,000	Foshan Haitian Flavouring (A) (HK)	632	0.62
160,738	Inner Mongoli Yili Ind (A) (CN)	596	0.59
147,900	Inner Mongoli Yili Ind (A)	548	0.54
116,500	Angel Yeast (A) (CN)	413	0.41
4,700	Kweichow Moutai (A) (CN)	389	0.38
75,100	Angel Yeast (A)	266	0.26
1,900	Kweichow Moutai (A)	157	0.15
52,000	Dynasty Fine Wines Group	3	0.00
		<b>9,908</b>	<b>9.78</b>
	<b>Telecommunication Services - (10.90%)</b>		
848,000	China Mobile	5,740	5.67
7,144,000	China Telecom (H)	2,268	2.24
28,062	Aurora Mobile Series D Preferred	109	0.11
		<b>8,117</b>	<b>8.01</b>
	<b>Industrials - (1.98%)</b>		
172,100	Hans Laser Technology Industry Group (A) (CN)	1,119	1.10
108,300	Shanghai International Airport (A) (CN)	604	0.60
1,022,000	Greentown Service Group	535	0.53
62,300	Shanghai International Airport (A)	348	0.34
		<b>2,606</b>	<b>2.57</b>
	<b>Health Care - (4.65%)</b>		
116,000	China Animal Healthcare	0	0.00
		<b>0</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>97,740</b>	<b>96.49</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>3,555</b>	<b>3.51</b>
	<b>Net assets</b>	<b>101,295</b>	<b>100.00</b>

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## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>China - (30.27%)</b>		
198,200	Tencent Holdings	7,905	8.09
44,985	Alibaba Group Holding (ADR)	6,118	6.26
4,936,000	Industrial & Coml Bank China (H)	3,074	3.15
618,000	China Pacific Insurance Group (H)	2,193	2.24
3,096,000	China Petroleum & Chemical (H)	1,800	1.84
649,000	China Mengniu Dairy	1,545	1.58
92,691	Vipshop Holdings (ADR)	1,160	1.19
193,601	Wuxi Biologics (Cayman)	967	0.99
138,000	China Mobile	934	0.96
384,000	China Resource Gas Group	932	0.95
144,989	Midea Group (A)	910	0.93
1,690,000	Kingdee International Software Group	878	0.90
25,105	Ctrip.com International (ADR)	842	0.86
66,000	Sunny Optical Technology Group	795	0.81
127,198	China International Travel Services (A)	761	0.78
223,600	Sinopharm Group (H)	713	0.73
1,647,000	Sinotrans (H)	660	0.68
94,095	China International Travel Services (A) (CN) 10/02/2020 (ELN)	563	0.58
198,000	China Overseas Land & Investment	502	0.51
133,775	Fang Holdings (ADR)	490	0.50
5,873	Kweichow Moutai (A) (CN) 25/10/2019 (ELN)	486	0.50
68,900	DONG E-E-Jiao (A)	473	0.48
92,170	Zhejiang Supor Cookware (A) 02/03/2020 (ELN)	462	0.47
366,000	China Resources Power Holdings	459	0.47
89,396	Zhejiang Supor Cookware (A)	448	0.46
1,114,000	Best Pacific International Holdings	428	0.44
59,890	Zhejiang Supor Cookware (A) (CN)	300	0.31
41,600	DONG E-E-Jiao (A) (CN)	286	0.29
50,415	Zhejiang Supor Cookware (A) 29/11/2024 (ELN)	253	0.26
47,683	Zhejiang Supor Cookware (A) (CN) 02/12/2019 (ELN)	239	0.24
1,900	Kweichow Moutai (A) (CN)	157	0.16
		<b>37,733</b>	<b>38.61</b>
	<b>Korea - (15.08%)</b>		
2,522	Samsung Electronics	3,965	4.06
51,399	Shinhan Financial Group	1,626	1.66
12,156	Hyundai Motor	1,312	1.34
6,436	Samsung Fire & Marine Insurance	1,243	1.27
17,109	KT & G	1,141	1.17
19,351	SK Hynix	993	1.02
1,154	Samsung Electronics (GDR)	907	0.93
1,399	NAVER	750	0.77
32,322	Korea Electric Power	714	0.73
6,514	CJ Logistics	574	0.59
8,540	Kumho Petro Chemical	517	0.53
16,934	KEPCO Plant Service & Engineering	456	0.47
1,711	AmorePacific	322	0.33
		<b>14,520</b>	<b>14.86</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>India - (16.00%)</b>		
104,450	HDFC Bank	2,207	2.26
85,380	Housing Development Finance	1,712	1.75
234,056	Axis Bank	1,367	1.40
96,771	Infosys	1,254	1.28
169,156	Cipla	1,107	1.13
69,587	Container of India	1,005	1.03
303,980	ITC	893	0.91
174,889	Tata Motors	717	0.73
51,763	Kotak Mahindra Bank	624	0.64
59,039	Cummins India	522	0.53
26,918	Infosys (ADR)	341	0.35
61,020	HDFC Standard Life Insurance	312	0.32
		<b>12,061</b>	<b>12.34</b>
	<b>Taiwan - (11.98%)</b>		
688,000	Taiwan Semiconductor Manufacturing	4,128	4.22
61,378	Taiwan Semiconductor Manufacturing (ADR)	1,934	1.98
1,002,000	Fubon Financial Holding	1,276	1.31
2,079,653	E.Sun Financial Holdings	981	1.00
1,343,000	Mega Financial Holding	817	0.84
769,797	Advanced Semiconductor Engineering	745	0.76
96,796	Advantech	512	0.52
53,040	Eclat Textile	404	0.41
		<b>10,797</b>	<b>11.05</b>
	<b>Indonesia - (7.61%)</b>		
1,288,000	Bank Central Asia	1,565	1.60
4,472,000	Bank Rakyat Indonesia	887	0.91
2,770,200	Telekomunikasi Indonesia PT	582	0.60
1,218,308	Siloam International Hospitals	545	0.56
498,400	First Resources	481	0.49
857,700	Summarecon Agung PT	50	0.05
		<b>4,110</b>	<b>4.21</b>
	<b>Thailand - (2.31%)</b>		
161,900	PTT (F)	2,115	2.16
203,300	Kasikornbank (F)	1,084	1.11
1,106,200	Thai Beverage	504	0.52
		<b>3,703</b>	<b>3.79</b>
	<b>Philippines - (3.38%)</b>		
2,873,800	LT Group	910	0.93
657,790	Metropolitan Bank & Trust	891	0.91
834,160	Pilipinas Shell Petroleum	654	0.67
277,254	BDO Unibank	597	0.61
3,607,100	Wilcon Depot	532	0.54
		<b>3,584</b>	<b>3.67</b>
	<b>Malaysia - (0.86%)</b>		
1,146,674	CIMB Group Holdings	1,517	1.55
206,800	Public Bank	874	0.89
		<b>2,391</b>	<b>2.45</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Hong Kong - (3.52%)</b>		
564,000	Shangri La Asia	917	0.94
625,500	WH Group	559	0.57
86,500	Techtronic Industries	391	0.40
118,500	Samsonite International	372	0.38
		<b>2,239</b>	<b>2.29</b>
	<b>Singapore - (1.58%)</b>		
637,900	Delfi	529	0.54
514,810	Raffles Medical Group	320	0.33
		<b>849</b>	<b>0.87</b>
	<b>Vietnam - (0.00%)</b>		
334,700	Vincom Retail Joint Stock Company	571	0.59
		<b>571</b>	<b>0.59</b>
	<b>Sri Lanka - (0.00%)</b>		
699,344	John Keells Holdings	520	0.53
		<b>520</b>	<b>0.53</b>
	<b>United States - (0.52%)</b>		
7,890	Cognizant Technology Solutions (A)	470	0.48
		<b>470</b>	<b>0.48</b>
	<b>Portfolio of investments</b>	<b>93,548</b>	<b>95.74</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>4,179</b>	<b>4.26</b>
	<b>Net assets</b>	<b>97,727</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Fidelity Emerging Europe, Middle East and Africa Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>South Africa - (47.55%)</b>		
46,093	Naspers (N)	9,251	7.47
702,398	Barclays Africa Group	8,610	6.95
753,809	Discovery	8,225	6.64
469,232	AVI	3,497	2.82
208,391	Foschini	2,759	2.23
1,711,631	Steinhoff Africa Retail	2,262	1.83
196,115	City Lodge Hotels	2,051	1.66
872,776	Spur	1,448	1.17
97,519	JSE	1,225	0.99
936,269	Clover Industries	926	0.75
44,050	Mr Price Group	770	0.62
359,723	Dis-Chem Pharmacies Pty	758	0.61
2,123,149	Steinhoff International Holdings (ZA)	719	0.58
151,450	SUN International	616	0.50
71,834	Distell Group	609	0.49
36,282	Bid	600	0.48
986,768	Capevin Holdings	529	0.43
641,447	Group Five	433	0.35
675,540	Pretoria Portland Cem	341	0.28
49,923	Investec	316	0.26
65,380	FirstRand	297	0.24
		<b>46,242</b>	<b>37.33</b>
	<b>Russia - (29.33%)</b>		
2,467,985	Sberbank Russia (USD)	8,705	7.03
695,725	Magnitogorsk Iron & Steel Works PJSC (GDR)	5,437	4.39
1,120,370	Sberbank of Russia Preferred	3,257	2.63
255,115	PhosAgro (GDR)	2,847	2.30
2,171,849	PAO TMK (USD)	2,244	1.81
83,204	Mail.Ru Group (GDR)	2,212	1.79
87,973	Novolipetsk Steel (GDR)	1,650	1.33
52,788	X5 Retail Group (GDR)	1,369	1.11
611,013	Detsky Mir (USD)	704	0.57
44,482	MMC Norilsk Nickel (ADR)	641	0.52
		<b>29,066</b>	<b>23.46</b>
	<b>Turkey - (1.93%)</b>		
2,979,654	Turkiye Garanti Bankasi	6,649	5.37
1,137,316	Turkcell Iletisim Hizmet A S	3,316	2.68
84,298	Turkiye Petrol Rafinerileri	1,870	1.51
260,505	Coca-Cola Icecek	1,823	1.47
815,787	Turkiye Halk Bankasi	1,522	1.23
		<b>15,180</b>	<b>12.25</b>
	<b>United Arab Emirates - (4.77%)</b>		
1,426,590	First Abu Dhabi Bank	3,240	2.62
2,133,997	Abu Dhabi Commercial Bank	3,059	2.47
		<b>6,299</b>	<b>5.08</b>
	<b>United Kingdom - (0.45%)</b>		
549,669	Glencore (ZA)	2,127	1.72
40,641	Wizz Air Holdings	1,483	1.20

# Fidelity Emerging Europe, Middle East and Africa Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
132,370	Hikma Pharmaceuticals	1,157	0.93
249,723	Old Mutual (ZA)	642	0.52
33,385	Investec (ZA)	212	0.17
		<b>5,621</b>	<b>4.54</b>
	<b>Nigeria - (2.47%)</b>		
46,916,566	Zenith Bank	2,961	2.39
251,816	Guaranty Trust Bank (GDR)	1,100	0.89
8,222,728	Guaranty Trust Bank	797	0.64
21,309,387	United Bank for Africa	523	0.42
		<b>5,381</b>	<b>4.34</b>
	<b>United States - (1.69%)</b>		
320	Fidelity Institutional USD Fund Class A-Acc	4,013	3.24
		<b>4,013</b>	<b>3.24</b>
	<b>Romania - (1.98%)</b>		
6,734,441	Banca Transilvania	3,091	2.50
		<b>3,091</b>	<b>2.50</b>
	<b>Israel - (2.11%)</b>		
1,103,226	Bezeq The Israeli Telecommunication	1,216	0.98
16,348	Frutarom Industries	1,068	0.86
6,793	Check Point Software Technologies	509	0.41
		<b>2,793</b>	<b>2.25</b>
	<b>Cyprus - (1.38%)</b>		
139,360	TCS Group Holding (A) (GDR)	2,305	1.86
		<b>2,305</b>	<b>1.86</b>
	<b>Australia - (0.71%)</b>		
507,288	South32	950	0.77
422,901	South32 (GB)	788	0.64
		<b>1,738</b>	<b>1.40</b>
	<b>Greece - (0.56%)</b>		
97,162	Jumbo	1,279	1.03
		<b>1,279</b>	<b>1.03</b>
	<b>Kenya - (1.01%)</b>		
1,802,400	Kcb Group	626	0.51
1,331,900	Equity Group Holdings	422	0.34
		<b>1,048</b>	<b>0.85</b>
	<b>Canada - (0.00%)</b>		
10,631	First Quantum Minerals	128	0.10
		<b>128</b>	<b>0.10</b>
	<b>Portfolio of investments</b>	<b>124,184</b>	<b>100.23</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(300)</b>	<b>(0.23)</b>
	<b>Net assets</b>	<b>123,884</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Financials - (26.38%)</b>		
3,106,543	HSBC Holdings	22,401	5.29
5,927,224	Legal & General Group	15,666	3.70
18,023,373	Lloyds Banking Group	12,454	2.94
2,463,636	Aviva	12,436	2.94
562,899	Prudential	10,383	2.45
443	Fidelity Institutional Sterling Fund Class A-Acc	9,174	2.17
1,165,024	British Land	7,342	1.73
289,387	Admiral Group	5,467	1.29
688,747	Phoenix Group Holdings	5,427	1.28
816,236	Beazley	4,297	1.01
1,005,297	Direct Line Insurance Group	3,888	0.92
253,440	Hiscox	3,543	0.84
2,471,798	Greencoat UK Wind Funds	3,030	0.72
540,834	Hammerson	2,426	0.57
1,318,461	Redde	2,231	0.53
130,989	Close Brothers Group	2,074	0.49
1,553,298	Primary Health Properties	1,805	0.43
204,438	Chesnara	797	0.19
		<b>124,841</b>	<b>29.47</b>
	<b>Consumer Goods - (26.31%)</b>		
382,366	British American Tobacco	16,673	3.94
378,285	Unilever	14,180	3.35
568,390	Diageo	14,056	3.32
234,870	Reckitt Benckiser Group	13,594	3.21
412,917	Imperial Brands	10,800	2.55
147,927	Berkeley Group Holdings	5,735	1.35
95,927	Kraft Heinz	4,702	1.11
174,280	Associated British Foods	4,592	1.08
136,422	Cranswick	4,191	0.99
12,553	Philip Morris International	944	0.22
		<b>89,467</b>	<b>21.12</b>
	<b>Health Care - (11.92%)</b>		
457,567	AstraZeneca	21,970	5.19
1,218,999	GlaxoSmithKline	15,984	3.77
67,680	Novartis	4,109	0.97
65,878	Sanofi	3,773	0.89
		<b>45,836</b>	<b>10.82</b>
	<b>Consumer Services - (5.54%)</b>		
204,701	Next	9,991	2.36
1,136,839	International Consolidated Airlines Group	6,917	1.63
294,544	easyJet	4,959	1.17
1,266,358	Kingfisher	4,554	1.07
103,803	Whitbread	4,068	0.96
992,127	Marks & Spencer Group	2,962	0.70
226,748	Greggs	2,757	0.65
137,191	Go-Ahead Group	2,154	0.51
359,399	Greene King	1,876	0.44
220,659	Dignity	1,805	0.43



# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,160,266	Stagecoach Group	1,674	0.40
465,883	Halfords Group	1,656	0.39
		<b>45,373</b>	<b>10.71</b>
	<b>Oil &amp; Gas - (2.22%)</b>		
830,545	Royal Dutch Shell (A)	19,161	4.52
3,204,071	BP	15,348	3.62
		<b>34,509</b>	<b>8.15</b>
	<b>Utilities - (10.26%)</b>		
1,077,164	National Grid	8,073	1.91
460,371	SSE	5,686	1.34
919,533	Pennon Group	5,668	1.34
302,694	Severn Trent	5,244	1.24
2,797,324	Centrica	3,965	0.94
430,221	United Utilities Group	2,901	0.68
		<b>31,537</b>	<b>7.44</b>
	<b>Industrials - (11.71%)</b>		
1,512,828	Royal Mail	8,442	1.99
571,929	HomeServe	4,161	0.98
901,100	Forterra	2,586	0.61
290,203	PayPoint	2,368	0.56
729,211	Ibstock	1,919	0.45
358,117	BCA Marketplace	601	0.14
		<b>20,077</b>	<b>4.74</b>
	<b>Telecommunications - (3.81%)</b>		
5,026,724	BT Group	12,215	2.88
3,917,191	KCOM Group	3,913	0.92
		<b>16,128</b>	<b>3.81</b>
	<b>Basic Materials - (1.00%)</b>		
293,061	Rio Tinto	11,529	2.72
72,170	Croda International	3,302	0.78
		<b>14,831</b>	<b>3.50</b>
	<b>Contracts for Difference - (0.01%)</b>		
106,669	Victrex (CFD)	721	0.17
202,308	Tate & Lyle (CFD)	(312)	(0.07)
22,611	Roche Holdings (CFD)	(615)	(0.15)
		<b>(206)</b>	<b>(0.05)</b>
	<b>Options - ((0.84)%)</b>		
(7,500)	Call Kraft Heinz CBOE 20/04/2018	0	0.00
(2,500)	Call Kraft Heinz CBOE 20/04/2018	0	0.00
(11,500)	Call Philip Morris International CBOE 16/03/2018	0	0.00
(22,000)	Call Novartis ICE 16/03/2018	0	0.00
(200,000)	Call Diageo ICE 16/03/2018	0	0.00
40,000	Call Royal Dutch Shell (A) ICE 16/03/2018	0	0.00
(30,000)	Call Next ICE 16/03/2018	0	0.00
30,000	Call Royal Dutch Shell (A) ICE 20/04/2018	0	0.00
(7,500)	Call Roche Holdings ICE 16/03/2018	(1)	0.00
(90,000)	Call Diageo ICE 20/04/2018	(2)	0.00
(20,000)	Call British American Tobacco ICE 16/03/2018	(2)	0.00
(2,016,000)	Call Lloyds Banking Group ICE 20/04/2018	(2)	0.00

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
(20,000)	Call Novartis ICE 20/04/2018	(2)	0.00
(20,000)	Call Reckitt Benckiser Group ICE 16/03/2018	(2)	0.00
(25,000)	Call Rio Tinto ICE 16/03/2018	(3)	0.00
(25,000)	Call Reckitt Benckiser Group ICE 20/04/2018	(3)	0.00
(20,000)	Call Reckitt Benckiser Group ICE 20/04/2018	(2)	0.00
(25,000)	Call Whitbread ICE 20/04/2018	(2)	0.00
(50,000)	Call British American Tobacco ICE 16/03/2018	(2)	0.00
(35,000)	Call British American Tobacco ICE 16/03/2018	(3)	0.00
(35,000)	Call British American Tobacco ICE 20/04/2018	(3)	0.00
(100,000)	Call Unilever ICE 16/03/2018	(3)	0.00
(30,000)	Call Next ICE 20/04/2018	(5)	0.00
(20,000)	Call Reckitt Benckiser Group ICE 18/05/2018	(5)	0.00
(70,000)	Call AstraZeneca ICE 20/04/2018	(7)	0.00
(800,000)	Call Aviva ICE 20/04/2018	(7)	0.00
(100,000)	Call Unilever ICE 20/04/2018	(8)	0.00
(300,000)	Call HSBC Holdings ICE 16/03/2018	(8)	0.00
(40,000)	Call AstraZeneca ICE 20/04/2018	(8)	0.00
(80,000)	Call British American Tobacco ICE 20/04/2018	(8)	0.00
(45,000)	Call Associated British Foods ICE 18/05/2018	(9)	0.00
(400,000)	Call Aviva ICE 16/03/2018	(9)	0.00
(100,000)	Call Rio Tinto ICE 20/04/2018	(9)	0.00
(550,000)	Call HSBC Holdings ICE 20/04/2018	(10)	0.00
(140,000)	Call Prudential ICE 16/03/2018	(10)	0.00
(30,000)	Call Next ICE 18/05/2018	(11)	0.00
(2,250,000)	Call Lloyds Banking Group ICE 16/03/2018	(11)	0.00
(55,000)	Call Diageo ICE 18/05/2018	(12)	0.00
(110,000)	Call AstraZeneca ICE 16/03/2018	(12)	0.00
(250,000)	Call International Consolidated Airlines Group ICE 20/04/2018	(13)	0.00
(90,000)	Call Rio Tinto ICE 18/05/2018	(13)	0.00
(25,000)	Call Whitbread ICE 18/05/2018	(14)	0.00
(150,000)	Call Prudential ICE 20/04/2018	(14)	0.00
(200,000)	Call British Land ICE 16/03/2018	(14)	0.00
(550,000)	Call HSBC Holdings ICE 16/03/2018	(14)	0.00
(300,000)	Call International Consolidated Airlines Group ICE 16/03/2018	(15)	0.00
(400,000)	Call Aviva ICE 16/03/2018	(15)	0.00
(225,000)	Call British Land ICE 16/03/2018	(16)	0.00
(325,000)	Call Direct Line Insurance Group ICE 18/05/2018	(16)	0.00
(275,000)	Call International Consolidated Airlines Group ICE 18/05/2018	(16)	0.00
(350,000)	Call BP ICE 20/04/2018	(18)	0.00
(1,764,000)	Call Lloyds Banking Group ICE 20/04/2018	(18)	0.00
(70,000)	Call Rio Tinto ICE 16/03/2018	(18)	0.00
(55,000)	Call Diageo ICE 18/05/2018	(19)	0.00
(200,000)	Call Royal Dutch Shell (A) ICE 20/04/2018	(20)	0.00
(4,250,000)	Call Lloyds Banking Group ICE 16/03/2018	(21)	0.00
(90,000)	Call easyJet ICE 15/06/2018	(21)	0.00
(343,000)	Call British Land ICE 18/05/2018	(24)	(0.01)
(350,000)	Call British Land ICE 20/04/2018	(25)	(0.01)
(90,000)	Call easyJet ICE 18/05/2018	(26)	(0.01)
(100,000)	Call easyJet ICE 20/04/2018	(26)	(0.01)
(400,000)	Call Kingfisher ICE 18/05/2018	(27)	(0.01)
(75,000)	Call Royal Dutch Shell (A) ICE 18/05/2018	(29)	(0.01)
(300,000)	Call Royal Dutch Shell (A) ICE 16/03/2018	(30)	(0.01)

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
(750,000)	Call HSBC Holdings ICE 18/05/2018	(32)	(0.01)
(150,000)	Call Prudential ICE 18/05/2018	(32)	(0.01)
(425,000)	Call Kingfisher ICE 16/03/2018	(32)	(0.01)
(700,000)	Call BP ICE 18/05/2018	(40)	(0.01)
(2,000,000)	Call Legal & General Group ICE 16/03/2018	(45)	(0.01)
(750,000)	Call Legal & General Group ICE 18/05/2018	(51)	(0.01)
(400,000)	Call Kingfisher ICE 20/04/2018	(53)	(0.01)
(750,000)	Call Legal & General Group ICE 18/05/2018	(68)	(0.02)
(800,000)	Call Aviva ICE 18/05/2018	(70)	(0.02)
(110,000)	Call AstraZeneca ICE 18/05/2018	(78)	(0.02)
(1,750,000)	Call Legal & General Group ICE 20/04/2018	(88)	(0.02)
(6,000,000)	Call Lloyds Banking Group ICE 18/05/2018	(90)	(0.02)
(450,000)	Call Royal Mail ICE 18/05/2018	(93)	(0.02)
(2,250,000)	Call Lloyds Banking Group ICE 20/04/2018	(113)	(0.03)
(300,000)	Call Royal Mail ICE 20/04/2018	(207)	(0.05)
(300,000)	Call Royal Mail ICE 16/03/2018	(307)	(0.07)
		<b>(2,062)</b>	<b>(0.49)</b>
	<b>Portfolio of investments</b>	<b>420,331</b>	<b>99.22</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>3,320</b>	<b>0.78</b>
	<b>Net assets</b>	<b>423,651</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>France - (28.35%)</b>		
1,374,512	Sanofi	78,721	3.14
494,315	L'Oreal	77,189	3.08
1,812,842	Total	75,046	2.99
691,717	Essilor International	66,017	2.63
1,149,629	Legrand	65,193	2.60
698,552	Dassault Systemes	64,696	2.58
283,958	LVMH Moet Hennessy SE	61,669	2.46
343,289	Iliad Group	58,922	2.35
1,876,637	Edenred	47,761	1.91
86,300	Hermes International SCA	33,616	1.34
651,376	Societe Des Bains de Mer Monaco	29,086	1.16
291,557	Sodexo	25,819	1.03
107,265	Societe BIC	8,112	0.32
		<b>691,847</b>	<b>27.60</b>
	<b>Germany - (14.34%)</b>		
1,062,653	SAP SE	80,282	3.20
768,703	Deutsche Boerse	74,280	2.96
926,632	Fresenius Medical Care	70,848	2.83
1,071,754	Symrise	63,179	2.52
377,245	Linde	61,421	2.45
403,755	Fielmann	24,318	0.97
132,096	MTU Aero Engines	16,052	0.64
		<b>390,380</b>	<b>15.57</b>
	<b>Switzerland - (17.96%)</b>		
2,512,724	Nestle	144,738	5.77
631,170	Roche Holdings	106,769	4.26
275,666	Schindler Holding	45,133	1.80
6,668	Sika	39,496	1.58
410,323	DKSH Holding	25,514	1.02
99,200	Flughafen Zurich Airport	17,077	0.68
		<b>378,727</b>	<b>15.11</b>
	<b>Netherlands - (3.61%)</b>		
611,730	ASML	87,453	3.49
2,996,509	ABN AMRO Group	67,721	2.70
		<b>155,174</b>	<b>6.19</b>
	<b>United Kingdom - (6.08%)</b>		
7,253,679	3i Group	68,272	2.72
2,771,100	Royal Dutch Shell (A) (NL)	64,351	2.57
437,735	Intertek Group	21,541	0.86
		<b>154,164</b>	<b>6.15</b>
	<b>Spain - (6.39%)</b>		
1,151,219	Amadeus IT Group (A)	60,955	2.43
2,872,851	Red Elctrica	40,424	1.61
145,539	Aena Sme	21,481	0.86
		<b>122,860</b>	<b>4.90</b>

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Finland - (4.14%)</b>		
1,799,688	Sampo	73,945	2.95
1,280,776	Kone	48,341	1.93
		<b>122,286</b>	<b>4.88</b>
	<b>Denmark - (4.36%)</b>		
2,483,192	Novo-Nordisk (B)	93,844	3.74
274,559	Chr Hansen Holding	16,529	0.66
		<b>110,373</b>	<b>4.40</b>
	<b>Belgium - (5.48%)</b>		
597,135	Anheuser-Busch InBev	45,650	1.82
547,364	KBC Groep	37,097	1.48
670,407	Umicore	27,155	1.08
		<b>109,902</b>	<b>4.38</b>
	<b>Norway - (3.52%)</b>		
4,959,244	DNB	70,904	2.83
2,035,036	Telenor	33,080	1.32
		<b>103,984</b>	<b>4.15</b>
	<b>Italy - (2.48%)</b>		
25,736,507	Intesa Sanpaolo (Preference)	73,790	2.94
1,188,198	Atlantia	26,675	1.06
1,252,868	Intesa Sanpaolo	3,429	0.14
		<b>103,894</b>	<b>4.15</b>
	<b>Austria - (1.14%)</b>		
778,524	ANDRITZ	32,963	1.32
		<b>32,963</b>	<b>1.32</b>
	<b>Sweden - (1.51%)</b>		
695,732	Swedish Match	21,651	0.86
		<b>21,651</b>	<b>0.86</b>
	<b>Ireland - (0.06%)</b>		
230	Fidelity Institutional Euro Fund Class A-Acc	2,829	0.11
		<b>2,829</b>	<b>0.11</b>
	<b>Greece - (0.30%)</b>		
3,773,155	AirSea Lines International	0	0.00
		<b>0</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>2,501,034</b>	<b>99.77</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>5,437</b>	<b>0.23</b>
	<b>Net assets</b>	<b>2,506,471</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>France - (20.76%)</b>		
123,428	Pernod Ricard	14,699	3.40
164,831	Airbus SE	14,303	3.31
241,055	BNP Paribas	13,893	3.22
1,166,678	Engie	13,297	3.08
221,591	Publicis Groupe	12,108	2.80
448,925	Edenred	11,425	2.65
199,234	Legrand	11,298	2.62
540,088	STMicroelectronics (FR)	8,960	2.07
126,999	Vicat (Sa Des Ciments)	7,335	1.70
		<b>107,318</b>	<b>24.85</b>
	<b>Germany - (22.82%)</b>		
261,309	Fresenius Medical Care	19,979	4.63
242,046	SAP SE	18,286	4.23
206,784	Bayer	17,326	4.01
81,406	Munich RE Group	13,312	3.08
310,098	GEA Group	10,618	2.46
133,373	Hugo Boss	8,653	2.00
		<b>88,174</b>	<b>20.41</b>
	<b>Netherlands - (7.79%)</b>		
521,903	Koninklijke Philips	14,524	3.36
471,248	ABN AMRO Group	10,650	2.47
1,074,400	Tomtom Group	7,481	1.73
515,063	ING Groep	6,638	1.54
409,383	SBM Offshore	5,060	1.17
		<b>44,353</b>	<b>10.27</b>
	<b>Switzerland - (12.12%)</b>		
352,514	Nestle	20,305	4.70
73,475	U-Blox Holding	11,636	2.69
172,216	Compagnie Finance Richemont Switz (A)	10,972	2.54
		<b>42,913</b>	<b>9.94</b>
	<b>Spain - (9.07%)</b>		
194,177	Amadeus IT Group (A)	10,281	2.38
614,610	Siemens Gamesa Renewable Energy	7,054	1.63
431,525	Grifols Preferred B (ADR)	6,969	1.61
159,084	Grifols (A)	3,145	0.73
		<b>27,449</b>	<b>6.36</b>
	<b>Denmark - (1.30%)</b>		
192,387	Pandora	14,546	3.37
70,628	Genmab	10,257	2.37
		<b>24,803</b>	<b>5.74</b>
	<b>Ireland - (8.84%)</b>		
2,159,330	Bank Ireland Group	14,644	3.39
583	Fidelity Institutional Euro Fund Class A-Acc	7,180	1.66
		<b>21,824</b>	<b>5.05</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>United Kingdom - (6.48%)</b>		
598,516	Royal Dutch Shell (A) (NL)	13,899	3.22
127,919	Johnson Matthey	4,008	0.93
73,118	CRH	1,765	0.41
		<b>19,672</b>	<b>4.55</b>
	<b>Sweden - (2.06%)</b>		
1,103,974	Getinge	10,041	2.32
3,655,053	Arjo (B)	8,371	1.94
		<b>18,412</b>	<b>4.26</b>
	<b>Italy - (4.18%)</b>		
767,856	UniCredit	11,816	2.74
496,270	Space4	4,301	1.00
		<b>16,117</b>	<b>3.73</b>
	<b>Austria - (0.00%)</b>		
269,104	Erste Group Bank	9,689	2.24
53,282	AMS	4,529	1.05
		<b>14,218</b>	<b>3.29</b>
	<b>Norway - (4.39%)</b>		
651,775	Orkla	5,130	1.19
1,461,945	Borr Drilling	4,371	1.01
		<b>9,501</b>	<b>2.20</b>
	<b>Warrants - (0.00%)</b>		
99,254	Space4 (Warrants 21/12/2022)	96	0.02
		<b>96</b>	<b>0.02</b>
	<b>Canada - (0.03%)</b>		
265,093	WG	0	0.00
		<b>0</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>434,850</b>	<b>100.67</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(2,935)</b>	<b>(0.67)</b>
	<b>Net assets</b>	<b>431,915</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Corporate Bonds - (79.16%)</b>		
6,900,000	Areva 4.875% 23/09/2024 EMTN	6,733	1.07
4,000,000	RWE Finance 4.75% 31/01/2034 EMTN Reg S	4,736	0.75
3,650,000	Imperial Tobacco Finance 9.00% 17/02/2022 EMTN Reg S	4,615	0.73
4,125,000	Enterprise Inns 6.375% 26/09/2031	4,555	0.73
5,900,000	EDF 6.00% 22/01/2114 144A	4,527	0.72
4,090,000	GKN Holdings 6.75% 28/10/2019 Reg S	4,414	0.70
4,264,000	RAC Bond 4.87% 06/05/2046 EMTN Reg S	4,405	0.70
4,200,000	Annington Funding 3.935% 12/07/2047 EMTN Reg S	4,380	0.70
3,800,000	Great Rolling Stock 6.25% 27/07/2020 EMTN Reg S	4,198	0.67
2,200,000	Lloyds Bank 13.00% VRN (Perpetual)	4,055	0.65
3,720,000	Co-Operative Bank 4.75% 11/11/2021 Reg S	4,020	0.64
4,250,000	Nemean Bondco 7.375% 01/02/2024 Reg S	3,958	0.63
3,750,000	Virgin Media Secured Finance 5.125% 15/01/2025 Reg S	3,866	0.62
3,000,000	HSBC Bank Funding Sterling I 5.844% VRN (Perpetual)	3,844	0.61
3,675,000	RBS 9.50% VRN (Perpetual)	3,803	0.61
3,550,000	Western Power Distribution 3.625% 06/11/2023 Reg S	3,753	0.60
3,000,000	British Land 5.264% 24/09/2035	3,735	0.59
2,700,000	EDF 6.00% 23/01/2114 EMTN Reg S	3,705	0.59
3,000,000	Investec Bank 9.625% 17/02/2022 EMTN Reg S	3,680	0.59
4,000,000	Cadent Finance 2.75% 22/09/2046 EMTN Reg S	3,667	0.58
2,980,000	Northumbrian Services 6.875% 06/02/2023	3,642	0.58
3,000,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	3,585	0.57
3,800,000	RAC Bond 5.00% 06/05/2046 Reg S	3,571	0.57
3,000,000	BHP Billiton Finance 6.50% VRN 22/10/2077 Reg S	3,486	0.56
3,500,000	Zpg 3.75% 15/07/2023 Reg S	3,459	0.55
3,000,000	Daily Mail & General Trust 6.375% 21/06/2027	3,424	0.55
2,500,000	Thames Water Utilities Caymen Finance 5.50% 11/02/2041 EMTN	3,389	0.54
3,010,000	Aviva 6.125% VRN (Perpetual)	3,360	0.54
2,475,000	EDP Finance Amsterdam 8.625% 04/01/2024 EMTN Reg S	3,284	0.52
3,000,000	TSB Banking Group 5.75% VRN 06/05/2026 EMTN	3,282	0.52
2,350,000	Western Power Distribution (South Wales) Plc 5.75% 23/03 /2040	3,276	0.52
2,850,000	BAT International Finance 4.00% 23/11/2055 EMTN Reg S	3,238	0.52
3,000,000	Southern Water Services 4.5% 31/03/2038 REGS	3,220	0.51
3,000,000	Commerzbank 6.625% 30/08/2019 EMTN	3,203	0.51
2,700,000	Santander UK Group Holdings 6.75% VRN (Perpetual) Reg S	3,015	0.48
3,100,000	Ardagh Packaging Finance / Ardagh Holdings USA 4.75% 15/07/2027 Reg S	3,014	0.48
3,500,000	Intrum Justitia 3.125% 15/07/2024 Reg S	2,998	0.48
3,000,000	Digital Stout Holding 3.30% 19/07/2029 Reg S	2,990	0.48
3,000,000	Barclays 2.375% VRN 06/10/2023 Reg S	2,984	0.48
3,000,000	Bank Ireland Group 3.125% VRN 19/09/2027 EMTN Reg S	2,957	0.47
3,020,000	Boparan Finance 5.50% 15/07/2021 Reg S	2,938	0.47
2,001,000	Peel Holdings 8.375% STEP 30/04/2040	2,896	0.46
2,880,000	Jerrold Finco 6.125% 15/01/2024 Reg S	2,895	0.46
3,325,000	International Personal Finance 4.25% 23/05/2018 EMTN Reg S	2,891	0.46
2,800,000	HBOS 4.50% VRN 18/03/2030 EMTN	2,878	0.46
3,000,000	EDF 5.00% VRN (Perpetual) EMTN Reg S	2,869	0.46
2,500,000	Telecom Italia 5.875% 19/05/2023 EMTN	2,849	0.45
2,940,000	Iron Europe 3.875% 15/11/2025 Reg S	2,792	0.44
3,000,000	Shop Direct Funding 7.75% 15/11/2022 Reg S	2,785	0.44
2,500,000	Barclays Bank 7.125% VRN (Perpetual) Reg S	2,769	0.44
2,500,000	Telefonica Europe 6.75% VRN (Perpetual) Reg S	2,754	0.44



# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,750,000	Liberty Living Finance 3.375% 28/11/2029 Reg S	2,752	0.44
2,000,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	2,726	0.43
2,350,000	Arqiva Financing 5.34% 30/06/2030 Reg S	2,721	0.43
2,100,000	Abbey National Treasury 5.25% 16/02/2029 EMTN Reg S	2,713	0.43
2,500,000	BUPA Finance 6.125% VRN (Perpetual)	2,703	0.43
1,650,000	SMFG Preferred Capital GBP 2 10.231% VRN (Perpetual) Reg S	2,640	0.42
3,000,000	ADLER Real Estate 2.125% 06/02/2024 Reg S	2,628	0.42
2,500,000	Gaz Capital Luxembourg 4.25% 06/04/2024 Reg S	2,623	0.42
2,600,000	Barclays 3.25% 12/02/2027 EMTN Reg S	2,618	0.42
2,000,000	Lloyds Bank 7.625% 22/04/2025 EMTN Reg S	2,606	0.42
2,750,000	Cadent Finance 2.125% 22/09/2028 EMTN Reg S	2,597	0.41
1,763,000	THFC Funding No 2 6.35% 08/07/2041 EMTN	2,590	0.41
2,365,000	America Movil 6.375% VRN 06/09/2073 Reg S	2,590	0.41
2,600,000	Annington Funding 2.646% 12/07/2025 EMTN Reg S	2,569	0.41
3,750,000	ESAL 6.25% 05/02/2023 Reg S	2,568	0.41
2,925,000	Eurofins Scientific SE 3.25% VRN (Perpetual) Reg S	2,567	0.41
2,360,000	Phoenix Life 7.25% VRN (Perpetual)	2,565	0.41
1,750,000	HBOS Sterling Finance Jersey 7.881% VRN (Perpetual)	2,556	0.41
3,500,000	Nielsen Finance Finance 5.00% 15/04/2022 144A	2,547	0.41
2,000,000	Direct Line Insurance Group 9.25% VRN 27/04/2042	2,515	0.40
2,200,000	National Westminster Bank 6.50% 07/09/2021	2,514	0.40
2,500,000	Virgin Media Secured Finance 5.00% 15/04/2027	2,502	0.40
2,500,000	Credit Suisse 5.75% VRN 18/09/2025	2,469	0.39
2,250,000	APT Pipelines 4.25% 26/11/2024 EMTN Reg S	2,453	0.39
2,250,000	AA Bond 6.269% 02/07/2043 EMTN Reg S	2,428	0.39
2,500,000	Aroundtown 3.00% 16/10/2029 EMTN Reg S	2,407	0.38
2,500,000	Petrobras International Finance 4.25% 02/10/2023 Reg S	2,370	0.38
3,000,000	Sabine Pass Liquefaction 5.875% 30/06/2026	2,364	0.38
2,000,000	Standard Chartered Bank 7.75% VRN (Perpetual) EMTN	2,362	0.38
2,000,000	CGNU 6.125% VRN 14/11/2036	2,340	0.37
2,500,000	AA Bond 2.75% 31/07/2043 EMTN Reg S	2,321	0.37
1,800,000	Abbey National Treasury Services 5.75% 02/03/2026 EMTN Reg S	2,303	0.37
1,850,000	Eversholt Funding 6.359% 02/12/2025 EMTN	2,302	0.37
2,000,000	London Power Networks 5.125% 31/03/2023 EMTN	2,296	0.37
2,500,000	Buzzi Unicem 2.125% 28/04/2023 Reg S	2,289	0.36
1,500,000	E.ON International Finance 6.75% 27/01/2039 EMTN	2,273	0.36
2,000,000	RL Finance Bonds 6.125% VRN 30/11/2043 Reg S	2,254	0.36
2,500,000	Silgan Holdings 3.25% 15/03/2025	2,249	0.36
2,250,000	Domestic & General Group 6.375% 15/11/2020 Reg S	2,243	0.36
1,800,000	SPD Finance UK 5.875% 17/07/2026 Reg S	2,239	0.36
1,788,000	London Merchant Securities 6.50% 16/03/2026	2,238	0.36
2,100,000	AT&T 4.25% 01/06/2043	2,233	0.36
2,250,000	McKesson 3.125% 17/02/2029	2,229	0.36
2,000,000	AT&T 4.375% 14/09/2029	2,219	0.35
2,600,000	Telecom Italia Capital 7.20% 18/07/2036	2,200	0.35
1,900,000	Time Warner Cable 5.75% 02/06/2031	2,192	0.35
1,750,000	CPUK Finance 7.239% 28/02/2024 EMTN Reg S	2,181	0.35
2,050,000	Investec 6.75% VRN (Perpetual) EMTN Reg S	2,153	0.34
2,430,000	Algeco Scotsman Global 6.50% 15/02/2023 Reg S	2,151	0.34
3,000,000	Verizon Communications 5.012% 21/08/2054	2,133	0.34
2,420,000	Verisure Midholding 5.75% 01/12/2023 Reg S	2,130	0.34
2,000,000	Cybg 8.00% VRN (Perpetual) Reg S	2,125	0.34

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,000,000	AMC Entertainment Holdings 5.875% 15/11/2026	2,101	0.33
2,000,000	Elm 6.3024% VRN (Perpetual) EMTN Reg S	2,098	0.33
1,693,000	Koninklijke KPN 5.75% 17/09/2029 GMTN Reg S	2,082	0.33
3,000,000	Marb Bondco 6.875% 19/01/2025 Reg S	2,070	0.33
1,950,000	Thames Water Utilities 3.50% 25/02/2028 Reg S	2,054	0.33
2,640,000	MHP SE 8.25% 02/04/2020 Reg S	2,045	0.33
2,050,000	Ball 4.375% 15/12/2023	2,042	0.33
2,300,000	Atf Netherlands 1.875% 19/01/2026 EMTN Reg S	2,036	0.32
2,800,000	ABN AMRO Bank 4.40% VRN 27/03/2028 Reg S	2,036	0.32
2,300,000	Volvo Car 2.00% 24/01/2025 EMTN Reg S	2,020	0.32
2,600,000	GEMS MEA Sukuk 12.00% VRN (Perpetual) Reg S	1,964	0.31
2,000,000	Westfield America Management 2.625% 30/03/2029 Reg S	1,957	0.31
2,250,000	Roadster Finance Designated Activity 2.375% 08/12/2032 EMTN	1,939	0.31
2,000,000	Eurofins Scientific SE 4.875% VRN (Perpetual) Reg S	1,930	0.31
2,000,000	Allied Irish Banks 4.125% VRN 26/11/2025 EMTN Reg S	1,905	0.30
2,000,000	LafargeHolcim Sterling Finance 3.00% 12/05/2032 EMTN Reg S	1,902	0.30
1,900,000	Lloyds Banking Group 2.25% 16/10/2024 EMTN Reg S	1,867	0.30
1,850,000	NN Group 4.625% VRN 13/01/2048 Reg S	1,844	0.29
1,500,000	Standard Life Finance 6.75% VRN (Perpetual)	1,838	0.29
1,500,000	Co-Operative Group 7.50% STEP 08/07/2026	1,836	0.29
1,250,000	AT&T 7.00% 30/04/2040 EMTN	1,836	0.29
2,000,000	UPCB Finance IV 4.00% 15/01/2027 Reg S	1,835	0.29
1,500,000	Rothsay Life 8.00% 30/10/2025 Reg S	1,821	0.29
2,000,000	Smurfit Kappa Acquisitions 2.375% 01/02/2024 Reg S	1,820	0.29
2,500,000	Diamondback Energy 5.375% 31/05/2025	1,817	0.29
1,900,000	Telenet Finance VI Luxembourg SCA 4.875% 15/07/2027 Reg S	1,812	0.29
2,500,000	Parsley Energy / Parsley Finance 5.625% 15/10/2027 144A	1,790	0.29
2,500,000	QEP Resources 5.625% 01/03/2026	1,772	0.28
2,000,000	Intralot Cap Luxembourg 5.25% 15/09/2024 Reg S	1,772	0.28
2,150,000	Cbr Fashion Finance 5.125% 01/10/2022 Reg S	1,771	0.28
1,825,000	BAT Capital 2.125% 15/08/2025 EMTN Reg S	1,769	0.28
1,450,000	Manchester Airport Group Funding 4.75% 31/03/2034 EMTN Reg S	1,759	0.28
1,450,000	Lloyds Bank 5.125% 07/03/2025 EMTN Reg S	1,757	0.28
1,450,000	HSBC Holdings 5.75% 20/12/2027 EMTN	1,754	0.28
1,800,000	Thames Water Utilities 2.875% 03/05/2027 EMTN Reg S	1,729	0.28
1,650,000	Phoenix Group Holdings 4.125% 20/07/2022 EMTN Reg S	1,724	0.27
1,500,000	Old Mutual 8.00% 03/06/2021 EMTN Reg S	1,719	0.27
2,250,000	Time Warner Cable 5.875% 15/11/2040	1,710	0.27
2,000,000	Altice S.A. 7.25% 15/05/2022 Reg S	1,700	0.27
1,500,000	NGG Finance 5.625% VRN 18/06/2073 Reg S	1,685	0.27
2,000,000	Commerzbank 8.125% 19/09/2023 Reg S	1,684	0.27
850,000	Thames Water Utilities 7.738% 09/04/2058 Reg S	1,671	0.27
1,700,000	London & Quadrant Housing Trust 2.625% 28/02/2028 Reg S	1,671	0.27
1,900,000	Deutsche Bank 2.75% 17/02/2025 EMTN Reg S	1,670	0.27
1,500,000	Assicurazioni Generali 6.269% VRN (Perpetual)	1,652	0.26
1,700,000	Akelius Residential 2.375% 15/08/2025 EMTN Reg S	1,629	0.26
1,800,000	Vodafone Group 3.375% 08/08/2049 EMTN Reg S	1,627	0.26
2,250,000	Tronox Finance 5.75% 01/10/2025 144A	1,613	0.26
1,650,000	Thames Water Utilities 2.375% 03/05/2023 EMTN Reg S	1,611	0.26
2,000,000	Barclays Bank 7.625% 21/11/2022	1,604	0.26
1,450,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	1,597	0.25
1,800,000	CEMEX 2.75% 05/12/2024 Reg S	1,584	0.25

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,550,000	AA Bond 4.2487% 31/07/2043 Reg S	1,577	0.25
1,500,000	Cybg 5.00% VRN 09/02/2026 Reg S	1,569	0.25
2,100,000	Hewlett Packard Enterprise 4.90% VRN 15/10/2025	1,567	0.25
1,500,000	Provident Financial 8.00% 23/10/2019 EMTN Reg S	1,560	0.25
2,000,000	International Game Technology 6.50% 15/02/2025 144A	1,560	0.25
2,000,000	BAT International Finance 2.25% 09/09/2052 EMTN Reg S	1,559	0.25
1,350,000	Enel 6.625% VRN 15/09/2076 Reg S	1,536	0.24
1,150,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	1,525	0.24
1,450,000	Garfunkelux Holdco 3 8.50% 01/11/2022 Reg S	1,491	0.24
1,550,000	Barclays 3.25% 17/01/2033	1,484	0.24
1,500,000	UniCredit 6.75% VRN (Perpetual) Reg S	1,456	0.23
2,000,000	Fxi Holdings 7.875% 01/11/2024 144A	1,425	0.23
1,100,000	South Eastern Power Networks 5.625% 30/09/2030 EMTN	1,412	0.22
1,250,000	BUPA Finance 5.00% 08/12/2026 Reg S	1,402	0.22
1,300,000	Assicurazioni Generali 6.416% VRN (Perpetual)	1,401	0.22
1,550,000	Heathrow Funding 2.75% 09/08/2049 Reg S	1,382	0.22
2,000,000	EnLink Midstream Partners 6.00% VRN (Perpetual)	1,375	0.22
1,000,000	Heathrow Funding 6.45% VRN 10/12/2031 Reg S	1,374	0.22
1,500,000	Intesa Sanpaolo 8.047% VRN (Perpetual)	1,351	0.22
2,000,000	Mexico City Airport Trust 5.50% 31/07/2047 Reg S	1,351	0.22
1,050,000	Scottish Widows 7.00% 16/06/2043 Reg S	1,344	0.21
1,500,000	Unilabs Subholding 5.75% 15/05/2025 Reg S	1,336	0.21
1,375,000	Ardagh Packaging Finance / Ardagh Holdings USA 6.75% 15/05/2024 Reg S	1,324	0.21
1,300,000	CPUK Finance 2.666% 28/02/2042 EMTN Reg S	1,322	0.21
1,000,000	Porterbrook Rail Finance 7.125% 20/10/2026 EMTN	1,318	0.21
1,000,000	Dwr Cymru (Financing) 6.015% 31/03/2028	1,318	0.21
1,400,000	Cable Communications Systems 5.00% 15/10/2023 Reg S	1,301	0.21
2,000,000	Teva Pharmaceutical Finance Neth III BV 2.80% 21/07/2023	1,256	0.20
900,000	EDF Energy Networks 6.375% VRN 12/11/2031 EMTN Reg S	1,247	0.20
1,250,000	Nmg Finco 5.00% 01/08/2022 Reg S	1,244	0.20
1,725,000	SPCM 4.875% 15/09/2025 144A	1,229	0.20
1,000,000	Heathrow Funding 7.125% 14/02/2024 EMTN Reg S	1,229	0.20
1,100,000	BAA SH 5.75% 03/03/2025 Reg S	1,225	0.20
1,300,000	Prologis 2.25% 30/06/2029	1,223	0.19
1,200,000	Marks & Spencer 3.00% 08/12/2023 EMTN Reg S	1,220	0.19
1,000,000	Woolwich Building Society 9.50% 07/08/2021	1,219	0.19
1,000,000	Thfc Social Housing Finance 8.75% 18/12/2021	1,212	0.19
850,000	Northern Gas Networks 5.625% 23/03/2040 EMTN	1,200	0.19
1,050,000	Southern Gas Networks 4.875% 05/10/2023 EMTN	1,199	0.19
1,640,000	Johnston Press Bond 8.625% 01/06/2019 Reg S	1,198	0.19
1,000,000	Enel Finance International 5.625% 14/08/2024 EMTN Reg S	1,187	0.19
1,600,000	Sanchez Energy 7.25% 15/02/2023 144A	1,174	0.19
1,330,000	Titan Global Finance 2.375% 16/11/2024 Reg S	1,162	0.19
1,000,000	RL Finance Bonds No 3 6.125% 13/11/2028 Reg S	1,154	0.18
1,100,000	Wales & West Utilities Finance 6.75% VRN 17/12/2036	1,144	0.18
1,150,000	National Express Group 2.50% 11/11/2023 EMTN Reg S	1,143	0.18
1,500,000	CEMEX 6.125% 05/05/2025 Reg S	1,141	0.18
1,000,000	Monks Investment Trust 6.375% 01/03/2023	1,140	0.18
2,000,000	Samarco Mineracao 5.75% 24/10/2023 Reg S	1,131	0.18
1,000,000	Porterbrook Rail Finance 6.50% 20/10/2020 EMTN Reg S	1,121	0.18
1,000,000	Eversholt Funding 5.831% 02/12/2020 EMTN	1,111	0.18
1,200,000	Mercury Bondco 8.25% VRN 30/05/2021 Reg S	1,107	0.18

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,250,000	New Look Secured Issuer 6.50% 01/07/2022 Reg S	1,105	0.18
1,550,000	Enterprise Products Operating 4.875% VRN 16/08/2077	1,105	0.18
1,500,000	Bombardier 7.50% 15/03/2025 144A	1,104	0.18
1,190,000	Codere Finance 2 Luxembourg 6.75% 01/11/2021 Reg S	1,094	0.17
1,750,000	Wind Tre 5.00% 20/01/2026 144A	1,094	0.17
1,000,000	UniCredit 6.95% 31/10/2022 EMTN Reg S	1,082	0.17
1,500,000	AT&T 5.30% 14/08/2058	1,077	0.17
1,500,000	AT&T 3.90% 14/08/2027	1,073	0.17
1,000,000	Intu SGS Finance 3.875% 17/03/2023 Reg S	1,063	0.17
1,050,000	Yorkshire Building Society 3.375% VRN 13/09/2028 EMTN Reg S	1,039	0.17
1,000,000	Kennedy Wilson Europe Real Estate 3.95% 30/06/2022 Reg S	1,039	0.17
1,050,000	Student Finance 2.6663% 30/09/2029 GMTN Reg S	1,038	0.17
1,000,000	Caixa Geral de Depositos 10.75% VRN (Perpetual) Reg S	1,033	0.16
990,000	Daily Mail & General Trust 5.75% 07/12/2018	1,023	0.16
1,000,000	Rabobank 6.625% VRN (Perpetual) Reg S	1,017	0.16
1,000,000	Credit Agricole 5.00% VRN (Perpetual)	1,006	0.16
750,000	Enel Finance International 5.75% 14/09/2040 EMTN	1,006	0.16
700,000	Dwr Cymru (Financing) 4.473% 31/03/2057 EMTN	989	0.16
825,000	SP Manweb 4.875% 20/09/2027 EMTN Reg S	979	0.16
1,275,000	AES Argentina Generacion 7.75% 02/02/2024 Reg S	977	0.16
1,250,000	Lundin Mining 7.875% 01/11/2022 144A	955	0.15
850,000	ABN AMRO Bank 7.125% 06/07/2022 EMTN Reg S	948	0.15
1,500,000	CenturyLink 7.65% 15/03/2042	947	0.15
1,000,000	Dresdner Funding Trust I 8.151% 30/06/2031 144A	947	0.15
1,000,000	Areva 3.25% 04/09/2020 EMTN Reg S	924	0.15
1,000,000	SFR Group 5.625% 15/05/2024 Reg S	893	0.14
975,000	Roadster Finance Designated Activity 1.625% 09/12/2029 EMTN Reg S	850	0.14
900,000	SFR Group 5.375% 15/05/2022	810	0.13
700,000	Eastern Power Networks 4.75% 30/09/2021 EMTN Reg S	774	0.12
1,050,000	AT&T 5.15% 14/02/2050	753	0.12
720,000	Cognita Financing 7.75% 15/08/2021 Reg S	743	0.12
900,000	Wind Tre FRN 20/01/2024 Reg S	733	0.12
1,000,000	UniCredit 6.375% VRN 02/05/2023 Reg S	725	0.12
1,000,000	Barclays Bank 7.75% VRN 10/04/2023	725	0.12
700,000	SSE 3.875% VRN (Perpetual) Reg S	721	0.11
1,000,000	Crown Americas / Crown Americas Cap VI 4.75% 01/02/2026 144A	712	0.11
800,000	Telefonica Emisiones SAU 5.213% 08/03/2047	611	0.10
700,000	Wind Tre 3.125% 20/01/2025 Reg S	551	0.09
400,000	Wales & West Utilities Finance 5.00% 07/03/2028 EMTN	486	0.08
600,000	Credit Suisse 6.50% 08/08/2023 Reg S	478	0.08
350,000	Porterbrook Rail Finance 4.625% 04/04/2029 EMTN Reg S	400	0.06
390,000	Crown European Holdings 2.25% 01/02/2023 Reg S	348	0.06
400,000	Telecom Italia Capital 6.00% 30/09/2034	303	0.05
265,000	Schaeffler Finance 3.25% 15/05/2025 Reg S	250	0.04
270,000	Diamondback Energy 5.375% 31/05/2025 144A	197	0.03
750,000	BIBBY Offshore Services 7.50% 15/06/2021 Reg S	101	0.02
200,000	Cattles 7.125% 05/07/2017 (Defaulted)	1	0.00
700,000	Thomson 0.00% VRN (Perpetual)	0	0.00
310,000	Teksid Aluminum Luxembourg 11.375% VRN 15/07/2011 (Defaulted)	0	0.00
4,000,000	TXU Europe Funding 7.00% 31/12/2049 (Defaulted)	0	0.00

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,081,000	Cattles 6.875% VRN 17/01/2014 EMTN (Defaulted)	0	0.00
674,083	Hellas Telecommun Finance 8.011% VRN 15/07/2015 Reg S (Defaulted)	0	0.00
		<b>507,494</b>	<b>80.83</b>
	<b>Mortgage Related Bonds - (12.91%)</b>		
5,735,685	Tesco Property Finance 5 5.6611% 13/10/2041 Reg S	6,502	1.04
4,878,741	Premiertel 6.175% 08/05/2032	5,500	0.88
3,950,000	Channel Link Enterprises Finance 3.043% VRN 30/06/2050 Reg S	3,865	0.62
3,116,252	Aspire Defence Finance 4.674% 31/03/2040	3,768	0.60
3,500,000	Spirit Issuer FRN 28/12/2031 Reg S	3,378	0.54
2,776,491	Tesco Property Finance 3 5.744% 13/04/2040 Reg S	3,169	0.50
2,612,512	Unique Pub Finance 5.659% 30/06/2027	2,910	0.46
2,336,607	RMPA Services 5.337% 30/09/2038	2,888	0.46
3,625,000	Abu Dhabi Crude Oil Pipeline 4.60% 02/11/2047 Reg S	2,557	0.41
2,500,000	Marstons Issuer 5.158% VRN 15/10/2027	2,495	0.40
2,203,761	Arsenal Securities 5.1418% 01/09/2029	2,435	0.39
2,450,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	2,291	0.36
1,734,002	Juturna European Ln Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	2,071	0.33
1,724,631	Channel Link Enterprises Finance 5.892% 30/06/2041	2,016	0.32
1,624,928	Telereal Securitisation 5.4252% 10/12/2031	1,880	0.30
1,497,570	UPP Bond 1 Issuer 4.9023% 28/02/2040 EMTN Reg S	1,786	0.28
1,648,163	Bishopsgate Asset Finance 4.808% 14/08/2044	1,776	0.28
1,558,457	Dignity Finance 3.5456% 31/12/2034 Reg S	1,632	0.26
1,300,000	Dali Capital 4.7992% 21/12/2037	1,613	0.26
2,194,688	Sprint Spectrum 3.36% 20/03/2023 144A	1,584	0.25
1,331,720	Nats En Route 5.25% 31/03/2026	1,518	0.24
1,222,618	Highbury Finance 7.017% 20/03/2023	1,414	0.23
1,310,638	Greene King Finance 4.0643% 15/03/2035 Reg S	1,404	0.22
1,139,356	White City Property Finance 5.1202% 17/04/2035	1,385	0.22
1,250,000	Cabot Financial Luxembourg 7.50% 01/10/2023 Reg S	1,320	0.21
1,200,000	Intesa Sanpaolo 7.75% VRN (Perpetual) Reg S	1,320	0.21
1,231,000	Unique Pub Finance 6.542% 30/03/2021	1,302	0.21
973,036	Trafford Centre Finance 6.50% 28/07/2033	1,294	0.21
850,000	Peel South East 10.00% 30/04/2026	1,200	0.19
938,630	Aspire Defence Finance 4.674% 31/03/2040	1,134	0.18
1,100,000	Penarian Housing Finance 3.212% 07/06/2052 Reg S	1,069	0.17
915,434	Delamare Finance 5.5457% 19/02/2029	1,014	0.16
808,301	Telereal Securitisation 5.5534% 10/12/2033	963	0.15
1,308,295	Reynolds Group Issuer 5.75% 15/10/2020	955	0.15
900,000	Dignity Finance 4.6956% 31/12/2049 Reg S	901	0.14
561,826	Capital & Counties Debenture 5.562% 31/12/2027	648	0.10
171,989	BL Superstores Finance 5.27% 04/10/2030	189	0.03
106,415	Marstons Issuer 1.9543% VRN 15/07/2020	105	0.02
510,049	Blue Ocean Resources 4.00% STEP 31/12/2020 Reg S	88	0.01
		<b>75,339</b>	<b>12.00</b>
	<b>Gilt Edged Securities - (2.89%)</b>		
5,800,000	UK Gilt 2.00% 07/09/2025 Reg S	6,079	0.97
4,000,000	UK Gilt 6.00% 07/12/2028	5,748	0.92
5,000,000	UK Gilt 2.25% 07/09/2023	5,291	0.84
4,500,000	UK Gilt 1.50% 22/07/2026 Reg S	4,526	0.72
1,350,000	UK Gilt 1.25% 22/07/2027 Reg S	1,315	0.21
		<b>22,959</b>	<b>3.66</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Financials - (0.56%)</b>		
241	Fidelity Institutional Sterling Fund Class A-Acc	5,002	0.80
		<b>5,002</b>	<b>0.80</b>
	<b>Government Bonds - (1.70%)</b>		
2,450,000	US Treasury Note 2.00% 30/04/2024	1,691	0.27
1,250,000	US Treasury Bond 2.50% 15/02/2046	794	0.13
1,000,000	US Treasury Bond 3.00% 15/05/2045	703	0.11
		<b>3,188</b>	<b>0.51</b>
	<b>Futures - ((0.17)%)</b>		
(6,700,000)	EURO-BUND Commodity Future 08/03/2018	223	0.04
(52,700,000)	US 10 Year Treasury Note (CBT) Commodity Future 20/06/2018	116	0.02
(2,500,000)	Euro-BOBL Commodity Future 08/03/2018	30	0.00
(200,000)	EURO BUXL 30 Year Commodity Future 08/03/2018	10	0.00
(900,000)	US 5 Year Treasury Note (CBT) Commodity Future 29/06/2018	2	0.00
8,800,000	Uxym8 20/06/2018	(12)	0.00
(7,300,000)	US Ultra Bond Commodity Future 20/06/2018	(14)	0.00
5,900,000	US 20 Year Long Bond (CBT) Commodity Future 20/06/2018	(31)	0.00
(47,300,000)	Long Gilt Commodity Future 27/06/2018	(33)	(0.01)
		<b>291</b>	<b>0.05</b>
	<b>Energy - (0.00%)</b>		
44,741	BIBBY Offshore Services	224	0.04
		<b>224</b>	<b>0.04</b>
	<b>Consumer Discretionary - (0.04%)</b>		
2,408,053	Independent News & Media (GB)	223	0.04
		<b>223</b>	<b>0.04</b>
	<b>Telecommunication Services - (0.00%)</b>		
100,000	Damovo Group	0	0.00
		<b>0</b>	<b>0.00</b>
	<b>Forward Foreign Exchange Contracts - ((0.18)%)</b>		
(104,690,000)	Bought GBP sold EUR @ 1.126403 for settlement 16/05/2018	339	0.05
1,880,000	Bought USD sold GBP @ 1.396299 for settlement 16/05/2018	7	0.00
1,847,000	Bought USD sold GBP @ 1.391815 for settlement 16/05/2018	2	0.00
810,000	Bought EUR sold GBP @ 1.134057 for settlement 16/05/2018	2	0.00
(1,000,000)	Bought GBP sold USD @ 1.388754 for settlement 16/05/2018	0	0.00
861,000	Bought EUR sold GBP @ 1.127142 for settlement 16/05/2018	(2)	0.00
1,244,000	Bought EUR sold GBP @ 1.123457 for settlement 16/05/2018	(7)	0.00
2,213,000	Bought EUR sold GBP @ 1.121052 for settlement 16/05/2018	(17)	0.00
(2,344,000)	Bought GBP sold EUR @ 1.139884 for settlement 16/05/2018	(17)	0.00
(106,981,000)	Bought GBP sold USD @ 1.396940 for settlement 16/05/2018	(423)	(0.07)
		<b>(116)</b>	<b>(0.02)</b>
	<b>Portfolio of investments</b>	<b>614,604</b>	<b>97.91</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>13,245</b>	<b>2.09</b>
	<b>Net assets</b>	<b>627,849</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>United States - (41.36%)</b>		
903,503	US Bancorp	35,899	4.24
2,756	Fidelity Institutional USD Fund Class A-Acc	34,553	4.08
327,895	Johnson & Johnson	31,170	3.68
715,308	Oracle	26,231	3.10
392,420	Procter & Gamble	22,820	2.69
692,640	Cisco Systems	22,528	2.66
405,756	Maxim Integrated Products	18,214	2.15
657,808	Pfizer	17,466	2.06
192,437	KLA-Tencor	15,769	1.86
600,152	PPL	12,640	1.49
31,299	BlackRock	12,496	1.48
156,435	Microsoft	10,645	1.26
112,215	Chevron	9,208	1.09
187,964	Amdocs	9,015	1.06
200,958	Edison International	8,831	1.04
318,991	CA	8,122	0.96
		<b>295,607</b>	<b>34.90</b>
	<b>United Kingdom - (13.83%)</b>		
1,483,077	Diageo	36,676	4.33
1,286,835	Royal Dutch Shell (A) (NL)	29,883	3.53
999,313	GlaxoSmithKline	13,103	1.55
292,801	British American Tobacco	12,767	1.51
1,907,713	RSA Insurance Group	12,087	1.43
278,681	Unilever	10,446	1.23
1,138,716	National Grid	8,535	1.01
1,298,363	British Land	8,182	0.97
402,292	Admiral Group	7,599	0.90
		<b>139,278</b>	<b>16.44</b>
	<b>Netherlands - (8.19%)</b>		
982,808	Wolters Kluwer	36,088	4.26
2,005,090	RELX	29,815	3.52
		<b>65,903</b>	<b>7.78</b>
	<b>Germany - (6.58%)</b>		
318,271	Deutsche Boerse	30,755	3.63
124,406	Munich RE Group	20,343	2.40
86,551	Siemens	8,319	0.98
191,040	Deutsche Post	6,290	0.74
		<b>65,707</b>	<b>7.76</b>
	<b>Switzerland - (5.63%)</b>		
107,722	Zurich Insurance Group	25,853	3.05
139,165	Roche Holdings	23,541	2.78
237,372	Novartis	14,411	1.70
		<b>63,805</b>	<b>7.53</b>

