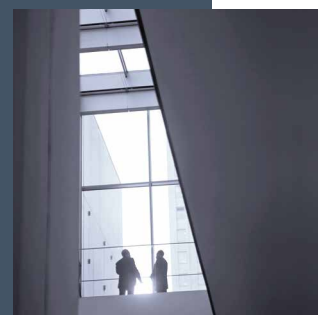


Annual Report and Financial Statements

For the year ended 30 June 2018



Fidelity Institutional Funds Annual Report and Financial Statements for the year ended 30 June 2018

Contents

Director's Report*	2
General Information*	3
Statement of Authorised Corporate Director's responsibilities	4
Certification of the Annual Report and Financial Statements by Directors	4
Report of the Depositary	4
Independent Auditors' report	5

Authorised Corporate Director's Reports*, including the financial highlights and financial statements

Market Performance review	7
Accounting Policies of Fidelity Institutional Funds and its sub-funds	9
Risk Management policies of Fidelity Institutional Funds and its sub-funds	11
America Fund	13
Emerging Markets Fund	22
Europe (ex-UK) Fund	31
Global Focus Fund	40
Index-Linked Bond Fund	49
Japan Fund	59
Long Bond Fund	67
Pacific (ex-Japan) Fund	78
Pan European Fund	86
Pre-Retirement Bond Fund	95
Select Emerging Markets Equities Fund	105
Select Global Equities Fund	114
South East Asia Fund	123
Sterling Core Plus Bond Fund	132
UK Aggregate Bond Fund	143
UK Corporate Bond Fund	154
UK Fund	165
UK Gilt Fund	174
UK Investment Grade Long Credit Fund	184
UK Long Corporate Bond Fund	193
Portfolio Statements (unaudited)*	204
EU Securities Financing Transaction Regulation (unaudited)	284
Further Information*	285

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

Fidelity Institutional Funds Annual Report and Financial Statements for the year ended 30 June 2018

Director's Report

We are pleased to present the annual report and financial statements for Fidelity Institutional Funds (the "Company"), covering the year to 30 June 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 IC3 and authorised by the Financial Conduct Authority (FCA) on 22 July 1997.

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:

America Fund
Emerging Markets Fund
Europe (ex-UK) Fund
Global Focus Fund
Index-Linked Bond Fund
Japan Fund
Long Bond Fund
Pacific (ex-Japan) Fund
Pan European Fund
Pre-Retirement Bond Fund
Select Emerging Markets Equities Fund
Select Global Equities Fund
South East Asia Fund
Sterling Core Plus Bond Fund
UK Aggregate Bond Fund
UK Corporate Bond Fund
UK Fund
UK Gilt Fund
UK Investment Grade Long Credit Fund
UK Long Corporate Bond Fund

In the future additional funds or new classes of shares within the existing funds, may be launched by the Authorised Corporate Director ("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 Collective Investment Schemes sourcebook ("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 Fidelity International Remuneration Committee has established a Global Remuneration Policy to ensure the requirements of the UCITS Directive are met at global level for all its UCITS management companies. The Remuneration Committee reviews the remuneration policy at least annually. The Directors of relevant management companies are responsible for the adoption of the Global Remuneration Policy, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. The Global Remuneration Policy is consistent with and promotes sound and effective risk management and is designed not to encourage risk-taking which is inconsistent with the risk profile of the funds. The Global 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.

During 2017 the Global Remuneration Policy was reviewed and changes were made to ensure compliance with the applicable European remuneration requirements. The Global Remuneration Policy applies to all employees, with particular focus on the staff whose professional activities have a material impact on the risk profile of the ACD or the funds (the Material Risk Takers). The UCITS Material Risk Takers ("UCITS MRTs") are individuals whose roles can materially affect the risk of the management company or any UCITS fund that it manages. These roles are identified in line with the requirements of the UCITS Directive and guidance issued by the European Securities and Markets Authority.

The aggregate total remuneration paid to the UCITS MRTs related to FISL, considering all the existing delegation arrangements, in respect of the performance period started 1 June 2017 and ended 30 June 2018, is EUR 20.6 million. This figure includes the amounts attributed either to the FISL entity or to the UCITS funds that it manages. For any additional on remuneration policy, a copy of the summary Remuneration Policy is available at <https://www.fil.com>.

Holdings in other sub-funds within the same Company

There were no such holdings as at 30 June 2018 (2017: none).

Objectives

The broad aim of the Company is to provide access to the global research resources and stock picking skills of Fidelity's investment management teams throughout the world.

The aim of the equity funds is to provide investors with long term capital growth from diversified and actively managed portfolios of securities in a wide range of stockmarkets. The income from these funds is expected to be low. The equity funds will gain exposure to 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 income with the possibility of capital gains.

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

Fidelity Institutional Funds Annual Report and Financial Statements for the year ended 30 June 2018

Changes to the Prospectus

For the year ended 30 June 2018 the following significant changes were made to the Prospectus and Instrument of Incorporation:

- Long Bond Fund's Gross paying Income Share class closed on 15 January 2018.
- Index-Linked Bond Fund, UK Corporate Bond Fund and UK Long Corporate Bond Fund's Gross paying Income Share classes converted into Income Share classes on 1 May 2018.
- Index-Linked Bond Fund, Long Bond Fund, Sterling Core Plus Bond Fund, UK Aggregate Bond Fund, UK Corporate Bond Fund, UK Gilt Fund, UK Investment Grade Long Credit Fund and UK Long Corporate Bond Fund's Gross paying Accumulation Shares changed their name to Accumulation Shares on 1 May 2018.
- Pre-Retirement Bond Fund's Gross paying F Accumulation Shares changed their name to F Accumulation Shares on 1 May 2018.
- Pre-Retirement Bond Fund's Gross paying Y Accumulation Shares changed their name to Y Accumulation Shares on 1 May 2018.
- Sterling Core Plus Bond Fund's Gross paying monthly Accumulation Shares changed their name to Monthly Accumulation Shares on 1 May 2018.

General Information

Fidelity Institutional 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), Investment Manager, 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
Canary Wharf
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

Fidelity Institutional Funds Annual Report and Financial Statements for the year ended 30 June 2018

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
22 August 2018

Report of the Depositary to the shareholders of the Fidelity Institutional 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 the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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

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

J.P. Morgan Europe Limited
London
22 August 2018

Fidelity Institutional Funds Annual Report and Financial Statements for the year ended 30 June 2018

Independent Auditors' report to the shareholders of Fidelity Institutional Funds

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Fidelity Institutional Funds' financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 June 2018 and of the net revenue/(expenses) and the net capital gains/(losses) of 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 Institutional Funds (the "Company") is an Open Ended Investment Company ("OEIC") with 20 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 30 June 2018; the Statement of Total Return and the Statement of Change in net Assets Attributable to Shareholders for the year then ended; the distribution tables; the Accounting Policies of Fidelity Institutional Funds and its sub-funds and the notes to the Financial Statements.

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 set out on page 3, 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. 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

Opinions on matters 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

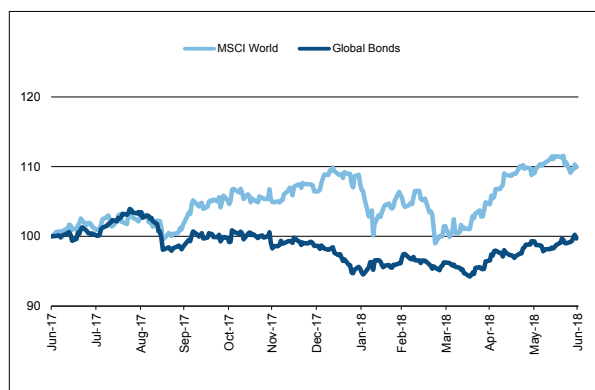
22 August 2018

Fidelity Institutional Funds Annual Report and Financial Statements for the year ended 30 June 2018

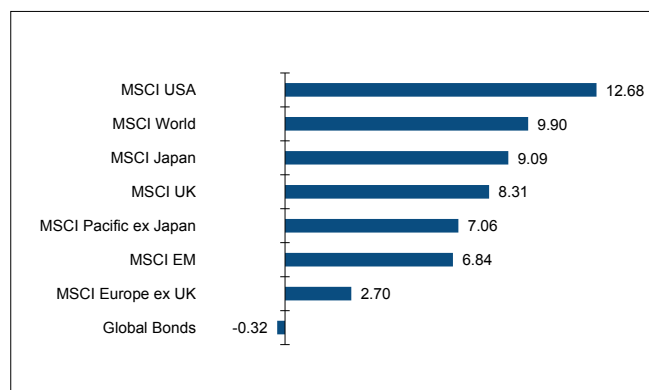
Market Performance Review

Market Review - 12 months ended 30 June 2018

Global equities gained over the 12-month period to June 2018. Equities started the year under review on a positive note, as synchronised global growth supported sentiment. However, stocks came under pressure in 2018 amid fears of faster interest rate hikes by the US Federal Reserve (Fed), trade frictions between the US and its major trading partners and political issues in Europe. The US Fed continued to raise interest rates, while the European Central Bank (ECB) kept interest rates unchanged and announced that it would close its bond-buying programme at the end of 2018. The Bank of England (BoE) raised its key interest rate for the first time in a decade in November 2017, while uncertainty about the UK's negotiations with the European Union (EU) over the terms of its exit continued to impact sentiment. Elsewhere, geopolitical tensions surrounding North Korea receded as US president Donald Trump and North Korean leader Kim Jong Un agreed to work towards denuclearisation of the Korean peninsula. Towards the end of the period, investor sentiment across the globe was dampened by concerns over a trade war between the US and China, as well as its other major trade partners, including Canada, the EU and Mexico.



Source: Thomson Reuters Datastream, Total Returns in GBP rebased to 100, MSCI World and BofA ML Global Broad, 30.06.2017 - 30.06.2018



Source: Thomson Reuters Datastream, Total Returns, GBP, 30.06.2017 - 30.06.2018

Against this backdrop, the US and Japanese markets outperformed other regions in sterling terms, while Europe ex UK lagged. Returns in sterling terms were supported by its depreciation against the euro and yen, but undermined by its appreciation against the US dollar.

European equities registered positive returns over the year. Markets were volatile at the start of the period, as the strength of the euro against the US dollar and a rise in geopolitical tensions weighed on share prices. Equities rebounded in September, as macroeconomic and survey data supported the momentum in the economic recovery. Towards the end of 2017, the ECB's continued accommodative monetary policy stance, strong corporate earnings, US tax reforms and sustained global economic growth supported equities. Markets became volatile in the first quarter of 2018, due to rising bond yields, fears over a trade war, and the uncertain political environment in Italy. However, the market regained strength in the second quarter, on the back of strong corporate earnings and subsiding geopolitical tensions coupled with a weak euro. At a broader level, small and mid-cap companies outperformed their larger peers, while from a style perspective, growth significantly outperformed value stocks. Energy, information technology (IT) and materials were among the top performing sectors, while telecommunications, financials and health care were the key laggards during the period.

The UK stock market rose in sterling terms, mainly driven by gains in the resources sector. Investor sentiment was positive over most of the year under review, despite continued uncertainty around the UK's negotiations to exit the EU and the resulting lacklustre UK economic outlook. However, markets experienced heightened volatility in the first half of 2018, with a sharp fall seen in the first quarter. This was primarily due to concerns over faster interest rate increases in 2018, particularly in the US, and a possible trade war between the US and its major trading partners. First-quarter losses were offset by a sharp rebound in markets in the three months to the end of June, as a weak sterling buoyed the UK's largest companies, which generate most of their sales in foreign currencies.

US equities advanced over the review period. Stocks were supported by robust economic data, strong corporate earnings, the passage of the Republican tax reform bill and interest rate hikes by the US Fed. Towards the end of the period, investor sentiment was dampened by concerns over a trade war. The US Fed increased its benchmark interest rate three times by a total of 0.75% over the period. Interest rates now range between 1.75% and 2.00%. Jerome Powell took over from Janet Yellen as the Fed chairperson in February 2018. Most sectors generated positive returns, with IT, consumer discretionary and energy among the leading gainers. Energy stocks rose in line with oil prices, which reached their highest level in three years on robust demand and on the back of rising geopolitical tensions, which could disrupt oil supply.

Japanese equities rose over the year. Generally upbeat corporate earnings results and a steady flow of positive economic data through much of the period spurred gains in share prices. Hopes of economic policy measures following Prime Minister Shinzo Abe's landslide victory in the snap election held in late 2017 and the subsequent reappointment of Haruhiko Kuroda as the Bank of Japan governor for a second term supported investor sentiment. However, towards the end of the period, rising concerns about global trade friction stemming from protectionist moves in the US and a strong yen diminished risk sentiment and weighed on the Japanese market. In terms of style, growth companies outperformed value stocks, while smaller companies performed better than their larger peers. From a sector perspective, energy, consumer staples and health care led the gainers. Conversely, financials and telecommunication services recorded negative returns.

Asia Pacific ex Japan equities advanced over the year. Chinese equities rose in light of healthy economic data releases and optimism towards state owned enterprise reforms. South Korean equities advanced as South Korea and China agreed to work to normalize strained relations. Investor confidence also strengthened amid easing geopolitical tensions, as a historic summit between South Korea and North Korea, and a summit between US and North Korea bolstered hopes for denuclearisation of the Korean Peninsula. The Australian market rose, aided by energy, materials and consumer staples. Additionally, the IT sector was the best performing sector over the year. Optimism around progress on key reforms, improving earnings expectations and a rebound in GDP growth over the July-December period supported sentiment towards Indian equities. All sectors in the region except industrials and telecommunications ended in positive territory.

Market Performance Review

Emerging market equities rose over the year on indications of stabilising economic growth in China. Interest rate hikes by the US Fed were well-received by markets as it signalled the central bank's confidence in the US economy, which is a main export destination for emerging markets. Chinese stocks rose as the National Congress of Communist Party of China outlined the country's long-term development roadmap. However, in 2018, the US dollar strengthened and capital outflows from emerging countries increased. Turkish stocks fell amid the country's fragile macroeconomic environment. On a positive note, strong oil prices supported shares in oil exporting countries including Russia and Colombia.

Bonds

Fixed income markets experienced mixed results over the review period, with a broader focus on central banks. At the start of the year, developed market central banks were on the path to monetary policy normalisation. However, there has been a stark divergence in policies more recently. The US Federal Reserve raised interest rates thrice over the period. In contrast, the BoE backtracked on the expected interest rate rise amid disappointing economic data. The Bank of Japan maintained its quantitative easing programme and kept its yield-control target firmly in place. Meanwhile, the ECB decided to taper asset purchases while focusing on keeping interest rates well anchored. There were bouts of volatility during the year due to geopolitical risks, political uncertainty in Italy, escalating trade war rhetoric and rising volatility in emerging markets. This stoked demand for safe-haven assets and German bunds rallied. Ten-year UK government bond yields also fell to the lowest level and the yield curve flattened. However, this failed to cause any significant re-pricing in US Treasuries as the yield curve edged higher and the asset class posted losses over the period. Credit markets underperformed, with spreads widening in all major regions. The ongoing theme of unwinding accommodative monetary policies makes the asset class susceptible to any downward shift in global growth.

Accounting Policies of Fidelity Institutional 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 on 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.
- d) Treatment of expenses:
- All expenses are accounted for on an accruals basis.
 - Annual charges - In accordance with the COLL and as agreed with the Depositary, charges and expenses for the fund may be treated as capital charges, which will enhance income returns but may constrain capital growth. Where the management fees are ultimately borne by the capital of an underlying fund, the rebates are credited to capital for the purpose of calculating the distribution.
 - 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.
- 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.
- 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.

There were no fair value market adjustments applied to investments as at 30 June 2018 (2017: Australia 0.38%).

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>.

Accounting Policies of Fidelity Institutional Funds and its sub-funds

- 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 all 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.

At 30 June 2018 there were no price adjustments made on the sub-funds as a result of this price adjustment policy (2017: none).

Risk Management policies of Fidelity Institutional 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 and Counterparty Risk Committee that focuses on all aspects of risk arising from the use of derivative instruments and counterparty exposure. 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 Bond Fund employs the relative Value-at-Risk (VaR) approach to measure its global risk exposure. The expected level of leverage is 150% of the Net Asset Value of the fund; this is however not a limit and higher levels may occur. The expected levels 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 funds' 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.

Fidelity Institutional Funds Annual Report and Financial Statements for the year ended 30 June 2018

Risk Management policies of Fidelity Institutional 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 appreciation. The fund will invest primarily in the shares of companies in the United States of America. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund delivered positive returns over the period, supported largely by positions in the information technology (IT) sector. The holding in Abbott Laboratories contributed to performance, as did positions in IT companies such as Microsoft and Cisco Systems. Gains were capped by the performance of the consumer staples sector, where the position in Molson Coors Brewing detracted from returns. Over the period, UnitedHealth Group and Amazon were added to the portfolio. Positions in NXP Semiconductors and chemical company LyondellBasell Industries were sold.

Outlook

Despite concerns over the future of US-China trade relations, the outlook for US equities remains positive amid robust corporate earnings and supportive fiscal and monetary conditions.

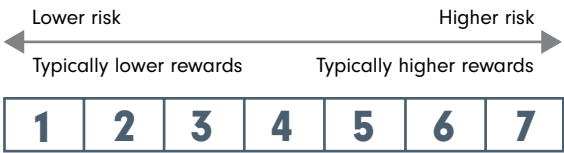
Nick Peters & Ayesha Akbar
Fund Managers
30 June 2018

Risk and Reward Indicator

SRRI

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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	536.56	447.93	388.73
Return before operating charges*	48.73	93.20	62.74
Operating charges	(4.88)	(4.57)	(3.54)
Return after operating charges*	43.85	88.63	59.20
Distributions	(1.94)	(3.34)	(3.05)
Retained distributions on accumulation shares	1.94	3.34	3.05
Closing net asset value per share	580.41	536.56	447.93
*after direct transaction costs of	0.11	0.23	0.22
Performance			
Return after charges	8.2%	19.8%	15.2%
Other information			
Closing net asset value (£'000)	220,953	228,160	234,065
Closing number of shares	38,068,646	42,522,307	52,255,013
Operating charges	0.89%	0.88%	0.88%
Direct transaction costs	0.02%	0.04%	0.06%
Prices (pence per share)			
Highest share price	591.50	567.00	449.20
Lowest share price	517.00	461.30	361.40

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		16,580		44,384
Revenue	5	3,097		4,313	
Expenses	6	(1,924)		(2,191)	
Interest payable and similar charges	8	(8)		(1)	
Net revenue/(expense) before taxation		1,165		2,121	
Taxation	7	(395)		(475)	
Net revenue/(expense) after taxation			770		1,646
Total return before distributions			17,350		46,030
Distributions	8		(770)		(1,628)
Change in net assets attributable to shareholders from investment activities			16,580		44,402

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			228,160		234,065
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		14,966		30,180	
Amounts payable on cancellation of shares		(39,492)		(81,909)	
			(24,526)		(51,729)
Change in net assets attributable to shareholders from investment activities (see above)			16,580		44,402
Retained distribution on accumulation shares	8		739		1,422
Closing net assets attributable to shareholders			220,953		228,160

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			193,531		202,572
Current assets:					
Debtors	9	1,138		1,566	
Cash and bank balances	10	27,228		24,678	
Total other assets			28,366		26,244
Total assets			221,897		228,816
Liabilities:					
Investment liabilities			(453)		(25)
Creditors					
Other creditors	11	(491)		(631)	
Total other liabilities			(491)		(631)
Total liabilities			(944)		(656)
Net assets attributable to shareholders			220,953		228,160

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	14,741	34,971
Gains/(losses) on derivative contracts	2,165	7,951
Other currency gains/(losses)	(317)	1,479
Transaction charges	(13)	(19)
Broker fee rebates	4	2
	<u>16,580</u>	<u>44,384</u>
Net capital gains/(losses)		

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	1	180
Derivative revenue	43	535
UK dividends	37	91
Overseas dividends	2,818	3,391
Overseas property income distributions	21	24
Overseas scrip dividends	-	18
Bank interest	177	74
	<u>3,097</u>	<u>4,313</u>
Total revenue		

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,749	2,003
Service charges	109	125
Foreign exchange administration fees	5	9
	<u>1,863</u>	<u>2,137</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	23	25
Custody fees	4	5
	<u>27</u>	<u>30</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	26	16
	<u>34</u>	<u>24</u>
Total expenses	<u>1,924</u>	<u>2,191</u>

Notes to the Financial Statements

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	395	475
Total current taxation	<u>395</u>	<u>475</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	1,165	2,121
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	233	424
Effects of:		
Overseas taxation	395	475
Overseas tax expensed	(1)	(1)
Increase/(decrease) in unutilised management expenses	339	277
Revenue not included for tax purposes	(571)	(700)
Current tax charge/(credit)	<u>395</u>	<u>475</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 £2,546,000 (2017: £2,207,000). 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	739	1,422
Add: Revenue deducted on cancellation of shares	55	344
Deduct: Revenue received on issue of shares	(24)	(138)
Net distribution for the year	<u>770</u>	<u>1,628</u>
Interest/other		
Contract for difference finance costs	-	1
Derivative expense	8	-
	<u>8</u>	<u>1</u>
Total finance costs	<u>778</u>	<u>1,629</u>
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	770	1,646
Add back (revenue)/expenses transferred to capital:		
Overseas scrip dividends	-	(18)
	<u>770</u>	<u>1,628</u>
Details of the distribution per share is set out in the Distribution Statement.		

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	58	144
Sales awaiting settlement	858	1,064
Sales of currency awaiting settlement	55	169
Accrued revenue	146	161
Overseas tax recoverable	21	28
Total debtors	<u>1,138</u>	<u>1,566</u>

Notes to the Financial Statements

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,401	313
Cash and bank balances	25,827	24,365
Total cash and bank balances	<u>27,228</u>	<u>24,678</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	19	169
Purchases awaiting settlement	235	102
Purchases of currency awaiting settlement	54	169
Accrued expenses	183	191
Total other creditors	<u>491</u>	<u>631</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)	
30/06/18	£'000	£'000	£'000	£'000
Canadian Dollar	3,247	6	-	3,253
Euro	930	1	2	933
Swedish Krona	868	-	-	868
UK Pound	18,654	1,533	(143)	20,044
US Dollar	169,379	25,688	788	195,855
Total	193,078	27,228	647	220,953
30/06/17	£'000	£'000	£'000	£'000
Canadian Dollar	732	5	-	737
Euro	974	2	3	979
Swedish Krona	835	-	-	835
Swiss Franc	-	-	9	9
UK Pound	23,223	1,032	(216)	24,039
US Dollar	176,783	23,639	1,139	201,561
Total	202,547	24,678	935	228,160

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 0.91% rise or fall in the fund's market value (2017: 0.89%).

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 futures to gain exposure to the equity markets. A 10% change in the price of the futures would result in a 0.90% (2017: 0.77%) change in the fund's market value.

Notes to the Financial Statements

13 Portfolio transaction costs

30/06/18					
	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	79,859	15	0.02	-	-
Bond	1	-	-	-	-
Corporate actions	1,393	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>81,253</u>	<u>16</u>		<u>-</u>	
Total including transaction costs	<u>81,269</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	101,565	25	0.02	2	-
Corporate actions	3,421	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>104,986</u>	<u>26</u>		<u>2</u>	
Total including transaction costs	<u>104,958</u>				
Total as a percentage of average net assets*		0.02 %		0.00 %	
30/06/17					
	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	150,800	46	0.03	2	-
Bond	2	-	-	-	-
Corporate actions	20	-	-	-	-
Derivative	-	4	-	-	-
Total	<u>150,822</u>	<u>50</u>		<u>2</u>	
Total including transaction costs	<u>150,874</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	156,933	51	0.03	3	-
Corporate actions	3,938	-	-	-	-
Derivative	-	5	-	-	-
Total	<u>160,871</u>	<u>56</u>		<u>3</u>	
Total including transaction costs	<u>160,812</u>				
Total as a percentage of average net assets		0.04 %		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 0.05% (2017: 0.02%).

14 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	193,530	(453)	201,619	(25)
Level 2: Observable market data	1	-	9	-
Level 3: Unobservable data*	-	-	944	-
	<u>193,531</u>	<u>(453)</u>	<u>202,572</u>	<u>(25)</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 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	42,522,307	2,747,307	(7,200,968)	38,068,646

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 £156,000 (2017: £162,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
UBS	-	(453)	-	-	(453)
Total	-	(453)	-	-	(453)

30/06/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
UBS	-	(25)	-	-	(25)
Total	-	(25)	-	-	(25)

18 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	580.41	629.39	8.44

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 21 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	1.9407	-	1.9407	3.3441
Group 2	1.0614	0.8793	1.9407	3.3441

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in securities of countries experiencing rapid economic growth including, without limitation, Africa, the Indian sub continent, Latin America, South East Asia, Europe and the Middle East. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund generated positive returns, driven by stock selection in the financials sector and positioning in industrials. At a country level, Chinese holdings added value as stabilising economic growth and reform expectations supported sentiment. I raised the exposure to Sberbank of Russia owing to its dominant share of the country’s bank deposits and strong reputation. I increased the allocation to insurer AIA Group as it is likely to benefit from growth in premium income from its Chinese business. Within information technology, shares in online classified advertisement provider 58.Com and online search engine Baidu ADR were sold following their strong performance over the year.

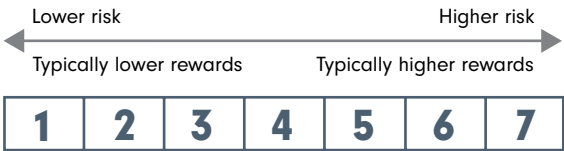
Outlook

Emerging markets could be negatively impacted by US dollar strength and trade policies, domestic reform agendas and economic growth in China. Nonetheless, the emerging world continues to offer many attractive investment opportunities from a long-term perspective.

Nick Price
Fund Manager
30 June 2018

Risk and Reward Indicator

	SRRI
Accumulation Shares	6
Retail 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.
- 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.