**Portfolio Statement**

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Japan - (8.44%)</b>		
614,700	Bridgestone	19,821	2.34
413,300	Nippon Telegraph & Telephone	13,881	1.64
642,600	KDDI	11,418	1.35
728,200	Astellas Pharma	7,758	0.92
276,400	Japan Tobacco	5,679	0.67
		<b>58,557</b>	<b>6.91</b>
	<b>France - (3.58%)</b>		
292,187	Vinci SA	21,020	2.48
286,469	Sanofi	16,407	1.94
275,070	SCOR SE	8,484	1.00
		<b>45,911</b>	<b>5.42</b>
	<b>Taiwan - (2.54%)</b>		
5,930,000	Taiwan Semiconductor Manufacturing	35,578	4.20
		<b>35,578</b>	<b>4.20</b>
	<b>Spain - (3.34%)</b>		
706,530	Ferrovial	10,980	1.30
1,653,477	Iberdrola	8,939	1.06
613,270	Red Electrica	8,629	1.02
		<b>28,548</b>	<b>3.37</b>
	<b>Australia - (3.41%)</b>		
1,574,556	Suncorp Group	12,039	1.42
		<b>12,039</b>	<b>1.42</b>
	<b>Finland - (1.09%)</b>		
272,211	Sampo	11,184	1.32
		<b>11,184</b>	<b>1.32</b>
	<b>China - (0.00%)</b>		
1,380,500	China Mobile	9,344	1.10
		<b>9,344</b>	<b>1.10</b>
	<b>Italy - (0.86%)</b>		
393,462	Atlantia	8,833	1.04
		<b>8,833</b>	<b>1.04</b>
	<b>Sweden - (0.00%)</b>		
532,510	Assa ABLOY	8,663	1.02
		<b>8,663</b>	<b>1.02</b>
	<b>Portfolio of investments</b>	<b>848,957</b>	<b>100.21</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(1,839)</b>	<b>(0.21)</b>
	<b>Net assets</b>	<b>847,118</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>United States - (37.72%)</b>		
292,998	US Bancorp	11,642	4.26
107,549	Johnson & Johnson	10,224	3.74
128,822	Procter & Gamble	7,491	2.74
224,869	Cisco Systems	7,314	2.68
131,474	Maxim Integrated Products	5,902	2.16
156,405	Oracle	5,735	2.10
215,116	Pfizer	5,712	2.09
62,694	KLA-Tencor	5,137	1.88
367	Fidelity Institutional USD Fund Class A-Acc	4,600	1.68
194,573	PPL	4,098	1.50
10,145	BlackRock	4,051	1.48
51,227	Microsoft	3,486	1.28
36,286	Chevron	2,978	1.09
61,057	Amdocs	2,928	1.07
64,982	Edison International	2,856	1.04
103,517	CA	2,636	0.96
		<b>86,790</b>	<b>31.75</b>
	<b>United Kingdom - (13.65%)</b>		
480,155	Diageo	11,874	4.34
415,827	Royal Dutch Shell (A) (NL)	9,656	3.53
326,601	GlaxoSmithKline	4,282	1.57
93,960	British American Tobacco	4,097	1.50
616,914	RSA Insurance Group	3,909	1.43
91,881	Unilever	3,444	1.26
361,858	National Grid	2,712	0.99
419,292	British Land	2,643	0.97
131,504	Admiral Group	2,484	0.91
		<b>45,101</b>	<b>16.50</b>
	<b>Netherlands - (8.30%)</b>		
321,152	Wolters Kluwer	11,793	4.31
648,884	RELX	9,649	3.53
		<b>21,442</b>	<b>7.84</b>
	<b>Germany - (6.69%)</b>		
103,440	Deutsche Boerse	9,995	3.66
40,229	Munich RE Group	6,578	2.41
27,986	Siemens	2,690	0.98
62,964	Deutsche Post	2,073	0.76
		<b>21,336</b>	<b>7.81</b>
	<b>Switzerland - (5.68%)</b>		
35,205	Zurich Insurance Group	8,449	3.09
45,418	Roche Holdings	7,683	2.81
78,235	Novartis	4,750	1.74
		<b>20,882</b>	<b>7.64</b>
	<b>Japan - (8.55%)</b>		
202,800	Bridgestone	6,539	2.39
134,900	Nippon Telegraph & Telephone	4,531	1.66
211,900	KDDI	3,765	1.38
235,500	Astellas Pharma	2,509	0.92
91,600	Japan Tobacco	1,882	0.69
		<b>19,226</b>	<b>7.03</b>

**Portfolio Statement**

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>France - (3.60%)</b>		
96,496	Vinci SA	6,942	2.54
92,632	Sanofi	5,305	1.94
88,952	SCOR SE	2,743	1.00
		<b>14,990</b>	<b>5.48</b>
	<b>Taiwan - (2.56%)</b>		
1,924,000	Taiwan Semiconductor Manufacturing	11,543	4.22
		<b>11,543</b>	<b>4.22</b>
	<b>Spain - (3.39%)</b>		
229,547	Ferrovial	3,567	1.31
545,463	Iberdrola	2,949	1.08
199,211	Red Electrica	2,803	1.03
		<b>9,319</b>	<b>3.41</b>
	<b>Australia - (3.43%)</b>		
519,427	Suncorp Group	3,971	1.45
		<b>3,971</b>	<b>1.45</b>
	<b>Finland - (1.10%)</b>		
88,880	Sampo	3,652	1.34
		<b>3,652</b>	<b>1.34</b>
	<b>China - (0.00%)</b>		
452,500	China Mobile	3,063	1.12
		<b>3,063</b>	<b>1.12</b>
	<b>Italy - (0.89%)</b>		
127,237	Atlantia	2,856	1.04
		<b>2,856</b>	<b>1.04</b>
	<b>Sweden - (0.00%)</b>		
175,266	Assa ABLOY	2,851	1.04
		<b>2,851</b>	<b>1.04</b>
	<b>Contracts for Difference - (0.02%)</b>		
76,193	Oracle (CFD)	336	0.12
		<b>336</b>	<b>0.12</b>
	<b>Options - ((0.83)%)</b>		
(2,000)	Call Chevron CBOE 16/03/2018	0	0.00
(12,000)	Call Edison International CBOE 20/04/2018	0	0.00
(7,500)	Call Johnson & Johnson CBOE 16/03/2018	0	0.00
(7,000)	Call Procter & Gamble CBOE 16/03/2018	0	0.00
(2,000)	Call Procter & Gamble CBOE 20/04/2018	0	0.00
(3,800)	Call Chevron CBOE 16/03/2018	0	0.00
(11,700)	Call Johnson & Johnson CBOE 16/03/2018	0	0.00
(25,000)	Call Novartis ICE 16/03/2018	0	0.00
(80,000)	Call Diageo ICE 16/03/2018	0	0.00
(25,000)	Call Deutsche Post ICE 16/03/2018	0	0.00
(1,800)	Call Chevron CBOE 16/03/2018	0	0.00
(10,000)	Call Siemens ICE 20/04/2018	0	0.00
(2,500)	Call Procter & Gamble CBOE 16/03/2018	0	0.00
(300)	Call BlackRock CBOE 16/03/2018	0	0.00
(5,000)	Call Chevron CBOE 20/04/2018	0	0.00
(2,000)	Call Johnson & Johnson CBOE 20/04/2018	0	0.00
(4,000)	Call CA CBOE 16/03/2018	0	0.00
(2,000)	Call Amdocs CBOE 16/03/2018	0	0.00

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
(2,500)	Call Pfizer CBOE 16/03/2018	0	0.00
(2,000)	Call Microsoft CBOE 20/04/2018	0	0.00
(10,000)	Call Pfizer CBOE 16/03/2018	0	0.00
(2,500)	Call Pfizer CBOE 16/03/2018	0	0.00
(25,000)	Call Bridgestone 13/04/2018	0	0.00
7,200	Call Deutsche Post EUREX 16/03/2018	0	0.00
(1,000)	Call CA CBOE 18/05/2018	0	0.00
(2,000)	Call Maxim Integrated Products CBOE 16/03/2018	(1)	0.00
(200)	Call BlackRock CBOE 20/04/2018	(1)	0.00
(1,000)	Call Maxim Integrated Products CBOE 20/04/2018	(1)	0.00
(5,000)	Call Oracle CBOE 20/04/2018	(1)	0.00
(10,000)	Call Atlantia MSE 20/04/2018	(1)	0.00
(5,000)	Call CA CBOE 16/03/2018	(1)	0.00
(1,000)	Call Microsoft CBOE 20/04/2018	(1)	0.00
(25,000)	Call Deutsche Post ICE 20/04/2018	(1)	0.00
(12,500)	Call Vinci ICE 20/04/2018	(1)	0.00
(19,000)	Call Unilever ICE 16/03/2018	(1)	0.00
(10,500)	Call Munich RE Group ICE 16/03/2018	(1)	0.00
(9,000)	Call Siemens ICE 16/03/2018	(1)	0.00
(49,000)	Call Royal Dutch Shell (A) (NL) EOE 16/03/2018	(1)	0.00
(9,000)	Call Atlantia MSE 16/03/2018	(1)	0.00
(17,500)	Call Royal Dutch Shell (A) (NL) EUREX 16/03/2018	(1)	0.00
(16,200)	Call Johnson & Johnson CBOE 20/04/2018	(1)	0.00
(10,000)	Call British American Tobacco ICE 16/03/2018	(1)	0.00
(20,000)	Call Diageo ICE 16/03/2018	(1)	0.00
(30,000)	Call Royal Dutch Shell (A) (NL) EUREX 16/03/2018	(1)	0.00
(15,500)	Call Procter & Gamble CBOE 20/04/2018	(1)	0.00
(60,000)	Call Suncorp Group ACE 28/03/2018	(1)	0.00
(5,000)	Call Roche Holdings ICE 16/03/2018	(1)	0.00
(19,500)	Call US Bancorp CBOE 16/03/2018	(1)	0.00
(20,000)	Call British American Tobacco ICE 16/03/2018	(2)	0.00
(600)	Call BlackRock CBOE 20/04/2018	(2)	0.00
(9,300)	Call Munich RE Group ICE 20/04/2018	(2)	0.00
(12,500)	Call Vinci ICE 20/04/2018	(2)	0.00
(6,400)	Call Kla-Tencor CBOE 16/03/2018	(2)	0.00
(15,000)	Call British American Tobacco ICE 20/04/2018	(1)	0.00
(20,000)	Call Unilever ICE 20/04/2018	(1)	0.00
(6,000)	Call CA CBOE 16/03/2018	(2)	0.00
(75,000)	Call Diageo ICE 20/04/2018	(2)	0.00
(15,000)	Call British American Tobacco ICE 20/04/2018	(2)	0.00
(3,000)	Call Chevron CBOE 18/05/2018	(2)	0.00
(5,000)	Call Pfizer CBOE 15/06/2018	(2)	0.00
(3,000)	Call Amdocs CBOE 16/03/2018	(2)	0.00
(7,000)	Call CA CBOE 18/05/2018	(3)	0.00
(5,000)	Call Maxim Integrated Products CBOE 18/05/2018	(3)	0.00
(7,500)	Call Cisco Systems CBOE 15/06/2018	(3)	0.00
(9,000)	Call CA CBOE 20/04/2018	(3)	0.00
(2,000)	Call Chevron CBOE 18/05/2018	(3)	0.00
(25,000)	Call Novartis ICE 20/04/2018	(3)	0.00
(25,000)	Call Sampo ICE 20/04/2018	(3)	0.00
(10,000)	Call Zurich Insurance Group ICE 20/04/2018	(3)	0.00
(1,000)	Call Microsoft CBOE 20/04/2018	(3)	0.00

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
(4,300)	Call CA CBOE 18/05/2018	(3)	0.00
(25,000)	Call Vinci ICE 16/03/2018	(3)	0.00
(72,500)	Call Wolters Kluwer ICE 16/03/2018	(3)	0.00
(29,000)	Call Pfizer CBOE 16/03/2018	(3)	0.00
(40,000)	Call British Land ICE 16/03/2018	(3)	0.00
(5,000)	Call US Bancorp CBOE 16/03/2018	(3)	0.00
(160,000)	Call RELX ICE 16/03/2018	(4)	0.00
(29,000)	Call Oracle CBOE 16/03/2018	(4)	0.00
(38,500)	Call US Bancorp CBOE 16/03/2018	(4)	0.00
(50,000)	Call British Land ICE 16/03/2018	(3)	0.00
(100,000)	Call Royal Dutch Shell (A) ICE 20/04/2018	(4)	0.00
(4,000)	Call Microsoft CBOE 15/06/2018	(4)	0.00
(10,000)	Call US Bancorp CBOE 20/04/2018	(4)	0.00
(3,000)	Call Microsoft CBOE 15/06/2018	(5)	0.00
(7,500)	Call Cisco Systems CBOE 16/03/2018	(5)	0.00
(10,500)	Call Cisco Systems CBOE 20/04/2018	(5)	0.00
(35,000)	Call US Bancorp CBOE 20/04/2018	(5)	0.00
(5,000)	Call CA CBOE 18/05/2018	(5)	0.00
(2,500)	Call Microsoft CBOE 20/04/2018	(5)	0.00
(20,000)	Call Oracle CBOE 20/04/2018	(6)	0.00
(25,000)	Call Diageo ICE 18/05/2018	(6)	0.00
(98,000)	Call British Land ICE 18/05/2018	(7)	0.00
(7,000)	Call Cisco Systems CBOE 20/04/2018	(7)	0.00
(7,000)	Call Johnson & Johnson CBOE 18/05/2018	(7)	0.00
(6,000)	Call Kla-Tencor CBOE 20/04/2018	(6)	0.00
(10,000)	Call Cisco Systems CBOE 20/04/2018	(7)	0.00
(100,000)	Call British Land ICE 20/04/2018	(7)	0.00
(100,000)	Call RSA Insurance Group ICE 16/03/2018	(7)	0.00
(3,000)	Call Cisco Systems CBOE 20/04/2018	(8)	0.00
(37,500)	Call Wolters Kluwer ICE 20/04/2018	(8)	0.00
(50,000)	Call Royal Dutch Shell (A) (NL) ICE 18/05/2018	(8)	0.00
(25,000)	Call Diageo ICE 18/05/2018	(8)	0.00
(25,000)	Call Sampo ICE 18/05/2018	(9)	0.00
(6,000)	Call Cisco Systems CBOE 20/04/2018	(9)	0.00
(900)	Call BlackRock CBOE 20/04/2018	(10)	0.00
(13,000)	Call Oracle CBOE 20/04/2018	(10)	0.00
(25,000)	Call Sampo ICE 16/03/2018	(10)	0.00
(20,000)	Call Amdocs CBOE 20/04/2018	(10)	0.00
(500,000)	Call Taiwan Semiconductor Manufacturing 18/04/2018	(10)	0.00
(6,000)	Call Maxim Integrated Products CBOE 18/05/2018	(10)	0.00
(5,000)	Call Maxim Integrated Products CBOE 16/03/2018	(10)	0.00
(20,000)	Call Oracle CBOE 16/03/2018	(11)	0.00
(25,000)	Call Oracle CBOE 18/05/2018	(12)	0.00
(37,500)	Call Wolters Kluwer ICE 18/05/2018	(12)	0.00
(35,000)	Call Pfizer CBOE 20/04/2018	(12)	0.00
(22,500)	Call Cisco Systems CBOE 15/06/2018	(13)	0.00
(11,000)	Call Microsoft CBOE 20/04/2018	(13)	0.00
(15,800)	Call Kla-Tencor CBOE 16/03/2018	(13)	0.00
(5,000)	Call Zurich Insurance Group ICE 16/03/2018	(14)	(0.01)
(25,000)	Call Vinci ICE 18/05/2018	(16)	(0.01)
(8,000)	Call Microsoft CBOE 16/03/2018	(17)	(0.01)

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
(50,000)	Call Pfizer CBOE 16/03/2018	(18)	(0.01)
(16,500)	Call Cisco Systems CBOE 16/03/2018	(18)	(0.01)
(30,000)	Call US Bancorp CBOE 18/05/2018	(19)	(0.01)
(9,000)	Call Cisco Systems CBOE 16/03/2018	(21)	(0.01)
(10,000)	Call Zurich Insurance Group ICE 18/05/2018	(24)	(0.01)
(5,000)	Call Zurich Insurance Group ICE 16/03/2018	(25)	(0.01)
(14,000)	Call Cisco Systems CBOE 20/04/2018	(28)	(0.01)
(30,000)	Call Deutsche Boerse ICE 18/05/2018	(30)	(0.01)
(9,800)	Call Maxim Integrated Products CBOE 18/05/2018	(33)	(0.01)
(10,000)	Call Microsoft CBOE 16/03/2018	(35)	(0.01)
(18,000)	Call Munich RE Group 18/05/2018	(37)	(0.01)
(500,000)	Call Taiwan Semiconductor Manufacturing 21/03/2018	(37)	(0.01)
(10,000)	Call Deutsche Boerse ICE 16/03/2018	(51)	(0.02)
(20,000)	Call Deutsche Boerse ICE 16/03/2018	(87)	(0.03)
(31,000)	Call Cisco Systems CBOE 16/03/2018	(94)	(0.03)
(30,000)	Call Deutsche Boerse ICE 20/04/2018	(158)	(0.06)
		<b>(1,177)</b>	<b>(0.43)</b>
	<b>Portfolio of investments</b>	<b>266,181</b>	<b>97.36</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>7,152</b>	<b>2.64</b>
	<b>Net assets</b>	<b>273,333</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>United States - (58.75%)</b>		
1,028,361	Huntington Bancshares	11,751	2.82
98,459	SBA Communications (A)	11,605	2.78
201,326	Bunge	10,883	2.61
849	Fidelity Institutional USD Fund Class A-Acc	10,640	2.55
207,441	Leidos Holdings	9,772	2.34
194,507	Akamai Technologies	9,584	2.30
318,886	Booz Allen Hamilton Holding C (A)	8,858	2.12
124,644	AmerisourceBergen	8,789	2.11
227,822	Dril-Quip	7,586	1.82
385,655	Mosaic	7,468	1.79
63,099	Concho Resources	6,977	1.67
219,466	Kennametal	6,837	1.64
119,519	Molson Coors Brewing (B)	6,611	1.58
109,197	BioMarin Pharmaceutical	6,547	1.57
250,551	Weyerhaeuser	6,383	1.53
212,928	Mylan	6,321	1.51
88,478	Cimarex Energy	6,257	1.50
82,752	Verisk Analytics	6,159	1.48
104,832	Royal Gold	6,155	1.47
153,505	CBS (B)	6,003	1.44
284,401	Newell Brands	5,536	1.33
103,689	Dell Technologies (V)	5,445	1.30
26,000	ABIOMED	5,092	1.22
135,700	Edgewell Personal Care	4,938	1.18
65,803	SCOTTS MIRACLE GRO CO	4,327	1.04
		<b>186,524</b>	<b>44.68</b>
	<b>United Kingdom - (6.77%)</b>		
2,819,700	Ocado Group	15,508	3.72
2,189,543	Beazley	11,528	2.76
316,873	Spectris	8,682	2.08
1,239,987	Sage Group	8,618	2.06
3,571,006	Booker Group	8,188	1.96
408,305	Bunzl	8,009	1.92
		<b>60,533</b>	<b>14.50</b>
	<b>Japan - (9.44%)</b>		
207,100	Sysmex	12,429	2.98
726,200	ORIX	9,350	2.24
344,700	Recruit Holdings	6,019	1.44
		<b>27,798</b>	<b>6.66</b>
	<b>India - (2.60%)</b>		
874,029	Kotak Mahindra Bank	10,540	2.53
376,564	Jubilant Foodworks	8,480	2.03
3,043,092	Bank of Baroda	4,773	1.14
		<b>23,793</b>	<b>5.70</b>
	<b>Sweden - (0.84%)</b>		
714,025	Assa ABLOY	11,616	2.78
669,889	Elektro	4,454	1.07
1,047	Spotify Technology (unlisted)	3,630	0.87
		<b>19,700</b>	<b>4.72</b>

**Portfolio Statement**

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Thailand - (0.00%)</b>		
1,582,500	Kasikornbank (F)	8,443	2.02
18,286,400	Thai Beverage	8,335	2.00
		<b>16,778</b>	<b>4.02</b>
	<b>Germany - (4.42%)</b>		
93,741	Deutsche Boerse	9,058	2.17
217,886	Deutsche Wohnen	6,516	1.56
		<b>15,574</b>	<b>3.73</b>
	<b>Denmark - (2.10%)</b>		
58,377	Genmab	8,478	2.03
150,968	Novozymes	5,650	1.35
		<b>14,128</b>	<b>3.38</b>
	<b>France - (2.89%)</b>		
203,531	Sartorius Stedim Biotech	13,085	3.13
		<b>13,085</b>	<b>3.13</b>
	<b>Italy - (0.92%)</b>		
354,351	Prysmian	8,065	1.93
		<b>8,065</b>	<b>1.93</b>
	<b>Switzerland - (2.46%)</b>		
159,777	Julius Baer Group	7,532	1.80
		<b>7,532</b>	<b>1.80</b>
	<b>Ireland - (0.00%)</b>		
486,827	Ryanair Holdings	6,906	1.65
0	Fidelity Institutional Euro Fund Class A-Acc	5	0.00
		<b>6,911</b>	<b>1.66</b>
	<b>China - (1.76%)</b>		
17,634,000	Lenovo Group	6,655	1.59
		<b>6,655</b>	<b>1.59</b>
	<b>Taiwan - (0.00%)</b>		
1,838,000	Realtek Semiconductor	5,200	1.25
		<b>5,200</b>	<b>1.25</b>
	<b>Australia - (0.00%)</b>		
1,172,169	South32	2,194	0.53
		<b>2,194</b>	<b>0.53</b>
	<b>Singapore - (0.40%)</b>		
1,678,700	Delfi	1,393	0.33
		<b>1,393</b>	<b>0.33</b>
	<b>Contracts for Difference - (0.00%)</b>		
16,748	Fairfax Financial Holdings (CFD)	571	0.14
		<b>571</b>	<b>0.14</b>
	<b>Portfolio of investments</b>	<b>416,434</b>	<b>99.75</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>987</b>	<b>0.25</b>
	<b>Net assets</b>	<b>417,421</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Corporate Bonds - (87.57%)</b>		
3,200,000	HCA 5.25% 15/04/2025	2,370	1.78
2,300,000	Areva 4.875% 23/09/2024 EMTN	2,243	1.69
2,210,000	Ally Financial 8.00% 01/11/2031	1,978	1.49
2,250,000	JBS USA / JBS USA Finance 5.75% 15/06/2025 144A	1,544	1.16
1,630,000	Neptune Finco 10.875% 15/10/2025 144A	1,389	1.04
1,900,000	Fortune Star (BVI) 5.375% 05/12/2020 Reg S	1,378	1.04
1,500,000	Aramark International Finance SARL 3.125% 01/04/2025 Reg S	1,374	1.03
1,800,000	Inception Merger Sub Inc/ Rackspace Hosting 8.625% 15/11/2024 144A	1,349	1.01
1,800,000	AMC Entertainment Holdings 5.875% 15/11/2026	1,261	0.95
1,600,000	IHS Netherlands Holdco 9.50% 27/10/2021 Reg S	1,232	0.93
1,400,000	Verisure Midholding 5.75% 01/12/2023 Reg S	1,232	0.93
1,600,000	Tsinghua Unic 5.375% 31/01/2023 Reg S	1,146	0.86
1,000,000	Lloyds Banking Group 7.625% VRN (Perpetual)	1,141	0.86
1,600,000	Ashtead Capital 4.125% 15/08/2025 144A	1,125	0.85
1,500,000	Alfa Bond Issuance 8.00% VRN (Perpetual) Reg S	1,123	0.84
1,200,000	Nemean Bondco 7.375% 01/02/2024 Reg S	1,118	0.84
1,500,000	Bombardier 7.50% 15/03/2025 144A	1,104	0.83
1,676,000	Csvc Acquisition 7.75% 15/06/2025 144A	1,096	0.82
1,520,000	Sprint 7.125% 15/06/2024	1,082	0.81
1,475,000	Puma International Financing 5.125% 06/10/2024 Reg S	1,077	0.81
1,600,000	Frontier Communications 9.25% 01/07/2021	1,055	0.79
1,000,000	Cybg 5.00% VRN 09/02/2026 Reg S	1,046	0.79
1,000,000	Caixa Geral de Depositos 10.75% VRN (Perpetual) Reg S	1,033	0.78
1,000,000	AA Bond 4.2487% 31/07/2043 Reg S	1,017	0.76
1,400,000	Global Partners / GLP Finance 6.25% 15/07/2022	1,011	0.76
1,400,000	Fmg Resources August 2006 Pty 5.125% 15/05/2024 144A	1,007	0.76
1,374,000	Banco Mercantil Nrt Gcb 5.75% VRN 04/10/2031 Reg S	985	0.74
1,300,000	First Quantum Minerals 7.25% 01/04/2023 144A	971	0.73
1,650,000	Teva Pharmaceutical Finance Neth III BV 3.15% 01/10/2026	970	0.73
1,200,000	CEMEX 7.75% 16/04/2026 Reg S	969	0.73
1,300,000	C&W Senior Financing Designated Activity Company 6.875% 15/09/2027 144A	965	0.73
1,300,000	Western Digital 4.75% 15/02/2026	941	0.71
1,000,000	Cable Communications Systems 5.00% 15/10/2023 Reg S	929	0.70
1,250,000	Studio City Finance 8.50% 01/12/2020 Reg S	923	0.69
1,100,000	Blue Cube Spinco 9.75% 15/10/2023	920	0.69
1,285,000	Pilgrims Pride 5.875% 30/09/2027 144A	903	0.68
1,100,000	AES Andres / Dominican Power Partners 7.95% 11/05/2026 Reg S	851	0.64
1,200,000	Calpine Corporation 5.25% 01/06/2026 144A	838	0.63
1,150,000	Sunoco / Sunoco Finance 5.875% 15/03/2028 144A	831	0.63
1,100,000	Indika Energy Capital II 6.875% 10/04/2022 Reg S	824	0.62
1,050,000	Blueline Rent Finance / Blueline Rent 9.25% 15/03/2024 144A	815	0.61
1,150,000	QEP Resources 5.625% 01/03/2026	815	0.61
1,025,000	Scientific Games International 10.00% 01/12/2022	803	0.60
1,081,000	Denbury Resources 9.00% 15/05/2021 144A	800	0.60
1,100,000	Prime Bloom Holdings 7.50% 19/12/2019 Reg S	795	0.60
1,050,000	ST Marys Cem CDA 5.75% 28/01/2027 Reg S	775	0.58
1,100,000	APL Realty Holding 5.95% 02/06/2024 Reg S	769	0.58
1,050,000	Methanex 5.65% 01/12/2044	765	0.58
1,000,000	KCA Deutag UK Finance 9.875% 01/04/2022 144A	762	0.57
900,000	Commerzbank Akt Sub 144A 8.125% 19/09/2023 144A	758	0.57



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,050,000	Ensco 8.00% 31/01/2024	754	0.57
952,000	Prime Security Services Borrower / Prime Finance 9.25% 15/05/2023 144A	750	0.56
1,000,000	Yingde Gases Investment 7.25% 28/02/2020 Reg S	744	0.56
950,000	Transocean 9.00% 15/07/2023 144A	739	0.56
1,050,000	Weatherford International 8.25% 15/06/2023	736	0.55
1,000,000	Diamond Offshore Drilling 7.875% 15/08/2025	735	0.55
1,000,000	Altice Financing 7.50% 15/05/2026 Reg S	732	0.55
950,000	Asahi Mutual Life Insurance 7.25% VRN (Perpetual) Reg S	729	0.55
1,025,000	Inkia Energy 5.875% 09/11/2027 Reg S	729	0.55
1,000,000	Petra Diamonds US Treasury 7.25% 01/05/2022 Reg S	727	0.55
981,000	ZF North America Capital 4.75% 29/04/2025 144A	727	0.55
950,000	Stats Chippac 8.50% 24/11/2020 Reg S	725	0.55
1,000,000	United Photovoltaics Group 8.25% 25/01/2020 Reg S	724	0.54
950,000	Lee Enterprises 9.50% 15/03/2022 144A	719	0.54
1,000,000	China Evergrande Group 7.50% 28/06/2023 Reg S	712	0.54
950,000	Wanda Properties International 7.25% 29/01/2024 Reg S	707	0.53
1,000,000	Park Aerospace Holdings 4.50% 15/03/2023 144A	701	0.53
900,000	Golden Legacy 8.25% 07/06/2021 Reg S	695	0.52
1,000,000	Fage International Sa/Fage USA Dairy Ind 5.625% 15/08/2026 144A	681	0.51
1,000,000	Theta Capital 6.75% 31/10/2026 Reg S	679	0.51
925,000	Mattel 6.75% 31/12/2025 144A	679	0.51
900,000	Global Ship Lease 9.875% 15/11/2022 144A	660	0.50
900,000	Lennar 4.875% 15/12/2023	653	0.49
900,000	SLM 6.125% 25/03/2024	646	0.49
695,000	Smurfit Kappa Acquisitions 2.375% 01/02/2024 Reg S	632	0.48
1,000,000	Wind Tre 5.00% 20/01/2026 144A	625	0.47
800,000	Navient 6.50% 15/06/2022	601	0.45
800,000	SESI 7.75% 15/09/2024 144A	601	0.45
775,000	Evolution Escrow Issuer 7.50% 15/03/2022 144A	578	0.43
800,000	Clear Channel Worldwide Holdings 7.625% 15/03/2020	574	0.43
800,000	Telenet Finance Luxembourg Notes SARL 5.50% 01/03/2028 144A	556	0.42
750,000	Sanchez Energy 7.25% 15/02/2023 144A	551	0.41
600,000	Kronos International 3.75% 15/09/2025 Reg S	545	0.41
715,000	AES Panama 6.00% 25/06/2022 Reg S	535	0.40
750,000	Valeant Pharmaceuticals International CDA 5.50% 01/11/2025 144A	535	0.40
760,000	SoftBank Group 4.75% 19/09/2024 Reg S	534	0.40
800,000	Digicel 6.75% 01/03/2023 Reg S	530	0.40
600,000	Diamond 1 Finance / Diamond 2 Finance 8.10% 15/07/2036 144A	529	0.40
700,000	Biostime International Holdings 7.25% 21/06/2021 Reg S	526	0.40
750,000	Hologic 4.625% 01/02/2028 144A	524	0.39
680,000	Credito Real 2.875% 09/02/2022 Reg S	522	0.39
14,500,000	JPMorgan Chase 0.00% 23/01/2019 Reg S	517	0.39
750,000	JC Penney 5.875% 01/07/2023 144A	516	0.39
500,000	Garfunkelux Holdco 3 8.50% 01/11/2022 Reg S	514	0.39
700,000	Cheniere Corpus Christi Holdings 5.125% 30/06/2027	511	0.38
570,000	Algeco Scotsman Global 6.50% 15/02/2023 Reg S	505	0.38
700,000	Modernland Overseas 6.95% 13/04/2024 Reg S	505	0.38
700,000	Valeant Pharmaceuticals International 5.375% 15/03/2020 144A	502	0.38
700,000	First Quantum Minerals 6.875% 01/03/2026 144A	501	0.38
600,000	Norwegian Air Shuttle 7.25% 11/12/2019	489	0.37
550,000	Equinix 2.875% 01/02/2026	475	0.36

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
500,000	Cemex Finance 4.625% 15/06/2024 Reg S	473	0.36
670,000	Starwood Property Trust 4.75% 15/03/2025 144A	466	0.35
700,000	Ajecorp 6.50% 14/05/2022 Reg S	465	0.35
600,000	Building Materials Amer 6.00% 15/10/2025 144A	456	0.34
550,000	Kleopatra Holdings 1 S C A 8.50% VRN 30/06/2023 Reg S	448	0.34
624,000	Petrobras Global Finance 5.999% 27/01/2028 Reg S	445	0.33
640,000	Intelsat Jackson Holdings 9.75% 15/07/2025 144A	436	0.33
600,000	Citgo Petroleum 6.25% 15/08/2022 144A	432	0.32
500,000	Braskem American Finance 7.125% 22/07/2041 Reg S	427	0.32
700,000	Navios Maritime US 8.125% 15/11/2021 144A	412	0.31
600,000	EnLink Midstream Partners 6.00% VRN (Perpetual)	412	0.31
650,000	Albertsons Cos / WM Morrison Supermarkets / New Albertsons / Albertsons 5.75% 15/03/2025	411	0.31
550,000	Andeavor Logistics / Tesoro Logistics Finance 5.25% 15/01/2025	408	0.31
605,000	Community Health Systems 6.25% 31/03/2023	401	0.30
550,000	Wtt Investment 5.50% 21/11/2022 Reg S	396	0.30
500,000	Kindred Healthcare 8.75% 15/01/2023	383	0.29
500,000	Charter Communications Operating 4.908% 23/07/2025	371	0.28
500,000	Studio City Finance 8.50% 01/12/2020 144A	369	0.28
475,000	Lodha Dev Intrnl Mauritius 12.00% 13/03/2020 Reg S	365	0.27
500,000	Sally Holdings / Cap 5.625% 01/12/2025	363	0.27
500,000	Rite Israel Jordan Aid 6.125% 01/04/2023 144A	363	0.27
550,000	CF Industries 4.95% 01/06/2043	362	0.27
525,000	SM Energy 5.625% 01/06/2025	361	0.27
500,000	SFR Group 6.00% 15/05/2022 144A	350	0.26
500,000	Mexico City Airport Trust 5.50% 31/07/2047 Reg S	338	0.25
450,000	Credivalores 9.75% 27/07/2022 Reg S	333	0.25
450,000	Goodyear Tire & Rubber 5.125% 15/11/2023	331	0.25
415,000	GW Honos SEC 8.75% 15/05/2025 144A	322	0.24
450,000	NRG Energy 5.75% 15/01/2028 144A	320	0.24
400,000	Generacion Mediterranea / Generacion Frias / Central Termica Roca 9.625% 27/07/2023 Reg S	313	0.24
400,000	Dynegy 8.00% 15/01/2025 144A	313	0.24
405,000	APX Group 7.625% 01/09/2023	309	0.23
420,000	CCO Holdings Llc/Cap 5.875% 01/05/2027 144A	307	0.23
400,000	APX Group 7.875% 01/12/2022	304	0.23
400,000	Intelsat Jackson Holdings 8.00% 15/02/2024 144A	303	0.23
5,780,000,000	Wijaya Karya PT 7.70% 31/01/2021 Reg S	303	0.23
420,000	Fxi Holdings 7.875% 01/11/2024 144A	299	0.22
420,000	DISH DBS 7.75% 01/07/2026	298	0.22
400,000	LBC Tank Terminals Holding Netherlands 6.875% 15/05/2023 144A	297	0.22
400,000	Altice Finco 8.125% 15/01/2024 144A	296	0.22
400,000	Shui On Development Holdings 8.70% 19/05/2018 Reg S	291	0.22
590,000	JC Penney 6.375% 15/10/2036	288	0.22
360,000	International Personal Finance 5.75% 07/04/2021 EMTN Reg S	286	0.22
400,000	Valvoline 4.375% 15/08/2025	283	0.21
400,000	Iron 5.25% 15/03/2028 144A	276	0.21
400,000	Digicel 6.00% 15/04/2021 Reg S	270	0.20
400,000	Intelsat Jackson Holdings 7.25% 15/10/2020	268	0.20
400,000	Digicel Group 8.25% 30/09/2020 Reg S	266	0.20
330,000	Telecom Italia Capital 6.00% 30/09/2034	250	0.19
350,000	United Rentals North America 4.875% 15/01/2028	246	0.19

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
300,000	Carrizo Oil & Gas 8.25% 15/07/2025	230	0.17
300,000	Credivalores 9.75% 27/07/2022 Reg S	222	0.17
450,000	Fresh Market 9.75% 01/05/2023 144A	221	0.17
300,000	Southwestern Energy 7.50% 01/04/2026	216	0.16
300,000	William Lyon Homes 5.875% 31/01/2025	216	0.16
350,000	Ensco 5.20% 15/03/2025	210	0.16
300,000	Olin 5.00% 01/02/2030	210	0.16
250,000	FirstEnergy 4.85% 15/07/2047	187	0.14
225,000	Frontier Communications 10.50% 15/09/2022	136	0.10
200,000	Samarco Mineracao 5.75% 24/10/2023 Reg S	113	0.08
250,000	Mariposa Borrower / Mariposa Merger Sub 8.00% 15/10/2021 144A	107	0.08
153,402	21st Century Oncology 11.00% 01/05/2023 144A	78	0.06
300,000	SeaDrill 6.625% VRN 15/09/2020 144A (Defaulted)	55	0.04
150,000	Noranda Aluminium Acq 11.00% 01/06/2019	0	0.00
		<b>105,510</b>	<b>79.36</b>
	<b>Financials - (2.53%)</b>		
581	Fidelity Institutional Sterling Fund Class A-Acc	12,031	9.05
23	Banca Monte dei Paschi di Siena	0	0.00
		<b>12,031</b>	<b>9.05</b>
	<b>Mortgage Related Bonds - (5.48%)</b>		
1,485,000	Autopistas SOL Sa/Costa Rica 7.375% 30/12/2030 Reg S	1,136	0.85
850,000	Stoneway Capital 10% 01/03/2027 Reg S	671	0.50
600,000	Mercury Bondco 7.125% VRN 30/05/2021 Reg S	548	0.41
437,949	Tesco Property Finance 2 6.0517% 13/10/2039	510	0.38
495,000	Autopistas SOL Sa/Costa Rica 7.375% 30/12/2030 144A	379	0.29
420,000	Odebrecht Drill NR Viii/lx 6.35% 01/12/2021 Reg S	296	0.22
246,006	Nsg Holdings Llc/Nsg Holdings 7.75% 15/12/2025 144A	195	0.15
		<b>3,735</b>	<b>2.81</b>
	<b>Government Bonds - (0.53%)</b>		
1,200,000	Ecuador 10.50% 24/03/2020 Reg S	943	0.71
		<b>943</b>	<b>0.71</b>
	<b>Energy - (0.26%)</b>		
8,000	Targa Resources	265	0.20
1,189	Diamondback Energy	108	0.08
800	Concho Resources	88	0.07
		<b>461</b>	<b>0.35</b>
	<b>Convertible Bonds - (0.28%)</b>		
500,000	DISH Network 3.375% 15/08/2026	365	0.27
		<b>365</b>	<b>0.27</b>
	<b>Treasury Bill - (0.00%)</b>		
95,000,000	Nigeria T Bill 0.00% 19/04/2018	187	0.14
57,000,000	Nigeria T Bill 0.00% 05/04/2018	113	0.08
		<b>300</b>	<b>0.23</b>
	<b>Materials - (0.00%)</b>		
1,800	Albemarle US	145	0.11
1,400	Eagle Matls	104	0.08
		<b>249</b>	<b>0.19</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Telecommunication Services - (0.16%)</b>		
5,000	Zayo Group Holdings	129	0.10
1,800	SoftBank Group	108	0.08
		<b>237</b>	<b>0.18</b>
	<b>Index Credit Default Swaps - (0.08%)</b>		
1,400,000	Bought Protection on Cmbx Bbb- Cdsi S6 Prc Index 11/05/2063	155	0.12
1,500,000	Bought Protection on Cmbx A Cdsi S6 Prc 11/05/2063	50	0.04
		<b>205</b>	<b>0.15</b>
	<b>Information Technology - (0.25%)</b>		
59	Spotify Technology (unlisted)	205	0.15
		<b>205</b>	<b>0.15</b>
	<b>Industrials - (0.22%)</b>		
1,433	XPO Logistics	102	0.08
		<b>102</b>	<b>0.08</b>
	<b>Options - ((0.03)%)</b>		
20,000,000	Call on ITRAXX XOver S28 20/12/2022 18/04/2018	75	0.06
(20,000,000)	Put on ITRAXX XOver S28 20/12/2022 18/04/2018	(63)	(0.05)
		<b>12</b>	<b>0.01</b>
	<b>Total Return Swaps - (0.00%)</b>		
4,900,000	CGSW Total Return Swap 20/06/2018	11	0.01
		<b>11</b>	<b>0.01</b>
	<b>Futures - ((0.09)%)</b>		
(1,600,000)	US 5 Year Treasury Note (CBT) Commodity Future 29/06/2018	3	0.00
(1,800,000)	US 10 Year Ultra Future 20/06/2018	2	0.00
(900,000)	Long Gilt Commodity Future 27/06/2018	(1)	0.00
2,300,000	Euro-BOBL Commodity Future 08/03/2018	(1)	0.00
(300,000)	Australian 10 Year Bond Commodity Future 15/03/2018	(1)	0.00
800,000	US 20 Year Long Bond (CBT) Commodity Future 20/06/2018	(4)	0.00
		<b>(2)</b>	<b>0.00</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Forward Foreign Exchange Contracts - ((0.88)%)</b>		
426,881,000	Bought JPY sold GBP @ 151.880300 for settlement 16/05/2018	73	0.05
(11,279,000)	Bought GBP sold EUR @ 1.126403 for settlement 16/05/2018	37	0.03
1,207,000	Bought USD sold GBP @ 1.402397 for settlement 16/05/2018	8	0.01
537,000	Bought USD sold GBP @ 1.406855 for settlement 16/05/2018	5	0.00
1,142,000	Bought USD sold GBP @ 1.398201 for settlement 16/05/2018	5	0.00
55,699,000	Bought JPY sold GBP @ 149.660198 for settlement 16/05/2018	4	0.00
1,583,000	Bought EUR sold GBP @ 1.134057 for settlement 16/05/2018	4	0.00
(496,000)	Bought GBP sold EUR @ 1.125837 for settlement 16/05/2018	2	0.00
(760,000)	Bought GBP sold USD @ 1.386452 for settlement 16/05/2018	1	0.00
483,000	Bought CHF sold GBP @ 1.304970 for settlement 16/05/2018	1	0.00
410,000	Bought USD sold GBP @ 1.396118 for settlement 16/05/2018	1	0.00
492,000	Bought USD sold GBP @ 1.391815 for settlement 16/05/2018	1	0.00
(10,459,000)	Bought GBP sold CNY @ 8.827522 for settlement 16/05/2018	0	0.00
312,000	Bought EUR sold GBP @ 1.128004 for settlement 16/05/2018	(1)	0.00
524,000	Bought EUR sold GBP @ 1.126253 for settlement 16/05/2018	(2)	0.00
(693,000)	Bought GBP sold USD @ 1.403289 for settlement 16/05/2018	(5)	0.00
(1,416,000)	Bought GBP sold EUR @ 1.136803 for settlement 16/05/2018	(6)	(0.01)
(1,430,000)	Bought GBP sold USD @ 1.402220 for settlement 16/05/2018	(10)	(0.01)
(1,460,000)	Bought GBP sold EUR @ 1.139884 for settlement 16/05/2018	(10)	(0.01)
(7,808,000)	Bought GBP sold USD @ 1.410980 for settlement 16/05/2018	(87)	(0.07)
(128,072,000)	Bought GBP sold USD @ 1.396860 for settlement 16/05/2018	(502)	(0.38)
		<b>(481)</b>	<b>(0.36)</b>
	<b>Portfolio of investments</b>	<b>123,883</b>	<b>93.19</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>9,065</b>	<b>6.81</b>
	<b>Net assets</b>	<b>132,948</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>United States - (55.15%)</b>		
1,223	Fidelity Institutional USD Fund Class A-Acc	15,332	7.47
564,018	American Homes 4 Rent (A)	7,862	3.83
67,055	Simon Property Group	7,456	3.63
197,091	Welltower	7,435	3.62
157,297	Prologis	6,853	3.34
105,062	Sun Communities	6,589	3.21
102,281	Equity LifeStyle Properties	6,260	3.05
1,190,549	VEREIT	5,839	2.84
33,396	Essex Property Trust	5,351	2.61
326,548	Invitation Homes	5,078	2.47
174,706	American Campus Communities	4,574	2.23
62,981	Digital Realty Trust	4,563	2.22
94,672	Vornado Realty Trust	4,540	2.21
110,577	Equity Residential	4,459	2.17
151,749	Pebblebrook Hotel Trust	3,741	1.82
211,101	HCP	3,315	1.61
23,486	Public Storage	3,274	1.59
51,699	Camden Property Trust	2,975	1.45
32,516	Macerich	1,359	0.66
		<b>106,855</b>	<b>52.06</b>
	<b>Hong Kong - (7.55%)</b>		
797,018	Sun Hung Kai Properties	9,583	4.67
1,208,627	Hysan Development	5,041	2.46
99,130,000	CSI Properties	4,391	2.14
688,400	Hongkong Land	3,426	1.67
		<b>22,441</b>	<b>10.93</b>
	<b>Japan - (6.39%)</b>		
690,100	Mitsubishi Estate	8,725	4.25
471,200	Mitsui Fudosan	8,190	3.99
		<b>16,915</b>	<b>8.24</b>
	<b>Australia - (9.17%)</b>		
1,502,633	Goodman Group	6,939	3.38
2,240,641	Scentre Group	4,851	2.36
808,713	Westfield	3,990	1.94
		<b>15,780</b>	<b>7.69</b>
	<b>Spain - (1.56%)</b>		
771,509	Inmobiliaria Colonial Socimi	5,951	2.90
480,336	Merlin Properties Socimi	4,890	2.38
220,442	Metrovacesa	2,916	1.42
		<b>13,757</b>	<b>6.70</b>
	<b>United Kingdom - (5.39%)</b>		
788,186	Great Portland Estates	4,954	2.41
390,418	Land Securities Group	3,611	1.76
		<b>8,565</b>	<b>4.17</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
284,314	<b>Germany - (2.93%)</b> Deutsche Wohnen	8,503	4.14
		<b>8,503</b>	<b>4.14</b>
214,532	<b>Canada - (3.13%)</b> Canadian Apartment Properties (REIT)	4,283	2.09
		<b>4,283</b>	<b>2.09</b>
3,317,900	<b>Singapore - (3.63%)</b> CapitaLand Commercial Trust	3,133	1.53
		<b>3,133</b>	<b>1.53</b>
42,454	<b>Switzerland - (2.12%)</b> PSP Swiss Property	2,906	1.42
		<b>2,906</b>	<b>1.42</b>
18,684	<b>France - (1.12%)</b> ICADE	1,326	0.65
		<b>1,326</b>	<b>0.65</b>
205,581	<b>Contracts for Difference - (0.13%)</b> Blackstone Group (CFD)	417	0.20
		<b>417</b>	<b>0.20</b>
	<b>Portfolio of investments</b>	<b>204,881</b>	<b>99.82</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>389</b>	<b>0.18</b>
	<b>Net assets</b>	<b>205,270</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Fidelity Global Special Situations Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>United States - (53.42%)</b>		
7,145	Fidelity Institutional USD Fund Class A-Acc	89,569	3.53
92,000	Alphabet (A)	74,235	2.92
1,000,000	Citigroup	55,146	2.17
620,000	JPMorgan Chase	52,556	2.07
1,900,000	Exelon	51,120	2.01
600,000	Lowes	41,634	1.64
430,000	Union Pacific	41,537	1.64
500,000	HCA Healthcare	36,674	1.44
250,000	Apple	32,207	1.27
400,000	LyondellBasell Industries	31,671	1.25
550,000	Molson Coors Brewing (B)	30,422	1.20
640,000	Leidos Holdings	30,149	1.19
1,650,000	ON Semiconductor	28,984	1.14
300,000	Johnson & Johnson	28,518	1.12
400,000	Andeavor	27,042	1.07
510,000	Activision Blizzard	26,740	1.05
600,000	Abbott Laboratories	26,266	1.03
480,000	Intercontinental Exchange	25,451	1.00
150,000	Cooper Companies	25,156	0.99
180,000	S&P Global	25,105	0.99
740,000	Teradyne	23,929	0.94
870,000	Comcast (A)	23,024	0.91
400,000	Worldpay (A)	22,529	0.89
110,000	Humana	21,973	0.87
370,000	Paypal Holdings	21,235	0.84
14,000	The Booking Holdings	19,223	0.76
300,000	Cognizant Technology Solutions (A)	17,872	0.70
125,000	Cigna	17,767	0.70
540,000	Ebay	16,826	0.66
600,000	Twenty-First Centy Fox (A)	16,308	0.64
740,000	Ally Financial	14,907	0.59
150,000	Copa Holdings (A)	14,800	0.58
320,000	Adient	14,688	0.58
105,000	Lam Research	14,672	0.58
420,000	Halliburton	14,443	0.57
840,000	Ciena	14,349	0.57
550,000	Weyerhaeuser	14,011	0.55
320,000	T-Mobile US	13,854	0.55
65,000	Biogen	13,616	0.54
170,000	Walt Disney	12,874	0.51
180,000	Celgene	12,448	0.49
260,000	Marathon Petroleum	12,317	0.49
90,000	Amgen	12,078	0.48
600,000	Mosaic	11,619	0.46
		<b>1,171,544</b>	<b>46.14</b>
	<b>Japan - (10.11%)</b>		
2,600,000	ORIX	33,477	1.32
2,100,000	Kubota	27,563	1.09
1,550,000	KDDI	27,540	1.08
1,100,000	Yamaha Motor	25,256	0.99



**Portfolio Statement**

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,250,000	Alps Electric	24,899	0.98
400,000	SoftBank Group	23,989	0.94
1,200,000	Sumco	23,320	0.92
640,000	Sompo Holdings	17,866	0.70
280,000	Nitto Denko	16,807	0.66
4,400,000	Yahoo Japan	14,716	0.58
520,000	Japan Airlines	14,327	0.56
1,200,000	Santen Pharmaceutical	13,918	0.55
6,000,000	Toshiba	12,785	0.50
450,000	Renesas Electronics	3,750	0.15
		<b>280,213</b>	<b>11.04</b>
	<b>United Kingdom - (3.23%)</b>		
3,200,000	Royal Dutch Shell (B)	74,400	2.93
1,200,000	Prudential	22,134	0.87
800,000	CRH (GB)	19,320	0.76
3,000,000	Merlin Entertainments	10,221	0.40
0	Fidelity Institutional Sterling Fund Class A-Acc	1	0.00
		<b>126,076</b>	<b>4.97</b>
	<b>France - (5.87%)</b>		
500,000	Airbus SE	43,387	1.71
570,000	Vinci SA	41,005	1.62
262,500	Renault	20,547	0.81
125,000	Atos SE	11,941	0.47
		<b>116,880</b>	<b>4.60</b>
	<b>Netherlands - (4.54%)</b>		
2,250,000	Ahold Delhai (Koninklijke)	36,590	1.44
950,000	NN Group	30,952	1.22
950,000	ABN AMRO Group	21,470	0.85
700,000	Koninklijke Philips	19,480	0.77
		<b>108,492</b>	<b>4.27</b>
	<b>Germany - (1.53%)</b>		
310,000	Deutsche Boerse	29,955	1.18
2,200,000	Commerzbank	24,839	0.98
323,337	Fresenius Medical Care	24,721	0.97
690,000	Vonovia SE	22,682	0.89
		<b>102,197</b>	<b>4.03</b>
	<b>Denmark - (1.39%)</b>		
520,000	Orsted	23,429	0.92
235,000	Pandora	17,768	0.70
700,000	GN Great Nordic	17,561	0.69
120,000	Genmab	17,428	0.69
		<b>76,186</b>	<b>3.00</b>
	<b>Hong Kong - (1.98%)</b>		
2,500,000	Sun Hung Kai Properties	30,060	1.18
5,000,000	Wharf Holdings	13,496	0.53
2,000,000	CK Asset Holdings	12,485	0.49
2,723,410	Great Eagle Holdings	9,814	0.39
		<b>65,855</b>	<b>2.59</b>

**Portfolio Statement**

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Korea - (3.12%)</b>		
420,000	KB Financial Group	17,930	0.71
25,000	NAVER	13,395	0.53
8,500	Samsung Electronics	13,362	0.53
230,000	SK Hynix	11,801	0.46
400,000	Korea Electric Power	8,832	0.35
		<b>65,320</b>	<b>2.57</b>
	<b>Thailand - (0.78%)</b>		
2,000,000	PTT (F)	26,123	1.03
2,850,000	Bangkok Bank (F)	15,073	0.59
2,100,000	Kasikornbank (F)	11,203	0.44
		<b>52,399</b>	<b>2.06</b>
	<b>Israel - (1.74%)</b>		
380,000	Check Point Software Technologies	28,462	1.12
600,000	Tower Semiconductor (US)	12,763	0.50
		<b>41,225</b>	<b>1.62</b>
	<b>China - (1.48%)</b>		
42,000,000	China Petroleum & Chemical (H)	24,417	0.96
350,000	Tencent Holdings	13,959	0.55
		<b>38,376</b>	<b>1.51</b>
	<b>Taiwan - (1.03%)</b>		
1,200,000	Taiwan Semiconductor Manufacturing (ADR)	37,807	1.49
		<b>37,807</b>	<b>1.49</b>
	<b>Switzerland - (0.99%)</b>		
480,000	LafargeHolcim	20,415	0.80
240,000	Landis+Gyr Group	13,472	0.53
		<b>33,887</b>	<b>1.33</b>
	<b>Sweden - (0.00%)</b>		
940,000	Essity (B)	18,751	0.74
3,175	Spotify Technology (unlisted)	11,008	0.43
		<b>29,759</b>	<b>1.17</b>
	<b>South Africa - (0.71%)</b>		
73,869	Naspers (N)	14,825	0.58
1,000,000	Barclays Africa Group	12,258	0.48
		<b>27,083</b>	<b>1.07</b>
	<b>Indonesia - (0.75%)</b>		
125,000,000	Bank Rakyat Indonesia	24,806	0.98
		<b>24,806</b>	<b>0.98</b>
	<b>Canada - (1.54%)</b>		
950,000	Suncor Energy	23,444	0.92
		<b>23,444</b>	<b>0.92</b>
	<b>Austria - (0.00%)</b>		
270,000	AMS	22,950	0.90
		<b>22,950</b>	<b>0.90</b>
	<b>Spain - (0.83%)</b>		
1,300,000	Grifols Preferred B (ADR)	20,995	0.83
		<b>20,995</b>	<b>0.83</b>

**Portfolio Statement**

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Russia - (0.00%)</b>		
1,100,000	Sberbank Russia (ADR)	16,208	0.64
		<b>16,208</b>	<b>0.64</b>
	<b>Peru - (0.61%)</b>		
100,000	Credicorp	15,655	0.62
		<b>15,655</b>	<b>0.62</b>
	<b>Singapore - (0.52%)</b>		
10,837,000	Mapletree Industrial (REIT)	11,535	0.45
		<b>11,535</b>	<b>0.45</b>
	<b>India - (1.17%)</b>		
5,000,000	Power Grid of India	10,980	0.43
		<b>10,980</b>	<b>0.43</b>
	<b>Contracts for Difference - (0.84%)</b>		
650,000	Microsoft (CFD)	6,907	0.27
700,000	Morgan Stanley (CFD)	2,724	0.11
(504,511)	Brait SE (CFD)	2,289	0.09
(140,000)	OSI Systems (CFD)	1,901	0.07
200,000	Centene (CFD)	1,278	0.05
440,000	Bridgestone (CFD)	1,209	0.05
(3,584,700)	Semen Indonesia Persero (CFD)	1,116	0.04
(110,000)	Anheuser-Busch InBev (CFD)	1,103	0.04
(80,000)	Ingenico Group (CFD)	730	0.03
(150,897)	Brait SE (CFD)	416	0.02
(100,000)	Sharp (CFD)	267	0.01
450,000	Bridgestone (CFD)	158	0.01
60,000	Citigroup (CFD)	91	0.00
280,000	Worldpay (A) (CFD)	21	0.00
116,500	Vostok Gas (SDR) (CFD)	0	0.00
(70,000)	K&S (CFD)	(31)	0.00
(1,415,300)	Semen Indonesia Persero (CFD)	(54)	0.00
(7,000,000)	Li & Fung (CFD)	(204)	(0.01)
(2,000,000)	Semen Indonesia Persero (CFD)	(211)	(0.01)
(5,000)	Boeing (CFD)	(356)	(0.01)
(500,000)	Advantest (CFD)	(453)	(0.02)
(671,471)	Siderurgica Nacional Cia (CFD)	(459)	(0.02)
(280,000)	K&S (CFD)	(764)	(0.03)
(150,000)	Advantest (CFD)	(896)	(0.04)
(600,000)	FireEye (CFD)	(939)	(0.04)
(2,200,029)	Siderurgica Nacional Cia (CFD)	(1,395)	(0.05)
6,200,000	Mccarthy & Stone (CFD)	(1,990)	(0.08)
(240,000)	ANA Holdings (CFD)	(2,721)	(0.11)
		<b>9,737</b>	<b>0.38</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
230,000	Cayman Islands - (0.00%)		
	Pagseguro Digital	5,377	0.21
		<b>5,377</b>	<b>0.21</b>
4	Ireland - (0.76%)		
	Fidelity Institutional Euro Fund Class A-Acc	55	0.00
		<b>55</b>	<b>0.00</b>
	Portfolio of investments	2,535,041	99.82
	Cash and other net assets/(liabilities)	3,901	0.18
	<b>Net assets</b>	<b>2,538,942</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>China - (25.54%)</b>		
257,400	Tencent Holdings	10,266	5.46
52,059	Alibaba Group Holding (ADR)	7,080	3.76
3,803,000	China Construction Bank (H)	2,857	1.52
12,398	Baidu (A) (ADR)	2,243	1.19
3,333,000	Industrial & Coml Bank China (H)	2,076	1.10
278,000	China Mobile	1,882	1.00
235,500	Ping AN Insurance Group China (H)	1,812	0.96
3,593,000	Bank of China (H)	1,412	0.75
29,671	JD Com (ADR)	1,008	0.54
810,000	CNOOC	851	0.45
3,585	NetEase (ADR)	767	0.41
337,000	China Life Insurance (H)	721	0.38
1,156,000	China Petroleum & Chemical (H)	672	0.36
17,798	Ctrip.com International (ADR)	597	0.32
17,389	Yum China Holdings	546	0.29
176,500	China Merchants Bank (H)	537	0.29
223,000	Geely Automobile Holdings	525	0.28
960,000	PetroChina (H)	489	0.26
33,000	AAC Technologies Holdings	474	0.25
1,183,000	Agricultural Bank of China (H)	474	0.25
174,000	China Overseas Land & Investment	441	0.23
119,400	China Pacific Insurance Group (H)	424	0.23
6,066	New Oriental Ed & Tech Group (ADR)	395	0.21
32,300	Sunny Optical Technology Group	389	0.21
214,000	CSPC Pharmaceutical Group	356	0.19
12,965	TAL Education Group (A) (ADR)	344	0.18
125,909	China Resources Land	325	0.17
148,000	China Evergrande Group	316	0.17
154,000	China Shenhua Energy (H)	315	0.17
241,541	Country Garden Holdings	313	0.17
208,700	PICC Property & Casualty (H)	299	0.16
125,000	China Mengniu Dairy	298	0.16
109,000	Sunac China Holdings	288	0.15
268,000	CITIC	281	0.15
202,000	Sino Biopharmaceutical	276	0.15
138,000	Brilliance China Auto Holding	269	0.14
280,000	China Unicom Hong Kong	261	0.14
33,000	Shenzhou International Group Holdings	235	0.12
18,393	Vipshop Holdings (ADR)	230	0.12
32,000	Hengan International Group	226	0.12
4,142	58 Com (A) (ADR)	225	0.12
384,000	Bank of Communications (H)	222	0.12
2,611	SINA	220	0.12
54,000	Anhui Conch Cement (H)	209	0.11
395,000	China CITIC Bank (H)	208	0.11
73,681	China Taiping Insurance Holdings	205	0.11
70,813	China Resources Beer (Holdings)	197	0.10
2,109	Weibo (ADR)	197	0.10
259,000	China Minsheng Banking (H)	195	0.10
614,000	China Telecom (H)	195	0.10
34,000	ENN Energy Holdings	189	0.10

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
28,000	Byd (H)	187	0.10
1,954	YY (A) (ADR)	182	0.10
113,500	Fosun International	181	0.10
49,000	ANTA Sports Products	175	0.09
53,700	China Vanke (H)	174	0.09
77,200	China Gas Holdings	173	0.09
54,000	Sinopharm Group (H)	172	0.09
103,000	CITIC Securities (H)	168	0.09
76,500	China Conch Venture Holdings	166	0.09
206,000	China Communications Construction (H)	166	0.09
152,400	Haitong Securities (H)	157	0.08
92,000	Guangzhou Automobil Group (H)	148	0.08
33,800	New China Lif Insurance (H)	146	0.08
447,000	China Huarong Asst Management (H)	146	0.08
58,000	Haier Electronics Group	144	0.08
230,000	Want Want China Holdings	140	0.07
126,000	Guangdong Investment	139	0.07
90,000	Tingyi Cayman Islands Holding	136	0.07
64,500	Longfor Properties	135	0.07
2,245	Autohome (ADR)	132	0.07
117,000	China Everbright International	130	0.07
338,000	Lenovo Group	128	0.07
191,850	CRRC (H)	127	0.07
307,500	Fullshare Holdings	125	0.07
128,300	Semiconductor Manufacturing International	125	0.07
312,000	Peoples Insurance Co Group of China (H)	121	0.06
138,000	Great Wall Motor (H)	118	0.06
126,000	Dongfeng Motor Group (H)	115	0.06
4,711	Momo (ADR)	114	0.06
417,000	China Cinda Asset Management (H)	113	0.06
90,155	China Resources Power Holdings	113	0.06
240,000	Beijing Enterprises Water Group	112	0.06
75,600	Huatai Securities (H)	110	0.06
30,000	Kingboard Chemical Holdings	110	0.06
150,000	Kunlun Energy Company	102	0.05
42,000	China Resource Gas Group	102	0.05
106,414	Sun Art Retail Group	102	0.05
171,000	China Molybdenum (H)	101	0.05
60,123	China Merchants Port Holdings	101	0.05
25,500	Zhuzhou CRRC Times Electric (H)	100	0.05
224,000	China Jinmao Holdings Group	99	0.05
189,000	China Railway Group (H)	99	0.05
75,000	Nine Dragons Paper Holdings	98	0.05
24,000	Beijing Enterprises Holdings	96	0.05
41,000	TravelSky Technology (H)	95	0.05
65,000	China Medical System Holdings	94	0.05
52,000	Shimao Property Holdings	94	0.05
130,000	China National Building Material (H)	93	0.05
84,000	Air China (H)	93	0.05
22,000	Shanghai Fosun Pharm(Gr)Co (H)	92	0.05
84,000	Yanzhou Coal Mining (H)	91	0.05
72,000	Agile Group Holdings	90	0.05

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
92,000	China State Construction International Holdings	90	0.05
266,000	Zijin Mining Group (H)	88	0.05
63,400	GF Securities (H)	88	0.05
456,000	CGN Power (H)	88	0.05
91,000	China Resources Pharmaceutical Group	88	0.05
190,000	Huaneng Power International (H)	85	0.05
35,000	Kingsoft	83	0.04
31,960	ZTE (H)	81	0.04
84,000	China Southern Airlines (H)	81	0.04
154,500	China Galaxy Securities (H)	78	0.04
48,000	China Everbright	76	0.04
174,000	Aluminum China (H)	76	0.04
44,400	Guangzhou R F Properties (H)	75	0.04
70,000	Beijing Capital International Airport (H)	75	0.04
139,477	Sino-Ocean Group Holding	72	0.04
87,000	Weichai Power (H)	71	0.04
23,600	Fuyao Glass Ind Group (H)	68	0.04
37,500	Shanghai Pharmaceuticals Holding (H)	68	0.04
143,000	China Longyuan Power Group (H)	68	0.04
86,500	China Railway Construction (H)	67	0.04
59,000	Jiangxi Copper (H)	67	0.04
581,000	GCL Poly Energy Holdings	66	0.04
30,000	Haitian International Holdings	66	0.04
16,000	Tsingtao Brewery (H)	63	0.03
144,000	Sinopec Shanghai Petrochemical (H)	62	0.03
103,000	Chongqing Rural Commercial Bank (H)	60	0.03
43,500	3SBio	60	0.03
80,000	Far East Horizon	58	0.03
234,000	Huaneng Renewables (H)	57	0.03
35,000	Nexteer Auto Group	56	0.03
74,000	China Oilfield Services (H)	56	0.03
156,000	Alibaba Health Information Technology	55	0.03
65,000	Lee & Man Paper Manufacturing	54	0.03
48,000	Jiangsu Expressway (H)	54	0.03
69,877	COSCO Shipping Ports	49	0.03
27,500	Byd Electronics International	49	0.03
500,000	Alibaba Pictures Group	49	0.03
52,000	Meitu	48	0.03
60,000	Zhejiang Expressway (H)	47	0.02
42,237	Shanghai Lujiazui Finance Trust Deltid (B)	44	0.02
88,000	Shandong Weigao Medical Polymer (H)	43	0.02
98,000	China Communications Services (H)	42	0.02
483,704	GOME Retail Holdings	41	0.02
20,000	Shanghai Industrial Holdings	40	0.02
150,000	Sihuan Pharmaceuticals Holding Group	39	0.02
100,000	China Everbright Bank (H)	37	0.02
92,000	AviChina Industry & Technology (H)	37	0.02
86,500	SOHO China	36	0.02
124,000	Shanghai Electric Group (H)	33	0.02
154,000	Hanergy Thin Film Pwer Group	3	0.00
111,000	China Huishan Dairy Holdings	0	0.00
		55,439	29.48

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Korea - (13.98%)</b>		
4,388	Samsung Electronics	6,898	3.67
26,329	SK Hynix	1,351	0.72
800	Samsung Electronics Preferred	1,066	0.57
3,674	Celltrion	866	0.46
3,354	POSCO	809	0.43
17,981	KB Financial Group	768	0.41
6,904	Hyundai Motor	745	0.40
1,269	NAVER	680	0.36
19,369	Shinhan Financial Group	613	0.33
2,068	LG Chemical	529	0.28
3,086	Hyundai Mobis	470	0.25
13,413	Hana Financial Group	440	0.23
2,941	SK Innovation	404	0.21
5,320	KT & G	355	0.19
4,826	LG Electronics	322	0.17
415	LG Household & Healthcare	305	0.16
3,451	Samsung C&T	296	0.16
2,496	Samsung SDI	285	0.15
12,054	Kia Motors	277	0.15
1,459	AmorePacific	274	0.15
1,403	Samsung Fire & Marine Insurance	271	0.14
1,402	SK Holdings	266	0.14
11,721	Korea Electric Power	259	0.14
3,179	Samsung Life Insurance	258	0.14
1,578	Samsung SDS	250	0.13
4,330	LG	249	0.13
748	Samsung Biologics	225	0.12
702	Lotte Chemical	215	0.11
10,619	LG Display	211	0.11
797	NCSOFT	199	0.11
951	E-MART	193	0.10
16,381	Woori Bank Korea	181	0.10
2,078	Kakao	177	0.09
2,005	S-Oil	165	0.09
2,305	Sillajen	158	0.08
2,441	Samsung Electro-Mechanics	151	0.08
927	SK Telecom	148	0.08
1,675	Hyundai Heavy Industries	146	0.08
2,344	Coway	136	0.07
3,417	Hankook Tire (New)	135	0.07
11,581	Industrial Bank of Korea	133	0.07
3,718	Hyundai Steel	133	0.07
377	Korea Zinc	128	0.07
433	Hyundai Robotics	128	0.07
1,507	Celltrion Healthcare	120	0.06
1,323	AMOREPACIFIC Group	111	0.06
2,298	DB Insurance	107	0.06
4,756	Hanwha Chemical	105	0.06
1,594	Hyundai Motor 2nd Preferred	104	0.06
2,337	GS Holdings	103	0.05
5,307	Kangwon Land	102	0.05



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,016	Korea Aerospace Industries	101	0.05
16,225	Mirae Asset Daewoo	100	0.05
1,792	Korea Investment Holdings	94	0.05
11,941	Bank Financial Group	89	0.05
288	Hanmi Pharmaceuticals	89	0.05
3,392	Hyundai Sino-Thai Engineering & Construction	87	0.05
765	OCI Company	84	0.04
365	CJ Cheiljedang	82	0.04
986	Hyosung	82	0.04
1,353	Hyundai Motor Preferred	81	0.04
2,907	Hyundai Marine & Fire Insurance	80	0.04
1,439	Hotel Shilla	79	0.04
195	Medy-Tox	79	0.04
340	Shinsegae	78	0.04
2,933	Samsung Securities	77	0.04
685	CJ	76	0.04
773	Hyundai Glovis	74	0.04
744	Netmarble Games	73	0.04
1,000	Orion Corporation	72	0.04
520	Lotte Shopping	72	0.04
8,579	Hanon Systems	72	0.04
2,849	Hyundai Development	72	0.04
1,331	Daelim Industrial	66	0.04
11,091	Samsung Heavy Industries	63	0.03
6,647	NH Investment & Securit	63	0.03
247	KCC	60	0.03
671	LG InnoTek	59	0.03
6,884	Denmark Financial Group	57	0.03
1,882	Hanwha	55	0.03
371	LG Chemical Preferred	53	0.03
11,771	Hanwha Life Insurance	53	0.03
1,219	Lotte	51	0.03
354	Yuhan	49	0.03
2,214	Korean Air Lines	48	0.03
838	CJ E&M	48	0.03
482	Hanssem	48	0.03
114	LG Household & Health Preferred	47	0.02
1,310	ING Life Insurance Korea	46	0.02
734	Kumho Petro Chemical	44	0.02
692	S1 (Korea)	44	0.02
413	AmorePacific Preferred	42	0.02
2,057	GS Engineering & Construction	40	0.02
10,134	Pan Ocean	40	0.02
340	BGF Retail Ltd/New	39	0.02
631	Hyundai Department Store	38	0.02
1,183	Korea Gas	36	0.02
1,780	Hanwha Techwin	35	0.02
2,794	Cheil Worldwide	35	0.02
1,451	Doosan Bobcat	33	0.02
1,663	DONG Suh Companies	31	0.02
350	CJ Logistics	31	0.02
768	Hyundai Wia	30	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
530	Hanmi Science	30	0.02
60	Ottogi	28	0.01
2,756	Doosan Heavy Industries & Construction	27	0.01
1,142	GS Retail	27	0.01
1,053	Samsung Card	26	0.01
777	KEPCO Plant Service & Engineering	21	0.01
1,315	POSCO Daewoo	18	0.01
4,461	SK Networks	18	0.01
4,165	Daewoo Engineering & Construction	14	0.01
644	KT	12	0.01
12	Lotte Chilsung Beverage	12	0.01
355	Orion	6	0.00
55	Lotte Confectionery	6	0.00
566	BGF	5	0.00
235	Hyundai Heavy Industries (Rights 09/03/2018)	4	0.00
		<b>26,451</b>	<b>14.06</b>
	<b>Taiwan - (11.66%)</b>		
1,113,000	Taiwan Semiconductor Manufacturing	6,678	3.55
705,297	Hon Hai Precision Industry	1,515	0.81
68,000	MediaTek	498	0.26
369,300	Cathay Financial Holding	491	0.26
188,000	Formosa Plastics	472	0.25
171,000	Chunghwa Telecom	457	0.24
215,000	Nan Ya Plastics	423	0.22
797,548	CTBC Financial Holding	415	0.22
302,000	Fubon Financial Holding	384	0.20
218,068	Uni-President Enterprises	366	0.19
4,000	Largan Precision	360	0.19
133,000	Formosa Chemicals & Fibre	352	0.19
568,940	China Steel	334	0.18
88,575	Delta Electronics	300	0.16
305,497	Advanced Semiconductor Engineering	296	0.16
482,340	Mega Financial Holding	294	0.16
29,000	Catcher Technology	250	0.13
31,000	Asustek Computer	209	0.11
400,205	First Financial Holding	195	0.10
73,000	Taiwan Mobile	191	0.10
401,605	E.Sun Financial Holdings	190	0.10
26,000	President Chain Store	187	0.10
528,000	United Microelectronics	182	0.10
119,000	Quanta Computer	173	0.09
60,000	Formosa Petrochemical	171	0.09
90,000	Pegatron	165	0.09
626,000	China Development Finance Holding	160	0.09
169,000	Taiwan Cement	152	0.08
363,746	Taiwan Cooperative Holdings	151	0.08
428,628	Taishin Financial Holdings	148	0.08
452,100	Yuanta Financial Holding	145	0.08
340,778	Hua Nan Financial Holdings	143	0.08
73,000	Far EasTone Telecommunications	132	0.07
55,120	Chailease Holding	132	0.07
392,000	AU Optronics	125	0.07

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
396,306	Innolux	125	0.07
487,572	SinoPac Holdings	120	0.06
93,005	Siliconware Precision Industries	115	0.06
90,000	Cheng Shin Rubber Industry	110	0.06
369,296	Shin Kong Financial Holding	109	0.06
16,000	Win Semiconductors	105	0.06
10,000	Globalwafers	104	0.06
13,000	Hotai Motor	103	0.05
99,425	Lite-On Technology	102	0.05
154,550	Far Eastern Textile	98	0.05
198,000	Compal Electronics	97	0.05
219,460	Chang Hwa Commercial Bank	90	0.05
45,657	Foxconn Technology	88	0.05
82,000	Macronix International	87	0.05
9,358	Hiwin Technologies	86	0.05
16,117	Advantech	85	0.05
42,000	Nanya Technology	83	0.04
91,000	Pou Chen	82	0.04
113,890	China Life Insurance	82	0.04
133,752	Acer	80	0.04
113,340	Asia Cement	78	0.04
34,000	Powertech Technology	75	0.04
24,000	Novatek Microelectronics	74	0.04
9,000	Yageo	72	0.04
124,000	Inventec	71	0.04
74,300	SYNNEX Technology International	70	0.04
75,000	WPG Holding	69	0.04
108,307	Wistron	65	0.03
5,000	Airtac International Group	65	0.03
8,211	Eclat Textile	62	0.03
42,000	Vanguard International Semiconductor	62	0.03
28,000	Micro-Star International	58	0.03
118,000	Winbond Electronics	57	0.03
86,000	TECO Electronics & Machinery	56	0.03
18,000	Realtek Semiconductor	51	0.03
30,172	Standard Foods	50	0.03
13,000	Giant Manufacturing	49	0.03
31,000	High Tech Computer	46	0.02
13,734	Feng TAY Enterprise	46	0.02
40,650	Highwealth Construction	44	0.02
80,000	Taiwan High Speed Rail	44	0.02
6,000	Nien Made Enterprise	42	0.02
6,000	Phison Electronics	42	0.02
23,185	Chicony Electronics	41	0.02
8,000	TaiMed Biologics	39	0.02
98,138	EVA Airways	36	0.02
45,000	Formosa Taffeta	35	0.02
25,000	Ruentex Industries	31	0.02
142,570	Taiwan Business Bank	30	0.02
19,000	Zhen Ding Technology Holding	30	0.02
38,609	Ruentex Development	30	0.02
77,069	Evergreen Marine Corp(Tai)	29	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
97,000	China Airlines	27	0.01
6,000	General Interface Solution Holding	26	0.01
101,000	Asia Pacific Telecom	23	0.01
		<b>20,512</b>	<b>10.91</b>
	<b>India - (7.97%)</b>		
68,332	Housing Development Finance	1,370	0.73
117,387	Reliance Industries	1,237	0.66
70,097	Infosys	908	0.48
20,729	Tata Consultancy Services	697	0.37
81,130	Axis Bank	474	0.25
4,767	Maruti Suzuki India	468	0.25
154,265	ITC	453	0.24
29,145	Hindustan Unilever	424	0.23
107,327	ICICI Bank	374	0.20
21,303	Larsen & Toubro	311	0.17
69,052	Tata Motors	283	0.15
76,893	Yes Bank	275	0.15
33,834	Mahindra & Mahindra	272	0.14
25,172	Hcl Technologies	263	0.14
54,328	Bharti Airtel	259	0.14
42,285	Sun Pharmaceutical Industries	251	0.13
65,556	Vedanta	240	0.13
78,221	State Bank India	232	0.12
14,458	Indiabulls Housing Finance	201	0.11
15,022	Grasim Industries	192	0.10
4,013	UltraTech Cement	185	0.10
607	Eicher Motors	185	0.10
51,907	Wipro	168	0.09
13,051	Asian Paints India	162	0.09
33,789	Bharat Petroleum	161	0.09
32,971	Adani Ports & Special Eco Zone	149	0.08
23,508	Zee Entertainment Enterprises	147	0.08
53,511	Hindalco Industries	145	0.08
20,350	Tech Mahindra	138	0.07
7,557	Bajaj Finance	137	0.07
74,755	NTPC	135	0.07
38,564	JSW Steel	133	0.07
10,843	Godrej Consumer Products	128	0.07
3,845	Bajaj Auto	128	0.07
14,056	Titan	127	0.07
15,269	UPL	123	0.07
58,477	Oil & Natural Gas	122	0.06
16,050	Tata Steel	120	0.06
22,990	GAIL India	117	0.06
27,173	Hindustan Petroleum	115	0.06
29,518	Bharti Infratel	113	0.06
3,925	Piramal Enterprises	112	0.06
8,800	Infosys (ADR)	111	0.06
26,387	Indian Oil	111	0.06
31,031	Coal India	107	0.06
16,174	Cipla	106	0.06
28,613	Motherson Sumi Systems	105	0.06

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
6,607	Shriram Transport Finance	98	0.05
2,651	United Spirits	97	0.05
1,714	Bajaj Finserv	96	0.05
10,248	Lupin	93	0.05
1,039	Nestle India	89	0.05
3,423	Dr Reddys Laboratories	85	0.05
53,671	Ashok Leyland	84	0.04
9,549	Bharat Forge	83	0.04
2,086	Hero MotoCorp	83	0.04
21,893	Dabur India	79	0.04
10,901	Aurobindo Pharmaceuticals	74	0.04
348	Bosch	72	0.04
12,815	LIC Housing Finance	72	0.04
25,496	Ambuja Cem	71	0.04
1,265	Britannia Industries	70	0.04
20,173	Marico	69	0.04
13,286	Mahindra & Mahindra Financial Services	64	0.03
11,450	Havells India	64	0.03
346	Shree Cements	64	0.03
64,137	Idea Cellular	59	0.03
23,431	Tata Motors	54	0.03
32,667	Rural Electrification	52	0.03
18,980	Petronet LNG	52	0.03
3,817	Siemens India	50	0.03
51,679	Tata Power	48	0.03
26,375	Vakrangee	48	0.03
1,856	Dr Reddys Laboratories (ADR)	46	0.02
43,188	Bharat Heavy Electricals	43	0.02
2,151	ACC	39	0.02
8,744	Cadila Healthcare	39	0.02
63,815	Infrastructure Development Finance Bank	36	0.02
5,531	Glenmark Pharmaceuticals	33	0.02
26,744	Power Finance	31	0.02
2,001	Container of India	29	0.02
		<b>14,940</b>	<b>7.94</b>
	<b>Brazil - (7.75%)</b>		
146,036	Itau Unibanco Holding	1,688	0.90
143,242	Vale	1,505	0.80
134,735	Banco Bradesco	1,197	0.64
212,829	Ambev	1,050	0.56
171,800	Petroleo Brasileiro-Petrobras (Preference)	820	0.44
139,900	Petroleo Brasileiro-Petrobras	718	0.38
93,318	B3 SA - Brasil Bolsa Balcao	549	0.29
179,184	Itausa Investimentos Itau	535	0.28
45,087	Banco Bradesco	380	0.20
39,100	Banco do Brasil	370	0.20
55,296	Cielo	297	0.16
16,400	Ultrapar Participacoes	278	0.15
32,490	Lojas Renner	250	0.13
20,500	Telefonica Brasil	235	0.12
62,772	Kroton Educacional	217	0.12
31,800	BB Seguridade Participacoes	207	0.11

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
10,500	Raia Drogasil	180	0.10
47,100	Gerdau	174	0.09
55,700	CCR	159	0.08
19,000	Banco Santander Brasil	159	0.08
11,300	Fibria Celulose	157	0.08
48,400	Rumo	150	0.08
29,500	Embraer S A	149	0.08
8,900	Equatorial Energia	141	0.07
25,340	WEG	134	0.07
22,905	Localiza Rent A CAR	132	0.07
20,500	BRF	130	0.07
15,200	Saneamento Basico de SP (Cia)	129	0.07
16,200	Hypermarcas S A	125	0.07
36,600	Tim Participacoes	114	0.06
7,000	Companhia Brasileira de Distribuicao	106	0.06
27,820	Lojas Americanas	103	0.05
25,900	Klabin	103	0.05
37,780	BR Malls Participacoes	101	0.05
20,200	Suzano Papel E Celulose	96	0.05
7,900	Braskem (A)	82	0.04
11,900	Centrais Eletricas Brasile	76	0.04
7,700	Cosan Industria E Comercio	76	0.04
34,100	JBS	75	0.04
36,400	Energetica de Minas Gerais Cia	68	0.04
10,400	Qualicorp	66	0.04
27,700	Siderurgica Nacional Cia	65	0.03
7,400	Engie Brasil	65	0.03
4,700	M Dias Branco	63	0.03
7,100	Natura Cosmeticos	55	0.03
3,419	Multiplan Empreendimentos Imobiliarios	53	0.03
16,600	Atacadao	53	0.03
4,500	Porto Seguro	45	0.02
14,874	Energias do Brasil	45	0.02
8,100	Centrais Eletricas Brasile	45	0.02
12,700	Odontoprev	44	0.02
8,924	Sul America	41	0.02
8,000	Transmissora Alianca de Energia Eletrica	38	0.02
6,890	Lojas Americanas	20	0.01
4,995	Energetica de Minas Gerais Cia Y	9	0.00
4,211	Itausa Investimentos Itau (Rights 29/03/2018)	5	0.00
287	Energetica de Minas Gerais Cia Y	0	0.00
12	Itausa Investimentos Itau	0	0.00
		<b>13,927</b>	<b>7.41</b>
	<b>South Africa - (6.50%)</b>		
19,793	Naspers (N)	3,972	2.11
58,530	Standard Bank Group	780	0.41
152,204	FirstRand	692	0.37
25,033	Sasol	625	0.33
76,809	Group	611	0.32
30,714	Barclays Africa Group	377	0.20
63,727	Sanlam	358	0.19
24,096	Remgro	357	0.19

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
20,401	Shoprite Holdings	326	0.17
17,614	Aspen Pharmacare Holdings	298	0.16
26,489	Vodacom Group	265	0.14
15,203	Bid	251	0.13
15,228	Bidvest Group	211	0.11
7,416	Tiger Brands	193	0.10
10,751	Mr Price Group	188	0.10
45,322	Woolworths Holdings	184	0.10
10,226	Nedbank Group	183	0.10
95,108	Growthpoint Properties	175	0.09
32,267	RMB Holdings	172	0.09
15,540	Discovery	170	0.09
235,254	Redefine Properties	165	0.09
10,244	Foschini	136	0.07
20,107	Truworths International	126	0.07
16,517	Nepi Rockcastle	124	0.07
25,313	Sappi	121	0.06
17,984	AngloGold Ashanti	119	0.06
8,822	SPAR Group	118	0.06
37,474	Gold Fields	105	0.06
6,912	Imperial Holdings	104	0.06
5,385	Mondi	102	0.05
58,887	Life Healthcare Group Holding	100	0.05
1,844	Capitec Bank Holdings	95	0.05
14,091	Investec	89	0.05
10,764	Exxaro Resources	87	0.05
6,483	PSG Group	86	0.05
31,411	Rand Merchant Insurance Holdings	86	0.05
11,910	Hyprop Investments	81	0.04
17,072	Pick n Pay Stores	76	0.04
47,542	Netcare	74	0.04
2,930	Kumba Iron Ore	62	0.03
46,911	MMI Holdings	62	0.03
13,326	Resilient (REIT)	57	0.03
2,476	Anglo American Platinum	55	0.03
77,030	Sibanye-Stillwater	54	0.03
49,556	Fortress (REIT) (A)	49	0.03
137,349	Steinhoff International Holdings (ZA)	47	0.02
5,616	Pioneer Foods	46	0.02
5,295	Liberty Holdings	44	0.02
8,911	Coronation Fund Managers	44	0.02
14,573	Brait SE	40	0.02
12,412	Telkom Soc	39	0.02
35,197	Fortress (REIT) (B)	34	0.02
5,379	Novus Holdings	2	0.00
10,584	New Europe Property Investment	0	0.00
11,996	African Phoenix Investments	0	0.00
		<b>13,017</b>	<b>6.92</b>
	<b>Russia - (3.68%)</b>		
455,604	Sberbank Russia (USD)	1,607	0.85
16,819	LUKOIL (ADR)	817	0.43
211,770	Gazprom (ADR)	772	0.41

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
11,076	Tatneft (ADR)	506	0.27
4,252	Novatek (GDR)	417	0.22
27,769	MMC Norilsk Nickel (ADR)	400	0.21
16,330	Magnit (GDR)	241	0.13
54,116	Rosneft OC (GDR)	230	0.12
23,317	Mobile Tele Systems (ADR)	208	0.11
226,070,000	VTB Bank (USD)	155	0.08
34,417	Surgutneftegas (ADR)	126	0.07
10,104	Severstal PAO (GDR)	119	0.06
5,600	Novolipetsk Steel (GDR)	105	0.06
48,510	Gazprom O A O (USD)	89	0.05
78,151	ALROSA (USD)	88	0.05
1,753	LUKOIL (USD)	85	0.05
2,540	Polyus Gold (GDR)	73	0.04
6,301	PhosAgro (GDR)	70	0.04
8,000	Magnitogorsk Iron & Steel Works PJSC (GDR)	63	0.03
148,692	Surgutneftegas Preferred	57	0.03
38,557	Moscow Exchange MICEX-RTS (USD)	56	0.03
1,036,556	Inter Rao (USD)	49	0.03
5,200	Tatneft (USD)	40	0.02
37,998	RusHydro (ADR)	37	0.02
2,544	Sberbank Russia (ADR)	37	0.02
13	AK Transneft Preferred (RUB)	30	0.02
1,079	Novatek (USD)	10	0.01
852	Rosneft OC (USD)	4	0.00
31,774	RusHydro (USD)	0	0.00
		<b>6,491</b>	<b>3.45</b>
	<b>Mexico - (3.31%)</b>		
1,520,100	America Movil	1,044	0.56
88,100	Fomento Eco Mexico	592	0.31
113,100	Grupo Finance Banorte	490	0.26
173,000	Grupo Mexico	434	0.23
236,700	Wal Mart de Mexico	399	0.21
664,454	Cemex	324	0.17
111,400	Grupo Televisa	284	0.15
128,700	Fibra Uno Administracion de	137	0.07
106,500	Grupo Finance Inbursa	125	0.07
71,000	Grupo Bimbo	120	0.06
9,485	Grupo Aeroportuario Sureste SAB CV (B)	120	0.06
139,500	Alfa (A)	119	0.06
16,500	Grupo Aeroportuario del Pacifico SAB de CV (B)	113	0.06
21,900	Coca Cola Femsa	108	0.06
6,350	Industrias Penoles	101	0.05
48,760	Mexichem	100	0.05
18,900	Arca Continental	95	0.05
71,200	Kimberly Clark de Mexico Sab D (A)	93	0.05
26,000	Sempra Mexico	90	0.05
77,400	Banco Santander Mexico Institute (B)	81	0.04
9,570	Gruma (B)	80	0.04
10,565	Promotora y Operadora de Infraestructura SAB	77	0.04
21,600	Grupo Carso	57	0.03
7,355	El Puerto de Liverpool Sab (C)	37	0.02



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
31,100	Grupo Lala	34	0.02
37,500	Genera	22	0.01
		<b>5,276</b>	<b>2.81</b>
	<b>Malaysia - (2.28%)</b>		
131,979	Public Bank	558	0.30
153,800	Tenaga Nasional	444	0.24
191,779	Malayan Banking	369	0.20
206,456	CIMB Group Holdings	273	0.15
105,800	Genting	172	0.09
110,500	Petronas Chemicals Group	164	0.09
134,700	Genting Malaysia	131	0.07
146,300	Digi.com	130	0.07
125,885	Axiata Group	125	0.07
30,200	Hong Leong Bank	109	0.06
23,400	Kuala Lumpur Kepong	108	0.06
109,179	Sime Darby Plantation	108	0.06
32,000	Petronas Gas	104	0.06
93,200	Maxis	101	0.05
87,700	IHH Healthcare	95	0.05
97,700	IOI	84	0.04
64,000	MISC	81	0.04
22,200	PPB Group	72	0.04
144,560	Dialog Group	71	0.04
72,900	Gamuda	67	0.04
30,100	Hartalega Holdings	64	0.03
125,200	IJM	63	0.03
2,600	Nestle (Malaysia)	60	0.03
36,014	Malaysia Airports Holdings	58	0.03
110,479	Sime Darby	56	0.03
69,300	AirAsia	56	0.03
52,400	Press Metal	55	0.03
69,900	AMMB Holdings	53	0.03
202,922	YTL	53	0.03
45,362	Telekom Malaysia	49	0.03
27,900	HAP Seng Consolidated	49	0.03
10,000	Petronas Dagangan	47	0.02
61,600	Westports Holdings	42	0.02
11,407	Hong Leong Financial Group	40	0.02
64,900	SP Setia	40	0.02
45,900	Alliance Bank Malaysia	35	0.02
6,600	British American Tobacco Malaysia	34	0.02
29,103	RHB Bank	29	0.02
65,600	Astro Malaysia Holdings	29	0.02
71,391	IOI Properties Group Sdn	24	0.01
20,300	UMW Holdings	24	0.01
107,827	YTL Power International	22	0.01
62,800	Felda Global Ven Holdings	22	0.01
84,879	Sime Darby Property	22	0.01
10,100	Genting Plantations	19	0.01
126,700	Sapura Energy	16	0.01
6,980	RHB Capital	0	0.00
		<b>4,427</b>	<b>2.35</b>

# Fidelity Index Emerging Markets Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Thailand - (2.10%)</b>		
46,400	PTT (F)	606	0.32
215,900	CP ALL (F)	416	0.22
68,500	Kasikornbank (F)	365	0.19
189,000	Airports of Thailand (F)	307	0.16
81,000	Siam Commercial Bank (F)	278	0.15
101,000	PTT Global Chemical (F)	231	0.12
46,100	Advanced Info Service (F)	210	0.11
17,800	Siam Cement (F)	201	0.11
56,900	PTT Exploration & Production (F)	151	0.08
61,400	Central Pattana (F)	119	0.06
45,800	Thai Oil (F)	108	0.06
192,400	Bangkok Dusit Medical Services (F)	98	0.05
94,120	Minor International (F)	87	0.05
69,120	Indorama Ventures (F)	85	0.05
16,400	Bumrungrad Hospital (F)	77	0.04
400,600	IRPC (F)	75	0.04
45,100	Energy Absolute (F)	70	0.04
49,100	Berli Jucker (F)	67	0.04
141,200	Krung Thai Bank (F)	66	0.04
189,706	Home Product Center (F)	63	0.03
118,720	Charoen Pokphand Foods (F)	62	0.03
416,820	True (F)	60	0.03
10,400	Bangkok Bank (F)	55	0.03
98,900	Banpu (F)	53	0.03
9,100	Kasikornbank (L)	49	0.03
250,200	BTS Group Holdings (F)	47	0.02
283,800	Bangkok Expressway & Metro (F)	47	0.02
22,900	Glow Energy (F)	45	0.02
22,000	Delta Electronics Thai (F)	34	0.02
480,800	TMB Bank (F)	33	0.02
21,100	Robinson	33	0.02
67,000	Thai Union Group (F)	31	0.02
4,400	Electricity Generating (F)	24	0.01
1,500	PTT (L)	20	0.01
6,800	PTT Exploration & Production (L)	18	0.01
9,200	KCE Electronics (F)	15	0.01
7,500	CP ALL (L)	14	0.01
5,600	Thai Oil (L)	13	0.01
67,700	IRPC (L)	13	0.01
22,900	Charoen Pokphand Foods (L)	12	0.01
71,000	Bangkok Expressway & Metro	12	0.01
2,100	Electricity Generating (L)	11	0.01
23,500	Krung Thai Bank (L)	11	0.01
24,800	Thai Union Group (L)	11	0.01
145,500	TMB Bank (L)	10	0.01
5,600	Energy Absolute (L)	9	0.00
		<b>4,422</b>	<b>2.35</b>
	<b>United States - (2.08%)</b>		
330	Fidelity Institutional USD Fund Class A-Acc	4,139	2.20
		<b>4,139</b>	<b>2.20</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Indonesia - (2.33%)</b>		
446,000	Bank Central Asia	542	0.29
2,512,700	Bank Rakyat Indonesia	499	0.27
2,288,700	Telekomunikasi Indonesia PT	481	0.26
922,200	Astra International	391	0.21
845,800	Bank Mandiri Persero	369	0.20
69,600	Unilever Indonesia	197	0.10
329,100	Bank Negara Indonesia Persero PT	168	0.09
76,400	United Tractors	143	0.08
402,500	Hanjaya Mandala Sampoerna	101	0.05
82,000	Indocement Tunggul Prakarsa PT	95	0.05
21,100	Gudang Garam PT Perusahaan	88	0.05
1,015,900	Kalbe Farma PT	85	0.05
660,300	Adaro Energy	81	0.04
201,500	Indofood Sukses Makmur	80	0.04
125,200	Semen Indonesia Persero	73	0.04
499,300	PT Perusahaan Gas Negara	70	0.04
340,200	Charoen Pokphand Indonesia	61	0.03
104,800	Matahari Department Store	59	0.03
112,700	Indofood CBP Sukses Makmur	53	0.03
137,800	Bank Danamon Indonesia	48	0.03
394,400	Bumi Serpong Damai	40	0.02
240,700	Surya Citra Media	36	0.02
172,200	Bank Tabungan Negara	34	0.02
224,800	Waskita Karya Persero	34	0.02
914,600	Pakuwon Jati PT	32	0.02
159,500	PT XL Axiata	25	0.01
88,320	Jasa Marga PT	25	0.01
81,600	Tower Bersama Infrastructure	24	0.01
76,400	AKR Corporindo	24	0.01
		<b>3,958</b>	<b>2.10</b>
	<b>Poland - (1.16%)</b>		
42,656	Powszechna Kasa Oszczednosci Bank	393	0.21
13,607	Polski Koncern Naftowy Orlen	277	0.15
27,570	Powszechny Zaklad Ubezpieczenia	252	0.13
7,077	Bank Polska Kasa Opieki(Pekao)	198	0.11
6,551	KGHM Polska Miedz	147	0.08
1,548	Bank Zachodni WBK	124	0.07
59	LPP	113	0.06
80,499	Polish Oil & Gas	105	0.06
39,046	Polska Grupa Energetyczna	86	0.05
4,246	Alior Bank	75	0.04
1,340	CCC	73	0.04
705	mBank	69	0.04
3,081	CD Projekt Red	68	0.04
11,018	Cyfrowy Polsat	54	0.03
4,340	Grupa Lotos	53	0.03
24,399	Bank Millennium Spolka Akcyjna	43	0.02
2,153	Jastrzebska Spolka Weglowa	42	0.02
1,946	Dino Polska	35	0.02
4,559	Play Communications	32	0.02
26,458	Orange Polska	32	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,362	Bank Handlowy w Warszawie	24	0.01
1,832	Grupa Azoty	23	0.01
37,760	Tauron Polska Energia	21	0.01
		<b>2,339</b>	<b>1.24</b>
	<b>Chile - (1.13%)</b>		
33,783	SACI Falabella	252	0.13
20,776	Empresas Copec	241	0.13
1,257,885	Enel Americas	211	0.11
3,056,614	Banco Santander Chile	183	0.10
13,773	Latam Airls Group	162	0.09
4,188	Soc Quimica Y Minera de Chile	161	0.09
55,228	Empresas CMPC	154	0.08
67,807	Cencosud	150	0.08
1,070,240	Banco de Chile	132	0.07
2,068	Banco de Credito e Inversiones	114	0.06
148,448	Enel Generacion Chile	101	0.05
934,882	Enel Chile	84	0.04
134,996	Aguas Andinas (A)	65	0.03
6,246	Compania Cervecerias Unidas	65	0.03
343,672	Colbun	60	0.03
7,245,099	Itau Corpbanca	53	0.03
6,062	Empresa Nacional de Telecomunicaciones	52	0.03
9,766	Embotelladora Andina	35	0.02
118,797	AES	27	0.01
162,443	Enel Chile (Rights 16/03/2018)	0	0.00
		<b>2,302</b>	<b>1.22</b>
	<b>Turkey - (1.00%)</b>		
105,825	Turkiye Garanti Bankasi	236	0.13
108,982	Akbank Turk Anonim Sirketi	220	0.12
50,438	Turkcell Iletisim Hizmet A S	147	0.08
64,268	Eregli Demir Ve Celik Fabrikal	137	0.07
8,943	BIM Birlesik Magazalar	127	0.07
5,723	Turkiye Petrol Rafinerileri	127	0.07
33,233	KOC Holding	115	0.06
73,096	Turkiye Is Bank	105	0.06
43,734	Haci Omer Sabanci Holding	89	0.05
22,521	Turk Hava Yollari AO	80	0.04
123,122	Emlak Konut Gayrimenkul Yatirim Ortakligi	62	0.03
9,140	Aselsan	54	0.03
34,856	Petkim Petrokimya Holding	53	0.03
36,475	Turkiye Vakiflar Bankasi TAO	51	0.03
26,067	Turkiye Halk Bankasi	49	0.03
7,913	Anadolu Efes Bir Ve T San	39	0.02
10,572	Arcelik	38	0.02
27,551	Turk Telekomunikasyon	34	0.02
2,774	Ford Otomotive Sanayi	33	0.02
5,636	Tofas Turk Otomobil Fabrikas	33	0.02
35,581	Yapi Ve Kredi Bankasi	32	0.02
5,377	TAV Havalimanlari Holding	25	0.01
25,614	Turk Sise Ve Cam Fabrikalari	24	0.01
5,230	Ulker Biskuvi Sanayi	23	0.01
2,464	Coca-Cola Icecek	17	0.01

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
		1,950	1.04
	<b>Philippines - (1.10%)</b>		
401,200	SM Prime Holdings	196	0.10
332,200	Ayala Land	189	0.10
87,037	BDO Unibank	188	0.10
11,040	Ayala	162	0.09
10,530	SM Investments	137	0.07
122,620	JG Summit Holdings	122	0.06
101,190	Aboitiz Equity Ventures	108	0.06
41,460	Universal Robina	86	0.05
3,715	PLDT	78	0.04
18,620	Jollibee Food	76	0.04
4,110	GT Capital Holdings	76	0.04
36,240	Bank of The Philippine Islands	60	0.03
707,600	Metro Pacific Investments	55	0.03
9,720	Manila Electric	45	0.02
207,250	DMCI Holdings	40	0.02
25,880	International Container Termin Services	39	0.02
1,510	Globe Telecom	36	0.02
508,000	Megaworld	34	0.02
162,400	Alliance Global Group	34	0.02
24,386	Metropolitan Bank & Trust	33	0.02
59,600	Aboitiz Power	32	0.02
8,690	Security Bank	30	0.02
87,666	Robinsons Land	24	0.01
		1,880	1.00
	<b>United Arab Emirates - (0.78%)</b>		
77,996	Emirates Telecommunications Group	264	0.14
156,739	Emaar Properties	190	0.10
69,455	First Abu Dhabi Bank	158	0.08
89,792	Abu Dhabi Commercial Bank	129	0.07
7,321	DP World	129	0.07
56,633	Dubai Islamic Bank	68	0.04
141,308	Aldar Properties	60	0.03
71,421	Damac Properties Dubai	42	0.02
93,908	Emaar Malls	39	0.02
69,587	Dubai Investments	30	0.02
205,133	Dxb Entertainments	22	0.01
		1,131	0.60
	<b>Qatar - (0.79%)</b>		
10,241	Qatar National Bank	243	0.13
7,153	Industries of Qatar	147	0.08
17,033	Masraf AL Rayan	127	0.07
34,998	Ezdan Holding Group	63	0.03
3,198	Ooredoo QSC	55	0.03
6,473	Qatar Insurance Company	50	0.03
8,266	Commercialbank Qatar	46	0.02
2,339	Qatar Islamic Bank	45	0.02
5,919	Doha Bank	38	0.02
1,042	Qatar Electricity & Water	35	0.02
5,081	Barwa Real Estate	34	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
10,166	Qatar Gas Transport	34	0.02
		<b>917</b>	<b>0.49</b>
	<b>Colombia - (0.41%)</b>		
18,984	Bancolombia Preferred	150	0.08
224,413	Ecopetrol	149	0.08
12,057	Grupo de Inversiones Suramericana	119	0.06
11,317	Bancolombia	90	0.05
18,238	Interconexion Electrica Saesp	64	0.03
12,386	Grupo Argos	62	0.03
22,488	Cementos Argos	60	0.03
167,125	Grupo Aval Acciones Preferred	53	0.03
3,531	Grupo de Inversiones Suramericana Preferred	33	0.02
		<b>780</b>	<b>0.41</b>
	<b>Peru - (0.36%)</b>		
3,074	Credicorp	481	0.26
3,912	Southern Copper	151	0.08
8,899	Buenaventura Minas (ADR)	101	0.05
		<b>733</b>	<b>0.39</b>
	<b>Greece - (0.32%)</b>		
11,099	Hellenic Telecommunications Org	115	0.06
61,142	Alpha Bank	106	0.06
9,625	Greek Organization of Football Prognostics	86	0.05
250,212	National Bank of Greece	67	0.04
4,643	Jumbo	61	0.03
83,137	Eurobank Ergasias	59	0.03
2,395	Titan Cement	48	0.03
12,573	Piraeus Bank	39	0.02
1,643	FF Group	25	0.01
		<b>606</b>	<b>0.32</b>
	<b>Hungary - (0.29%)</b>		
10,757	OTP Bank	350	0.19
17,160	MOL Hungarian Oil & Gas	136	0.07
6,452	Richter Gedeon	105	0.06
		<b>591</b>	<b>0.31</b>
	<b>Czech Republic - (0.18%)</b>		
3,799	Komerční Banka	123	0.06
6,869	CEZ	121	0.06
20,885	Moneta Money Bank	61	0.03
3,060	Telefonica Czech Republic AS	29	0.02
		<b>334</b>	<b>0.18</b>
	<b>Pakistan - (0.00%)</b>		
27,900	Habib Bank	38	0.02
32,700	Oil & Gas Development	35	0.02
24,200	Mcb Bank	34	0.02
16,400	United Bank	20	0.01
4,400	Lucky Cement	17	0.01
		<b>144</b>	<b>0.08</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Egypt - (0.06%)</b>		
16,278	Commercial International Bank Egypt (GDR)	53	0.03
		<b>53</b>	<b>0.03</b>
	<b>Warrants - (0.00%)</b>		
1,015	Indorama Ventures (L) (Warrants 24/08/2018)	0	0.00
		<b>0</b>	<b>0.00</b>
	<b>Futures - (0.02%)</b>		
6,050	Mini MSCI Em MK Index Future 16/03/2018	(48)	(0.03)
		<b>(48)</b>	<b>(0.03)</b>
	<b>Portfolio of investments</b>	<b>186,711</b>	<b>99.26</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>1,362</b>	<b>0.74</b>
	<b>Net assets</b>	<b>188,073</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>France - (21.23%)</b>		
131,932	Total	5,462	1.89
62,580	Sanofi	3,584	1.24
61,793	BNP Paribas	3,561	1.23
15,381	LVMH Moet Hennessy SE	3,340	1.15
32,020	Airbus SE	2,779	0.96
106,503	AXA	2,438	0.84
13,898	L'Oreal	2,170	0.75
23,583	Air Liquide	2,145	0.74
27,781	Vinci SA	1,999	0.69
31,239	Schneider Electric	1,965	0.68
33,150	Danone	1,932	0.67
42,145	Societe Generale France (A)	1,743	0.60
4,386	Kering	1,507	0.52
18,301	Safran	1,470	0.51
12,292	Pernod Ricard	1,464	0.51
109,712	Orange	1,352	0.47
100,520	Engie	1,146	0.40
27,372	Compagnie de Saint-Gobain	1,126	0.39
9,915	Michelin Comp Gen Des Estbmts (B)	1,105	0.38
11,403	Essilor International	1,088	0.38
57,050	Vivendi	1,053	0.36
5,497	Unibail-Rodamco	917	0.32
15,400	Legrand	873	0.30
11,127	Renault	871	0.30
9,302	Capgemini	839	0.29
65,902	Credit Agricole	824	0.28
1,833	Hermes International SCA	714	0.25
7,502	Dassault Systemes	695	0.24
12,000	Publicis Groupe	656	0.23
13,873	Valeo	650	0.22
36,897	STMicroelectronics (FR)	612	0.21
33,634	Carrefour	556	0.19
34,047	Peugeot	548	0.19
5,481	Atos SE	524	0.18
6,128	Thales	496	0.17
27,721	Veolia Environnement	488	0.17
5,239	Sodexo	464	0.16
12,504	Bouygues	461	0.16
10,867	Accor	454	0.16
12,738	Klepierre	379	0.13
3,945	Arkema	375	0.13
2,830	Gecina	361	0.12
3,345	Teleperformance	341	0.12
54,483	Natixis	338	0.12
4,255	Eiffage	333	0.12
12,946	Edenred	329	0.11
33,429	EDF	314	0.11
10,002	SCOR SE	308	0.11
15,352	Bureau Veritas	292	0.10
662	Eurofins Scientific SE	274	0.09
8,989	Alstom	273	0.09



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
4,395	Faurecia	268	0.09
1,530	Iliad Group	263	0.09
27,064	Getlink (A)	253	0.09
1,719	Aéroports de Paris	251	0.09
21,088	SES (FR) (FDR)	246	0.08
2,180	Ipsen	233	0.08
17,560	Rexel	225	0.08
9,847	Zodiac Aerospace	217	0.07
3,430	Ingenico Group	214	0.07
21,305	Suez	211	0.07
3,556	UBISOFT Entertainment	211	0.07
50,403	Bollere	208	0.07
3,499	Amundi	206	0.07
1,607	Wendel	202	0.07
1,307	SEB	194	0.07
144	Dassault Aviation	181	0.06
9,937	CNP Assurances	177	0.06
2,511	Eurazeo	173	0.06
10,106	Eutelsat Communications	169	0.06
2,073	Imerys	152	0.05
1,948	Fonciere Des Regions	148	0.05
6,833	Lagardere SCA	146	0.05
1,931	ICADE	137	0.05
2,398	BioMerieux	135	0.05
1,311	Remy Cointreau	129	0.04
3,213	Casino Guichard Perrachon	127	0.04
1,651	Societe BIC	125	0.04
4,307	JC Decaux	121	0.04
275	Bollere	1	0.00
		<b>65,311</b>	<b>22.56</b>
	<b>Germany - (19.95%)</b>		
24,565	Allianz SE	4,188	1.45
54,077	SAP SE	4,085	1.41
41,887	Siemens	4,026	1.39
50,578	BASF SE	3,871	1.34
45,538	Bayer	3,816	1.32
52,927	Daimler	3,287	1.14
183,798	Deutsche Telekom	2,157	0.75
53,500	Deutsche Post	1,761	0.61
10,752	Linde	1,751	0.60
10,386	adidas	1,682	0.58
10,227	Volkswagen Preferred	1,465	0.51
18,261	BMW	1,402	0.48
8,536	Munich RE Group	1,396	0.48
22,919	Fresenius SE	1,364	0.47
114,411	Deutsche Bank	1,349	0.47
65,773	Infineon Technologies	1,288	0.44
6,368	Continental	1,266	0.44
11,172	Deutsche Boerse	1,080	0.37
10,314	Henkel Preferred	991	0.34
12,479	Fresenius Medical Care	954	0.33
28,081	Vonovia SE	923	0.32

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
121,180	E.ON SE	904	0.31
9,378	Covestro	774	0.27
61,622	Commerzbank	696	0.24
8,615	HeidelbergCement	627	0.22
20,531	Deutsche Wohnen	614	0.21
6,795	Wirecard	590	0.20
7,482	Merck	544	0.19
8,864	Porsche Automobil Holding Non Voting Preferred	542	0.19
6,016	Henkel	522	0.18
25,227	Thyssenkrupp	497	0.17
5,835	Beiersdorf	464	0.16
29,996	RWE	438	0.15
7,139	Symrise	421	0.15
8,944	Brenntag	405	0.14
13,488	Prosiebensat.1 Media SE	387	0.13
3,010	MTU Aero Engines	366	0.13
10,586	GEA Group	362	0.13
7,120	United Internet	349	0.12
3,491	Hannover Reins	347	0.12
5,757	OSRAM Licht	331	0.11
13,640	Deutsche Lufthansa	330	0.11
5,298	LANEXSS	321	0.11
12,694	QIAGEN (DE)	308	0.11
1,879	Volkswagen	274	0.09
6,444	Zalando SE	268	0.09
4,102	KION Group	259	0.09
11,652	Uniper	256	0.09
9,442	Evonik Industries	254	0.09
3,668	Hugo Boss	238	0.08
8,040	RWE International SE	233	0.08
11,080	K&S	223	0.08
3,191	Bayerische Motoren Werke Non Voting Preferred	212	0.07
2,811	Axel Springer SE	181	0.06
2,409	Fraport Frankfurt Airport Services	179	0.06
3,070	1&1 Drillisch	172	0.06
2,041	MAN	169	0.06
4,023	Fuchs Petrolu SE Preferred	166	0.06
10,423	Metro	145	0.05
43,050	Telefonica Deutschland Holding	145	0.05
2,242	RTL Group (DE)	143	0.05
1,117	HOCHTIEF	135	0.05
9,609	Schaeffler	113	0.04
		<b>59,006</b>	<b>20.38</b>
	<b>Switzerland - (19.66%)</b>		
180,159	Nestle	10,377	3.58
128,763	Novartis	7,817	2.70
40,670	Roche Holdings	6,880	2.38
211,866	UBS Group	2,944	1.02
8,761	Zurich Insurance Group	2,103	0.73
30,218	Compagnie Finance Richemont Switz (A)	1,925	0.66
140,565	Credit Suisse Group	1,899	0.66
106,684	ABB	1,896	0.65

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
18,206	Swiss RE	1,352	0.47
26,350	LafargeHolcim	1,121	0.39
535	Givaudan	883	0.31
4,311	Lonza Group	796	0.27
124	Sika	734	0.25
2,144	Geberit	701	0.24
12,956	Julius Baer Group	611	0.21
1,499	Swisscom	587	0.20
309	SGS	567	0.20
9,412	Adecco Group	546	0.19
1,785	Swatch Group	542	0.19
1,005	Partners Group Holding	527	0.18
1,883	Swiss Life Holding	495	0.17
2,357	Schindler Holding	399	0.14
3,126	Kuehne & Nagel International	370	0.13
3,026	Sonova Holding	342	0.12
2,825	Baloise Holdings	323	0.11
6	Lindt & Spruengli Chocolad	313	0.11
597	Straumann Holding	292	0.10
2,822	Vifor Pharma	288	0.10
4,138	Swiss Prime Site	277	0.10
60	Lindt & Spruengli Chocolad (Participation Certificate)	260	0.09
13,451	Clariant	243	0.08
474	EMS-Chemie Holding	220	0.08
2,027	Dufry Group	209	0.07
1,165	Schindler Holding	191	0.07
3,234	Swatch Group	187	0.06
127	Barry Callebaut	183	0.06
2,236	Pargesa Holding	143	0.05
		<b>49,543</b>	<b>17.11</b>
	<b>Netherlands - (7.29%)</b>		
89,861	Unilever	3,422	1.18
21,384	ASML Holding	3,057	1.06
213,969	ING Groep	2,758	0.95
19,626	NXP Semiconductors	1,767	0.61
51,813	Koninklijke Philips	1,442	0.50
70,738	Ahold Delhai (Koninklijke)	1,150	0.40
15,005	Heineken	1,125	0.39
14,582	Akzo Nobel	1,020	0.35
38,452	ArcelorMittal Luxembourg	965	0.33
55,918	RELX	831	0.29
10,502	Koninklijke DSM	791	0.27
16,806	Wolters Kluwer	617	0.21
17,753	NN Group	578	0.20
24,487	ABN AMRO Group	553	0.19
103,117	Aegon	523	0.18
6,670	Heineken Holding	476	0.16
194,638	Koninklijke KPN	444	0.15
6,896	Randstad Holding	356	0.12
12,619	Coca-Cola European Partners	348	0.12
7,775	AerCap Holdings	283	0.10
31,362	Altice (A)	213	0.07

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
5,271	Boskalis Westminster Groep	144	0.05
4,070	Vopak (Koninklijke)	139	0.05
2	Altice (B)	0	0.00
		<b>23,002</b>	<b>7.95</b>
	<b>Spain - (6.72%)</b>		
888,593	Banco Santander	4,467	1.54
367,187	Banco Bilbao Vizcaya Argentaria	2,236	0.77
257,548	Telefonica	1,812	0.63
319,966	Iberdrola	1,730	0.60
25,403	Amadeus IT Group (A)	1,345	0.46
60,012	Industria de Diseno Txl IN	1,325	0.46
72,549	Repsol	924	0.32
207,752	CaixaBank	733	0.25
40,133	Abertis Infraestructure	694	0.24
3,907	Aena Sme	577	0.20
309,449	Banco de Sabadell	469	0.16
28,192	Ferrovial	438	0.15
25,059	Red Electrica	353	0.12
13,843	ACS Actividades de Construccion y Servicios	346	0.12
17,268	Grifols (A)	341	0.12
20,275	Gas Natural SDG	339	0.12
39,027	Bankinter	312	0.11
18,388	Endesa	280	0.10
71,433	Bankia	251	0.09
13,129	Enagas S A	248	0.09
35,591	International Consolidated Airlines Group (ES)	217	0.07
13,800	Siemens Gamesa Renewable Energy	158	0.05
62,395	MAPFRE	153	0.05
1	Distribuidora Internacional de Alimentacion	0	0.00
		<b>19,748</b>	<b>6.82</b>
	<b>Sweden - (6.46%)</b>		
175,834	Nordea Bank	1,457	0.50
90,493	Volvo	1,241	0.43
38,886	Atlas Copco (A)	1,209	0.42
52,424	Swedbank	957	0.33
58,021	Assa ABLOY	944	0.33
88,403	Svenska Handelsbanken	880	0.30
65,352	Sandvik	879	0.30
177,856	Ericsson (B)	872	0.30
26,366	Investor	863	0.30
87,933	SEB (A)	755	0.26
35,086	Essity (B)	700	0.24
54,962	Hennes & Mauritz (H&M)	662	0.23
14,965	Hexagon	644	0.22
22,574	Atlas Copco	624	0.22
162,933	Telia	556	0.19
15,834	Boliden	409	0.14
13,564	Kinnevik Investment	361	0.12
13,927	Electrolux (B)	333	0.12
21,869	SKF	333	0.12
10,524	Swedish Match	328	0.11
16,997	Alfa-Laval	297	0.10

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
19,689	Skanska	285	0.10
18,127	Securitas	225	0.08
3,829	Millicom International Cellular	189	0.07
24,129	Husqvarna	187	0.06
10,837	Lundin Petroleum	184	0.06
20,937	Tele2	180	0.06
9,669	Industrivarden	169	0.06
4,659	ICA Gruppen	121	0.04
2,200	Lundbergfoeretagen	120	0.04
13,241	Getinge	120	0.04
		<b>17,084</b>	<b>5.90</b>
	<b>Italy - (4.49%)</b>		
739,319	Intesa Sanpaolo	2,023	0.70
448,922	Enel	1,898	0.66
115,958	UniCredit	1,784	0.62
140,102	ENI	1,700	0.59
72,328	Assicurazioni Generali	985	0.34
62,294	Fiat Chrysler Automobiles (IT)	969	0.33
7,110	Ferrari (IT)	646	0.22
26,291	Atlantia	590	0.20
59,205	CNH Industrial (IT)	584	0.20
659,940	Telecom Italia	429	0.15
9,826	Luxottica Group	428	0.15
131,721	Snam	427	0.15
27,335	Tenaris	343	0.12
6,278	EXOR	332	0.11
81,453	Terna	329	0.11
35,822	Mediobanca	314	0.11
11,919	Prysmian	271	0.09
349,081	Telecom Italia Non Voting RISP	191	0.07
30,245	Poste Italiane	187	0.06
23,427	Leonardo	184	0.06
33,623	Davide Campari-Milano	173	0.06
6,053	Recordati Ind Chimica	157	0.05
54,009	Intesa Sanpaolo (Preference)	155	0.05
57,336	UnipolSai	101	0.03
		<b>15,200</b>	<b>5.25</b>
	<b>Denmark - (3.71%)</b>		
107,930	Novo-Nordisk (B)	4,079	1.41
43,385	Danske Bank	1,254	0.43
12,475	Vestas Wind Systems	660	0.23
10,999	de Sammensluttede Vognmaend	625	0.22
6,192	Carlsberg (B)	546	0.19
10,951	Orsted	493	0.17
13,090	Novozymes	490	0.17
3,365	Genmab	489	0.17
6,187	Pandora	468	0.16
378	AP Moller Maersk (B)	451	0.16
6,877	Coloplast (B)	422	0.15
5,725	Chr Hansen Holding	345	0.12
47,006	TDC	277	0.10
9,673	ISS Holdings	256	0.09

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
218	AP Moller Maersk (A)	249	0.09
6,746	William Demant Holding	176	0.06
4,033	H Lundbeck	154	0.05
6,997	Tryg	120	0.04
		<b>11,554</b>	<b>3.99</b>
	<b>Belgium - (2.50%)</b>		
42,016	Anheuser-Busch InBev	3,212	1.11
14,522	KBC Groep	984	0.34
12,124	Umicore	491	0.17
7,319	UCB	439	0.15
4,290	Solvay (A)	431	0.15
10,911	Ageas	414	0.14
4,671	Global (Groupe Bruxelles Lamb)	387	0.13
8,806	Proximus	204	0.07
3,054	Telenet Group Holding	152	0.05
3,472	Colruyt	136	0.05
		<b>6,850</b>	<b>2.37</b>
	<b>Finland - (2.11%)</b>		
321,627	Nokia (FN)	1,365	0.47
25,879	Sampo	1,063	0.37
30,897	UPM Kymmene	772	0.27
19,579	Kone	739	0.26
8,564	Wartsila	440	0.15
25,714	Fortum	413	0.14
31,896	Stora Enso	407	0.14
7,421	Neste	397	0.14
8,234	Elisa (A)	256	0.09
6,751	Nokian Tyres	224	0.08
6,528	Metso	151	0.05
6,029	Orion	143	0.05
		<b>6,370</b>	<b>2.20</b>
	<b>Ireland - (2.97%)</b>		
349	Fidelity Institutional Euro Fund Class A-Acc	4,299	1.48
9,178	Kerry Group (A)	664	0.23
4,642	Paddy Power Betfair (IE)	396	0.14
53,082	Bank Ireland Group	360	0.12
47,141	AIB Group	219	0.08
8,902	Ryanair Holdings	126	0.04
		<b>6,064</b>	<b>2.09</b>
	<b>Norway - (1.48%)</b>		
66,976	Statoil	1,115	0.39
56,574	DNB	809	0.28
43,459	Telenor	706	0.24
77,853	Norsk Hydro	381	0.13
47,191	Orkla	371	0.13
24,119	Marine Harvest	337	0.12
10,281	Yara International	331	0.11
11,578	Gjensidige Forsikring	154	0.05
5,674	Schibsted (B)	101	0.03
		<b>4,305</b>	<b>1.49</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Austria - (0.45%)</b>		
17,417	Erste Group Bank	627	0.22
8,526	OMV	355	0.12
6,636	Voestalpine	279	0.10
8,569	Raiffeisen Bank International	242	0.08
4,215	ANDRITZ	178	0.06
		<b>1,681</b>	<b>0.58</b>
	<b>United Kingdom - (0.00%)</b>		
46,190	CRH	1,115	0.39
		<b>1,115</b>	<b>0.39</b>
	<b>Portugal - (0.33%)</b>		
29,018	Galp Energia	379	0.13
137,593	Energias de Portugal	334	0.12
14,572	Jeronimo Martins	221	0.08
13,570	Banco Espirito Santo (PT)	0	0.00
		<b>934</b>	<b>0.32</b>
	<b>Futures - ((0.01)%)</b>		
2,040	EURO STOXX 50 Commodity Future 16/03/2018	74	0.03
		<b>74</b>	<b>0.03</b>
	<b>Portfolio of investments</b>	<b>287,841</b>	<b>99.43</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>1,659</b>	<b>0.57</b>
	<b>Net assets</b>	<b>289,500</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Industrials - (20.06%)</b>		
15,200	FANUC	2,799	1.30
118,300	Mitsubishi	2,405	1.12
18,700	Nidec	2,176	1.01
72,300	Komatsu	1,909	0.89
151,400	Mitsubishi Electric	1,854	0.86
134,400	Mitsui	1,769	0.82
25,700	East Japan Railway	1,743	0.81
19,600	Daikin Industries	1,672	0.78
117,600	ITOCHU	1,638	0.76
11,300	Central Japan Railway	1,520	0.71
86,400	Recruit Holdings	1,509	0.70
4,500	SMC	1,366	0.63
93,500	Sumitomo	1,190	0.55
510,000	Toshiba	1,087	0.50
82,800	Kubota	1,087	0.50
16,700	Secom	865	0.40
25,400	Mitsubishi Heavy Industries	751	0.35
130,600	Marubeni	722	0.34
13,200	West Japan Railway	662	0.31
17,800	Makita	609	0.28
16,300	Taisei	598	0.28
30,300	Minebea Mitsumi	502	0.23
27,600	Yamato Holdings	498	0.23
18,500	Hankyu Hanshin Holdings	498	0.23
42,300	Tokyu	489	0.23
69,000	Kajima	475	0.22
22,300	MISUMI Group	466	0.22
15,400	Asahi Glass	462	0.21
16,300	Toyota Tsusho	439	0.20
10,800	TOTO	412	0.19
49,900	Obayashi	408	0.19
13,800	Kintetsu Group Holdings	383	0.18
7,600	Daifuku	361	0.17
20,400	LIXIL Group	360	0.17
22,500	Odakyu Electric Railway	331	0.15
14,800	Tobu Railway	330	0.15
29,300	NSK	318	0.15
11,500	Kawasaki Heavy Industries	304	0.14
19,700	Dai Nippon Printing Japan	299	0.14
6,100	Nippon Express	296	0.14
11,900	IHI	294	0.14
9,100	THK	287	0.13
42,200	Shimizu	284	0.13
8,800	Keio	278	0.13
15,100	Nagoya Railroad	278	0.13
4,200	Hoshizaki	274	0.13
20,300	NGK Insulators	274	0.13
12,300	Kyushu Railway Company	273	0.13
8,700	Nabtesco	272	0.13
11,400	Keisei Electric Railway	269	0.12
15,900	JGC	264	0.12



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
9,000	Sumitomo Heavy Industries	256	0.12
8,800	ANA Holdings	255	0.12
26,200	Amada Holdings	253	0.12
13,700	Persol Holdings Co Ltd	254	0.12
9,100	Japan Airlines	251	0.12
8,100	Hitachi Const Mach	251	0.12
40,000	Toppan Printing	248	0.12
43,000	Fuji Electric	237	0.11
17,800	Keikyu	230	0.11
17,000	Seibu Holdings	209	0.10
8,800	Mitsui OSK Lines	200	0.09
12,400	Nippon Yusen Kk	195	0.09
17,200	JTEKT	193	0.09
19,800	Hino Motors	189	0.09
5,500	Sohgo Security Services	187	0.09
7,600	Kurita Water Industries	169	0.08
7,400	Keihan Holdings	167	0.08
8,400	Park24	146	0.07
9,000	Kamigumi	142	0.07
3,700	Mabuchi Motor	138	0.06
3,700	Japan Airport Terminal	101	0.05
		<b>44,880</b>	<b>20.85</b>
	<b>Consumer Discretionary - (19.84%)</b>		
204,000	Toyota Motor	9,951	4.62
98,900	Sony	3,627	1.68
134,700	Honda Motor	3,528	1.64
173,300	Panasonic	1,960	0.91
51,000	Bridgestone	1,645	0.76
37,300	Denso	1,581	0.73
182,500	Nissan Motor	1,384	0.64
48,400	Subaru	1,233	0.57
4,200	Fast Retailing	1,205	0.56
17,100	Oriental Land	1,200	0.56
27,000	Suzuki Motor	1,119	0.52
6,300	Nitori Holdings	765	0.36
59,700	Sumitomo Electric Industries	683	0.32
5,900	Shimano	616	0.29
47,500	Sekisui House	602	0.28
14,000	Aisin Seiki	591	0.27
12,900	Toyota Industries	588	0.27
16,600	Dentsu	553	0.26
43,700	Isuzu Motors	497	0.23
21,500	Yamaha Motor	494	0.23
71,500	Rakuten	471	0.22
1,900	Ryohin Keikaku	470	0.22
43,400	Mazda Motor	438	0.20
8,600	Koito Manufacturing	431	0.20
30,600	Sekisui Chemical	418	0.19
12,900	Yamaha	411	0.19
9,500	Don Quijote Holdings	385	0.18
26,200	Nikon	385	0.18
15,200	Bandai Namco Holdings	355	0.16