Comparative Performance Table

	Retail Accumulation Shares			W Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	170.81	137.92	131.12	142.66	114.33	107.95
Return before operating charges*	14.79	35.63	8.98	12.32	29.64	7.41
Operating charges	(3.25)	(2.74)	(2.18)	(1.54)	(1.31)	(1.03)
Return after operating charges*	11.54	32.89	6.80	10.78	28.33	6.38
Distributions	(0.52)	(0.34)	-	(1.60)	(1.28)	(0.78)
Retained distributions on accumulation shares	0.52	0.34	-	1.60	1.28	0.78
Closing net asset value per share	182.35	170.81	137.92	153.44	142.66	114.33
*after direct transaction costs of	0.57	0.54	0.54	0.57	0.54	0.54
Performance						
Return after charges	6.8%	23.9%	5.2%	7.6%	24.8%	5.9%
Other information						
Closing net asset value (£'000)	25,761	23,289	19,637	1,925,099	1,329,214	819,852
Closing number of shares	14,127,386	13,634,137	14,237,514	1,254,637,209	931,743,685	717,074,483
Operating charges	1.71%	1.74%	1.76%	0.96%	0.99%	1.01%
Direct transaction costs	0.30%	0.32%	0.39%	0.30%	0.32%	0.39%
Prices (pence per share)						
Highest share price	200.20	175.60	138.00	168.10	146.70	114.40
Lowest share price	170.60	141.20	109.00	142.50	117.00	89.82

	Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	433.24	347.63	328.61
Return before operating charges*	37.29	90.05	22.54
Operating charges	(5.32)	(4.44)	(3.52)
Return after operating charges*	31.97	85.61	19.02
Distributions	(4.19)	(3.40)	(2.00)
Retained distributions on accumulation shares	4.19	3.40	2.00
Closing net asset value per share	465.21	433.24	347.63
*after direct transaction costs of	0.57	0.54	0.54
Performance			
Return after charges	7.4%	24.6%	5.8%
Other information			
Closing net asset value (£'000)	534,713	635,310	433,315
Closing number of shares	114,940,540	146,642,655	124,647,471
Operating charges	1.11%	1.11%	1.13%
Direct transaction costs	0.30%	0.32%	0.39%
Prices (pence per share)			
Highest share price	509.90	445.40	347.90
Lowest share price	432.70	355.80	273.40

Emerging Markets Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		115,712		338,052
Revenue	5	53,001		36,902	
Expenses	6	(23,789)		(17,293)	
Interest payable and similar charges	8	(128)		172	
Net revenue/(expense) before taxation		29,084		19,781	
Taxation	7	(4,994)		(3,381)	
Net revenue/(expense) after taxation			24,090		16,400
Total return before distributions			139,802		354,452
Distributions	8		(24,090)		(16,400)
Change in net assets attributable to shareholders from investment activities			115,712		338,052

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			1,987,813		1,272,804
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		604,933		488,580	
Amounts payable on cancellation of shares		(179,596)		(128,531)	
In specie cancellation of shares		(68,722)		-	
			356,615		360,049
Swing price adjustment			468		-
Change in net assets attributable to shareholders from investment activities (see above)			115,712		338,052
Retained distribution on accumulation shares	8		24,965		16,908
Closing net assets attributable to shareholders			2,485,573		1,987,813

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			2,430,298		1,955,742
Current assets:					
Debtors	9	56,230		29,174	
Cash and bank balances	10	18,113		13,816	
Total other assets			74,343		42,990
Total assets			2,504,641		1,998,732
Liabilities:					
Creditors					
Other creditors	11	(19,068)		(10,919)	
Total other liabilities			(19,068)		(10,919)
Total liabilities			(19,068)		(10,919)
Net assets attributable to shareholders			2,485,573		1,987,813

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	115,141	335,051
Gains/(losses) on derivative contracts	1,387	239
Other currency gains/(losses)	(779)	3,017
Transaction charges	(326)	(376)
Broker fee rebates	289	121
Net capital gains/(losses)	<u>115,712</u>	<u>338,052</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	4,572	1,149
Derivative revenue	336	-
UK dividends	1,064	-
Overseas dividends	46,988	35,747
Bank interest	41	6
Total revenue	<u>53,001</u>	<u>36,902</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	19,444	14,216
Registrar fees	1,960	1,451
Service charges	1,178	842
Foreign exchange administration fees	15	17
	<u>22,597</u>	<u>16,526</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	78	80
Custody fees	892	540
	<u>970</u>	<u>620</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	214	139
	<u>222</u>	<u>147</u>
Total expenses	<u>23,789</u>	<u>17,293</u>

Notes to the Financial Statements

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	4,994	3,381
Total current taxation	<u>4,994</u>	<u>3,381</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>29,084</u>	<u>19,781</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	5,817	3,956
Effects of:		
Overseas taxation	4,994	3,381
Overseas tax expensed	(256)	(216)
Increase/(decrease) in unutilised management expenses	1,595	1,542
Revenue not included for tax purposes	(7,156)	(5,282)
Current tax charge/(credit)	<u>4,994</u>	<u>3,381</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 £9,135,000 (2017: £7,540,000). 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Retail Accumulation Shares		
Final	73	46
W Accumulation Shares		
Final	20,073	11,881
Accumulation Shares		
Final	<u>4,819</u>	<u>4,981</u>
	<u>24,965</u>	<u>16,908</u>
Add: Revenue deducted on cancellation of shares	121	380
Deduct: Revenue received on issue of shares	(996)	(888)
Net distributions for the year	<u>24,090</u>	<u>16,400</u>
Interest/other		
Short dividend payments	-	(212)
Interest	6	3
Contract for difference finance costs	107	37
Derivative expense	<u>15</u>	<u>-</u>
	<u>128</u>	<u>(172)</u>
Total finance costs	<u>24,218</u>	<u>16,228</u>

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

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	7,323	3,342
Sales awaiting settlement	20,590	12,997
Sales of currency awaiting settlement	14,670	3,041
Accrued revenue	13,564	9,752
Overseas tax recoverable	<u>83</u>	<u>42</u>
Total debtors	<u>56,230</u>	<u>29,174</u>

Notes to the Financial Statements

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	154
Cash and bank balances	18,113	13,662
Total cash and bank balances	<u>18,113</u>	<u>13,816</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	151	527
Purchases awaiting settlement	1,611	5,448
Purchases of currency awaiting settlement	14,689	3,042
Accrued expenses	2,253	1,902
Foreign capital gains tax payable	364	-
Total other creditors	<u>19,068</u>	<u>10,919</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)	
30/06/18	£'000	£'000	£'000	£'000
Brazilian Real	50,007	-	-	50,007
Chinese Yuan Renminbi	189,466	2,572	140	192,178
Euro	17,041	-	7,140	24,181
Hong Kong Dollar	393,010	1,352	669	395,031
Indian Rupee	233,076	351	3,232	236,659
Indonesian Rupiah	50,710	-	-	50,710
Korean Won	199,839	7	415	200,261
Mexican Peso	54,380	-	-	54,380
Nigerian Naira	8,416	-	-	8,416
South African Rand	314,002	-	-	314,002
Taiwan Dollar	162,342	22	3,462	165,826
Turkish Lira	27,615	-	-	27,615
UAE Dirham	33,435	-	-	33,435
UK Pound	28,624	-	4,620	33,244
US Dollar	668,335	13,809	17,484	699,628
Total	2,430,298	18,113	37,162	2,485,573
30/06/17	£'000	£'000	£'000	£'000
Argentine Peso	-	1	-	1
Australian Dollar	10,325	-	-	10,325
Brazilian Real	84,966	72	(28)	85,010
Chinese Yuan Renminbi	37,128	36	-	37,164
Euro	8,853	-	42	8,895
Hong Kong Dollar	311,247	-	1,491	312,738
Indian Rupee	207,120	1,928	1,275	210,323
Indonesian Rupiah	60,346	-	33	60,379
Korean Won	88,676	7	(494)	88,189
Mexican Peso	79,560	-	-	79,560
Nigerian Naira	7,928	-	-	7,928
Philippine Peso	10,262	-	-	10,262
South African Rand	235,329	-	-	235,329
Taiwan Dollar	157,029	10,682	3,322	171,033

Notes to the Financial Statements

UAE Dirham	23,015	-	-	23,015
UK Pound	7,169	-	(831)	6,338
US Dollar	626,789	1,090	13,445	641,324
Total	1,955,742	13,816	18,255	1,987,813

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 0.99% 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: None).

13 Portfolio transaction costs

30/06/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	2,370,624	2,117	0.09	1,613	0.07
Bond	1,000	-	-	-	-
Corporate actions	241	-	-	-	-
Total	2,371,865	2,117		1,613	
Total including transaction costs	2,375,595				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	2,009,604	1,753	0.09	1,504	0.07
Bond	1,000	-	-	-	-
Corporate actions	279	-	-	-	-
In-specie	68,722	-	-	-	-
Total	2,079,605	1,753		1,504	
Total including transaction costs	2,076,348				
Total as a percentage of average net assets*		0.16 %		0.13 %	

30/06/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	1,759,422	2,117	0.12	731	0.04
Corporate actions	295	-	-	-	-
Derivative	-	2	-	-	-
Total	1,759,717	2,119		731	
Total including transaction costs	1,762,567				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	1,440,561	1,588	0.11	897	0.06
Corporate actions	188	-	-	-	-
Total	1,440,749	1,588		897	
Total including transaction costs	1,438,264				
Total as a percentage of average net assets		0.22 %		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 0.14% (2017: 0.15%).

Notes to the Financial Statements

14 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	2,142,413	-	1,758,028	-
Level 2: Observable market data	287,885	-	197,714	-
Level 3: Unobservable data	-	-	-	-
	<u>2,430,298</u>	<u>-</u>	<u>1,955,742</u>	<u>-</u>

15 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 30/06/18
Retail Accumulation Shares	13,634,137	3,072,481	(2,563,205)	(16,027)	14,127,386
W Accumulation Shares	931,743,685	348,615,890	(25,741,476)	19,110	1,254,637,209
Accumulation Shares	146,642,655	9,408,531	(41,110,646)	-	114,940,540

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 £1,955,000 (2017: £1,627,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18					
Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
HSBC Global Markets	-	177	-	-	177
Total	<u>-</u>	<u>177</u>	<u>-</u>	<u>-</u>	<u>177</u>
30/06/17					
Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
HSBC Global Markets	-	443	-	-	443
Total	<u>-</u>	<u>443</u>	<u>-</u>	<u>-</u>	<u>443</u>

18 Shareholders' funds

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

Retail Accumulation Shares : 1.50%

W Accumulation Shares : 0.75%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Retail Accumulation Shares	182.35	175.90	(3.54)
W Accumulation Shares	153.44	148.19	(3.42)
Accumulation Shares	465.21	449.19	(3.44)

Distribution Statement

for the year ended 30 June 2018

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

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	0.5176	-	0.5176	0.3389
Group 2	0.4931	0.0245	0.5176	0.3389

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

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	1.5999	-	1.5999	1.2751
Group 2	1.3122	0.2877	1.5999	1.2751

Accumulation Shares - final distribution No. 21 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	4.1930	-	4.1930	3.3967
Group 2	3.7281	0.4649	4.1930	3.3967

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in the shares of European companies excluding those in the United Kingdom. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund delivered positive returns over the period, supported by strong contributions from holdings in the information technology (IT) and financials sectors. Key positions, including Dassault Systemes, Amadeus IT Group and Deutsche Boerse were buoyed by encouraging results and good growth prospects. I took over the management of the fund on 1 August 2017 and made gradual changes to the portfolio to align it with my investment approach. I increased the exposure to the consumer discretionary sector by purchasing new holdings in Prada, LVMH Moet Hennessy SE, adidas and Beneteau, which remain well positioned for growth. Conversely, the allocation to the health care sector was reduced as I sold positions in Fresenius Medical Care, Genmab and Bayer.

Outlook

The eurozone economy is expected to continue to expand, though the pace of expansion is likely to be modest going forward. Rising trade protectionism is a concern, as the trade dispute between the US and China could impact other regions, including Europe.

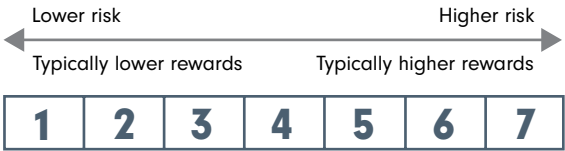
Vincent Durel
Fund Manager
30 June 2018

Risk and Reward Indicator

SRRI

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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	519.40	413.50	409.66
Return before operating charges*	21.30	110.01	7.44
Operating charges	(4.70)	(4.11)	(3.60)
Return after operating charges*	16.60	105.90	3.84
Distributions	(6.54)	(5.84)	(5.76)
Retained distributions on accumulation shares	6.54	5.84	5.76
Closing net asset value per share	536.00	519.40	413.50
*after direct transaction costs of	0.83	0.96	1.54
Performance			
Return after charges	3.2%	25.6%	0.9%
Other information			
Closing net asset value (£'000)	391,653	532,671	461,858
Closing number of shares	73,069,128	102,554,783	111,694,344
Operating charges	0.89%	0.88%	0.88%
Direct transaction costs	0.16%	0.20%	0.38%
Prices (pence per share)			
Highest share price	545.20	538.80	428.20
Lowest share price	494.40	416.30	370.30

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		5,749		109,011
Revenue	5	11,521		14,675	
Expenses	6	(4,266)		(4,492)	
Interest payable and similar charges	8	(10)		(64)	
Net revenue/(expense) before taxation		7,245		10,119	
Taxation	7	(1,710)		(172)	
Net revenue/(expense) after taxation			5,535		9,947
Total return before distributions			11,284		118,958
Distributions	8		(4,920)		(6,544)
Change in net assets attributable to shareholders from investment activities			6,364		112,414

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			532,671		461,858
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		33,281		46,275	
Amounts payable on cancellation of shares		(83,513)		(93,864)	
In specie cancellation of shares		(101,980)		-	
			(152,212)		(47,589)
Swing price adjustment			50		-
Change in net assets attributable to shareholders from investment activities (see above)			6,364		112,414
Retained distribution on accumulation shares	8		4,780		5,988
Closing net assets attributable to shareholders			391,653		532,671

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			393,067		531,217
Current assets:					
Debtors	9	4,548		3,934	
Cash and bank balances	10	51		416	
Total other assets			4,599		4,350
Total assets			397,666		535,567
Liabilities:					
Creditors					
Other creditors	11	(6,013)		(2,896)	
Total other liabilities			(6,013)		(2,896)
Total liabilities			(6,013)		(2,896)
Net assets attributable to shareholders			391,653		532,671

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	5,788	106,532
Gains/(losses) on derivative contracts	49	2,527
Other currency gains/(losses)	(136)	(85)
Transaction charges	(21)	(15)
Broker fee rebates	69	52
Net capital gains/(losses)	<u>5,749</u>	<u>109,011</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Derivative revenue	6	549
Interest on securities	(16)	-
UK dividends	244	620
UK scrip dividends	-	117
Overseas dividends	10,451	9,737
Overseas property income distributions	221	-
Overseas scrip dividends	615	3,286
Taxable interest	-	366
Total revenue	<u>11,521</u>	<u>14,675</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	3,859	4,092
Service charges	241	256
Foreign exchange administration fees	4	4
	<u>4,104</u>	<u>4,352</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	44	46
Custody fees	52	51
	<u>96</u>	<u>97</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	58	35
	<u>66</u>	<u>43</u>
Total expenses	<u>4,266</u>	<u>4,492</u>

Notes to the Financial Statements

7 Taxation

	30/06/18 £'000	30/06/17 £'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	1,710	172
Total current taxation	<u>1,710</u>	<u>172</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>7,245</u>	<u>10,119</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,449	2,024
Effects of:		
Overseas taxation	1,710	172
Overseas tax expensed	(2)	-
Increase/(decrease) in unutilised management expenses	710	719
Revenue not included for tax purposes	<u>(2,157)</u>	<u>(2,743)</u>
Current tax charge/(credit)	<u>1,710</u>	<u>172</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 £5,702,000 (2017: £4,992,000). 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

	30/06/18 £'000	30/06/17 £'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	4,780	5,988
Add: Revenue deducted on cancellation of shares	160	656
Deduct: Revenue received on issue of shares	<u>(20)</u>	<u>(100)</u>
Net distributions for the year	<u>4,920</u>	<u>6,544</u>
Interest/other		
Interest	10	64
Total finance costs	<u>4,930</u>	<u>6,608</u>
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	5,535	9,947
Add back (revenue)/expenses transferred to capital:		
UK scrip dividends	-	(117)
Overseas scrip dividends	<u>(615)</u>	<u>(3,286)</u>
	<u>4,920</u>	<u>6,544</u>

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18 £'000	30/06/17 £'000
Sales awaiting settlement	-	1,306
Sales of currency awaiting settlement	2,824	205
Accrued revenue	308	189
Overseas tax recoverable	1,340	2,234
Amounts receivable for issue of shares	76	-
Total debtors	<u>4,548</u>	<u>3,934</u>

Notes to the Financial Statements

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	1	42
Cash and bank balances	50	374
Total cash and bank balances	<u>51</u>	<u>416</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	2,811	1,923
Purchases awaiting settlement	48	322
Purchases of currency awaiting settlement	2,829	206
Accrued expenses	325	445
Total other creditors	<u>6,013</u>	<u>2,896</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)	
30/06/18	£'000	£'000	£'000	£'000
Danish Krone	-	-	77	77
Euro	327,108	51	1,517	328,676
Hong Kong Dollar	7,405	-	-	7,405
Norwegian Krone	7,424	-	-	7,424
Swedish Krona	2,498	-	-	2,498
Swiss Franc	48,632	-	-	48,632
UK Pound	-	-	(3,059)	(3,059)
Total	393,067	51	(1,465)	391,653
30/06/17	£'000	£'000	£'000	£'000
Danish Krone	27,984	-	171	28,155
Euro	414,000	416	1,866	416,282
Norwegian Krone	4,131	-	-	4,131
Swedish Krona	8,675	-	-	8,675
Swiss Franc	61,168	-	1,153	62,321
UK Pound	15,259	-	(2,152)	13,107
Total	531,217	416	1,038	532,671

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: 0.97%).

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

30/06/18

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	339,243	161	0.05	392	0.12
Corporate actions	615	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>339,858</u>	<u>162</u>		<u>392</u>	

Total including transaction costs

340,412

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	387,261	199	0.05	1	-
Corporate actions	13	-	-	-	-
In-specie	101,980	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>489,254</u>	<u>200</u>		<u>1</u>	

Total including transaction costs

489,053

Total as a percentage of average net assets*

0.07 %

0.08 %

30/06/17

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	355,867	341	0.10	302	0.08
Corporate actions	3,403	-	-	-	-
Derivative	-	15	-	-	-
Total	<u>359,270</u>	<u>356</u>		<u>302</u>	

Total including transaction costs

359,928

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	387,606	375	0.10	-	-
Corporate actions	2,053	-	-	-	-
Derivative	-	15	-	-	-
Total	<u>389,659</u>	<u>390</u>		<u>-</u>	

Total including transaction costs

389,269

Total as a percentage of average net assets

0.15 %

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 0.07% (2017: 0.05%).

14 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	387,280	-	531,214	-
Level 2: Observable market data	5,787	-	3	-
Level 3: Unobservable data	-	-	-	-
	<u>393,067</u>	<u>-</u>	<u>531,217</u>	<u>-</u>

15 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	102,554,783	6,218,701	(35,704,356)	73,069,128

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 £277,000 (2017: £391,000) are included within accrued expenses in Note 11.

17 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80%

The distributions per share class are given in the Distribution Statement.

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	536.00	555.60	3.66

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 21 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	6.5419	-	6.5419	5.8387
Group 2	6.1265	0.4154	6.5419	5.8387

Fund Manager’s Review

Investment Objective and Policy

The fund aims to achieve long-term growth from a portfolio primarily invested in stocks across the world’s stock markets. The manager is free to select any company regardless of size, industry or location and will concentrate its investments in a more limited number of companies and therefore the resulting portfolio will be less diversified.

Performance and Portfolio Activity

The fund generated positive returns over the period. Consumer driven holdings Ocado Group, Jubilant FoodWorks and TripAdvisor advanced on improving fundamentals, better execution and growth in addressable markets. Within energy, Royal Dutch Shell performed well on higher oil prices. Fundamentally strong information technology (IT) franchises Microsoft and Intuit gained on strong momentum in key businesses. I increased the IT allocation through new positions in Visa, Intel and Akamai Technologies. Meanwhile, holdings in US IT companies Renesas Electronics and Cognex were sold on valuation grounds.

Outlook

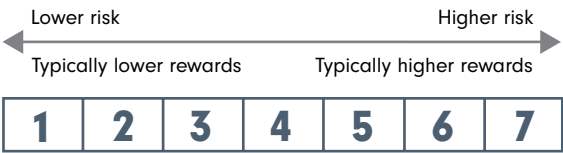
From a valuation perspective, regions outside the US appear relatively more favourable, and the recent sell-off in emerging markets has thrown up some interesting opportunities. Nonetheless, rising interest rates at a time of higher corporate indebtedness as well as concerns over global trade frictions pose risks to markets. Therefore, it remains important to focus on stock specific fundamentals.

Amit Lodha
Fund Manager
30 June 2018

Risk and Reward Indicator

SRRI

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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	390.89	310.30	282.97
Return before operating charges*	57.51	83.84	29.88
Operating charges	(3.75)	(3.25)	(2.55)
Return after operating charges*	53.76	80.59	27.33
Distributions	(2.39)	(2.50)	(1.72)
Retained distributions on accumulation shares	2.39	2.50	1.72
Closing net asset value per share	444.65	390.89	310.30
*after direct transaction costs of	0.27	0.30	0.38
Performance			
Return after charges	13.8%	26.0%	9.7%
Other information			
Closing net asset value (£'000)	91,926	121,451	106,106
Closing number of shares	20,673,774	31,070,461	34,194,541
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.06%	0.08%	0.13%
Prices (pence per share)			
Highest share price	451.80	403.80	310.60
Lowest share price	391.00	318.10	254.20

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		13,660		26,163
Revenue	5	1,743		2,192	
Expenses	6	(953)		(1,064)	
Interest payable and similar charges	8	(1)		-	
Net revenue/(expense) before taxation		789		1,128	
Taxation	7	(186)		(193)	
Net revenue/(expense) after taxation			603		935
Total return before distributions			14,263		27,098
Distributions	8		(537)		(815)
Change in net assets attributable to shareholders from investment activities			13,726		26,283

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			121,451		106,106
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		1,020		4,298	
Amounts payable on cancellation of shares		(44,795)		(16,012)	
			(43,775)		(11,714)
Swing price adjustment			29		-
Change in net assets attributable to shareholders from investment activities (see above)			13,726		26,283
Retained distribution on accumulation shares	8		495		776
Closing net assets attributable to shareholders			91,926		121,451

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			91,230		121,414
Current assets:					
Debtors	9	1,781		249	
Cash and bank balances		152		125	
Total other assets			1,933		374
Total assets			93,163		121,788
Liabilities:					
Creditors					
Other creditors	10	(1,237)		(337)	
Total other liabilities			(1,237)		(337)
Total liabilities			(1,237)		(337)
Net assets attributable to shareholders			91,926		121,451

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	13,788	26,079
Other currency gains/(losses)	(125)	91
Transaction charges	(12)	(10)
Broker fee rebates	9	3
	<u>13,660</u>	<u>26,163</u>
Net capital gains/(losses)	<u>13,660</u>	<u>26,163</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	34	31
UK dividends	52	186
UK scrip dividends	19	-
Overseas dividends	1,532	1,782
Overseas property income distributions	57	79
Overseas scrip dividends	47	112
Bank interest	2	1
Taxable interest	-	1
	<u>1,743</u>	<u>2,192</u>
Total revenue	<u>1,743</u>	<u>2,192</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	855	964
Service charges	54	60
Foreign exchange administration fees	4	4
	<u>913</u>	<u>1,028</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	11	13
Custody fees	8	7
	<u>19</u>	<u>20</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	13	8
	<u>21</u>	<u>16</u>
Total expenses	<u>953</u>	<u>1,064</u>

Notes to the Financial Statements

7 Taxation

	30/06/18 £'000	30/06/17 £'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	186	201
Overseas capital gains tax	-	(8)
Total current taxation	<u>186</u>	<u>193</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>789</u>	<u>1,128</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	158	226
Effects of:		
Overseas capital gains tax	-	(8)
Overseas taxation	186	201
Overseas tax expensed	(2)	(3)
Increase/(decrease) in unutilised management expenses	167	183
Revenue not included for tax purposes	(323)	(406)
Current tax charge/(credit)	<u>186</u>	<u>193</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 £1,517,000 (2017: £1,350,000). 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

	30/06/18 £'000	30/06/17 £'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	495	776
Add: Revenue deducted on cancellation of shares	43	50
Deduct: Revenue received on issue of shares	(1)	(11)
Net distributions for the year	<u>537</u>	<u>815</u>
Interest/other		
Interest	1	-
Total finance costs	<u>538</u>	<u>815</u>
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	603	935
Add back (revenue)/expenses transferred to capital:		
UK scrip dividends	(19)	-
Overseas scrip dividends	(47)	(112)
Indian capital gains tax	-	(8)
	<u>537</u>	<u>815</u>

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18 £'000	30/06/17 £'000
Accrued revenue	125	197
Overseas tax recoverable	32	52
Sales awaiting settlement	1,115	-
Sales of currency awaiting settlement	509	-
Total debtors	<u>1,781</u>	<u>249</u>

Notes to the Financial Statements

10 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Purchases awaiting settlement	644	228
Accrued expenses	83	109
Purchases of currency awaiting settlement	510	-
Total other creditors	<u>1,237</u>	<u>337</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)	
30/06/18	£'000	£'000	£'000	£'000
Brazilian Real	-	1	-	1
Canadian Dollar	824	-	-	824
Danish Krone	1,659	-	7	1,666
Euro	11,616	20	38	11,674
Hong Kong Dollar	1,829	-	19	1,848
Indian Rupee	3,431	99	(86)	3,444
Japanese Yen	5,890	6	15	5,911
Korean Won	723	7	-	730
Singapore Dollar	677	-	34	711
South African Rand	827	-	-	827
Swedish Krona	2,285	-	-	2,285
Swiss Franc	2,490	-	-	2,490
Taiwan Dollar	-	2	-	2
UK Pound	6,723	-	(75)	6,648
US Dollar	52,256	17	592	52,865
Total	91,230	152	544	91,926
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	1,064	-	-	1,064
Brazilian Real	-	2	-	2
Danish Krone	2,691	-	6	2,697
Euro	13,149	3	19	13,171
Hong Kong Dollar	1,038	-	24	1,062
Indian Rupee	3,482	8	-	3,490
Japanese Yen	13,215	16	44	13,275
Korean Won	890	7	-	897
Singapore Dollar	394	3	-	397
South African Rand	1,303	-	-	1,303
Swedish Krona	1,263	-	-	1,263
Swiss Franc	5,665	1	32	5,698
Taiwan Dollar	-	2	-	2
UK Pound	5,401	12	(54)	5,359
US Dollar	71,859	71	(159)	71,771
Total	121,414	125	(88)	121,451

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 0.92% 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 that could impact it significantly (2017: same).

12 Portfolio transaction costs

30/06/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	49,672	18	0.04	17	0.03
Corporate actions	780	-	-	-	-
Total	50,452	18		17	
Total including transaction costs	50,487				
Analysis of total sales costs	Sales	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity	91,731	28	0.03	6	0.01
Corporate actions	1,508	-	-	-	-
Total	93,239	28		6	
Total including transaction costs	93,205				
Total as a percentage of average net assets*		0.04 %		0.02 %	
30/06/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	63,633	32	0.05	22	0.04
Corporate actions	112	-	-	-	-
Total	63,745	32		22	
Total including transaction costs	63,799				
Analysis of total sales costs	Sales	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity	72,372	34	0.05	11	0.02
Corporate actions	202	-	-	-	-
Total	72,574	34		11	
Total including transaction costs	72,529				
Total as a percentage of average net assets		0.06 %		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 0.09% (2017: 0.05%).

13 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	88,795	-	116,502	-
Level 2: Observable market data	2,435	-	3,421	-
Level 3: Unobservable data*	-	-	1,491	-
	91,230	-	121,414	-

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 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	31,070,461	247,280	(10,643,967)	20,673,774

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 £66,000 (2017: £88,000) are included within accrued expenses in Note 10.

16 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	444.65	467.80	5.21

Distribution Statement

for the year ended 30 June 2018

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

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	2.3948	-	2.3948	2.4968
Group 2	1.7937	0.6011	2.3948	2.4968

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 UK and overseas index-linked gilts and other index-linked fixed interest securities. The fund may invest directly in index-linked 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 underperformed the index over the period. The long breakeven position in sterling weighed on returns as inflation breakevens reached the bottom of their trading ranges. The small exposure to corporate bonds also hampered performance as credit spreads widened. These losses were partially offset by the favourable positioning across the sterling yield curve. We tactically managed the sterling duration position over the period. We reduced the portfolio’s sensitivity to interest rate changes in sterling from a neutral to short stance. The long break-even positioning was maintained as inflation is likely to rise due to weak sterling. The fund maintains a small exposure of 6.6% to a globally diversified basket of investment grade corporate bonds, with a bias towards utilities.