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
10,900	Stanley Electric	309	0.14
51,600	Mitsubishi Motors	295	0.14
11,500	Sharp	291	0.14
14,400	Start Today	270	0.13
16,900	USS	252	0.12
18,600	J Front Retailing	245	0.11
12,200	NGK Spark Plug	225	0.10
25,700	Isetan Mitsukoshi Holdings	219	0.10
47,800	Yamada Denki	218	0.10
15,200	Marui Group	211	0.10
8,700	Toho	204	0.09
14,200	Sumitomo Rubber Industries	197	0.09
17,800	Hakuhodo DY Holdings	186	0.09
23,000	Takashimaya	169	0.08
2,600	Rinnai	168	0.08
1,600	Hikari Tsushin	167	0.08
5,100	McDonalds Holdings (Japan)	164	0.08
9,000	Yokohama Rubber	161	0.07
14,800	Casio Computer	158	0.07
11,300	Iida Group Holdings	154	0.07
1,700	Shimamura	146	0.07
12,200	Asics	141	0.07
5,400	Benesse Holdings	140	0.07
13,100	Sega Sammy Holdings	138	0.06
2,600	ABC-Mart	119	0.06
7,200	NOK	111	0.05
3,300	Sankyo Gunma	85	0.04
4,800	Toyoda Gosei	84	0.04
		<b>42,813</b>	<b>19.89</b>
	<b>Information Technology - (10.66%)</b>		
7,600	Keyence	3,344	1.55
8,900	Nintendo	2,945	1.37
83,700	Canon	2,311	1.07
378,000	Hitachi	2,063	0.96
12,300	Tokyo Electron	1,746	0.81
15,000	Murata Manufacturing	1,516	0.70
25,200	Kyocera	1,079	0.50
32,400	Fujifilm Holdings	978	0.45
155,000	Fujitsu	673	0.31
10,200	TDK	672	0.31
19,900	Yaskawa Electric	671	0.31
15,200	Omron	651	0.30
7,400	Rohm	567	0.26
21,000	NEC	461	0.21
54,000	Ricoh	421	0.20
15,300	Nexon	400	0.19
9,200	Trend Micro	377	0.18
2,200	Disco	374	0.17
20,000	Shimadzu	371	0.17
48,600	NTT Data	364	0.17
108,600	Yahoo Japan	363	0.17
18,100	Sumco	352	0.16

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
18,200	Brother Industries	330	0.15
10,062	Nomura Research Institute	327	0.15
38,500	Renesas Electronics	321	0.15
10,900	Hamamatsu Photonics	315	0.15
15,300	Alps Electric	305	0.14
5,000	Obic	301	0.14
21,400	Seiko Epson	296	0.14
7,200	Konami Holdings	274	0.13
4,000	Otsuka	269	0.12
18,300	Yokogawa Electric	269	0.12
2,450	Hirose Electric	263	0.12
36,700	Konica Minolta	245	0.11
5,200	Hitachi High Technologies	184	0.09
2,900	Oracle Japan	163	0.08
6,500	Nippon Electric Glass	143	0.07
10,500	Kakaku.com	129	0.06
8,000	DeNA	105	0.05
3,500	Line	103	0.05
3,300	Mixi	96	0.04
		<b>27,137</b>	<b>12.61</b>
	<b>Financials - (13.91%)</b>		
932,600	Mitsubishi UFJ Finance Group	4,794	2.23
105,300	Sumitomo Mitsui Financial Group	3,327	1.55
1,896,900	Mizuho Financial Group	2,549	1.18
53,100	Tokio Marine Holdings	1,778	0.83
104,000	ORIX	1,339	0.62
285,300	Nomura Holdings	1,269	0.59
84,600	Dai-ichi Life Holdings	1,216	0.56
123,000	Japan Post Holdings	1,070	0.50
37,300	MS&AD Insurance Group Holdings	838	0.39
27,700	Sompo Holdings	773	0.36
26,400	Sumitomo Mitsui Trust Holdings	771	0.36
174,600	Resona Holdings	720	0.33
127,000	Daiwa Securities Group	614	0.29
40,000	Japan Exchange Group	500	0.23
41,500	T&D Holdings	498	0.23
93,300	Concordia Financial Group	393	0.18
54,000	Chiba Bank	323	0.15
30,600	Japan Post Bank	302	0.14
39,000	Shizuoka Bank	286	0.13
9,100	Aozora Bank	270	0.13
15,500	SBI Holdings Japan	259	0.12
77,920	Mebuki Financial Group	227	0.11
60,000	Fukuoka Financial Group	223	0.10
4,700	Bank of Kyoto	189	0.09
13,300	Sony Financial Holdings	179	0.08
13,400	Suruga Bank	159	0.07
34,200	Mitsubishi UFJ Lease & Finance	158	0.07
12,200	Credit Saison	152	0.07
8,900	Aeon Financial Service	150	0.07
12,600	Shinsei Bank	144	0.07
31,000	Hachijuni Bank	136	0.06

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
15,000	Yamaguchi Financial Group	131	0.06
44,600	Seven Bank	111	0.05
26,100	Kyushu Financial Group	105	0.05
29,800	Acom	98	0.05
		<b>26,051</b>	<b>12.10</b>
	<b>Consumer Staples - (7.26%)</b>		
38,800	Kao	2,054	0.95
59,400	Seven & I Holdings	1,787	0.83
86,300	Japan Tobacco	1,773	0.82
29,800	Shiseido	1,298	0.60
68,200	Kirin Holdings	1,278	0.59
30,400	Asahi Group Holdings	1,125	0.52
31,900	Unicharm	646	0.30
46,900	Aeon	571	0.27
43,100	Ajinomoto	569	0.26
9,800	Meiji Holdings	517	0.24
6,600	FamilyMart	360	0.17
10,700	Suntory Beverage & Food	359	0.17
6,800	Yakult Honsha	351	0.16
11,300	Kikkoman	324	0.15
2,300	Kose	312	0.14
2,800	Tsuruha Holdings	293	0.14
9,500	Coca Cola Bottlers Japan Holdings	260	0.12
4,800	Nissin Food Holdings	237	0.11
17,300	Lion	235	0.11
14,000	NH Foods	227	0.11
15,270	Nisshin Seifun Group	218	0.10
7,000	Pola Orbis Holdings	213	0.10
6,900	Toyo Suisan Kaisha	195	0.09
5,400	Sundrug	180	0.08
3,800	Lawson	179	0.08
6,000	Calbee	145	0.07
9,500	Yamazaki Baking	134	0.06
		<b>15,840</b>	<b>7.36</b>
	<b>Health Care - (7.32%)</b>		
55,800	Takeda Pharmaceutical	2,298	1.07
162,600	Astellas Pharma	1,732	0.80
30,600	Hoya	1,170	0.54
44,500	Daiichi Sankyo Kabushik Kaisha	1,142	0.53
30,800	Otsuka Holdings	1,118	0.52
25,400	Terumo	987	0.46
23,400	Shionogi	882	0.41
21,000	Eisai	806	0.37
12,300	Sysmex	738	0.34
31,700	Ono Pharmaceutical	669	0.31
23,000	Olympus	667	0.31
17,600	Chugai Pharmaceutical	657	0.31
16,100	M3	454	0.21
27,900	Santen Pharmaceutical	324	0.15
20,700	Kyowa Hakko Kirin	317	0.15
18,300	Mitsubishi Tanabe Pharma	283	0.13

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
4,700	Hisamitsu Pharmaceuticals	245	0.11
14,500	Alfresa Holdings	235	0.11
13,300	Medipal Holdings	196	0.09
5,420	Suzuken	160	0.07
2,400	Taisho Pharmaceutical Holding	158	0.07
12,100	Sumitomo Dainippon Pharmaceuticals	134	0.06
7,100	CYBERDYNE	77	0.04
		<b>15,449</b>	<b>7.18</b>
	<b>Materials - (6.33%)</b>		
30,400	Shin-Etsu Chemical	2,331	1.08
59,600	Nippon Steel & Sumitomo Metal	1,027	0.48
99,400	Asahi Kasei	927	0.43
116,000	Toray Industries	849	0.39
112,900	Mitsubishi Chemical Holdings	832	0.39
13,000	Nitto Denko	780	0.36
41,000	JFE Holdings	688	0.32
19,400	Sumitomo Metal Mining	658	0.31
125,000	Sumitomo Chemical	563	0.26
27,300	Kuraray	345	0.16
22,300	Tosoh	338	0.16
12,600	Nippon Paint Holdings	332	0.15
69,000	Oji Holdings	327	0.15
14,200	Mitsui Chemicals	315	0.15
15,500	Kansai Paint Osaka	282	0.13
9,300	Nissan Chemical Industries	267	0.12
14,800	JSR	258	0.12
9,200	Taiheiyo Cement	248	0.12
13,700	Mitsubishi Gas Chemical	247	0.11
14,400	Teijin	205	0.10
8,600	Mitsubishi Materials	195	0.09
23,900	Kobe Steel	192	0.09
21,500	Daicel	178	0.08
11,400	Air Water (Osaka)	164	0.08
21,000	Kaneka	154	0.07
16,500	Hitachi Metals	153	0.07
12,500	Toyo Seikan Group Holdings	134	0.06
8,000	Hitachi Chemical	129	0.06
9,900	Taiyo Nippon Sanso Tokyo	105	0.05
4,500	Maruichi Steel Tube	102	0.05
		<b>13,325</b>	<b>6.19</b>
	<b>Telecommunication Services - (5.50%)</b>		
64,600	SoftBank Group	3,874	1.80
141,800	KDDI	2,519	1.17
107,000	NTT Docomo	1,981	0.92
54,200	Nippon Telegraph & Telephone	1,820	0.85
		<b>10,194</b>	<b>4.74</b>
	<b>Real Estate - (4.25%)</b>		
98,300	Mitsubishi Estate	1,243	0.58
70,000	Mitsui Fudosan	1,217	0.57
44,600	Daiwa House Industry	1,196	0.56
28,000	Sumitomo Realty & Development	734	0.34

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
5,400	Daito Trust Construction	646	0.30
109	Nippon Building Fund	425	0.20
107	Japan Real Estate Investment	398	0.18
230	Japan Retail Fund Investment	318	0.15
310	Nomura Real Estate Master Fund	305	0.14
251	United Urban Investment	285	0.13
39,100	Tokyu Fudosan Holdings	209	0.10
113	Daiwa House (REIT) Investment	195	0.09
22,700	Hulic	183	0.09
16,200	Tokyo Tatemono	181	0.08
67	Japan Prime Realty Investment	166	0.08
9,500	Nomura Real Estate Holding	166	0.08
9,000	Aeon Mall	136	0.06
64	Nippon Prologis	104	0.05
		<b>8,107</b>	<b>3.77</b>
	<b>Utilities - (1.89%)</b>		
30,800	Tokyo Gas	558	0.26
49,800	Chubu Electric Power	490	0.23
54,200	Kansai Electric Power	477	0.22
28,800	Osaka Gas	411	0.19
35,000	Tohoku Electric Power	331	0.15
116,000	Tokyo Electric Power Holdings	321	0.15
33,000	Kyushu Electric Power	267	0.12
11,200	Electric Power Develop	206	0.10
20,900	The Chugoku Electric Power Company Inc	176	0.08
5,600	Toho Gas	118	0.05
		<b>3,355</b>	<b>1.56</b>
	<b>Energy - (0.89%)</b>		
242,100	Jxtg Holdings	1,071	0.50
75,000	Inpex	663	0.31
10,400	Idemitsu Kosan	289	0.13
14,300	Showa Shell Sekiyu KK	134	0.06
		<b>2,157</b>	<b>1.00</b>
	<b>Futures - (0.00%)</b>		
39,000	Yen Denominated NIKKEI Commodity Future 08/03/2018	76	0.04
		<b>76</b>	<b>0.04</b>
	<b>Portfolio of investments</b>	<b>209,384</b>	<b>97.29</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>5,896</b>	<b>2.71</b>
	<b>Net assets</b>	<b>215,280</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Australia - (57.38%)</b>		
201,043	Commonwealth Bank Australia	8,658	5.55
389,202	Westpac Banking	6,753	4.32
367,777	BHP Billiton	6,325	4.05
336,569	ANZ Bank	5,509	3.53
307,783	National Australia Bank	5,236	3.35
51,785	CSL	4,764	3.05
129,739	Wesfarmers	3,022	1.94
149,195	Woolworths Group	2,322	1.49
37,079	Macquarie Group	2,167	1.39
47,118	Rio Tinto	2,156	1.38
254,317	Transurban Group	1,661	1.06
98,941	Woodside Petroleum	1,627	1.04
609,036	Scentre Group	1,319	0.84
270,404	Insurance Australia Group	1,249	0.80
147,895	Suncorp Group	1,131	0.72
226,316	Westfield	1,117	0.72
592,740	South32	1,110	0.71
87,309	Newcrest Mining	1,045	0.67
132,080	Amcor	1,035	0.66
200,465	Origin Energy	1,023	0.66
332,209	AMP	989	0.63
181,276	Brambles	980	0.63
205,297	Goodman Group	948	0.61
75,079	AGL Energy	925	0.59
155,228	QBE Insurance Group	892	0.57
61,430	Aristocrat Leisure	854	0.55
447,003	Telstra	842	0.54
82,980	Treasury Wine Estates	818	0.52
21,724	ASX	715	0.46
6,495	Cochlear	673	0.43
156,178	Oil Search	664	0.43
50,336	James Hardie Industries	648	0.42
63,176	Lendlease Group	635	0.41
276,270	Stockland	629	0.40
45,424	Sonic Healthcare	627	0.40
214,753	Santos	610	0.39
115,728	Dexus Property Group	607	0.39
228,984	Aurizon Holdings	589	0.38
29,646	Caltex Australia	588	0.38
63,506	BlueScope Steel	585	0.37
132,800	Boral	584	0.37
16,094	Ramsay Healthcare	580	0.37
126,542	APA Group	568	0.36
217,529	Tabcorp Holding	567	0.36
314,086	Medibank Pvt	560	0.36
203,825	GPT Group	546	0.35
52,542	Computershare	528	0.34
373,171	Vicinity Centers	520	0.33
420,332	Mirvac Group	502	0.32
176,286	Fortescue Metals Group	501	0.32
65,593	Challenger	466	0.30

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
42,931	Orica	451	0.29
120,600	Sydney Airport	448	0.29
37,119	SEEK	423	0.27
190,725	Incitec Pivot	409	0.26
53,886	Bendigo & Adelaide Bank	345	0.22
274,928	Alumina	344	0.22
42,821	Crown Resorts	326	0.21
42,986	Bank of Queensland	306	0.20
60,753	Coca Cola Amatil	298	0.19
10,882	CIMIC Group	287	0.18
5,929	REA Group	257	0.16
195,673	Healthscope	208	0.13
6,208	Flight Centre Travel Group	202	0.13
199,829	AusNet Services	191	0.12
10,993	Woodside Petroleum	181	0.12
6,910	Dominos Pizza Enterprises	153	0.10
40,892	TPG Telecom	141	0.09
61,639	Harvey Norman Holdings	139	0.09
7,443	APA Group (Rights 14/03/2018)	1	0.00
		<b>85,079</b>	<b>54.49</b>
	<b>Hong Kong - (26.37%)</b>		
1,430,200	AIA Group	8,651	5.54
139,386	Hong Kong Exchanges and Clearing	3,653	2.34
320,588	CK Hutchison Holdings	2,898	1.86
172,113	Sun Hung Kai Properties	2,069	1.33
306,588	CK Asset Holdings	1,914	1.23
280,000	Galaxy Entertainment Group	1,770	1.13
90,500	Hang Seng Bank	1,623	1.04
260,500	Link Real Estate Investment Trust	1,607	1.03
438,000	BOC Hong Kong Holdings	1,597	1.02
997,696	Hong Kong & China Gas	1,423	0.91
195,000	CLP Holdings	1,422	0.91
286,800	Sands China	1,167	0.75
164,500	Power Assets Holdings	1,010	0.65
1,040,000	WH Group	929	0.59
699,253	New World Development	768	0.49
26,300	Jardine Strategic Holdings	755	0.48
162,500	Techtronic Industries	736	0.47
144,000	Wharf Real Estate Investment	706	0.45
140,265	Hongkong Land	698	0.45
178,510	Motor	683	0.44
142,087	Henderson Land Development	668	0.43
97,000	Wheelock	510	0.33
79,000	Cheung Kong Infrastructure Holdings	479	0.31
373,694	Sino Land	476	0.30
184,400	Wynn Macau	466	0.30
146,402	Bank of East Asia	465	0.30
59,500	Swire Pacific (A)	434	0.28
239,000	Hang Lung Properties	412	0.26



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
446,600	HKT Trust & HKT	410	0.26
144,000	Wharf Holdings	389	0.25
139,200	Swire Properties	342	0.22
31,900	ASM Pacific Technology	331	0.21
74,000	Hysan Development	309	0.20
87,500	Yue Yuen Industrial Holdings	270	0.17
104,000	Hang Lung Development	254	0.16
698,000	Li & Fung	254	0.16
76,500	Kerry Properties	251	0.16
183,142	NWS Holdings	249	0.16
148,000	Shangri La Asia	241	0.15
112,000	MGM China Holdings	238	0.15
317,000	HK Electric Investments Trust & HK Electric Investments	214	0.14
482,000	Kingston Financial Group	210	0.13
495,068	PCCW	202	0.13
231,000	SJM Holdings	160	0.10
254,000	First Pacific	114	0.07
		<b>44,427</b>	<b>28.45</b>
	<b>Singapore - (11.42%)</b>		
212,626	DBS Group Holdings	3,322	2.13
372,652	Oversea-Chinese Banking	2,657	1.70
158,421	United Overseas Bank	2,412	1.54
970,300	Singapore Telecommunications	1,785	1.14
25,826	Jardine Matheson Holdings	1,215	0.78
171,900	Keppel	752	0.48
305,200	CapitaLand	603	0.39
714,200	Genting Singapore	452	0.29
293,500	Ascendas (REIT)	423	0.27
95,100	Singapore Exchange	391	0.25
62,900	Singapore Airlines	381	0.24
184,500	Singapore Technologies Engineering	343	0.22
48,300	City Developments	336	0.22
191,100	Wilmar International	336	0.22
293,100	CapitaLand Mall Trust	323	0.21
296,100	Suntec (REIT)	318	0.20
297,481	CapitaLand Commercial Trust	281	0.18
254,900	ComfortDelGro	280	0.18
58,940	UOL Group	274	0.18
188,300	Singapore Press Holdings	267	0.17
11,577	Jardine Cycle & Carriage	235	0.15
278,100	Yangzijiang Shipbuilding Holdings	228	0.15
79,400	SATS	225	0.14
115,600	Sembcorp Industries	201	0.13
829,600	Golden Agri-Resources	161	0.10
616,141	Hutchison Port Holdings Trust	160	0.10
69,500	StarHub	95	0.06
		<b>18,456</b>	<b>11.82</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>New Zealand - (1.43%)</b>		
66,566	Fisher & Paykel Healthcare	468	0.30
112,475	Auckland International Airport	375	0.24
213,304	Spark New Zealand	373	0.24
81,202	Fletcher Building	276	0.18
46,832	Ryman Healthcare Group	258	0.17
148,144	Meridian Energy	214	0.14
79,292	Mercury NZ	131	0.08
		<b>2,095</b>	<b>1.34</b>
	<b>China - (0.19%)</b>		
29,122	Melco Resorts And Entertainment (ADR)	579	0.37
88,000	Minth Group	376	0.24
		<b>955</b>	<b>0.61</b>
	<b>Futures - ((0.02)%)</b>		
1,525	ASX SPI 200 Index Futures 15/03/2018	102	0.07
		<b>102</b>	<b>0.07</b>
	<b>Portfolio of investments</b>	<b>151,114</b>	<b>96.78</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>5,026</b>	<b>3.22</b>
	<b>Net assets</b>	<b>156,140</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Financials - (25.63%)</b>		
19,822,210	HSBC Holdings	142,939	5.96
3,117	Fidelity Institutional Sterling Fund Class A-Acc	64,573	2.69
69,800,539	Lloyds Banking Group	48,233	2.01
2,524,406	Prudential	46,564	1.94
16,600,146	Barclays	35,550	1.48
2,629,065	Standard Chartered	21,437	0.89
3,966,320	Aviva	20,022	0.84
5,755,276	Legal & General Group	15,211	0.63
305,454	London Stock Exchange	12,408	0.52
4,690,711	Old Mutual	12,041	0.50
2,665,710	Standard Life Aberdeen PLC	9,935	0.41
929,037	3i Group	8,744	0.36
3,161,216	RBS Group	8,497	0.35
705,089	Land Securities Group	6,522	0.27
1,009,521	RSA Insurance Group	6,396	0.27
995,001	British Land	6,270	0.26
1,327,005	Scottish Mortgage Investment Trust	6,163	0.26
509,958	St James Place	5,921	0.25
1,004,704	Segro	5,667	0.24
1,354,996	Direct Line Insurance Group	5,240	0.22
256,366	Hargreaves Lansdown	4,415	0.18
647,658	Investec	4,110	0.17
284,095	Hiscox	3,972	0.17
527,386	Alliance Trust	3,876	0.16
109,517	Schroders	3,784	0.16
198,313	Admiral Group	3,746	0.16
546,995	Foreign & Colonial Investment Trust	3,566	0.15
763,014	Hammerson	3,423	0.14
81,378	Metro Bank	3,203	0.13
404,279	Phoenix Group Holdings	3,186	0.13
583,482	TP ICAP	3,147	0.13
292,185	Intermediate Capital Group	3,106	0.13
368,372	IG Group Holdings	2,986	0.12
100,508	Derwent London	2,914	0.12
1,656,326	Man Group	2,911	0.12
534,154	Beazley	2,812	0.12
905,702	CYBG	2,730	0.11
265,162	Shaftesbury	2,536	0.11
157,934	Close Brothers Group	2,500	0.10
247,219	Pershing Square Holdings	2,366	0.10
300,586	Templeton Emerging Markets Investment Trust	2,348	0.10
119,430	RIT Capital Partners Fund	2,322	0.10
442,433	Jupiter Fund Management	2,257	0.09
330,213	Nex Group	2,217	0.09
98,915	Mercantile Investment Trust	2,082	0.09
195,540	Witan Investment Trust	2,073	0.09
326,647	Great Portland Estates	2,053	0.09
740,663	Capital & Counties Property	1,986	0.08
247,363	Monks Investment Trust	1,976	0.08
1,320,361	Tritax Big Box (REIT)	1,864	0.08
879,737	Intu Properties	1,808	0.08

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
229,685	UNITE Group	1,758	0.07
128,582	Jardine Lloyd Thompson Group	1,723	0.07
395,691	Ashmore Group	1,659	0.07
141,146	Polar Capital Technology Trust	1,651	0.07
151,523	Provident Financial	1,555	0.06
120,635	Murray International Trust	1,491	0.06
55,388	Rathbone Brothers	1,470	0.06
595,028	Fidelity China Special Situations	1,455	0.06
288,702	Paragon Banking Group	1,413	0.06
916,232	HICL Infrastructure Fund	1,340	0.06
207,403	Edinburgh Investment Trust	1,327	0.06
136,548	Savills	1,314	0.05
315,620	City of London Investment Trust	1,299	0.05
38,418	BGEO Group	1,291	0.05
725,800	Londonmetric Prosperity	1,280	0.05
337,696	TR Property Investment Trust - Ordinary Shares	1,266	0.05
140,169	JPMorgan Emerging Markets Investment Trust	1,257	0.05
451,194	Grainger	1,236	0.05
150,305	Big Yellow Group	1,236	0.05
96,662	Aberforth Smaller Companies Trust	1,235	0.05
139,874	Bankers Investment Trust	1,234	0.05
1,334,385	NB Global Floating Rate Income Fund	1,217	0.05
210,908	Lancashire Holdings	1,183	0.05
164,724	British Empire Trust	1,181	0.05
528,276	Highbridge Multi Strategy Fund	1,175	0.05
46,852	Worldwide Healthcare Trust	1,174	0.05
288,466	JPMorgan American Investment Trust	1,154	0.05
119,768	Workspace Group	1,130	0.05
743,839	International Public Partnerships	1,125	0.05
317,622	Brewin Dolphin Holding	1,091	0.05
350,538	Hastings Group Holdings	1,078	0.04
216,933	Safestore Holdings	1,069	0.04
83,241	Temple Bar Investment Trust	1,055	0.04
988,058	Renewables Infrastructure Group	1,053	0.04
144,374	Genesis Emerging Markets Fund	1,028	0.04
289,352	Perpetual Income & Growth Investment Trust	1,016	0.04
85,141	Herald Investment Trust	1,013	0.04
365,745	John Laing Group	998	0.04
685,509	Just Group	997	0.04
119,612	Scottish Investment Trust	989	0.04
445,198	Fidelity European Values	988	0.04
77,248	HarbourVest Global Private Equity (UK)	959	0.04
35,002	Caledonia Investments Fund	957	0.04
476,932	3i Infrastructure Fund	938	0.04
125,238	Finsbury Growth & Income Trust	934	0.04
281,011	Newriver (REIT)	863	0.04
113,837	Jupiter European Opportunities Trust	839	0.04
298,402	Virgin Money Holdings UK	827	0.03
176,032	Schroder AsiaPacific Fund	822	0.03
230,826	VinaCapital Vietnam Opportunity Fund	819	0.03
115,443	JPMorgan Indian Investment Trust	813	0.03
2,044	Personal Assets Trust	812	0.03

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
188,864	JPMorgan European Smaller Companies Trust	806	0.03
92,582	Henderson Smaller Companies Investment Trust	796	0.03
677,646	IP Group	791	0.03
253,240	Aldermore Group	788	0.03
210,075	Edinburgh Dragon Trust	786	0.03
45,199	HgCapital Trust	780	0.03
306,745	Fidelity Special Values	776	0.03
41,226	Pantheon International Participations	765	0.03
186,847	OneSavings Bank	765	0.03
64,427	TR European Growth Trust	764	0.03
56,967	BlackRock Smaller Companies Trust	758	0.03
640,847	Primary Health Properties	745	0.03
517,413	F&C Commercial Property Trust	735	0.03
319,876	esure Group	729	0.03
124,361	Law Debenture Fund	724	0.03
180,643	BlackRock World Mining Trust	714	0.03
186,222	St Modwen Properties	713	0.03
161,652	JPMorgan Japanese Investment Trust	698	0.03
33,832	BH Macro GBP	683	0.03
89,414	Murray Income Trust	672	0.03
84,018	P2P Global Investments	666	0.03
757,228	UK Commercial Property Trust	653	0.03
533,150	John Laing Infrastructure Fund	624	0.03
75,956	ICG Graphite Enterprise Trust	621	0.03
237,760	Impax Environmental Markets	604	0.03
127,343	Merchants Trust	600	0.03
70,294	Baillie Gifford Japan Trust	586	0.02
694,153	Empiric Student Property	577	0.02
146,657	Chesnara	572	0.02
47,530	Riverstone Energy	562	0.02
157,316	Arrow Global Group	558	0.02
400,485	Hansteen Holdings	534	0.02
569,497	Standard Life Property Income Trust	526	0.02
50,887	Aberdeen Asian Smaller Companies Investment Trust	524	0.02
158,285	JPMorgan Global Growth & Income	516	0.02
31,680	TBC Bank Group	509	0.02
224,308	Utilico Emerging Markets	502	0.02
1,435,475	RDI REIT	502	0.02
64,165	Edinburgh Worldwide Investment Trust	500	0.02
39,463	North American Income Trust	497	0.02
41,181	JPMorgan Mid Cap Investment Trust	490	0.02
912,593	Sirius Real Estate	489	0.02
31,650	Lowland Investment	475	0.02
33,454	BH Global GBP	467	0.02
237,345	International Personal Finance	467	0.02
35,530	F&C Global Smaller Companies	465	0.02
540,218	Picton Property Income	465	0.02
61,968	Biotech Growth Trust	457	0.02
121,216	Scottish American Investment Fund	451	0.02
48,708	European Investment Trust	448	0.02
211,195	Aberdeen Asian Income Fund	446	0.02
369,147	Aberdeen Diversified Income & Growth Trust	445	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
184,007	Ruffer Investment	427	0.02
171,187	Dunedin Income Growth Investment Trust	425	0.02
83,302	Standard Life UK Smaller Co Trust	413	0.02
162,179	Schroder Oriental Income Fund S2	409	0.02
40,893	Neuberger Berman Private Equity Partners	405	0.02
299,599	JPMorgan Global Emerging Markets Income Trust	401	0.02
81,849	BlackRock Throgmorton Trust	395	0.02
54,927	JPMorgan Claverhouse Investment Trust	393	0.02
39,554	Scottish Oriental Smaller Companies Trust	386	0.02
599,671	Schroder Real Estate Investment Trust	378	0.02
29,927	Allianz Technology Trust	371	0.02
102,767	JPMorgan Asian Investment Trust	369	0.02
162,425	CLS Holdings	367	0.02
99,167	Henderson Far East Income	365	0.02
101,219	Schroder Asian Total Return Investment	365	0.02
259,502	Apax Global Alpha	356	0.01
326,492	Target Healthcare (REIT)	356	0.01
110,858	Charter Court Financial Services Group	354	0.01
150,995	Aberdeen New Dawn Investment Trust	352	0.01
12,458	North Atlantic Smaller Companies Investment Trust	348	0.01
251,766	GCP Student Living	348	0.01
62,983	JPMorgan Russian Securities	343	0.01
156,232	Schroder Japan Growth Fund	339	0.01
236,833	Polar Capital Global Financials Trust	337	0.01
443,293	Woodford Patient Capital Trust	337	0.01
102,577	Helical Bar	336	0.01
93,298	Phoenix Spree Deutschland	334	0.01
309,026	Civitas Social Housing	326	0.01
603,387	Capital & Regional	325	0.01
127,526	Pacific Assets Trust	321	0.01
309,074	F&C UK Real Estate Investment	318	0.01
82,138	Fidelity Asian Values	312	0.01
229,937	Allied Minds	311	0.01
182,806	Schroder UK Growth Fund	311	0.01
102,536	Invesco Asia Trust	298	0.01
64,214	Standard Life Equity Income Trust	295	0.01
22,389	Henderson European Focus Trust	292	0.01
16,747	Keystone Investment Trust	288	0.01
88,403	BlackRock Greater Europe Investment Trust	288	0.01
65,086	Aberdeen New India Investment Trust	288	0.01
31,941	Electra Private Equity	287	0.01
88,796	JPMorgan Chinese Investment Trust	286	0.01
84,433	Standard Life Private Equity Trust	285	0.01
4,860	Daejan Holdings	282	0.01
139,894	U & I Group	276	0.01
45,908	International Biotechnology Trust	269	0.01
228,499	NextEnergy Solar Fund	255	0.01
81,923	JPMorgan European Investment Trust - Growth	253	0.01
217,476	Custodian (REIT)	249	0.01
248,454	Regional (REIT)	247	0.01
127,486	Polar Capital Global Healthcare Growth & Income	245	0.01

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
21,277	Henderson EuroTrust	245	0.01
49,124	Invesco Perpetual - UK Smaller Companies Investment Trust	243	0.01
43,916	Liontrust Asset Management	242	0.01
98,339	Martin Currie Portfolio Investment Trust	236	0.01
241,763	JPMorgan Global Convertibles Income Fund	234	0.01
86,052	LSL Property Services	230	0.01
281,573	Foxtons Group	228	0.01
212,114	Foresight Solar Fund	224	0.01
26,151	Jupiter US Smaller Companies	220	0.01
66,499	Pacific Horizon Investment Trust	220	0.01
65,897	F&C Private Equity Trust	218	0.01
40,982	Schroder UK Mid Cap Fund	215	0.01
122,571	Securities Trust of Scotland	205	0.01
42,576	BlackRock Latin American Investment Trust	205	0.01
61,625	Witan Pacific Investment Trust	202	0.01
42,360	Vietnam Enterprise Investment	200	0.01
127,586	CMC Markets	195	0.01
69,301	Schroder Income Growth Fund	195	0.01
407,510	Raven Russia	187	0.01
67,122	Invesco Income Growth Trust	181	0.01
164,023	Ecofin Global Utilities & Infrastructure Trust	180	0.01
46,118	Martin Currie Asia Unconstrained Trust	179	0.01
21,147	Baring Emerging Europe	176	0.01
30,287	Montanaro UK Smaller Companies Investment Trust	171	0.01
22,846	Brunner Investment Trust	171	0.01
147,808	Bluefield Solar Income Fund	169	0.01
172,095	Countrywide	158	0.01
34,794	JPMorgan Japan Smaller Companies Trust	150	0.01
131,790	CVC Credit Partners European Opportunities	148	0.01
91,784	Blackrock North American Income Trust	148	0.01
20,000	Independent Investment Trust	145	0.01
71,465	Macau Property Opportunities Fund	141	0.01
47,895	Henderson Alternative Strategies Trust	136	0.01
42,912	F&C Capital & Income Investment Trust	135	0.01
13,577	Baillie Gifford Shin Nippon	129	0.01
64,249	SYNCONA	126	0.01
78,399	JPMorgan European Investment Trust - Income	126	0.01
70,425	Henderson High Income Trust	124	0.01
156,480	VPC Specialty Lending Investments Fund	122	0.01
46,462	Value & Income Trust	121	0.01
98,454	Greencoat UK Wind Funds	121	0.01
115,952	Diverse Income Trust	115	0.00
61,684	Xafinity	113	0.00
29,551	BlackRock Emerging Europe Fund	112	0.00
73,493	Fidelity Japanese Values	110	0.00
109,024	Middlefield Canadian Income PCC	106	0.00
101,071	Lxi REIT	104	0.00
102,954	GCP Asset Backed Income Fund	103	0.00
122,268	MedicX Fund	101	0.00
61,599	BlackRock Frontiers Investment Trust	100	0.00
60,086	Real Estate Credit Investments	100	0.00

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
11,864	Montanaro European Smaller Companies Trust	98	0.00
31,673	Artemis Alpha Trust	98	0.00
10,883	DW Catalyst Fund	98	0.00
87,623	Schroder European (REIT)	95	0.00
8,698	JPMorgan Smaller Companies Investment Trust	95	0.00
78,861	TwentyFour Income Fund	93	0.00
92,382	Alcentra European Floating Rate Income Fund	90	0.00
45,702	City Merchants High Yield Trust	83	0.00
6,049	Fundsmith Emerging Equities Trust	74	0.00
30,597	McKay Securities	72	0.00
22,556	EP Global Opportunities Trust	70	0.00
70,000	GCP Asset Backed Income Fund L	70	0.00
30,373	Strategic Equity Capital	69	0.00
54,698	GCP Infrastructure Investments	64	0.00
20,018	Town Centre Securities	56	0.00
11,923	City of London Investments Group	50	0.00
60,132	Hansard Global	46	0.00
56,959	Troy Income & Growth Trust	42	0.00
36,661	ICG-Longbow Senior Secured UK Property Debt Investments	37	0.00
4,570	Ranger Direct Lending Fund	33	0.00
55,178	CQS New City High Yield Fund	33	0.00
22,377	BBGI SICAV SA Fund	30	0.00
28,196	John Laing Environmental Assets Group	29	0.00
1,041	S & U	24	0.00
21,433	Starwood European Real Estate Finance	23	0.00
19,836	Henderson Diversified Income e	18	0.00
18,313	SQN Asset Finance Income Fund	16	0.00
19,358	BlackRock Commodities Income Investment Trust	15	0.00
15,286	TwentyFour Select Monthly Income Fund	15	0.00
42,652	Utilico Emerging Markets	15	0.00
12,561	Ediston Property Investment	14	0.00
34,851	EF Realisation	12	0.00
4,168	Majedie Investments	12	0.00
1,083	Hansa Trust Ord	11	0.00
3,708	Morgan JP US Smaller Companies	10	0.00
204	Capital Gearing Trust Fund	8	0.00
7,062	Sequoia Economic Infrastructure Income Fund	8	0.00
2,611	Dunedin Smaller Companies Investment Trust	7	0.00
2,344	Henderson International Income Trust Fund	4	0.00
16,325	Fid Asian Values	3	0.00
23,068	Electric & General Investment Trust	0	0.00
12,933	Govett Strategic Investment Trust (Delisted)	0	0.00
70,182	BlackRock New Energy Investment Trust	0	0.00
32,619	Dexion Equity Alternative	0	0.00
114,907	Deutsche X-trackers Harvest CSI 300 China A-Shares ETF	0	0.00
		<b>696,302</b>	<b>29.06</b>
	<b>Consumer Goods - (15.12%)</b>		
2,233,020	British American Tobacco	97,371	4.06
2,418,691	Diageo	59,814	2.50
1,169,362	Unilever	43,834	1.83
607,835	Reckitt Benckiser Group	35,181	1.47



# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
931,558	Imperial Brands	24,365	1.02
338,956	Associated British Foods	8,931	0.37
298,649	Persimmon	7,771	0.32
1,677,008	GKN	7,280	0.30
429,605	Burberry Group	6,599	0.28
3,150,831	Taylor Wimpey	5,944	0.25
969,406	Barratt Developments	5,264	0.22
128,809	Berkeley Group Holdings	4,994	0.21
188,206	Coca-Cola HBC	4,530	0.19
123,072	Bellway	3,856	0.16
467,285	Tate & Lyle	2,621	0.11
261,512	Britvic	1,772	0.07
52,557	Cranswick	1,615	0.07
135,445	Bovis Homes Group	1,426	0.06
239,757	Redrow	1,421	0.06
711,631	Greencore Group	1,274	0.05
250,115	Crest Nicholson	1,198	0.05
364,631	Countryside Properties	1,163	0.05
53,433	Superdry	925	0.04
29,548	Ted Baker	898	0.04
146,298	Dairy Crest Group	813	0.03
286,047	PZ Cussons	810	0.03
550,841	McCarthy & Stone	764	0.03
95,864	A.G.Barr	635	0.03
207,170	Stock Spirits Group	580	0.02
129,628	PureCircle	561	0.02
84,614	Headlam Group	476	0.02
56,234	Hilton Food Group	463	0.02
18,208	Games Workshop Group	437	0.02
156,016	Ti Fluid Systems	409	0.02
198,521	Photo-Me International	355	0.01
175,910	Devro	346	0.01
39,573	MJ Gleeson	309	0.01
196,591	McBride	307	0.01
705,702	Premier Foods	281	0.01
60,348	Carrs Group	81	0.00
6,828	Anglo Eastern Plantations	52	0.00
43,391	Up Global Sourcing Holdings	15	0.00
		<b>337,741</b>	<b>14.09</b>
	<b>Oil &amp; Gas - (11.73%)</b>		
4,568,374	Royal Dutch Shell (A)	105,392	4.40
18,963,362	BP	90,835	3.79
3,660,264	Royal Dutch Shell (B)	85,101	3.55
663,015	John Wood Group	4,108	0.17
1,384,040	Tullow Oil	2,532	0.11
261,398	Petrofac	1,196	0.05
575,592	Cairn Energy	1,092	0.05
136,420	Hunting	850	0.04
504,459	Premier Oil	374	0.02
684,215	Ophir Energy	358	0.01
1,041,694	EnQuest	315	0.01

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
86,387	Nostrum Oil & Gas	252	0.01
221,518	SOCO International	213	0.01
243,968	Lamprell	183	0.01
156,321	Gulf Marine Services	67	0.00
		<b>292,868</b>	<b>12.22</b>
	<b>Consumer Services - (11.43%)</b>		
1,540,355	Compass Group	23,876	1.00
1,229,820	WPP	16,990	0.71
7,965,583	Tesco	16,951	0.71
1,041,876	RELX	15,508	0.65
1,011,197	Sky	13,454	0.56
1,636,877	International Consolidated Airlines Group	9,959	0.42
184,214	InterContinental Hotels Group	8,675	0.36
173,887	Carnival	8,352	0.35
2,166,180	Kingfisher	7,790	0.33
178,248	Whitbread	6,986	0.29
80,486	Paddy Power Betfair (GB)	6,874	0.29
433,780	TUI	6,689	0.28
136,884	Next	6,681	0.28
799,052	Pearson	5,819	0.24
3,621,433	ITV	5,818	0.24
801,817	Informa	5,545	0.23
582,509	Just Eat	5,100	0.21
1,578,866	Marks & Spencer Group	4,714	0.20
2,080,547	WM Morrison Supermarkets	4,694	0.20
97,041	Rightmove	4,179	0.17
1,606,629	Sainsbury (J)	4,171	0.17
242,890	easyJet	4,089	0.17
1,660,205	Booker Group	3,807	0.16
399,599	UBM	3,662	0.15
863,010	B&M European Value Retail S.A.	3,578	0.15
958,685	Auto Trader Group	3,492	0.15
495,384	SSP Group	3,024	0.13
1,782,036	Ladbrokes Coral Group	2,923	0.12
862,837	William Hill	2,859	0.12
420,578	Inchcape	2,797	0.12
294,979	GVC Holdings	2,630	0.11
1,070,925	Cineworld Group	2,545	0.11
439,214	Ocado Group	2,416	0.10
702,395	Merlin Entertainments	2,393	0.10
300,031	Playtech	2,374	0.10
112,017	WH Smith	2,276	0.09
254,854	UDG Healthcare	2,145	0.09
55,947	Wizz Air Holdings	2,042	0.09
1,010,120	Dixons Carphone	1,993	0.08
1,463,912	Thomas Cook Group	1,804	0.08
505,063	Dominos Pizza UK & Ireland	1,655	0.07
404,690	Ascential	1,649	0.07
313,206	Greene King	1,635	0.07
567,606	Moneysupermarket.com Group	1,495	0.06
424,522	National Express Group	1,482	0.06

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
378,781	JD Sports Fashion	1,443	0.06
112,181	Greggs	1,364	0.06
1,170,567	Saga	1,361	0.06
377,352	Entertainment One	1,134	0.05
318,136	Zpg	1,073	0.04
82,179	JD Weatherspoon	1,039	0.04
1,201,192	FirstGroup	1,028	0.04
246,595	Sports Direct International	905	0.04
212,696	Halfords Group	756	0.03
436,153	Pets at Home Group	751	0.03
44,448	Go-Ahead Group	698	0.03
242,341	888 Holdings	690	0.03
459,148	Stagecoach Group	663	0.03
637,967	Marstons	658	0.03
324,568	Card Factory	656	0.03
121,269	Millennium & Cophrne Hotels	651	0.03
53,228	Euromoney Publications	641	0.03
104,158	Dunelm Group	608	0.03
250,959	Mitchells & Butlers	607	0.03
482,274	El Group	607	0.03
26,367	4imprint Group	502	0.02
86,653	On the Beach Group	500	0.02
202,134	Restaurant Group	496	0.02
275,370	ITE Group	458	0.02
196,565	Rank Group	439	0.02
1,439,852	Debenhams	413	0.02
49,943	Dignity	409	0.02
219,261	DFS Furniture	406	0.02
1,453,889	Pendragon	390	0.02
97,274	Hostelworld Group	382	0.02
271,326	AO World	378	0.02
305,211	Gocompare.Com Group	347	0.01
343,479	Lookers	309	0.01
150,679	Brown (N) Group	292	0.01
138,185	Hollywood Bowl Group	285	0.01
103,030	GYM Group	250	0.01
73,239	Tarsus Group	227	0.01
277,118	Trinity Mirror	213	0.01
76,507	McColls Retail Group	189	0.01
79,882	Findel	174	0.01
197,199	Topps Tiles	172	0.01
79,924	Dp Eurasia	168	0.01
14,642	Fuller Smith & Turner (A)	135	0.01
80,474	Bloomsbury Publishing	134	0.01
32,775	STV Group	118	0.00
31,813	Motorpoint Group	72	0.00
83,586	Sportech	66	0.00
77,620	Huntsworth	61	0.00
178,936	Mothercare	51	0.00
71,933	Moss Brothers Group	48	0.00
56,648	Carpetright	44	0.00
		275,051	11.48

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Industrials - (10.85%)</b>		
820,959	CRH (GB)	19,826	0.83
3,098,114	BAE Systems	17,919	0.75
912,675	Experian	14,178	0.59
1,601,375	Rolls-Royce Holdings	13,608	0.57
245,595	Ferguson	12,643	0.53
483,182	Ashtead Group	10,152	0.42
155,893	Intertek Group	7,671	0.32
324,712	Bunzl	6,369	0.27
381,871	Smiths Group	6,104	0.25
237,030	Smurfit Kappa Group (GB)	5,978	0.25
86,250	DCC	5,757	0.24
1,784,831	Rentokil Initial	5,189	0.22
929,129	Royal Mail	5,185	0.22
384,903	Halma	4,653	0.19
963,261	DS Smith	4,631	0.19
223,683	Weir Group	4,527	0.19
1,912,481	Melrose Industries	4,326	0.18
73,735	Spirax-Sarco Engineering	4,221	0.18
1,558,714	Group 4 Securicor	4,106	0.17
1,027,751	BBA Aviation	3,560	0.15
783,406	Meggitt	3,535	0.15
252,803	Travis Perkins	3,364	0.14
271,002	IMI	3,363	0.14
415,778	RPC Group	3,354	0.14
505,473	Babcock International Group	3,285	0.14
119,267	Spectris	3,268	0.14
448,211	Electrocomponents	2,845	0.12
1,443,165	Hays	2,803	0.12
2,429,266	Cobham	2,756	0.12
618,292	Howden Joinery Group	2,721	0.11
869,573	Rotork	2,543	0.11
269,355	HomeServe	1,960	0.08
692,110	Balfour Beatty	1,838	0.08
242,910	Aggreko	1,836	0.08
190,927	Bodycote	1,771	0.07
36,451	Renishaw	1,769	0.07
313,867	Pagegroup	1,695	0.07
217,982	Grafton Group	1,651	0.07
683,544	IWG	1,615	0.07
252,764	Vesuvius	1,506	0.06
118,807	Diploma	1,321	0.06
762,037	BCA Marketplace	1,279	0.05
437,854	Senior	1,265	0.05
609,009	QinetiQ Group	1,242	0.05
78,203	Ultra Electronics Holdings	1,217	0.05
1,436,795	Coats Group	1,190	0.05
671,257	Capita	1,180	0.05
261,991	Essentra	1,176	0.05
24,283	RHI Magnesita	1,079	0.05
359,826	Equinix Group	1,045	0.04

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
394,203	Ibstock	1,038	0.04
97,015	Kier Group	1,002	0.04
1,105,315	Serco Group	998	0.04
79,948	Hill & Smith Holdings	985	0.04
289,166	Morgan Advanced Materials	983	0.04
195,706	Fenner	926	0.04
25,272	Clarkson	867	0.04
592,827	SIG	858	0.04
205,393	Marshalls	842	0.04
126,503	Sanne Group	807	0.03
198,999	Polypipe Group	784	0.03
84,862	Galliford Try	781	0.03
309,452	Stobart Group	750	0.03
108,269	De La Rue	680	0.03
73,710	Keller Group	677	0.03
41,139	James Fisher & Sons	624	0.03
186,259	Tyman	612	0.03
375,692	Mitie Group	598	0.02
204,125	Forterra	586	0.02
624,430	Renewi	583	0.02
306,044	Chemring Group	582	0.02
491,310	Laird	572	0.02
68,623	PayPoint	560	0.02
54,382	Ricardo Group	533	0.02
228,471	RPS Group	528	0.02
76,488	John Menzies	499	0.02
622,465	AA	496	0.02
38,998	Morgan Sindall Group	491	0.02
15,215	XP Power	485	0.02
106,475	Costain Group	474	0.02
72,480	Robert Walters	467	0.02
138,934	Northgate	455	0.02
54,040	Oxford Instruments Group	410	0.02
105,205	Mears Group	405	0.02
33,480	Avon Rubber	395	0.02
188,008	Volution Group	389	0.02
109,137	SThree	377	0.02
166,787	TT Electronics	367	0.02
135,244	Biffa	319	0.01
521,633	Speedy Hire	288	0.01
111,547	Trifast	283	0.01
241,292	Hagg Robinson Group	282	0.01
91,697	Henry Boot	281	0.01
82,350	Xaar	268	0.01
114,980	Wincanton	259	0.01
65,328	Discoverie Group	250	0.01
25,504	VP	217	0.01
331,953	Low & Bonar	197	0.01
245,482	Severfield	179	0.01
30,127	Dialight	172	0.01
262,166	Connect Group	165	0.01

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
57,994	Charles Taylor	158	0.01
28,450	Porvair	138	0.01
32,471	Clipper Logistics	131	0.01
172,847	Communis	109	0.00
56,918	Norcros	108	0.00
147,719	Interserve	81	0.00
128,228	Renold	59	0.00
50,658	Luceco	40	0.00
445	Goodwin	8	0.00
434,187	Carillion	0	0.00
		<b>250,533</b>	<b>10.45</b>
	<b>Basic Materials - (7.17%)</b>		
1,174,900	Rio Tinto	46,221	1.93
11,371,166	Glencore	44,052	1.84
2,025,752	BHP Billiton	30,180	1.26
963,951	Anglo American	17,293	0.72
355,561	Mondi	6,738	0.28
185,626	Johnson Matthey	5,816	0.24
124,573	Croda International	5,699	0.24
90,871	Randgold Resources	5,307	0.22
339,062	Antofagasta	3,003	0.13
180,154	Fresnillo	2,224	0.09
257,238	KAZ Minerals	2,218	0.09
81,682	Victrex	2,089	0.09
484,088	Evraz	2,083	0.09
260,339	Polymetal International	1,971	0.08
1,083,583	Centamin	1,618	0.07
463,898	Elementis	1,320	0.06
269,633	Synthomer	1,273	0.05
291,318	Ferrexpo	913	0.04
2,721,655	Sirius Minerals	734	0.03
84,670	Vedanta Resources	631	0.03
249,545	Hochschild Mining	516	0.02
532,108	Petra Diamonds	331	0.01
2,970,816	Petropavlovsk	217	0.01
152,880	Acacia Mining	215	0.01
49,230	Treatt	200	0.01
73,456	Kenmare Resources (GB)	187	0.01
279,625	Lonmin	180	0.01
118,226	Gem Diamonds	97	0.00
73,983	Carclo	61	0.00
9,923	Zotefoams	49	0.00
		<b>183,436</b>	<b>7.65</b>

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Health Care - (9.24%)</b>		
4,725,783	GlaxoSmithKline	61,964	2.59
1,238,551	AstraZeneca	59,469	2.48
872,399	Shire	26,900	1.12
855,825	Smith & Nephew	10,946	0.46
734,789	Indivior	2,818	0.12
81,111	NMC Health	2,816	0.12
1,332,153	Convatec Group	2,746	0.11
404,081	BTG	2,699	0.11
96,899	Dechra Pharmaceuticals	2,415	0.10
381,920	Mediclinic International	2,276	0.09
66,338	Genus	1,479	0.06
143,955	Hikma Pharmaceuticals	1,258	0.05
2,083,370	Assura	1,198	0.05
296,250	Spire Healthcare Group	688	0.03
51,977	Consort Medical	617	0.03
705,684	Vectura Group	520	0.02
2,603,204	Oxford Biomedica	311	0.01
105,332	The Cambian Group	205	0.01
208,961	Circassia Pharmaceuticals	195	0.01
95,135	PureTech Health	163	0.01
78,972	Medica Group	123	0.01
13,684	Georgia Healthcare Group	45	0.00
		<b>181,851</b>	<b>7.59</b>
	<b>Telecommunications - (3.73%)</b>		
26,022,335	Vodafone Group	53,007	2.21
8,178,589	BT Group	19,874	0.83
463,831	Inmarsat	2,172	0.09
64,051	Telecom Plus	802	0.03
557,025	KCOM Group	556	0.02
536,308	TalkTalk Telecom Group	553	0.02
		<b>76,964</b>	<b>3.21</b>
	<b>Utilities - (3.53%)</b>		
3,359,739	National Grid	25,181	1.05
1,036,579	SSE	12,802	0.53
5,590,362	Centrica	7,924	0.33
658,730	United Utilities Group	4,442	0.19
228,468	Severn Trent	3,958	0.17
429,657	Pennon Group	2,648	0.11
409,520	Drax Group	987	0.04
		<b>57,942</b>	<b>2.42</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Technology - (0.81%)</b>		
421,797	Micro Focus International	8,689	0.36
1,054,223	Sage Group	7,327	0.31
67,857	Aveva Group	1,934	0.08
305,602	Sophos Group	1,516	0.06
40,290	Fidessa Group	1,493	0.06
77,550	Computacenter	856	0.04
87,134	FDM Group	762	0.03
657,820	Spirent Communications	678	0.03
111,984	Softcat	650	0.03
271,526	NCC Group	542	0.02
99,614	Alfa Financial Software Holdings	456	0.02
85,605	SDL	348	0.01
69,781	Kainos Group	248	0.01
232,773	Nanoco Group	91	0.00
		<b>25,590</b>	<b>1.07</b>
	<b>Futures - (0.00%)</b>		
11,400	FTSE 100 Index Future 16/03/2018	(1,561)	(0.07)
		<b>(1,561)</b>	<b>(0.07)</b>
	<b>Portfolio of investments</b>	<b>2,376,717</b>	<b>99.17</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>19,593</b>	<b>0.83</b>
	<b>Net assets</b>	<b>2,396,310</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Information Technology - (21.04%)		
349,240	Apple	44,990	3.82
524,752	Microsoft	35,706	3.03
162,216	Facebook (A)	21,261	1.81
20,532	Alphabet (C)	16,584	1.41
20,273	Alphabet (A)	16,358	1.39
318,336	Intel	11,476	0.97
123,354	Visa (A)	10,995	0.93
336,270	Cisco Systems	10,937	0.93
63,178	MasterCard (A)	8,028	0.68
207,235	Oracle	7,599	0.65
41,221	NVIDIA	7,326	0.62
58,565	International Business Machines	6,621	0.56
67,038	Texas Instruments	5,246	0.45
33,530	Adobe Systems	5,057	0.43
27,658	Broadcom	5,030	0.43
42,036	Accenture (A)	4,936	0.42
100,274	QUALCOMM	4,805	0.41
76,848	Paypal Holdings	4,411	0.37
46,675	salesforce.com	3,924	0.33
72,543	Applied Materials	3,020	0.26
78,447	Micron Technology	2,753	0.23
51,431	Activision Blizzard	2,697	0.23
30,166	Automatic Data Processing	2,537	0.22
40,108	Cognizant Technology Solutions (A)	2,389	0.20
66,078	Ebay	2,059	0.17
16,521	Intuit	2,032	0.17
113,612	HP	1,930	0.16
20,945	Electronic Arts	1,903	0.16
23,918	TE Connectivity	1,803	0.15
25,075	Analog Devices	1,671	0.14
22,711	Fidelity National Information Services	1,615	0.14
11,016	Lam Research	1,539	0.13
14,176	Fiserv	1,477	0.13
108,493	Hewlett Packard Enterprise	1,474	0.13
19,404	DXC Technology	1,445	0.12
20,770	Amphenol (A)	1,379	0.12
12,035	Red Hat	1,282	0.11
20,120	Western Digital	1,267	0.11
59,114	Corning	1,253	0.11
14,909	Autodesk	1,250	0.11
21,754	Paychex	1,036	0.09
15,910	Microchip Technology	1,017	0.09
12,498	Skyworks Solutions	996	0.08
10,825	Global Payments	893	0.08
17,070	Xilinx	881	0.07
10,659	KLA-Tencor	873	0.07
11,019	Motorola Solutions	848	0.07
42,172	Symantec	801	0.07
18,349	NetApp	800	0.07
19,679	Seagate Technology	751	0.06
11,379	Total System Services	723	0.06

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
5,771	ANSYS	673	0.06
9,736	Citrix Systems	650	0.06
10,220	Synopsys	627	0.05
3,269	Alliance Data Systems	572	0.05
11,506	Akamai Technologies	567	0.05
19,206	Cadence Design Systems	546	0.05
21,353	CA	544	0.05
6,165	Gartner	516	0.04
8,658	Qorvo	508	0.04
55,782	Advanced Micro Devices	504	0.04
5,765	VeriSign	485	0.04
25,502	Juniper Networks	481	0.04
4,258	F5 Networks	464	0.04
31,242	Western Union	451	0.04
9,426	FLIR Systems	334	0.03
11,140	CSRA	326	0.03
14,522	Xerox	317	0.03
		<b>288,249</b>	<b>24.49</b>
	<b>Financials - (16.20%)</b>		
1,839	Fidelity Institutional USD Fund Class A-Acc	23,049	1.96
236,013	JPMorgan Chase	20,006	1.70
130,899	Berkshire Hathaway	19,826	1.68
659,833	Bank of America	15,408	1.31
301,456	Wells Fargo	12,894	1.10
179,846	Citigroup	9,918	0.84
23,860	Goldman Sachs Group	4,618	0.39
107,236	US Bancorp	4,261	0.36
94,690	Morgan Stanley	3,877	0.33
32,364	PNC Financial Services Group	3,745	0.32
49,004	American Express	3,525	0.30
8,397	BlackRock	3,353	0.28
31,577	Chubb	3,290	0.28
81,156	Charles Schwab	3,154	0.27
69,655	Bank New of York Mellon	2,917	0.25
23,147	CME Group (A)	2,787	0.24
61,148	American International Group	2,571	0.22
71,578	MetLife	2,441	0.21
17,345	S&P Global	2,419	0.21
32,973	Capital One Financial	2,363	0.20
28,840	Prudential Financial	2,263	0.19
53,663	BB&T	2,130	0.18
34,715	Marsh & McLennan	2,114	0.18
39,794	Intercontinental Exchange	2,110	0.18
25,225	State Street	1,953	0.17
18,616	Travelers Cos	1,903	0.16
16,998	AON	1,749	0.15
26,742	Aflac	1,738	0.15
39,561	Progressive Ohio	1,673	0.14
24,409	Allstate	1,658	0.14
32,381	SunTrust Banks	1,650	0.14
10,239	M&T Bank	1,422	0.12
24,718	Discover Financial Services	1,420	0.12

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
11,309	Moody's	1,376	0.12
16,483	T Rowe Price Group	1,338	0.11
50,039	Synchrony Financial	1,330	0.11
10,062	Ameriprise Financial	1,161	0.10
47,995	Fifth Third Bank	1,153	0.10
14,609	Northern Trust	1,135	0.10
73,150	KeyCorp	1,118	0.09
78,901	Regions Financial	1,118	0.09
33,466	Citizens Financial Group	1,058	0.09
8,982	Willis Towers Watson	1,044	0.09
24,264	Hartford Financial Services Group	943	0.08
11,830	Comerica	843	0.07
14,886	Lincoln National Ind	841	0.07
73,527	Huntington Bancshares	840	0.07
18,266	Principal Financial Group	839	0.07
18,413	E Trade Financial	706	0.06
18,775	Loews	680	0.06
27,689	Invesco	660	0.06
22,229	Franklin Resources	629	0.05
12,298	Arthur J Gallagher	622	0.05
7,717	CBOE GLOBAL MARKETS INC.	614	0.05
8,741	Raymond James Financial	592	0.05
15,263	Unum Group	573	0.05
10,155	Cincinnati Financial	556	0.05
13,588	Zions Bancorporation	547	0.05
17,415	XL Group	537	0.05
3,781	Affiliated Managers Group	519	0.04
2,793	Everest Reinsurance Group	491	0.04
7,915	Nasdaq	467	0.04
7,304	Torchmark	459	0.04
21,326	Leucadia National	378	0.03
23,551	Peoples United Financial	331	0.03
6,517	Brighthouse Financial	262	0.02
3,661	Assurant	231	0.02
17,890	Navient	169	0.01
		<b>196,365</b>	<b>16.68</b>
	<b>Health Care - (13.75%)</b>		
182,738	Johnson & Johnson	17,370	1.48
65,917	UnitedHealth Group	11,067	0.94
405,452	Pfizer	10,765	0.91
108,431	AbbVie	9,261	0.79
186,048	Merck	7,351	0.62
49,377	Amgen	6,626	0.56
111,330	Bristol-Myers Squibb	5,454	0.46
92,073	Medtronic	5,401	0.46
118,398	Abbott Laboratories	5,183	0.44
88,854	Gilead Sciences	5,157	0.44
27,276	Thermo Fisher Scientific	4,151	0.35
65,904	Lilly (Eli)	3,746	0.32
53,555	Celgene	3,704	0.31
14,382	Biogen	3,013	0.26
41,638	Danaher	2,994	0.25

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
17,465	Anthem	2,991	0.25
18,024	Becton Dickinson	2,930	0.25
22,182	Aetna	2,821	0.24
22,622	Allergan	2,612	0.22
21,892	Stryker	2,595	0.22
16,770	Cigna	2,384	0.20
7,622	Intuitive Surgical	2,373	0.20
38,525	Express Scripts Holding	2,186	0.19
17,202	Vertex Pharmaceuticals	2,061	0.18
33,145	Zoetis (A)	1,955	0.17
9,717	Humana	1,941	0.16
93,406	Boston Scientific	1,851	0.16
34,097	Baxter International	1,692	0.14
9,932	Illumina	1,648	0.14
14,181	McKesson	1,574	0.13
19,266	HCA Healthcare	1,413	0.12
14,394	Edwards Lifesciences	1,406	0.12
15,197	Alexion Pharmaceuticals	1,299	0.11
5,240	Regeneron Pharmaceuticals	1,215	0.10
13,772	Zimmer Biomet Holdings	1,175	0.10
21,891	Agilent Technologies	1,091	0.09
36,478	Mylan	1,083	0.09
21,400	Cardinal Health	1,082	0.09
21,480	Cerner	992	0.08
4,908	Align Technology	935	0.08
6,925	Laboratory of Amer Holdings	877	0.07
11,731	Centene	867	0.07
5,933	IDEXX Laboratories	806	0.07
5,410	Waters	805	0.07
1,741	Mettler-Toledo International	787	0.07
10,978	AmerisourceBergen	774	0.07
11,915	Incyte	745	0.06
9,904	Iqvia Holdings	712	0.06
9,272	Quest Diagnostics	702	0.06
9,653	ResMed	666	0.06
15,624	Dentsply Sirona	647	0.05
3,330	Cooper Companies	558	0.05
10,298	DaVita	548	0.05
6,232	Varian Medical Systems	547	0.05
18,752	Hologic	536	0.05
8,910	Perrigo	528	0.04
10,676	Henry Schein	518	0.04
5,961	Universal Health Services (B)	506	0.04
7,497	PerkinElmer	417	0.04
8,230	Envision Healthcare	218	0.02
5,603	Patterson Cos	129	0.01
		<b>159,441</b>	<b>13.54</b>
	<b>Consumer Discretionary - (11.86%)</b>		
27,205	Amazon.com	29,709	2.52
79,432	Home Depot	10,612	0.90
317,271	Comcast (A)	8,396	0.71
102,732	Walt Disney	7,780	0.66