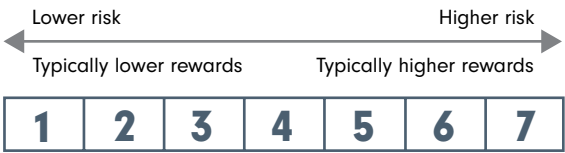
Outlook

An increase in oil prices could indicate a stagflationary (economic stagnation accompanied by rising prices or inflation) environment in the near term, which is traditionally good for inflation-linked bonds. In the UK, inflation could rise in the near term on a tighter labour market and price hikes for utilities.

Tim Foster & Ian Fishwick
Fund Managers
30 June 2018

Risk and Reward Indicator

	SRRI
Accumulation Shares	5
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.
- 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.

Index-Linked Bond Fund

Comparative Performance Table

	Income Shares			Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	320.37	298.17	257.16	390.24	362.37	310.30
Return before operating charges*	6.97	24.03	44.17	8.26	29.14	53.12
Operating charges	(1.09)	(1.04)	(0.87)	(1.30)	(1.27)	(1.05)
Return after operating charges*	5.88	22.99	42.92	6.96	27.87	52.07
Distributions	(1.05)	(0.79)	(1.91)	(1.32)	(0.96)	(2.32)
Retained distributions on accumulation shares	-	-	-	1.32	0.96	2.32
Closing net asset value per share	325.20	320.37	298.17	397.20	390.24	362.37
*after direct transaction costs of	-	0.01	0.01	-	0.01	0.01
Performance						
Return after charges	1.8%	7.7%	16.7%	1.8%	7.7%	16.8%
Other information						
Closing net asset value (£'000)	4,101	5,395	4,556	159,355	405,526	328,590
Closing number of shares	1,261,939	1,684,102	1,526,635	40,117,183	103,915,262	90,677,833
Operating charges	0.34%	0.32%	0.32%	0.33%	0.32%	0.32%
Direct transaction costs	0%	0%	0%	0%	0%	0%
Prices (pence per share)						
Highest share price	339.70	347.80	299.30	413.80	423.30	362.90
Lowest share price	309.20	295.90	252.30	376.70	359.60	304.50

Index-Linked Bond Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		(7,604)		19,313
Revenue	5	7,413		7,720	
Expenses	6	(1,078)		(1,282)	
Interest payable and similar charges	8	(131)		(188)	
Net revenue/(expense) before taxation		6,204		6,250	
Taxation	7	-		-	
Net revenue/(expense) after taxation			6,204		6,250
Total return before distributions			(1,400)		25,563
Distributions	8		(800)		(990)
Change in net assets attributable to shareholders from investment activities			<u>(2,200)</u>		<u>24,573</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			410,950		333,173
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		51,251		82,629	
Amounts payable on cancellation of shares		(223,105)		(30,538)	
In specie cancellation of shares		<u>(74,388)</u>		-	
			(246,242)		52,091
Swing price adjustment			211		105
Change in net assets attributable to shareholders from investment activities (see above)			(2,200)		24,573
Retained distribution on accumulation shares			737		1,008
Closing net assets attributable to shareholders			<u>163,456</u>		<u>410,950</u>

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			162,456		412,522
Current assets:					
Debtors	9	281		617	
Cash and bank balances	10	1,027		3,675	
Total other assets			1,308		4,292
Total assets			<u>163,764</u>		<u>416,814</u>
Liabilities:					
Investment liabilities			(187)		(993)
Creditors					
Distribution payable		(8)		(5)	
Other creditors	11	(113)		(4,866)	
Total other liabilities			(121)		(4,871)
Total liabilities			<u>(308)</u>		<u>(5,864)</u>
Net assets attributable to shareholders			<u>163,456</u>		<u>410,950</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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(7,476)	17,547
Gains/(losses) on derivative contracts	(533)	3,290
Gains/(losses) on forward currency contracts	571	(1,680)
Other currency gains/(losses)	(163)	160
Transaction charges	(3)	(4)
	<u>(7,604)</u>	<u>19,313</u>
Net capital gains/(losses)		

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	7,211	7,719
Derivative revenue	201	-
Bank interest	1	1
	<u>7,413</u>	<u>7,720</u>
Total revenue		

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	818	996
Service charges	163	199
Foreign exchange administration fees	-	1
	<u>981</u>	<u>1,196</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	34	39
Custody fees	7	11
	<u>41</u>	<u>50</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	46	26
	<u>56</u>	<u>36</u>
	<u>1,078</u>	<u>1,282</u>
Total expenses		

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Total current taxation	-	-
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	6,204	6,250
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,241	1,250
Effects of:		
Indexation gains not subject to tax	(1,895)	(1,751)
Increase/(decrease) in unutilised management expenses	654	501
	<u>-</u>	<u>-</u>
Current tax charge/(credit)		

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 £1,974,000 (2017: £1,320,000). 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. 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Income Shares		
Final	8	5
Interim	6	8
Accumulation Shares		
Final	341	398
Interim	396	610
Gross paying Income Shares*		
Final	-	-
Interim	-	-
	<u>751</u>	<u>1,021</u>
Add: Revenue deducted on cancellation of shares	4	13
Deduct: Revenue received on issue of shares	(3)	(44)
Add: Revenue deducted on in specie shares	<u>48</u>	<u>-</u>
Net distributions for the year	<u>800</u>	<u>990</u>
Interest/other		
Derivative expense	44	20
FX Hedging Expense	7	84
Swap expenses	<u>80</u>	<u>84</u>
	<u>131</u>	<u>188</u>
Total finance costs	<u>931</u>	<u>1,178</u>
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	6,204	6,250
Add back (revenue)/expenses transferred to capital:		
UK capital indexation	(9,473)	(8,756)
Overseas capital indexation	(450)	(657)
Coupon distribution adjustment**	<u>4,519</u>	<u>4,153</u>
	<u>800</u>	<u>990</u>

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

*This share class converted to Income Shares on 1 May 2018.

**Revenue on debt securities is accounted for on an effective yield basis. For the purpose of calculating the distribution, revenue on debt securities is computed on a coupon basis where this exceeds the amount determined on an effective yield basis.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Accrued revenue	<u>281</u>	<u>617</u>
Total debtors	<u>281</u>	<u>617</u>

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	310	1,325
Cash and bank balances	<u>717</u>	<u>2,350</u>
Total cash and bank balances	<u>1,027</u>	<u>3,675</u>

Notes to the Financial Statements

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	27	4,696
Accrued expenses	72	143
Amounts payable on closure of derivative contract	14	27
Total other creditors	113	4,866

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:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
30/06/18	£'000	£'000	£'000	£'000
Canadian Dollar	-	1	-	1
Euro	-	20	-	20
UK Pound	162,270	1,007	158	163,435
Total	162,270	1,028	158	163,456
30/06/17	£'000	£'000	£'000	£'000
Canadian Dollar	-	1	-	1
Euro	-	19	-	19
New Zealand Dollar	5,648	1	(5)	5,644
UK Pound	403,463	3,653	(4,250)	402,866
US Dollar	2,418	1	1	2,420
Total	411,529	3,675	(4,254)	410,950

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
30/06/18	£'000	£'000	£'000	£'000
Canadian Dollar	1	-	-	1
Euro	19	-	-	19
UK Pound	157,653	2,736	3,355	163,744
Total	157,673	2,736	3,355	163,764
30/06/17	£'000	£'000	£'000	£'000
Canadian Dollar	1	-	-	1
Euro	19	-	-	19
New Zealand Dollar	5,964	-	4	5,968
UK Pound	361,379	7,317	39,648	408,344
US Dollar	2,462	-	20	2,482
Total	369,825	7,317	39,672	416,814

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
30/06/18	£'000	£'000	£'000	£'000
UK Pound^	186	-	163,578	163,764
Total	186	-	163,578	163,764

Notes to the Financial Statements

30/06/17	£'000	£'000	£'000	£'000
New Zealand Dollar	-	-	324	324
UK Pound	262	-	416,166	416,428
US Dollar	-	-	62	62
Total	262	-	416,552	416,814

^ Includes £163,456,000 in respect of the fund's liability to redeem all shares (2017: £410,950,000).

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 24.37% fall or rise in the fund's market value (2017: 24.22%).

Credit rating risk

As at the year end 0.00% (2017: 0.00%) of the fund's market value was invested in securities rated as below investment grade, additionally 0.00% (2017: 0.00%) 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

At the year end the fund holds no futures that could impact it significantly (2017: A 1% change the price of the futures would lead to a change representing 0.44% of the fund's market value).

Interest rate swaps exposure

At the year end the fund holds no interest rate swaps that could impact it significantly (2017: A 1% change in interest rates would lead to a change representing 0.26% of the fund's market value).

Inflation-linked swaps exposure

At the year end the fund holds no inflation rate swaps that could impact it significantly (2017: A 1% change in inflation would lead to a change representing 0.57% of the fund's market value).

13 Portfolio transaction costs

30/06/18	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Bond	213,983	-	-	-	-
Derivative	-	1	-	-	-
Total	213,983	1		-	
Total including transaction costs	213,984				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Bond	351,770	-	-	-	-
In-specie	74,333	-	-	-	-
Derivative	-	1	-	-	-
Total	426,103	1		-	
Total including transaction costs	426,102				
Total as a percentage of average net assets*		0.00 %		0.00 %	

30/06/17	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Bond	159,038	-	-	-	-
Derivative	-	3	-	-	-
Total	159,038	3		-	
Total including transaction costs	159,041				

Notes to the Financial Statements

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Bond	126,903	-	-	-	-
Derivative	-	3	-	-	-
Total	<u>126,903</u>	<u>3</u>		<u>-</u>	
Total including transaction costs	<u>126,900</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 0.19% (2017: 0.18%).

14 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	148,823	-	351,446	(387)
Level 2: Observable market data	13,633	(187)	61,076	(606)
Level 3: Unobservable data	-	-	-	-
	<u>162,456</u>	<u>(187)</u>	<u>412,522</u>	<u>(993)</u>

15 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Income Shares	1,684,102	240,342	(662,505)	1,261,939
Accumulation Shares	103,915,262	12,836,361	(76,634,440)	40,117,183
Gross paying Income Shares	1,914	-	(1,914)	-

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 £40,000 (2017: £105,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18					
Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
Barclays	-	-	(112)	-	(112)
Citigroup Global Markets	-	-	21	-	21
Deutsche Bank	-	-	(52)	-	(52)
Lloyd's	-	-	19	-	19
UBS	-	71	-	-	71
Total	<u>-</u>	<u>71</u>	<u>(124)</u>	<u>-</u>	<u>(53)</u>
30/06/17					
Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
BBH	19	-	-	-	19
BNP Paribas	(29)	-	-	-	(29)
Morgan Stanley	-	-	(200)	-	(200)
Royal Bank of Canada	(315)	-	-	-	(315)
UBS	-	(386)	-	-	(386)
Total	<u>(325)</u>	<u>(386)</u>	<u>(200)</u>	<u>-</u>	<u>(911)</u>

Notes to the Financial Statements

18 Shareholders' funds

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

Income Shares : 0.25%

Accumulation Shares : 0.25%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Income Shares	325.20	331.10	1.81
Accumulation Shares	397.20	404.69	1.89

Index-Linked Bond Fund

Distribution Statement

for the year ended 30 June 2018

Income Shares - final distribution No. 43 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 31/08/18	Amount distributed 31/08/17
Group 1	0.6701	-	0.6701	0.3154
Group 2	0.4935	0.1766	0.6701	0.3154

Income Shares - interim distribution No. 42 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/02/18	Amount distributed 28/02/17
Group 1	0.3810	-	0.3810	0.3798
Group 2	0.2834	0.0976	0.3810	0.3798

Accumulation Shares - final distribution No. 31 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	0.8495	-	0.8495	0.3828
Group 2	0.8299	0.0196	0.8495	0.3828

Accumulation Shares - interim distribution No. 30 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 28/02/18	Amount accumulated 28/02/17
Group 1	0.4692	-	0.4692	0.5746
Group 2	0.3487	0.1205	0.4692	0.5746

Gross paying Income Shares - interim distribution No. 11 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/02/18^	Amount distributed 28/02/17
Group 1	1.8188	-	1.8188	2.2412
Group 2	-	1.8188	1.8188	2.2412

^this share class converted to Income Shares on 1 May 2018.

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in the shares of companies in Japan. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund generated positive returns over the period, driven by strong stock selection in the industrials and information technology sectors. At a stock level, precision motor maker Nidec added notable value. Precision equipment company Shimadzu also enhanced gains as it raised its full-year earnings guidance to reflect the strong sales of its analytical/measuring instruments. I bought a new position in TDK, an electronic parts maker with strong profit growth driven by sensors, components for automotive applications and lithium-ion batteries. I increased the exposure to Recruit as the acquisition of US job listing company Glassdoor is expected to accelerate its growth in the human resources technology space. Conversely, I took profits in Daifuku and Makita in the capital goods sector in view of the weakening sentiment around the sector.

Outlook

External macroeconomic risks have capped the near-term upside for Japanese equities. However, a benign domestic macroeconomic and policy backdrop, sustained earnings growth and comparatively attractive valuations are supportive of Japanese equities.

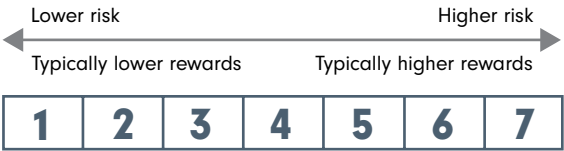
Jun Tano
Fund Manager
30 June 2018

Risk and Reward Indicator

SRRI

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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	272.83	221.83	209.49
Return before operating charges*	43.34	53.22	14.14
Operating charges	(2.73)	(2.22)	(1.80)
Return after operating charges*	40.61	51.00	12.34
Distributions	(1.10)	(1.26)	(2.06)
Retained distributions on accumulation shares	1.10	1.26	2.06
Closing net asset value per share	313.44	272.83	221.83
*after direct transaction costs of	0.26	0.23	0.27
Performance			
Return after charges	14.9%	23.0%	5.9%
Other information			
Closing net asset value (£'000)	223,615	351,233	354,109
Closing number of shares	71,341,172	128,736,918	159,630,589
Operating charges	0.89%	0.89%	0.88%
Direct transaction costs	0.08%	0.09%	0.13%
Prices (pence per share)			
Highest share price	341.80	284.10	224.60
Lowest share price	269.00	223.90	176.30

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		54,921		73,266
Revenue	5	4,012		5,619	
Expenses	6	(2,815)		(3,225)	
Interest payable and similar charges	8	(6)		(3)	
Net revenue/(expense) before taxation		1,191		2,391	
Taxation	7	(401)		(561)	
Net revenue/(expense) after taxation			790		1,830
Total return before distributions			55,711		75,096
Distributions	8		(790)		(1,830)
Change in net assets attributable to shareholders from investment activities			54,921		73,266

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			351,233		354,109
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		29,558		17,493	
Amounts payable on cancellation of shares		(71,266)		(95,255)	
In specie cancellation of shares		(141,686)		-	
			(183,394)		(77,762)
Swing price adjustment			74		-
Change in net assets attributable to shareholders from investment activities (see above)			54,921		73,266
Retained distribution on accumulation shares	8		781		1,620
Closing net assets attributable to shareholders			223,615		351,233

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			222,540		344,053
Current assets:					
Debtors	9	7,879		6,872	
Cash and bank balances		1,720		9,147	
Total other assets			9,599		16,019
Total assets			232,139		360,072
Liabilities:					
Creditors					
Other creditors	10	(8,524)		(8,839)	
Total other liabilities			(8,524)		(8,839)
Total liabilities			(8,524)		(8,839)
Net assets attributable to shareholders			223,615		351,233

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	54,397	73,139
Other currency gains/(losses)	498	107
Transaction charges	(20)	(22)
Broker fee rebates	46	42
Net capital gains/(losses)	<u>54,921</u>	<u>73,266</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Overseas dividends	4,012	5,619
Total revenue	<u>4,012</u>	<u>5,619</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	2,549	2,941
Service charges	159	184
Foreign exchange administration fees	3	3
	<u>2,711</u>	<u>3,128</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	26	30
Custody fees	32	35
	<u>58</u>	<u>65</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	38	24
	<u>46</u>	<u>32</u>
Total expenses	<u>2,815</u>	<u>3,225</u>

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	401	561
Total current taxation	<u>401</u>	<u>561</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>1,191</u>	<u>2,391</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	238	478

Notes to the Financial Statements

Effects of:

Overseas taxation	401	561
Increase/(decrease) in unutilised management expenses	564	646
Revenue not included for tax purposes	(802)	(1,124)
	<u>401</u>	<u>561</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 £6,364,000 (2017: £5,800,000). 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	781	1,620
Add: Revenue deducted on cancellation of shares	67	230
Deduct: Revenue received on issue of shares	(58)	(20)
Net distributions for the year	<u>790</u>	<u>1,830</u>
Interest/other		
Interest	6	3
Total finance costs	<u>796</u>	<u>1,833</u>
Details of the distribution per share is set out in the Distribution Statement.		

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	10	38
Sales awaiting settlement	2,570	5,020
Accrued revenue	697	1,814
Sales of currency awaiting settlement	4,602	-
Total debtors	<u>7,879</u>	<u>6,872</u>

10 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	2,304	651
Purchases awaiting settlement	1,435	7,891
Accrued expenses	198	297
Purchases of currency awaiting settlement	4,587	-
Total other creditors	<u>8,524</u>	<u>8,839</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)	
30/06/18	£'000	£'000	£'000	£'000
Japanese Yen	222,540	1,720	(472)	223,788
UK Pound	-	-	(2,480)	(2,480)
US Dollar	-	-	2,307	2,307
Total	222,540	1,720	(645)	223,615

Notes to the Financial Statements

30/06/17	£'000	£'000	£'000	£'000
Japanese Yen	344,053	9,147	(1,071)	352,129
UK Pound	-	-	(896)	(896)
Total	344,053	9,147	(1,967)	351,233

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 0.99% 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

30/06/18	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	263,079	127	0.05	-	-
Total	263,079	127		-	
Total including transaction costs	263,206				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	297,298	143	0.05	-	-
In-specie	141,686	-	-	-	-
Total	438,984	143		-	
Total including transaction costs	438,841				
Total as a percentage of average net assets*		0.08 %		0.00 %	
30/06/17	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Equity	210,946	144	0.07	-	-
Total	210,946	144		-	
Total including transaction costs	211,090				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Equity	285,869	193	0.07	-	-
Total	285,869	193		-	
Total including transaction costs	285,676				
Total as a percentage of average net assets		0.09 %		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 0.18% (2017: 0.13%).

Notes to the Financial Statements

13 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	222,540	-	343,354	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data*	-	-	699	-
	<u>222,540</u>	<u>-</u>	<u>344,053</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 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	128,736,918	9,610,574	(67,006,320)	71,341,172

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 £162,000 (2017: £253,000) are included within accrued expenses in Note 10.

16 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	47.29	314.00	563.99

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 21 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	1.0954	-	1.0954	1.2585
Group 2	0.5565	0.5389	1.0954	1.2585

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 mainly to UK and overseas gilts and other fixed interest securities. The fund may invest directly in UK and overseas gilts and other fixed interest securities with a remaining maturity of at least 15 years 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 advanced over the period, primarily driven by coupon income from the small exposure to corporate bonds. Holdings in Lloyds Banking Group, BHP Billiton and Engie were the top contributors to performance. Conversely, the interest rate risk positioning held back gains, with adverse positioning across the UK government bonds (Gilt) yield curve weighing on returns.

Given the likelihood of increased frequency of risk events, holdings in corporate bonds such as French utility EDF and supranational bonds of Reseau Ferre De France were sold. Instead, we purchased positions in HSBC and University of Cambridge.

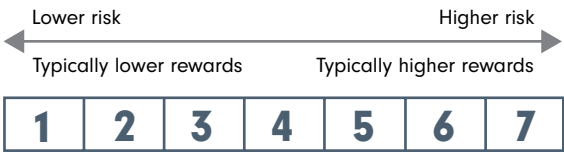
Outlook

The Bank of England (BoE) seems intent on normalising interest rates, and given the predisposition of its Monetary Policy Committee, we expect interest rates to be tightened once this year. In such an environment, Gilt yields are likely to move within a relatively tight range.

Tim Foster & Ian Fishwick
Fund Managers
30 June 2018

Risk and Reward Indicator

	SRRI
Accumulation Shares	5
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.
- 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

	Income Shares			Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	56.45	57.77	48.47	96.56	96.64	78.93
Return before operating charges*	2.47	0.25	10.91	4.27	0.24	17.99
Operating charges	(0.19)	(0.19)	(0.17)	(0.33)	(0.32)	(0.28)
Return after operating charges*	2.28	0.06	10.74	3.94	(0.08)	17.71
Distributions	(1.14)	(1.38)	(1.44)	(1.97)	(2.19)	(2.37)
Retained distributions on accumulation shares	-	-	-	1.97	2.19	2.37
Closing net asset value per share	57.59	56.45	57.77	100.50	96.56	96.64
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges	4.0%	0.2%	22.2%	4.1%	(0.1%)	22.5%
Other information						
Closing net asset value (£'000)	18,632	20,274	23,913	126,072	171,456	162,300
Closing number of shares	32,353,997	35,919,034	41,393,062	125,448,325	177,564,153	167,942,212
Operating charges	0.34%	0.32%	0.33%	0.33%	0.33%	0.33%
Direct transaction costs	0%	0%	0%	0%	0%	0%
Prices (pence per share)						
Highest share price	59.30	64.18	58.17	101.40	107.40	96.86
Lowest share price	54.27	54.26	47.36	93.85	91.38	77.15

Long Bond Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		2,444		(4,614)
Revenue	5	4,705		5,010	
Expenses	6	(612)		(637)	
Interest payable and similar charges	8	(377)		(3)	
Net revenue/(expense) before taxation		3,716		4,370	
Taxation	7	-		-	
Net revenue/(expense) after taxation			3,716		4,370
Total return before distributions			6,160		(244)
Distributions	8		(3,716)		(4,370)
Change in net assets attributable to shareholders from investment activities			2,444		(4,614)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			191,747		186,230
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		30,899		33,056	
Amounts payable on cancellation of shares		(83,751)		(26,794)	
			(52,852)		6,262
Swing price adjustment			70		-
Change in net assets attributable to shareholders from investment activities (see above)			2,444		(4,614)
Retained distribution on accumulation shares			3,295		3,869
Closing net assets attributable to shareholders			144,704		191,747

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			144,126		191,377
Current assets:					
Debtors	9	1,132		5,096	
Cash and bank balances	10	851		1,302	
Total other assets			1,983		6,398
Total assets			146,109		197,775
Liabilities:					
Investment liabilities			(1,139)		(714)
Creditors					
Distribution payable		(82)		(111)	
Other creditors	11	(184)		(5,203)	
Total other liabilities			(266)		(5,314)
Total liabilities			(1,405)		(6,028)
Net assets attributable to shareholders			144,704		191,747

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	1,755	(2,897)
Gains/(losses) on derivative contracts	517	(1,183)
Gains/(losses) on forward currency contracts	388	(397)
Other currency gains/(losses)	(212)	(132)
Transaction charges	(4)	(5)
Net capital gains/(losses)	<u>2,444</u>	<u>(4,614)</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	4,243	4,632
Derivative revenue	461	377
Bank interest	1	1
Total revenue	<u>4,705</u>	<u>5,010</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	461	488
Service charges	92	98
Foreign exchange administration fees	1	1
	<u>554</u>	<u>587</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	22	23
Custody fees	5	4
	<u>27</u>	<u>27</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	21	13
	<u>31</u>	<u>23</u>
Total expenses	<u>612</u>	<u>637</u>

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Total current taxation	-	-
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>3,716</u>	<u>4,370</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	743	874
Effects of:		
Interest distributions	(743)	(874)
Current tax charge/(credit)	<u>-</u>	<u>-</u>

Distribution Statement

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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Income Shares		
Final	82	111
Interim	293	405
Accumulation Shares		
Final	552	933
Interim	2,743	2,936
Gross paying Income Shares*		
Final	-	-
Interim	-	-
	<u>3,670</u>	<u>4,385</u>
Add: Revenue deducted on cancellation of shares	114	73
Deduct: Revenue received on issue of shares	<u>(68)</u>	<u>(88)</u>
Net distributions for the year	<u>3,716</u>	<u>4,370</u>
Interest/other		
Currency amortisation	87	-
FX Hedging Expense	2	-
Swap expenses	283	-
Interest	-	3
Derivative expense	5	-
	<u>377</u>	<u>3</u>
Total finance costs	<u>4,093</u>	<u>4,373</u>

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

*This share class closed on 15 January 2018.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	26	10
Sales awaiting settlement	-	2,850
Sales of currency awaiting settlement	-	527
Accrued revenue	1,106	1,709
Total debtors	<u>1,132</u>	<u>5,096</u>

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	302	668
Cash and bank balances	549	634
Total cash and bank balances	<u>851</u>	<u>1,302</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	23	1,420
Purchases awaiting settlement	-	3,056
Purchases of currency awaiting settlement	-	532
Accrued expenses	59	73
Amounts payable on closure of derivative contract	102	122
Total other creditors	<u>184</u>	<u>5,203</u>

Notes to the Financial Statements

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:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	-	5	-	5
Canadian Dollar	(90)	49	-	(41)
Euro	(361)	3	(4)	(362)
UK Pound	139,464	775	920	141,159
US Dollar	3,974	19	(50)	3,943
Total	142,987	851	866	144,704
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	-	1	-	1
Euro	5,476	1	(485)	4,992
UK Pound	171,990	1,300	291	173,581
US Dollar	13,197	-	(24)	13,173
Total	190,663	1,302	(218)	191,747

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	5	-	-	5
Canadian Dollar	49	-	-	49
Euro	3	350	18	371
UK Pound	3,637	133,701	4,112	141,450
US Dollar	599	3,208	427	4,234
Total	4,293	137,259	4,557	146,109
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	1	-	-	1
Euro	1	5,641	707	6,349
UK Pound	1,852	171,563	4,453	177,868
US Dollar	-	13,249	308	13,557
Total	1,854	190,453	5,468	197,775

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
30/06/18	£'000	£'000	£'000	£'000
Canadian Dollar	-	-	90	90
Euro	-	719	14	733
UK Pound^	-	74	144,920	144,994
US Dollar	-	-	292	292
Total	-	793	145,316	146,109
30/06/17	£'000	£'000	£'000	£'000
Euro	-	-	1,357	1,357
UK Pound	166	4	195,864	196,034
US Dollar	226	-	158	384
Total	392	4	197,379	197,775

^ Includes £144,704,000 in respect of the fund's liability to redeem all shares (2017: £191,747,000).

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 0.00% 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 19.41% fall or rise in the fund's market value (2017: 19.59%).

Credit rating risk

As at the year end 0.00% (2017: 0.00%) of the fund's market value was invested in securities rated as below investment grade, additionally 2.32% (2017: 0.97%) 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 0.80% (2017: 2.12%) 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 0.99% (2017: 0.66%) 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 0.49% (2017: the fund held no credit default swaps that could impact it significantly) of the fund's market value.

Credit index options

At the year end the fund holds no credit index options that could impact it significantly (2017: A 2% change in credit spreads would lead to a change representing 0.11% 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 18.23% (2017: 31.70%).

13 Portfolio transaction costs

30/06/18

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	54,957	-	-	-	-
Derivative	-	3	-	-	-
Total	54,957	3		-	
Total including transaction costs	54,960				

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	106,891	-	-	-	-
Derivative	-	3	-	-	-
Total	106,891	3		-	
Total including transaction costs	106,888				
Total as a percentage of average net assets*		0.00 %		0.00 %	

Notes to the Financial Statements

30/06/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Bond	100,766	-	-	-	-
Derivative	-	3	-	-	-
Total	100,766	3		-	
Total including transaction costs	100,769				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Bond	83,846	-	-	-	-
Corporate actions	1	-	-	-	-
Derivative	-	3	-	-	-
Total	83,847	3		-	
Total including transaction costs	83,844				
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 0.15% (2017: 0.26%).

14 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	119,007	(218)	145,650	(326)
Level 2: Observable market data	25,119	(921)	45,064	(388)
Level 3: Unobservable data*	-	-	663	-
	144,126	(1,139)	191,377	(714)

*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			Shares in issue as at
	30/06/17	Issued shares	Cancelled shares	30/06/18
Income Shares	35,919,034	8,841,098	(12,406,135)	32,353,997
Accumulation Shares	177,564,153	26,406,360	(78,522,188)	125,448,325
Gross paying Income Shares	1,320	-	(1,320)	-

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 £36,000 (2017: £50,000) are included within accrued expenses in Note 11.

Notes to the Financial Statements

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
Barclays	-	-	34	-	34
BNP Paribas	3	-	-	-	3
Deutsche Bank	-	-	467	-	467
Goldman Sachs	-	-	137	-	137
HSBC Global Markets	13	-	(19)	-	(6)
Lloyd's	-	-	151	-	151
Morgan Stanley	-	-	(606)	-	(606)
Societe Generale	(122)	-	-	-	(122)
UBS	-	177	-	-	177
Total	(106)	177	164	-	235

30/06/17

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
BBH	50	-	-	-	50
BNP Paribas	(105)	-	-	-	(105)
Citibank	(5)	-	-	-	(5)
JP Morgan	(30)	-	-	-	(30)
Morgan Stanley	-	-	131	-	131
UBS	-	(84)	-	72	(12)
Total	(90)	(84)	131	72	29

18 Shareholders' funds

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

Income Shares : 0.25%

Accumulation Shares : 0.25%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Income Shares	57.59	57.71	0.21
Accumulation Shares	100.50	100.70	0.20

Distribution Statement

for the year ended 30 June 2018

Income Shares - final distribution No. 85 in pence per share

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

Group 2 - Shares purchased from 1 April 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 31/08/18	Amount distributed 31/08/17
Group 1	0.2533	-	0.2533	0.3089
Group 2	0.1394	0.1139	0.2533	0.3089

Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 82 Shares purchased on or before 30 June 2017.

Group 1 - Distribution No. 83 Shares purchased on or before 30 September 2017.

Group 1 - Distribution No. 84 Shares purchased on or before 31 December 2017.

Group 2 - Distribution No. 82 Shares purchased from 1 July 2017 to 30 September 2017.

Group 2 - Distribution No. 83 Shares purchased from 1 October 2017 to 31 December 2017.

Group 2 - Distribution No. 84 Shares purchased from 1 January 2018 to 31 March 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018	Amount distributed 2016/2017
Group 1				
Distribution No. 82	0.3064	-	0.3064	0.2786
Distribution No. 83	0.3025	-	0.3025	0.2617
Distribution No. 84	0.2782	-	0.2782	0.3164
Group 2				
Distribution No. 82	0.1598	0.1466	0.3064	0.2786
Distribution No. 83	0.1641	0.1384	0.3025	0.2617
Distribution No. 84	0.1111	0.1671	0.2782	0.3164

Accumulation Shares - final distribution No. 61 in pence per share

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

Group 2 - Shares purchased from 1 April 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	0.4400	-	0.4400	0.5254
Group 2	0.2762	0.1638	0.4400	0.5254

Accumulation Shares - interim distributions in pence per share

Group 1 - Distribution No. 58 Shares purchased on or before 30 June 2017.

Group 1 - Distribution No. 59 Shares purchased on or before 30 September 2017.

Group 1 - Distribution No. 60 Shares purchased on or before 31 December 2017.

Group 2 - Distribution No. 58 Shares purchased from 1 July 2017 to 30 September 2017.

Group 2 - Distribution No. 59 Shares purchased from 1 October 2017 to 31 December 2017.

Group 2 - Distribution No. 60 Shares purchased from 1 January 2018 to 31 March 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 2017/2018	Amount accumulated 2016/2017
Group 1				
Distribution No. 58	0.5240	-	0.5240	0.5825
Distribution No. 59	0.5203	-	0.5203	0.5495
Distribution No. 60	0.4811	-	0.4811	0.5353
Group 2				
Distribution No. 58	0.2442	0.2798	0.5240	0.5825
Distribution No. 59	0.1708	0.3495	0.5203	0.5495
Distribution No. 60	0.3351	0.1460	0.4811	0.5353

Distribution Statement

Gross paying Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 21 Shares purchased on or before 30 June 2017.

Group 1 - Distribution No. 22 Shares purchased on or before 30 September 2017.

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

Group 2 - Distribution No. 22 Shares purchased from 1 October 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 2017/2018^	Amount distributed 2016/2017
Group 1				
Distribution No. 21	6.8138	-	6.8138	7.7562
Distribution No. 22	6.7244	-	6.7244	7.2873
Group 2				
Distribution No. 21	-	6.8138	6.8138	7.7562
Distribution No. 22	0.0004	6.7240	6.7244	7.2873

^This share class closed on 15 January 2018.

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in the shares of companies in Australia, Hong Kong, Malaysia, New Zealand and Singapore. The fund may not invest in Japan. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund generated positive returns over the period. Positions in financial services company Macquarie Group, cosmetics retailer Sa Sa International and internet major Tencent Holdings added value on the back of encouraging results. The exposure to instant noodles supplier Uni-President China Holdings also gained amid an optimistic outlook for product mix upgrades in the noodle segment. I bought new positions in companies with attractive valuations and strong growth prospects. For instance, I purchased shares in Singaporean electronic service provider Venture Corporation and personal computer and smartphone maker Lenovo Group. Conversely, holdings in retailer Vipshop and Millennium & Cophorne Hotels were sold for better opportunities elsewhere.

Outlook

The long-term outlook for the region remains strong, supported by solid structural growth drivers and reform-focused governments that are committed to support growth in key economies. Overall, regional equities trade at reasonable valuations.

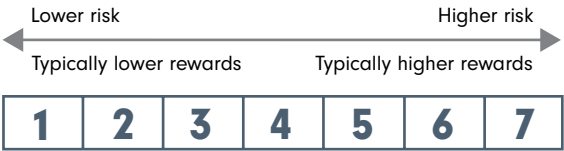
John Lo
Fund Manager
30 June 2018

Risk and Reward Indicator

SRRI

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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	497.86	388.45	370.68
Return before operating charges*	31.09	113.66	20.97
Operating charges	(4.64)	(4.25)	(3.20)
Return after operating charges*	26.45	109.41	17.77
Distributions	(9.69)	(7.23)	(5.96)
Retained distributions on accumulation shares	9.69	7.23	5.96
Closing net asset value per share	524.31	497.86	388.45
*after direct transaction costs of	0.39	0.74	0.53
Performance			
Return after charges	5.3%	28.2%	4.8%
Other information			
Closing net asset value (£'000)	65,720	74,001	143,364
Closing number of shares	12,534,546	14,863,790	36,906,392
Operating charges	0.92%	0.92%	0.91%
Direct transaction costs	0.08%	0.16%	0.15%
Prices (pence per share)			
Highest share price	539.50	513.00	389.00
Lowest share price	477.90	396.60	310.40

Pacific (ex-Japan) Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		2,127		24,732
Revenue	5	1,996		2,625	
Expenses	6	(613)		(787)	
Interest payable and similar charges	8	-		(1)	
Net revenue/(expense) before taxation		1,383		1,837	
Taxation	7	(17)		(51)	
Net revenue/(expense) after taxation			1,366		1,786
Total return before distributions			3,493		26,518
Distributions	8		(1,286)		(1,321)
Change in net assets attributable to shareholders from investment activities			2,207		25,197

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			74,001		143,364
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		5,082		6,605	
Amounts payable on cancellation of shares		(16,806)		(102,432)	
			(11,724)		(95,827)
Swing price adjustment			21		192
Change in net assets attributable to shareholders from investment activities (see above)			2,207		25,197
Retained distribution on accumulation shares	8		1,215		1,075
Closing net assets attributable to shareholders			65,720		74,001

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			65,119		73,308
Current assets:					
Debtors	9	261		377	
Cash and bank balances		436		474	
Total other assets			697		851
Total assets			65,816		74,159
Liabilities:					
Creditors					
Other creditors	10	(96)		(158)	
Total other liabilities			(96)		(158)
Total liabilities			(96)		(158)
Net assets attributable to shareholders			65,720		74,001

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	2,154	24,794
Other currency gains/(losses)	(21)	(41)
Transaction charges	(9)	(28)
Broker fee rebates	3	7
	<u>2,127</u>	<u>24,732</u>
Net capital gains/(losses)	<u>2,127</u>	<u>24,732</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	16	13
UK dividends	25	22
Overseas dividends	1,858	1,978
Overseas property income distributions	13	146
Overseas scrip dividends	80	465
Bank interest	4	1
	<u>1,996</u>	<u>2,625</u>
Total revenue	<u>1,996</u>	<u>2,625</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	544	707
Service charges	34	44
Foreign exchange administration fees	5	6
	<u>583</u>	<u>757</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	6	8
Custody fees	8	7
	<u>14</u>	<u>15</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	8	7
	<u>16</u>	<u>15</u>
Total expenses	<u>613</u>	<u>787</u>

Notes to the Financial Statements

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	17	51
Total current taxation	17	51
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	1,383	1,837
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	277	367
Effects of:		
Overseas taxation	17	51
Overseas tax expensed	(2)	(7)
Increase/(decrease) in unutilised management expenses	108	117
Revenue not included for tax purposes	(383)	(477)
Current tax charge/(credit)	17	51

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 £1,582,000 (2017: £1,474,000). 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	1,215	1,075
Add: Revenue deducted on cancellation of shares	127	302
Deduct: Revenue received on issue of shares	(56)	(56)
Net distributions for the year	1,286	1,321
Interest/other		
Interest	-	1
Total finance costs	1,286	1,322
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	1,366	1,786
Add back (revenue)/expenses transferred to capital:		
Overseas scrip dividends	(80)	(465)
	1,286	1,321

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	18	56
Sales of currency awaiting settlement	16	39
Accrued revenue	227	251
Overseas tax recoverable	-	31
Total debtors	261	377

Notes to the Financial Statements

10 Other creditors

	30/06/18 £'000	30/06/17 £'000
Amounts payable for cancellation of shares	17	39
Purchases of currency awaiting settlement	17	39
Accrued expenses	62	80
Total other creditors	<u>96</u>	<u>158</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)	
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	33,319	-	194	33,513
Hong Kong Dollar	24,543	-	32	24,575
Singapore Dollar	4,271	-	-	4,271
UK Pound	-	-	(61)	(61)
US Dollar	2,986	436	-	3,422
Total	65,119	436	165	65,720
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	38,740	-	263	39,003
Hong Kong Dollar	23,361	-	19	23,380
Singapore Dollar	4,984	-	-	4,984
UK Pound	1,174	-	(63)	1,111
US Dollar	5,049	474	-	5,523
Total	73,308	474	219	74,001

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 (2017: same).

12 Portfolio transaction costs

30/06/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	17,784	12	0.07	8	0.05
Corporate actions	205	-	-	-	-
Total	<u>17,989</u>	<u>12</u>		<u>8</u>	
Total including transaction costs	<u>18,009</u>				
Analysis of total sales costs	Sales	Commissions		Taxes	
	£'000	£'000	%	£'000	%
Equity	27,613	22	0.08	9	0.03
Corporate actions	249	-	-	-	-
Total	<u>27,862</u>	<u>22</u>		<u>9</u>	
Total including transaction costs	<u>27,831</u>				
Total as a percentage of average net assets*		0.05 %		0.03 %	

Notes to the Financial Statements

30/06/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	23,015	23	0.10	10	0.04
Corporate actions	526	-	-	-	-
Total	23,541	23		10	
Total including transaction costs	23,574				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	115,440	72	0.06	39	0.03
Corporate actions	120	-	-	-	-
Total	115,560	72		39	
Total including transaction costs	115,449				
Total as a percentage of average net assets		0.11 %		0.05 %	

*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: 0.17%).

13 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	63,833	-	71,491	-
Level 2: Observable market data	1,286	-	1,817	-
Level 3: Unobservable data	-	-	-	-
	65,119	-	73,308	-

14 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	14,863,790	1,020,822	(3,350,066)	12,534,546

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 £47,000 (2017: £53,000) are included within accrued expenses in Note 10.

16 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80 %

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	524.31	541.29	3.24

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 19 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	9.6905	-	9.6905	7.2306
Group 2	4.6357	5.0548	9.6905	7.2306

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in the shares of European companies, including those in the United Kingdom. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund delivered positive returns, supported by the performance of holdings in the energy and real estate sectors. Concerns about Italy and Spain eased following the successful formation of a new government in Italy. However, uncertainty about negotiations over the terms of the UK’s exit from the European Union continued to impact sentiment. The energy sector posted strong positive results on the back of rising oil prices. Consequently, the allocation to Royal Dutch Shell and BP added notable value. New positions were purchased in Eni and Swedbank. ACS Actividades de Construccion y Servicios, a Spanish civil engineering company, was also added to the portfolio. Holdings in Deutsche Telekom and Royal Mail were sold.

Outlook

The near-term outlook for the eurozone is positive, driven by an accommodative monetary policy and improving labour market conditions. However, the pace of economic expansion is likely to be modest.

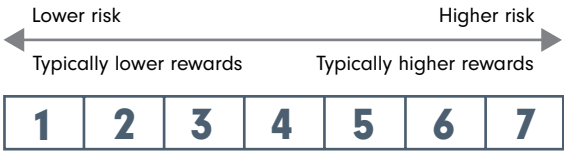
Nick Peters & Ayesha Akbar
Fund Managers
30 June 2018

Risk and Reward Indicator

SRRI

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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	345.50	268.60	266.00
Return before operating charges*	9.37	79.72	5.02
Operating charges	(3.26)	(2.82)	(2.42)
Return after operating charges*	6.11	76.90	2.60
Distributions	(6.98)	(6.27)	(5.48)
Retained distributions on accumulation shares	6.98	6.27	5.48
Closing net asset value per share	351.61	345.50	268.60
*after direct transaction costs of	0.41	0.76	0.41
Performance			
Return after charges	1.8%	28.6%	1.0%
Other information			
Closing net asset value (£'000)	126,014	153,109	263,036
Closing number of shares	35,838,431	44,314,674	97,929,302
Operating charges	0.93%	0.91%	0.91%
Direct transaction costs	0.12%	0.25%	0.16%
Prices (pence per share)			
Highest share price	364.00	354.40	276.90
Lowest share price	327.80	268.80	235.30

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		70		60,117
Revenue	5	4,413		7,426	
Expenses	6	(1,210)		(2,207)	
Interest payable and similar charges	8	(7)		(10)	
Net revenue/(expense) before taxation		3,196		5,209	
Taxation	7	(402)		(231)	
Net revenue/(expense) after taxation			2,794		4,978
Total return before distributions			2,864		65,095
Distributions	8		(2,602)		(4,054)
Change in net assets attributable to shareholders from investment activities			262		61,041

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			153,109		263,036
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		967		3,223	
Amounts payable on cancellation of shares		(30,845)		(176,971)	
			(29,878)		(173,748)
Swing price adjustment			19		-
Change in net assets attributable to shareholders from investment activities (see above)			262		61,041
Retained distribution on accumulation shares	8		2,502		2,780
Closing net assets attributable to shareholders			126,014		153,109

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			124,122		171,766
Current assets:					
Debtors	9	1,097		47,795	
Cash and bank balances	10	4,543		3,055	
Total other assets			5,640		50,850
Total assets			129,762		222,616
Liabilities:					
Investment liabilities			(14)		(4)
Creditors					
Other creditors	11	(3,734)		(69,503)	
Total other liabilities			(3,734)		(69,503)
Total liabilities			(3,748)		(69,507)
Net assets attributable to shareholders			126,014		153,109

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	64	59,830
Gains/(losses) on derivative contracts	7	43
Other currency gains/(losses)	29	302
Transaction charges	(44)	(69)
Broker fee rebates	14	11
Net capital gains/(losses)	<u>70</u>	<u>60,117</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	2	13
Derivative revenue	8	14
Overseas dividend distributions	5	-
UK dividend distributions	7	-
UK dividends	1,157	1,944
UK property income distributions	3	17
UK scrip dividends	20	127
Overseas dividends	3,038	4,500
Overseas scrip dividends	172	797
Bank interest	1	2
Taxable interest	-	12
Total revenue	<u>4,413</u>	<u>7,426</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,079	1,994
Service charges	67	125
Foreign exchange administration fees	6	14
	<u>1,152</u>	<u>2,133</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	16	29
Custody fees	11	20
	<u>27</u>	<u>49</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	23	17
	<u>31</u>	<u>25</u>
Total expenses	<u>1,210</u>	<u>2,207</u>

Notes to the Financial Statements

7 Taxation

	30/06/18 £'000	30/06/17 £'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	402	231
Total current taxation	<u>402</u>	<u>231</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>3,196</u>	<u>5,209</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	639	1,042
Effects of:		
Overseas taxation	402	230
Overseas tax expensed	(1)	(1)
Revenue not included for tax purposes	(823)	(1,416)
Increase/(decrease) in unutilised management expenses	<u>185</u>	<u>376</u>
Current tax charge/(credit)	<u>402</u>	<u>231</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 £4,364,000 (2017: £4,179,000). 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

	30/06/18 £'000	30/06/17 £'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	2,502	2,780
Add: Revenue deducted on cancellation of shares	102	1,281
Deduct: Revenue received on issue of shares	<u>(2)</u>	<u>(7)</u>
Net distribution for the year	<u>2,602</u>	<u>4,054</u>
Interest/other		
Interest	<u>7</u>	<u>10</u>
Total finance costs	<u>2,609</u>	<u>4,064</u>
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	2,794	4,978
Add back (revenue)/expenses transferred to capital:		
UK scrip dividends	(20)	(127)
Overseas scrip dividends	<u>(172)</u>	<u>(797)</u>
	<u>2,602</u>	<u>4,054</u>

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18 £'000	30/06/17 £'000
Sales awaiting settlement	333	21,235
Sales of currency awaiting settlement	-	25,247
Accrued revenue	301	626
Overseas tax recoverable	<u>463</u>	<u>687</u>
Total debtors	<u>1,097</u>	<u>47,795</u>

Notes to the Financial Statements

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	78	27
Cash and bank balances	4,465	3,028
Total cash and bank balances	<u>4,543</u>	<u>3,055</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	3,250	43,942
Purchases awaiting settlement	364	104
Purchases of currency awaiting settlement	-	25,260
Accrued expenses	120	197
Total other creditors	<u>3,734</u>	<u>69,503</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)	
30/06/18	£'000	£'000	£'000	£'000
Brazilian Real	-	2	-	2
Canadian Dollar	150	-	-	150
Danish Krone	3,594	2	73	3,669
Euro	68,667	2,818	340	71,825
Norwegian Krone	2,040	9	-	2,049
South African Rand	68	-	-	68
Swedish Krona	3,717	8	-	3,725
Swiss Franc	10,501	10	1	10,512
Turkish Lira	-	1	-	1
UK Pound	34,597	1,681	(3,056)	33,222
US Dollar	774	12	5	791
Total	124,108	4,543	(2,637)	126,014
30/06/17	£'000	£'000	£'000	£'000
Brazilian Real	-	2	-	2
Canadian Dollar	248	-	33	281
Danish Krone	5,009	-	624	5,633
Euro	92,188	1,682	11,889	105,759
Israeli Shekel	276	-	-	276
Norwegian Krone	1,371	-	173	1,544
Swedish Krona	3,558	-	510	4,068
Swiss Franc	19,588	2	2,803	22,393
Turkish Lira	-	1	-	1
UK Pound	46,536	1,368	(38,028)	9,876
US Dollar	2,988	-	288	3,276
Total	171,762	3,055	(21,708)	153,109

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 0.71% rise or fall in the fund's market value (2017: 0.71%).

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

30/06/18

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	46,535	24	0.05	84	0.18
Bond	12	-	-	-	-
Mutual Fund	22	-	0.17	-	0.20
Corporate actions	475	-	-	-	-
Total	47,044	24		84	

Total including transaction costs

47,152

	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	94,334	47	0.05	1	-
Mutual Fund	198	-	0.10	-	-
Corporate actions	677	-	-	-	-
Total	95,209	47		1	

Total including transaction costs

95,161

Total as a percentage of average net assets*

0.05 %

0.06 %

30/06/17

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	154,560	122	0.08	255	0.16
Bond	11	-	-	-	-
Mutual Fund	506	1	0.11	2	0.46
Corporate actions	1,179	-	-	-	-
Total	156,256	123		257	

Total including transaction costs

156,636

	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	302,572	230	0.08	1	-
Mutual Fund	428	-	0.10	-	-
Corporate actions	1,324	-	-	-	-
Total	304,324	230		1	

Total including transaction costs

304,093

Total as a percentage of average net assets

0.14 %

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 0.07% (2017: 0.07%).

Notes to the Financial Statements

14 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	123,799	(14)	171,542	(4)
Level 2: Observable market data	322	-	3	-
Level 3: Unobservable data*	1	-	221	-
	<u>124,122</u>	<u>(14)</u>	<u>171,766</u>	<u>(4)</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 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	44,314,674	280,802	(8,757,045)	35,838,431

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 £91,000 (2017: £143,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18					
Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
UBS	-	(14)	-	-	(14)
Total	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>-</u>	<u>(14)</u>
30/06/17					
Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
UBS	-	(4)	-	-	(4)
Total	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>

18 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	351.61	466.19	32.59

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 17 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	6.9808	-	6.9808	6.2734
Group 2	6.1825	0.7983	6.9808	6.2734

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve both capital growth and income relating to changes in annuity rates. The fund will obtain exposure primarily to Sterling denominated (or hedged back to Sterling) government and corporate bonds. The fund may invest directly in 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 advanced over the period, supported by coupon income as well as the bias towards financials. Holdings in Westpac Banking and Massmutual boosted returns. The fund’s interest rate risk positioning held back gains, with the bias towards the middle of the UK government bonds (Gilt) yield curve weighing on returns. I am looking to reduce the beta element of the portfolio as credit markets deal with increased frequency of risk events. I reduced positions across sectors; I sold holdings in Thames Water and Votorantim Cimentos. The proceeds were used to raise the exposure to government bonds, mostly via UK Gilts.

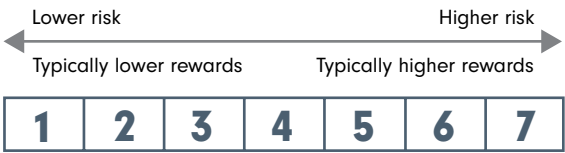
Outlook

The Bank of England (BoE) seems intent on normalising interest rates, and given the predisposition of its Monetary Policy Committee, I expect interest rates to be tightened once this year. In such an environment, Gilt yields are likely to remain range bound. Meanwhile, I have a small exposure to corporate bonds given my defensive view on the asset class.

Ian Fishwick
Fund Manager
30 June 2018

Risk and Reward Indicator

	SRRI
F 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.
- 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

	Y Accumulation Shares			F Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	13,608.69	12,913.13	11,431.07	13,835.02	13,068.90	11,516.10
Return before operating charges*	339.34	766.33	1,545.28	344.45	777.00	1,563.17
Operating charges	(73.55)	(70.77)	(63.22)	(11.96)	(10.88)	(10.37)
Return after operating charges*	265.79	695.56	1,482.06	332.49	766.12	1,552.80
Distributions	(305.54)	(362.41)	(370.12)	(374.53)	(428.81)	(428.25)
Retained distributions on accumulation shares	305.54	362.41	370.12	374.53	428.81	428.25
Closing net asset value per share	13,874.48	13,608.69	12,913.13	14,167.51	13,835.02	13,068.90
*after direct transaction costs of	0.53	0.49	0.60	0.53	0.49	0.60
Performance						
Return after charges	2.0%	5.4%	13.0%	2.4%	5.9%	13.5%
Other information						
Closing net asset value (£'000)	80	85	35	183,665	170,059	149,974
Closing number of shares	578	623	272	1,296,379	1,229,190	1,147,562
Operating charges	0.53%	0.53%	0.52%	0.09%	0.08%	0.08%
Direct transaction costs	0%	0%	0%	0%	0%	0%
Prices (pence per share)						
Highest share price	14,150.00	14,110.00	12,960.00	14,390.00	14,300.00	13,110.00
Lowest share price	13,440.00	12,790.00	11,330.00	13,700.00	12,960.00	11,420.00

Pre-Retirement Bond Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		(534)		4,044
Revenue	5	5,184		5,260	
Expenses	6	(146)		(127)	
Interest payable and similar charges	8	(327)		(12)	
Net revenue/(expense) before taxation		4,711		5,121	
Taxation	7	-		-	
Net revenue/(expense) after taxation			4,711		5,121
Total return before distributions			4,177		9,165
Distributions	8		(4,711)		(5,121)
Change in net assets attributable to shareholders from investment activities			<u>(534)</u>		<u>4,044</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			170,144		150,009
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		21,382		25,566	
Amounts payable on cancellation of shares		<u>(12,104)</u>		<u>(14,748)</u>	
			9,278		10,818
Change in net assets attributable to shareholders from investment activities (see above)			(534)		4,044
Retained distribution on accumulation shares			4,857		5,273
Closing net assets attributable to shareholders			<u>183,745</u>		<u>170,144</u>

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			167,525		167,013
Current assets:					
Debtors	9	2,117		4,535	
Cash and bank balances	10	<u>15,434</u>		<u>4,195</u>	
Total other assets			17,551		8,730
Total assets			<u>185,076</u>		<u>175,743</u>
Liabilities:					
Investment liabilities			(1,267)		(1,441)
Creditors					
Bank overdrafts		-		(13)	
Other creditors	11	<u>(64)</u>		<u>(4,145)</u>	
Total other liabilities			(64)		(4,158)
Total liabilities			<u>(1,331)</u>		<u>(5,599)</u>
Net assets attributable to shareholders			<u>183,745</u>		<u>170,144</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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(1,241)	4,674
Gains/(losses) on derivative contracts	126	1,499
Gains/(losses) on forward currency contracts	775	(2,146)
Other currency gains/(losses)	(190)	21
Transaction charges	(4)	(4)
Net capital gains/(losses)	<u>(534)</u>	<u>4,044</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	4,901	5,205
Derivative revenue	278	53
Bank interest	5	2
Total revenue	<u>5,184</u>	<u>5,260</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	89	82
Foreign exchange administration fees	1	2
	<u>90</u>	<u>84</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	20	19
Custody fees	8	4
	<u>28</u>	<u>23</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	18	10
	<u>28</u>	<u>20</u>
Total expenses	<u>146</u>	<u>127</u>

7 Taxation

	30/06/18	30/06/17
	£'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>4,711</u>	<u>5,121</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	942	1,024
Effects of:		
Interest distributions	(942)	(1,024)
Current tax charge/(credit)	<u>-</u>	<u>-</u>

Notes to the Financial Statements

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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Y Accumulation Shares		
Final	2	2
F Accumulation Shares		
Final	4,855	5,271
	<u>4,857</u>	<u>5,273</u>
Add: Revenue deducted on cancellation of shares	150	257
Deduct: Revenue received on issue of shares	<u>(296)</u>	<u>(409)</u>
Net distributions for the year	<u>4,711</u>	<u>5,121</u>
Interest/other		
Currency amortisation	190	-
FX Hedging Expense	-	5
Swap expenses	134	-
Interest	1	2
Derivative expense	<u>2</u>	<u>5</u>
	<u>327</u>	<u>12</u>
	<u>5,038</u>	<u>5,133</u>
Total finance costs		
Details of the distributions per share are set out in the Distribution Statement.		