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
54,225	McDonalds	6,292	0.53
29,435	Netflix	6,178	0.52
3,318	The Booking Holdings	4,556	0.39
89,375	NIKE (B)	4,392	0.37
96,780	Starbucks	3,954	0.34
56,649	Lowes	3,931	0.33
52,960	Time Warner	3,606	0.31
13,191	Charter Communications (A)	3,346	0.28
86,956	General Motors	2,522	0.21
43,279	TJX	2,417	0.21
20,831	Marriott International	2,078	0.18
265,379	Ford Motor	2,034	0.17
36,974	Target	2,018	0.17
71,694	Twenty-First Centy Fox (A)	1,949	0.17
26,228	Ross Stores	1,469	0.12
27,741	Carnival Corporation	1,352	0.11
22,922	Yum Brands	1,328	0.11
17,720	Dollar General	1,222	0.10
16,128	Dollar Tree	1,211	0.10
18,083	Aptiv	1,209	0.10
22,309	VF	1,207	0.10
11,650	Royal Caribbean Cruises	1,084	0.09
5,782	OReilly Automotive	996	0.08
24,663	CBS (B)	964	0.08
17,299	Best Buy	893	0.08
1,869	AutoZone	883	0.08
15,680	Omnicom Group	871	0.07
34,658	MGM Resorts International	857	0.07
29,874	Twenty-First Centy Fox (B)	801	0.07
13,754	Hilton Worldwide Holdings	793	0.07
4,298	Mohawk Industries	765	0.06
18,109	Lennar (A)	754	0.06
23,214	DR Horton	727	0.06
19,344	Coach	708	0.06
9,974	Genuine Parts	667	0.06
5,453	Wynn Resorts	665	0.06
33,337	Newell Brands	649	0.06
8,362	Expedia	626	0.05
21,021	LKQ	597	0.05
16,798	L Brands	584	0.05
4,888	Whirlpool	583	0.05
3,970	Ulta Beauty	582	0.05
6,892	Wyndham Worldwide	577	0.05
24,000	Viacom (B)	576	0.05
8,411	Darden Restaurants	564	0.05
5,266	PVH	562	0.05
12,401	CarMax	556	0.05
7,710	Hasbro	542	0.05
11,467	Kohls	538	0.05
6,945	Tiffany & Company	514	0.04
12,121	Norwegian Cruise Line Holdings	493	0.04
15,504	DISH Network	489	0.04

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
13,481	BorgWarner	488	0.04
10,344	Michael Kors Holdings	475	0.04
26,434	Interpublic Group of Cos	454	0.04
20,719	Macys	425	0.04
6,534	Scripps Networks Interactive (A)	423	0.04
8,541	Tractor Supply	401	0.03
5,027	Advance Auto Parts	399	0.03
1,691	Chipotle Mexican Grill	390	0.03
18,396	Pulte Group	379	0.03
11,448	Harley-Davidson	376	0.03
16,756	Goodyear Tire & Rubber	357	0.03
24,800	Hanesbrands	357	0.03
14,813	GAP	334	0.03
7,548	Garmin	328	0.03
26,051	News Corp (A)	308	0.03
3,768	Ralph Lauren (A)	294	0.02
7,933	Nordstrom	292	0.02
8,434	Foot Locker	290	0.02
8,967	Leggett & Platt	284	0.02
23,381	Mattel	270	0.02
14,220	Block H & R	266	0.02
13,824	Discovery Communications N (C)	247	0.02
7,376	TripAdvisor (A)	212	0.02
10,476	Discovery Communications N (A)	197	0.02
12,593	Under Armour (A)	152	0.01
4,111	Signet Jewelers	150	0.01
12,540	Under Armour (C)	137	0.01
8,284	News Corp	100	0.01
		<b>145,013</b>	<b>12.32</b>
	<b>Industrials - (9.99%)</b>		
38,081	Boeing	10,024	0.85
40,593	3M	7,058	0.60
589,883	General Electric	6,178	0.52
51,820	Honeywell International	5,759	0.49
53,544	Union Pacific	5,172	0.44
50,517	United Technologies	4,885	0.41
40,467	Caterpillar	4,713	0.40
16,967	Lockheed Martin	4,388	0.37
46,733	United Parcel Service (B)	3,568	0.30
19,664	Raytheon	3,113	0.26
18,888	General Dynamics	3,054	0.26
11,841	Northrop Grumman	3,024	0.26
16,781	Fedex	3,013	0.26
21,758	Deere	2,572	0.22
20,973	Illinois Tool Works	2,472	0.21
60,792	CSX	2,420	0.21
43,657	Emerson Electric	2,305	0.20
19,465	Norfolk Southern	2,008	0.17
29,970	Eaton	1,774	0.15
62,949	Johnson Controls International	1,729	0.15
44,617	Delta Airlines	1,727	0.15
27,172	Waste Management	1,707	0.15

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
37,134	Southwest Airlines	1,569	0.13
6,963	Roper Technologies	1,409	0.12
10,612	Cummins	1,303	0.11
23,917	PACCAR	1,230	0.10
10,430	Stanley Black & Decker	1,218	0.10
9,061	Parker-Hannifin	1,190	0.10
20,805	Fortive	1,168	0.10
8,740	Rockwell Automation	1,165	0.10
28,968	American Airlines Group	1,135	0.10
16,996	Ingersoll-Rand	1,106	0.09
11,073	Rockwell Collins	1,101	0.09
8,107	Harris	931	0.08
15,720	AMETEK	882	0.07
17,129	United Continental Holdings	839	0.07
24,710	Ihs Markit	839	0.07
5,315	L3 Technologies	817	0.07
10,572	Verisk Analytics	787	0.07
19,549	Fastenal	782	0.07
10,598	Dover	780	0.07
17,918	Textron	780	0.07
15,459	Republic Services	749	0.06
5,749	United Rentals	741	0.06
5,856	Cintas	723	0.06
3,287	TransDigm Group	692	0.06
3,527	WW Grainger	675	0.06
8,168	Equifax	673	0.06
12,217	Xylem	668	0.06
21,398	Masco	647	0.05
9,482	CH Robinson Worldwide	640	0.05
3,129	Huntington Ingalls Industries	593	0.05
11,234	Pentair	572	0.05
12,087	Expeditors International of Washington	572	0.05
22,773	Nielsen Holdings	545	0.05
7,044	Kansas City Southern	539	0.05
28,810	Arconic	514	0.04
5,822	JB Hunt Transport Services	507	0.04
10,476	Fortune Brands Home & SEC	473	0.04
9,919	AO Smith	468	0.04
3,877	Snap on Incorporated	443	0.04
6,460	Allegion	406	0.03
9,515	Fluor	397	0.03
8,369	Alaska Air Group	392	0.03
8,164	Jacobs Engineering Group	364	0.03
8,526	Robert Half International	354	0.03
2,867	Acuity Brands	301	0.03
8,887	Flowserve	282	0.02
10,524	Quanta Services	266	0.02
5,806	Stericycle	262	0.02
		118,152	10.04

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Consumer Staples - (9.19%)</b>		
173,325	Procter & Gamble	10,079	0.86
260,833	Coca Cola	8,218	0.70
105,646	Philip Morris International	7,942	0.67
96,735	PepsiCo	7,748	0.66
99,563	Walmart Inc	6,582	0.56
129,796	Altria Group	5,999	0.51
29,725	Costco Wholesale	4,081	0.35
68,905	CVS Health	3,396	0.29
101,650	Mondelez International	3,231	0.27
59,729	Colgate-Palmolive	3,017	0.26
59,057	Walgreens Boots Alliance	2,949	0.25
40,612	Kraft Heinz	1,991	0.17
23,926	Kimberly-Clark	1,942	0.16
11,718	Constellation Brands (A)	1,846	0.16
15,228	Lauder Estee Cos (A)	1,537	0.13
38,659	General Mills	1,418	0.12
32,606	Sysco	1,410	0.12
28,004	Monster Beverage	1,298	0.11
60,505	Kroger	1,192	0.10
38,041	Archer Daniels Midland	1,144	0.10
20,242	Tyson Foods (A)	1,090	0.09
12,281	Dr Pepper Snapple Group	1,032	0.09
8,770	Clorox	825	0.07
16,919	Kellogg	820	0.07
27,787	Conagra Brands	727	0.06
7,727	JM Smucker	707	0.06
12,569	Molson Coors Brewing (B)	695	0.06
9,596	Hershey	681	0.06
13,320	Brown Forman (B)	672	0.06
8,144	McCormick	627	0.05
16,999	Church & Dwight	607	0.05
32,118	Coty (A)	460	0.04
18,310	Hormel Foods	433	0.04
13,083	Campbell Soup	415	0.04
		<b>86,811</b>	<b>7.37</b>
	<b>Energy - (6.62%)</b>		
288,222	Exxon Mobil	16,138	1.37
129,197	Chevron	10,602	0.90
94,226	Schlumberger	4,550	0.39
81,320	ConocoPhillips	3,279	0.28
39,330	EOG Resources	3,035	0.26
52,053	Occidental Petroleum	2,510	0.21
59,351	Halliburton	2,041	0.17
29,765	Valero Energy	1,994	0.17
28,477	Phillips 66	1,894	0.16
33,222	Marathon Petroleum	1,574	0.13
37,218	Anadarko Petroleum	1,572	0.13
130,640	Kinder Morgan	1,571	0.13
11,575	Pioneer Natural Resources	1,460	0.12
56,236	Williams Cos	1,152	0.10
27,916	ONEOK	1,149	0.10



# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
10,115	Concho Resources	1,118	0.09
35,745	Devon Energy	823	0.07
33,099	Noble Energy	722	0.06
25,850	National Oilwell Varco	677	0.06
9,761	Andeavor	660	0.06
25,911	Apache	651	0.06
29,822	TechnipFMC	641	0.05
57,795	Marathon Oil	626	0.05
16,653	EQT	618	0.05
18,372	Hess	617	0.05
29,124	Baker Hughes A GE (A)	568	0.05
31,459	Cabot Oil & Gas	551	0.05
6,479	Cimarex Energy	458	0.04
7,388	Helmerich & Payne	355	0.03
13,550	Newfield Exploration	237	0.02
15,359	Range Resources	146	0.01
61,809	Chesapeake Energy	137	0.01
		<b>64,126</b>	<b>5.45</b>
	<b>Materials - (2.76%)</b>		
159,168	Dowdupont	8,320	0.71
29,883	Monsanto	2,649	0.23
19,475	Praxair	2,166	0.18
14,826	Air Products & Chemicals	1,752	0.15
22,001	LyondellBasell Industries	1,742	0.15
17,687	Ecolab	1,674	0.14
5,598	Sherwin Williams	1,615	0.14
17,309	PPG Industries	1,441	0.12
91,575	Freeport McMoran	1,262	0.11
28,086	International Paper	1,220	0.10
21,625	Nucor	1,051	0.09
36,278	Newmont Mining	1,007	0.09
17,318	WestRock	834	0.07
8,998	Vulcan Materials	772	0.07
9,777	Eastman Chemical	722	0.06
23,811	Ball	688	0.06
4,275	Martin Marietta Materials	636	0.05
7,516	Albemarle US	605	0.05
6,417	Packaging of America	557	0.05
5,373	International Flavors & Fragrances	553	0.05
9,132	FMC	545	0.05
6,013	Avery Dennison	516	0.04
15,866	CF Industries Holdings	479	0.04
23,787	Mosaic	461	0.04
12,271	Sealed Air	373	0.03
		<b>33,640</b>	<b>2.86</b>
	<b>Utilities - (3.08%)</b>		
31,997	NextEra Energy	3,506	0.30
47,607	Duke Energy	2,625	0.22
43,773	Dominion Resource Va	2,348	0.20
68,268	Southern Company	2,140	0.18
65,306	Exelon	1,757	0.15
33,455	American Electric Power	1,592	0.14

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
17,078	Sempra Energy	1,358	0.12
34,421	Public SVC Enterprise Group	1,213	0.10
21,092	Consolidated Edison	1,152	0.10
34,539	Xcel Energy	1,090	0.09
34,883	Pacific Gas and Electric	1,014	0.09
46,471	PPL	979	0.08
22,162	Edison International	974	0.08
21,466	WEC Energy Group	939	0.08
12,202	DTE Energy	899	0.08
21,554	Eversource Energy	893	0.08
30,371	FirstEnergy	721	0.06
12,133	American Water Works	701	0.06
12,262	Entergy	673	0.06
16,504	Ameren	654	0.06
19,183	CMS Energy	592	0.05
29,319	CenterPoint Energy	577	0.05
15,726	Alliant Energy	441	0.04
7,600	Pinnacle West Capital	428	0.04
22,909	NiSource	386	0.03
20,462	NRG Energy	384	0.03
44,920	AES	365	0.03
9,701	SCANA	280	0.02
		<b>30,681</b>	<b>2.61</b>
	<b>Real Estate - (2.79%)</b>		
29,171	American Tower	2,962	0.25
21,143	Simon Property Group	2,351	0.20
27,635	Crown Castle International	2,202	0.19
36,193	Prologis	1,577	0.13
5,321	Equinix	1,503	0.13
10,181	Public Storage	1,419	0.12
51,343	Weyerhaeuser	1,308	0.11
9,392	AvalonBay Communities	1,059	0.09
13,974	Digital Realty Trust	1,012	0.09
24,997	Equity Residential	1,008	0.09
25,192	Welltower	950	0.08
7,997	SBA Communications (A)	943	0.08
10,497	Boston Properties	906	0.08
24,225	Ventas	856	0.07
4,491	Essex Property Trust	720	0.06
20,551	Cbre Group (A)	699	0.06
19,167	Realty Income	683	0.06
50,339	Host Hotels & Resorts	672	0.06
42,468	GGP	646	0.05
6,824	Alexandria Real Estate Equities	595	0.05
11,727	Vornado Realty Trust	562	0.05
8,565	Extra Space Storage	525	0.04
31,909	HCP	501	0.04
7,729	Mid-America APT Cmnty	478	0.04
6,402	SL Green Realty	443	0.04
18,200	UDR	441	0.04

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
24,225	Duke Realty	434	0.04
19,101	Iron	428	0.04
10,064	Regency Centers Corp(Reit)	421	0.04
4,934	Federal Realty Investment Trust	404	0.03
28,954	Kimco Realty	310	0.03
7,373	Macerich	308	0.03
10,681	Apartment Investment & Management (A)	296	0.03
		<b>29,622</b>	<b>2.52</b>
	<b>Telecommunication Services - (2.37%)</b>		
417,647	AT&T	11,122	0.94
277,482	Verizon Communications	9,630	0.82
66,171	CenturyLink	864	0.07
		<b>21,616</b>	<b>1.84</b>
	<b>Futures - (0.05%)</b>		
13,600	E-Mini S&P 500 Index Future 16/03/2018	708	0.06
		<b>708</b>	<b>0.06</b>
	<b>Portfolio of investments</b>	<b>1,174,424</b>	<b>99.78</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>2,811</b>	<b>0.22</b>
	<b>Net assets</b>	<b>1,177,235</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>United States - (61.28%)</b>		
2,076	Fidelity Institutional USD Fund Class A-Acc	26,026	4.24
101,914	Apple	13,130	2.14
144,162	Microsoft	9,811	1.60
8,061	Amazon.com	8,804	1.43
46,783	Facebook (A)	6,133	1.00
69,164	JPMorgan Chase	5,864	0.96
52,937	Johnson & Johnson	5,033	0.82
6,197	Alphabet (C)	5,006	0.82
5,829	Alphabet (A)	4,704	0.77
83,203	Exxon Mobil	4,659	0.76
197,490	Bank of America	4,612	0.75
93,004	Wells Fargo	3,978	0.65
24,576	Berkshire Hathaway	3,722	0.61
92,800	Intel	3,345	0.55
121,594	AT&T	3,238	0.53
99,249	Cisco Systems	3,228	0.53
19,099	UnitedHealth Group	3,206	0.52
35,923	Visa (A)	3,202	0.52
23,648	Home Depot	3,159	0.51
117,485	Pfizer	3,119	0.51
37,302	Chevron	3,061	0.50
53,699	Citigroup	2,961	0.48
50,482	Procter & Gamble	2,936	0.48
11,074	Boeing	2,915	0.47
80,711	Verizon Communications	2,801	0.46
31,478	AbbVie	2,689	0.44
80,181	Coca Cola	2,526	0.41
93,454	Comcast (A)	2,473	0.40
46,021	Dowdupont	2,406	0.39
18,557	MasterCard (A)	2,358	0.38
30,821	Walt Disney	2,334	0.38
30,654	Philip Morris International	2,304	0.38
28,298	PepsiCo	2,266	0.37
61,304	Oracle	2,248	0.37
54,037	Merck	2,135	0.35
11,878	NVIDIA	2,111	0.34
11,787	3M	2,049	0.33
17,526	International Business Machines	1,981	0.32
14,502	Amgen	1,946	0.32
29,414	Walmart Inc	1,945	0.32
15,996	McDonalds	1,856	0.30
171,945	General Electric	1,801	0.29
8,575	Netflix	1,800	0.29
38,036	Altria Group	1,758	0.29
32,632	Bristol-Myers Squibb	1,598	0.26
14,367	Honeywell International	1,597	0.26
26,984	Medtronic	1,583	0.26
19,555	Texas Instruments	1,530	0.25
15,776	Union Pacific	1,524	0.25
25,957	Gilead Sciences	1,506	0.25
34,366	Abbott Laboratories	1,504	0.25
9,769	Adobe Systems	1,473	0.24

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
8,057	Broadcom	1,465	0.24
15,011	United Technologies	1,452	0.24
12,118	Accenture (A)	1,423	0.23
29,166	QUALCOMM	1,398	0.23
7,148	Goldman Sachs Group	1,384	0.23
978	The Booking Holdings	1,343	0.22
11,506	Caterpillar	1,340	0.22
5,158	Lockheed Martin	1,334	0.22
27,526	Schlumberger	1,329	0.22
33,289	US Bancorp	1,323	0.22
26,390	NIKE (B)	1,297	0.21
22,565	Paypal Holdings	1,295	0.21
8,743	Costco Wholesale	1,200	0.20
7,838	Thermo Fisher Scientific	1,193	0.19
28,936	Starbucks	1,182	0.19
16,955	Lowes	1,177	0.19
13,836	salesforce.com	1,163	0.19
27,174	Morgan Stanley	1,112	0.18
9,542	PNC Financial Services Group	1,104	0.18
19,274	Lilly (Eli)	1,095	0.18
15,003	American Express	1,079	0.18
15,558	Celgene	1,076	0.18
9,426	NextEra Energy	1,033	0.17
15,100	Time Warner	1,028	0.17
13,440	United Parcel Service (B)	1,026	0.17
20,234	CVS Health	997	0.16
24,434	ConocoPhillips	985	0.16
3,883	Charter Communications (A)	985	0.16
30,298	Mondelez International	963	0.16
9,216	Chubb	960	0.16
2,353	BlackRock	939	0.15
5,808	Raytheon	920	0.15
23,381	Charles Schwab	909	0.15
5,007	Fedex	899	0.15
5,237	Anthem	897	0.15
11,595	EOG Resources	895	0.15
21,282	Applied Materials	886	0.14
17,739	Walgreens Boots Alliance	886	0.14
12,191	Danaher	876	0.14
8,545	American Tower	868	0.14
4,129	Biogen	865	0.14
5,299	Becton Dickinson	861	0.14
16,964	Colgate-Palmolive	857	0.14
20,442	Bank New of York Mellon	856	0.14
3,327	Northrop Grumman	850	0.14
6,617	Aetna	842	0.14
5,094	General Dynamics	824	0.13
6,726	Stryker	797	0.13
6,587	CME Group (A)	793	0.13
6,715	Allergan	775	0.13
8,556	Monsanto	758	0.12
15,451	Occidental Petroleum	745	0.12

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
13,471	Duke Energy	743	0.12
25,479	General Motors	739	0.12
6,254	Illinois Tool Works	737	0.12
17,472	American International Group	735	0.12
5,106	Cigna	726	0.12
12,980	TJX	725	0.12
13,824	Activision Blizzard	725	0.12
8,589	Automatic Data Processing	722	0.12
6,496	Simon Property Group	722	0.12
20,422	Micron Technology	717	0.12
11,910	Cognizant Technology Solutions (A)	710	0.12
5,079	S&P Global	708	0.12
17,696	CSX	705	0.11
8,626	Crown Castle International	687	0.11
2,683	Tesla	680	0.11
2,178	Intuitive Surgical	678	0.11
12,534	Dominion Resource Va	672	0.11
9,378	Capital One Financial	672	0.11
8,537	Prudential Financial	670	0.11
11,630	Express Scripts Holding	660	0.11
12,390	Emerson Electric	654	0.11
5,820	Praxair	647	0.11
20,727	Ebay	646	0.11
20,580	Southern Company	645	0.11
6,446	Marriott International	643	0.10
5,385	Deere	636	0.10
10,277	Marsh & McLennan	626	0.10
15,753	BB&T	625	0.10
18,046	MetLife	615	0.10
4,979	Intuit	613	0.10
22,508	Twenty-First Centy Fox (A)	612	0.10
11,439	Intercontinental Exchange	607	0.10
10,160	Zoetis (A)	599	0.10
8,947	Valero Energy	599	0.10
5,781	Norfolk Southern	596	0.10
4,925	Vertex Pharmaceuticals	590	0.10
10,663	Target	582	0.09
16,848	Halliburton	579	0.09
11,821	Kraft Heinz	579	0.09
8,709	Phillips 66	579	0.09
7,597	TE Connectivity	573	0.09
7,316	State Street	566	0.09
33,099	HP	562	0.09
8,915	Waste Management	560	0.09
6,882	Kimberly-Clark	558	0.09
2,757	Humana	551	0.09
27,718	Boston Scientific	549	0.09
5,307	AON	546	0.09
5,330	Travelers Cos	545	0.09
71,121	Ford Motor	545	0.09
5,967	Electronic Arts	542	0.09
6,753	LyondellBasell Industries	535	0.09

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,364	Constellation Brands (A)	530	0.09
19,036	Johnson Controls International	523	0.09
8,743	Eaton	517	0.08
4,337	Air Products & Chemicals	513	0.08
9,978	SunTrust Banks	508	0.08
10,578	American Electric Power	503	0.08
7,530	Analog Devices	502	0.08
18,581	Exelon	500	0.08
1,723	Sherwin Williams	497	0.08
5,164	Ecolab	489	0.08
7,515	Aflac	488	0.08
11,485	Anadarko Petroleum	485	0.08
9,736	Baxter International	483	0.08
6,676	Fidelity National Information Services	475	0.08
11,212	Progressive Ohio	474	0.08
6,919	Allstate	470	0.08
2,826	Illumina	469	0.08
9,824	Marathon Petroleum	465	0.08
38,633	Kinder Morgan	465	0.08
10,405	Prologis	453	0.07
3,243	Public Storage	452	0.07
8,070	Ross Stores	452	0.07
7,806	Discover Financial Services	449	0.07
33,000	Hewlett Packard Enterprise	448	0.07
4,032	McKesson	447	0.07
3,125	Lam Research	437	0.07
4,328	Lauder Estee Cos (A)	437	0.07
11,856	General Mills	435	0.07
3,444	Pioneer Natural Resources	434	0.07
5,834	DXC Technology	434	0.07
5,817	HCA Healthcare	427	0.07
4,087	Fiserv	426	0.07
5,074	PPG Industries	422	0.07
9,756	Sysco	422	0.07
1,490	Equinix	421	0.07
7,924	Las Vegas Sands	418	0.07
15,701	Synchrony Financial	417	0.07
4,191	Edwards Lifesciences	409	0.07
3,282	Cummins	403	0.07
6,870	Yum Brands	398	0.06
1,957	Roper Technologies	396	0.06
3,229	Moody's	393	0.06
28,068	Freeport McMoran	387	0.06
8,293	Monster Beverage	384	0.06
4,684	T Rowe Price Group	380	0.06
5,717	Amphenol (A)	380	0.06
3,205	ServiceNow	378	0.06
7,293	PACCAR	375	0.06
1,600	Regeneron Pharmaceuticals	371	0.06
14,564	Weyerhaeuser	371	0.06
2,761	Rockwell Automation	368	0.06
2,647	M&T Bank	368	0.06

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
4,308	Alexion Pharmaceuticals	368	0.06
18,501	Kroger	364	0.06
17,180	Corning	364	0.06
5,776	Western Digital	364	0.06
3,406	Red Hat	363	0.06
4,549	Sempra Energy	362	0.06
5,226	Dollar General	360	0.06
4,199	Zimmer Biomet Holdings	358	0.06
7,215	Carnival Corporation	352	0.06
22,884	KeyCorp	350	0.06
6,433	VF	348	0.06
4,468	Northern Trust	347	0.06
6,965	Agilent Technologies	347	0.06
3,050	AvalonBay Communities	344	0.06
7,908	International Paper	344	0.06
9,714	Public SVC Enterprise Group	342	0.06
6,252	Consolidated Edison	342	0.06
2,581	Parker-Hannifin	339	0.06
2,934	Ameriprise Financial	338	0.06
5,042	Aptiv	337	0.05
2,885	Stanley Black & Decker	337	0.05
6,005	Fortive	337	0.05
4,433	Dollar Tree	333	0.05
3,561	Royal Caribbean Cruises	331	0.05
13,734	Fifth Third Bank	330	0.05
3,906	Autodesk	328	0.05
7,386	British American Tobacco (ADR)	324	0.05
4,981	Ingersoll-Rand	324	0.05
5,976	Tyson Foods (A)	322	0.05
6,607	Nucor	321	0.05
10,576	Archer Daniels Midland	318	0.05
15,456	Williams Cos	316	0.05
22,166	Regions Financial	314	0.05
2,833	Concho Resources	313	0.05
9,745	Citizens Financial Group	308	0.05
3,062	Rockwell Collins	304	0.05
5,971	Cardinal Health	302	0.05
10,363	Pacific Gas and Electric	301	0.05
9,535	Xcel Energy	301	0.05
3,915	Motorola Solutions	301	0.05
7,944	Welltower	300	0.05
10,828	Newmont Mining	300	0.05
4,693	Microchip Technology	300	0.05
3,769	Skyworks Solutions	300	0.05
5,765	Best Buy	298	0.05
3,544	Dr Pepper Snapple Group	298	0.05
2,318	Laboratory of Amer Holdings	293	0.05
4,037	Digital Realty Trust	292	0.05
1,528	Align Technology	291	0.05
2,466	SBA Communications (A)	291	0.05
6,086	Paychex	290	0.05
7,130	Equity Residential	288	0.05



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
7,011	ONEOK	288	0.05
6,363	Maxim Integrated Products	286	0.05
1,658	O'Reilly Automotive	286	0.05
8,361	Ihs Markit	284	0.05
1,834	L3 Technologies	282	0.05
2,401	Willis Towers Watson	279	0.05
6,354	Edison International	279	0.05
3,749	DTE Energy	276	0.04
9,281	Mylan	276	0.04
6,556	Eversource Energy	272	0.04
5,276	Xilinx	272	0.04
3,142	Boston Properties	271	0.04
5,228	Waste Connection (US)	271	0.04
12,820	PPL	270	0.04
6,909	Hartford Financial Services Group	269	0.04
11,799	Twitter	267	0.04
5,762	Principal Financial Group	265	0.04
11,755	Liberty Global (C)	264	0.04
6,734	CBS (B)	263	0.04
3,695	Comerica	263	0.04
3,551	Centene	262	0.04
3,160	Global Payments	261	0.04
19,825	CenturyLink	259	0.04
3,164	KLA-Tencor	259	0.04
5,899	WEC Energy Group	258	0.04
4,542	Lincoln National Ind	257	0.04
5,913	Textron	257	0.04
5,514	Cerner	255	0.04
2,195	Harris	252	0.04
1,729	FleetCor Technologies	251	0.04
4,479	Omnicom Group	249	0.04
521	AutoZone	246	0.04
4,314	AMETEK	242	0.04
3,416	AmerisourceBergen	241	0.04
6,760	Ventas	239	0.04
3,223	Dover	237	0.04
10,132	Devon Energy	233	0.04
5,371	T-Mobile US	233	0.04
2,506	Workday (A)	232	0.04
4,804	WestRock	231	0.04
5,549	Lennar (A)	231	0.04
7,490	CMS Energy	231	0.04
4,725	Kellogg	229	0.04
5,987	Seagate Technology	229	0.04
5,225	NetApp	228	0.04
502	Mettler-Toledo International	227	0.04
6,269	Loews	227	0.04
11,947	Symantec	227	0.04
4,665	Republic Services	226	0.04
3,759	BioMarin Pharmaceutical	225	0.04
1,264	Mohawk Industries	225	0.04
3,042	Eastman Chemical	225	0.04

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
19,622	Huntington Bancshares	224	0.04
2,377	Clorox	224	0.04
7,125	DR Horton	223	0.04
2,986	Verisk Analytics	222	0.04
3,830	American Water Works	221	0.04
1,625	IDEXX Laboratories	221	0.04
3,799	Hilton Worldwide Holdings	219	0.04
5,682	E Trade Financial	218	0.04
8,753	MGM Resorts International	217	0.04
1,453	Waters	216	0.04
5,367	Fastenal	215	0.04
2,960	Iqvia Holdings	213	0.03
1,697	Palo Alto Networks	212	0.03
8,114	National Oilwell Varco	212	0.03
9,706	Noble Energy	212	0.03
1,699	Cintas	210	0.03
2,436	Vulcan Materials	209	0.03
10,616	CenterPoint Energy	209	0.03
989	TransDigm Group	208	0.03
255	Markel	207	0.03
3,041	Raymond James Financial	206	0.03
7,679	Twenty-First Centy Fox (B)	206	0.03
1,669	Wynn Resorts	203	0.03
2,213	JM Smucker	202	0.03
3,236	Incyte	202	0.03
6,683	Masco	202	0.03
3,844	Dell Technologies (V)	202	0.03
2,914	ResMed	201	0.03
3,969	Arthur J Gallagher	201	0.03
3,645	Entergy	200	0.03
2,812	Hershey	199	0.03
9,743	Liberty Interactive (A)	199	0.03
2,899	First Republic Bank San Francisco CA	198	0.03
7,569	Conagra Brands	198	0.03
1,528	United Rentals	197	0.03
8,305	FirstEnergy	197	0.03
1,694	ANSYS	197	0.03
12,926	Ggp	197	0.03
5,831	Hess	196	0.03
4,954	Ameren	196	0.03
2,587	Quest Diagnostics	196	0.03
18,120	Marathon Oil	196	0.03
2,370	Equifax	195	0.03
4,612	TD Ameritrade	194	0.03
2,611	Celanese	194	0.03
5,410	Realty Income	193	0.03
2,893	Genuine Parts	193	0.03
3,823	Brown Forman (B)	193	0.03
14,426	Host Hotels & Resorts	193	0.03
5,255	Coach	192	0.03
773	Costa Rica Group	192	0.03
3,518	Xylem	192	0.03

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
8,899	TechnipFMC	191	0.03
3,008	Total System Services	191	0.03
993	WW Grainger	190	0.03
1,086	Alliance Data Systems	190	0.03
3,429	Molson Coors Brewing (B)	190	0.03
5,042	Unum Group	189	0.03
2,250	VeriSign	189	0.03
1,388	Lear	189	0.03
7,876	Invesco	188	0.03
1,176	Essex Property Trust	188	0.03
1,041	SVB Financial Group	186	0.03
2,471	Expedia	185	0.03
2,739	Splunk	185	0.03
5,410	Cbre Group (A)	184	0.03
4,571	Zions Bancorporation	184	0.03
6,377	Ball	184	0.03
7,281	Apache	183	0.03
2,739	Citrix Systems	183	0.03
2,696	Andeavor	182	0.03
2,571	Hasbro	181	0.03
1,732	MSCI	179	0.03
8,813	Ally Financial	178	0.03
1,214	Ulta Beauty	178	0.03
1,087	Dominos Pizza	178	0.03
3,148	Worldpay (A)	177	0.03
4,245	Dentsply Sirona	176	0.03
2,078	Wyndham Worldwide	174	0.03
4,689	EQT	174	0.03
4,396	Cheniere Energy	173	0.03
2,564	CH Robinson Worldwide	173	0.03
6,040	LKQ	172	0.03
1,251	Affiliated Managers Group	172	0.03
8,818	Newell Brands	172	0.03
6,088	Franklin Resources	172	0.03
3,378	Pentair	172	0.03
3,226	CDW	171	0.03
3,613	Expeditors International of Washington	171	0.03
2,318	Tiffany & Company	171	0.03
1,140	Martin Marietta Materials	170	0.03
2,093	Take-Two Interactive Software	170	0.03
3,426	Akamai Technologies	169	0.03
2,165	McCormick	167	0.03
1,550	IAC/InterActiveCorp	167	0.03
3,036	Cincinnati Financial	166	0.03
1,885	Varian Medical Systems	165	0.03
3,396	Vornado Realty Trust	163	0.03
3,037	DaVita	162	0.03
2,644	Synopsys	162	0.03
4,868	Square (A)	162	0.03
4,500	Church & Dwight	161	0.03
2,005	Albemarle US	161	0.03
1,520	Autoliv	161	0.03

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,508	Arch Capital Group	161	0.03
363	Alleghany	160	0.03
855	Arista Networks	160	0.03
1,770	Alnylam Pharmaceuticals	158	0.03
3,514	CarMax	157	0.03
1,800	Alexandria Real Estate Equities	157	0.03
1,317	Whirlpool	157	0.03
830	Huntington Ingalls Industr	157	0.03
4,511	L Brands	157	0.03
7,945	Baker Hughes A GE (A)	155	0.03
4,515	Steel Dynamics	155	0.03
1,785	Packaging of America	155	0.03
5,365	Cadence Design Systems	153	0.02
1,828	Gartner	153	0.02
1,757	JB Hunt Transport Services	153	0.02
3,381	Fortune Brands Home & SEC	153	0.02
1,358	Reinsurance Group of America	153	0.02
2,105	Broadridge Financial Solutions	153	0.02
2,341	Spirit AeroSystems Holdings (A)	153	0.02
6,356	Nielsen Holdings	152	0.02
3,245	Kohls	152	0.02
1,795	Universal Health Services (B)	152	0.02
908	Cooper Companies	152	0.02
823	Teleflex	151	0.02
2,236	Darden Restaurants	150	0.02
4,962	Aramark	150	0.02
5,901	CA	150	0.02
1,635	Diamondback Energy	149	0.02
1,451	International Flavors & Fragrances	149	0.02
1,954	Kansas City Southern	149	0.02
3,057	Henry Schein	148	0.02
6,178	Viacom (B)	148	0.02
1,390	PVH	148	0.02
10,186	Coty (A)	146	0.02
1,825	CBOE GLOBAL MARKETS INC.	145	0.02
19,781	Annaly Capital Management	145	0.02
1,440	IDEX	145	0.02
8,260	Cabot Oil & Gas	145	0.02
2,290	Torchmark	144	0.02
3,044	AO Smith	144	0.02
68	NVR	143	0.02
2,439	Qorvo	143	0.02
3,521	Norwegian Cruise Line Holdings	143	0.02
2,408	Perrigo	143	0.02
31,181	Sirius XM Holdings	142	0.02
3,656	Sensata Technologies Holding	142	0.02
1,659	Avery Dennison	142	0.02
4,953	Hologic	142	0.02
2,374	FMC	142	0.02
2,615	Bunge	141	0.02
10,760	Flex	140	0.02
2,022	SL Green Realty	140	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
8,879	HCP	139	0.02
4,778	Fidelity National Financial	139	0.02
2,561	Worldpay (A) (GB)	139	0.02
2,622	SEI Investments	139	0.02
7,673	Duke Realty	138	0.02
15,257	Advanced Micro Devices	138	0.02
4,919	Alliant Energy	138	0.02
2,972	Michael Kors Holdings	137	0.02
2,243	Extra Space Storage	137	0.02
3,664	Voya Financial	137	0.02
1,196	Snap on Incorporated	137	0.02
3,747	BorgWarner	136	0.02
3,186	Southwest Airlines	135	0.02
3,754	SS&C Technologies Holdings	135	0.02
4,278	DISH Network	135	0.02
1,888	Cimarex Energy	134	0.02
758	IPG Photonics	134	0.02
3,203	Robert Half International	133	0.02
4,401	CF Industries Holdings	133	0.02
6,978	Juniper Networks	132	0.02
3,422	Cognex	132	0.02
3,412	Delta Airlines	132	0.02
2,027	Liberty Broadband (C)	132	0.02
7,383	Arconic	132	0.02
3,677	Chemours	131	0.02
2,783	Leidos Holdings	131	0.02
2,180	Owens Corning	131	0.02
5,555	Hormel Foods	131	0.02
1,516	Henry (Jack) & Associates	131	0.02
1,594	Federal Realty Investment Trust	131	0.02
2,205	Nasdaq	130	0.02
2,609	CDK Global	130	0.02
5,335	UDR	129	0.02
2,682	East West Bancorp	129	0.02
3,286	Eaton Vance	129	0.02
2,066	Mid-America APT Cmnty	128	0.02
3,084	Alkermes	128	0.02
1,164	F5 Networks	127	0.02
3,021	Regency Centers Corp(Reit)	126	0.02
1,338	VMware (A)	125	0.02
3,779	Targa Resources	125	0.02
3,020	Transunion	125	0.02
4,512	Trimble	125	0.02
823	Vail Resorts	124	0.02
704	Everest Reinsurance Group	124	0.02
8,612	Western Union	124	0.02
1,528	Advance Auto Parts	121	0.02
14,903	AES	121	0.02
6,929	Interpublic Group of Cos	119	0.02
1,185	Old Dominion Freight Lines	119	0.02
5,218	OGE Energy	119	0.02
7,048	Marvell Technology Group	119	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,047	Lululemon Athletica	119	0.02
3,045	CIT Group	119	0.02
6,100	Mosaic	118	0.02
5,775	Macys	118	0.02
3,876	Sealed Air	118	0.02
1,856	Allegion	117	0.02
1,234	Ingredion	117	0.02
2,472	Tractor Supply	116	0.02
5,637	Pulte Group	116	0.02
3,827	Liberty Sirius Group (C)	114	0.02
3,543	HollyFrontier	114	0.02
756	Lennox International	113	0.02
11,135	New York Community Bancorp	113	0.02
2,696	Fluor	113	0.02
6,258	Leucadia National	111	0.02
1,281	Manpowergroup Wis	111	0.02
2,319	Helmerich & Payne	111	0.02
3,156	Knight-Swift Transportation Holdings (A)	111	0.02
2,535	Garmin	110	0.02
1,864	Atmos Energy	109	0.02
6,984	Invitation Homes	109	0.02
2,998	Fortinet	108	0.02
5,061	Goodyear Tire & Rubber	108	0.02
3,405	UGI	107	0.02
1,036	Jazz Pharmaceuticals	107	0.02
2,387	Jacobs Engineering Group	106	0.02
949	Signature Bank of New York	104	0.02
3,029	Live Nation Entertainment	104	0.02
4,237	Liberty Media Group (C)	104	0.02
4,661	Iron	104	0.02
887	Jones Lang LaSalle	103	0.02
3,133	Harley-Davidson	103	0.02
2,474	Macerich	103	0.02
1,804	Pinnacle West Capital	102	0.02
3,142	Toll Brothers	102	0.02
4,540	GAP	102	0.02
1,708	Arrow Electronics	102	0.02
7,705	AGNC Investment	102	0.02
3,604	CommScope Holding	102	0.02
442	Chipotle Mexican Grill	102	0.02
1,570	Scripps Networks Interactive (A)	102	0.02
2,762	Crown Holdings	101	0.02
1,222	American Financial Group Ohio	101	0.02
1,086	Middleby	100	0.02
8,838	First Data (A)	99	0.02
3,121	Campbell Soup	99	0.02
5,830	NiSource	98	0.02
4,330	Axalta Coating Systems	98	0.02
3,702	HD Supply Holdings	97	0.02
1,905	Berkley WR	96	0.02
4,333	Xerox	95	0.02
1,610	Wabtec	95	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
6,573	Hanesbrands	95	0.02
938	WABCO Holdings	95	0.02
6,759	Peoples United Financial	95	0.02
1,137	Polaris Industries	94	0.02
2,626	FLIR Systems	93	0.02
18,936	VEREIT	93	0.02
3,202	Liberty Property Trust	91	0.01
3,487	Zayo Group Holdings	90	0.01
2,243	American Airlines Group	88	0.01
1,511	Camden Property Trust	87	0.01
2,459	Westar Energy	87	0.01
7,973	Kimco Realty	85	0.01
3,660	Liberty Global (A)	85	0.01
1,074	Ralph Lauren (A)	84	0.01
4,429	Parsley Energy (A)	83	0.01
4,805	Sabre	81	0.01
1,791	Stericycle	81	0.01
2,817	SCANA	81	0.01
1,651	Grace W R de	81	0.01
4,610	Newfield Exploration	81	0.01
2,166	Nordstrom	80	0.01
764	Acuity Brands	80	0.01
5,784	Vistra Energy	79	0.01
1,743	Veeva Systems (A)	78	0.01
2,187	Axis Capital Holdings	78	0.01
6,535	News Corp (A)	77	0.01
1,905	Seattle Genetics	76	0.01
4,080	Block H & R	76	0.01
901	United Therapeutics	75	0.01
6,761	Brixmor Property Group	75	0.01
2,162	Athene Holding (A)	75	0.01
4,221	Discovery Communications N (C)	75	0.01
1,520	AGCO	74	0.01
2,184	Flowserve	69	0.01
1,823	Continental Resources Okla	65	0.01
2,077	Macquarie Infrastructure	64	0.01
2,017	Leggett & Platt	64	0.01
5,452	Mattel	63	0.01
3,325	Discovery Communications N (A)	63	0.01
1,607	Rollins	59	0.01
628	RenaissanceRe Holdings	59	0.01
2,160	National Retail Properties	58	0.01
1,946	Liberty Sirius Group (A)	58	0.01
1,407	Brighthouse Financial	57	0.01
1,158	United Continental Holdings	57	0.01
891	Assurant	56	0.01
4,612	Under Armour (A)	56	0.01
2,079	Envision Healthcare	55	0.01
9,500	Colony NorthStar (A)	54	0.01
1,594	Zillow Group (C)	54	0.01
14,074	Sprint	53	0.01
1,439	AutoNation	53	0.01

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,710	Avnet	53	0.01
3,011	Plains GP Holdings (A)	46	0.01
3,293	Antero Resources	45	0.01
1,581	TripAdvisor (A)	45	0.01
3,559	Under Armour (C)	39	0.01
3,565	Range Resources	34	0.01
367	Spectrum Brands Holdings	27	0.00
537	TESARO	24	0.00
92	AMERCO	23	0.00
		<b>376,705</b>	<b>61.38</b>
	<b>Japan - (8.34%)</b>		
52,376	Toyota Motor	2,556	0.42
240,500	Mitsubishi UFJ Finance Group	1,236	0.20
16,900	SoftBank Group	1,014	0.17
35,900	Honda Motor	940	0.15
25,500	Sony	935	0.15
2,000	Keyence	880	0.14
25,700	Sumitomo Mitsui Financial Group	812	0.13
2,300	Nintendo	761	0.12
3,900	FANUC	718	0.12
533,400	Mizuho Financial Group	717	0.12
31,900	Mitsubishi	649	0.11
34,900	KDDI	620	0.10
7,900	Shin-Etsu Chemical	606	0.10
13,900	Takeda Pharmaceutical	572	0.09
20,200	Canon	558	0.09
48,100	Panasonic	544	0.09
4,600	Nidec	535	0.09
17,100	Seven & I Holdings	514	0.08
92,000	Hitachi	502	0.08
9,400	Kao	498	0.08
40,400	Mitsubishi Electric	495	0.08
14,400	Nippon Telegraph & Telephone	484	0.08
18,200	Komatsu	480	0.08
7,000	East Japan Railway	475	0.08
25,500	NTT Docomo	472	0.08
13,700	Tokio Marine Holdings	459	0.07
34,100	Mitsui	449	0.07
21,600	Japan Tobacco	444	0.07
3,000	Tokyo Electron	426	0.07
4,800	Daikin Industries	409	0.07
38,300	Astellas Pharma	408	0.07
12,500	Bridgestone	403	0.07
28,500	ITOCHU	397	0.06
22,500	Recruit Holdings	393	0.06
9,000	Denso	381	0.06
3,700	Murata Manufacturing	374	0.06
2,700	Central Japan Railway	363	0.06
14,200	Subaru	362	0.06
27,100	Mitsubishi Estate	343	0.06
76,200	Nomura Holdings	339	0.06
1,100	SMC	334	0.05



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
12,400	Daiwa House Industry	332	0.05
25,600	ORIX	330	0.05
12,800	Daiichi Sankyo Kabushik Kaisha	329	0.05
37,600	Japan Post Holdings	327	0.05
4,600	Oriental Land	323	0.05
42,100	Nissan Motor	319	0.05
7,300	Shiseido	318	0.05
7,400	Suzuki Motor	307	0.05
21,300	Dai-ichi Life Holdings	306	0.05
17,500	Mitsui Fudosan	304	0.05
7,800	Hoya	298	0.05
15,800	Kirin Holdings	296	0.05
23,200	Sumitomo	295	0.05
65,400	Jxtg Holdings	289	0.05
1,000	Fast Retailing	287	0.05
131,000	Toshiba	279	0.05
21,000	Kubota	276	0.04
7,400	Asahi Group Holdings	274	0.04
6,200	Kyocera	266	0.04
6,800	Eisai	261	0.04
7,000	Otsuka Holdings	254	0.04
8,400	Fujifilm Holdings	253	0.04
13,800	Nippon Steel & Sumitomo Metal	238	0.04
10,500	MS&AD Insurance Group Holdings	236	0.04
25,100	Asahi Kasei	234	0.04
6,000	Terumo	233	0.04
5,900	Shionogi	222	0.04
7,400	Sumitomo Mitsui Trust Holdings	216	0.04
7,600	Sompo Holdings	212	0.03
4,100	Secom	212	0.03
28,800	Toray Industries	211	0.03
8,000	Sumitomo Realty & Development	210	0.03
28,100	Mitsubishi Chemical Holdings	207	0.03
3,200	Nitto Denko	192	0.03
14,400	Sekisui House	182	0.03
44,200	Resona Holdings	182	0.03
32,300	Marubeni	179	0.03
5,200	Sumitomo Metal Mining	176	0.03
15,300	Sumitomo Electric Industries	175	0.03
2,600	TDK	171	0.03
4,000	Omron	171	0.03
1,400	Nitori Holdings	170	0.03
35,000	Daiwa Securities Group	169	0.03
4,500	Chugai Pharmaceutical	168	0.03
5,700	Mitsubishi Heavy Industries	168	0.03
2,800	Sysmex	168	0.03
9,900	JFE Holdings	166	0.03
7,700	Ono Pharmaceutical	163	0.03
4,700	Yaskawa Electric	158	0.03
1,300	Daito Trust Construction	156	0.03
4,200	Taisei	154	0.03
7,600	Unicharm	154	0.03

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
17,400	Inpex	154	0.03
5,200	Olympus	151	0.02
4,400	Makita	150	0.02
3,300	Toyota Industries	150	0.02
34,000	Fujitsu	148	0.02
8,200	Yamato Holdings	148	0.02
6,700	NEC	147	0.02
11,800	Aeon	144	0.02
31,000	Sumitomo Chemical	140	0.02
11,700	T&D Holdings	140	0.02
5,100	Hankyu Hanshin Holdings	137	0.02
1,300	Shimano	136	0.02
2,700	West Japan Railway	135	0.02
9,800	Sekisui Chemical	134	0.02
5,800	Yamaha Motor	133	0.02
19,000	Kajima	131	0.02
9,900	Ajinomoto	131	0.02
13,200	Chubu Electric Power	130	0.02
1,700	Rohm	130	0.02
3,900	Dentsu	130	0.02
11,200	Tokyu	129	0.02
7,000	Tokyo Gas	127	0.02
6,000	MISUMI Group	125	0.02
500	Ryohin Keikaku	124	0.02
10,800	Isuzu Motors	123	0.02
2,900	Aisin Seiki	122	0.02
900	Kose	122	0.02
7,900	Mitsubishi Tanabe Pharma	122	0.02
2,300	Meiji Holdings	121	0.02
4,200	Kikkoman	121	0.02
15,600	Ricoh	121	0.02
7,300	Minebea Mitsumi	121	0.02
11,700	Mazda Motor	118	0.02
9,400	Japan Exchange Group	118	0.02
3,900	Asahi Glass	117	0.02
34,400	Yahoo Japan	115	0.02
3,400	Suntory Beverage & Food	114	0.02
2,800	Don Quijote Holdings	113	0.02
4,000	M3	113	0.02
4,700	Bandai Namco Holdings	110	0.02
12,500	Kansai Electric Power	110	0.02
2,200	Koito Manufacturing	110	0.02
1,800	Obic	108	0.02
13,100	Obayashi	107	0.02
2,800	TOTO	107	0.02
4,100	Nexon	107	0.02
5,700	Shimadzu	106	0.02
7,400	Osaka Gas	106	0.02
15,900	Rakuten	105	0.02
37,500	Tokyo Electric Power Holdings	104	0.02
3,800	Toyota Tsusho	102	0.02
3,500	Hamamatsu Photonics	101	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,600	Kintetsu Group Holdings	100	0.02
6,800	Odakyu Electric Railway	100	0.02
3,500	Stanley Electric	99	0.02
2,000	Nippon Express	97	0.02
3,000	Yamaha	96	0.02
4,300	Mitsui Chemicals	95	0.02
3,600	Kawasaki Heavy Industries	95	0.02
22,600	Concordia Financial Group	95	0.02
2,300	Trend Micro	94	0.02
5,600	SBI Holdings Japan	94	0.02
1,700	FamilyMart	93	0.02
7,300	Kuraray	92	0.01
3,500	Nippon Paint Holdings	92	0.01
11,200	Kyushu Electric Power	91	0.01
2,794	Nomura Research Institute	91	0.01
66	Japan Retail Fund Investment	91	0.01
4,700	Sumco	91	0.01
1,900	Daifuku	90	0.01
19,000	Oji Holdings	90	0.01
7,400	Santen Pharmaceutical	86	0.01
4,300	Alps Electric	86	0.01
4,700	Brother Industries	85	0.01
500	Disco	85	0.01
12,300	Shimizu	83	0.01
1,600	Yakult Honsha	83	0.01
3,700	Tobu Railway	82	0.01
2,600	Keio	82	0.01
5,500	Nikon	81	0.01
2,900	Idemitsu Kosan	81	0.01
4,400	Kansai Paint Osaka	80	0.01
5,300	Dai Nippon Printing Japan	80	0.01
3,000	Sankyo Gunma	78	0.01
20	Nippon Building Fund	78	0.01
1,200	Hoshizaki	78	0.01
4,200	Nagoya Railroad	77	0.01
4,100	Start Today	77	0.01
7,800	Japan Post Bank	77	0.01
2,800	Japan Airlines	77	0.01
5,400	Teijin	77	0.01
4,300	LIXIL Group	76	0.01
5,000	Tosoh	76	0.01
9,100	Renesas Electronics	76	0.01
66	United Urban Investment	75	0.01
700	Tsuruha Holdings	73	0.01
2,300	Nabtesco	72	0.01
1,900	Konami Holdings	72	0.01
9,500	NTT Data	71	0.01
2,600	Coca Cola Bottlers Japan Holdings	71	0.01
5,400	Keikyu	70	0.01
1,400	Nissin Food Holdings	69	0.01
3,700	Persol Holdings Co Ltd	69	0.01
5,600	Seibu Holdings	69	0.01

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
4,800	Marui Group	67	0.01
1,000	Otsuka	67	0.01
18	Japan Real Estate Investment	67	0.01
9,000	Takashimaya	66	0.01
6,000	NSK	65	0.01
14,700	Hachijuni Bank	64	0.01
1,200	Hisamitsu Pharmaceuticals	63	0.01
6,600	Tohoku Electric Power	62	0.01
13,500	Mitsubishi UFJ Lease & Finance	62	0.01
11,700	Tokyu Fudosan Holdings	62	0.01
2,600	Toho	61	0.01
3,400	Mitsubishi Gas Chemical	61	0.01
4,400	Seiko Epson	61	0.01
3,300	Electric Power Develop	61	0.01
4,100	Medipal Holdings	60	0.01
10,000	Chiba Bank	60	0.01
5,600	Casio Computer	60	0.01
2,700	Kyushu Railway Company	60	0.01
6,200	Hino Motors	59	0.01
8,000	Shizuoka Bank	59	0.01
24	Japan Prime Realty Investment	59	0.01
1,800	THK	57	0.01
3,700	Kyowa Hakko Kirin	57	0.01
9,000	Toppan Printing	56	0.01
2,200	Sharp	56	0.01
9,700	Mitsubishi Motors	56	0.01
1,900	ANA Holdings	55	0.01
4,900	JTEKT	55	0.01
4,300	Credit Saison	54	0.01
5,800	Hitachi Metals	54	0.01
2,100	IHI	52	0.01
2,200	Keisei Electric Railway	52	0.01
1,400	Mabuchi Motor	52	0.01
1,800	Nissan Chemical Industries	52	0.01
1,500	Sohgo Security Services	51	0.01
3,500	Yokogawa Electric	51	0.01
3,400	USS	51	0.01
17,630	Mebuki Financial Group	51	0.01
51	Nomura Real Estate Master Fund	50	0.01
1,700	Aozora Bank	50	0.01
9,000	Fuji Electric	50	0.01
3,000	JGC	50	0.01
5,100	Amada Holdings	49	0.01
3,000	NH Foods	49	0.01
3,600	NGK Insulators	49	0.01
2,700	JSR	47	0.01
5,700	Hulic	46	0.01
1,600	Sumitomo Heavy Industries	46	0.01
1,700	Taiheiyo Cement	46	0.01
1,500	Hitachi Const Mach	46	0.01
415	Hirose Electric	45	0.01
3,400	J Front Retailing	45	0.01

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
4,200	Sega Sammy Holdings	44	0.01
3,200	Sony Financial Holdings	43	0.01
6,300	Konica Minolta	42	0.01
2,200	NGK Spark Plug	41	0.01
3,000	Lion	41	0.01
1,200	Sundrug	40	0.01
2,500	Kamigumi	40	0.01
2,400	Aeon Financial Service	40	0.01
8,800	Yamada Denki	40	0.01
3,300	Suruga Bank	39	0.01
3,400	Shinsei Bank	39	0.01
1,700	Mitsui OSK Lines	39	0.01
2,400	Alfresa Holdings	39	0.01
4,500	Isetan Mitsukoshi Holdings	38	0.01
800	Lawson	38	0.01
2,400	Nippon Yusen Kk	38	0.01
10,000	Fukuoka Financial Group	37	0.01
1,200	Pola Orbis Holdings	36	0.01
2,505	Nisshin Seifun Group	36	0.01
11,100	Acom	36	0.01
4,500	Kobe Steel	36	0.01
800	Bank of Kyoto	32	0.01
3,800	The Chugoku Electric Power Company Inc	32	0.01
3,800	Daicel	32	0.01
1,400	Mitsubishi Materials	32	0.01
2,800	Tokyo Tatemono	31	0.01
300	Hikari Tsushin	31	0.01
1,300	Kurita Water Industries	29	0.00
2,000	Air Water (Osaka)	29	0.00
900	McDonalds Holdings (Japan)	29	0.00
1,600	Yokohama Rubber	29	0.00
500	Oracle Japan	28	0.00
800	Hitachi High Technologies	28	0.00
2,700	Hakuhodo DY Holdings	28	0.00
1,000	Toyo Suisan Kaisha	28	0.00
950	Suzuken	28	0.00
2,000	Sumitomo Rubber Industries	28	0.00
16	Daiwa House (REIT) Investment	28	0.00
2,000	Yamazaki Baking	28	0.00
17	Nippon Prologis	28	0.00
1,200	Keihan Holdings	27	0.00
1,000	Japan Airport Terminal	27	0.00
300	Shimamura	26	0.00
400	Rinnai	26	0.00
3,000	Yamaguchi Financial Group	26	0.00
400	Taisho Pharmaceutical Holding	26	0.00
1,800	Iida Group Holdings	25	0.00
2,200	Asics	25	0.00
2,000	Kakaku.com	25	0.00
1,400	Park24	24	0.00
1,000	Calbee	24	0.00
1,400	Nomura Real Estate Holding	24	0.00

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,100	Toyo Seikan Group Holdings	23	0.00
1,000	Nippon Electric Glass	22	0.00
3,000	Kaneka	22	0.00
2,000	Taiyo Nippon Sanso Tokyo	21	0.00
1,000	Toho Gas	21	0.00
1,900	Sumitomo Dainippon Pharmaceuticals	21	0.00
4,900	Kyushu Financial Group	20	0.00
2,000	Showa Shell Sekiyu KK	19	0.00
1,200	Hitachi Chemical	19	0.00
700	Benesse Holdings	18	0.00
800	Maruichi Steel Tube	18	0.00
1,210	Aeon Mall	18	0.00
400	ABC-Mart	18	0.00
1,400	DeNA	18	0.00
600	Line	18	0.00
600	Mixi	17	0.00
6,900	Seven Bank	17	0.00
1,100	NOK	17	0.00
800	Toyoda Gosei	14	0.00
1,300	CYBERDYNE	14	0.00
		<b>52,785</b>	<b>8.60</b>
	<b>United Kingdom - (6.24%)</b>		
397,530	HSBC Holdings	2,867	0.47
89,497	Royal Dutch Shell (A)	2,065	0.34
395,976	BP	1,897	0.31
73,115	Royal Dutch Shell (B)	1,700	0.28
38,312	British American Tobacco	1,671	0.27
99,995	GlaxoSmithKline	1,311	0.21
49,174	Diageo	1,216	0.20
24,544	AstraZeneca	1,178	0.19
521,765	Vodafone Group	1,063	0.17
1,390,643	Lloyds Banking Group	961	0.16
24,414	Rio Tinto	960	0.16
50,651	Prudential	934	0.15
240,785	Glencore	933	0.15
24,347	Unilever	913	0.15
13,206	Reckitt Benckiser Group	764	0.12
343,622	Barclays	736	0.12
43,584	BHP Billiton	649	0.11
18,013	Shire	555	0.09
66,942	Standard Chartered	546	0.09
20,030	Imperial Brands	524	0.09
32,624	Compass Group	506	0.08
67,075	National Grid	503	0.08
25,321	Anglo American	454	0.07
181,125	BT Group	440	0.07
87,005	Aviva	439	0.07
17,006	CRH	411	0.07
60,245	BAE Systems	348	0.06
159,360	Tesco	339	0.06
24,039	WPP	332	0.05
21,111	RELX	314	0.05

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
34,995	Rolls-Royce Holdings	297	0.05
18,494	Experian	287	0.05
106,195	Legal & General Group	281	0.05
20,571	Sky	274	0.04
6,714	London Stock Exchange	273	0.04
103,338	Old Mutual	265	0.04
4,693	Ferguson	242	0.04
19,244	SSE	238	0.04
57,992	Standard Life Aberdeen PLC	216	0.04
16,785	Smith & Nephew	215	0.04
9,290	Ashtead Group	195	0.03
65,745	RBS Group	177	0.03
6,635	Associated British Foods	175	0.03
3,395	Carnival	163	0.03
6,237	Persimmon	162	0.03
16,865	3i Group	159	0.03
35,622	GKN	155	0.03
3,153	Intertek Group	155	0.03
7,180	Micro Focus International	148	0.02
3,208	Croda International	147	0.02
22,754	British Land	143	0.02
3,023	InterContinental Hotels Group	142	0.02
100,412	Centrica	142	0.02
7,053	Bunzl	138	0.02
8,958	TUI	138	0.02
7,058	Mondi	134	0.02
3,407	Whitbread	134	0.02
37,121	Kingfisher	133	0.02
23,280	Segro	131	0.02
2,640	Next	129	0.02
13,692	Land Securities Group	127	0.02
18,279	Sage Group	127	0.02
7,850	Smiths Group	125	0.02
7,957	Burberry Group	122	0.02
2,021	Randgold Resources	118	0.02
3,600	Johnson Matthey	113	0.02
47,572	WM Morrison Supermarkets	107	0.02
66,392	ITV	107	0.02
6,128	Hargreaves Lansdown	106	0.02
14,383	Pearson	105	0.02
54,945	Taylor Wimpey	104	0.02
18,635	Royal Mail	104	0.02
16,275	RSA Insurance Group	103	0.02
8,660	St James Place	101	0.02
22,379	Hammerson	100	0.02
24,872	Direct Line Insurance Group	96	0.02
5,474	Severn Trent	95	0.02
35,724	Sainsbury (J)	93	0.02
13,602	United Utilities Group	92	0.01
16,311	Barratt Developments	89	0.01
14,002	John Wood Group	87	0.01
3,604	Coca-Cola HBC	87	0.01

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
4,229	Weir Group	86	0.01
13,454	Investec	85	0.01
2,181	Berkeley Group Holdings	85	0.01
27,681	Marks & Spencer Group	83	0.01
4,104	Admiral Group	78	0.01
5,604	Travis Perkins	75	0.01
4,008	easyJet	67	0.01
24,397	Group 4 Securicor	64	0.01
1,797	Schroders	62	0.01
6,912	Antofagasta	61	0.01
28,997	Convatec Group	60	0.01
4,498	Fresnillo	56	0.01
11,536	Meggitt	52	0.01
15,069	Merlin Entertainments	51	0.01
13,970	Auto Trader Group	51	0.01
42,568	Cobham	48	0.01
3,551	IMI	44	0.01
1,816	Micro Focus International (ADR)	37	0.01
4,457	Mediclinic International	27	0.00
3,238	Babcock International Group	21	0.00
11,640	Capita	20	0.00
755	Royal Dutch Shell (A) (NL)	18	0.00
		<b>36,656</b>	<b>5.97</b>
	<b>France - (3.38%)</b>		
46,687	Total	1,933	0.31
22,195	BNP Paribas	1,279	0.21
22,103	Sanofi	1,266	0.21
5,425	LVMH Moët Hennessy SE	1,178	0.19
11,352	Airbus SE	985	0.16
38,131	AXA	873	0.14
8,581	Air Liquide	780	0.13
4,904	L'Oreal	766	0.12
11,745	Schneider Electric	739	0.12
10,071	Vinci SA	724	0.12
12,075	Danone	704	0.11
15,443	Société Générale France (A)	639	0.10
6,545	Safran	526	0.09
4,178	Pernod Ricard	498	0.08
1,439	Kering	494	0.08
37,509	Orange	462	0.08
9,877	Compagnie de Saint-Gobain	406	0.07
3,592	Michelin Comp Gen Des Estbmts (B)	400	0.07
34,559	Engie	394	0.06
21,314	Vivendi	393	0.06
3,925	Essilor International	375	0.06
3,596	Capgemini	324	0.05
1,832	Unibail-Rodamco	306	0.05
3,618	Renault	283	0.05
4,997	Legrand	283	0.05
708	Hermès International SCA	276	0.04
21,391	Credit Agricole	268	0.04



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,875	Dassault Systemes	266	0.04
4,732	Publicis Groupe	259	0.04
5,513	Valeo	258	0.04
13,264	Peugeot	213	0.03
11,603	STMicroelectronics (FR)	192	0.03
2,003	Atos SE	191	0.03
10,927	Carrefour	181	0.03
4,044	Accor	169	0.03
1,827	Sodexo	162	0.03
1,960	Thales	159	0.03
4,240	Bouygues	156	0.03
8,234	Veolia Environnement	145	0.02
1,292	Arkema	123	0.02
1,183	Teleperformance	121	0.02
4,570	Edenred	116	0.02
280	Eurofins Scientific SE	116	0.02
1,885	Faurecia	115	0.02
1,464	Eiffage	114	0.02
873	Gecina	111	0.02
3,706	Klepierre	110	0.02
5,709	Bureau Veritas	109	0.02
3,569	Alstom	108	0.02
706	Aeroports de Paris	103	0.02
16,320	Natixis	101	0.02
807	Wendel	101	0.02
9,952	Getlink (A)	93	0.02
9,840	EDF	93	0.02
2,935	SCOR SE	91	0.01
20,497	Bolloré	85	0.01
498	Iliad Group	85	0.01
1,351	UBISOFT Entertainment	80	0.01
3,641	Zodiac Aerospace	80	0.01
1,363	Amundi	80	0.01
5,765	Rexel	74	0.01
7,422	Suez	73	0.01
1,088	Ingenico Group	68	0.01
5,801	SES (FR) (FDR)	68	0.01
52	Dassault Aviation	66	0.01
647	Remy Cointreau	64	0.01
584	Ipsen	62	0.01
1,088	BioMerieux	61	0.01
3,537	Eutelsat Communications	59	0.01
315	SEB	47	0.01
651	ICADE	46	0.01
1,564	JC Decaux	44	0.01
2,031	Lagardere SCA	43	0.01
2,296	CNP Assurances	41	0.01
511	Fonciere Des Regions	39	0.01
517	Eurazeo	36	0.01
794	Casino Guichard Perrachon	31	0.01
411	Imerys	30	0.00