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	428	7
Sales awaiting settlement	-	2,049
Sales of currency awaiting settlement	-	440
Accrued revenue	<u>1,689</u>	<u>2,039</u>
Total debtors	<u>2,117</u>	<u>4,535</u>

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,031	1,714
Cash and bank balances	<u>14,403</u>	<u>2,481</u>
Total cash and bank balances	<u>15,434</u>	<u>4,195</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	-	266
Purchases awaiting settlement	-	3,379
Purchases of currency awaiting settlement	-	443
Accrued expenses	32	29
Amounts payable on closure of derivative contract	<u>32</u>	<u>28</u>
Total other creditors	<u>64</u>	<u>4,145</u>

Notes to the Financial Statements

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)	
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	238	14	5	257
Canadian Dollar	(108)	52	-	(56)
Euro	3,721	1	49	3,771
UK Pound	151,671	15,327	1,921	168,919
US Dollar	10,736	40	78	10,854
Total	166,258	15,434	2,053	183,745
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	252	1	6	259
Euro	14,026	1	187	14,214
UK Pound	125,612	4,193	(10)	129,795
US Dollar	25,682	(13)	207	25,876
Total	165,572	4,182	390	170,144

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	14	241	6	261
Canadian Dollar	52	-	-	52
Euro	1	4,408	72	4,481
UK Pound	17,676	149,195	2,123	168,994
US Dollar	225	10,898	165	11,288
Total	17,968	164,742	2,366	185,076
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	1	262	6	269
Euro	1	14,375	863	15,239
UK Pound	4,557	125,870	3,670	134,097
US Dollar	-	25,741	397	26,138
Total	4,559	166,248	4,936	175,743

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	-	-	4	4
Canadian Dollar	-	-	108	108
Euro	-	639	71	710
UK Pound^	-	43	183,777	183,820
US Dollar	-	-	434	434
Total	-	682	184,394	185,076

Notes to the Financial Statements

30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	-	-	10	10
Euro	-	-	1,025	1,025
UK Pound	-	6	174,440	174,446
US Dollar	86	-	176	262
Total	86	6	175,651	175,743

^ Includes £183,745,000 in respect of the fund's liability to redeem all shares (2017: £170,144,000).

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 11.36% fall or rise in the fund's market value (2017: 12.92%).

Credit rating risk

As at the year end 3.44% (2017: 6.44%) of the fund's market value was invested in securities rated as below investment grade, additionally 3.09% (2017: 2.14%) 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

At the year end the fund holds no futures that could impact it significantly (2017: A 1% change the price of the futures would lead to a change representing 0.66% of the fund's market value).

Interest rate swaps exposure

At the year end the fund holds no interest rate swaps that could impact it significantly (2017: A 1% change in interest rates would lead to a change representing 0.28% 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).

Credit index options

At the year end the fund holds no credit index options that could impact it significantly (2017: A 2% change in credit spreads would lead to a change representing 0.11% 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 10.98% (2017: 29.88%).

13 Portfolio transaction costs

30/06/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Bond	84,389	-	-	-	-
Derivative	-	3	-	-	-
Total	84,389	3		-	
Total including transaction costs	84,392				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Bond	81,137	-	-	-	-
Corporate actions	838	-	-	-	-
Derivative	-	3	-	-	-
Total	81,975	3		-	
Total including transaction costs	81,972				
Total as a percentage of average net assets*		0.00 %		0.00 %	

Notes to the Financial Statements

30/06/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Bond	101,847	-	-	-	-
Derivative	-	3	-	-	-
Total	101,847	3		-	
Total including transaction costs	101,850				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Bond	83,455	-	-	-	-
Corporate actions	1,060	-	-	-	-
Derivative	-	3	-	-	-
Total	84,515	3		-	
Total including transaction costs	84,512				
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 0.40% (2017: 0.57%).

14 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	95,183	(205)	60,058	(674)
Level 2: Observable market data	72,342	(1,062)	106,564	(767)
Level 3: Unobservable data*	-	-	391	-
	167,525	(1,267)	167,013	(1,441)

*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			Shares in issue as at
	30/06/17	Issued shares	Cancelled shares	30/06/18
Y Accumulation Shares	623	307	(352)	578
F Accumulation Shares	1,229,190	153,918	(86,729)	1,296,379

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 £8,000 (2017: £8,000) are included within accrued expenses in Note 11.

Notes to the Financial Statements

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
Deutsche Bank	-	-	185	-	185
Goldman Sachs	-	-	(19)	-	(19)
HSBC Global Markets	28	-	60	-	88
Morgan Stanley	-	-	(660)	-	(660)
Societe Generale	(375)	-	-	-	(375)
UBS	-	8	-	-	8
Total	<u>(347)</u>	<u>8</u>	<u>(434)</u>	<u>-</u>	<u>(773)</u>

30/06/17

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
BBH	8	-	-	-	8
BNP Paribas	(540)	-	-	-	(540)
Citigroup Global Markets	-	-	-	64	64
HSBC Global Markets	17	-	-	-	17
JP Morgan	45	-	-	-	45
Morgan Stanley	(10)	-	16	-	6
National Australia Bank	(7)	-	-	-	(7)
Royal Bank of Canada	1	-	-	-	1
Societe Generale	(13)	-	-	-	(13)
UBS	-	(526)	-	-	(526)
Total	<u>(499)</u>	<u>(526)</u>	<u>16</u>	<u>64</u>	<u>(945)</u>

18 Shareholders' funds

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

Y Accumulation Shares : 0.35%

F Accumulation Shares : 0.05%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Y Accumulation Shares	13,874.48	13,970.00	0.69
F Accumulation Shares	14,167.51	14,280.00	0.79

Distribution Statement

for the year ended 30 June 2018

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

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	305.5365	-	305.5365	362.4089
Group 2	144.7106	160.8259	305.5365	362.4089

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

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	374.5296	-	374.5296	428.8121
Group 2	231.5570	142.9726	374.5296	428.8121

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in the shares of companies in developing countries, including those in Africa, the Indian sub continent, Latin America, South East Asia, Europe and the Middle East. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund generated positive returns as optimism around Chinese economic growth supported stock selection efforts in the country. From a sector perspective, consumer discretionary holdings aided returns. Within industrials, we bought a holding in Shanghai International Airport. It is well-positioned to capture international traffic due to its strategic location. We purchased shares in Barclays Africa Group on account of its strong position in the corporate banking sector in South Africa. However, the allocation to Brazil-based Itau Unibanco Holding was decreased owing to the subdued macroeconomic environment in the country. The exposure to Russia-based natural gas producer Novatek was also lowered given its high debt levels.

Outlook

Emerging markets could be negatively impacted by US dollar strength and trade policies, domestic reform agendas and economic growth in China. Nonetheless, the emerging world continues to offer many attractive investment opportunities from a long-term perspective.

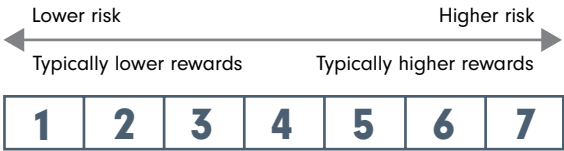
Cesar Hernandez & John Chow
Fund Managers
30 June 2018

Risk and Reward Indicator

SRRI

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.

Select Emerging Markets Equities Fund

Comparative Performance Table

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	176.31	133.01	128.44
Return before operating charges*	12.98	45.13	5.92
Operating charges	(2.22)	(1.83)	(1.35)
Return after operating charges*	10.76	43.30	4.57
Distributions	(1.45)	(1.34)	(1.63)
Retained distributions on accumulation shares	1.45	1.34	1.63
Closing net asset value per share	187.07	176.31	133.01
*after direct transaction costs of	0.56	0.51	0.24
Performance			
Return after charges	6.1%	32.6%	3.6%
Other information			
Closing net asset value (£'000)	145,390	147,391	115,994
Closing number of shares	77,719,489	83,597,280	87,206,754
Operating charges	1.14%	1.15%	1.16%
Direct transaction costs	0.29%	0.32%	0.21%
Prices (pence per share)			
Highest share price	208.80	181.20	133.20
Lowest share price	176.20	136.20	101.90

Select Emerging Markets Equities Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		7,855		36,310
Revenue	5	3,191		3,005	
Expenses	6	(1,666)		(1,527)	
Interest payable and similar charges	8	(1)		-	
Net revenue/(expense) before taxation		1,524		1,478	
Taxation	7	(415)		(351)	
Net revenue/(expense) after taxation			1,109		1,127
Total return before distributions			8,964		37,437
Distributions	8		(1,128)		(1,127)
Change in net assets attributable to shareholders from investment activities			7,836		36,310

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			147,391		115,994
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		8,737		2,982	
Amounts payable on cancellation of shares		(19,720)		(9,013)	
			(10,983)		(6,031)
Swing price adjustment			18		-
Change in net assets attributable to shareholders from investment activities (see above)			7,836		36,310
Retained distribution on accumulation shares	8		1,128		1,118
Closing net assets attributable to shareholders			145,390		147,391

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			133,841		140,780
Current assets:					
Debtors	9	8,062		1,001	
Cash and bank balances	10	8,166		5,805	
Total other assets			16,228		6,806
Total assets			150,069		147,586
Liabilities:					
Investment liabilities			(194)		(25)
Creditors					
Other creditors	11	(4,485)		(170)	
Total other liabilities			(4,485)		(170)
Total liabilities			(4,679)		(195)
Net assets attributable to shareholders			145,390		147,391

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	7,746	35,761
Gains/(losses) on derivative contracts	320	618
Other currency gains/(losses)	(209)	(24)
Transaction charges	(35)	(40)
Broker fee rebates	33	(5)
Net capital gains/(losses)	<u>7,855</u>	<u>36,310</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	67	45
Derivative revenue	47	43
Overseas dividends	3,042	2,907
Bank interest	35	10
Total revenue	<u>3,191</u>	<u>3,005</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,490	1,369
Service charges	75	68
Foreign exchange administration fees	6	6
	<u>1,571</u>	<u>1,443</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	13	13
Custody fees	58	49
	<u>71</u>	<u>62</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	16	14
	<u>24</u>	<u>22</u>
Total expenses	<u>1,666</u>	<u>1,527</u>

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	396	351
Overseas capital gains tax	19	-
Total current taxation	<u>415</u>	<u>351</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>1,524</u>	<u>1,478</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	305	296

Notes to the Financial Statements

Effects of:

Overseas taxation	396	351
Overseas tax expensed	(13)	(15)
Increase/(decrease) in unutilised management expenses	216	189
Revenue not included for tax purposes	(508)	(470)
Overseas capital gains tax	19	-
	<u>415</u>	<u>351</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 £2,279,000 (2017: £2,063,000). 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	1,128	1,118
Add: Revenue deducted on cancellation of shares	45	20
Deduct: Revenue received on issue of shares	(45)	(11)
Net distributions for the year	<u>1,128</u>	<u>1,127</u>
Interest/other		
Interest	1	-
Total finance costs	<u>1,129</u>	<u>1,127</u>
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	1,109	1,127
Add back (revenue)/expenses transferred to capital:		
Indian capital gains tax	19	-
	<u>1,128</u>	<u>1,127</u>

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Sales awaiting settlement	282	175
Accrued revenue	674	778
Broker fee rebates receivable	-	13
Foreign capital gains tax receivable	32	35
Sales of currency awaiting settlement	3,648	-
Amounts receivable for issue of shares	3,426	-
Total debtors	<u>8,062</u>	<u>1,001</u>

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	674	260
Cash and bank balances	7,492	5,545
Total cash and bank balances	<u>8,166</u>	<u>5,805</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Accrued expenses	157	170
Purchases awaiting settlement	667	-
Purchases of currency awaiting settlement	3,661	-
Total other creditors	<u>4,485</u>	<u>170</u>

Notes to the Financial Statements

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
30/06/18	£'000	£'000	£'000	£'000
Brazilian Real	6,622	-	77	6,699
Hong Kong Dollar	29,191	-	(406)	28,785
Hungarian Forint	912	-	-	912
Indian Rupee	13,202	1	25	13,228
Indonesian Rupiah	2,683	-	-	2,683
Korean Won	18,411	7	56	18,474
Malaysian Ringgit	1,004	-	-	1,004
Mexican Peso	3,292	-	-	3,292
Philippine Peso	1,258	-	-	1,258
Polish Zloty	876	-	-	876
South African Rand	7,921	-	-	7,921
Taiwan Dollar	12,824	22	266	13,112
Thai Baht	2,378	-	-	2,378
Turkish Lira	2,244	-	-	2,244
UAE Dirham	397	-	-	397
UK Pound	-	10	3,299	3,309
US Dollar	30,432	8,126	260	38,818
Total	133,647	8,166	3,577	145,390
30/06/17	£'000	£'000	£'000	£'000
Brazilian Real	9,055	-	58	9,113
Chilean Peso	1,673	-	-	1,673
Czech Koruna	907	-	99	1,006
Hong Kong Dollar	27,030	-	258	27,288
Indian Rupee	15,418	1	34	15,453
Indonesian Rupiah	3,627	-	-	3,627
Korean Won	24,455	7	37	24,499
Malaysian Ringgit	1,673	-	-	1,673
Mexican Peso	3,522	-	17	3,539
Philippine Peso	2,148	22	149	2,319
South African Rand	7,218	-	28	7,246
Taiwan Dollar	15,664	633	189	16,486
Thai Baht	1,965	-	-	1,965
Turkish Lira	1,855	13	-	1,868
UAE Dirham	562	-	-	562
UK Pound	-	260	(122)	138
US Dollar	23,983	4,869	84	28,936
Total	140,755	5,805	831	147,391

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.

Select Emerging Markets Equities Fund

Notes to the Financial Statements

Equity derivatives

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

13 Portfolio transaction costs

30/06/18

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	99,143	117	0.12	49	0.05
Corporate actions	95	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>99,238</u>	<u>118</u>		<u>49</u>	
Total including transaction costs	<u>99,405</u>				

	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	114,144	127	0.11	136	0.12
Corporate actions	14	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>114,158</u>	<u>128</u>		<u>136</u>	
Total including transaction costs	<u>113,894</u>				

Total as a percentage of average net assets* 0.17 % 0.12 %

30/06/17

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	90,726	132	0.15	45	0.05
Derivative	-	1	-	-	-
Total	<u>90,726</u>	<u>133</u>		<u>45</u>	
Total including transaction costs	<u>90,904</u>				

	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	96,741	137	0.14	119	0.12
Corporate actions	48	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>96,789</u>	<u>138</u>		<u>119</u>	
Total including transaction costs	<u>96,532</u>				

Total as a percentage of average net assets 0.20 % 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 0.18% (2017: 0.18%).

14 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	132,867	(194)	139,848	(25)
Level 2: Observable market data	974	-	932	-
Level 3: Unobservable data	-	-	-	-
	<u>133,841</u>	<u>(194)</u>	<u>140,780</u>	<u>(25)</u>

15 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	83,597,280	4,608,378	(10,486,169)	77,719,489

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 £126,000 (2017: £130,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
UBS	-	(194)	-	-	(194)
Total	-	(194)	-	-	(194)

30/06/17

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
UBS	-	(25)	-	-	(25)
Total	-	(25)	-	-	(25)

18 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 1.00%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	187.07	186.00	(0.57)

Select Emerging Markets Equities Fund

Distribution Statement

for the year ended 30 June 2018

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

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	1.4510	-	1.4510	1.3370
Group 2	0.4903	0.9607	1.4510	1.3370

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in the shares of companies in markets throughout the world. In order to manage risk, the Investment Manager aims to hold a portfolio whose constituents are normally within a range of the MSCI World (Net) Index as the reference risk benchmark (or if no longer compiled or relevant such other index as the ACD may deem appropriate). However, the Investment Manager is not restricted by this in its selection of investments and will choose stocks based on the availability of attractive investment opportunities. The fund may hold cash and near cash and deposits and may use Derivatives for the purpose of efficient portfolio management.

Performance and Portfolio Activity

The fund recorded positive returns over the period. The exposure to quality franchises across sectors added value. Biotechnology company Sarepta Therapeutics rose after it released favourable results from an ongoing trial for its developmental gene therapy programme for the treatment of Duchenne muscular dystrophy. Higher oil prices supported the holding in oil and gas explorer Anadarko Petroleum. Conversely, Philip Morris declined after the tobacco company lowered the sales guidance for its next generation product - IQOS. New positions in oil and gas explorers ConocoPhillips and BP are supported by structural improvements in their businesses and a favourable outlook for oil prices. I sold holdings in Constellation Brands and NextEra Energy.

Outlook

Sentiment remains relatively positive across global stock markets, supported by tax reforms in the US, valuations in Europe, and improving returns in Japan. However, normalisation of interest rates and concerns over global trade frictions pose downside risks.

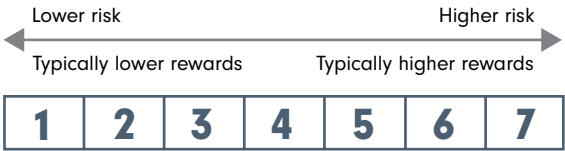
Cesar Hernandez
Fund Manager
30 June 2018

Risk and Reward Indicator

SRRI

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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	396.61	326.27	300.48
Return before operating charges*	37.08	73.64	28.44
Operating charges	(3.65)	(3.30)	(2.65)
Return after operating charges*	33.43	70.34	25.79
Distributions	(4.21)	(4.00)	(3.67)
Retained distributions on accumulation shares	4.21	4.00	3.67
Closing net asset value per share	430.04	396.61	326.27
*after direct transaction costs of	0.37	0.33	0.18
Performance			
Return after charges	8.4%	21.6%	8.6%
Other information			
Closing net asset value (£'000)	472,494	473,900	389,399
Closing number of shares	109,871,104	119,488,424	119,346,689
Operating charges	0.89%	0.88%	0.89%
Direct transaction costs	0.09%	0.09%	0.06%
Prices (pence per share)			
Highest share price	436.30	409.60	326.40
Lowest share price	388.70	334.50	269.20

Select Global Equities Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		32,122		78,792
Revenue	5	10,232		9,990	
Expenses	6	(4,115)		(3,900)	
Interest payable and similar charges	8	(65)		(49)	
Net revenue/(expense) before taxation		6,052		6,041	
Taxation	7	(979)		(793)	
Net revenue/(expense) after taxation			5,073		5,248
Total return before distributions			37,195		84,040
Distributions	8		(4,744)		(4,780)
Change in net assets attributable to shareholders from investment activities			32,451		79,260

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			473,900		389,399
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		4,657		4,753	
Amounts payable on cancellation of shares		(43,142)		(4,291)	
			(38,485)		462
Swing price adjustment			8		-
Change in net assets attributable to shareholders from investment activities (see above)			32,451		79,260
Retained distribution on accumulation shares	8		4,620		4,779
Closing net assets attributable to shareholders			472,494		473,900

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			450,175		461,082
Current assets:					
Debtors	9	1,595		2,416	
Cash and bank balances	10	22,436		11,899	
Total other assets			24,031		14,315
Total assets			474,206		475,397
Liabilities:					
Investment liabilities			(279)		(6)
Creditors					
Other creditors	11	(1,433)		(1,491)	
Total other liabilities			(1,433)		(1,491)
Total liabilities			(1,712)		(1,497)
Net assets attributable to shareholders			472,494		473,900

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)

	30/06/18	30/06/17
	£'000	£'000
Compensation payments	69	-
Gains/(losses) on non-derivative securities	30,514	77,789
Gains/(losses) on derivative contracts	1,421	757
Other currency gains/(losses)	74	286
Transaction charges	(45)	(39)
Broker fee rebates	89	(1)
Net capital gains/(losses)	<u>32,122</u>	<u>78,792</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Derivative revenue	66	74
UK dividends	769	766
UK property income distributions	-	9
UK scrip dividends	27	22
Overseas dividends	8,759	8,350
Overseas property income distributions	288	313
Overseas scrip dividends	302	446
Bank interest	21	4
Taxable interest	-	6
Total revenue	<u>10,232</u>	<u>9,990</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	3,761	3,580
Service charges	235	224
Foreign exchange administration fees	1	1
	<u>3,997</u>	<u>3,805</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	37	38
Custody fees	23	20
	<u>60</u>	<u>58</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	50	29
	<u>58</u>	<u>37</u>
Total expenses	<u>4,115</u>	<u>3,900</u>

Notes to the Financial Statements

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	979	793
Total current taxation	<u>979</u>	<u>793</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>6,052</u>	<u>6,041</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,210	1,208
Effects of:		
Overseas taxation	979	793
Overseas tax expensed	(9)	(10)
Increase/(decrease) in unutilised management expenses	744	693
Revenue not included for tax purposes	<u>(1,945)</u>	<u>(1,891)</u>
Current tax charge/(credit)	<u>979</u>	<u>793</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 £7,267,000 (2017: £6,523,000). 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	4,620	4,779
Add: Revenue deducted on cancellation of shares	133	17
Deduct: Revenue received on issue of shares	<u>(9)</u>	<u>(16)</u>
Net distribution for the year	<u>4,744</u>	<u>4,780</u>
Interest/other		
Interest	65	49
Total finance costs	<u>4,809</u>	<u>4,829</u>
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	5,073	5,248
Add back (revenue)/expenses transferred to capital:		
UK scrip dividends	(27)	(22)
Overseas scrip dividends	(292)	(446)
Stapled scrip dividends	<u>(10)</u>	<u>-</u>
	<u>4,744</u>	<u>4,780</u>

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	17	108
Sales awaiting settlement	610	866
Sales of currency awaiting settlement	130	264
Accrued revenue	623	812
Broker fee rebates receivable	-	20
Overseas tax recoverable	215	346
Total debtors	<u>1,595</u>	<u>2,416</u>

Notes to the Financial Statements

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,067	272
Cash and bank balances	21,369	11,627
Total cash and bank balances	<u>22,436</u>	<u>11,899</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	54	13
Purchases awaiting settlement	872	831
Purchases of currency awaiting settlement	130	264
Accrued expenses	377	383
Total other creditors	<u>1,433</u>	<u>1,491</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)	
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	8,824	3,087	182	12,093
Canadian Dollar	15,287	1,281	35	16,603
Danish Krone	1,657	655	28	2,340
Euro	55,411	2,392	236	58,039
Hong Kong Dollar	6,485	1,309	21	7,815
Israeli Shekel	-	41	-	41
Japanese Yen	38,223	3,695	211	42,129
New Zealand Dollar	357	24	-	381
Norwegian Krone	2,303	176	-	2,479
Singapore Dollar	2,151	27	-	2,178
Swedish Krona	5,164	1,456	-	6,620
Swiss Franc	9,264	4,556	-	13,820
UK Pound	28,304	24	(422)	27,906
US Dollar	276,466	3,713	(129)	280,050
Total	449,896	22,436	162	472,494
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	11,635	762	131	12,528
Canadian Dollar	16,199	172	51	16,422
Danish Krone	2,010	1,450	122	3,582
Euro	57,865	171	124	58,160
Hong Kong Dollar	7,460	5	(65)	7,400
Israeli Shekel	-	661	-	661
Japanese Yen	40,440	1,915	200	42,555
New Zealand Dollar	295	11	-	306
Norwegian Krone	922	436	1	1,359
Singapore Dollar	634	1,526	152	2,312
Swedish Krona	6,322	567	-	6,889
Swiss Franc	13,520	804	251	14,575
UK Pound	28,809	1,242	(114)	29,937
US Dollar	274,965	2,177	72	277,214
Total	461,076	11,899	925	473,900

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

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

30/06/18

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	284,615	138	0.05	144	0.05
Corporate actions	368	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>284,983</u>	<u>139</u>		<u>144</u>	
Total including transaction costs	<u>285,266</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	326,414	135	0.04	8	-
Corporate actions	129	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>326,543</u>	<u>136</u>		<u>8</u>	
Total including transaction costs	<u>326,399</u>				
Total as a percentage of average net assets*		0.06 %		0.03 %	

30/06/17

	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	245,952	147	0.06	85	0.03
Corporate actions	677	-	-	-	-
Total	<u>246,629</u>	<u>147</u>		<u>85</u>	
Total including transaction costs	<u>246,861</u>				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	240,442	156	0.06	8	-
Corporate actions	215	-	-	-	-
Total	<u>240,657</u>	<u>156</u>		<u>8</u>	
Total including transaction costs	<u>240,493</u>				
Total as a percentage of average net assets		0.07 %		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 0.05% (2017: 0.05%).

Notes to the Financial Statements

14 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	450,169	(279)	461,074	(6)
Level 2: Observable market data	6	-	8	-
Level 3: Unobservable data	-	-	-	-
	<u>450,175</u>	<u>(279)</u>	<u>461,082</u>	<u>(6)</u>

15 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	119,488,424	1,141,709	(10,759,029)	109,871,104

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 £331,000 (2017: £337,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18					
Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
UBS	-	(279)	-	-	(279)
Total	<u>-</u>	<u>(279)</u>	<u>-</u>	<u>-</u>	<u>(279)</u>
30/06/17					
Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
UBS	-	2	-	-	2
Total	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>

18 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	430.04	452.00	5.11

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 17 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	4.2050	-	4.2050	3.9999
Group 2	3.3088	0.8962	4.2050	3.9999

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in the shares of companies throughout the Pacific Basin but excluding those in Japan. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund generated strong positive returns over the period. Positions in the information technology sector, notably Sunny Optical Technology, Appen and Tencent Holdings, enhanced returns given their upbeat earnings. Additionally, positive price momentum of resources, particularly crude oil, supported the allocation to selected material and energy companies. In the consumer discretionary sector, Sands China and Tata Motors were sold for better opportunities elsewhere. Meanwhile, I purchased companies with upbeat growth prospects. As a result, I bought shares in retail conglomerate Wesfarmers. I also purchased a position in attractively valued casino operator Wynn Macau.

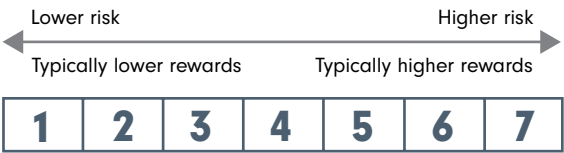
Outlook

Growth in the region is expected to remain resilient, supported by solid structural growth drivers. Several key economies have reform-focused governments that are committed to support growth. Overall, regional equities trade at reasonable valuations.

Polly Kwan
Fund Manager
30 June 2018

Risk and Reward Indicator

Accumulation Shares	SRRI 5
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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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	520.55	408.65	376.43
Return before operating charges*	62.49	116.32	35.50
Operating charges	(5.25)	(4.42)	(3.28)
Return after operating charges*	57.24	111.90	32.22
Distributions	(8.55)	(8.64)	(7.96)
Retained distributions on accumulation shares	8.55	8.64	7.96
Closing net asset value per share	577.79	520.55	408.65
*after direct transaction costs of	0.93	0.93	0.49
Performance			
Return after charges	11.0%	27.4%	8.6%
Other information			
Closing net asset value (£'000)	166,944	226,408	202,258
Closing number of shares	28,893,453	43,494,068	49,494,842
Operating charges	0.94%	0.92%	0.92%
Direct transaction costs	0.17%	0.19%	0.14%
Prices (pence per share)			
Highest share price	599.90	532.20	409.10
Lowest share price	516.10	418.20	308.90

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		20,083		46,838
Revenue	5	5,485		5,784	
Expenses	6	(1,927)		(1,987)	
Interest payable and similar charges	8	(8)		(1)	
Net revenue/(expense) before taxation		3,550		3,796	
Taxation	7	(536)		120	
Net revenue/(expense) after taxation			3,014		3,916
Total return before distributions			23,097		50,754
Distributions	8		(3,052)		(3,892)
Change in net assets attributable to shareholders from investment activities			20,045		46,862

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			226,408		202,258
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		17,418		18,019	
Amounts payable on cancellation of shares		(68,673)		(44,552)	
In specie cancellation of shares		(30,819)		-	
			(82,074)		(26,533)
Swing price adjustment			96		65
Change in net assets attributable to shareholders from investment activities (see above)			20,045		46,862
Retained distribution on accumulation shares	8		2,469		3,756
Closing net assets attributable to shareholders			166,944		226,408

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			164,185		222,323
Current assets:					
Debtors	9	4,339		2,237	
Cash and bank balances		4,425		3,583	
Total other assets			8,764		5,820
Total assets			172,949		228,143
Liabilities:					
Creditors					
Other creditors	10	(6,005)		(1,735)	
Total other liabilities			(6,005)		(1,735)
Total liabilities			(6,005)		(1,735)
Net assets attributable to shareholders			166,944		226,408

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	19,997	46,994
Other currency gains/(losses)	101	(135)
Transaction charges	(27)	(32)
Broker fee rebates	12	11
Net capital gains/(losses)	<u>20,083</u>	<u>46,838</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	12	6
Overseas dividends	5,262	5,488
Overseas property income distributions	198	253
Overseas scrip dividends	-	23
Bank interest	13	14
Total revenue	<u>5,485</u>	<u>5,784</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,671	1,739
Service charges	104	109
Foreign exchange administration fees	7	10
	<u>1,782</u>	<u>1,858</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	17	23
Custody fees	56	53
	<u>73</u>	<u>76</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	64	45
	<u>72</u>	<u>53</u>
Total expenses	<u>1,927</u>	<u>1,987</u>

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	498	(119)
Overseas capital gains tax	38	(1)
Total current taxation	<u>536</u>	<u>(120)</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>3,550</u>	<u>3,796</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	<u>710</u>	<u>759</u>

Notes to the Financial Statements

Effects of:

Overseas taxation	498	(119)
Overseas tax expensed	(1)	(4)
Increase/(decrease) in unutilised management expenses	344	346
Revenue not included for tax purposes	(1,053)	(1,101)
Overseas capital gains tax	38	(1)
	<u>536</u>	<u>(120)</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 £3,287,000 (2017: £2,943,000). 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	2,469	3,756
Add: Revenue deducted on cancellation of shares	468	270
Deduct: Revenue received on issue of shares	(122)	(134)
Add: Revenue deducted on in specie shares	237	-
Net distributions for the year	<u>3,052</u>	<u>3,892</u>
Interest/other		
Interest	8	1
Total finance costs	<u>3,060</u>	<u>3,893</u>
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	3,014	3,916
Add back (revenue)/expenses transferred to capital:		
Stapled scrip dividends	-	(23)
Indian capital gains tax	38	(1)
	<u>3,052</u>	<u>3,892</u>

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	-	105
Sales awaiting settlement	676	520
Sales of currency awaiting settlement	2,951	436
Accrued revenue	704	1,167
Foreign capital gains tax receivable	8	9
Total debtors	<u>4,339</u>	<u>2,237</u>

10 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	2,193	667
Purchases awaiting settlement	708	422
Purchases of currency awaiting settlement	2,951	436
Accrued expenses	153	210
Total other creditors	<u>6,005</u>	<u>1,735</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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	31,216	-	160	31,376
Chinese Yuan Renminbi	6,297	3,474	10	9,781
Hong Kong Dollar	53,620	132	52	53,804
Indian Rupee	16,215	-	31	16,246
Indonesian Rupiah	2,498	-	-	2,498
Korean Won	17,653	7	96	17,756
Malaysian Ringgit	1,180	-	-	1,180
Philippine Peso	576	-	(15)	561
Singapore Dollar	3,340	-	-	3,340
Taiwan Dollar	17,748	22	238	18,008
Thai Baht	3,663	-	-	3,663
UK Pound	-	29	(2,338)	(2,309)
US Dollar	10,179	761	100	11,040
Total	164,185	4,425	(1,666)	166,944
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	43,410	-	275	43,685
Chinese Yuan Renminbi	5,397	2,551	-	7,948
Hong Kong Dollar	69,263	-	575	69,838
Indian Rupee	19,391	-	198	19,589
Indonesian Rupiah	2,101	-	-	2,101
Korean Won	29,521	7	33	29,561
Malaysian Ringgit	1,457	-	-	1,457
Singapore Dollar	6,657	-	-	6,657
Taiwan Dollar	26,795	228	210	27,233
Thai Baht	5,483	-	-	5,483
UK Pound	-	25	(867)	(842)
US Dollar	12,848	772	78	13,698
Total	222,323	3,583	502	226,408

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

30/06/18

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	74,435	62	0.08	43	0.06
Corporate actions	1	-	-	-	-
Total	<u>74,436</u>	<u>62</u>		<u>43</u>	
Total including transaction costs	<u>74,541</u>				

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	121,329	74	0.06	167	0.14
Corporate actions	96	-	-	-	-
In-specie	31,056	-	-	-	-
Total	<u>152,481</u>	<u>74</u>		<u>167</u>	
Total including transaction costs	<u>152,240</u>				
Total as a percentage of average net assets*		0.07 %		0.10 %	

30/06/17

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	96,285	97	0.10	39	0.04
Corporate actions	313	-	-	-	-
Total	<u>96,598</u>	<u>97</u>		<u>39</u>	
Total including transaction costs	<u>96,734</u>				

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	120,726	108	0.09	180	0.15
Corporate actions	463	-	-	-	-
Total	<u>121,189</u>	<u>108</u>		<u>180</u>	
Total including transaction costs	<u>120,901</u>				
Total as a percentage of average net assets		0.09 %		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 0.17% (2017: 0.15%).

13 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	161,002	-	218,852	-
Level 2: Observable market data	3,031	-	3,471	-
Level 3: Unobservable data*	152	-	-	-
	<u>164,185</u>	<u>-</u>	<u>222,323</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.

Notes to the Financial Statements

14 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	43,494,068	3,139,088	(17,739,703)	28,893,453

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 £121,000 (2017: £163,000) are included within accrued expenses in Note 10.

16 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	577.79	580.39	0.45

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 21 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	8.5465	-	8.5465	8.6362
Group 2	4.7570	3.7895	8.5465	8.6362

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 UK government and international government and corporate bonds. The fund may invest directly in UK government and international government and corporate bonds and may also invest in emerging market debt and high yield 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 investment strategies attempt to maintain at least 90% of currency exposure in UK Sterling. The fund may also take positions which enable it to benefit from falling asset prices.

Performance and Portfolio Activity

The fund performed in line with the index over the period. Favourable security selection in banking giant Cooperative Rabobank was the top contributor to performance. This was offset by the fund’s duration strategy, which weighed on returns. I worked with our credit analyst team to reduce the fund’s credit beta. I lowered the exposure to corporate bonds by selling positions in banking giants Wells Fargo and HSBC. Meanwhile, I bought holdings in real estate investment trust Digital Realty and automotive giant Daimler. Overall, the portfolio maintains a small short duration position.

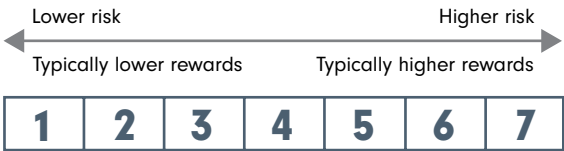
Outlook

The Bank of England seems intent on normalising interest rates, but current market pricing indicates expectations are evenly split on whether or not they will raise rates at the next meeting. I believe the domestic growth story is not robust enough to make a clear case for monetary policy tightening. However, on balance, I expect UK government bond yields to remain range bound. Within credit markets, spreads may widen given the increased frequency of risk events.

Ian Fishwick
Fund Manager
30 June 2018

Risk and Reward Indicator

	SRRI
Accumulation Shares	4
Income Shares	4
Monthly 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.

Comparative Performance Table

	Income Shares			Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	151.43	148.99	129.66	244.77	234.95	198.86
Return before operating charges*	4.47	7.43	23.18	7.23	11.01	37.10
Operating charges	(0.74)	(0.75)	(0.68)	(1.22)	(1.19)	(1.01)
Return after operating charges*	3.73	6.68	22.50	6.01	9.82	36.09
Distributions	(3.59)	(4.24)	(3.17)	(5.84)	(5.95)	(6.12)
Retained distributions on accumulation shares	-	-	-	5.84	5.95	6.12
Closing net asset value per share	151.57	151.43	148.99	250.78	244.77	234.95
*after direct transaction costs of	0.02	0.03	0.02	0.02	0.03	0.02
Performance						
Return after charges	3.1%	4.5%	16.1%	3.1%	4.2%	18.2%
Other information						
Closing net asset value (£'000)	1,300	5,289	1,089	51,596	45,337	39,544
Closing number of shares	857,836	3,492,454	730,618	20,574,501	18,522,701	16,831,109
Operating charges	0.49%	0.48%	0.50%	0.49%	0.48%	0.48%
Direct transaction costs	0%	0.01%	0.01%	0%	0.01%	0.01%
Prices (pence per share)						
Highest share price	158.60	164.60	151.00	256.40	259.70	235.60
Lowest share price	146.40	145.10	127.90	239.50	229.30	196.20

Monthly Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	1,203.66	1,155.39	1,000.00
Return before operating charges*	35.52	54.10	158.91
Operating charges	(5.97)	(5.83)	(3.52)
Return after operating charges*	29.55	48.27	155.39
Distributions	(28.69)	(29.29)	(20.47)
Retained distributions on accumulation shares	28.69	29.29	20.47
Closing net asset value per share	1,233.21	1,203.66	1,155.39
*after direct transaction costs of	0.02	0.03	0.02
Performance			
Return after charges	3.0%	4.2%	15.5%
Other information			
Closing net asset value (£'000)	67,414	65,801	68,842
Closing number of shares	5,466,541	5,466,735	5,958,350
Operating charges	0.49%	0.48%	52.00%
Direct transaction costs	0%	0.01%	0.01%
Prices (pence per share)			
Highest share price	1,261.00	1,277.00	1,159.00
Lowest share price	1,178.00	1,127.00	989.30

Sterling Core Plus Bond Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		165		2,031
Revenue	5	3,916		3,531	
Expenses	6	(570)		(546)	
Interest payable and similar charges	8	(592)		(216)	
Net revenue/(expense) before taxation		2,754		2,769	
Taxation	7	-		1	
Net revenue/(expense) after taxation			2,754		2,770
Total return before distributions			2,919		4,801
Distributions	8		(2,754)		(2,775)
Change in net assets attributable to shareholders from investment activities			165		2,026

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			116,427		109,475
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		11,640		11,414	
Amounts payable on cancellation of shares		(10,672)		(9,219)	
			968		2,195
Swing price adjustment			33		-
Change in net assets attributable to shareholders from investment activities (see above)			165		2,026
Retained distribution on accumulation shares			2,717		2,731
Closing net assets attributable to shareholders			120,310		116,427

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			118,149		115,514
Current assets:					
Debtors	9	1,504		2,493	
Cash and bank balances	10	2,650		2,945	
Total other assets			4,154		5,438
Total assets			122,303		120,952
Liabilities:					
Investment liabilities			(1,804)		(1,713)
Creditors					
Distribution payable		(14)		(67)	
Other creditors	11	(175)		(2,745)	
Total other liabilities			(189)		(2,812)
Total liabilities			(1,993)		(4,525)
Net assets attributable to shareholders			120,310		116,427

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(749)	2,714
Gains/(losses) on derivative contracts	959	908
Gains/(losses) on forward currency contracts	205	(1,684)
Other currency gains/(losses)	(246)	98
Transaction charges	(4)	(5)
	<u>165</u>	<u>2,031</u>
Net capital gains/(losses)	<u>165</u>	<u>2,031</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	3,385	3,511
Derivative revenue	530	19
Bank interest	1	1
	<u>3,916</u>	<u>3,531</u>
Total revenue	<u>3,916</u>	<u>3,531</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	470	453
Service charges	59	57
Foreign exchange administration fees	-	3
	<u>529</u>	<u>513</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	14	13
Custody fees	5	3
	<u>19</u>	<u>16</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	12	7
	<u>22</u>	<u>17</u>
	<u>570</u>	<u>546</u>
Total expenses	<u>570</u>	<u>546</u>

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Prior year adjustment	-	(1)
	<u>-</u>	<u>(1)</u>
Total current taxation	<u>-</u>	<u>(1)</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>2,754</u>	<u>2,769</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	<u>551</u>	<u>554</u>

Notes to the Financial Statements

Effects of:

Prior year adjustment	-	(1)
Interest distributions	(551)	(554)
	<u>-</u>	<u>(1)</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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Income Shares		
Final	14	67
Interim	26	35
Accumulation Shares		
Final	564	568
Interim	588	519
Monthly Accumulation Shares		
Final	110	136
Interim	1,455	1,508
	<u>2,757</u>	<u>2,833</u>
Add: Revenue deducted on cancellation of shares	38	15
Deduct: Revenue received on issue of shares	(41)	(73)
Net distributions for the year	<u>2,754</u>	<u>2,775</u>
Interest/other		
Currency amortisation	26	-
FX Hedging Expense	1	-
Swap expenses	561	-
Interest	1	2
Derivative expense	3	214
	<u>592</u>	<u>216</u>
Total finance costs	<u>3,346</u>	<u>2,991</u>
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	2,754	2,770
Add back (revenue)/expenses transferred to capital:		
Capital Indexation*	-	5
	<u>2,754</u>	<u>2,775</u>

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

*For index-linked bonds, effective yield includes an element of capital indexation which is non distributable as permitted in the waiver provided by the FCA.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	-	26
Sales awaiting settlement	22	770
Sales of currency awaiting settlement	-	308
Accrued revenue	1,482	1,389
Total debtors	<u>1,504</u>	<u>2,493</u>

Notes to the Financial Statements

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,269	2,106
Cash and bank balances	1,381	839
Total cash and bank balances	<u>2,650</u>	<u>2,945</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	9	-
Purchases awaiting settlement	4	2,351
Purchases of currency awaiting settlement	-	310
Accrued expenses	63	63
Amounts payable on closure of derivative contract	99	21
Total other creditors	<u>175</u>	<u>2,745</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)	
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	(31)	-	(9)	(40)
Canadian Dollar	(1)	20	(2)	17
Euro	2,656	1	107	2,764
Japanese Yen	(63)	-	(9)	(72)
New Zealand Dollar	42	11	38	91
Norwegian Krone	26	-	-	26
Swedish Krona	(3)	1	(1)	(3)
Swiss Franc	12	-	14	26
UK Pound	107,147	2,527	1,101	110,775
US Dollar	6,560	90	76	6,726
Total	116,345	2,650	1,315	120,310
30/06/17	£'000	£'000	£'000	£'000
Canadian Dollar	-	8	-	8
Euro	6,132	454	68	6,654
Norwegian Krone	29	-	-	29
UK Pound	96,888	2,474	(520)	98,842
US Dollar	10,752	9	133	10,894
Total	113,801	2,945	(319)	116,427

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	2	-	-	2
Canadian Dollar	24	4	10	38
Euro	24	3,918	134	4,076
Japanese Yen	-	14	-	14
New Zealand Dollar	11	42	40	93
Norwegian Krone	-	-	26	26
Swedish Krona	1	-	-	1
Swiss Franc	-	12	14	26
UK Pound^	4,016	101,398	5,537	110,951
US Dollar	738	6,216	122	7,076
Total	4,816	111,604	5,883	122,303
30/06/17	£'000	£'000	£'000	£'000
Canadian Dollar	8	-	-	8
Euro	529	7,006	541	8,076
Norwegian Krone	-	-	29	29
UK Pound	2,866	96,797	1,969	101,632
US Dollar	589	10,416	202	11,207
Total	3,992	114,219	2,741	120,952

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	32	-	10	42
Canadian Dollar	9	-	12	21
Euro	9	1,199	104	1,312
Japanese Yen	76	-	10	86
New Zealand Dollar	-	-	2	2
Swedish Krona	3	-	2	5
UK Pound^	26	39	120,420	120,485
US Dollar	-	-	350	350
Total	155	1,238	120,910	122,303
30/06/17	£'000	£'000	£'000	£'000
Euro	-	803	619	1,422
UK Pound	-	-	119,217	119,217
US Dollar	198	-	115	313
Total	198	803	119,951	120,952

^ Includes £120,310,000 in respect of the fund's liability to redeem all shares (2017: £116,427,000).

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: 0.02%).

Interest rate risk

A rise or fall of 1% in global interest rates is likely to result in a 16.78% fall or rise in the fund's market value (2017: 16.58%).

Credit rating risk

As at the year end 5.49% (2017: 6.69%) of the fund's market value was invested in securities rated as below investment grade, additionally 2.09% (2017: 0.81%) 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.

Notes to the Financial Statements

Analysis of derivatives exposure

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 47.42% (2017: 37.38%), 62.05% (2017: 56.77%) and 50.13% (2017: 47.49%) 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.

13 Portfolio transaction costs

30/06/18

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Bond	40,682	-	-	-	-
Derivative	-	3	-	-	-
Total	40,682	3			
Total including transaction costs	40,685				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Bond	41,420	-	-	-	-
Derivative	-	3	-	-	-
Total	41,420	3			
Total including transaction costs	41,417				
Total as a percentage of average net assets*		0.00 %		0.00 %	

30/06/17

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total purchases costs					
Bond	86,717	-	-	-	-
Derivative	-	4	-	-	-
Total	86,717	4			
Total including transaction costs	86,721				
	Sales £'000	Commissions £'000	%	Taxes £'000	%
Analysis of total sales costs					
Bond	77,905	-	-	-	-
Corporate actions	1,296	-	-	-	-
Derivative	-	3	-	-	-
Total	79,201	3			
Total including transaction costs	79,198				
Total as a percentage of average net assets		0.01 %		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 0.64% (2017: 0.70%).

14 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	52,103	(248)	39,247	(424)
Level 2: Observable market data	66,046	(1,556)	76,267	(1,289)
Level 3: Unobservable data	-	-	-	-
	118,149	(1,804)	115,514	(1,713)

Notes to the Financial Statements

15 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Income Shares	3,492,454	122,399	(2,757,017)	857,836
Accumulation Shares	18,522,701	3,214,539	(1,162,739)	20,574,501
Monthly Accumulation Shares	5,466,735	295,126	(295,320)	5,466,541

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.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £45,000 (2017: £45,000) are included within accrued expenses in Note 11.

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.

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
Bank of America	(133)	-	-	-	(133)
Citigroup Global Markets	-	-	(550)	-	(550)
Deutsche Bank	-	-	59	-	59
Goldman Sachs	-	-	37	-	37
Lloyd's	-	-	118	-	118
Morgan Stanley	-	-	(298)	-	(298)
Northern Trust	26	-	-	-	26
Societe Generale	(28)	-	-	-	(28)
UBS	-	98	-	-	98
Total	<u>(135)</u>	<u>98</u>	<u>(634)</u>	<u>-</u>	<u>(671)</u>

30/06/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
BBH	37	-	-	-	37
BNP Paribas	(5)	-	-	-	(5)
Citigroup Global Markets	-	-	-	43	43
Morgan Stanley	-	-	(580)	-	(580)
Northern Trust	(253)	-	-	-	(253)
Royal Bank of Canada	9	-	-	-	9
Societe Generale	34	-	-	-	34
UBS	-	(334)	-	-	(334)
Total	<u>(178)</u>	<u>(334)</u>	<u>(580)</u>	<u>43</u>	<u>(1,049)</u>

18 Shareholders' funds

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

Income Shares : 0.40%

Accumulation Shares : 0.40%

Monthly Accumulation 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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Income Shares	151.57	153.09	1.00
Accumulation Shares	250.78	253.19	0.96
Monthly Accumulation Shares	1,233.21	1,245.32	0.98

Distribution Statement

for the year ended 30 June 2018

Income Shares - final distribution No. 24 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 31/08/18	Amount distributed 31/08/17
Group 1	1.6764	-	1.6764	1.9212
Group 2	0.6270	1.0494	1.6764	1.9212

Income Shares - interim distribution No. 23 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/02/18	Amount distributed 28/02/17
Group 1	1.9125	-	1.9125	1.4684
Group 2	1.1341	0.7784	1.9125	1.4684

Accumulation Shares - final distribution No. 24 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	2.7429	-	2.7429	3.0655
Group 2	1.4256	1.3173	2.7429	3.0655

Accumulation Shares - interim distribution No. 23 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 28/02/18	Amount accumulated 28/02/17
Group 1	3.0941	-	3.0941	2.8837
Group 2	2.5500	0.5441	3.0941	2.8837

Monthly Accumulation Shares - final distribution No. 32 in pence per share

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

Group 2 - Shares purchased from 1 June 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 18/08/18	Amount accumulated 18/08/17
Group 1	2.0113	-	2.0113	2.4909
Group 2	0.0359	1.9754	2.0113	2.4909

Distribution Statement

Monthly 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. 21	2.4886	-	2.4886	2.3785
Distribution No. 22	2.5420	-	2.5420	2.0642
Distribution No. 23	2.4387	-	2.4387	2.1608
Distribution No. 24	2.6357	-	2.6357	2.5627
Distribution No. 25	2.5200	-	2.5200	2.4082
Distribution No. 26	2.5812	-	2.5812	2.6386
Distribution No. 27	2.5080	-	2.5080	2.6722
Distribution No. 28	2.4235	-	2.4235	2.4833
Distribution No. 29	2.4078	-	2.4078	2.5500
Distribution No. 30	2.0088	-	2.0088	2.4305
Distribution No. 31	2.1291	-	2.1291	2.4481
Group 2				
Distribution No. 21	0.8407	1.6479	2.4886	2.3785
Distribution No. 22	1.3678	1.1742	2.5420	2.0642
Distribution No. 23	1.5680	0.8707	2.4387	2.1608
Distribution No. 24	0.0975	2.5382	2.6357	2.5627
Distribution No. 25	0.4132	2.1068	2.5200	2.4082
Distribution No. 26	0.0559	2.5253	2.5812	2.6386
Distribution No. 27	-	2.5080	2.5080	2.6722
Distribution No. 28	1.0335	1.3900	2.4235	2.4833
Distribution No. 29	0.4195	1.9883	2.4078	2.5500
Distribution No. 30	1.0534	0.9554	2.0088	2.4305
Distribution No. 31	0.0873	2.0418	2.1291	2.4481

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 UK gilts and non gilt fixed interest securities. The fund may invest directly in UK gilts and non-gilt 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 or investment purposes and may include (but are not limited to) derivatives on currencies, 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 advanced over the period, supported by coupon income as well as the bias towards financials. Holdings in Westpac Banking and Lloyds Banking Group boosted returns. The fund’s interest rate risk positioning held back gains, with the bias towards the short end of the US Treasury yield curve weighing on returns. I reduced the beta element of the portfolio as credit markets deal with increased frequency of risk events. I reduced positions across sectors; I sold the holding in Hewlett Packard Enterprise and reduced the exposure to Votorantim Cimentos. The proceeds were used to raise the allocation to government bonds, mostly via UK government bonds (Gilts).

Outlook

The Bank of England (BoE) seems intent on normalising interest rates, and given the predisposition of its Monetary Policy Committee, I expect interest rates to be tightened once this year. In such an environment, Gilt yields are likely to remain range bound. Meanwhile, I have a small exposure to corporate bonds given my defensive view on the asset class.

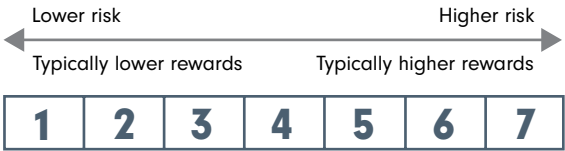
Ian Fishwick
Fund Manager
30 June 2018

Risk and Reward Indicator

SRRI

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.
- The fund may be exposed to the risk of financial loss if a counterparty used for derivative instruments subsequently defaults.
- 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

	Accumulation Shares		
	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	204.75	194.44	177.31
Return before operating charges*	4.35	11.16	17.91
Operating charges	(0.88)	(0.85)	(0.78)
Return after operating charges*	3.47	10.31	17.13
Distributions	(4.26)	(5.23)	(5.46)
Retained distributions on accumulation shares	4.26	5.23	5.46
Closing net asset value per share	208.22	204.75	194.44
*after direct transaction costs of	0.01	0.01	0.01
Performance			
Return after charges	1.7%	5.3%	9.7%
Other information			
Closing net asset value (£'000)	593,702	537,608	535,638
Closing number of shares	285,129,117	262,565,454	275,479,991
Operating charges	0.43%	0.42%	0.42%
Direct transaction costs	0%	0%	0.01%
Prices (pence per share)			
Highest share price	211.20	209.10	195.00
Lowest share price	203.20	194.40	176.30

UK Aggregate Bond Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		(2,220)		12,749
Revenue	5	14,878		16,417	
Expenses	6	(2,384)		(2,224)	
Interest payable and similar charges	8	(971)		(486)	
Net revenue/(expense) before taxation		11,523		13,707	
Taxation	7	-		-	
Net revenue/(expense) after taxation			11,523		13,707
Total return before distributions			9,303		26,456
Distributions	8		(11,523)		(13,707)
Change in net assets attributable to shareholders from investment activities			(2,220)		12,749

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			537,608		535,643
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		50,508		46,282	
Amounts payable on cancellation of shares		(31,344)		(22,776)	
In specie creation of shares		27,385		-	
In specie cancellation of shares		-		(47,675)	
			46,549		(24,169)
Swing price adjustment			19		30
Change in net assets attributable to shareholders from investment activities (see above)			(2,220)		12,749
Retained distribution on accumulation shares			11,746		13,355
Closing net assets attributable to shareholders			593,702		537,608

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			586,917		533,837
Current assets:					
Debtors	9	6,177		15,066	
Cash and bank balances	10	5,546		5,488	
Total other assets			11,723		20,554
Total assets			598,640		554,391
Liabilities:					
Investment liabilities			(4,483)		(2,740)
Creditors					
Bank overdrafts		-		(34)	
Other creditors	11	(455)		(14,009)	
Total other liabilities			(455)		(14,043)
Total liabilities			(4,938)		(16,783)
Net assets attributable to shareholders			593,702		537,608

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(3,361)	16,055
Gains/(losses) on derivative contracts	223	4,134
Gains/(losses) on forward currency contracts	1,269	(7,340)
Other currency gains/(losses)	(346)	(93)
Transaction charges	(5)	(7)
Net capital gains/(losses)	<u>(2,220)</u>	<u>12,749</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	14,155	16,294
Derivative revenue	721	120
Bank interest	2	3
Total revenue	<u>14,878</u>	<u>16,417</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,964	1,853
Service charges	281	265
Foreign exchange administration fees	1	3
	<u>2,246</u>	<u>2,121</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	49	47
Custody fees	22	11
	<u>71</u>	<u>58</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	57	35
	<u>67</u>	<u>45</u>
Total expenses	<u>2,384</u>	<u>2,224</u>

7 Taxation

	30/06/18	30/06/17
	£'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>11,523</u>	<u>13,707</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	<u>2,305</u>	<u>2,741</u>

Notes to the Financial Statements

Effects of:

Interest distributions	(2,305)	(2,741)
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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	5,626	6,691
Interim	6,120	6,664
	<u>11,746</u>	<u>13,355</u>
Add: Revenue deducted on cancellation of shares	176	138
Deduct: Revenue received on issue of shares	(246)	(305)
Add: Revenue deducted on in specie shares	-	519
Deduct: Revenue received on in specie shares	<u>(153)</u>	<u>-</u>
Net distributions for the year	<u>11,523</u>	<u>13,707</u>
Interest/other		
Currency amortisation	439	-
FX Hedging Expense	-	8
Swap expenses	520	-
Interest	1	3
Derivative expense	<u>11</u>	<u>475</u>
	<u>971</u>	<u>486</u>
Total finance costs	<u>12,494</u>	<u>14,193</u>
Details of the distributions per share are set out in the Distribution Statement.		