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
354	Societe BIC	27	0.00
62	Bolllore	0	0.00
		<b>23,019</b>	<b>3.75</b>
	<b>Germany - (3.17%)</b>		
8,681	Allianz SE	1,480	0.24
19,587	SAP SE	1,480	0.24
15,235	Siemens	1,464	0.24
18,228	BASF SE	1,395	0.23
16,534	Bayer	1,385	0.23
19,423	Daimler	1,206	0.20
65,252	Deutsche Telekom	766	0.12
19,142	Deutsche Post	630	0.10
3,681	Linde	599	0.10
3,674	adidas	595	0.10
3,120	Munich RE Group	510	0.08
8,300	Fresenius SE	494	0.08
3,329	Volkswagen Preferred	477	0.08
39,928	Deutsche Bank	471	0.08
5,913	BMW	454	0.07
22,281	Infineon Technologies	436	0.07
2,175	Continental	432	0.07
3,797	Deutsche Boerse	367	0.06
44,816	E.ON SE	334	0.05
4,242	Fresenius Medical Care	324	0.05
9,714	Vonovia SE	319	0.05
3,369	Covestro	278	0.05
3,075	Henkel	267	0.04
2,694	Henkel Preferred	259	0.04
21,751	Commerzbank	246	0.04
7,264	Deutsche Wohnen	217	0.04
2,328	Wirecard	202	0.03
2,782	HeidelbergCement	202	0.03
3,160	Porsche Automobil Holding Non Voting Preferred	193	0.03
2,498	Merck	182	0.03
8,272	Thyssenkrupp	163	0.03
2,035	Beiersdorf	162	0.03
1,074	Volkswagen	157	0.03
2,553	Symrise	150	0.02
5,024	Prosiebensat.1 Media SE	144	0.02
3,066	Brenntag	139	0.02
9,124	RWE	133	0.02
1,064	MTU Aero Engines	129	0.02
3,592	GEA Group	123	0.02
1,157	Hannover Reins	115	0.02
4,543	QIAGEN (DE)	110	0.02
1,820	LANEXSS	110	0.02
2,224	United Internet	109	0.02
1,900	OSRAM Licht	109	0.02
2,525	Zalando SE	105	0.02
4,262	Deutsche Lufthansa	103	0.02
1,546	Bayerische Motoren Werke Non Voting Preferred	103	0.02
4,625	K&S	93	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,478	KION Group	93	0.02
3,167	Evonik Industries	85	0.01
3,888	Uniper	85	0.01
2,616	RWE International SE	76	0.01
1,254	1&1 Drillisch	70	0.01
964	Hugo Boss	63	0.01
745	MAN	62	0.01
861	Axel Springer SE	56	0.01
619	Fraport Frankfurt Airport Services	46	0.01
13,415	Telefonica Deutschland Holding	45	0.01
870	Fuchs Petrolu SE Preferred	36	0.01
536	RTL Group (DE)	34	0.01
2,425	Metro	34	0.01
269	HOCHTIEF	33	0.01
1,921	Schaeffler	23	0.00
		<b>20,762</b>	<b>3.38</b>
	<b>Canada - (3.50%)</b>		
28,511	Royal Bank of Canada	1,655	0.27
37,165	Toronto Dominion Bank	1,582	0.26
24,769	Bank of Nova Scotia	1,118	0.18
15,360	Canadian National Railway	880	0.14
34,350	Suncor Energy	848	0.14
12,976	Bank of Montreal	721	0.12
8,734	Canadian Imperial Bank of Commerce	589	0.10
23,891	Enbridge	569	0.09
39,576	Manulife Financial	552	0.09
16,683	TransCanada	540	0.09
17,698	Brookfield Asset Management (A)	505	0.08
20,980	Canadian National Resources	491	0.08
12,283	Nutrien	438	0.07
2,749	Canadian Pacific Railway	366	0.06
11,438	Sun Life Financial	349	0.06
9,431	Alimentation Couche-Tard (B)	335	0.05
7,122	Magna International	291	0.05
6,642	National Bank of Canada	239	0.04
10,935	Teck Resources (B)	232	0.04
6,961	Rogers Communications (B)	231	0.04
9,403	Enbridge (US)	224	0.04
9,361	Pembina Pipeline	223	0.04
538	Fairfax Financial Holdings	195	0.03
400	Constellation Software	188	0.03
22,070	Barrick Gold	187	0.03
7,675	Fortis	181	0.03
3,424	Franco Nevada	176	0.03
2,009	Dollarama	173	0.03
5,207	BCE	168	0.03
3,948	Restaurant Brands International	168	0.03
17,715	Goldcorp	160	0.03
4,284	Loblaw	160	0.03
12,960	First Quantum Minerals	157	0.03
5,392	Thomson Reuters	155	0.03
19,398	Encana	152	0.02

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,528	Shopify (A)	152	0.02
2,720	Intact Financial	152	0.02
3,541	Groupe CGI (A)	150	0.02
5,252	AGNICO EAGLE MINES LTD (CANA)	146	0.02
1,392	Canadian Tire (A)	138	0.02
4,872	Open Text	125	0.02
9,833	Inter Pipeline (A)	125	0.02
8,670	Wheaton Precious Metals	120	0.02
8,365	Shaw Communications (B)	119	0.02
5,938	Imperial Oil	118	0.02
3,528	SNV Lavalin Group	111	0.02
19,872	Cenovus Energy	110	0.02
6,184	Power of Canada	106	0.02
4,494	Metro	103	0.02
4,299	Saputo	100	0.02
2,726	CCL Industries (B)	100	0.02
5,084	Great West Lifeco	98	0.02
4,563	Gildan Activewear	96	0.02
3,474	TELUS	92	0.01
1,701	Onex (Canada)	91	0.01
4,534	Power Financial	85	0.01
6,336	Valeant Pharmaceuticals International CDA	85	0.01
6,948	Hydro One	82	0.01
8,865	BlackBerry	79	0.01
4,233	Keyera	79	0.01
8,131	Husky Energy	79	0.01
3,978	Finning International	78	0.01
2,490	Industrial Alliance Lif Insurance	77	0.01
32,104	Bombardier (B)	74	0.01
4,295	PrairieSky Royalty	70	0.01
4,297	CI Financial	69	0.01
1,321	West Fraser Timber	69	0.01
14,130	Lundin Mining	68	0.01
1,558	Methanex	66	0.01
24,309	Kinross Gold	62	0.01
4,353	Cae	58	0.01
986	George Weston	58	0.01
10,672	Crescent Point Energy	58	0.01
1,340	Linamar	54	0.01
3,439	AltaGas	52	0.01
6,883	ARC Resources	50	0.01
4,461	Tourmaline Oil	49	0.01
22,817	Turquoise Hill Resources	48	0.01
3,274	Empire (A)	44	0.01
1,763	Vermilion Energy	43	0.01
5,605	Cameco	37	0.01
2,420	Jean Coutu Group	33	0.01
1,633	Canadian Utilities (A)	31	0.01
3,393	Seven Generations Energy	30	0.00
1,196	IGM Financial	27	0.00
1,092	Emera	26	0.00
1,886	RioCan Real Estate Investment Trust	25	0.00

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
924	Atco (I)	22	0.00
1,002	Smart (REIT)	17	0.00
1,493	First Capital Realty	17	0.00
1,445	H&R Real Estate Investement Trust	16	0.00
4,795	Element Fleet Management	13	0.00
		<b>19,480</b>	<b>3.17</b>
	<b>Switzerland - (3.02%)</b>		
61,353	Nestle	3,535	0.58
44,146	Novartis	2,680	0.44
13,947	Roche Holdings	2,359	0.38
72,353	UBS Group	1,005	0.16
3,067	Zurich Insurance Group	736	0.12
10,184	Compagnie Finance Richemont Switz (A)	649	0.11
46,400	Credit Suisse Group	627	0.10
35,160	ABB	625	0.10
6,179	Swiss RE	459	0.07
9,083	LafargeHolcim	386	0.06
202	Givaudan	334	0.05
1,362	Lonza Group	251	0.04
712	Geberit	233	0.04
39	Sika	231	0.04
782	Swiss Life Holding	206	0.03
4,380	Julius Baer Group	206	0.03
1,158	Schindler Holding	190	0.03
3,192	Adecco Group	185	0.03
603	Swatch Group	183	0.03
99	SGS	182	0.03
335	Partners Group Holding	176	0.03
440	Swisscom	172	0.03
3	Lindt & Spruengli Chocolad	156	0.03
1,843	Swiss Prime Site	123	0.02
1,002	Kuehne & Nagel International	119	0.02
958	Sonova Holding	108	0.02
210	Straumann Holding	103	0.02
893	Baloise Holdings	102	0.02
5,364	Clariant	97	0.02
531	Schindler Holding	90	0.01
178	EMS-Chemie Holding	83	0.01
736	Vifor Pharma	75	0.01
1,278	Swatch Group	74	0.01
48	Barry Callebaut	69	0.01
654	Dufry Group	67	0.01
12	Lindt & Spruengli Chocolad (Participation Certificate)	52	0.01
393	Pargesa Holding	25	0.00
		<b>16,953</b>	<b>2.76</b>
	<b>Australia - (2.63%)</b>		
34,673	Commonwealth Bank Australia	1,494	0.24
68,641	Westpac Banking	1,191	0.19
64,610	BHP Billiton	1,111	0.18
60,307	ANZ Bank	987	0.16
55,365	National Australia Bank	942	0.15
9,297	CSL	855	0.14

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
22,120	Wesfarmers	515	0.08
8,526	Rio Tinto	390	0.06
24,784	Woolworths Group	386	0.06
6,238	Macquarie Group	365	0.06
49,896	Transurban Group	326	0.05
15,884	Woodside Petroleum	261	0.04
117,653	Scentre Group	255	0.04
40,005	Westfield	197	0.03
42,058	Insurance Australia Group	194	0.03
103,667	South32	194	0.03
22,982	Suncorp Group	176	0.03
58,921	AMP	175	0.03
31,770	Brambles	172	0.03
21,736	Amcor	170	0.03
14,103	Newcrest Mining	169	0.03
32,794	Origin Energy	167	0.03
35,277	Goodman Group	163	0.03
11,740	AGL Energy	145	0.02
24,638	QBE Insurance Group	142	0.02
72,881	Telstra	137	0.02
13,674	Treasury Wine Estates	135	0.02
9,591	Aristocrat Leisure	133	0.02
9,501	Sonic Healthcare	131	0.02
3,881	ASX	128	0.02
29,731	Oil Search	126	0.02
12,303	Lendlease Group	124	0.02
22,345	Dexus Property Group	117	0.02
44,855	Tabcorp Holding	117	0.02
8,979	James Hardie Industries	116	0.02
12,606	BlueScope Steel	116	0.02
24,911	Boral	110	0.02
38,780	Santos	110	0.02
42,303	Aurizon Holdings	109	0.02
76,435	Vicinity Centers	106	0.02
996	Cochlear	103	0.02
10,114	Computershare	102	0.02
5,124	Caltex Australia	102	0.02
55,191	Medibank Pvt	98	0.02
35,889	GPT Group	96	0.02
40,448	Stockland	92	0.01
72,732	Mirvac Group	87	0.01
29,993	Fortescue Metals Group	85	0.01
2,336	Ramsay Healthcare	84	0.01
17,968	APA Group	81	0.01
11,298	Challenger	80	0.01
7,470	Orica	79	0.01
20,347	Sydney Airport	76	0.01
33,789	Incitec Pivot	72	0.01
51,177	Alumina	64	0.01
5,399	SEEK	61	0.01
51,470	Healthscope	55	0.01
1,245	REA Group	54	0.01

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
6,841	Bendigo & Adelaide Bank	44	0.01
9,015	Coca Cola Amatil	44	0.01
4,563	Crown Resorts	35	0.01
4,639	Bank of Queensland	33	0.01
1,207	CIMIC Group	32	0.01
1,765	Woodside Petroleum	29	0.00
673	Flight Centre Travel Group	22	0.00
22,288	AusNet Services	21	0.00
742	Dominos Pizza Enterprises	16	0.00
4,484	TPG Telecom	15	0.00
5,996	Harvey Norman Holdings	14	0.00
1,056	APA Group (Rights 14/03/2018)	0	0.00
		<b>14,733</b>	<b>2.40</b>
	<b>Netherlands - (1.15%)</b>		
32,721	Unilever	1,247	0.20
7,695	ASML Holding	1,100	0.18
75,212	ING Groep	969	0.16
6,990	NXP Semiconductors	629	0.10
18,869	Koninklijke Philips	525	0.09
26,802	Ahold Delhai (Koninklijke)	436	0.07
5,443	Akzo Nobel	381	0.06
4,845	Heineken	363	0.06
13,227	ArcelorMittal Luxembourg	332	0.05
19,321	RELX	287	0.05
3,774	Koninklijke DSM	284	0.05
6,291	Wolters Kluwer	231	0.04
6,228	NN Group	203	0.03
7,916	ABN AMRO Group	179	0.03
34,014	Aegon	172	0.03
2,241	Heineken Holding	160	0.03
2,935	Randstad Holding	152	0.02
60,950	Koninklijke KPN	139	0.02
4,679	Coca-Cola European Partners	129	0.02
2,158	AerCap Holdings	79	0.01
8,463	Altice (A)	58	0.01
1,392	Boskalis Westminster Groep	38	0.01
887	Vopak (Koninklijke)	30	0.00
		<b>8,123</b>	<b>1.32</b>
	<b>Hong Kong - (1.12%)</b>		
240,400	AIA Group	1,455	0.24
22,711	Hong Kong Exchanges and Clearing	595	0.10
53,048	CK Hutchison Holdings	479	0.08
27,041	Sun Hung Kai Properties	325	0.05
51,000	Galaxy Entertainment Group	322	0.05
51,548	CK Asset Holdings	322	0.05
16,700	Hang Seng Bank	300	0.05
77,500	BOC Hong Kong Holdings	282	0.05
42,570	Link Real Estate Investment Trust	263	0.04
32,500	CLP Holdings	237	0.04
164,153	Hong Kong & China Gas	234	0.04
51,200	Sands China	208	0.03
202,500	WH Group	181	0.03

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
26,500	Power Assets Holdings	163	0.03
27,194	Henderson Land Development	128	0.02
23,811	Hongkong Land	118	0.02
24,000	Wharf Real Estate Investment	118	0.02
106,386	New World Development	117	0.02
89,785	Sino Land	114	0.02
29,666	Motor	113	0.02
3,817	Jardine Strategic Holdings	110	0.02
24,000	Techtronic Industries	109	0.02
31,222	Bank of East Asia	99	0.02
34,400	Wynn Macau	87	0.01
16,000	Wheelock	84	0.01
11,000	Cheung Kong Infrastructure Holdings	67	0.01
24,000	Wharf Holdings	65	0.01
19,500	Yue Yuen Industrial Holdings	60	0.01
34,000	Hang Lung Properties	59	0.01
5,600	ASM Pacific Technology	58	0.01
60,440	HKT Trust & HKT	56	0.01
13,000	Hysan Development	54	0.01
32,000	Shangri La Asia	52	0.01
6,500	Swire Pacific (A)	47	0.01
60,500	HK Electric Investments Trust & HK Electric Investments	41	0.01
15,800	Swire Properties	39	0.01
82,000	Kingston Financial Group	36	0.01
26,130	NWS Holdings	36	0.01
13,000	Hang Lung Development	32	0.01
72,000	Li & Fung	26	0.00
7,500	Kerry Properties	25	0.00
12,000	MGM China Holdings	25	0.00
58,400	PCCW	24	0.00
24,000	SJM Holdings	17	0.00
24,303	First Pacific	11	0.00
25,798	I-CABLE Communications	0	0.00
		<b>7,393</b>	<b>1.20</b>
	<b>Spain - (1.07%)</b>		
323,798	Banco Santander	1,628	0.27
132,555	Banco Bilbao Vizcaya Argentaria	807	0.13
87,611	Telefonica	617	0.10
111,857	Iberdrola	605	0.10
9,157	Amadeus IT Group (A)	485	0.08
20,982	Industria de Diseno Txl IN	463	0.08
24,596	Repsol	313	0.05
14,658	Abertis Infraestructure	254	0.04
66,925	CaixaBank	236	0.04
1,195	Aena Sme	176	0.03
6,106	ACS Actividades de Construccion y Servicios	153	0.02
9,186	Ferrovial	143	0.02
93,440	Banco de Sabadell	141	0.02
9,181	Red Electrica	129	0.02
6,493	Gas Natural SDG	109	0.02
5,401	Grifols (A)	107	0.02
5,513	Enagas S A	104	0.02



# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
12,151	Bankinter	97	0.02
6,332	Endesa	96	0.02
11,822	International Consolidated Airlines Group (ES)	72	0.01
16,338	Bankia	57	0.01
3,541	Siemens Gamesa Renewable Energy	41	0.01
13,910	MAPFRE	34	0.01
		<b>6,867</b>	<b>1.12</b>
	<b>Sweden - (0.99%)</b>		
60,019	Nordea Bank	497	0.08
31,173	Volvo	428	0.07
12,041	Atlas Copco (A)	374	0.06
20,144	Assa ABLOY	328	0.05
23,387	Sandvik	315	0.05
63,613	Ericsson (B)	312	0.05
16,935	Swedbank	309	0.05
8,643	Investor	283	0.05
28,278	Svenska Handelsbanken	281	0.05
9,136	Atlas Copco	253	0.04
28,911	SEB (A)	248	0.04
12,370	Essity (B)	247	0.04
19,064	Hennes & Mauritz (H&M)	230	0.04
5,349	Hexagon	230	0.04
55,915	Telia	191	0.03
6,094	Boliden	157	0.03
5,065	Kinnevik Investment	135	0.02
4,791	Electrolux (B)	115	0.02
7,498	SKF	114	0.02
6,164	Alfa-Laval	108	0.02
7,470	Securitas	93	0.02
2,994	Swedish Match	93	0.02
5,582	Skanska	81	0.01
4,761	Lundin Petroleum	81	0.01
8,382	Tele2	72	0.01
1,252	Millicom International Cellular	62	0.01
3,418	Industrivarden	60	0.01
6,411	Husqvarna	50	0.01
4,459	Getinge	41	0.01
581	Lundbergfoerretagen	32	0.01
1,001	ICA Gruppen	26	0.00
		<b>5,846</b>	<b>0.95</b>
	<b>Italy - (0.69%)</b>		
158,475	Enel	670	0.11
40,098	UniCredit	617	0.10
49,880	ENI	605	0.10
220,355	Intesa Sanpaolo	603	0.10
25,795	Assicurazioni Generali	351	0.06
20,158	Fiat Chrysler Automobiles (IT)	314	0.05
2,205	Ferrari (IT)	200	0.03
18,880	CNH Industrial (IT)	186	0.03
8,216	Atlantia	184	0.03
57,939	Intesa Sanpaolo (Preference)	166	0.03
45,766	Snam	148	0.02

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,292	Luxottica Group	143	0.02
10,671	Tenaris	134	0.02
2,333	EXOR	123	0.02
214,386	Telecom Italia Non Voting RISP	118	0.02
28,619	Terna	116	0.02
10,498	Mediobanca	92	0.01
3,917	Prysmian	89	0.01
135,126	Telecom Italia	88	0.01
13,577	Poste Italiane	84	0.01
15,223	Davide Campari-Milano	78	0.01
7,295	Leonardo	57	0.01
1,571	Recordati Ind Chimica	41	0.01
16,073	UnipolSai	28	0.00
		<b>5,235</b>	<b>0.85</b>
	<b>Denmark - (0.56%)</b>		
37,094	Novo-Nordisk (B)	1,402	0.23
15,548	Danske Bank	449	0.07
4,298	Vestas Wind Systems	227	0.04
3,634	de Sammensluttede Vognmaend	206	0.03
3,600	Orsted	162	0.03
4,290	Novozymes	161	0.03
1,819	Carlsberg (B)	160	0.03
2,073	Pandora	157	0.03
1,009	Genmab	147	0.02
121	AP Moller Maersk (A)	138	0.02
2,224	Coloplast (B)	136	0.02
21,920	TDC	129	0.02
2,088	Chr Hansen Holding	126	0.02
87	AP Moller Maersk (B)	104	0.02
3,775	ISS Holdings	100	0.02
3,275	William Demant Holding	85	0.01
3,426	Tryg	59	0.01
1,090	H Lundbeck	42	0.01
		<b>3,990</b>	<b>0.65</b>
	<b>Singapore - (0.49%)</b>		
37,085	DBS Group Holdings	579	0.09
61,128	Oversea-Chinese Banking	436	0.07
26,339	United Overseas Bank	401	0.07
167,100	Singapore Telecommunications	307	0.05
4,170	Jardine Matheson Holdings	196	0.03
30,200	Keppel	132	0.02
44,800	CapitaLand	89	0.01
57,900	Ascendas (REIT)	83	0.01
127,200	Genting Singapore	81	0.01
17,800	Singapore Exchange	73	0.01
59,100	ComfortDelGro	65	0.01
9,400	City Developments	65	0.01
9,600	Singapore Airlines	58	0.01
53,300	Suntec (REIT)	57	0.01
27,600	Singapore Technologies Engineering	51	0.01
24,000	Wilmar International	42	0.01

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
27,500	Singapore Press Holdings	39	0.01
45,500	Yangzijiang Shipbuilding Holdings	37	0.01
7,777	UOL Group	36	0.01
31,200	CapitaLand Mall Trust	34	0.01
160,800	Golden Agri-Resources	31	0.01
30,082	CapitaLand Commercial Trust	28	0.00
9,600	SATS	27	0.00
1,211	Jardine Cycle & Carriage	25	0.00
10,000	Sembcorp Industries	17	0.00
64,102	Hutchison Port Holdings Trust	17	0.00
7,100	StarHub	10	0.00
		<b>3,016</b>	<b>0.49</b>
	<b>Belgium - (0.40%)</b>		
14,768	Anheuser-Busch InBev	1,129	0.18
4,657	KBC Groep	316	0.05
2,151	Global (Groupe Bruxelles Lamb)	178	0.03
3,944	Umicore	160	0.03
1,409	Solvay (A)	142	0.02
3,362	Ageas	127	0.02
2,127	UCB	127	0.02
4,579	Proximus	106	0.02
792	Telenet Group Holding	39	0.01
862	Colruyt	34	0.01
		<b>2,358</b>	<b>0.38</b>
	<b>Finland - (0.33%)</b>		
118,930	Nokia (FN)	505	0.08
8,599	Sampo	353	0.06
10,944	UPM Kymmene	273	0.04
7,082	Kone	267	0.04
10,005	Fortum	161	0.03
2,767	Wartsila	142	0.02
10,230	Stora Enso	131	0.02
2,442	Neste	131	0.02
3,087	Elisa (A)	96	0.02
1,662	Nokian Tyres	55	0.01
2,079	Orion	49	0.01
1,570	Metso	36	0.01
		<b>2,199</b>	<b>0.36</b>
	<b>Norway - (0.23%)</b>		
21,603	Statoil	360	0.06
20,114	DNB	288	0.05
13,934	Telenor	227	0.04
10,854	Marine Harvest	152	0.02
15,898	Orkla	125	0.02
25,294	Norsk Hydro	124	0.02
3,790	Yara International	122	0.02
2,586	Gjensidige Forsikring	34	0.01
1,433	Schibsted (B)	26	0.00
		<b>1,458</b>	<b>0.24</b>

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Israel - (0.24%)</b>		
16,987	Teva Pharmaceutical Industries (ADR)	238	0.04
2,297	Check Point Software Technologies	172	0.03
28,663	Bank Leumi Le-Israel	124	0.02
1,605	Nice	113	0.02
21,253	Bank Hapoalim B M	109	0.02
886	Frutarom Industries	58	0.01
47,748	Bezeq The Israeli Telecommunication	53	0.01
10,484	Israel Chemicals	33	0.01
308	Elbit Systems	32	0.01
1,786	Mizrahi Tefahot Bank	24	0.00
619	Azrieli Group	22	0.00
		<b>978</b>	<b>0.16</b>
	<b>Ireland - (0.21%)</b>		
3,169	Kerry Group (A)	229	0.04
4,403	XL Group	136	0.02
1,550	Paddy Power Betfair (IE)	132	0.02
1,796	DCC	120	0.02
17,702	Bank Ireland Group	120	0.02
16,973	AIB Group	79	0.01
1,568	Ryanair Holdings	22	0.00
		<b>838</b>	<b>0.14</b>
	<b>Austria - (0.07%)</b>		
5,520	Erste Group Bank	199	0.03
2,707	Voestalpine	114	0.02
2,475	OMV	103	0.02
1,936	ANDRITZ	82	0.01
2,710	Raiffeisen Bank International	76	0.01
		<b>574</b>	<b>0.09</b>
	<b>New Zealand - (0.06%)</b>		
12,221	Fisher & Paykel Healthcare	86	0.01
11,570	Ryman Healthcare Group	64	0.01
15,879	Auckland International Airport	53	0.01
35,616	Meridian Energy	51	0.01
27,136	Spark New Zealand	47	0.01
9,033	Fletcher Building	31	0.01
10,161	Mercury NZ	17	0.00
		<b>349</b>	<b>0.06</b>
	<b>Portugal - (0.05%)</b>		
10,697	Galp Energia	140	0.02
41,948	Energias de Portugal	102	0.02
4,881	Jeronimo Martins	74	0.01
7,511	Banco Espirito Santo (PT)	0	0.00
		<b>316</b>	<b>0.05</b>
	<b>Argentina - (0.02%)</b>		
777	MercadoLibre	211	0.03
		<b>211</b>	<b>0.03</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>China - (0.01%)</b>		
4,875	Melco Resorts And Entertainment (ADR)	97	0.02
16,000	Minth Group	68	0.01
		<b>165</b>	<b>0.03</b>
	<b>Futures - (0.08%)</b>		
1,000	S&P/TSX 60 Index Future 15/03/2018	(15)	0.00
10,100	E-Mini S&P 500 Index Future 16/03/2018	(168)	(0.03)
5,100	Mini MSCI Eafe Index Future 16/03/2018	(330)	(0.05)
		<b>(513)</b>	<b>(0.08)</b>
	<b>Portfolio of investments</b>	<b>610,496</b>	<b>99.45</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>3,214</b>	<b>0.55</b>
	<b>Net assets</b>	<b>613,710</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Information &amp; Communication - (9.78%)</b>		
48,800	Makita	1,668	3.42
40,200	Nippon Telegraph & Telephone	1,350	2.77
20,800	Obic	1,252	2.56
18,100	SoftBank Group	1,085	2.22
52,300	Minebea Mitsumi	867	1.78
4,300	Otsuka	289	0.59
12,500	Miroku Jyoho Service	273	0.56
11,000	Argo Graphics	258	0.53
14,900	NSD	224	0.46
8,800	Kanematsu Electric	201	0.41
11,700	Open Door	182	0.37
10,500	Infocom	155	0.32
4,300	SRA Holdings	101	0.21
		<b>7,905</b>	<b>16.19</b>
	<b>Wholesale Trade - (5.67%)</b>		
9,800	SMC	2,976	6.10
15,200	Daikin Industries	1,297	2.66
47,200	Komatsu	1,246	2.55
41,600	AI Holdings	819	1.68
11,200	Hitachi High Technologies	396	0.81
29,500	Yamazen	236	0.49
4,100	One	202	0.41
6,500	Nagaileben	126	0.26
9,500	Central Automotive Products	111	0.23
1,300	Daiichikosho	50	0.10
		<b>7,459</b>	<b>15.28</b>
	<b>Electric Appliances - (10.20%)</b>		
4,300	Keyence	1,892	3.88
14,700	Nidec	1,711	3.50
50,600	Mitsubishi Electric	620	1.27
15,600	Azbil	501	1.03
28,100	Yokogawa Electric	412	0.84
5,300	Mabuchi Motor	197	0.40
10,200	Elecom	166	0.34
2,600	IRISO Electronics	125	0.26
2,800	Sony	103	0.21
1,900	Obara Group	87	0.18
		<b>5,814</b>	<b>11.91</b>
	<b>Services - (7.75%)</b>		
86,900	Recruit Holdings	1,517	3.11
35,000	Relo Group	710	1.45
24,400	D A Consortium Holdings	416	0.85
5,900	TechnoPro Holdings	254	0.52
19,200	Japan Material	193	0.40
14,000	Quick	188	0.39

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
8,600	Ajis	185	0.38
11,300	Prestige International	105	0.22
		<b>3,568</b>	<b>7.31</b>
	<b>Chemicals - (1.93%)</b>		
67,500	NOF	1,346	2.76
12,300	Kao	651	1.33
26,600	Kansai Paint Osaka	484	0.99
19,300	Nihon Parkerizing	248	0.51
8,700	Aica Kogyo	239	0.49
12,000	Sekisui Jushi	199	0.41
7,100	Fuso Chemical	144	0.29
9,400	Air Water (Osaka)	135	0.28
1,400	Taiyo Holdings	46	0.09
		<b>3,492</b>	<b>7.15</b>
	<b>Insurance - (3.82%)</b>		
53,300	Tokio Marine Holdings	1,784	3.65
95,300	Dai-ichi Life Holdings	1,370	2.81
11,700	Sompo Holdings	327	0.67
		<b>3,481</b>	<b>7.13</b>
	<b>Other Financing Business - (5.44%)</b>		
102,800	ORIX	1,324	2.71
23,100	Koito Manufacturing	1,159	2.37
10,000	Stanley Electric	284	0.58
		<b>2,767</b>	<b>5.67</b>
	<b>Transportation Equipment - (2.21%)</b>		
42,600	Suzuki Motor	1,765	3.62
21,400	Yamaha Motor	491	1.01
30,600	Isuzu Motors	348	0.71
		<b>2,604</b>	<b>5.33</b>
	<b>Retail Trade - (4.05%)</b>		
12,200	Tsuruha Holdings	1,277	2.62
2,400	Ryohin Keikaku	593	1.21
21,400	Syuppin	186	0.38
		<b>2,056</b>	<b>4.21</b>
	<b>Banks - (7.76%)</b>		
300,800	Mitsubishi UFJ Finance Group	1,546	3.17
		<b>1,546</b>	<b>3.17</b>
	<b>Glass &amp; Ceramics Products - (10.97%)</b>		
17,500	Shin-Etsu Chemical	1,342	2.75
10,600	Fujimi	187	0.38
		<b>1,529</b>	<b>3.13</b>
	<b>Warehousing &amp; Harbour Transportation Services - (2.51%)</b>		
87,000	ITOCHU	1,212	2.48
2,900	Trancom	139	0.28
		<b>1,351</b>	<b>2.77</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Construction - (2.12%)</b>		
77,600	Hazama Ando	404	0.83
32,500	Raito Kogyo	261	0.53
43,400	Nittoc Construction	195	0.40
12,200	Sumitomo Densetsu	181	0.37
4,900	Totetsu Kogyo	113	0.23
12,800	Shinko Plantech	83	0.17
1,400	SHO-BOND Holdings	73	0.15
		<b>1,310</b>	<b>2.68</b>
	<b>Rubber Products - (0.86%)</b>		
30,900	Bridgestone	996	2.04
		<b>996</b>	<b>2.04</b>
	<b>Pharmaceutical - (2.48%)</b>		
33,800	Santen Pharmaceutical	392	0.80
6,500	Shionogi	245	0.50
6,100	Eiken Chemical	213	0.44
2,900	Nippon Shinyaku	118	0.24
		<b>968</b>	<b>1.98</b>
	<b>Machinery - (4.49%)</b>		
2,800	Disco	476	0.97
5,600	Nabtesco	175	0.36
6,200	Nippon Pillar Packing	71	0.15
		<b>722</b>	<b>1.48</b>
	<b>Metal Products - (0.18%)</b>		
4,400	Rinnai	285	0.58
19,700	Sanwa Holdings	199	0.41
		<b>484</b>	<b>0.99</b>
	<b>Precision Instruments - (2.05%)</b>		
15,600	Shimadzu	290	0.59
		<b>290</b>	<b>0.59</b>
	<b>Nonferrous Metals - (2.81%)</b>		
1,800	Kumagai Gumi	39	0.08
		<b>39</b>	<b>0.08</b>
	<b>Portfolio of investments</b>	<b>48,381</b>	<b>99.09</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>442</b>	<b>0.91</b>
	<b>Net assets</b>	<b>48,823</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Wholesale Trade - (18.22%)</b>		
323,500	MISUMI Group	6,762	4.09
13,700	SMC	4,160	2.51
129,800	Hitachi Const Mach	4,017	2.43
92,900	THK	2,929	1.77
72,000	Hitachi High Technologies	2,544	1.54
66,700	Hanwa	2,190	1.32
21,100	Daikin Industries	1,800	1.09
152,200	NSK	1,650	1.00
46,200	SiiX	1,611	0.97
78,200	Trusco Nakayama	1,477	0.89
43,200	Komatsu	1,140	0.69
16,600	OKUMA	762	0.46
9,400	Ulvac	420	0.25
44,500	TOKAI Holdings	346	0.21
		<b>31,808</b>	<b>19.22</b>
	<b>Machinery - (10.85%)</b>		
120,600	Daifuku	5,725	3.46
29,900	Disco	5,081	3.07
174,400	CKD	3,199	1.93
75,100	Nabtesco	2,350	1.42
43,000	Shima Seiki Manufacturing	2,076	1.25
93,000	Tadano	1,060	0.64
60,200	Kito	858	0.52
26,600	Takeuchi Manufacturing	464	0.28
88,000	Toshiba Machine	458	0.28
45,200	Takuma	392	0.24
10,300	Nittoku Engineering	306	0.18
15,000	Amano	303	0.18
15,400	Towa	176	0.11
3,500	Harmonic Drive Systems	155	0.09
8,500	Aida Engineering	85	0.05
7,200	Nissei Plastic Industrial	82	0.05
		<b>22,770</b>	<b>13.76</b>
	<b>Electric Appliances - (9.12%)</b>		
34,400	Nidec	4,004	2.42
63,100	IRISO Electronics	3,042	1.84
74,700	Azbil	2,398	1.45
35,300	Sysmex	2,118	1.28
58,100	Hamamatsu Photonics	1,677	1.01
96,900	Yokogawa Electric	1,422	0.86
181,900	Ichikoh Industries	1,385	0.84
14,300	TDK	942	0.57
50,700	Advantest	775	0.47
14,300	Nippon Ceramic	291	0.18
128,000	Toshiba	273	0.16
21,100	Konica Minolta	141	0.09
		<b>18,468</b>	<b>11.16</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Information &amp; Communication - (8.59%)</b>		
183,900	Makita	6,287	3.80
66,900	Otsuka	4,493	2.72
82,900	NS Solutions	1,598	0.97
95,500	Minebea Mitsumi	1,584	0.96
13,600	Okinawa Cellular Telephone	372	0.22
		<b>14,334</b>	<b>8.66</b>
	<b>Retail Trade - (11.31%)</b>		
14,000	Ryohin Keikaku	3,460	2.09
15,600	Tsuruha Holdings	1,633	0.99
39,000	Don Quijote Holdings	1,581	0.96
29,200	Izumi	1,380	0.83
81,100	J Front Retailing	1,066	0.64
21,300	Kura	932	0.56
17,400	Welcia Holdings	556	0.34
38,700	Marui Group	538	0.33
4,200	Nitori Holdings	510	0.31
16,600	Kohnan Shoji	282	0.17
		<b>11,938</b>	<b>7.21</b>
	<b>Transportation Equipment - (3.36%)</b>		
134,700	Suzuki Motor	5,581	3.37
121,700	Yamaha Motor	2,794	1.69
239,400	Isuzu Motors	2,723	1.64
		<b>11,098</b>	<b>6.71</b>
	<b>Insurance - (5.31%)</b>		
439,400	T&D Holdings	5,271	3.19
148,800	Dai-ichi Life Holdings	2,139	1.29
70,600	Sony Financial Holdings	952	0.58
		<b>8,362</b>	<b>5.05</b>
	<b>Chemicals - (6.25%)</b>		
116,000	Kansai Paint Osaka	2,111	1.28
32,300	Nifco	1,673	1.01
115,800	Nihon Parkerizing	1,487	0.90
77,500	Air Water (Osaka)	1,116	0.67
10,000	Tokyo Ohka Kogyo	283	0.17
4,200	Nitto Denko	252	0.15
11,300	Fuso Chemical	229	0.14
		<b>7,151</b>	<b>4.32</b>
	<b>Other Financing Business - (4.39%)</b>		
59,000	Tokyo Century	2,411	1.46
82,900	Stanley Electric	2,353	1.42
36,700	Zenkoku Hoshu	1,169	0.71
59,500	Japan Exchange Group	744	0.45
64,400	Mitsubishi Motors	369	0.22
		<b>7,046</b>	<b>4.26</b>
	<b>Precision Instruments - (1.06%)</b>		
280,200	Shimadzu	5,203	3.14
14,300	Asahi Intecc	366	0.22
9,300	Sumitomo Metal Mining	315	0.19
		<b>5,884</b>	<b>3.56</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Construction - (2.56%)</b>		
25,300	SHO-BOND Holdings	1,315	0.79
68,900	Toshiba Plant Systems & Services	1,005	0.61
91,400	Raito Kogyo	733	0.44
29,400	Totetsu Kogyo	675	0.41
		<b>3,728</b>	<b>2.25</b>
	<b>Services - (1.37%)</b>		
43,500	Tosho	1,160	0.70
61,400	Persol Holdings Co Ltd	1,139	0.69
67,600	Nomura	975	0.59
11,100	Benesse Holdings	289	0.17
16,400	IBJ	129	0.08
		<b>3,692</b>	<b>2.23</b>
	<b>Glass &amp; Ceramics Products - (3.49%)</b>		
99,200	Denka	2,656	1.61
8,000	Fujimi	141	0.09
		<b>2,797</b>	<b>1.69</b>
	<b>Securities &amp; Commodity Futures - (0.79%)</b>		
44,200	Jafco	1,612	0.97
190,000	Daiwa Securities Group	918	0.55
		<b>2,530</b>	<b>1.53</b>
	<b>Nonferrous Metals - (1.89%)</b>		
309,800	Penta Ocean Const	1,619	0.98
		<b>1,619</b>	<b>0.98</b>
	<b>Pharmaceutical - (4.22%)</b>		
24,900	Nippon Shinyaku	1,011	0.61
13,000	Eiken Chemical	454	0.27
13,200	Santen Pharmaceutical	153	0.09
		<b>1,618</b>	<b>0.98</b>
	<b>Banks - (1.19%)</b>		
27,900	Sumitomo Mitsui Trust Holdings	815	0.49
		<b>815</b>	<b>0.49</b>
	<b>Other Products - (1.01%)</b>		
59,900	Tomy	458	0.28
12,400	Daiken	228	0.14
5,800	Kokuyo	79	0.05
		<b>765</b>	<b>0.46</b>
	<b>Rubber Products - (0.45%)</b>		
25,300	Nitta	705	0.43
		<b>705</b>	<b>0.43</b>
	<b>Fishing, Agriculture, &amp; Forestry - (0.00%)</b>		
19,100	Sakata Seed	479	0.29
		<b>479</b>	<b>0.29</b>
	<b>Real Estate - (0.00%)</b>		
44,100	Daibiru	394	0.24
		<b>394</b>	<b>0.24</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Iron &amp; Steel - (0.21%)</b>		
15,900	Yamato Kogyo	336	0.20
		<b>336</b>	<b>0.20</b>
	<b>Information Technology - (0.26%)</b>		
630	Raksul	272	0.16
		<b>272</b>	<b>0.16</b>
	<b>Metal Products - (0.00%)</b>		
3,000	Rinnai	194	0.12
		<b>194</b>	<b>0.12</b>
	<b>Portfolio of investments</b>	<b>158,803</b>	<b>95.96</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>6,671</b>	<b>4.04</b>
	<b>Net assets</b>	<b>165,474</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

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Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
<b>Gilt Edged Securities - (27.08%)</b>			
42,750,000	UK Gilt 5.00% 07/03/2018	42,778	8.18
20,000,000	UK Gilt 4.50% 07/03/2019	20,784	3.97
13,000,000	UK Gilt 4.25% 07/03/2036	17,721	3.39
11,850,000	UK Gilt 5.00% 07/03/2025	14,798	2.83
13,050,000	UK Gilt 1.25% 22/07/2018	13,096	2.50
7,600,000	UK Gilt 4.50% 07/12/2042	11,425	2.18
9,000,000	UK Gilt 3.25% 22/01/2044	11,377	2.17
6,000,000	UK Gilt 3.50% 22/07/2068	9,673	1.85
4,400,000	UK Gilt 4.25% 07/06/2032	5,765	1.10
2,150,000	UK Gilt 4.25% 07/12/2055	3,613	0.69
2,275,000	UK Gilt 6.00% 07/12/2028	3,269	0.62
3,000,000	UK Gilt 1.75% 22/07/2019 Reg S	3,044	0.58
2,000,000	UK Gilt 2.50% 22/07/2065 Reg S	2,524	0.48
1,000,000	UK Gilt 2.25% 07/09/2023	1,058	0.20
1,000,000	UK Gilt 1.75% 07/09/2022	1,031	0.20
350,000	UK Gilt 3.75% 07/09/2019	366	0.07
100,000	UK Gilt 4.75% 07/03/2020	108	0.02
		<b>162,430</b>	<b>31.05</b>
<b>Financials - (18.18%)</b>			
2,296,471	HSBC Holdings	16,560	3.17
4,411,986	Legal & General Group	11,661	2.23
586,660	Prudential	10,821	2.07
14,881,906	Lloyds Banking Group	10,283	1.97
1,840,447	Aviva	9,290	1.78
1,113,813	British Land	7,019	1.34
690,322	Phoenix Group Holdings	5,440	1.04
213,723	Admiral Group	4,037	0.77
641,312	Beazley	3,377	0.65
2,631,023	Greencoat UK Wind Funds	3,226	0.62
703,748	Direct Line Insurance Group	2,721	0.52
155,236	Hiscox	2,170	0.41
97	Fidelity Institutional Sterling Fund Class A-Acc	2,005	0.38
1,113,828	Redde	1,885	0.36
418,650	Hammerson	1,878	0.36
110,653	Close Brothers Group	1,752	0.33
1,377,131	Primary Health Properties	1,600	0.31
188,798	Chesnara	736	0.14
		<b>96,461</b>	<b>18.44</b>
<b>Consumer Goods - (19.83%)</b>			
308,984	British American Tobacco	13,473	2.58
300,536	Unilever	11,266	2.15
441,613	Diageo	10,921	2.09
153,546	Reckitt Benckiser Group	8,887	1.70
329,042	Imperial Brands	8,606	1.64
145,831	Berkeley Group Holdings	5,654	1.08
87,398	Kraft Heinz	4,284	0.82
110,298	Cranswick	3,388	0.65

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
112,829	Associated British Foods	2,973	0.57
85,828	Nichols	1,313	0.25
206,115	Tate & Lyle	1,156	0.22
		<b>71,921</b>	<b>13.75</b>
	<b>Health Care - (8.68%)</b>		
320,974	AstraZeneca	15,412	2.95
1,084,583	GlaxoSmithKline	14,221	2.72
53,875	Novartis	3,271	0.63
55,223	Sanofi	3,163	0.60
17,880	Roche Holdings	3,025	0.58
		<b>39,092</b>	<b>7.47</b>
	<b>Consumer Services - (3.27%)</b>		
164,744	Next	8,041	1.54
1,032,060	International Consolidated Airlines Group	6,279	1.20
237,660	easyJet	4,001	0.76
83,219	Whitbread	3,261	0.62
837,479	Kingfisher	3,012	0.58
766,002	Marks & Spencer Group	2,287	0.44
180,047	Greggs	2,189	0.42
120,206	Go-Ahead Group	1,887	0.36
305,955	Greene King	1,597	0.31
194,628	Dignity	1,592	0.30
989,786	Stagecoach Group	1,428	0.27
359,225	Halfords Group	1,277	0.24
		<b>36,851</b>	<b>7.04</b>
	<b>Oil &amp; Gas - (1.88%)</b>		
656,439	Royal Dutch Shell (A)	15,144	2.89
2,775,959	BP	13,297	2.54
		<b>28,441</b>	<b>5.44</b>
	<b>Utilities - (6.42%)</b>		
819,378	National Grid	6,141	1.17
721,115	Pennon Group	4,445	0.85
317,647	SSE	3,923	0.75
216,262	Severn Trent	3,747	0.72
2,208,462	Centrica	3,130	0.60
303,910	United Utilities Group	2,050	0.39
		<b>23,436</b>	<b>4.48</b>
	<b>Corporate Bonds - (2.85%)</b>		
2,000,000	Transport for London 4.00% 07/04/2064 EMTN Reg S	2,877	0.55
700,000	EDF 6.00% 23/01/2114 EMTN Reg S	961	0.18
750,000	Lloyds Bank 5.125% 07/03/2025 EMTN Reg S	909	0.17
1,000,000	Roche Holdings 3.35% 30/09/2024 144A	726	0.14
500,000	Porterbrook Rail Finance 7.125% 20/10/2026 EMTN	659	0.13
500,000	Reseau Ferre de France 5.25% 07/12/2028 EMTN Reg S	645	0.12
750,000	Time Warner Cable 5.875% 15/11/2040	570	0.11
500,000	Society of Lloyds 4.75% 30/10/2024 Reg S	555	0.11
497,000	Intu SGS Finance 3.875% 17/03/2023 Reg S	528	0.10
500,000	British Telecommunications 9.625% VRN 15/12/2030	521	0.10
450,000	Southern Water Services Finance 5.00% 31/03/2021 EMTN	495	0.09
400,000	Abbey National Treasury Services 5.125% 14/04/2021 EMTN Reg S	446	0.09
300,000	Northern Gas Networks 5.625% 23/03/2040 EMTN	423	0.08

# Fidelity MoneyBuilder Balanced Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
350,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	418	0.08
350,000	Great Rolling Stock 6.25% 27/07/2020 EMTN Reg S	387	0.07
500,000	EDF 6.00% 22/01/2114 144A	384	0.07
300,000	Southern Gas Networks 4.875% 05/10/2023 EMTN	343	0.07
300,000	BUPA Finance 5.00% 25/04/2023 Reg S	332	0.06
300,000	Co-Operative Bank 4.75% 11/11/2021 Reg S	324	0.06
250,000	Annes Gate Property 5.661% 30/06/2031	314	0.06
300,000	GESB 8.35% 15/11/2018	312	0.06
250,000	Lloyds Bank 4.875% 30/03/2027 EMTN	307	0.06
250,000	Wales & West Utilities Finance 6.25% 30/11/2021	291	0.06
250,000	Intu SGS Finance 4.625% 17/03/2028 Reg S	283	0.05
250,000	Porterbrook Rail Finance 6.50% 20/10/2020 EMTN Reg S	280	0.05
200,000	EDF Energy Networks 6.375% VRN 12/11/2031 EMTN Reg S	277	0.05
250,000	Tesco 5.50% 13/12/2019 EMTN	267	0.05
200,000	BAT International Finance 4.00% 04/09/2026 EMTN Reg S	219	0.04
200,000	CPUK Finance 2.666% 28/02/2042 EMTN Reg S	203	0.04
150,000	HSBC Bank Funding Sterling I 5.844% VRN (Perpetual)	192	0.04
150,000	Wales & West Utilities Finance 5.00% 07/03/2028 EMTN	182	0.03
150,000	Gatwick Funding 5.25% 23/01/2026 EMTN	173	0.03
150,000	Wales & West Utilities Finance 4.625% 13/12/2023 EMTN	171	0.03
150,000	BAT International Finance 6.375% 12/12/2019 EMTN	163	0.03
150,000	HSBC Bank 5.00% VRN 20/03/2023 EMTN	150	0.03
200,000	Imperial Tobacco Finance 3.50% 11/02/2023 144A	144	0.03
100,000	Reseau Ferre de France 5.25% 31/01/2035 EMTN	138	0.03
100,000	Imperial Tobacco Finance 9.00% 17/02/2022 EMTN Reg S	126	0.02
100,000	SP Manweb 4.875% 20/09/2027 EMTN Reg S	119	0.02
165,000	Microsoft 3.50% 12/02/2035	116	0.02
150,000	Hewlett Packard Enterprise 4.90% VRN 15/10/2025	112	0.02
100,000	Telefonica Emisiones SAU 5.597% 12/03/2020 EMTN Reg S	108	0.02
50,000	Yorkshire Water Services 6.375% 19/08/2039	76	0.01
		<b>17,226</b>	<b>3.29</b>
	<b>Basic Materials - (0.68%)</b>		
253,060	Rio Tinto	9,955	1.90
57,808	Croda International	2,645	0.51
85,951	Victrex	2,199	0.42
		<b>14,799</b>	<b>2.83</b>
	<b>Industrials - (7.69%)</b>		
821,192	Royal Mail	4,582	0.88
456,993	HomeServe	3,325	0.64
758,912	Forterra	2,178	0.42
718,161	Ibstock	1,890	0.36
230,721	PayPoint	1,883	0.36
322,127	BCA Marketplace	541	0.10
		<b>14,399</b>	<b>2.75</b>
	<b>Telecommunications - (1.98%)</b>		
3,999,989	BT Group	9,720	1.86
3,030,589	KCOM Group	3,028	0.58
		<b>12,748</b>	<b>2.44</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Mortgage Related Bonds - (0.72%)</b>		
703,973	Aspire Defence Finance 4.674% 31/03/2040	850	0.16
439,835	Great Rolling Stock 6.875% 27/07/2035 EMTN	560	0.11
410,305	Telereal Securitisation 5.5534% 10/12/2033	489	0.09
422,246	Dignity Finance 3.5456% 31/12/2034 Reg S	442	0.08
300,000	Dali Capital 4.7992% 21/12/2037	372	0.07
234,658	Aspire Defence Finance 4.674% 31/03/2040	284	0.05
200,000	Peel South East 10.00% 30/04/2026	282	0.05
228,858	Delamare Finance 5.5457% 19/02/2029	254	0.05
155,045	Unique Pub Finance 5.659% 30/06/2027	173	0.03
146,131	Tesco Property Finance 3 5.744% 13/04/2040 Reg S	167	0.03
125,000	Community Finance 1 5.017% 31/07/2034 EMTN	163	0.03
131,385	Tesco Property Finance 2 6.0517% 13/10/2039	153	0.03
100,000	Arqiva Financing 4.882% 31/12/2032 EMTN Reg S	111	0.02
56,400	Eddystone Finance 1.1043% VRN 19/04/2021	56	0.01
		<b>4,356</b>	<b>0.83</b>
	<b>Government Bonds - (0.22%)</b>		
800,000	US Treasury Note 1.625% 15/02/2026	527	0.10
250,000	Germany 3.25% 04/07/2021	247	0.05
300,000	US Treasury Bond 2.50% 15/02/2046	191	0.04
250,000	US Treasury Note 3.50% 15/05/2020	185	0.04
50,000	Germany 4.25% 04/07/2018	45	0.01
50,000	US Treasury Note 2.375% 15/08/2024	35	0.01
		<b>1,230</b>	<b>0.24</b>
	<b>Futures - ((0.03)%)</b>		
(700,000)	EURO-BUND Commodity Future 08/03/2018	23	0.00
(1,900,000)	US 10 Year Treasury Note (CBT) Commodity Future 20/06/2018	4	0.00
(8,800,000)	Long Gilt Commodity Future 27/06/2018	(6)	0.00
		<b>21</b>	<b>0.00</b>
	<b>Forward Foreign Exchange Contracts - ((0.01)%)</b>		
(352,000)	Bought GBP sold EUR @ 1.126403 for settlement 16/05/2018	1	0.00
(5,072,000)	Bought GBP sold USD @ 1.396498 for settlement 16/05/2018	(19)	0.00
		<b>(18)</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>523,393</b>	<b>100.05</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(198)</b>	<b>(0.05)</b>
	<b>Net assets</b>	<b>523,195</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Financials - (26.79%)</b>		
6,388,476	HSBC Holdings	46,067	4.90
12,273,559	Legal & General Group	32,439	3.45
1,568,853	Prudential	28,937	3.08
41,399,485	Lloyds Banking Group	28,607	3.04
5,119,882	Aviva	25,845	2.75
974	Fidelity Institutional Sterling Fund Class A-Acc	20,171	2.15
3,098,478	British Land	19,527	2.08
1,920,383	Phoenix Group Holdings	15,133	1.61
594,550	Admiral Group	11,231	1.19
1,765,425	Beazley	9,295	0.99
7,122,926	Greencoat UK Wind Funds	8,733	0.93
1,905,247	Direct Line Insurance Group	7,368	0.78
430,268	Hiscox	6,015	0.64
1,160,372	Hammerson	5,205	0.55
3,070,730	Redde	5,196	0.55
309,932	Close Brothers Group	4,906	0.52
3,796,634	Primary Health Properties	4,412	0.47
528,811	Chesnara	2,062	0.22
1,033,032	Barclays Bank 0.00% VRN 31/01/2019	6	0.00
		<b>281,155</b>	<b>29.91</b>
	<b>Consumer Goods - (28.86%)</b>		
859,552	British American Tobacco	37,481	3.99
836,050	Unilever	31,339	3.33
1,228,508	Diageo	30,381	3.23
427,142	Reckitt Benckiser Group	24,723	2.63
913,156	Imperial Brands	23,884	2.54
405,685	Berkeley Group Holdings	15,728	1.67
243,128	Kraft Heinz	11,917	1.27
306,834	Cranswick	9,426	1.00
305,460	Associated British Foods	8,049	0.86
236,620	Nichols	3,620	0.39
574,010	Tate & Lyle	3,219	0.34
		<b>199,767</b>	<b>21.25</b>
	<b>Health Care - (12.65%)</b>		
892,907	AstraZeneca	42,873	4.56
3,017,166	GlaxoSmithKline	39,561	4.21
148,308	Novartis	9,004	0.96
152,020	Sanofi	8,707	0.93
48,406	Roche Holdings	8,188	0.87
		<b>108,333</b>	<b>11.53</b>
	<b>Consumer Services - (5.45%)</b>		
458,296	Next	22,369	2.38
2,859,180	International Consolidated Airlines Group	17,395	1.85
660,869	easyJet	11,126	1.18
229,087	Whitbread	8,978	0.96
2,267,292	Kingfisher	8,153	0.87
2,073,786	Marks & Spencer Group	6,192	0.66
487,439	Greggs	5,927	0.63
331,399	Go-Ahead Group	5,203	0.55
843,492	Greene King	4,403	0.47

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
535,782	Dignity	4,383	0.47
2,728,757	Stagecoach Group	3,938	0.42
1,006,167	Halfords Group	3,576	0.38
		<b>101,643</b>	<b>10.81</b>
	<b>Oil &amp; Gas - (2.73%)</b>		
1,826,126	Royal Dutch Shell (A)	42,129	4.48
7,777,915	BP	37,256	3.96
		<b>79,385</b>	<b>8.45</b>
	<b>Utilities - (9.36%)</b>		
2,279,401	National Grid	17,084	1.82
2,006,046	Pennon Group	12,365	1.32
883,652	SSE	10,913	1.16
601,613	Severn Trent	10,423	1.11
5,978,933	Centrica	8,475	0.90
842,349	United Utilities Group	5,681	0.60
		<b>64,941</b>	<b>6.91</b>
	<b>Basic Materials - (0.98%)</b>		
703,981	Rio Tinto	27,695	2.95
156,502	Croda International	7,160	0.76
238,230	Victrex	6,094	0.65
		<b>40,949</b>	<b>4.36</b>
	<b>Industrials - (11.19%)</b>		
2,284,446	Royal Mail	12,747	1.36
1,258,027	HomeServe	9,152	0.97
2,103,479	Forterra	6,037	0.64
639,489	PayPoint	5,218	0.56
1,979,910	Ibstock	5,211	0.55
851,355	BCA Marketplace	1,429	0.15
		<b>39,794</b>	<b>4.23</b>
	<b>Telecommunications - (2.89%)</b>		
11,127,439	BT Group	27,040	2.88
8,204,665	KCOM Group	8,196	0.87
		<b>35,236</b>	<b>3.75</b>
	<b>Portfolio of investments</b>	<b>951,203</b>	<b>101.20</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(11,241)</b>	<b>(1.20)</b>
	<b>Net assets</b>	<b>939,962</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

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Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Financials - (17.53%)</b>		
43,898,263	Lloyds Banking Group	30,334	5.45
1,551,946	Prudential	28,626	5.15
11,662,158	Barclays	24,975	4.49
2,130,523	Standard Chartered	17,372	3.12
936,307	St James Place	10,871	1.95
3,589,912	RBS Group	9,650	1.73
44	Fidelity Institutional Sterling Fund Class A-Acc	902	0.16
		<b>122,730</b>	<b>22.06</b>
	<b>Industrials - (15.74%)</b>		
988,818	CRH (GB)	23,880	4.29
1,339,985	Experian	20,817	3.74
322,866	Ferguson	16,621	2.99
3,606,662	Meggitt	16,273	2.93
4,194,290	Balfour Beatty	11,140	2.00
361,344	Spectris	9,901	1.78
9,826,588	Serco Group	8,868	1.59
1,067,466	Howden Joinery Group	4,698	0.84
2,708,865	Eddie Stobart Logistics	3,847	0.69
		<b>116,045</b>	<b>20.86</b>
	<b>Consumer Services - (17.42%)</b>		
11,860,155	Tesco	25,238	4.54
2,732,261	International Consolidated Airlines Group	16,623	2.99
2,075,079	Informa	14,351	2.58
251,801	Carnival	12,094	2.17
2,695,734	Sports Direct International	9,899	1.78
1,632,270	Merlin Entertainments	5,561	1.00
784,404	Daily Mail & General Trust	5,212	0.94
		<b>88,978</b>	<b>16.00</b>
	<b>Consumer Goods - (10.67%)</b>		
699,146	British American Tobacco	30,486	5.48
551,267	Associated British Foods	14,526	2.61
1,033,829	Bovis Homes Group	10,881	1.96
6,193,395	Cairn Homes	9,641	1.73
210,278	Ted Baker	6,392	1.15
117,096	Fevertree Drinks	2,956	0.53
2,371,151	Glenveagh Properties	2,415	0.43
		<b>77,297</b>	<b>13.90</b>
	<b>Health Care - (16.54%)</b>		
620,076	Shire	19,120	3.44
332,176	AstraZeneca	15,949	2.87
1,142,178	GlaxoSmithKline	14,976	2.69
		<b>50,045</b>	<b>9.00</b>
	<b>Basic Materials - (6.01%)</b>		
8,095,842	Glencore	31,363	5.64
757,540	BHP Billiton	11,286	2.03
		<b>42,649</b>	<b>7.67</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Oil &amp; Gas - (7.58%)</b>		
841,423	Royal Dutch Shell (B)	19,563	3.52
2,038,060	BP	9,762	1.75
		<b>29,325</b>	<b>5.27</b>
	<b>Technology - (1.06%)</b>		
2,385,953	Sage Group	16,582	2.98
		<b>16,582</b>	<b>2.98</b>
	<b>Telecommunications - (8.01%)</b>		
3,873,587	BT Group	9,413	1.69
1,485,966	Inmarsat	6,959	1.25
		<b>16,372</b>	<b>2.94</b>
	<b>Portfolio of investments</b>	<b>560,023</b>	<b>100.68</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(3,744)</b>	<b>(0.68)</b>
	<b>Net assets</b>	<b>556,279</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Corporate Bonds - (73.22%)</b>		
44,000,000	Network Rail Finance 4.75% 29/11/2035 EMTN	60,928	1.55
30,450,000	European Investment Bank 6.00% 07/12/2028	42,483	1.08
31,300,000	Reseau Ferre de France 5.25% 07/12/2028 EMTN Reg S	40,398	1.03
32,850,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	39,253	1.00
27,400,000	EDF 6.00% 23/01/2114 EMTN Reg S	37,601	0.96
31,000,000	Annington Funding 3.935% 12/07/2047 EMTN Reg S	32,332	0.82
29,000,000	Abbey National Treasury Services 5.125% 14/04/2021 EMTN Reg S	32,312	0.82
20,000,000	E.ON International Finance 6.75% 27/01/2039 EMTN	30,307	0.77
21,000,000	Heathrow Funding 6.45% VRN 10/12/2031 Reg S	28,858	0.74
27,800,000	RAC Bond 4.87% 06/05/2046 EMTN Reg S	28,721	0.73
20,000,000	RWE Finance 6.125% 06/07/2039 EMTN	28,405	0.72
25,585,000	Co-Operative Bank 4.75% 11/11/2021 Reg S	27,650	0.70
20,000,000	Thames Water Utilities Caymen Finance 5.50% 11/02/2041 EMTN	27,112	0.69
21,590,000	Dong Energy 4.875% 12/01/2032 EMTN Reg S	26,107	0.67
12,940,000	Thames Water Utilities 7.738% 09/04/2058 Reg S	25,440	0.65
25,000,000	Alberta Province CDA 1.00% 15/11/2021 Reg S	24,635	0.63
17,070,000	Transport for London 4.00% 07/04/2064 EMTN Reg S	24,551	0.63
16,000,000	Yorkshire Water Services 6.375% 19/08/2039	24,325	0.62
19,700,000	Transport for London 3.875% 23/07/2042 EMTN Reg S	24,180	0.62
18,799,000	Koninklijke KPN 5.75% 17/09/2029 GMTN Reg S	23,123	0.59
25,000,000	Cadent Finance 2.75% 22/09/2046 EMTN Reg S	22,921	0.58
20,300,000	Aviva 6.125% VRN (Perpetual)	22,660	0.58
22,600,000	Barclays 2.375% VRN 06/10/2023 Reg S	22,479	0.57
22,550,000	Lloyds Banking Group 2.25% 16/10/2024 EMTN Reg S	22,160	0.56
24,000,000	University of Southampton 2.25% 11/04/2057 Reg S	21,986	0.56
19,500,000	AT&T 4.375% 14/09/2029	21,635	0.55
22,100,000	HSBC Holdings 2.256% VRN 13/11/2026 Reg S	21,520	0.55
27,900,000	EDF 6.00% 22/01/2114 144A	21,407	0.55
16,700,000	Scottish Widows 7.00% 16/06/2043 Reg S	21,373	0.54
21,300,000	Liberty Living Finance 3.375% 28/11/2029 Reg S	21,315	0.54
17,091,000	Northumbrian Services 6.875% 06/02/2023	20,891	0.53
17,150,000	Lloyds Bank 5.125% 07/03/2025 EMTN Reg S	20,783	0.53
18,809,000	Enterprise Inns 6.375% 26/09/2031	20,766	0.53
16,000,000	HSBC Bank Funding Sterling I 5.844% VRN (Perpetual)	20,500	0.52
18,905,000	Severn Trent Water Utilities Finance 3.625% 16/01/2026 EMTN	20,316	0.52
18,365,000	Great Rolling Stock 6.25% 27/07/2020 EMTN Reg S	20,289	0.52
16,200,000	CPUK Finance 7.239% 28/02/2024 EMTN Reg S	20,192	0.51
20,000,000	Digital Stout Holding 3.30% 19/07/2029 Reg S	19,933	0.51
20,000,000	Deutsche Bank 1.75% 16/12/2021 Reg S	19,655	0.50
15,450,000	Direct Line Insurance Group 9.25% VRN 27/04/2042	19,427	0.49
12,900,000	AT&T 7.00% 30/04/2040 EMTN	18,947	0.48
18,300,000	CPUK Finance 2.666% 28/02/2042 EMTN Reg S	18,612	0.47
14,750,000	European Investment Bank 4.50% 07/06/2029 EMTN	18,507	0.47
14,600,000	SPD Finance UK 5.875% 17/07/2026 Reg S	18,161	0.46
13,370,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	17,730	0.45
13,600,000	Abbey National Treasury 5.25% 16/02/2029 EMTN Reg S	17,569	0.45
12,500,000	EDF Energy Networks 6.375% VRN 12/11/2031 EMTN Reg S	17,319	0.44
17,400,000	Annington Funding 2.646% 12/07/2025 EMTN Reg S	17,190	0.44
17,000,000	Royal Bank of Canada 1.125% 22/12/2021 Reg S	16,808	0.43
16,400,000	Annington Funding 3.685% 12/07/2034 Reg S	16,593	0.42
11,900,000	Western Power Distribution (South Wales) Plc 5.75% 23/03 /2040	16,589	0.42