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	114	111
Sales awaiting settlement	53	7,602
Sales of currency awaiting settlement	-	1,406
Accrued revenue	6,010	5,947
	<u>6,177</u>	<u>15,066</u>
Total debtors		

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	3,570	2,871
Cash and bank balances	1,976	2,617
	<u>5,546</u>	<u>5,488</u>
Total cash and bank balances		

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	16	1
Purchases awaiting settlement	8	12,325
Purchases of currency awaiting settlement	-	1,418
Accrued expenses	240	221
Amounts payable on closure of derivative contract	191	44
	<u>455</u>	<u>14,009</u>
Total other creditors		

Notes to the Financial Statements

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:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	(75)	1	(21)	(95)
Canadian Dollar	(11)	41	(7)	23
Euro	10,464	1	347	10,812
Japanese Yen	(153)	-	(21)	(174)
New Zealand Dollar	105	24	93	222
Norwegian Krone	-	8	-	8
Swedish Krona	(8)	2	(2)	(8)
Swiss Franc	28	-	33	61
UK Pound	539,383	5,373	5,032	549,788
US Dollar	32,701	96	268	33,065
Total	582,434	5,546	5,722	593,702
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	-	1	-	1
Euro	36,123	1	(910)	35,214
Norwegian Krone	-	8	-	8
UK Pound	428,963	5,478	1,307	435,748
US Dollar	66,011	(34)	660	66,637
Total	531,097	5,454	1,057	537,608

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	5	-	-	5
Canadian Dollar	48	6	21	75
Euro	1	12,666	388	13,055
Japanese Yen	-	33	-	33
New Zealand Dollar	24	105	97	226
Norwegian Krone	8	-	-	8
Swedish Krona	2	-	-	2
Swiss Franc	-	28	33	61
UK Pound	13,648	495,559	41,065	550,272
US Dollar	167	34,240	496	34,903
Total	13,903	542,637	42,100	598,640
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	1	-	-	1
Euro	1	37,016	2,544	39,561
Norwegian Krone	8	-	-	8
UK Pound	7,605	409,489	30,497	447,591
US Dollar	-	66,181	1,049	67,230
Total	7,615	512,686	34,090	554,391

Notes to the Financial Statements

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	79	-	21	100
Canadian Dollar	24	-	28	52
Euro	18	1,997	228	2,243
Japanese Yen	186	-	21	207
New Zealand Dollar	-	-	4	4
Swedish Krona	8	-	2	10
UK Pound [^]	68	106	594,012	594,186
US Dollar	2	-	1,836	1,838
Total	385	2,103	596,152	598,640
30/06/17	£'000	£'000	£'000	£'000
Euro	-	-	4,347	4,347
UK Pound	-	16	549,435	549,451
US Dollar	34	-	559	593
Total	34	16	554,341	554,391

[^] Includes £593,702,000 in respect of the fund's liability to redeem all shares (2017: £537,608,000).

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 9.69% fall or rise in the fund's market value (2017: 9.84%).

Credit rating risk

As at the year end 3.52% (2017: 5.89%) of the fund's market value was invested in securities rated as below investment grade, additionally 3.23% (2017: 2.44%) 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

At the year end the fund holds no futures that could impact it significantly (2017: A 1% change the price of the futures would lead to a change representing 0.90% of the fund's market value).

Interest rate swaps exposure

At the year end the fund holds no interest rate swaps that could impact it significantly (2017: A 1% change in interest rates would lead to a change representing 0.33% 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).

Credit index options

At the year end the fund holds no credit index options that could impact it significantly (2017: A 2% change in credit spreads would lead to a change representing 0.10% 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 15.80% (2017: 25.77%).

Notes to the Financial Statements

13 Portfolio transaction costs

30/06/18

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	242,498	-	-	-	-
Derivative	-	8	-	-	-
Total	<u>242,498</u>	<u>8</u>		<u>-</u>	

Total including transaction costs

242,506

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	196,427	-	-	-	-
Corporate actions	3,362	-	-	-	-
Derivative	-	8	-	-	-
Total	<u>199,789</u>	<u>8</u>		<u>-</u>	

Total including transaction costs

199,781

Total as a percentage of average net assets*

0.00 %

0.00 %

30/06/17

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	334,598	-	-	-	-
Derivative	-	9	-	-	-
Total	<u>334,598</u>	<u>9</u>		<u>-</u>	

Total including transaction costs

334,607

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	314,504	-	-	-	-
Corporate actions	1,748	-	-	-	-
In-specie	47,487	-	-	-	-
Derivative	-	9	-	-	-
Total	<u>363,739</u>	<u>9</u>		<u>-</u>	

Total including transaction costs

363,730

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 0.33% (2017: 0.47%).

14 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	325,018	(896)	228,532	(1,119)
Level 2: Observable market data	261,899	(3,587)	303,660	(1,621)
Level 3: Unobservable data*	-	-	1,645	-
	<u>586,917</u>	<u>(4,483)</u>	<u>533,837</u>	<u>(2,740)</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 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	262,565,454	37,791,927	(15,228,264)	285,129,117

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 £195,000 (2017: £180,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
Bank of America	(1,026)	-	-	-	(1,026)
Deutsche Bank	-	-	(40)	-	(40)
Goldman Sachs	-	-	(29)	-	(29)
HSBC Global Markets	30	-	(39)	-	(9)
Morgan Stanley	-	-	(1,750)	-	(1,750)
Societe Generale	(72)	-	-	-	(72)
UBS	-	(72)	-	-	(72)
Total	<u>(1,068)</u>	<u>(72)</u>	<u>(1,858)</u>	<u>-</u>	<u>(2,998)</u>

30/06/17

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
Bank of America	223	-	-	-	223
BBH	(44)	-	-	-	(44)
BNP Paribas	(1,418)	-	-	-	(1,418)
Citigroup Global Markets	-	-	-	195	195
HSBC Global Markets	(33)	-	-	-	(33)
JP Morgan	141	-	-	-	141
Morgan Stanley	-	-	56	-	56
National Australia Bank	(21)	-	-	-	(21)
Royal Bank of Canada	3	-	-	-	3
UBS	-	(751)	-	-	(751)
Total	<u>(1,149)</u>	<u>(751)</u>	<u>56</u>	<u>195</u>	<u>(1,649)</u>

Notes to the Financial Statements

18 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:
Accumulation Shares : 0.35%
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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	208.22	209.69	0.71

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 24 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	1.9730	-	1.9730	2.5484
Group 2	0.9512	1.0218	1.9730	2.5484

Accumulation Shares - interim distribution No. 23 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 28/02/18	Amount accumulated 28/02/17
Group 1	2.2911	-	2.2911	2.6843
Group 2	1.1484	1.1427	2.2911	2.6843

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 non gilt fixed interest securities. The fund may invest directly in 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 advanced over the period, supported by coupon income as well as the bias towards financials. Holdings in Westpac Banking and Lloyds Banking Group boosted returns. The fund’s interest rate risk positioning held back gains, with the bias towards the short end of the US Treasury yield curve weighing on returns. I reduced the beta element of the portfolio as credit markets deal with increased frequency of risk events. I reduced positions across sectors; I sold the holding in Hewlett Packard Enterprise and reduced the exposure to Votorantim Cimentos. The proceeds were used to raise the allocation to government bonds, mostly via UK government bonds (Gilts).

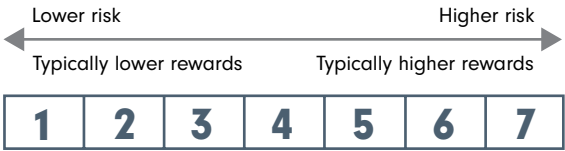
Outlook

The Bank of England (BoE) seems intent on normalising interest rates, and given the predisposition of its Monetary Policy Committee, I expect interest rates to be tightened once this year. In such an environment, Gilt yields are likely to remain range bound. Meanwhile, I have a small exposure to corporate bonds given my defensive view on the asset class.

Ian Fishwick
Fund Manager
30 June 2018

Risk and Reward Indicator

	SRRI
Accumulation Shares	3
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

	Income Shares			Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	129.87	124.34	120.25	256.17	237.72	221.79
Return before operating charges*	1.69	10.15	9.06	3.26	19.50	16.89
Operating charges	(0.57)	(0.55)	(0.52)	(1.11)	(1.05)	(0.96)
Return after operating charges*	1.12	9.60	8.54	2.15	18.45	15.93
Distributions	(3.29)	(4.07)	(4.45)	(6.52)	(7.84)	(8.27)
Retained distributions on accumulation shares	-	-	-	6.52	7.84	8.27
Closing net asset value per share	127.70	129.87	124.34	258.32	256.17	237.72
*after direct transaction costs of	0.01	0.01	0.01	0.01	0.01	0.01
Performance						
Return after charges	0.9%	8.1%	7.1%	0.8%	7.8%	7.2%
Other information						
Closing net asset value (£'000)	245,682	163,736	208,378	169,728	253,848	334,319
Closing number of shares	192,382,768	126,080,972	167,588,430	65,704,662	99,093,906	140,636,348
Operating charges	0.43%	0.42%	0.42%	0.43%	0.42%	0.42%
Direct transaction costs	0%	0%	0.01%	0%	0%	0.01%
Prices (pence per share)						
Highest share price	133.70	134.20	126.60	264.00	260.90	238.80
Lowest share price	128.30	126.10	118.20	256.10	241.70	221.40

UK Corporate Bond Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		(6,891)		24,301
Revenue	5	14,502		21,261	
Expenses	6	(1,987)		(2,415)	
Interest payable and similar charges	8	(834)		(794)	
Net revenue/(expense) before taxation		11,681		18,052	
Taxation	7	-		-	
Net revenue/(expense) after taxation			11,681		18,052
Total return before distributions			4,790		42,353
Distributions	8		(11,681)		(18,052)
Change in net assets attributable to shareholders from investment activities			(6,891)		24,301

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			513,825		642,280
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		88,058		80,981	
Amounts payable on cancellation of shares		(171,507)		(159,361)	
In specie cancellation of shares		(13,540)		(82,931)	
			(96,989)		(161,311)
Swing price adjustment			344		499
Change in net assets attributable to shareholders from investment activities (see above)			(6,891)		24,301
Retained distribution on accumulation shares			5,121		8,056
Closing net assets attributable to shareholders			415,410		513,825

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			413,759		514,051
Current assets:					
Debtors	9	5,778		11,749	
Cash and bank balances	10	3,005		4,715	
Total other assets			8,783		16,464
Total assets			422,542		530,515
Liabilities:					
Investment liabilities			(3,769)		(2,822)
Creditors					
Bank overdrafts		-		(42)	
Distribution payable		(2,942)		(3,889)	
Other creditors	11	(421)		(9,937)	
Total other liabilities			(3,363)		(13,868)
Total liabilities			(7,132)		(16,690)
Net assets attributable to shareholders			415,410		513,825

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(6,636)	29,709
Gains/(losses) on derivative contracts	(639)	5,767
Gains/(losses) on forward currency contracts	241	(11,013)
Other currency gains/(losses)	149	(155)
Transaction charges	(6)	(7)
Net capital gains/(losses)	<u>(6,891)</u>	<u>24,301</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	14,110	20,858
Derivative revenue	390	400
Bank interest	2	3
Total revenue	<u>14,502</u>	<u>21,261</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,623	2,012
Service charges	232	287
Foreign exchange administration fees	1	3
	<u>1,856</u>	<u>2,302</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	43	49
Custody fees	23	13
	<u>66</u>	<u>62</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	55	41
	<u>65</u>	<u>51</u>
Total expenses	<u>1,987</u>	<u>2,415</u>

7 Taxation

	30/06/18	30/06/17
	£'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>11,681</u>	<u>18,052</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	<u>2,336</u>	<u>3,610</u>

Notes to the Financial Statements

Effects of:

Interest distributions	(2,336)	(3,610)
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Current tax charge/(credit)	-	-
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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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Income Shares		
Final	2,942	2,450
Interim	1,741	2,673
Accumulation Shares		
Final	2,008	3,742
Interim	3,113	4,314
Gross paying Income Shares*		
Final	-	1,440
Interim	1,303	1,564
	11,107	16,183
Add: Revenue deducted on cancellation of shares	1,023	1,249
Deduct: Revenue received on issue of shares	(541)	(482)
Add: Revenue deducted on in specie shares	92	1,102
Net distributions for the year	11,681	18,052
Interest/other		
Currency amortisation	316	-
FX Hedging Expense	10	-
Swap expenses	455	-
Interest	1	2
Derivative expense	52	792
	834	794
Total finance costs	12,515	18,846

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

*This share class converted to Income Shares on 1 May 2018.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	188	15
Sales awaiting settlement	22	3,477
Sales of currency awaiting settlement	-	1,317
Accrued revenue	5,568	6,940
Total debtors	5,778	11,749

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,752	1,747
Cash and bank balances	1,253	2,968
Total cash and bank balances	3,005	4,715

Notes to the Financial Statements

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	53	211
Purchases awaiting settlement	4	8,094
Purchases of currency awaiting settlement	-	1,329
Accrued expenses	182	218
Amounts payable on closure of derivative contract	182	85
Total other creditors	<u>421</u>	<u>9,937</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)	
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	(36)	-	(10)	(46)
Canadian Dollar	(3)	21	(3)	15
Euro	7,317	1	210	7,528
Japanese Yen	(72)	-	(10)	(82)
New Zealand Dollar	44	15	39	98
Norwegian Krone	-	6	-	6
Swedish Krona	(4)	1	(1)	(4)
Swiss Franc	13	-	16	29
UK Pound	375,920	2,937	1,934	380,791
US Dollar	26,811	24	240	27,075
Total	409,990	3,005	2,415	415,410
30/06/17	£'000	£'000	£'000	£'000
Euro	42,124	2	659	42,785
Norwegian Krone	-	6	-	6
UK Pound	410,331	4,707	(3,280)	411,758
US Dollar	58,774	(42)	544	59,276
Total	511,229	4,673	(2,077)	513,825

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:

	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid	Total assets
Currency				
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	2	-	-	2
Canadian Dollar	24	3	10	37
Euro	1	9,088	238	9,327
Japanese Yen	-	17	-	17
New Zealand Dollar	15	44	41	100
Norwegian Krone	6	-	-	6
Swedish Krona	1	-	-	1
Swiss Franc	-	13	16	29
UK Pound	10,068	357,972	16,246	384,286
US Dollar	614	27,273	850	28,737
Total	10,731	394,410	17,401	422,542

Notes to the Financial Statements

30/06/17	£'000	£'000	£'000	£'000
Euro	2	43,125	2,783	45,910
Norwegian Krone	6	-	-	6
UK Pound	7,129	378,043	39,151	424,323
US Dollar	-	59,242	1,034	60,276
Total	7,137	480,410	42,968	530,515

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	38	-	10	48
Canadian Dollar	10	-	12	22
Euro	7	1,598	194	1,799
Japanese Yen	89	-	10	99
New Zealand Dollar	-	-	2	2
Swedish Krona	4	-	1	5
UK Pound^	42	233	418,630	418,905
US Dollar	1	-	1,661	1,662
Total	191	1,831	420,520	422,542

30/06/17	£'000	£'000	£'000	£'000
Euro	-	-	3,125	3,125
UK Pound	-	35	526,355	526,390
US Dollar	264	-	736	1,000
Total	264	35	530,216	530,515

^ Includes £415,410,000 in respect of the fund's liability to redeem all shares (2017: £513,825,000).

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 7.69% fall or rise in the fund's market value (2017: 7.95%).

Credit rating risk

As at the year end 5.88% (2017: 8.88%) of the fund's market value was invested in securities rated as below investment grade, additionally 4.55% (2017: 2.83%) 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 0.73% (2017: 1.52%) 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 0.46% (2017: 0.07%) 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 0.37% (2017: the fund held no credit default swaps that could impact it significantly) of the fund's market value.

Credit index options

At the year end the fund holds no credit index options that could impact it significantly (2017: A 2% change in credit spreads would lead to a change representing 0.10% 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 27.87% (2017: 29.91%).

Notes to the Financial Statements

13 Portfolio transaction costs

30/06/18

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	292,149	-	-	-	-
Derivative	-	7	-	-	-
Total	<u>292,149</u>	<u>7</u>		<u>-</u>	
Total including transaction costs	<u>292,156</u>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	348,001	-	-	-	-
Corporate actions	3,800	-	-	-	-
In-specie	13,471	-	-	-	-
Derivative	-	7	-	-	-
Total	<u>365,272</u>	<u>7</u>		<u>-</u>	

Total including transaction costs

365,265

Total as a percentage of average net assets*

0.00 %

0.00 %

30/06/17

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	385,343	-	-	-	-
Derivative	-	10	-	-	-
Total	<u>385,343</u>	<u>10</u>		<u>-</u>	
Total including transaction costs	<u>385,353</u>				

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	469,476	-	-	-	-
Corporate actions	3,245	-	-	-	-
In-specie	82,340	-	-	-	-
Derivative	-	10	-	-	-
Total	<u>555,061</u>	<u>10</u>		<u>-</u>	

Total including transaction costs

555,051

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 0.64% (2017: 0.77%).

14 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	74,178	(747)	54,767	(641)
Level 2: Observable market data	339,580	(3,022)	457,091	(2,181)
Level 3: Unobservable data*	1	-	2,193	-
	<u>413,759</u>	<u>(3,769)</u>	<u>514,051</u>	<u>(2,822)</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 30/06/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 30/06/18
Income Shares	126,080,972	46,337,712	(37,892,543)	57,856,627	192,382,768
Accumulation Shares	99,093,906	10,798,240	(44,187,484)	-	65,704,662
Gross paying Income Shares	8,179,565	27,086	(1,820,839)	(6,385,812)	-

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 £138,000 (2017: £173,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
Bank of America	(949)	-	-	-	(949)
Deutsche Bank	-	-	482	-	482
Goldman Sachs	-	-	(96)	-	(96)
HSBC Global Markets	87	-	-	-	87
JP Morgan	-	-	(11)	-	(11)
Morgan Stanley	51	-	(1,317)	-	(1,266)
Societe Generale	(50)	-	-	-	(50)
UBS	-	(301)	-	-	(301)
Total	<u>(861)</u>	<u>(301)</u>	<u>(942)</u>	<u>-</u>	<u>(2,104)</u>

30/06/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
Bank of America	84	-	-	-	84
BNP Paribas	(1,769)	-	-	-	(1,769)
Citigroup Global Markets	-	-	-	189	189
HSBC Global Markets	(27)	-	-	-	(27)
JP Morgan	254	-	-	-	254
Morgan Stanley	-	-	(247)	-	(247)
National Australia Bank	(19)	-	-	-	(19)
Societe Generale	(5)	-	-	-	(5)
UBS	-	(61)	-	-	(61)
Total	<u>(1,482)</u>	<u>(61)</u>	<u>(247)</u>	<u>189</u>	<u>(1,601)</u>

Notes to the Financial Statements

18 Shareholders' funds

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

Income Shares : 0.35%

Accumulation Shares : 0.35%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Income Shares	127.70	129.19	1.17
Accumulation Shares	258.32	261.39	1.19

Distribution Statement

for the year ended 30 June 2018

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

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 31/08/18	Amount distributed 31/08/17
Group 1	1.5291	-	1.5291	1.9434
Group 2	0.7258	0.8033	1.5291	1.9434

Income Shares - interim distribution No. 36 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/02/18	Amount distributed 28/02/17
Group 1	1.7577	-	1.7577	1.7031
Group 2	0.8456	0.9121	1.7577	1.7031

Accumulation Shares - final distribution No. 31 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	3.0560	-	3.0560	3.7760
Group 2	1.8793	1.1767	3.0560	3.7760

Accumulation Shares - interim distribution No. 30 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 28/02/18	Amount accumulated 28/02/17
Group 1	3.4661	-	3.4661	4.0672
Group 2	1.5842	1.8819	3.4661	4.0672

Gross paying Income Shares - interim distribution No. 11 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/02/18^	Amount distributed 28/02/17
Group 1	15.9251	-	15.9251	19.2813
Group 2	6.7872	9.1379	15.9251	19.2813

^This share class converted to Income Shares on 1 May 2018.

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve long term capital appreciation. The fund will invest primarily in the shares of companies in the United Kingdom. There is no policy to restrict investment to particular economic sectors.

Performance and Portfolio Activity

The fund delivered positive returns, supported by the holdings in the oil & gas and basic materials sectors. The Bank of England raised its key interest rate for the first time in a decade in November 2017, while uncertainty about the UK’s negotiations with the European Union (EU) over the terms of its exit continued to impact sentiment. The energy sector posted strong positive results on the back of rising oil prices. Consequently, the allocation to Royal Dutch Shell and BP added notable value. Over the period, we bought positions in pharmaceuticals firm Novo Nordisk and mining company Rio Tinto. We sold holdings in BAE Systems and tobacco company Altria Group.

Outlook

The overall economic environment remains relatively positive despite headwinds related to the UK’s exit from the EU. However, any escalation in trade frictions between the US and its major economic partners could have a negative impact on UK exports.

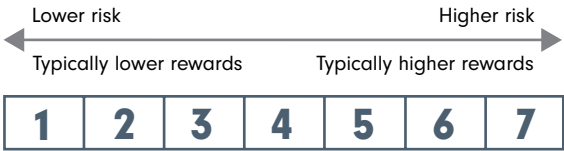
Nick Peters & Ayesha Akbar
Fund Managers
30 June 2018

Risk and Reward Indicator

SRRI

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

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	421.21	355.45	355.67
Return before operating charges*	22.58	69.23	2.90
Operating charges	(3.76)	(3.47)	(3.12)
Return after operating charges*	18.82	65.76	(0.22)
Distributions	(9.50)	(9.02)	(8.52)
Retained distributions on accumulation shares	9.50	9.02	8.52
Closing net asset value per share	440.03	421.21	355.45
*after direct transaction costs of	1.38	1.18	1.05
Performance			
Return after charges	4.5%	18.5%	(0.1%)
Other information			
Closing net asset value (£'000)	328,352	395,189	413,931
Closing number of shares	74,620,736	93,821,181	116,451,136
Operating charges	0.89%	0.87%	0.88%
Direct transaction costs	0.33%	0.30%	0.30%
Prices (pence per share)			
Highest share price	448.80	435.70	371.10
Lowest share price	397.30	356.00	319.40

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		7,019		64,886
Revenue	5	11,269		14,575	
Expenses	6	(3,061)		(3,845)	
Interest payable and similar charges	8	-		(1)	
Net revenue/(expense) before taxation		<u>8,208</u>		<u>10,729</u>	
Taxation	7	(120)		(100)	
Net revenue/(expense) after taxation			<u>8,088</u>		<u>10,629</u>
Total return before distributions			15,107		75,515
Distributions	8		(7,690)		(9,918)
Change in net assets attributable to shareholders from investment activities			<u>7,417</u>		<u>65,597</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			395,189		413,931
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		15,045		24,347	
Amounts payable on cancellation of shares		<u>(96,444)</u>		<u>(117,145)</u>	
			(81,399)		(92,798)
Swing price adjustment			54		-
Change in net assets attributable to shareholders from investment activities (see above)			7,417		65,597
Retained distribution on accumulation shares	8		7,091		8,459
Closing net assets attributable to shareholders			<u>328,352</u>		<u>395,189</u>

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			321,119		370,400
Current assets:					
Debtors	9	2,996		3,154	
Cash and bank balances	10	<u>6,817</u>		<u>29,012</u>	
Total other assets			<u>9,813</u>		<u>32,166</u>
Total assets			<u>330,932</u>		<u>402,566</u>
Liabilities:					
Investment liabilities			-		(533)
Creditors					
Other creditors	11	<u>(2,580)</u>		<u>(6,844)</u>	
Total other liabilities			<u>(2,580)</u>		<u>(6,844)</u>
Total liabilities			<u>(2,580)</u>		<u>(7,377)</u>
Net assets attributable to shareholders			<u>328,352</u>		<u>395,189</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 the fund has the following outstanding commitments:

	30/06/18	30/06/17
	£'000	£'000
Underwriting Commitments	360	-
Total	<u>360</u>	<u>-</u>

4 Net capital gains/(losses)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	7,080	61,011
Gains/(losses) on derivative contracts	8	3,770
Other currency gains/(losses)	(86)	101
Transaction charges	(23)	(6)
Broker fee rebates	40	10
Net capital gains/(losses)	<u>7,019</u>	<u>64,886</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Derivative revenue	88	1,004
ACD fee rebate/waiver to income	240	318
Overseas dividend distributions	7	-
UK dividend distributions	51	-
UK dividends	8,967	10,793
UK property income distributions	211	99
UK scrip dividends	129	310
Overseas dividends	1,300	1,591
Overseas scrip dividends	269	401
Bank interest	6	54
Underwriting commission	1	5
Total revenue	<u>11,269</u>	<u>14,575</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	2,787	3,532
Service charges	174	221
Foreign exchange administration fees	3	3
	<u>2,964</u>	<u>3,756</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	36	42
Custody fees	7	8
	<u>43</u>	<u>50</u>
Other expenses:		
Audit fee	8	8
Other operating expenses	46	31
	<u>54</u>	<u>39</u>
Total expenses	<u>3,061</u>	<u>3,845</u>

Notes to the Financial Statements

7 Taxation

	30/06/18	30/06/17
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	120	100
Total current taxation	<u>120</u>	<u>100</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>8,208</u>	<u>10,729</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	1,642	2,146
Effects of:		
Overseas taxation	120	100
Increase/(decrease) in unutilised management expenses	503	473
Revenue not included for tax purposes	<u>(2,145)</u>	<u>(2,619)</u>
Current tax charge/(credit)	<u>120</u>	<u>100</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 £24,232,000 (2017: £23,729,000). 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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	7,091	8,459
Add: Revenue deducted on cancellation of shares	726	1,609
Deduct: Revenue received on issue of shares	<u>(127)</u>	<u>(150)</u>
Net distribution for the year	<u>7,690</u>	<u>9,918</u>
Interest/other		
Derivative expense	-	1
Total finance costs	<u>7,690</u>	<u>9,919</u>
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	8,088	10,629
Add back (revenue)/expenses transferred to capital:		
UK scrip dividends	(129)	(310)
Overseas scrip dividends	<u>(269)</u>	<u>(401)</u>
	<u>7,690</u>	<u>9,918</u>

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Sales awaiting settlement	664	970
Sales of currency awaiting settlement	935	620
Accrued revenue	1,283	1,380
ACD fee rebate/waiver recoverable	20	25
UK income tax recoverable	19	3
Overseas tax recoverable	<u>75</u>	<u>156</u>
Total debtors	<u>2,996</u>	<u>3,154</u>

Notes to the Financial Statements

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	1,888
Cash and bank balances	6,817	27,124
Total cash and bank balances	<u>6,817</u>	<u>29,012</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	385	5,419
Purchases awaiting settlement	989	478
Purchases of currency awaiting settlement	935	620
Accrued expenses	271	327
Total other creditors	<u>2,580</u>	<u>6,844</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:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
	£'000	£'000	£'000	£'000
30/06/18				
Danish Krone	2,527	-	9	2,536
Euro	942	171	-	1,113
UK Pound	315,950	6,584	(54)	322,480
US Dollar	1,700	62	461	2,223
Total	321,119	6,817	416	328,352
30/06/17				
Danish Krone	-	-	5	5
Euro	5,523	11	19	5,553
Swiss Franc	3,588	-	85	3,673
UK Pound	352,767	26,851	(4,005)	375,613
US Dollar	7,989	2,150	206	10,345
Total	369,867	29,012	(3,690)	395,189

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: 0.07%).