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
13,408,000	Lloyds Bank 4.875% 30/03/2027 EMTN	16,476	0.42
16,900,000	Northumbrian Water Finance 2.375% 05/10/2027 Reg S	16,458	0.42
10,980,000	THFC Funding No 2 6.35% 08/07/2041 EMTN	16,133	0.41
14,062,000	ENW Finance 6.125% 21/07/2021 EMTN	16,091	0.41
14,950,000	Western Power Distribution 3.625% 06/11/2023 Reg S	15,807	0.40
12,500,000	Manchester Airport Group Funding 4.75% 31/03/2034 EMTN Reg S	15,163	0.39
13,700,000	BUPA Finance 5.00% 25/04/2023 Reg S	15,155	0.39
15,700,000	Barclays 3.25% 17/01/2033	15,034	0.38
11,723,000	BAT International Finance 7.25% 12/03/2024 EMTN	14,816	0.38
13,100,000	Assicurazioni Generali 7.75% VRN 12/12/2042 EMTN	14,682	0.37
15,000,000	Westfield America Management 2.625% 30/03/2029 Reg S	14,680	0.37
14,750,000	McKesson 3.125% 17/02/2029	14,615	0.37
15,000,000	Deutsche Bahn Finance 1.375% 07/07/2025 Reg S	14,489	0.37
14,500,000	Brown Forman 2.60% 07/07/2028	14,481	0.37
10,000,000	South West Water Finance 5.875% 16/07/2040 EMTN	14,197	0.36
13,050,000	AA Bond 6.269% 02/07/2043 EMTN Reg S	14,085	0.36
13,700,000	AA Bond 4.2487% 31/07/2043 Reg S	13,936	0.36
15,250,000	Heathrow Funding 2.75% 09/08/2049 Reg S	13,597	0.35
11,800,000	Gatwick Funding 5.25% 23/01/2026 EMTN	13,578	0.35
14,050,000	Prologis 2.25% 30/06/2029	13,215	0.34
9,500,000	Orange 5.375% 22/11/2050 EMTN	13,104	0.33
10,950,000	Imperial Tobacco Finance 5.50% 28/09/2026 EMTN Reg S	13,078	0.33
11,240,000	Zurich Finance (UK) 6.625% VRN (Perpetual) EMTN	13,031	0.33
11,274,000	AXA 5.625% VRN 16/01/2054 EMTN Reg S	13,007	0.33
14,300,000	Vodafone Group 3.375% 08/08/2049 EMTN Reg S	12,926	0.33
10,050,000	Abbey National Treasury Services 5.75% 02/03/2026 EMTN Reg S	12,856	0.33
10,500,000	Telefonica Emisiones SAU 5.445% 08/10/2029 EMTN Reg S	12,798	0.33
11,150,000	Daily Mail & General Trust 6.375% 21/06/2027	12,727	0.32
11,350,000	Porterbrook Rail Finance 6.50% 20/10/2020 EMTN Reg S	12,720	0.32
12,064,000	Southern Water Services Finance 6.125% 31/03/2019 EMTN	12,687	0.32
11,295,000	Barclays Bank 4.25% 12/01/2022 Reg S	12,493	0.32
12,800,000	Akelius Residential 2.375% 15/08/2025 EMTN Reg S	12,269	0.31
17,251,000	Verizon Communications 5.012% 21/08/2054	12,266	0.31
10,200,000	RWE Finance 4.75% 31/01/2034 EMTN Reg S	12,073	0.31
10,500,000	BAT International Finance 4.00% 23/11/2055 EMTN Reg S	11,929	0.30
13,200,000	Kraft Foods Group 6.50% 09/02/2040	11,302	0.29
10,000,000	BUPA Finance 5.00% 08/12/2026 Reg S	11,216	0.29
8,425,000	EDP Finance Amsterdam 8.625% 04/01/2024 EMTN Reg S	11,179	0.28
10,250,000	APT Pipelines 4.25% 26/11/2024 EMTN Reg S	11,175	0.28
11,450,000	Wells Fargo 2.00% 28/07/2025 EMTN Reg S	11,125	0.28
10,000,000	Motability Operations Group 3.625% 10/03/2036 Reg S	11,058	0.28
11,250,000	Notting Hill Housing Trust 3.25% 12/10/2048 Reg S	11,038	0.28
9,902,000	PGH Capital 5.75% 07/07/2021 Reg S	11,000	0.28
9,000,000	Edinburgh Investment Trust 7.75% 30/09/2022	10,992	0.28
9,610,000	National Westminster Bank 6.50% 07/09/2021	10,981	0.28
11,400,000	Aroundtown 3.00% 16/10/2029 EMTN Reg S	10,977	0.28
10,000,000	TSB Banking Group 5.75% VRN 06/05/2026 EMTN	10,941	0.28
9,575,000	Enel 6.625% VRN 15/09/2076 Reg S	10,892	0.28
8,250,000	RWE Finance 6.25% 03/06/2030 EMTN	10,877	0.28
7,700,000	Northern Gas Networks 5.625% 23/03/2040 EMTN	10,869	0.28
8,800,000	EDF 5.125% 22/09/2050 EMTN Reg S	10,867	0.28
8,300,000	Imperial Tobacco Finance 8.125% 15/03/2024 EMTN	10,845	0.28

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
9,770,000	GKN Holdings 5.375% 19/09/2022 EMTN	10,791	0.27
9,660,000	Southern Water Services Finance 5.00% 31/03/2021 EMTN	10,635	0.27
10,000,000	Intu SGS Finance 3.875% 17/03/2023 Reg S	10,626	0.27
9,700,000	SPI Assets 5.125% 11/02/2021 EMTN Reg S	10,586	0.27
7,951,000	Yorkshire Water Services Odsal Finance 6.454% 28/05/2027	10,507	0.27
10,200,000	EDF 5.875% VRN (Perpetual) Reg S	10,379	0.26
7,081,000	International Bank for Reconstruction & Development 5.75% 07/06/2032 EMTN	10,353	0.26
13,112,000	NiSource Finance 4.80% 15/02/2044	10,206	0.26
10,000,000	APT Pipelines 3.50% 22/03/2030 EMTN Reg S	10,166	0.26
10,700,000	Cadent Finance 2.125% 22/09/2028 EMTN Reg S	10,105	0.26
11,400,000	Atf Netherlands 1.875% 19/01/2026 EMTN Reg S	10,093	0.26
11,400,000	Kraft Foods Group 6.875% 26/01/2039	10,064	0.26
8,617,000	Wales & West Utilities Finance 6.25% 30/11/2021	10,039	0.26
10,350,000	Dwr Cymru (Financing) 0.00% 31/03/2036 Reg S	9,997	0.25
10,000,000	Bank of America Corporation 2.30% 25/07/2025 EMTN Reg S	9,954	0.25
8,251,000	Transport for London 4.00% 12/09/2033 Reg S	9,903	0.25
10,100,000	BAT Capital 2.125% 15/08/2025 EMTN Reg S	9,787	0.25
7,600,000	EDF 5.50% 17/10/2041 EMTN Reg S	9,591	0.24
7,000,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	9,542	0.24
8,800,000	Commonwealth Bank Australia 3.00% 04/09/2026	9,502	0.24
7,500,000	Barclays Bank 10.00% 21/05/2021 EMTN	9,202	0.23
7,500,000	Standard Life Finance 6.75% VRN (Perpetual)	9,189	0.23
8,300,000	BAT International Finance 4.00% 04/09/2026 EMTN Reg S	9,074	0.23
9,700,000	Northumbrian Water Finance 1.625% 11/10/2026 Reg S	9,026	0.23
7,618,000	London Power Networks 5.125% 31/03/2023 EMTN	8,747	0.22
6,626,000	Porterbrook Rail Finance 7.125% 20/10/2026 EMTN	8,734	0.22
7,500,000	AT&T 4.875% 01/06/2044	8,730	0.22
8,300,000	Phoenix Group Holdings 4.125% 20/07/2022 EMTN Reg S	8,674	0.22
9,200,000	Shaftesbury Carnaby 2.487% 30/09/2031	8,656	0.22
7,500,000	RL Finance Bonds No 3 6.125% 13/11/2028 Reg S	8,656	0.22
9,000,000	AA Bond 2.875% 31/07/2043 Reg S	8,647	0.22
10,000,000	Roadster Finance Designated Activity 2.375% 08/12/2032 EMTN	8,620	0.22
7,000,000	Investec Bank 9.625% 17/02/2022 EMTN Reg S	8,587	0.22
7,300,000	Anglian Water Services Finance 4.50% 05/10/2027 EMTN Reg S	8,503	0.22
8,007,000	South East Water 5.6577% 30/09/2019	8,499	0.22
7,500,000	RL Finance Bonds 6.125% VRN 30/11/2043 Reg S	8,452	0.22
8,650,000	Anheuser-Busch InBev 1.75% 07/03/2025 EMTN Reg S	8,369	0.21
8,700,000	Motability Operations Group 2.375% 14/03/2032 EMTN Reg S	8,300	0.21
7,000,000	Barclays Bank 5.75% 14/09/2026 EMTN	8,184	0.21
7,350,000	Eversholt Funding 5.831% 02/12/2020 EMTN	8,168	0.21
8,200,000	National Express Group 2.50% 11/11/2023 EMTN Reg S	8,153	0.21
7,350,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	8,097	0.21
9,300,000	Abertis Infrastructure 1.375% 20/05/2026 Reg S	8,080	0.21
7,420,000	BAT International Finance 6.375% 12/12/2019 EMTN	8,067	0.21
7,290,000	Enterprise Inns 6.875% 09/05/2025	8,044	0.20
7,454,000	UNITE (USAF) II 3.374% 30/06/2028	7,881	0.20
10,000,000	BAT International Finance 2.25% 09/09/2052 EMTN Reg S	7,797	0.20
6,261,000	British Land 5.264% 24/09/2035	7,796	0.20
7,000,000	Global Switch Holdings 4.375% 13/12/2022 EMTN Reg S	7,743	0.20
10,750,000	AT&T 3.90% 14/08/2027	7,687	0.20
6,450,000	HBOS Treasury Services 4.875% 20/12/2024 EMTN	7,683	0.20
7,700,000	Student Finance 2.6663% 30/09/2029 GMTN Reg S	7,611	0.19

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
6,500,000	CGNU 6.125% VRN 14/11/2036	7,606	0.19
6,750,000	Time Warner Cable 5.25% 15/07/2042	7,554	0.19
7,500,000	Barclays 3.25% 12/02/2027 EMTN Reg S	7,551	0.19
6,800,000	Barclays Bank 7.125% VRN (Perpetual) Reg S	7,531	0.19
10,000,000	Swire Pacific Financing 4.50% 09/10/2023 EMTN Reg S	7,529	0.19
6,454,000	Time Warner Cable 5.75% 02/06/2031	7,445	0.19
7,200,000	Marks & Spencer 3.00% 08/12/2023 EMTN Reg S	7,318	0.19
6,000,000	Rothsay Life 8.00% 30/10/2025 Reg S	7,283	0.19
6,450,000	NGG Finance 5.625% VRN 18/06/2073 Reg S	7,245	0.18
10,000,000	Credit Agricole S A London SR Non-Pfd Med Term Nts 144A 4.125% 10/01/2027 144A	7,214	0.18
10,000,000	AT&T 5.30% 14/08/2058	7,181	0.18
10,000,000	Enterprise Products Operating 4.875% VRN 16/08/2077	7,129	0.18
10,000,000	General Electric 4.50% 11/03/2044	7,114	0.18
6,300,000	National Grid Electric Transm 4.00% 08/06/2027 EMTN Reg S	7,099	0.18
5,750,000	HSBC Holdings 5.75% 20/12/2027 EMTN	6,955	0.18
7,000,000	WM Treasury 3.25% 20/10/2048 Reg S	6,895	0.18
5,900,000	BHP Billiton Finance 6.50% VRN 22/10/2077 Reg S	6,855	0.17
6,900,000	London & Quadrant Housing Trust 2.625% 28/02/2028 Reg S	6,783	0.17
5,300,000	EDF Energy Networks 6.125% 07/06/2027 EMTN	6,764	0.17
6,400,000	GESB 8.35% 15/11/2018	6,653	0.17
6,850,000	Thames Water Utilities 2.875% 03/05/2027 EMTN Reg S	6,580	0.17
6,331,000	Viridian Group 6.875% 18/09/2018	6,531	0.17
5,625,000	Arqiva Financing 5.34% 30/06/2030 Reg S	6,514	0.17
5,300,000	Heathrow Funding 4.625% 31/10/2048 Reg S	6,512	0.17
5,000,000	GE Capital UK Funding 5.875% 18/01/2033 EMTN	6,492	0.17
6,350,000	FCE Bank 2.727% 03/06/2022 EMTN Reg S	6,491	0.17
5,000,000	South Eastern Power Networks 5.625% 30/09/2030 EMTN	6,416	0.16
5,744,000	Phoenix Life 7.25% VRN (Perpetual)	6,243	0.16
3,750,000	GE Capital UK Funding 8.00% 14/01/2039 EMTN Reg S	6,224	0.16
5,000,000	Eversholt Funding 6.359% 02/12/2025 EMTN	6,221	0.16
5,700,000	Assicurazioni Generali 6.416% VRN (Perpetual)	6,145	0.16
5,000,000	Heathrow Funding 7.125% 14/02/2024 EMTN Reg S	6,144	0.16
6,250,000	Thames Water Utilities 2.375% 03/05/2023 EMTN Reg S	6,102	0.16
5,000,000	Enel Finance International 5.625% 14/08/2024 EMTN Reg S	5,935	0.15
5,000,000	BPCE 5.25% 16/04/2029 Reg S	5,891	0.15
7,000,000	Vodafone Group 3.00% 12/08/2056 EMTN Reg S	5,857	0.15
5,000,000	Gatwick Funding 4.625% 27/03/2034 EMTN Reg S	5,841	0.15
5,350,000	BUPA Finance 6.125% VRN (Perpetual)	5,785	0.15
5,100,000	Admiral Group 5.50% 25/07/2024 Reg S	5,727	0.15
4,500,000	London Merchant Securities 6.50% 16/03/2026	5,633	0.14
5,000,000	Society of Lloyds 4.75% 30/10/2024 Reg S	5,550	0.14
7,000,000	21st Century Fox America 4.75% 15/09/2044	5,433	0.14
4,950,000	Western Power Distribution West Midlands 3.875% 17/10/2024 EMTN Reg S	5,410	0.14
4,396,000	HSBC Bank 6.50% 07/07/2023 EMTN Reg S	5,292	0.13
4,600,000	Southern Gas Networks 4.875% 05/10/2023 EMTN	5,255	0.13
4,600,000	Wales & West Utilities Finance 4.625% 13/12/2023 EMTN	5,244	0.13
5,300,000	Yorkshire Building Society 3.375% VRN 13/09/2028 EMTN Reg S	5,243	0.13
4,300,000	Land Securities 5.391% VRN 31/03/2027	5,206	0.13
3,900,000	Aviva 6.875% VRN 20/05/2058 EMTN	5,168	0.13
4,850,000	Virgin Media Secured Finance 6.25% 28/03/2029 Reg S	5,167	0.13
3,750,000	Enel Finance International 5.75% 14/09/2040 EMTN	5,030	0.13
4,800,000	Arqiva Financing 4.04% 30/06/2035 EMTN Reg S	5,005	0.13



## Portfolio Statement

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Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
4,100,000	Wales & West Utilities Finance 5.00% 07/03/2028 EMTN	4,978	0.13
4,000,000	Freshwater Finance 4.556% 03/04/2036 Reg S	4,890	0.12
5,425,000	Roadster Finance Designated Activity 1.625% 09/12/2029 EMTN Reg S	4,727	0.12
4,550,000	HBOS 4.50% VRN 18/03/2030 EMTN	4,677	0.12
3,355,000	Wal-Mart Stores 5.25% 28/09/2035	4,618	0.12
4,200,000	Telefonica Emisiones SAU 5.597% 12/03/2020 EMTN Reg S	4,537	0.12
4,338,000	RBS 9.50% VRN (Perpetual)	4,489	0.11
5,900,000	Time Warner Cable 5.875% 15/11/2040	4,484	0.11
4,050,000	Standard Life Macs 6.546% VRN (Perpetual)	4,352	0.11
3,064,000	GE Capital UK Funding 6.25% 05/05/2038 EMTN	4,286	0.11
3,100,000	Reseau Ferre de France 5.25% 31/01/2035 EMTN	4,285	0.11
3,499,082	Thfc Social Housing Finance 8.75% 18/12/2021	4,241	0.11
6,125,000	SGSP Australia Assets Pty 3.25% 29/07/2026 EMTN Reg S	4,217	0.11
5,000,000	21st Century Fox America 5.40% 01/10/2043	4,200	0.11
5,775,000	Verizon Communications 4.40% 01/11/2034	4,093	0.10
4,950,000	Altria Group 5.375% 31/01/2044	4,067	0.10
3,400,000	America Movil 5.00% 27/10/2026	4,023	0.10
3,640,000	Kennedy Wilson Europe Real Estate 3.95% 30/06/2022 Reg S	3,782	0.10
3,300,000	Tesco 5.20% 05/03/2057 EMTN	3,716	0.09
4,000,000	Telecom Italia Capital 7.20% 18/07/2036	3,385	0.09
3,000,000	Southern Gas Networks 4.875% 21/12/2020	3,269	0.08
3,100,000	Porterbrook Rail Finance 5.50% 20/04/2019 EMTN Reg S	3,240	0.08
2,750,000	Imperial Tobacco Finance 4.875% 07/06/2032 EMTN Reg S	3,217	0.08
2,582,000	Western Power Distribution West Midlands 6.00% VRN 09/05/2025 EMTN Reg S	3,192	0.08
2,500,000	SNCF 5.375% 18/03/2027 EMTN	3,151	0.08
2,150,000	Electricity North West 8.875% 25/03/2026	3,134	0.08
4,350,000	General Electric 4.125% 09/10/2042	2,927	0.07
2,800,000	SSE 3.875% VRN (Perpetual) Reg S	2,885	0.07
2,400,000	Telefonica Europe 6.75% VRN (Perpetual) Reg S	2,643	0.07
2,142,000	British Land 5.357% 31/03/2028	2,550	0.06
2,000,000	Bankers Investment Trust 8.00% 31/10/2023	2,534	0.06
2,550,000	Credit Suisse 5.75% VRN 18/09/2025	2,518	0.06
2,000,000	Annes Gate Property 5.661% 30/06/2031	2,511	0.06
2,700,000	Reynolds American 6.15% 15/09/2043	2,328	0.06
1,850,000	Woolwich Building Society 9.50% 07/08/2021	2,255	0.06
2,000,000	Royal KPN (Koninklijke Kpn) 8.375% 01/10/2030	1,894	0.05
2,250,000	Credit Suisse 6.50% 08/08/2023 Reg S	1,792	0.05
1,500,000	Assicurazioni Generali 6.269% VRN (Perpetual)	1,652	0.04
1,300,000	Transport for London 3.625% 15/05/2045 EMTN Reg S	1,552	0.04
2,000,000	Telefonica Emisiones SAU 5.213% 08/03/2047	1,527	0.04
825,000	SMFG Preferred Capital GBP 2 10.231% VRN (Perpetual) Reg S	1,320	0.03
900,000	Peel Holdings 8.375% STEP 30/04/2040	1,303	0.03
1,000,000	British Land 5.357% 31/03/2028	1,193	0.03
940,000	AT&T 3.15% 04/09/2036	844	0.02
1,000,000	Telecom Italia Capital 6.00% 30/09/2034	757	0.02
250,000	WEA Finance 3.75% 17/09/2024 144A	181	0.00
5,100,000	TXU Europe Funding 7.00% 31/12/2049 (Defaulted)	0	0.00
1,000,000	British & Commonwealth Holding 10.50% 31/07/2012 (Defaulted)	0	0.00
		<b>2,861,829</b>	<b>72.91</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Mortgage Related Bonds - (14.69%)</b>		
38,856,466	Aspire Defence Finance 4.674% 31/03/2040	46,934	1.20
24,418,460	Dignity Finance 3.5456% 31/12/2034 Reg S	25,574	0.65
25,350,000	Channel Link Enterprises Finance 3.043% VRN 30/06/2050 Reg S	24,806	0.63
17,929,662	UPP Bond 1 Issuer 4.9023% 28/02/2040 EMTN Reg S	21,379	0.54
20,000,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	20,033	0.51
16,337,765	Juturna European Ln Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	19,512	0.50
16,622,396	Unique Pub Finance 5.659% 30/06/2027	18,514	0.47
21,334,000	Mitchells & Butler Finance 1.1912% VRN 15/12/2033 Reg S	18,134	0.46
14,848,000	Telereal Securitisation 6.1645% 10/12/2031	18,079	0.46
17,220,000	Marstons Issuer 5.158% VRN 15/10/2027	17,184	0.44
12,837,000	Community Finance 1 5.017% 31/07/2034 EMTN	16,693	0.43
23,425,000	Abu Dhabi Crude Oil Pipeline 4.60% 02/11/2047 Reg S	16,524	0.42
13,932,807	Arsenal Securities 5.1418% 01/09/2029	15,393	0.39
16,200,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	15,146	0.39
12,934,731	Channel Link Enterprises Finance 5.892% 30/06/2041	15,121	0.39
12,275,439	Equity Release Funding 2 5.88% 26/05/2032	14,934	0.38
12,610,918	Bishopsgate Asset Finance 4.808% 14/08/2044	13,590	0.35
12,225,000	Arqiva Financing 4.882% 31/12/2032 EMTN Reg S	13,521	0.34
13,500,000	Spirit Issuer FRN 28/12/2031 Reg S	13,027	0.33
11,387,104	Premiertel 6.175% 08/05/2032	12,837	0.33
10,073,546	RMPA Services 5.337% 30/09/2038	12,451	0.32
11,514,891	Greene King Finance 4.0643% 15/03/2035 Reg S	12,339	0.31
9,756,032	Nats En Route 5.25% 31/03/2026	11,123	0.28
9,677,657	Longstone Finance 4.791% 19/04/2036	11,080	0.28
8,704,735	Great Rolling Stock 6.875% 27/07/2035 EMTN	11,078	0.28
9,415,898	Tesco Property Finance 2 6.0517% 13/10/2039	10,955	0.28
8,532,368	Channel Tunnel Rail Link 5.234% 02/05/2035	10,557	0.27
8,588,465	Aspire Defence Finance 4.674% 31/03/2040	10,385	0.26
9,564,337	Wods Transmission 3.446% 24/08/2034 Reg S	10,281	0.26
9,351,385	Together Asset Backed Securitisation 1 1.5198% VRN 12/03/2049 Reg S	9,398	0.24
7,590,643	Telereal Securitisation 5.9478% 10/12/2033	9,239	0.24
8,002,365	Tesco Property Finance 5 5.6611% 13/10/2041 Reg S	9,071	0.23
7,160,425	Tesco Property Finance 3 5.744% 13/04/2040 Reg S	8,172	0.21
8,100,000	Dignity Finance 4.6956% 31/12/2049 Reg S	8,112	0.21
8,100,000	Penarian Housing Finance 3.212% 07/06/2052 Reg S	7,868	0.20
6,668,825	Highbury Finance 7.017% 20/03/2023	7,711	0.20
7,238,280	Unique Pub Finance 6.542% 30/03/2021	7,657	0.20
5,744,000	Anglian Water Services Finance 6.875% 21/08/2023	7,200	0.18
6,013,013	Capital & Counties Debenture 5.562% 31/12/2027	6,938	0.18
4,900,000	Eversholt Funding 6.697% 22/02/2035 EMTN	6,371	0.16
4,945,788	Telereal Securitisation 5.3887% 10/12/2033	5,837	0.15
4,500,000	Dali Capital 4.7992% 21/12/2037	5,584	0.14
3,952,960	Trafford Centre Finance 6.50% 28/07/2033	5,255	0.13
4,020,989	Telereal Securitisation 5.5534% 10/12/2033	4,792	0.12
3,250,000	Canary Wharf Finance II 5.952% 22/10/2037	4,551	0.12
3,756,459	Meadowhall Finance 4.986% 12/07/2037 Reg S	4,536	0.12
4,000,446	Delamare Finance 5.5457% 19/02/2029	4,433	0.11
2,934,504	Mitchells & Butler Finance 6.013% 15/12/2028 Reg S	3,411	0.09
2,332,137	Mitchells & Butler Finance 5.574% 15/12/2030 Reg S	2,664	0.07
1,000,000	Southern Water Services Finance 3.706% 31/03/2034	2,478	0.06
2,085,000	Telereal Securitisation 4.9741% 10/12/2033 Reg S	2,352	0.06

# Portfolio Statement

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Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,676,055	BL Superstores Finance 4.482% 04/10/2030	1,886	0.05
1,500,000	British Empire Trust 8.125% 02/07/2023	1,885	0.05
1,403,670	Telereal Securitisation 5.5653% 10/12/2033	1,631	0.04
1,083,531	BL Superstores Finance 5.27% 04/10/2030	1,191	0.03
881,449	Eddystone Finance 1.1043% VRN 19/04/2021	882	0.02
800,855	Greene King Finance 1.8375% VRN 15/09/2021	795	0.02
755,547	Marstons Issuer 1.9543% VRN 15/07/2020	747	0.02
		<b>619,831</b>	<b>15.79</b>
	<b>Gilt Edged Securities - (9.65%)</b>		
49,800,000	UK Gilt 6.00% 07/12/2028	71,558	1.82
58,050,000	UK Gilt 1.50% 22/07/2026 Reg S	58,390	1.49
34,850,000	UK Gilt 4.75% 07/12/2030	46,943	1.20
36,000,000	UK Gilt 5.00% 07/03/2025	44,955	1.15
28,650,000	UK Gilt 1.25% 22/07/2027 Reg S	27,912	0.71
20,075,000	UK Gilt 4.25% 07/06/2032	26,301	0.67
20,450,000	UK Gilt 2.25% 07/09/2023	21,641	0.55
19,600,000	UK Gilt 1.75% 07/09/2037 Reg S	19,046	0.49
5,000,000	UK Gilt 1.25% 22/07/2018	5,018	0.13
3,200,000	UK Gilt 2.50% 22/07/2065 Reg S	4,039	0.10
2,700,000	UK Gilt 3.75% 22/07/2052	4,017	0.10
2,450,000	UK Gilt 4.50% 07/12/2042	3,683	0.09
1,500,000	UK Gilt 4.25% 07/12/2049	2,349	0.06
		<b>335,852</b>	<b>8.56</b>
	<b>Financials - (0.25%)</b>		
724	Fidelity Institutional Sterling Fund Class A-Acc	15,002	0.38
		<b>15,002</b>	<b>0.38</b>
	<b>Government Bonds - (0.26%)</b>		
9,800,000	US Treasury Note 2.00% 30/04/2024	6,764	0.17
3,150,000	US Treasury Note 2.00% 15/08/2025	2,146	0.05
		<b>8,910</b>	<b>0.23</b>
	<b>Futures - ((0.21)%)</b>		
(47,500,000)	EURO-BUND Commodity Future 08/03/2018	1,582	0.04
(4,800,000)	EURO BUXL 30 Year Commodity Future 08/03/2018	233	0.01
(45,100,000)	US 20 Year Long Bond (CBT) Commodity Future 20/06/2018	215	0.01
(11,200,000)	Euro-BOBL Commodity Future 08/03/2018	132	0.00
(66,300,000)	Uxym8 20/06/2018	82	0.00
(16,900,000)	US 5 Year Treasury Note (CBT) Commodity Future 29/06/2018	30	0.00
(35,100,000)	US Ultra Bond Commodity Future 20/06/2018	(66)	0.00
83,700,000	US 10 Year Treasury Note (CBT) Commodity Future 20/06/2018	(194)	0.00
(494,100,000)	Long Gilt Commodity Future 27/06/2018	(344)	(0.01)
		<b>1,670</b>	<b>0.04</b>
	<b>Credit Default Swaps - (0.02%)</b>		
6,000,000	Sold Protection on SABMiller 6.625% 20/06/2018	15	0.00
6,000,000	Sold Protection on SABMiller 6.625% 20/03/2018	3	0.00
3,000,000	Sold Protection on SABMiller 6.625% 20/03/2018	1	0.00
		<b>19</b>	<b>0.00</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Index Credit Default Swap - ((0.01)%)</b>		
63,000,000	Bought Protection on ITRAXX EUR Snr Finance 20/12/2018	(403)	(0.01)
		<b>(403)</b>	<b>(0.01)</b>
	<b>Forward Foreign Exchange Contracts - ((0.08)%)</b>		
(98,721,000)	Bought GBP sold EUR @ 1.126728 for settlement 16/05/2018	294	0.01
9,102,000	Bought USD sold GBP @ 1.402397 for settlement 16/05/2018	61	0.00
8,226,000	Bought USD sold GBP @ 1.402220 for settlement 16/05/2018	55	0.00
14,372,000	Bought USD sold GBP @ 1.396340 for settlement 16/05/2018	52	0.00
7,602,000	Bought EUR sold GBP @ 1.134057 for settlement 16/05/2018	21	0.00
5,528,000	Bought USD sold GBP @ 1.396299 for settlement 16/05/2018	20	0.00
6,515,000	Bought USD sold GBP @ 1.391815 for settlement 16/05/2018	9	0.00
8,283,000	Bought EUR sold GBP @ 1.127142 for settlement 16/05/2018	(22)	0.00
(145,770,000)	Bought GBP sold USD @ 1.396962 for settlement 16/05/2018	(578)	(0.01)
(145,000,000)	Bought GBP sold USD @ 1.397101 for settlement 16/05/2018	(586)	(0.01)
		<b>(674)</b>	<b>(0.02)</b>
	<b>Portfolio of investments</b>	<b>3,842,036</b>	<b>97.88</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>83,293</b>	<b>2.12</b>
	<b>Net assets</b>	<b>3,925,329</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Fidelity Short Dated Corporate Bond Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Corporate Bonds - (87.37%)</b>		
1,400,000	Co-Operative Bank 4.75% 11/11/2021 Reg S	1,513	2.26
1,150,000	Tennessee Valley Authority 5.35% 07/06/2021	1,285	1.92
1,000,000	Edinburgh Investment Trust 7.75% 30/09/2022	1,221	1.82
1,200,000	Veolia Environnement 4.85% VRN (Perpetual) Reg S	1,203	1.79
1,005,000	Temasek Financial 4.625% 26/07/2022 GMTN Reg S	1,135	1.69
782,000	Direct Line Insurance Group 9.25% VRN 27/04/2042	983	1.47
900,000	Japan Bank International Cooperation 2.625% 15/12/2020	929	1.39
750,000	First Hydro Finance 9.00% 31/07/2021	923	1.38
950,000	AA Bond 2.75% 31/07/2043 EMTN Reg S	882	1.32
700,000	EDF 6.875% 12/12/2022 EMTN	862	1.29
800,000	Thames Water Utility Finance 5.05% 30/06/2020 EMTN	858	1.28
750,000	Monks Investment Trust 6.375% 01/03/2023	855	1.27
800,000	ABN AMRO Bank 1.00% 30/06/2020 EMTN Reg S	792	1.18
650,000	Thfc Social Housing Finance 8.75% 18/12/2021	788	1.17
756,000	Viridian Group 6.875% 18/09/2018	780	1.16
650,000	Iberdrola Finanzas SAU 6.00% 01/07/2022 EMTN	760	1.13
600,000	Imperial Tobacco Finance 9.00% 17/02/2022 EMTN Reg S	758	1.13
700,000	GKN Holdings 6.75% 28/10/2019 Reg S	755	1.13
750,000	Barclays 2.375% VRN 06/10/2023 Reg S	746	1.11
750,000	Severn Trent Water Utilities Finance 1.625% 04/12/2022 EMTN Reg S	741	1.10
750,000	Coventry Building Society 1.875% 24/10/2023 EMTN Reg S	737	1.10
600,000	Halifax 9.375% 15/05/2021 Reg S	730	1.09
700,000	UBS 1.25% 10/12/2020 Reg S	695	1.04
600,000	Innogy Finance 6.50% 20/04/2021 EMTN Reg S	688	1.03
600,000	Barclays Bank 14.00% VRN (Perpetual)	686	1.02
600,000	BNP Paribas 5.75% 24/01/2022 EMTN	683	1.02
650,000	Munich RE Finance 7.625% VRN 21/06/2028	662	0.99
600,000	Credit Agricole 8.125% VRN (Perpetual)	660	0.98
600,000	Intu SGS Finance 3.875% 17/03/2023 Reg S	638	0.95
585,000	Northern Rock 6.375% 02/12/2019 EMTN	630	0.94
609,000	Danske Bank 5.375% VRN 29/09/2021 EMTN	622	0.93
700,000	ADLER Real Estate 1.50% 06/12/2021 Reg S	618	0.92
600,000	National Capital Trust 5.62% VRN (Perpetual) Reg S	614	0.92
500,000	Investec Bank 9.625% 17/02/2022 EMTN Reg S	613	0.91
600,000	BAT International Finance 1.75% 05/07/2021 EMTN Reg S	602	0.90
600,000	Cadent Finance 1.125% 22/09/2021 EMTN Reg S	589	0.88
500,000	Friends Provident Group 6.875% VRN (Perpetual)	535	0.80
517,000	Enterprise Inns 6.50% 06/12/2018	531	0.79
500,000	UNITE (USAF) II 3.374% 30/06/2028	529	0.79
500,000	Elm 6.3024% VRN (Perpetual) EMTN Reg S	525	0.78
500,000	RAC Bond 4.565% 06/05/2046 EMTN Reg S	517	0.77
450,000	AXA 7.125% 15/12/2020	513	0.76
450,000	Global Switch Holdings 4.375% 13/12/2022 EMTN Reg S	498	0.74
500,000	BFCM Paris 1.375% 20/12/2021 Reg S	496	0.74
400,000	Northern Powergrid Holdings 7.25% 15/12/2022	495	0.74
500,000	Deutsche Bank 1.75% 16/12/2021 Reg S	491	0.73
500,000	Severn Trent Water Utilities Finance 1.125% 07/09/2021 EMTN Reg S	491	0.73
392,000	Western Power Distribution (South Wales) 9.25% 09/11/2020	470	0.70
450,000	Arqiva Financing 4.04% 30/06/2035 EMTN Reg S	469	0.70
500,000	Eurofins Scientific SE 2.25% 27/01/2022 Reg S	461	0.69
400,000	Tesco 6.125% 24/02/2022 EMTN	452	0.67

# Fidelity Short Dated Corporate Bond Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
400,000	Digital Stout Holding 4.75% 13/10/2023 Reg S	444	0.66
400,000	General Electric Capital UK Funding 5.875% 04/11/2020 EMTN	442	0.66
450,000	Met Life Global Funding I 1.125% 15/12/2021 GMTN Reg S	442	0.66
400,000	Standard Life Macs 6.546% VRN (Perpetual)	430	0.64
400,000	Northern Gas Networks 5.875% 08/07/2019	424	0.63
600,000	Discovery Communications 2.95% 20/03/2023	418	0.62
400,000	Imperial Tobacco Finance 6.25% 04/12/2018 EMTN	416	0.62
351,000	Atlantia 6.25% 09/06/2022 EMTN	413	0.62
400,000	AA Bond 4.2487% 31/07/2043 Reg S	407	0.61
350,000	Bank of America Corporation 6.125% 15/09/2021 EMTN Reg S	403	0.60
350,000	Yorkshire Electricity Group 9.25% 17/01/2020	400	0.60
400,000	Royal Bank of Canada 1.125% 22/12/2021 Reg S	395	0.59
400,000	Alberta Province CDA 1.00% 15/11/2021 Reg S	394	0.59
350,000	Porterbrook Rail Finance 6.50% 20/10/2020 EMTN Reg S	392	0.58
350,000	Eversholt Funding 5.831% 02/12/2020 EMTN	389	0.58
350,000	Great Rolling Stock 6.25% 27/07/2020 EMTN Reg S	387	0.58
400,000	Harman Finance International SCA 2.00% 27/05/2022	371	0.55
350,000	SSE 3.875% VRN (Perpetual) Reg S	361	0.54
500,000	AT&T 3.20% 01/03/2022	358	0.53
320,000	Alliance & Leicester 9.625% VRN 30/10/2023 EMTN	338	0.50
300,000	SPI Assets 5.125% 11/02/2021 EMTN Reg S	327	0.49
300,000	Southern Gas Networks 4.875% 21/12/2020	327	0.49
300,000	E.ON International Finance 6.00% 30/10/2019 EMTN	323	0.48
300,000	Tesco 5.50% 13/12/2019 EMTN	320	0.48
300,000	Enel 6.25% 20/06/2019 EMTN Reg S	319	0.48
300,000	Telecom Italia 6.375% 24/06/2019 EMTN	318	0.47
250,000	Legal & General Group 10.00% VRN 23/07/2041	312	0.47
250,000	Friends Provident Holdings UK 8.25% 21/04/2022 Reg S	312	0.47
300,000	CPUK Finance 2.666% 28/02/2042 EMTN Reg S	305	0.45
250,000	Heathrow Funding 9.20% VRN 29/03/2023 EMTN Reg S	305	0.45
300,000	New York Life Global Funding 1.00% 15/12/2021 GMTN Reg S	295	0.44
250,000	BHP Billiton Finance 6.50% VRN 22/10/2077 Reg S	290	0.43
250,000	Old Mutual 8.00% 03/06/2021 EMTN Reg S	287	0.43
400,000	Enterprise Products Operating 4.875% VRN 16/08/2077	285	0.42
275,000	Sky 2.875% 24/11/2020 EMTN Reg S	285	0.42
255,000	National Express Group 6.625% 17/06/2020 EMTN Reg S	283	0.42
250,000	Volkswagen Financial Services 2.75% 02/10/2020 EMTN Reg S	257	0.38
250,000	United Utilities Water 5.375% 14/05/2018 EMTN	252	0.38
350,000	Verizon Communications 3.125% 16/03/2022	251	0.37
250,000	HSBC Bank 5.00% VRN 20/03/2023 EMTN	250	0.37
250,000	Fidelity National Information Services 1.70% 30/06/2022	246	0.37
225,000	Daily Mail & General Trust 5.75% 07/12/2018	232	0.35
200,000	Orange 7.25% 10/11/2020 EMTN	230	0.34
200,000	British Telecommunications 8.625% 26/03/2020	229	0.34
200,000	ENW Finance 6.125% 21/07/2021 EMTN	229	0.34
325,000	Canadian National Resources 2.95% 15/01/2023	229	0.34
250,000	CNRC Capital 1.871% 07/12/2021 Reg S	224	0.33
200,000	Xstrata Canada Finance 7.375% 27/05/2020 EMTN	224	0.33
200,000	The Goldman Sachs Group 5.50% 12/10/2021	223	0.33
200,000	Southern Water Services Finance 5.00% 31/03/2021 EMTN	220	0.33
200,000	BUPA Finance 6.125% VRN (Perpetual)	216	0.32
200,000	Commerzbank 6.625% 30/08/2019 EMTN	214	0.32

# Fidelity Short Dated Corporate Bond Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
200,000	Heathrow Funding 6.25% 10/09/2018 EMTN Reg S	205	0.31
200,000	Scentre Group Trust 1 / Scentre Group Trust 2 2.375% 08/04/2022 Reg S	204	0.30
200,000	ING Bank 6.875% VRN 29/05/2023 EMTN	203	0.30
250,000	Sabine Pass Liquefaction 5.625% VRN 01/02/2021	190	0.28
150,000	Zurich Finance (UK) 6.625% VRN (Perpetual) EMTN	174	0.26
150,000	American International Group 5.00% 26/04/2023 EMTN	169	0.25
150,000	Prudential 11.375% VRN 29/05/2039	168	0.25
150,000	GKN Holdings 5.375% 19/09/2022 EMTN	166	0.25
150,000	AXA 6.772% VRN (Perpetual) EMTN	160	0.24
150,000	HSBC Bank Capital Funding Sterling 2 5.862% VRN (Perpetual)	160	0.24
150,000	FirstGroup 6.125% 18/01/2019	156	0.23
150,000	Yorkshire Building Society 4.125% VRN 20/11/2024 EMTN Reg S	155	0.23
130,000	Motability Operations Group 6.625% 10/12/2019 EMTN Reg S	142	0.21
125,000	Vattenfall 6.125% 16/12/2019 EMTN Reg S	135	0.20
100,000	Aviva 6.125% VRN (Perpetual)	112	0.17
100,000	TSB Banking Group 5.75% VRN 06/05/2026 EMTN	109	0.16
150,000	Shire Acquisitions Investments Ireland 1.90% 23/09/2019	106	0.16
100,000	Phoenix Group Holdings 4.125% 20/07/2022 EMTN Reg S	105	0.16
100,000	Standard Chartered Bank 7.75% 03/04/2018 EMTN Reg S	101	0.15
100,000	Thames Water Utilities 2.375% 03/05/2023 EMTN Reg S	98	0.15
100,000	Constellation Brands 3.875% 15/11/2019	73	0.11
100,000	Diamond 1 Finance / Diamond 2 Finance 3.48% 01/06/2019 144A	73	0.11
100,000	International Lease Finance 3.875% 15/04/2018	72	0.11
50,000	RBS 9.50% VRN (Perpetual)	52	0.08
		<b>56,640</b>	<b>84.45</b>
	<b>Mortgage Related Bonds - (10.05%)</b>		
1,000,000	Funding III 1.1465% VRN 15/06/2023 Reg S	1,003	1.50
1,000,000	Silverstone Master Issuer 0.00% STEP 21/01/2070 Reg S	1,000	1.49
1,050,000	Channel Link Enterprises Finance 1.761% VRN 30/06/2050 Reg S	941	1.40
850,000	Westfield Stratford City Finance 1.2664% VRN 04/11/2024 Reg S	850	1.27
750,000	Newday Partnership Funding 2017 1 1.2423% VRN 15/12/2027 Reg S	754	1.12
650,000	Newday Funding 2017 1 0.00% VRN (Perpetual) Reg S	652	0.97
560,000	Income Contingent Student Loans 1 2002-2006 1.6213% VRN 24/07/2056 Reg S	559	0.83
534,365	Together Asset Backed Securitisation 1 1.5198% VRN 12/03/2049 Reg S	537	0.80
500,000	Taurus 2017-Uk2 A 0.5466% VRN 17/11/2027 Reg S	501	0.75
439,400	Nats En Route 5.25% 31/03/2026	501	0.75
344,680	Unique Pub Finance 6.542% 30/03/2021	365	0.54
468,750	Sprint Spectrum 3.36% 20/03/2023 144A	338	0.50
245,535	Mitchells & Butler Finance 5.965% 15/12/2025 Reg S	269	0.40
125,000	Telereal Securitisation 4.0902% VRN 10/12/2033	131	0.20
50,667	City Greenwich Lewisham Rail 9.375% 11/10/2020	54	0.08
		<b>8,455</b>	<b>12.61</b>
	<b>Government Bonds - (0.00%)</b>		
250,000	Kuwait 2.75% 20/03/2022 Reg S	177	0.26
		<b>177</b>	<b>0.26</b>
	<b>Financials - (0.00%)</b>		
0	Fidelity Institutional Sterling Fund Class A-Acc	1	0.00
		<b>1</b>	<b>0.00</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Forward Foreign Exchange Contracts - ((0.03)%)</b>		
(2,703,000)	Bought GBP sold EUR @ 1.126403 for settlement 16/05/2018	9	0.01
(199,000)	Bought GBP sold EUR @ 1.125837 for settlement 16/05/2018	1	0.00
(3,562,000)	Bought GBP sold USD @ 1.396498 for settlement 16/05/2018	(13)	(0.02)
		<b>(3)</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>65,270</b>	<b>97.32</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>1,797</b>	<b>2.68</b>
	<b>Net assets</b>	<b>67,067</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Financials - (40.17%)</b>		
16,857	Fidelity Institutional USD Fund Class A-Acc	211,328	6.62
3,038,394	Citigroup	167,555	5.25
186,507,647	Lloyds Banking Group	128,876	4.04
12,630,596	Phoenix Group Holdings	99,528	3.12
17,353,550	Aviva	87,600	2.75
24,802,780	RBS Group	66,669	2.09
28,610,300	CLS Holdings	64,659	2.03
21,050,217	John Laing Group	57,466	1.80
52,146,390	Sherborne Investors Guernsey C	54,753	1.72
21,118,365	esure Group	48,149	1.51
729,730	Discover Financial Services	41,933	1.31
6,698,289	AIB Group (GB)	30,974	0.97
15,227,497	International Personal Finance	29,983	0.94
27,017,010	Summit Germany	27,656	0.87
2,507,226	Electra Private Equity	22,540	0.71
10,962,503	U & I Group	21,596	0.68
40,832	Fairfax Financial Holdings	14,827	0.46
1,242,985	Burford Capital	13,176	0.41
9,856,700	Zegona Communications	11,335	0.36
4,059,256	Marwyn Value Investors	6,089	0.19
26,422,273	Sherborne Investors Guernsey B	6,077	0.19
2,346,514	LXB Retail Properties	514	0.02
0	Fidelity Institutional Sterling Fund Class A-Acc	6	0.00
0	Fidelity Institutional Euro Fund Class A-Acc	4	0.00
		<b>1,213,293</b>	<b>38.02</b>
	<b>Industrials - (20.07%)</b>		
5,425,831	Ultra Electronics Holdings	84,426	2.65
85,659,153	Coats Group	70,926	2.22
64,194,875	Serco Group	57,936	1.82
10,132,054	Royal Mail	56,537	1.77
32,179,537	SIG	46,564	1.46
13,561,386	Senior	39,165	1.23
3,414,502	Vitec Group	38,755	1.21
18,362,050	Chemring Group	34,925	1.09
4,041,346	PayPoint	32,977	1.03
1,643,699	Bunzl	32,241	1.01
600,652	Ferguson	30,922	0.97
6,328,533	Essentra	28,415	0.89
30,332,541	Renewi	28,331	0.89
5,312,672	Meggitt	23,971	0.75
8,681,375	Balfour Beatty	23,058	0.72
10,459,991	TT Electronics	23,012	0.72
5,662,481	Morgan Advanced Materials	19,241	0.60
13,486,436	Eddie Stobart Logistics	19,151	0.60
21,158,676	Speedy Hire	11,680	0.37
16,810,727	Connect Group	10,608	0.33
118,149	DCC	7,886	0.25
4,189,005	Capita	7,364	0.23
2,574,395	Charles Taylor	7,002	0.22

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,060,867	Hargreaves Services	6,883	0.22
350,159	Oxford Instruments Group	2,654	0.08
4,408,243	Promethean	0	0.00
		<b>744,630</b>	<b>23.33</b>
	<b>Consumer Services - (8.35%)</b>		
93,772,778	Ladbrokes Coral Group	153,787	4.82
13,770,002	Pearson	100,273	3.14
34,325,725	Booker Group	78,709	2.47
8,166,138	Sports Direct International	29,986	0.94
5,478,397	Millennium & Copthorne Hotels	29,419	0.92
7,091,701	McColls Retail Group	17,517	0.55
3,522,259	NOS	15,517	0.49
18,966,469	Huntsworth	14,832	0.46
5,389,311	Findel	11,749	0.37
4,257,486	Carpetright	3,321	0.10
		<b>455,110</b>	<b>14.26</b>
	<b>Technology - (5.77%)</b>		
79,749	Alphabet (A)	64,350	2.02
4,659,424	Hewlett Packard Enterprise	63,304	1.98
3,730	Spotify Technology (unlisted)	12,932	0.41
		<b>140,586</b>	<b>4.41</b>
	<b>Oil &amp; Gas - (5.14%)</b>		
4,300,557	Royal Dutch Shell (B)	99,988	3.13
2,953,278	Nostrum Oil & Gas	8,624	0.27
52,611,479	Amerisur Resources	8,607	0.27
6,746,062	SOCO International	6,476	0.20
142,381	Royal Dutch Shell (A)	3,285	0.10
2,207,760	G3 Exploration	1,325	0.04
		<b>128,305</b>	<b>4.02</b>
	<b>Basic Materials - (2.96%)</b>		
12,201,311	Synthomer	57,590	1.80
11,890,959	Central Asia Metals	37,992	1.19
6,410,364	Semafo	12,400	0.39
6,230,887	Acacia Mining	8,758	0.27
2,896,445	Hochschild Mining	5,987	0.19
2,593,222	Nevsun Resources	4,107	0.13
		<b>126,834</b>	<b>3.97</b>
	<b>Consumer Goods - (4.74%)</b>		
33,143,683	Cairn Homes	51,594	1.62
25,625,031	Photo-Me International	45,869	1.44
22,761,365	Glenveagh Properties	23,180	0.73
		<b>120,643</b>	<b>3.78</b>
	<b>Health Care - (6.78%)</b>		
3,177,890	Shire	97,990	3.07
14,558,178	Vectura Group	10,722	0.34
296,329	Hikma Pharmaceuticals	2,590	0.08
		<b>111,302</b>	<b>3.49</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Telecommunications - (4.33%)</b>		
22,777,483	BT Group	55,349	1.73
		<b>55,349</b>	<b>1.73</b>
	<b>Utilities - (0.00%)</b>		
2,062,146	Engie	23,502	0.74
		<b>23,502</b>	<b>0.74</b>
	<b>Corporate Bonds - (0.68%)</b>		
26,920,000	International Personal Finance 5.75% 07/04/2021 EMTN Reg S	21,363	0.67
		<b>21,363</b>	<b>0.67</b>
	<b>Contracts for Difference - (1.27%)</b>		
3,247,106	Royal Dutch Shell (B) (CFD)	23,143	0.73
(2,084,796)	Ford Motor (CFD)	859	0.03
(1,343,580)	Glanbia (CFD)	817	0.03
709,308	CPL Resources (CFD)	364	0.01
(1,215,757)	RPC Group (CFD)	361	0.01
(1,366,041)	Sabre Insurance Group (CFD)	102	0.00
1,563,788	IFG Group (GB) (CFD)	(3)	0.00
595,716	Nevsun Resources (CFD) UBS	(40)	0.00
(4,379,279)	Hastings Group Holdings (CFD)	(328)	(0.01)
539,900	Taiheiyo Cement (CFD)	(746)	(0.02)
(154,707)	Teleperformance (CFD)	(912)	(0.03)
11,589,962	Bank Ireland Group (CFD)	(2,630)	(0.08)
5,621,063	CRH (CFD)	(14,434)	(0.45)
		<b>6,553</b>	<b>0.21</b>
	<b>Portfolio of investments</b>	<b>3,147,470</b>	<b>98.63</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>43,760</b>	<b>1.37</b>
	<b>Net assets</b>	<b>3,191,230</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Fidelity Sterling Core Plus Reduced Duration Bond Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Financials - (92.55%)</b>		
5,523,099	Fidelity Institutional Sterling Core Plus Bond Fund GACC-GBP	66,664	88.84
		<b>66,664</b>	<b>88.84</b>
	<b>Gilt Edged Securities - (7.52%)</b>		
2,750,000	UK Gilt 3.75% 07/09/2019	2,876	3.83
1,400,000	UK Gilt 1.75% 22/07/2019 Reg S	1,420	1.89
1,300,000	UK Gilt 5.00% 07/03/2018	1,301	1.73
900,000	UK Gilt 1.25% 22/07/2018	903	1.20
		<b>6,500</b>	<b>8.66</b>
	<b>Interest Rate Swaps - ((3.25)%)</b>		
10,000,000	Pay fixed 2.4182% receive float 3 Month USD LIBOR 25/08/2047	822	1.10
4,000,000	Pay fixed 1.6042% receive float 6 Month GBP LIBOR 04/07/2037	86	0.11
7,900,000	Pay fixed 1.415% receive float 6 Month GBP LIBOR 27/01/2026	70	0.09
20,000,000	Receive fixed 1.4073% pay float 6 Month GBP LIBOR 16/02/2023	31	0.04
30,800,000	Pay fixed 0.705% receive float 6 Month GBP LIBOR 30/01/2019	23	0.03
2,000,000	Receive fixed 1.6208% pay float 6 Month GBP LIBOR 01/02/2057	12	0.02
10,000,000	Pay fixed 1.7332% receive float 6 Month GBP LIBOR 01/02/2037	(5)	(0.01)
11,100,000	Pay fixed 1.7325% receive float 6 Month GBP LIBOR 27/01/2036	(9)	(0.01)
6,750,000	Pay fixed 1.7125% receive float 6 Month GBP LIBOR 27/01/2046	(24)	(0.03)
5,400,000	Pay fixed 1.725% receive float 6 Month GBP LIBOR 26/01/2046	(35)	(0.05)
3,000,000	Receive fixed 0.9538% pay float 6 Month GBP LIBOR 04/07/2022	(47)	(0.06)
6,100,000	Pay fixed 1.6375% receive float 6 Month GBP LIBOR 27/01/2056	(48)	(0.06)
1,000,000	Receive fixed 1.4103% pay float 6 Month GBP LIBOR 07/09/2037	(55)	(0.07)
9,000,000	Pay fixed 1.6842% receive float 6 Month GBP LIBOR 16/02/2028	(64)	(0.09)
5,000,000	Pay fixed 1.645% receive float 6 Month GBP LIBOR 26/01/2057	(66)	(0.09)
5,000,000	Receive fixed 0.9208% pay float 6 Month GBP LIBOR 18/01/2022	(69)	(0.09)
9,500,000	Receive fixed 1.06% pay float 6 Month GBP LIBOR 27/01/2022	(81)	(0.11)
12,000,000	Receive fixed 1.0648% pay float 6 Month GBP LIBOR 01/02/2022	(102)	(0.14)
32,500,000	Receive fixed 0.945% pay float 6 Month GBP LIBOR 26/01/2021	(210)	(0.28)
		<b>229</b>	<b>0.30</b>
	<b>Index Credit Default Swap - (0.09%)</b>		
900,000	Sold Protection on ITRAXX XOver S25 20/06/2021	79	0.11
		<b>79</b>	<b>0.11</b>
	<b>Futures - (0.02%)</b>		
7,500,000	US Ultra Bond Commodity Future 20/06/2018	12	0.02
(1,100,000)	Long Gilt Commodity Future 27/06/2018	(1)	0.00

# Fidelity Sterling Core Plus Reduced Duration Bond Fund

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
		11	0.01
	Forward Foreign Exchange Contracts - (0.00%)		
(213,000)	Bought GBP sold USD @ 1.396498 for settlement 16/05/2018	(1)	0.00
(827,000)	Bought GBP sold USD @ 1.396299 for settlement 16/05/2018	(3)	0.00
		(4)	(0.01)
	Portfolio of investments	73,479	97.91
	Cash and other net assets/(liabilities)	1,559	2.09
	Net assets	75,038	100.00

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Corporate Bonds - (65.07%)</b>		
25,400,000	Petroleos Mexicanos 5.35% 12/02/2028 Reg S	17,975	1.03
22,600,000	EDF 6.00% 22/01/2114 144A	17,342	0.99
14,633,000	Enterprise Inns 6.375% 26/09/2031	16,157	0.92
11,300,000	EDF 6.00% 23/01/2114 EMTN Reg S	15,508	0.89
13,250,000	Aviva 6.125% VRN (Perpetual)	14,791	0.84
13,350,000	Virgin Media Secured Finance 5.125% 15/01/2025 Reg S	13,766	0.79
19,200,000	International Bank Reconstruction & Development 1.375% 30/03/2020	13,571	0.77
14,350,000	ADLER Real Estate 2.125% 06/02/2024 Reg S	12,572	0.72
17,600,000	Celgene 3.90% 20/02/2028	12,492	0.71
10,550,000	Jerrold Finco 6.125% 15/01/2024 Reg S	10,606	0.61
6,545,000	SMFG Preferred Capital GBP 2 10.231% VRN (Perpetual) Reg S	10,474	0.60
10,450,000	Areva 4.875% 23/09/2024 EMTN	10,197	0.58
9,300,000	International Bank Reconstruction & Development 0.625% 15/12/2023	8,906	0.51
6,450,000	Koninklijke KPN 5.75% 17/09/2029 GMTN Reg S	7,934	0.45
8,500,000	AT&T 2.35% 05/09/2029 Reg S	7,649	0.44
6,550,000	Arqiva Financing 5.34% 30/06/2030 Reg S	7,585	0.43
8,820,000	Ineos Finance 2.125% 15/11/2025 Reg S	7,560	0.43
8,255,000	HJ Heinz Finance 7.125% 01/08/2039 144A	7,541	0.43
10,000,000	Nielsen Luxembourg 5.50% 01/10/2021 144A	7,394	0.42
8,200,000	Hutchison Whampoa Europe Finance 13 3.75% VRN (Perpetual) Reg S	7,274	0.42
6,900,000	Thames Water Utilities 3.50% 25/02/2028 Reg S	7,267	0.41
8,030,000	OI Euro 3.125% 15/11/2024 Reg S	7,234	0.41
8,250,000	Terna 1.375% 26/07/2027 EMTN Reg S	7,211	0.41
6,300,000	Assicurazioni Generali 7.75% VRN 12/12/2042 EMTN	7,061	0.40
9,675,000	Nuoxi Capital 4.70% 24/01/2021 Reg S	6,952	0.40
7,200,000	Cadent Finance 2.125% 22/09/2028 EMTN Reg S	6,800	0.39
3,340,000	Thames Water Utilities 7.738% 09/04/2058 Reg S	6,566	0.37
7,205,000	Smurfit Kappa Acquisitions 2.375% 01/02/2024 Reg S	6,556	0.37
6,600,000	Lloyds Banking Group 2.25% 16/10/2024 EMTN Reg S	6,486	0.37
7,600,000	Telecom Italia Capital 7.20% 18/07/2036	6,431	0.37
7,050,000	Volvo Car 2.00% 24/01/2025 EMTN Reg S	6,191	0.35
8,000,000	AT&T 5.65% 15/02/2047	6,166	0.35
4,800,000	Scottish Widows 7.00% 16/06/2043 Reg S	6,143	0.35
9,025,000	Grupo Bimbo 4.70% 10/11/2047 Reg S	6,143	0.35
6,350,000	Deutsche Bahn Finance 1.375% 07/07/2025 Reg S	6,134	0.35
6,250,000	HSBC Holdings 2.256% VRN 13/11/2026 Reg S	6,086	0.35
8,250,000	AT Securities 5.25% VRN (Perpetual) Reg S	5,858	0.33
6,580,000	Synlab Bondco FRN 01/07/2022 Reg S	5,854	0.33
8,225,000	Greenko Dutch 5.25% 24/07/2024 Reg S	5,796	0.33
5,451,000	Intu SGS Finance 3.875% 17/03/2023 Reg S	5,792	0.33
6,950,000	Wind Tre FRN 20/01/2024 Reg S	5,661	0.32
5,150,000	Barclays Bank 6.625% 30/03/2022 Reg S	5,514	0.31
6,190,000	Algeco Scotsman Global 6.50% 15/02/2023 Reg S	5,479	0.31
4,900,000	Great Rolling Stock 6.25% 27/07/2020 EMTN Reg S	5,413	0.31
4,800,000	Digital Stout Holding 4.75% 13/10/2023 Reg S	5,333	0.30
7,700,000	Ziggo Secured Finance 5.50% 15/01/2027 144A	5,315	0.30
4,450,000	SP Manweb 4.875% 20/09/2027 EMTN Reg S	5,281	0.30
4,100,000	HSBC Bank Funding Sterling I 5.844% VRN (Perpetual)	5,253	0.30
7,120,000	Johnston Press Bond 8.625% 01/06/2019 Reg S	5,203	0.30
3,550,000	International Bank for Reconstruction & Development 5.75% 07/06/2032 EMTN	5,190	0.30
5,800,000	Quintiles 3.25% 15/03/2025 Reg S	5,156	0.29

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
5,200,000	Annington Funding 3.184% 12/07/2029 EMTN Reg S	5,146	0.29
5,800,000	Nidda Healthcare Holding 3.50% 30/09/2024 Reg S	5,125	0.29
7,675,000	Infraestructura Energetica Nova 4.875% 14/01/2048 Reg S	5,101	0.29
97,060,000,000	Wijaya Karya PT 7.70% 31/01/2021 Reg S	5,096	0.29
5,850,000	Equinix 2.875% 01/02/2026	5,051	0.29
7,200,000	SGSP Australia Assets Pty 3.50% 07/07/2027 EMTN Reg S	4,995	0.29
6,900,000	Petkim Petrokimya Holding 5.875% 26/01/2023 Reg S	4,991	0.29
4,375,000	Enel 6.625% VRN 15/09/2076 Reg S	4,977	0.28
4,300,000	AXA 5.625% VRN 16/01/2054 EMTN Reg S	4,961	0.28
4,290,000	Gatwick Funding 5.25% 23/01/2026 EMTN	4,937	0.28
4,960,000	Nmg Finco 5.00% 01/08/2022 Reg S	4,935	0.28
4,300,000	Telecom Italia 5.875% 19/05/2023 EMTN	4,901	0.28
3,600,000	Thames Water Utilities Caymen Finance 5.50% 11/02/2041 EMTN	4,880	0.28
4,000,000	Rothsay Life 8.00% 30/10/2025 Reg S	4,855	0.28
5,040,000	Iron Europe 3.875% 15/11/2025 Reg S	4,786	0.27
6,690,000	Fxi Holdings 7.875% 01/11/2024 144A	4,766	0.27
3,879,000	Northumbrian Services 6.875% 06/02/2023	4,741	0.27
4,300,000	Telefonica Europe 6.75% VRN (Perpetual) Reg S	4,736	0.27
3,700,000	BAT International Finance 7.25% 12/03/2024 EMTN	4,676	0.27
3,700,000	EDF 5.50% 17/10/2041 EMTN Reg S	4,669	0.27
5,375,000	Telecom Italia 2.375% 12/10/2027 EMTN Reg S	4,666	0.27
4,500,000	Garfunkelux Holdco 3 8.50% 01/11/2022 Reg S	4,626	0.26
5,300,000	Telenet Finance Luxembourg Notes SARL 3.50% 01/03/2028 Reg S	4,587	0.26
6,350,000	PhosAgro Via PhosAgro Bond Funding 3.949% 24/04/2023 Reg S	4,557	0.26
4,300,000	Porterbrook Rail Finance 5.50% 20/04/2019 EMTN Reg S	4,495	0.26
3,049,000	Rabobank 6.91% VRN (Perpetual)	4,482	0.26
4,900,000	Total 2.625% VRN (Perpetual)	4,460	0.25
4,400,000	Annington Funding 3.685% 12/07/2034 Reg S	4,452	0.25
49,220,000	Future Land Development Holding 2.25% 10/02/2019	4,439	0.25
5,000,000	Kraft Foods Group 6.875% 26/01/2039	4,414	0.25
6,000,000	Sanchez Energy 7.25% 15/02/2023 144A	4,404	0.25
6,500,000	Mexico City Airport Trust 5.50% 31/07/2047 Reg S	4,392	0.25
3,900,000	Porterbrook Rail Finance 6.50% 20/10/2020 EMTN Reg S	4,371	0.25
5,650,000	IHS Netherlands Holdco 9.50% 27/10/2021 Reg S	4,351	0.25
5,000,000	Telefonica Europe 2.625% VRN (Perpetual) Reg S	4,342	0.25
5,500,000	Wind Tre 3.125% 20/01/2025 Reg S	4,331	0.25
6,350,000	Fage International Sa/Fage USA Dairy Ind 5.625% 15/08/2026 144A	4,322	0.25
4,925,000	Eurofins Scientific SE 3.25% VRN (Perpetual) Reg S	4,321	0.25
5,975,000	Times Property Holdings 6.25% 17/01/2021 Reg S	4,288	0.24
4,550,000	RAC Bond 5.00% 06/05/2046 Reg S	4,276	0.24
5,500,000	MHP SE 8.25% 02/04/2020 Reg S	4,261	0.24
5,775,000	SPCM 4.875% 15/09/2025 144A	4,113	0.23
4,000,000	Heathrow Funding 6.25% 10/09/2018 EMTN Reg S	4,106	0.23
4,300,000	Telenet Finance VI Luxembourg SCA 4.875% 15/07/2027 Reg S	4,101	0.23
4,620,000	Titan Global Finance 2.375% 16/11/2024 Reg S	4,036	0.23
4,276,875	Shaftesbury Carnaby 2.487% 30/09/2031	4,024	0.23
4,050,000	Annington Funding 2.646% 12/07/2025 EMTN Reg S	4,001	0.23
4,100,000	Manchester Airport Group Funding 2.875% 31/03/2039 EMTN Reg S	3,941	0.23
4,450,000	Bevco Luxembourg SARL 1.75% 09/02/2023 Reg S	3,922	0.22
5,400,000	Enterprise Products Operating 4.875% VRN 16/08/2077	3,850	0.22
4,300,000	British American Tobacco 2.25% 16/01/2030 EMTN Reg S	3,842	0.22
5,650,000	Enel Finance International 3.50% 06/04/2028 144A	3,838	0.22

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,050,000	Direct Line Insurance Group 9.25% VRN 27/04/2042	3,835	0.22
5,400,000	QEP Resources 5.625% 01/03/2026	3,827	0.22
3,600,000	Cybg 8.00% VRN (Perpetual) Reg S	3,824	0.22
4,300,000	CEMEX 2.75% 05/12/2024 Reg S	3,784	0.22
6,050,000	Wind Tre 5.00% 20/01/2026 144A	3,783	0.22
5,000,000	Swire Pacific Financing 4.50% 09/10/2023 EMTN Reg S	3,764	0.21
5,200,000	Imperial Tobacco Finance 3.50% 11/02/2023 144A	3,735	0.21
6,350,000	Teva Pharmaceutical Finance Neth III BV 3.15% 01/10/2026	3,732	0.21
5,231,000	Verizon Communications 5.012% 21/08/2054	3,719	0.21
3,775,000	Discovery Communications 2.50% 20/09/2024	3,690	0.21
3,275,000	Santander UK Group Holdings 7.375% VRN (Perpetual) Reg S	3,687	0.21
4,800,000	AES Panama 6.00% 25/06/2022 Reg S	3,591	0.21
5,100,000	Pilgrims Pride 5.875% 30/09/2027 144A	3,582	0.20
4,850,000	Enel Finance International 4.75% 25/05/2047 144A	3,573	0.20
5,100,000	SFR Group 6.00% 15/05/2022 144A	3,572	0.20
4,000,000	IKB Deutsche Industriebank 4.00% VRN 31/01/2028 Reg S	3,571	0.20
3,800,000	Aurizon Network Pty 2.00% 18/09/2024 EMTN Reg S	3,513	0.20
3,500,000	AT&T 3.55% 14/09/2037	3,510	0.20
3,950,000	DS Smith 1.375% 26/07/2024 Reg S	3,485	0.20
4,850,000	BAT International Finance 3.25% 07/06/2022 144A	3,475	0.20
4,975,000	Huaneng Hong Kong Cap 3.60% VRN (Perpetual) Reg S	3,440	0.20
4,900,000	Bank Nova Scotia 4.65% VRN (Perpetual)	3,432	0.20
3,500,000	Westfield America Management 2.625% 30/03/2029 Reg S	3,425	0.20
3,300,000	RAC Bond 4.565% 06/05/2046 EMTN Reg S	3,413	0.19
4,300,000	Sabine Pass Liquefaction 5.875% 30/06/2026	3,389	0.19
4,830,000	UBS Group Funding Switz 5.00% VRN (Perpetual) Reg S	3,363	0.19
3,000,000	PGH Capital 5.75% 07/07/2021 Reg S	3,333	0.19
3,500,000	Grand City Properties 3.75% VRN (Perpetual)	3,290	0.19
4,600,000	AT&T 3.90% 14/08/2027	3,289	0.19
2,900,000	Aviva 6.625% VRN 03/06/2041 EMTN Reg S	3,266	0.19
4,775,000	RKI Overseas Finance 2017 (A) 7.00% (Perpetual) Reg S	3,259	0.19
4,000,000	Kleopatra Holdings 1 S C A 8.50% VRN 30/06/2023 Reg S	3,257	0.19
3,750,000	Intrum Justitia 2.75% 15/07/2022 Reg S	3,248	0.19
4,500,000	Inkia Energy 5.875% 09/11/2027 Reg S	3,198	0.18
3,050,000	Phoenix Group Holdings 4.125% 20/07/2022 EMTN Reg S	3,187	0.18
4,650,000	Brinks 4.625% 15/10/2027 144A	3,165	0.18
2,750,000	Southern Gas Networks 4.875% 05/10/2023 EMTN	3,141	0.18
4,525,000	BAT Capital 3.557% 15/08/2027 144A	3,117	0.18
2,700,000	RL Finance Bonds No 3 6.125% 13/11/2028 Reg S	3,116	0.18
4,400,000	SES 3.60% 04/04/2023 144A	3,109	0.18
3,150,000	Fidelity National Information Services 1.70% 30/06/2022	3,106	0.18
4,000,000	AES Andres / Dominican Power Partners 7.95% 11/05/2026 Reg S	3,095	0.18
4,850,000	CenturyLink 7.60% 15/09/2039	3,057	0.17
4,250,000	BAT Capital 4.39% 15/08/2037 144A	3,030	0.17
3,400,000	Elis 2.875% 15/02/2026 EMTN Reg S	3,018	0.17
2,850,000	Western Power Distribution 3.625% 06/11/2023 Reg S	3,013	0.17
4,250,000	Charter Communications Operating 5.375% 01/05/2047	3,009	0.17
2,744,000	Co-Operative Bank 4.75% 11/11/2021 Reg S	2,965	0.17
3,000,000	Akelius Residential 2.375% 15/08/2025 EMTN Reg S	2,876	0.16
3,350,000	Intrum Justitia 3.125% 15/07/2024 Reg S	2,869	0.16
4,100,000	Longfor Properties 4.50% 16/01/2028 Reg S	2,867	0.16
3,000,000	Royal KPN (Koninklijke Kpn) 8.375% 01/10/2030	2,841	0.16



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,200,000	Reseau Ferre de France 5.25% 07/12/2028 EMTN Reg S	2,839	0.16
5,000,000	Samarco Mineracao 5.75% 24/10/2023 Reg S	2,828	0.16
4,025,000	BAT Capital 4.54% 15/08/2047 144A	2,819	0.16
3,355,000	Blue Cube Spinco 9.75% 15/10/2023	2,806	0.16
2,720,000	Cognita Financing 7.75% 15/08/2021 Reg S	2,805	0.16
2,400,000	Anglian Water Services Finance 4.50% 05/10/2027 EMTN Reg S	2,795	0.16
4,000,000	Hologic 4.625% 01/02/2028 144A	2,794	0.16
2,000,000	European Investment Bank 6.00% 07/12/2028	2,790	0.16
3,110,000	Residomo Sro 3.375% 15/10/2024 Reg S	2,758	0.16
2,400,000	Daily Mail & General Trust 6.375% 21/06/2027	2,739	0.16
2,400,000	Admiral Group 5.50% 25/07/2024 Reg S	2,695	0.15
2,900,000	Telefonica Europe 3.75% VRN (Perpetual) Reg S	2,695	0.15
2,400,000	Enterprise Inns 6.875% 09/05/2025	2,648	0.15
2,000,000	Porterbrook Rail Finance 7.125% 20/10/2026 EMTN	2,636	0.15
3,800,000	Sino-Ocean Land Treasure Finance III 4.90% VRN (Perpetual) Reg S	2,623	0.15
2,300,000	BAT International Finance 4.00% 23/11/2055 EMTN Reg S	2,613	0.15
2,600,000	Veolia Environnement 4.85% VRN (Perpetual) Reg S	2,607	0.15
2,000,000	Lloyds Bank 7.625% 22/04/2025 EMTN Reg S	2,606	0.15
3,570,000	Cornerstone Chemical 6.75% 15/08/2024 144A	2,604	0.15
2,235,000	Old Mutual 8.00% 03/06/2021 EMTN Reg S	2,561	0.15
2,650,000	Eurofins Scientific SE 4.875% VRN (Perpetual) Reg S	2,557	0.15
2,550,000	NN Group 4.625% VRN 08/04/2044 Reg S	2,545	0.15
3,350,000	GEMS MEA Sukuk 12.00% VRN (Perpetual) Reg S	2,531	0.14
2,800,000	CNRC Capital 1.871% 07/12/2021 Reg S	2,506	0.14
2,150,000	Wales & West Utilities Finance 6.25% 30/11/2021	2,505	0.14
2,000,000	Associated British Ports Holding 6.25% 14/12/2026 EMTN Reg S	2,484	0.14
3,794,000	Csvc Acquisition 7.75% 15/06/2025 144A	2,480	0.14
3,450,000	Coca-Cola Icecek 4.215% 19/09/2024 Reg S	2,472	0.14
3,600,000	AT&T 4.80% 15/06/2044	2,472	0.14
2,250,000	Western Power Distribution West Midlands 3.875% 17/10/2024 EMTN Reg S	2,459	0.14
1,835,000	Southern Water Services Finance 6.192% 31/03/2029 Reg S	2,457	0.14
2,575,000	LafargeHolcim Sterling Finance 3.00% 12/05/2032 EMTN Reg S	2,449	0.14
2,000,000	Scottish Power UK 6.75% 29/05/2023 EMTN	2,445	0.14
2,400,000	EDF 5.875% VRN (Perpetual) Reg S	2,442	0.14
3,000,000	Barclays Bank 7.625% 21/11/2022	2,406	0.14
2,600,000	Areva 3.25% 04/09/2020 EMTN Reg S	2,403	0.14
3,075,000	AES Argentina Generacion 7.75% 02/02/2024 Reg S	2,356	0.13
2,350,000	Credit Agricole 6.50% VRN (Perpetual)	2,354	0.13
3,085,000	APX Group 7.625% 01/09/2023	2,351	0.13
2,500,000	Unity Media Hessen 3.50% 15/01/2027 Reg S	2,319	0.13
2,500,000	Codere Finance 2 Luxembourg 6.75% 01/11/2021 Reg S	2,297	0.13
2,000,000	London Power Networks 5.125% 31/03/2023 EMTN	2,296	0.13
3,350,000	CIFI Holdings (Group) 5.375% VRN (Perpetual) Reg S	2,296	0.13
1,925,000	Northern Gas Networks 4.875% 30/06/2027 Reg S	2,293	0.13
3,000,000	Time Warner Cable 5.875% 15/11/2040	2,280	0.13
2,600,000	Abertis Infrastructure 1.375% 20/05/2026 Reg S	2,259	0.13
1,600,000	Northern Gas Networks 5.625% 23/03/2040 EMTN	2,258	0.13
2,000,000	National Grid Electric Transm 4.00% 08/06/2027 EMTN Reg S	2,254	0.13
3,150,000	Overseas Chn Twn Asia Hlg 4.30% VRN (Perpetual) Reg S	2,239	0.13
2,500,000	Heathrow Funding 2.75% 09/08/2049 Reg S	2,229	0.13
1,500,000	HBOS Sterling Finance Jersey 7.881% VRN (Perpetual)	2,191	0.13
2,375,000	Cirsa Funding Luxembourg 5.875% 15/05/2023 Reg S	2,167	0.12

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,250,000	DS Smith 2.875% 26/07/2029 EMTN Reg S	2,166	0.12
3,000,000	Verizon Communications 4.40% 01/11/2034	2,126	0.12
1,850,000	Porterbrook Rail Finance 4.625% 04/04/2029 EMTN Reg S	2,114	0.12
2,000,000	Arqiva Financing 4.04% 30/06/2035 EMTN Reg S	2,085	0.12
3,000,000	Andeavor 3.80% 01/04/2028	2,064	0.12
2,300,000	Annington Funding 1.65% 12/07/2024 EMTN Reg S	2,039	0.12
2,050,000	Student Finance 2.6663% 30/09/2029 GMTN Reg S	2,026	0.12
2,000,000	Southern Gas Networks 2.50% 03/02/2025 EMTN Reg S	2,016	0.12
2,800,000	AMC Entertainment Holdings 6.125% 15/05/2027	1,952	0.11
2,500,000	21st Century Fox America 4.75% 15/09/2044	1,940	0.11
2,300,000	Altria Group 5.375% 31/01/2044	1,890	0.11
1,750,000	Severn Trent Water Utilities Finance 3.625% 16/01/2026 EMTN	1,881	0.11
2,125,000	Roadster Finance Designated Activity 1.625% 09/12/2029 EMTN Reg S	1,851	0.11
1,300,000	EDF Energy Networks 6.375% VRN 12/11/2031 EMTN Reg S	1,801	0.10
2,500,000	Crown Americas / Crown Americas Cap VI 4.75% 01/02/2026 144A	1,781	0.10
2,050,000	Roadster Finance Designated Activity 2.375% 08/12/2032 EMTN	1,767	0.10
2,400,000	Diamondback Energy 5.375% 31/05/2025	1,744	0.10
1,400,000	Eversholt Funding 6.359% 02/12/2025 EMTN	1,742	0.10
1,250,000	Reseau Ferre de France 5.25% 31/01/2035 EMTN	1,728	0.10
1,550,000	Eversholt Funding 5.831% 02/12/2020 EMTN	1,722	0.10
2,400,000	Parsley Energy / Parsley Finance 5.625% 15/10/2027 144A	1,718	0.10
1,920,000	Crown European Holdings 2.25% 01/02/2023 Reg S	1,714	0.10
2,200,000	Ihs Netherlands Holdco 9.50% 27/10/2021 144A	1,694	0.10
1,500,000	Eastern Power Networks 4.75% 30/09/2021 EMTN Reg S	1,659	0.09
1,450,000	Wales & West Utilities Finance 4.625% 13/12/2023 EMTN	1,653	0.09
1,500,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	1,652	0.09
1,500,000	SPI Assets 5.125% 11/02/2021 EMTN Reg S	1,637	0.09
1,550,000	Wales & West Utilities Finance 6.75% VRN 17/12/2036	1,612	0.09
1,420,000	Time Warner Cable 5.25% 15/07/2042	1,589	0.09
1,300,000	Wales & West Utilities Finance 5.00% 07/03/2028 EMTN	1,578	0.09
2,275,000	Discovery Communications 3.95% 20/03/2028	1,564	0.09
2,050,000	RBS Group 7.50% VRN (Perpetual)	1,554	0.09
1,950,000	Credit Suisse 6.50% 08/08/2023 Reg S	1,553	0.09
1,507,000	Town Centre Securities 5.375% 20/11/2031	1,542	0.09
1,200,000	Imperial Tobacco Finance 9.00% 17/02/2022 EMTN Reg S	1,517	0.09
1,150,000	RWE Finance 6.25% 03/06/2030 EMTN	1,516	0.09
2,125,000	Tyson Foods 2.25% 23/08/2021	1,492	0.09
1,000,000	Peel Holdings 8.375% STEP 30/04/2040	1,447	0.08
1,100,000	Heathrow Funding 6.75% 03/12/2026 EMTN Reg S	1,442	0.08
2,000,000	Swire Properties Finance 2.75% 07/03/2020 EMTN Reg S	1,434	0.08
1,475,000	Anheuser-Busch InBev 2.85% 25/05/2037 EMTN Reg S	1,413	0.08
1,000,000	Aviva 6.875% VRN 20/05/2058 EMTN	1,325	0.08
1,450,000	Intesa Sanpaolo 8.047% VRN (Perpetual)	1,306	0.07
1,450,000	Verizon Communications 1.875% 26/10/2029	1,262	0.07
1,000,000	Western Power Distribution West Midlands 6.00% VRN 09/05/2025 EMTN Reg S	1,236	0.07
1,600,000	Entergy ARK 4.95% 15/12/2044	1,179	0.07
1,400,000	BHP Billiton Finance USA 6.75% VRN 19/10/2075	1,160	0.07
1,300,000	Verizon Communications 2.875% 15/01/2038	1,152	0.07
1,600,000	Entergy Louisiana 4.95% 15/01/2045	1,148	0.07
1,700,000	General Electric 4.125% 09/10/2042	1,144	0.07
1,400,000	RBS Group 8.00% VRN (Perpetual)	1,130	0.06
1,000,000	Tesco 5.20% 05/03/2057 EMTN	1,126	0.06

## Portfolio Statement

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Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,200,000	Smurfit Kappa Acquisitions 2.75% 01/02/2025 Reg S	1,100	0.06
1,000,000	EDF 6.00% VRN (Perpetual) EMTN Reg S	1,041	0.06
1,200,000	Reynolds American 6.15% 15/09/2043	1,035	0.06
1,000,000	RBS 9.50% VRN (Perpetual)	1,035	0.06
1,450,000	MCC Holding Hong Kong 2.95% 31/05/2020 Reg S	1,032	0.06
1,600,000	CenturyLink 7.65% 15/03/2042	1,010	0.06
1,000,000	Credit Agricole 5.00% VRN (Perpetual)	1,006	0.06
700,000	Western Power Distribution (South Wales) Plc 5.75% 23/03 /2040	976	0.06
850,000	National Westminster Bank 6.50% 07/09/2021	971	0.06
1,400,000	New Metro Global 5.00% 08/08/2022 Reg S	967	0.06
1,318,000	Kraft Foods Group 3.50% 06/06/2022	950	0.05
850,000	Standard Life Macs 6.546% VRN (Perpetual)	913	0.05
1,000,000	Areva 3.125% 20/03/2023 Reg S	904	0.05
1,275,000	Olin 5.00% 01/02/2030	891	0.05
600,000	Western Power Dis(South West)Plc 5.75% 23/03/2040	836	0.05
1,100,000	Andeavor Logistics / Tesoro Logistics Finance 5.20% 01/12/2047	773	0.04
977,000	Kraft Heinz Foods 4.875% 15/02/2025 144A	735	0.04
950,000	Andeavor Logistics / Tesoro Logistics Finance 4.25% 01/12/2027	670	0.04
500,000	Woolwich Building Society 9.50% 07/08/2021	610	0.03
400,000	Orange 5.375% 22/11/2050 EMTN	552	0.03
400,000	HSBC Holdings 5.75% 20/12/2027 EMTN	484	0.03
400,000	Hannover Finance 5.00% VRN 30/06/2043	419	0.02
570,000	Diamondback Energy 5.375% 31/05/2025 144A	415	0.02
250,000	Yorkshire Water Services 6.375% 19/08/2039	380	0.02
420,000	AT&T 3.15% 04/09/2036	377	0.02
250,000	Annes Gate Property 5.661% 30/06/2031	314	0.02
400,000	Telecom Italia Capital 6.00% 30/09/2034	303	0.02
200,000	Imperial Tobacco Finance 8.125% 15/03/2024 EMTN	261	0.01
225,000	Prudential 5.00% VRN 20/07/2055 EMTN Reg S	242	0.01
225,000	HSBC Bank 5.00% VRN 20/03/2023 EMTN	225	0.01
180,000	British Land 5.264% 24/09/2035	224	0.01
142,000	Yorkshire Water Services Odsal Finance 6.454% 28/05/2027	188	0.01
100,000	Southern Water Services Finance 5.00% 31/03/2021 EMTN	110	0.01
100,000	Telefonica Emisiones SAU 5.597% 12/03/2020 EMTN Reg S	108	0.01
100,000	South East Water 5.6577% 30/09/2019	106	0.01
750,000	BIBBY Offshore Services 7.50% 15/06/2021 Reg S	101	0.01
50,000	Electricity North West 8.875% 25/03/2026	73	0.00
50,000	Dwr Cymru (Financing) 6.015% 31/03/2028	66	0.00
50,000	Yorkshire Electricity Group 9.25% 17/01/2020	57	0.00
1,650,000	Cattles 7.125% 05/07/2017 (Defaulted)	7	0.00
310,000	Cattles 6.875% VRN 17/01/2014 EMTN (Defaulted)	0	0.00
1,200,387	Hellas Telecommun Finance 8.011% VRN 15/07/2015 Reg S (Defaulted)	0	0.00
		<b>1,061,553</b>	<b>60.62</b>
	<b>Government Bonds - (17.73%)</b>		
120,000,000	Caisse National Autoroutes 3.75% 01/06/2019	69,612	3.98
37,700,000	New Zealand 2.75% 15/04/2037 Reg S	17,684	1.01
30,000,000	New Zealand 4.50% 15/04/2027	17,542	1.00
25,450,000	US Treasury Bond 2.50% 15/02/2045	16,219	0.93
440,000,000	Mexican Bonos 5.75% 05/03/2026	14,995	0.86
22,875,000	New Zealand I/L 2.50% 20/09/2035	13,195	0.75
15,650,000	US Treasury Note 1.625% 15/02/2026	10,304	0.59
214,950,000	Argpom 28.75% VRN 21/06/2020	8,366	0.48

## Portfolio Statement

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Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
10,750,000	US Treasury Bond 3.00% 15/11/2045	7,553	0.43
30,000,000	Mexican Udibonos I/L 4.50% 04/12/2025	7,330	0.42
6,800,000	Germany I/L 0.10% 15/04/2046 Reg S	7,103	0.41
30,000,000	Mexican Udibonos I/L 4.00% 15/11/2040	7,015	0.40
10,100,000	US Treasury Note 2.125% 15/05/2025	6,953	0.40
9,200,000	US Treasury Bond 2.50% 15/02/2046	5,844	0.33
7,850,000	US Treasury Note 2.375% 15/05/2027	5,427	0.31
7,400,000	Argentina 5.875% 11/01/2028	5,029	0.29
7,100,000	US Treasury Note 1.875% 28/02/2022	4,989	0.28
4,200,000	Germany 2.50% 04/07/2044	4,727	0.27
6,050,000	US Treasury Note 2.25% 15/02/2027	4,145	0.24
5,350,000	US Treasury Note 2.25% 15/11/2025	3,701	0.21
4,900,000	US Treasury Note 2.00% 30/04/2024	3,382	0.19
4,550,000	Bahrain 6.75% 20/09/2029 Reg S	3,127	0.18
3,600,000	US Treasury Note 1.375% 30/09/2020	2,535	0.14
3,500,000	US Treasury Note 1.75% 30/09/2022	2,431	0.14
2,550,000	France 2.00% 25/05/2048 144A Regs	2,385	0.14
2,400,000	Kenya 7.25% 28/02/2028 Reg S	1,757	0.10
2,000,000	US Treasury Bond 3.00% 15/05/2045	1,407	0.08
2,050,000	US Treasury Bond 2.875% 15/08/2045	1,407	0.08
2,050,000	US Treasury Note 2.00% 15/08/2025	1,396	0.08
1,900,000	US Treasury Note 1.875% 31/10/2022	1,326	0.08
		<b>258,886</b>	<b>14.78</b>
	<b>Gilt Edged Securities - (5.34%)</b>		
127,300,000	UK Gilt 5.00% 07/03/2018	127,384	7.27
47,250,000	UK Gilt 1.25% 22/07/2018	47,417	2.71
11,900,000	UK Gilt 1.50% 22/07/2026 Reg S	11,970	0.68
8,900,000	UK Gilt 2.25% 07/09/2023	9,418	0.54
5,500,000	UK Gilt 4.25% 07/12/2049	8,612	0.49
5,300,000	UK Gilt 6.00% 07/12/2028	7,616	0.43
3,200,000	UK Gilt 4.25% 07/09/2039	4,514	0.26
4,300,000	UK Gilt 2.00% 07/09/2025 Reg S	4,507	0.26
3,200,000	UK Gilt 4.75% 07/12/2030	4,310	0.25
2,550,000	UK Gilt 4.25% 07/03/2036	3,476	0.20
2,300,000	UK Gilt 4.25% 07/12/2046	3,472	0.20
1,900,000	UK Gilt 3.50% 22/07/2068	3,063	0.17
100,000	UK Gilt 4.75% 07/03/2020	108	0.01
		<b>235,867</b>	<b>13.47</b>
	<b>Mortgage Related Bonds - (6.53%)</b>		
9,153,129	Tesco Property Finance 2 6.0517% 13/10/2039	10,649	0.61
6,294,902	Channel Link Enterprises Finance 5.892% 30/06/2041	7,359	0.42
5,328,603	Aspire Defence Finance 4.674% 31/03/2040	6,436	0.37
5,450,000	Arqiva Financing 4.882% 31/12/2032 EMTN Reg S	6,028	0.34
6,600,000	Mercury Bondco 7.125% VRN 30/05/2021 Reg S	6,026	0.34
4,873,846	Unique Pub Finance 5.659% 30/06/2027	5,428	0.31
5,750,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	5,376	0.31
4,914,893	Greene King Finance 4.0643% 15/03/2035 Reg S	5,267	0.30
5,120,997	Together Asset Backed Securitisation 1 1.5198% VRN 12/03/2049 Reg S	5,147	0.29
7,200,000	Abu Dhabi Crude Oil Pipeline 4.60% 02/11/2047 Reg S	5,079	0.29
5,775,000	Stoneway Capital 10% 01/03/2027 Reg S	4,556	0.26
6,060,938	Sprint Spectrum 3.36% 20/03/2023 144A	4,374	0.25
4,650,000	Channel Link Enterprises Finance 2.706% VRN 30/06/2050 Reg S	4,229	0.24

## Portfolio Statement

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Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,318,755	Great Rolling Stock 6.875% 27/07/2035 EMTN	4,224	0.24
2,900,000	Anglian Water Services Finance 6.875% 21/08/2023	3,635	0.21
3,397,560	Unique Pub Finance 6.542% 30/03/2021	3,594	0.21
2,853,000	Verisure Holding 6.00% 01/11/2022 Reg S	2,659	0.15
2,700,000	Channel Link Enterprises Finance 3.043% VRN 30/06/2050 Reg S	2,642	0.15
2,166,797	Capital & Counties Debenture 5.562% 31/12/2027	2,500	0.14
2,168,128	Tesco Property Finance 5 5.6611% 13/10/2041 Reg S	2,458	0.14
1,980,509	Aspire Defence Finance 4.674% 31/03/2040	2,395	0.14
1,861,974	Telereal Securitisation 5.3887% 10/12/2033	2,198	0.13
1,809,092	Meadowhall Finance 4.986% 12/07/2037 Reg S	2,185	0.12
1,648,163	Bishopsgate Asset Finance 4.808% 14/08/2044	1,776	0.10
1,500,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	1,502	0.09
1,288,238	Premiertel 6.175% 08/05/2032	1,452	0.08
1,266,470	Tesco Property Finance 3 5.744% 13/04/2040 Reg S	1,445	0.08
875,000	Community Finance 1 5.017% 31/07/2034 EMTN	1,138	0.06
1,050,000	Cabot Financial Luxembourg II FRN 15/11/2021 Reg S	933	0.05
673,309	Tesco Property Finance 1 7.6227% 13/07/2039	891	0.05
719,940	Nats En Route 5.25% 31/03/2026	821	0.05
250,000	Dali Capital 4.7992% 21/12/2037	310	0.02
247,095	Juturna European Ln Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	295	0.02
228,858	Delamare Finance 5.5457% 19/02/2029	254	0.01
249,999	Broadgate Financing FRN 05/01/2022	249	0.01
1,020,097	Blue Ocean Resources 4.00% STEP 31/12/2020 Reg S	177	0.01
130,317	Trafford Centre Finance 6.50% 28/07/2033	173	0.01
79,207	RMPA Services 5.337% 30/09/2038	98	0.01
51,597	BL Superstores Finance 5.27% 04/10/2030	57	0.00
46,117	Mitchells & Butler Finance 5.574% 15/12/2030 Reg S	53	0.00
41,031	Telereal Securitisation 5.5534% 10/12/2033	49	0.00
10,642	Marstons Issuer 1.9543% VRN 15/07/2020	11	0.00
		<b>116,128</b>	<b>6.63</b>
	<b>Financials - (2.52%)</b>		
483	Fidelity Institutional Sterling Fund Class A-Acc	10,004	0.57
		<b>10,004</b>	<b>0.57</b>
	<b>Treasury Bill - (0.00%)</b>		
2,876,000,000	Nigeria T Bill 0.00% 19/04/2018	5,650	0.32
1,724,000,000	Nigeria T Bill 0.00% 05/04/2018	3,405	0.19
		<b>9,055</b>	<b>0.52</b>
	<b>Futures - ((0.21)%)</b>		
(82,900,000)	EURO-BUND Commodity Future 08/03/2018	2,638	0.15
(32,100,000)	Euro-BOBL Commodity Future 08/03/2018	143	0.01
(5,500,000)	US 5 Year Treasury Note (CBT) Commodity Future 29/06/2018	10	0.00
(4,000,000)	US 2 Year Treasury Note (CBT) Commodity Future 29/06/2018	2	0.00
(1,200,000)	EURO BUXL 30 Year Commodity Future 08/03/2018	0	0.00
6,700,000	Euro-Schatz Commodity Future 08/03/2018	0	0.00
1,200,000	Canadian 10 Year Commodity Bond Future 20/06/2018	(1)	0.00
4,100,000	US 20 Year Long Bond (CBT) Commodity Future 20/06/2018	(8)	0.00
(23,700,000)	US Ultra Bond Commodity Future 20/06/2018	(44)	0.00
(179,500,000)	Long Gilt Commodity Future 27/06/2018	(125)	(0.01)
113,900,000	US 10 Year Treasury Note (CBT) Commodity Future 20/06/2018	(266)	(0.02)
225,000,000	Uxym8 20/06/2018	(627)	(0.04)
		<b>1,722</b>	<b>0.10</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Swaptions - (0.51%)</b>		
333,300,000	Call on 3 Month USD Libor Rate 20/04/2018	1,142	0.07
88,500,000	Call on 6 Month GBP Libor Rate 18/04/2018	247	0.01
75,500,000	Call on 6 Month GBP Libor Rate 13/03/2018	1	0.00
(75,500,000)	Put on 6 Month GBP Libor Rate 13/03/2018	(1)	0.00
(88,500,000)	Put on 6 Month GBP Libor Rate 18/04/2018	(1)	0.00
		<b>1,388</b>	<b>0.08</b>
	<b>Interest Rate Swaps - ((0.26)%)</b>		
28,790,000	Pay fixed 1.1642% receive float 6 Month GBP LIBOR 18/08/2027	1,099	0.06
20,600,000	Pay fixed 1.274% receive float 6 Month GBP LIBOR 27/07/2027	575	0.03
16,500,000	Pay fixed 1.5975% receive float 6 Month GBP LIBOR 19/01/2047	367	0.02
14,640,000	Pay fixed 2.253% receive float 3 Month CDOR 27/07/2027	245	0.01
7,500,000	Pay fixed 2.4592% receive float 3 Month USD LIBOR 08/01/2028	208	0.01
3,550,000	Pay fixed 1.4947% receive float 6 Month GBP LIBOR 15/05/2037	142	0.01
12,970,000	Pay fixed 2.737% receive float 6 Month AUD Bank Bill 15/12/2027	133	0.01
6,600,000	Pay fixed 2.2225% receive float 3 Month CDOR 23/11/2027	128	0.01
4,810,000	Pay fixed 2.1395% receive float 3 Month CDOR 18/08/2027	108	0.01
11,800,000	Receive fixed 1.1863% pay float 6 Month EURIBOR 19/02/2028	94	0.01
7,670,000	Pay fixed 2.379% receive float 3 Month Cdor 21/09/2027	85	0.00
6,930,000	Pay fixed 2.37% receive float 3 Month CDOR 14/09/2027	79	0.00
3,590,000	Pay fixed 2.1525% receive float 3 Month CDOR 31/08/2027	79	0.00
14,200,000	Pay fixed 2.8453% receive float 6 Month AUD Bank Bill 22/12/2027	72	0.00
3,110,000	Pay fixed 2.6032% receive float 3 Month USD LIBOR 22/01/2028	58	0.00
7,100,000	Pay fixed 2.7832% receive float 3 Month USD LIBOR 05/02/2028	53	0.00
57,500,000	Receive fixed 1.3698% pay float 3 Month STIBOR 26/02/2028	25	0.00
4,400,000	Receive fixed 3.305% pay float New Zealand Bank Bill 3mth Index 12/02/2028	16	0.00
13,600,000	Receive fixed 3.23% pay float 3mo NZD BB 30/10/2027	13	0.00
8,300,000	Receive fixed 3.2425% pay float 05/02/2028	6	0.00
725,100,000	Pay fixed 0.2425% receive float 6 Month JPY LIBOR 22/08/2027	5	0.00
35,400,000	Pay fixed 1.2577% receive float 3 Month STIBOR 09/10/2027	5	0.00
490,000,000	Pay fixed 0.2475% receive float 6 Month JPY LIBOR 25/09/2027	3	0.00
27,800,000	Pay fixed 1.2617% receive float 3 Month STIBOR 16/10/2027	3	0.00
1,070,000	Receive fixed 1.1173% pay float 6 Month EURIBOR 12/02/2028	2	0.00
4,800,000	Receive fixed 3.23% pay float 3mo NZD BB 23/01/2028	1	0.00
7,000,000	Pay fixed 1.2452% receive float 3 Month STIBOR 25/09/2027	1	0.00
9,500,000	Receive fixed 1.0903% pay float 6 Month EURIBOR 05/02/2028	0	0.00
552,800,000	Pay fixed 0.27% receive float 6 Month JPY LIBOR 31/07/2027	(6)	0.00
5,100,000	Receive fixed 3.14% pay float 3mo NZD BB 08/01/2028	(20)	0.00
6,800,000	Pay fixed 2.9577% receive float 3 Month USD LIBOR 26/02/2028	(23)	0.00
6,500,000	Receive fixed 3.1025% pay float 3mo NZD BB 18/12/2027	(35)	0.00
4,450,000	Receive fixed 0.9233% pay float 6 Month EURIBOR 02/10/2027	(49)	0.00
1,012,800,000	Pay fixed 0.3814% receive float 6 Month JPY LIBOR 05/02/2028	(74)	0.00
5,900,000	Pay fixed 1.7462% receive float 6 Month GBP LIBOR 15/02/2028	(76)	0.00
12,100,000	Receive fixed 3.07% pay float 3mo NZD BB 04/12/2027	(82)	0.00
1,723,200,000	Pay fixed 0.3642% receive float 6 Month JPY LIBOR 19/02/2028	(106)	(0.01)
5,660,000	Receive fixed 0.1818% pay float 6mo CHF Libor 04/09/2027	(113)	(0.01)
10,900,000	Receive fixed 0.9188% pay float 6 Month EURIBOR 30/10/2027	(131)	(0.01)
2,263,300,000	Pay fixed 0.3787% receive float 6 Month JPY LIBOR 13/02/2028	(162)	(0.01)
50,500,000	Pay fixed 1.75% receive float 6 Month GBP LIBOR 26/01/2037	(171)	(0.01)
16,910,000	Receive fixed 0.2985% pay float 6mo CHF Libor 31/07/2027	(183)	(0.01)
15,000,000	Receive fixed 0.8993% pay float 6 Month EURIBOR 25/09/2027	(193)	(0.01)
23,070,000	Receive fixed 0.921% pay float 6 Month EURIBOR 31/07/2027	(221)	(0.01)

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
18,250,000	Receive fixed 0.8363% pay float 6 Month EURIBOR 18/09/2027	(326)	(0.02)
36,400,000	Receive fixed 0.8253% pay float 6 Month EURIBOR 22/08/2027	(655)	(0.04)
		<b>979</b>	<b>0.06</b>
	<b>Energy - (0.00%)</b>		
44,741	Fara Holdco	224	0.01
		<b>224</b>	<b>0.01</b>
	<b>Industrials - (0.00%)</b>		
182	Delta Airlines	7	0.00
		<b>7</b>	<b>0.00</b>
	<b>Credit Default Swaps - ((0.04)%)</b>		
10,000,000	Sold Protection on EDF 5.625% 20/06/2019	97	0.01
20,300,000	Bought Protection on Mexico United Mexican States 4.15% 20/12/2022	32	0.00
20,400,000	Bought Protection on Mexico United Mexican States 4.15% 20/12/2022	32	0.00
4,000,000	Sold Protection on SABMiller 6.625% 20/06/2018	10	0.00
4,000,000	Sold Protection on SABMiller 6.625% 20/03/2018	2	0.00
2,000,000	Sold Protection on SABMiller 6.625% 20/03/2018	1	0.00
10,000,000	Bought Protection on Russia 7.50% 20/06/2019	(60)	0.00
14,000,000	Bought Protection on Russia 7.50% 20/06/2019	(84)	0.00
10,000,000	Bought Protection on ENI 5.00% 20/06/2019	(98)	(0.01)
20,000,000	Bought Protection on Japan 2.00% 20/12/2019	(242)	(0.01)
		<b>(310)</b>	<b>(0.02)</b>
	<b>Forward Foreign Exchange Contracts - ((0.65)%)</b>		
(123,837,000)	Bought GBP sold CAD @ 1.747940 for settlement 16/05/2018	950	0.05
(147,000,000)	Bought GBP sold EUR @ 1.124587 for settlement 16/05/2018	686	0.04
(148,410,000)	Bought GBP sold EUR @ 1.126728 for settlement 16/05/2018	442	0.03
(121,837,000)	Bought GBP sold NZD @ 1.915850 for settlement 16/05/2018	341	0.02
24,690,000	Bought USD sold GBP @ 1.405838 for settlement 16/05/2018	210	0.01
354,167,000	Bought ZAR sold GBP @ 16.628500 for settlement 16/05/2018	127	0.01
34,848,000	Bought USD sold GBP @ 1.396118 for settlement 16/05/2018	123	0.01
24,757,300,000	Bought COP sold USD @ 4058.670899 for settlement 16/05/2018	111	0.01
11,874,000	Bought USD sold GBP @ 1.402397 for settlement 16/05/2018	80	0.00
(1,853,634,000)	Bought GBP sold HUF @ 350.450100 for settlement 16/05/2018	74	0.00
9,722,942	Bought USD sold IDR @ 19161.032053 for settlement 16/05/2018	53	0.00
5,056,000	Bought USD sold GBP @ 1.409360 for settlement 16/05/2018	52	0.00
4,261,000	Bought USD sold GBP @ 1.411598 for settlement 16/05/2018	49	0.00
(33,672,000)	Bought GBP sold USD @ 1.386452 for settlement 16/05/2018	49	0.00
5,019,000	Bought USD sold GBP @ 1.406855 for settlement 16/05/2018	45	0.00
7,386,000	Bought USD sold GBP @ 1.400780 for settlement 16/05/2018	44	0.00
10,429,000	Bought USD sold GBP @ 1.396340 for settlement 16/05/2018	38	0.00
(16,500,000)	Bought GBP sold PLN @ 4.695340 for settlement 16/05/2018	37	0.00
(804,882,000)	Bought GBP sold MXN @ 26.423900 for settlement 16/05/2018	37	0.00
12,370,000	Bought EUR sold GBP @ 1.134057 for settlement 16/05/2018	34	0.00
23,219,000	Bought TRY sold GBP @ 5.440716 for settlement 16/05/2018	30	0.00
6,136,000	Bought USD sold GBP @ 1.396299 for settlement 16/05/2018	22	0.00
4,894,822	Bought USD sold IDR @ 19259.227898 for settlement 16/05/2018	19	0.00
2,500,000	Bought USD sold GBP @ 1.399068 for settlement 16/05/2018	13	0.00
(3,559,000)	Bought GBP sold EUR @ 1.125837 for settlement 16/05/2018	13	0.00
18,600,000	Bought TRY sold GBP @ 5.416242 for settlement 16/05/2018	9	0.00
(28,636,000)	Bought GBP sold ZAR @ 16.452844 for settlement 16/05/2018	8	0.00
4,565,000	Bought USD sold GBP @ 1.391553 for settlement 16/05/2018	5	0.00
(91,470,000)	Bought GBP sold MXN @ 26.424840 for settlement 16/05/2018	4	0.00



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,000,000	Bought ZAR sold GBP @ 16.914047 for settlement 16/05/2018	4	0.00
(2,080,000)	Bought GBP sold EUR @ 1.129764 for settlement 16/05/2018	1	0.00
(91,628,000)	Bought GBP sold MXN @ 26.459500 for settlement 16/05/2018	0	0.00
7,967,000	Bought BRL sold USD @ 4.581599 for settlement 16/05/2018	(2)	0.00
(2,400,000)	Bought GBP sold USD @ 1.394155 for settlement 16/05/2018	(6)	0.00
5,711,450	Bought USD sold KRW @ 1511.390947 for settlement 16/05/2018	(9)	0.00
(7,885,000)	Bought GBP sold USD @ 1.391815 for settlement 16/05/2018	(10)	0.00
2,103,000	Bought EUR sold GBP @ 1.124504 for settlement 16/05/2018	(10)	0.00
2,342,000	Bought EUR sold GBP @ 1.124673 for settlement 16/05/2018	(11)	0.00
7,923,000	Bought BRL sold USD @ 4.551052 for settlement 16/05/2018	(12)	0.00
2,515,000	Bought EUR sold GBP @ 1.123457 for settlement 16/05/2018	(14)	0.00
5,461,000	Bought EUR sold GBP @ 1.127142 for settlement 16/05/2018	(14)	0.00
3,633,987	Bought USD sold COP @ 4044.726801 for settlement 16/05/2018	(14)	0.00
5,175,000	Bought NZD sold GBP @ 1.914009 for settlement 16/05/2018	(17)	0.00
620,702,000	Bought HUF sold GBP @ 351.525000 for settlement 16/05/2018	(19)	0.00
(49,220,000)	Bought GBP sold HKD @ 10.896800 for settlement 16/05/2018	(19)	0.00
4,911,627	Bought USD sold BRL @ 4.585253 for settlement 16/05/2018	(20)	0.00
274,583,000	Bought RUB sold USD @ 78.962823 for settlement 16/05/2018	(26)	0.00
(12,400,000)	Bought GBP sold USD @ 1.393736 for settlement 16/05/2018	(29)	0.00
16,555,000	Bought PLN sold GBP @ 4.703293 for settlement 16/05/2018	(31)	0.00
(17,608,000)	Bought GBP sold USD @ 1.393330 for settlement 16/05/2018	(37)	0.00
4,813,000	Bought EUR sold GBP @ 1.120384 for settlement 16/05/2018	(39)	0.00
(5,652,000)	Bought GBP sold EUR @ 1.139884 for settlement 16/05/2018	(41)	0.00
11,682,409	Bought USD sold KRW @ 1514.294897 for settlement 16/05/2018	(41)	0.00
254,637,000	Bought MXN sold GBP @ 26.325156 for settlement 16/05/2018	(48)	0.00
10,571,712,000	Bought KRW sold USD @ 1503.980099 for settlement 16/05/2018	(57)	0.00
22,746,000	Bought NZD sold GBP @ 1.912150 for settlement 16/05/2018	(87)	0.00
4,835,333	Bought USD sold RUB @ 81.640231 for settlement 16/05/2018	(103)	(0.01)
(12,555,000)	Bought GBP sold USD @ 1.410725 for settlement 16/05/2018	(138)	(0.01)
(132,000,000)	Bought GBP sold USD @ 1.394750 for settlement 16/05/2018	(374)	(0.02)
(344,039,000)	Bought GBP sold ZAR @ 16.925325 for settlement 16/05/2018	(486)	(0.03)
(131,000,000)	Bought GBP sold USD @ 1.396902 for settlement 16/05/2018	(516)	(0.03)
(150,000,000)	Bought GBP sold USD @ 1.395953 for settlement 16/05/2018	(518)	(0.03)
(130,000,000)	Bought GBP sold USD @ 1.397270 for settlement 16/05/2018	(536)	(0.03)
(87,575,000)	Bought GBP sold ILS @ 4.970893 for settlement 16/05/2018	(551)	(0.03)
(152,737,000)	Bought GBP sold USD @ 1.396940 for settlement 16/05/2018	(604)	(0.03)
(4,248,577,000)	Bought GBP sold JPY @ 151.880300 for settlement 16/05/2018	(729)	(0.04)
		<b>(1,458)</b>	<b>(0.08)</b>
	<b>Index Credit Default Swaps - ((0.29)%)</b>		
105,950,000	Bought Protection on CDX EM CDSI S28 5yr 20/12/2022	740	0.04
16,300,000	Sold Protection on CDX NA IG Series 28 5yr 20/06/2022	229	0.01
3,350,000	Sold Protection on CDX NA HY Series 28 5yr 20/06/2022	184	0.01
1,900,000	Sold Protection on CDX NA HY Series 28 5yr V2 20/06/2022	104	0.01
62,400,000	Sold Protection on CDX IG CDSI S29 10y 20/12/2027	87	0.00
53,500,000	Sold Protection on CDX IG CDSI S29 10y 20/12/2027	74	0.00
43,800,000	Bought Protection on CDX NA IG Series 29 5yr 20/12/2022	(634)	(0.04)
14,600,000	Bought Protection on CDX NA HY Series 29 5yr 20/12/2022	(738)	(0.04)
65,600,000	Bought Protection on CDX NA IG Series 29 5yr 20/12/2022	(949)	(0.05)
94,000,000	Bought Protection on CDX NA IG Series 29 5yr 20/12/2022	(1,360)	(0.08)
109,350,000	Bought Protection on CDX NA IG Series 29 5yr 20/12/2022	(1,582)	(0.09)
		<b>(3,845)</b>	<b>(0.22)</b>



## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Index Credit Default Swap - ((0.92)%)</b>		
94,650,000	Sold Protection on ITRAXX Europe S28 20/12/2027	405	0.02
30,000,000	Bought Protection on ITRAXX EUR Snr Finance 20/12/2018	(192)	(0.01)
165,300,000	Bought Protection on ITRAXX Europe S28 20/12/2022	(3,280)	(0.19)
174,100,000	Bought Protection on ITRAXX XOver S28 20/12/2022	(15,746)	(0.90)
		<b>(18,813)</b>	<b>(1.07)</b>
	<b>Portfolio of investments</b>	<b>1,671,387</b>	<b>95.45</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>79,819</b>	<b>4.55</b>
	<b>Net assets</b>	<b>1,751,206</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Industrials - (22.71%)</b>		
977,859	Bunzl	19,181	3.66
348,855	Ferguson	17,959	3.43
3,082,011	Meggitt	13,906	2.66
188,526	DCC	12,584	2.40
2,542,628	Essentra	11,416	2.18
424,407	CRH (GB)	10,249	1.96
2,151,380	Howden Joinery Group	9,468	1.81
330,312	Spectris	9,051	1.73
613,559	Travis Perkins	8,163	1.56
2,765,808	Rotork	8,087	1.55
508,406	Ultra Electronics Holdings	7,911	1.51
702,950	Diploma	7,817	1.49
377,464	Weir Group	7,640	1.46
97,760	Spirax-Sarco Engineering	5,597	1.07
2,776,033	Eddie Stobart Logistics	3,942	0.75
		<b>152,971</b>	<b>29.23</b>
	<b>Financials - (17.72%)</b>		
3,157,467	HSBC Holdings	22,768	4.35
31,291,734	Lloyds Banking Group	21,623	4.13
1,449,698	St James Place	16,831	3.22
297,577	London Stock Exchange	12,088	2.31
435,344	Rathbone Brothers	11,554	2.21
531	Fidelity Institutional Sterling Fund Class A-Acc	10,995	2.10
0	Fidelity Institutional USD Fund Class A-Acc	4	0.00
		<b>95,863</b>	<b>18.31</b>
	<b>Consumer Services - (18.82%)</b>		
1,422,415	Compass Group	22,047	4.21
369,869	Rightmove	15,927	3.04
1,686,564	Just Eat	14,768	2.82
799,635	RELX	11,903	2.27
2,782,678	Auto Trader Group	10,137	1.94
860,601	Pearson	6,267	1.20
		<b>81,049</b>	<b>15.48</b>
	<b>Consumer Goods - (21.75%)</b>		
619,654	British American Tobacco	27,020	5.16
998,033	Diageo	24,681	4.72
566,477	Unilever	21,234	4.06
		<b>72,935</b>	<b>13.93</b>
	<b>Technology - (6.43%)</b>		
2,570,117	Sage Group	17,862	3.41
787,812	Micro Focus International	16,229	3.10
253,045	Aveva Group	7,212	1.38
		<b>41,303</b>	<b>7.89</b>

**Portfolio Statement**

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Oil &amp; Gas - (7.86%)</b>		
546,193	Royal Dutch Shell (A)	12,601	2.41
540,462	Royal Dutch Shell (B)	12,566	2.40
85,067	Pioneer Natural Resources	10,729	2.05
		<b>35,896</b>	<b>6.86</b>
	<b>Basic Materials - (0.00%)</b>		
573,969	Rio Tinto	22,580	4.31
		<b>22,580</b>	<b>4.31</b>
	<b>Health Care - (4.36%)</b>		
333,023	Novo-Nordisk (B)	12,586	2.40
2,219,301	Convatec Group	4,574	0.87
169,997	Dechra Pharmaceuticals	4,236	0.81
		<b>21,396</b>	<b>4.09</b>
	<b>Portfolio of investments</b>	<b>523,993</b>	<b>100.10</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>(576)</b>	<b>(0.10)</b>
	<b>Net assets</b>	<b>523,417</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Industrials - (29.47%)</b>		
11,109,077	Serco Group	10,026	2.51
11,432,270	Coats Group	9,466	2.37
3,830,918	TT Electronics	8,428	2.11
2,391,370	Morgan Advanced Materials	8,126	2.04
1,375,007	Royal Mail	7,673	1.92
3,779,450	Norcros	7,200	1.80
2,430,216	Senior	7,018	1.76
570,168	Vitec Group	6,471	1.62
4,067,441	SIG	5,886	1.48
364,348	Ultra Electronics Holdings	5,669	1.42
2,887,269	Chemring Group	5,492	1.38
4,271,555	Renewi	3,990	1.00
1,949,996	QinetiQ Group	3,978	1.00
486,447	PayPoint	3,969	0.99
808,981	Essentra	3,632	0.91
6,361,817	Speedy Hire	3,512	0.88
2,655,278	Laird	3,093	0.78
1,140,158	Balfour Beatty	3,028	0.76
4,441,343	St Ives	2,976	0.75
1,085,222	Charles Taylor	2,952	0.74
1,028,000	Keystone Law Group	2,549	0.64
328,661	Oxford Instruments Group	2,491	0.62
3,347,926	Connect Group	2,113	0.53
31,786,832	Management Consulting Group	1,844	0.46
249,108	HomeServe	1,812	0.45
391,105	RPS Group	903	0.23
3,496,335	Augean	874	0.22
412,110	Sprue Aegis	762	0.19
4,178,172	Tanfield Group	501	0.13
20,594	Capita	36	0.01
		<b>126,470</b>	<b>31.70</b>
	<b>Financials - (28.70%)</b>		
1,158	Fidelity Institutional Sterling Fund Class A-Acc	23,993	6.01
5,928,720	CLS Holdings	13,399	3.36
3,619,804	esure Group	8,253	2.07
6,909,346	Sherborne Investors Guernsey C	7,255	1.82
2,647,692	John Laing Group	7,228	1.81
6,636,607	Summit Germany	6,794	1.70
1,852,192	Brewin Dolphin Holding	6,364	1.60
1,095,723	Polar Capital Holdings	5,457	1.37
2,955,021	IFG Group (GB)	5,349	1.34
2,051,400	McKay Securities	4,841	1.21
521,860	Electra Private Equity	4,692	1.18
1,348,430	H&T Group	4,531	1.14
2,278,386	International Personal Finance	4,486	1.12
2,009,181	Macau Property Opportunities Fund	3,958	0.99
1,976,300	U & I Group	3,893	0.98
2,736,740	Impax Asset Management Group	3,859	0.97
847,741	Zegona Communications	975	0.24
2,523,054	Miton Group	971	0.24
4,369,300	LXB Retail Properties	957	0.24

# Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
124,107	Marwyn Value Investors	186	0.05
		<b>117,441</b>	<b>29.44</b>
	<b>Consumer Services - (15.68%)</b>		
8,186,104	Ladbrokes Coral Group	13,425	3.37
1,679,886	Millennium & Copthorne Hotels	9,021	2.26
7,286,433	Huntsworth	5,698	1.43
1,086,958	Sports Direct International	3,991	1.00
5,132,319	Begbies Traynor Group	3,654	0.92
513,862	Daily Mail & General Trust	3,415	0.86
6,751,531	Centaur Media	3,268	0.82
1,362,708	Rank Group	3,046	0.76
1,113,070	McColls Retail Group	2,749	0.69
2,061,855	Cello Group	2,433	0.61
1,073,390	DFS Furniture	1,988	0.50
899,074	Stride Gaming	1,942	0.49
1,065,286	Bloomsbury Publishing	1,774	0.44
813,910	Findel	1,774	0.44
4,096,408	French Connection Group	1,196	0.30
642,149	Nahl Group	1,095	0.27
1,130,138	Elegant Hotels Group	983	0.25
1,105,786	Carpetright	863	0.22
908,918	Ebiquity	745	0.19
16,071,539	Porta Communications	418	0.10
1,987,175	Tasty	338	0.08
		<b>63,816</b>	<b>16.00</b>
	<b>Basic Materials - (3.97%)</b>		
2,374,460	Synthomer	11,207	2.81
1,606,005	Central Asia Metals	5,131	1.29
1,219,048	Semafo	2,358	0.59
938,990	Hochschild Mining	1,941	0.49
837,809	Acacia Mining	1,178	0.30
14,913,000	Goldplat	1,066	0.27
4,491,423	Ambrian	67	0.02
		<b>22,948</b>	<b>5.75</b>
	<b>Consumer Goods - (5.26%)</b>		
4,042,748	Cairn Homes	6,293	1.58
2,315,415	Photo-Me International	4,145	1.04
3,183,157	Glenveagh Properties	3,242	0.81
383,322	Britvic	2,597	0.65
1,015,285	C Group (GB)	2,580	0.65
648,044	Swallowfield	2,074	0.52
403,989	Finsbury Food Group	465	0.12
30,000	Walker Greenbank	42	0.01
		<b>21,438</b>	<b>5.37</b>
	<b>Technology - (6.84%)</b>		
1,012,421	Computacenter	11,177	2.80
2,390,571	RM	4,972	1.25
4,157,099	Spirent Communications	4,282	1.07
5,679,933	Stanley Gibbons Group	284	0.07
		<b>20,715</b>	<b>5.19</b>

## Portfolio Statement

as at 28 February 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	<b>Oil &amp; Gas - (7.24%)</b>		
1,427,281	Cairn Energy	2,708	0.68
2,076,185	Faroe Petroleum	2,192	0.55
12,032,178	Amerisur Resources	1,968	0.49
4,780,969	Savannah Petroleum	1,291	0.32
3,420,425	Capital Drilling	1,231	0.31
4,645,211	Rockhopper Exploration	1,066	0.27
896,946	SOCO International	861	0.22
377,467	G3 Exploration	226	0.06
		<b>11,543</b>	<b>2.89</b>
	<b>Telecommunications - (1.01%)</b>		
2,248,935	Manx Telecom	4,206	1.05
		<b>4,206</b>	<b>1.05</b>
	<b>Health Care - (0.00%)</b>		
2,789,952	Vectura Group	2,055	0.52
2,999,404	Alliance Pharma	2,010	0.50
		<b>4,065</b>	<b>1.02</b>
	<b>Contracts for Difference - ((0.07)%)</b>		
723,990	FBD Holdings (CFD)	3,224	0.81
(361,959)	RPC Group (CFD)	345	0.09
(153,007)	Glanbia (CFD)	314	0.08
704,489	CPL Resources (CFD)	(37)	(0.01)
5,080,800	Bumitama Agri (CFD)	(92)	(0.02)
(696,040)	Hastings Group Holdings (CFD)	(104)	(0.03)
(18,250)	Teleperformance (CFD)	(188)	(0.05)
480,310	Sports Direct International (CFD)	(241)	(0.06)
866,661	Nevsun Resources (CFD)	(421)	(0.11)
(112,835)	Ambu (B) (CFD)	(800)	(0.20)
		<b>2,000</b>	<b>0.50</b>
	<b>Warrants - (0.00%)</b>		
555,538	Savannah Petroleum (Warrants 08/01/2019)	0	0.00
		<b>0</b>	<b>0.00</b>
	<b>Portfolio of investments</b>	<b>394,642</b>	<b>98.91</b>
	<b>Cash and other net assets/(liabilities)</b>	<b>4,292</b>	<b>1.09</b>
	<b>Net assets</b>	<b>398,934</b>	<b>100.00</b>

The figures in brackets represent the sector distributions at 28 February 2017. Where securities are reclassified in the current year comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Fidelity Investment Funds Annual Report and Financial Statements for the year ended 28 February 2018

## EU Securities Financing Transaction Regulation

The Securities Financing Transaction Regulation (SFTR) requires further transparency to address perceived risks in the use of securities financing transactions.

A fund may use Total Return Swaps or other financial derivative instruments with similar characteristics to meet the investment objective of a fund and in accordance with the provisions on the use of financial derivative instruments. The following type of assets can be subject to Total Return Swaps (TRS) or other financial derivative instruments with similar characteristics: equity stocks, equity indices, commodity indices and credit indices.

Counterparties to such transactions must be subject to prudential supervision rules considered by the FCA as equivalent to those prescribed by EU law and specialised in these types of transactions. The counterparties to such transactions will generally be financial institutions based in an OECD member state and have an investment grade credit rating. At present only Contracts For Difference (CFDs) are used in relation to the funds.

## Global Data

Fund Name	Broker	Total Return Swaps £'000	Percentage of NAV
Fidelity American Fund	Goldman Sachs	(125)	
	UBS	(346)	
	<b>Total</b>	<b>(471)</b>	<b>-0.05%</b>
Fidelity American Special Situations Fund	Goldman Sachs	(512)	
	<b>Total</b>	<b>(512)</b>	<b>-0.04%</b>
Fidelity Asian Dividend Fund	UBS	63	
	<b>Total</b>	<b>63</b>	<b>0.75%</b>
Fidelity Enhanced Income Fund	Goldman Sachs	(206)	
	<b>Total</b>	<b>(206)</b>	<b>-0.05%</b>
Fidelity Global Enhanced Income Fund	Goldman Sachs	336	
	<b>Total</b>	<b>336</b>	<b>0.12%</b>
Fidelity Global Focus Fund	Goldman Sachs	571	
	<b>Total</b>	<b>571</b>	<b>0.14%</b>
Fidelity Global High Yield Fund	Citigroup Global Markets	11	
	<b>Total</b>	<b>11</b>	<b>0.01%</b>
Fidelity Global Property Fund	UBS	417	
	<b>Total</b>	<b>417</b>	<b>0.20%</b>
Fidelity Global Special Situations Fund	Deutsche Bank	(1,757)	
	Goldman Sachs	21	
	HSBC Global Markets	(874)	
	UBS	12,348	
	<b>Total</b>	<b>9,738</b>	<b>0.38%</b>
Fidelity Special Situations Fund	HSBC Global Markets	(14,435)	
	Morgan Stanley	(2,165)	
	UBS	23,150	
	<b>Total</b>	<b>6,550</b>	<b>0.21%</b>
Fidelity UK Smaller Companies Fund	Deutsche Bank	2,765	
	Goldman Sachs	(188)	
	UBS	(578)	
	<b>Total</b>	<b>1,999</b>	<b>0.50%</b>

All TRSs have open maturity tenors based the contractual settlement date of each position and are all settled bi-laterally with the respective counterparty. Funds not listed make no use of securities financing transactions.

# Fidelity Investment Funds Annual Report and Financial Statements for the year ended 28 February 2018

## Collateral

Fund Name	Broker	Received	Granted	
		UK Pound £'000	UK Pound £'000	US Dollar £'000
Fidelity American Fund	UBS	-	50	372
	Total	-	50	372
Fidelity American Special Situations Fund	Goldman Sachs	-	-	491
	Total	-	-	491
Fidelity Enhanced Income Fund	JP Morgan	-	61	-
	UBS	-	7,935	-
	Total	-	7,996	-
Fidelity Global Focus Fund	Goldman Sachs	(632)	-	-
	UBS	-	92	-
	Total	(632)	92	-
Fidelity Global Property Fund	UBS	(462)	-	-
	Total	(462)	-	-
Fidelity Global Special Situations Fund	Deutsche Bank	-	-	1,712
	HSBC	-	-	737
	UBS	(12,402)	-	-
	Total	(12,402)	-	2,449
Fidelity Special Situations Fund	HSBC	-	10,640	-
	Morgan Stanley	-	2,490	-
	UBS	(28,870)	-	-
	Total	(28,870)	13,130	-
Fidelity UK Smaller Companies Fund	Deutsche Bank	(2,990)	-	-
	Goldman Sachs	-	210	-
	UBS	-	610	-
	Total	(2,990)	820	-

All collateral is cash maturing within 1 day and where received by brokers is held in segregated accounts.



# Fidelity Investment Funds Annual Report and Financial Statements for the year ended 28 February 2018

Cost and Return			
Fund Name	Finance Cost	Return	Total
Fidelity American Special Situations Fund	(265)	228	(37)
Fidelity American Fund	(72)	517	445
Fidelity Global Focus Fund	(51)	119	68
Fidelity Special Situations Fund	(4,006)	8,463	4,457
Fidelity Global Special Situations Fund	(2,746)	2,155	(591)
Fidelity Global Property Fund	(54)	330	276
Fidelity Enhanced Income Fund	(18)	226	208
Fidelity UK Smaller Companies Fund	(376)	303	(73)
Fidelity Asian Dividend Fund	-	7	7
Fidelity Global Enhanced Income Fund	(48)	53	5

All TRS gains and losses for the year end are attributable 100% to the respective fund and are not subject to any returns sharing arrangements with the Fund's Manager or any other third parties.

## Further Information

- All Fidelity employees are subject to a Code of Ethics which, among other things, sets out procedures for personal account dealings in securities. These procedures, which are rigorously monitored, are designed to ensure that there is no conflict between personal account dealing by Fidelity staff and the interests of Fidelity's customers.

The two basics of the Code of Ethics require that deals have to be pre-authorised before an individual may undertake them, and they must afterwards be reported to the Compliance Department. Individuals are required to use specified brokers which enables this process to be checked on a continual basis.

In addition, there are specific provisions to ensure that any investment idea is first acted upon by the funds Fidelity manages, and that fund managers may not deal within a defined period either side of a fund (for which they are responsible) dealing in that stock.

- The Report and Financial Statements of the Company and the Instrument of Incorporation may be inspected free of charge between 9.00 a.m. and 5.00 p.m. on every business day at the offices of the Authorised Corporate Director (ACD) at Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ, United Kingdom.

Shareholders may obtain copies of the above documents, including long form accounts, free of charge from the same address, or alternatively from our website [www.fidelity.co.uk](http://www.fidelity.co.uk)

It is possible to receive up to date information about the full holdings of the funds in which you invest. This is available on request, and may, at our discretion, be subject to you entering into an agreement with us to keep the information confidential. If you wish to receive full holdings information in accordance with the policy, please put your request in writing to: Data Policy Fund Holdings, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ quoting your name, address and account number or client reference number.

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