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 futures that could impact it significantly. (2017: A 10% change in the price of the futures would result in a 0.60% change in the fund's market value).

Notes to the Financial Statements

13 Portfolio transaction costs

30/06/18

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	209,047	116	0.06	881	0.42
Mutual Fund	3,878	-	-	1	0.02
Corporate actions	900	-	-	-	-
Total	<u>213,825</u>	<u>116</u>		<u>882</u>	

Total including transaction costs

214,823

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	255,212	134	0.05	3	-
Mutual Fund	13,290	-	-	-	-
Corporate actions	1,905	-	-	-	-
Total	<u>270,407</u>	<u>134</u>		<u>3</u>	

Total including transaction costs

270,270

Total as a percentage of average net assets*

0.07 %

0.25 %

30/06/17

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Equity	204,813	189	0.09	884	0.43
Mutual Fund	3,056	-	-	-	-
Corporate actions	2,503	-	-	-	-
Derivative	-	2	-	-	-
Total	<u>210,372</u>	<u>191</u>		<u>884</u>	

Total including transaction costs

211,447

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Equity	265,034	230	0.09	3	-
Mutual Fund	13,796	1	-	-	-
Corporate actions	1,229	-	-	-	-
Derivative	-	2	-	-	-
Total	<u>280,059</u>	<u>233</u>		<u>3</u>	

Total including transaction costs

279,823

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 0.11% (2017: 0.10%).

14 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	289,566	-	331,744	(533)
Level 2: Observable market data	31,551	-	38,655	-
Level 3: Unobservable data*	2	-	1	-
	<u>321,119</u>	<u>-</u>	<u>370,400</u>	<u>(533)</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 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	93,821,181	3,620,278	(22,820,723)	74,620,736

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 £234,000 (2017: £287,000) 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 9.

17 Counterparty details of financial derivative transactions

The fund held no derivatives as at 30/06/18.

30/06/17

Broker	Currency Contracts	Futures	Swaps	Options	Collateral - Stock	Collateral - Cash	Grand Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UBS	-	(533)	-	-	-	-	(533)
Total	-	(533)	-	-	-	-	(533)

18 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.80%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	440.03	437.00	(0.69)

Distribution Statement

for the year ended 30 June 2018

Accumulation Shares - final distribution No. 21 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Net revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	9.5030	-	9.5030	9.0166
Group 2	5.8090	3.6940	9.5030	9.0166

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 UK gilts. The fund may invest directly in 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 advanced over the period, primarily driven by coupon income from the small exposure to corporate bonds. Holdings in Lloyds Banking Group, BHP Billiton and Westpac Banking were the top contributors to performance. The interest rate risk positioning also added value, with the cross-market exposure to euro duration helping returns. Given the likelihood of increased frequency of risk events, the exposure to corporate bonds such as EDF, Apple and Wells Fargo was reduced. The proceeds were used to raise the allocation to government bonds, mostly via UK government bonds (Gilts).

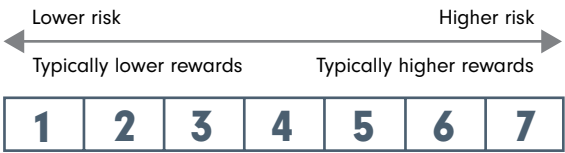
Outlook

The Bank of England (BoE) seems intent on normalising interest rates, and given the predisposition of its Monetary Policy Committee, we expect interest rates to be tightened once this year. In such an environment, Gilt yields are likely to remain range bound.

Tim Foster & Ian Fishwick
Fund Managers
30 June 2018

Risk and Reward Indicator

	SRRI
Accumulation Shares	4
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

	Income Shares			Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	136.08	136.93	124.88	224.14	221.67	198.28
Return before operating charges*	3.02	1.99	15.58	5.01	3.21	24.07
Operating charges	(0.45)	(0.45)	(0.44)	(0.75)	(0.74)	(0.68)
Return after operating charges*	2.57	1.54	14.63	4.26	2.47	23.39
Distributions	(2.04)	(2.39)	(2.58)	(3.37)	(3.88)	(4.11)
Retained distributions on accumulation shares	-	-	-	3.37	3.88	4.11
Closing net asset value per share	136.61	136.08	136.93	228.40	224.14	221.67
*after direct transaction costs of	-	0.01	0.01	-	0.01	0.01
Performance						
Return after charges	1.9%	1.3%	11.7%	1.9%	1.1%	11.8%
Other information						
Closing net asset value (£'000)	62,741	78,252	67,479	125,087	129,301	106,498
Closing number of shares	45,927,217	57,506,185	49,278,570	54,767,145	57,686,981	48,043,827
Operating charges	0.33%	0.33%	0.33%	0.33%	0.33%	0.33%
Direct transaction costs	0%	0%	0%	0%	0%	0%
Prices (pence per share)						
Highest share price	140.10	145.60	138.10	230.70	235.90	222.00
Lowest share price	132.30	133.20	123.60	219.60	216.50	196.40

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		1,089		(1,325)
Revenue	5	3,971		4,155	
Expenses	6	(661)		(620)	
Interest payable and similar charges	8	(322)		(263)	
Net revenue/(expense) before taxation		2,988		3,272	
Taxation	7	-		-	
Net revenue/(expense) after taxation			2,988		3,272
Total return before distributions			4,077		1,947
Distributions	8		(2,988)		(3,272)
Change in net assets attributable to shareholders from investment activities			1,089		(1,325)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			207,553		173,977
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		32,568		45,938	
Amounts payable on cancellation of shares		(41,463)		(13,209)	
In specie cancellation of shares		(13,848)		-	
			(22,743)		32,729
Swing price adjustment			33		22
Change in net assets attributable to shareholders from investment activities (see above)			1,089		(1,325)
Retained distribution on accumulation shares			1,896		2,150
Closing net assets attributable to shareholders			187,828		207,553

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			187,314		205,328
Current assets:					
Debtors	9	1,721		5,375	
Cash and bank balances	10	827		1,849	
Total other assets			2,548		7,224
Total assets			189,862		212,552
Liabilities:					
Investment liabilities			(1,173)		(428)
Creditors					
Bank overdrafts		(278)		-	
Distribution payable		(444)		(658)	
Other creditors	11	(139)		(3,913)	
Total other liabilities			(861)		(4,571)
Total liabilities			(2,034)		(4,999)
Net assets attributable to shareholders			187,828		207,553

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	115	(1,333)
Gains/(losses) on derivative contracts	459	931
Gains/(losses) on forward currency contracts	598	(895)
Other currency gains/(losses)	(80)	(24)
Transaction charges	(3)	(4)
Net capital gains/(losses)	<u>1,089</u>	<u>(1,325)</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	3,802	4,084
Derivative revenue	168	70
Bank interest	1	1
Total revenue	<u>3,971</u>	<u>4,155</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	498	475
Service charges	100	95
Foreign exchange administration fees	1	2
	<u>599</u>	<u>572</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	24	22
Custody fees	6	4
	<u>30</u>	<u>26</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	22	12
	<u>32</u>	<u>22</u>
Total expenses	<u>661</u>	<u>620</u>

7 Taxation

	30/06/18	30/06/17
	£'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>2,988</u>	<u>3,272</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	598	654

Notes to the Financial Statements

Effects of:

Interest distributions	(598)	(654)
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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Income Shares		
Final	444	658
Interim	536	658
Accumulation Shares		
Final	879	1,079
Interim	1,017	1,071
	<u>2,876</u>	<u>3,466</u>
Add: Revenue deducted on cancellation of shares	154	40
Deduct: Revenue received on issue of shares	(99)	(234)
Add: Revenue deducted on in specie shares	<u>57</u>	<u>-</u>
Net distributions for the year	<u>2,988</u>	<u>3,272</u>
Interest/other		
Currency amortisation	124	-
Swap expenses	196	-
Interest	-	1
Derivative expense	<u>2</u>	<u>262</u>
	<u>322</u>	<u>263</u>
	<u>3,310</u>	<u>3,535</u>
Total finance costs		
Details of the distributions per share are set out in the Distribution Statement.		

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	4	142
Sales awaiting settlement	18	2,835
Sales of currency awaiting settlement	-	571
Accrued revenue	<u>1,699</u>	<u>1,827</u>
Total debtors	<u>1,721</u>	<u>5,375</u>

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	738	758
Cash and bank balances	<u>89</u>	<u>1,091</u>
Total cash and bank balances	<u>827</u>	<u>1,849</u>

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Purchases awaiting settlement	2	3,243
Purchases of currency awaiting settlement	-	576
Accrued expenses	72	76
Amounts payable on closure of derivative contract	<u>65</u>	<u>18</u>
Total other creditors	<u>139</u>	<u>3,913</u>

Notes to the Financial Statements

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:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	(27)	1	(7)	(33)
Canadian Dollar	(2)	16	(2)	12
Euro	(61)	-	40	(21)
Japanese Yen	(55)	-	(8)	(63)
New Zealand Dollar	33	11	30	74
Swedish Krona	(3)	1	(1)	(3)
Swiss Franc	10	-	12	22
UK Pound	182,796	460	1,069	184,325
US Dollar	3,450	60	5	3,515
Total	186,141	549	1,138	187,828
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	-	1	-	1
Euro	3,935	-	(548)	3,387
UK Pound	182,298	1,834	1,240	185,372
US Dollar	18,667	14	112	18,793
Total	204,900	1,849	804	207,553

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	2	-	-	2
Canadian Dollar	19	2	7	28
Euro	-	682	63	745
Japanese Yen	-	13	-	13
New Zealand Dollar	11	33	31	75
Swedish Krona	1	-	-	1
Swiss Franc	-	10	12	22
UK Pound	3,558	179,926	1,696	185,180
US Dollar	86	3,612	98	3,796
Total	3,677	184,278	1,907	189,862
30/06/17	£'000	£'000	£'000	£'000
Australian Dollar	1	-	-	1
Euro	-	4,110	148	4,258
UK Pound	2,482	180,657	6,241	189,380
US Dollar	14	18,665	234	18,913
Total	2,497	203,432	6,623	212,552

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	28	-	7	35
Canadian Dollar	7	-	9	16
Euro	4	719	43	766
Japanese Yen	67	-	9	76

Notes to the Financial Statements

New Zealand Dollar	-	-	1	1
Swedish Krona	3	-	1	4
UK Pound^	302	22	188,359	188,683
US Dollar	1	-	280	281
Total	412	741	188,709	189,862

30/06/17	£'000	£'000	£'000	£'000
Euro	-	-	871	871
UK Pound	-	5	211,556	211,561
US Dollar	-	-	120	120
Total	-	5	212,547	212,552

^ Includes £187,828,000 in respect of the fund's liability to redeem all shares (2017: £207,553,000).

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 10.96% fall or rise in the fund's market value (2017: 10.87%).

Credit rating risk

As at the year end 0.00% (2017: 0.62%) of the fund's market value was invested in securities rated as below investment grade, additionally 1.56% (2017: 0.81%) 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

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

Interest rate swaps exposure

At the year end the fund holds no interest rate swaps that could impact it significantly (2017: same).

Credit default swaps exposure

At the year end the fund holds no credit default swaps that could impact it significantly (2017: same).

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 21.79% (2017: 18.63%).

13 Portfolio transaction costs

30/06/18	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Bond	68,092	-	-	-	-
Derivative	-	2	-	-	-
Total	68,092	2		-	
Total including transaction costs	68,094				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Bond	69,641	-	-	-	-
In-specie	13,826	-	-	-	-
Derivative	-	2	-	-	-
Total	83,467	2		-	
Total including transaction costs	83,465				
Total as a percentage of average net assets*		0.00 %		0.00 %	

Notes to the Financial Statements

30/06/17	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Bond	106,043	-	-	-	-
Derivative	-	3	-	-	-
Total	106,043	3		-	
Total including transaction costs	106,046				
	Sales	Commissions		Taxes	
Analysis of total sales costs	£'000	£'000	%	£'000	%
Bond	70,437	-	-	-	-
Corporate actions	1	-	-	-	-
Derivative	-	3	-	-	-
Total	70,438	3		-	
Total including transaction costs	70,435				
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 0.13% (2017: 0.23%).

14 Basis of valuation

	30/06/18	30/06/18	30/06/17	30/06/17
	£'000	£'000	£'000	£'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	163,712	(135)	154,909	(338)
Level 2: Observable market data	23,602	(1,038)	49,657	(90)
Level 3: Unobservable data*	-	-	762	-
	187,314	(1,173)	205,328	(428)

*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 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Income Shares	57,506,185	8,944,808	(20,523,776)	45,927,217
Accumulation Shares	57,686,981	9,129,493	(12,049,329)	54,767,145

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 £46,000 (2017: £52,000) are included within accrued expenses in Note 11.

Notes to the Financial Statements

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
Bank of America	(163)	-	-	-	(163)
Deutsche Bank	-	-	(22)	-	(22)
HSBC Global Markets	23	-	205	-	228
Morgan Stanley	-	-	(651)	-	(651)
Royal Bank of Canada	39	-	-	-	39
Societe Generale	3	-	-	-	3
UBS	-	(14)	-	-	(14)
Total	<u>(98)</u>	<u>(14)</u>	<u>(468)</u>	<u>-</u>	<u>(580)</u>

30/06/17

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
BBH	56	-	-	-	56
BNP Paribas	(9)	-	-	-	(9)
Citigroup Global Markets	-	-	-	74	74
HSBC Global Markets	5	-	-	-	5
JP Morgan	58	-	-	-	58
Morgan Stanley	-	-	132	-	132
Northern Trust	(71)	-	-	-	(71)
UBS	-	(287)	-	-	(287)
Total	<u>39</u>	<u>(287)</u>	<u>132</u>	<u>74</u>	<u>(42)</u>

18 Shareholders' funds

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

Income Shares : 0.25%

Accumulation Shares : 0.25%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Income Shares	136.61	137.00	0.29
Accumulation Shares	228.40	229.09	0.30

Distribution Statement

for the year ended 30 June 2018

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

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 31/08/18	Amount distributed 31/08/17
Group 1	0.9668	-	0.9668	1.1448
Group 2	0.4614	0.5054	0.9668	1.1448

Income Shares - interim distribution No. 36 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/02/18	Amount distributed 28/02/17
Group 1	1.0747	-	1.0747	0.9957
Group 2	0.7763	0.2984	1.0747	0.9957

Accumulation Shares - final distribution No. 31 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	1.6048	-	1.6048	1.8697
Group 2	0.8749	0.7299	1.6048	1.8697

Accumulation Shares - interim distribution No. 30 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 28/02/18	Amount accumulated 28/02/17
Group 1	1.7700	-	1.7700	2.0145
Group 2	0.8341	0.9359	1.7700	2.0145

Fund Manager’s Review

Investment Objective and Policy

The fund’s investment objective is to achieve income and capital growth. The fund will invest primarily in Sterling denominated (or hedged back to Sterling) fixed and floating rate and index-linked debt securities which will have a remaining maturity of at least 3 years. 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 advanced over the period, with coupon income being the primary driver of absolute returns. Favourable selection across a mix of non-financial names such as Gilead Sciences, AT&T and Halliburton supported performance. Favourable positioning across the UK government bonds (Gilt) and German bund yield curve also added value. I reduced the beta element of the portfolio as credit markets deal with increased frequency of risk events. I reduced positions across a mix of sectors by taking profits in Votorantim Cimentos and Apple. The proceeds were used to raise the exposure to government bonds, mostly via UK Gilts.

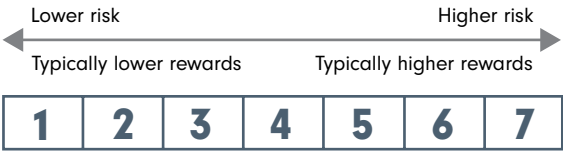
Outlook

The Bank of England (BoE) seems intent on normalising interest rates, and given the predisposition of its Monetary Policy Committee, I expect interest rates to be tightened once this year. In such an environment, Gilt yields are likely to remain range bound. Meanwhile, I have a small exposure to corporate bonds given my defensive view on the asset class.

Ian Fishwick
Fund Manager
30 June 2018

Risk and Reward Indicator

Accumulation Shares	SRRI
	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.

Comparative Performance Table

Accumulation Shares

	2018	2017	2016
Change in net assets (pence per share)			
Opening net asset value per share	11,551.25	10,649.86	9,497.35
Return before operating charges*	36.17	951.96	1,197.15
Operating charges	(52.05)	(50.57)	(44.64)
Return after operating charges*	(15.88)	901.39	1,152.51
Distributions	(279.62)	(299.99)	(319.31)
Retained distributions on accumulation shares	279.62	299.99	319.31
Closing net asset value per share	11,535.37	11,551.25	10,649.86
*after direct transaction costs of	0.53	0.41	0.55
Performance			
Return after charges	(0.1%)	8.5%	12.1%
Other information			
Closing net asset value (£'000)	62,071	56,272	44,772
Closing number of shares	538,067	487,154	420,404
Operating charges	0.45%	0.44%	0.45%
Direct transaction costs	0%	0%	0.01%
Prices (pence per share)			
Highest share price	12,010.00	12,050.00	10,720.00
Lowest share price	11,350.00	10,780.00	9,452.00

UK Investment Grade Long Credit Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		(1,739)		2,680
Revenue	5	1,724		1,619	
Expenses	6	(264)		(227)	
Interest payable and similar charges	8	(35)		(38)	
Net revenue/(expense) before taxation		1,425		1,354	
Taxation	7	-		-	
Net revenue/(expense) after taxation			1,425		1,354
Total return before distributions			(314)		4,034
Distributions	8		(1,425)		(1,354)
Change in net assets attributable to shareholders from investment activities			<u>(1,739)</u>		<u>2,680</u>

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			56,272		44,772
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		6,462		7,351	
Amounts payable on cancellation of shares		(457)		(39)	
			6,005		7,312
Swing price adjustment			28		47
Change in net assets attributable to shareholders from investment activities (see above)			(1,739)		2,680
Retained distribution on accumulation shares			1,505		1,461
Closing net assets attributable to shareholders			<u>62,071</u>		<u>56,272</u>

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			58,759		55,016
Current assets:					
Debtors	9	766		722	
Cash and bank balances	10	2,883		796	
Total other assets			3,649		1,518
Total assets			<u>62,408</u>		<u>56,534</u>
Liabilities:					
Investment liabilities			(302)		(229)
Creditors					
Other creditors	11	(35)		(33)	
Total other liabilities			(35)		(33)
Total liabilities			<u>(337)</u>		<u>(262)</u>
Net assets attributable to shareholders			<u>62,071</u>		<u>56,272</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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(1,855)	2,542
Gains/(losses) on derivative contracts	40	431
Gains/(losses) on forward currency contracts	92	(286)
Other currency gains/(losses)	(15)	(5)
Transaction charges	(1)	(2)
Net capital gains/(losses)	<u>(1,739)</u>	<u>2,680</u>

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	1,712	1,619
Derivative revenue	10	-
Bank interest	2	-
Total revenue	<u>1,724</u>	<u>1,619</u>

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	208	180
Service charges	30	26
Foreign exchange administration fees	-	2
	<u>238</u>	<u>208</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	7	5
Custody fees	3	1
	<u>10</u>	<u>6</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	6	3
	<u>16</u>	<u>13</u>
Total expenses	<u>264</u>	<u>227</u>

7 Taxation

	30/06/18	30/06/17
	£'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>1,425</u>	<u>1,354</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	285	271

Notes to the Financial Statements

Effects of:

Interest distributions	(285)	(271)
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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distribution takes account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Accumulation Shares		
Final	1,505	1,461
Add: Revenue deducted on cancellation of shares	1	-
Deduct: Revenue received on issue of shares	(81)	(107)
Net distributions for the year	1,425	1,354
Interest/other		
Currency amortisation	32	-
FX Hedging Expense	1	-
Derivative expense	2	38
	35	38
Total finance costs	1,460	1,392

Details of the distribution per share is set out in the Distribution Statement.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Accrued revenue	766	722
Total debtors	766	722

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	379	398
Cash and bank balances	2,504	398
Total cash and bank balances	2,883	796

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Accrued expenses	35	33
Total other creditors	35	33

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
	Investments	Cash balances	Debtors/(Creditors)	
Currency	£'000	£'000	£'000	£'000
30/06/18				
Australian Dollar	2	4	-	6
Canadian Dollar	(63)	32	-	(31)
Euro	1,075	5	18	1,098
UK Pound	55,644	2,834	683	59,161
US Dollar	1,799	8	30	1,837
Total	58,457	2,883	731	62,071

Notes to the Financial Statements

30/06/17	£'000	£'000	£'000	£'000
Euro	1,692	1	17	1,710
UK Pound	48,962	794	610	50,366
US Dollar	4,133	1	62	4,196
Total	54,787	796	689	56,272

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	4	-	2	6
Canadian Dollar	32	-	-	32
Euro	5	1,080	43	1,128
UK Pound	2,834	55,570	793	59,197
US Dollar	8	1,928	109	2,045
Total	2,883	58,578	947	62,408

30/06/17	£'000	£'000	£'000	£'000
Euro	1	1,722	54	1,777
UK Pound	794	48,997	644	50,435
US Dollar	1	4,237	84	4,322
Total	796	54,956	782	56,534

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
30/06/18	£'000	£'000	£'000	£'000
Canadian Dollar	-	-	63	63
Euro	-	-	30	30
UK Pound [^]	-	-	62,107	62,107
US Dollar	-	-	208	208
Total	-	-	62,408	62,408

30/06/17	£'000	£'000	£'000	£'000
Euro	-	-	67	67
UK Pound	-	-	56,341	56,341
US Dollar	-	-	126	126
Total	-	-	56,534	56,534

[^] Includes £62,071,000 in respect of the fund's liability to redeem all shares (2017: £56,272,000).

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 12.56% fall or rise in the fund's market value (2017: 12.42%).

Credit rating risk

As at the year end 0.00% (2017: 0.0%) of the fund's market value was invested in securities rated as below investment grade, additionally 0.46% (2017: 0.00%) 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 0.60% (2017: 1.81%) of the fund's market value.

Notes to the Financial Statements

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 21.59% (2017: 23.95%).

13 Portfolio transaction costs

30/06/18

Analysis of total purchases costs	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	21,785	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>21,785</u>	<u>1</u>		-	
Total including transaction costs	<u>21,786</u>				
Analysis of total sales costs	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	15,577	-	-	-	-
Corporate actions	296	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>15,873</u>	<u>1</u>		-	
Total including transaction costs	<u>15,872</u>				
Total as a percentage of average net assets*		0.00 %		0.00 %	

30/06/17

Analysis of total purchases costs	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	22,761	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>22,761</u>	<u>1</u>		-	
Total including transaction costs	<u>22,762</u>				
Analysis of total sales costs	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	12,826	-	-	-	-
Corporate actions	1,012	-	-	-	-
Derivative	-	1	-	-	-
Total	<u>13,838</u>	<u>1</u>		-	
Total including transaction costs	<u>13,837</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 0.91% (2017: 1.07%).

14 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	5,142	(193)	3,501	(159)
Level 2: Observable market data	53,617	(109)	51,515	(70)
Level 3: Unobservable data	-	-	-	-
	<u>58,759</u>	<u>(302)</u>	<u>55,016</u>	<u>(229)</u>

Notes to the Financial Statements

15 Shares in issue reconciliation

	Shares in issue as at 30/06/17	Issued shares	Cancelled shares	Shares in issue as at 30/06/18
Accumulation Shares	487,154	54,784	(3,871)	538,067

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: £19,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
Bank of America	4	-	-	-	4
HSBC Global Markets	36	-	-	-	36
Morgan Stanley	13	-	-	-	13
Societe Generale	(109)	-	-	-	(109)
UBS	-	(64)	-	-	(64)
Total	<u>(56)</u>	<u>(64)</u>	<u>-</u>	<u>-</u>	<u>(120)</u>

30/06/17

Broker	Currency Contracts	Futures	Swaps	Options	Grand Total
	£'000	£'000	£'000	£'000	£'000
BBH	15	-	-	-	15
BNP Paribas	(64)	-	-	-	(64)
National Australia Bank	1	-	-	-	1
Royal Bank of Canada	(5)	-	-	-	(5)
Societe Generale	13	-	-	-	13
UBS	-	(131)	-	-	(131)
Total	<u>(40)</u>	<u>(131)</u>	<u>-</u>	<u>-</u>	<u>(171)</u>

18 Shareholders' funds

The fund has one share class; Accumulation Shares. The annual management charge is as follows:

Accumulation Shares : 0.35%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Accumulation Shares	11,535.37	11,750.00	1.86

Distribution Statement

for the year ended 30 June 2018

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

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

Group 2 - Shares purchased from 1 July 2017 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	279.6245	-	279.6245	299.9856
Group 2	131.5985	148.0260	279.6245	299.9856

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 non gilt fixed interest securities. The fund may invest directly in non-gilt fixed interest securities, at least half of which will have a remaining maturity of at least 10 years. The fund 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 advanced over the period, with coupon income being the primary driver of absolute returns. Favourable selection across a mix of non-financial names such as Tesco Property, Microsoft and Halliburton buoyed performance. Favourable positioning across the UK government bond (Gilt) and US Treasury yield curve also added value. I am looking to reduce the beta element of the portfolio as credit markets deal with increased frequency of risk events. I reduced positions across a mix of sectors by lowering the exposure to Votorantim Cimentos and Apple. The proceeds were used to raise the allocation to government bonds, mostly via UK Gilts.

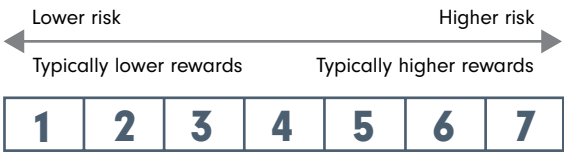
Outlook

The Bank of England (BoE) seems intent on normalising interest rates, and given the predisposition of its Monetary Policy Committee, I expect interest rates to be tightened once this year. In such an environment, Gilt yields are likely to remain range bound. Meanwhile, I have a small exposure to corporate bonds given my defensive view on the asset class.

Ian Fishwick
Fund Manager
30 June 2018

Risk and Reward Indicator

	SRRI
Accumulation Shares	4
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

	Income Shares			Accumulation Shares		
	2018	2017	2016	2018	2017	2016
Change in net assets (pence per share)						
Opening net asset value per share	152.46	144.15	133.35	295.26	270.30	240.16
Return before operating charges*	1.79	13.86	17.08	3.37	26.18	31.20
Operating charges	(0.66)	(0.64)	(0.58)	(1.29)	(1.22)	(1.06)
Return after operating charges*	1.13	13.22	16.50	2.08	24.96	30.14
Distributions	(4.29)	(4.91)	(5.70)	(8.36)	(9.28)	(10.36)
Retained distributions on accumulation shares	-	-	-	8.36	9.28	10.36
Closing net asset value per share	149.30	152.46	144.15	297.34	295.26	270.30
*after direct transaction costs of	0.01	0.01	0.01	0.01	0.01	0.01
Performance						
Return after charges	0.7%	9.6%	12.4%	0.7%	9.2%	12.6%
Other information						
Closing net asset value (£'000)	17,248	10,178	40,946	514,062	438,235	463,567
Closing number of shares	11,552,259	6,675,651	28,404,599	172,884,593	148,421,835	171,501,474
Operating charges	0.43%	0.42%	0.42%	0.43%	0.42%	0.42%
Direct transaction costs	0%	0%	0%	0%	0%	0%
Prices (pence per share)						
Highest share price	158.50	162.00	147.20	307.20	304.00	272.00
Lowest share price	149.20	145.70	131.80	293.10	273.80	238.80

UK Long Corporate Bond Fund

Statement of Total Return

for the year ended 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		(12,462)		30,585
Revenue	5	16,997		20,026	
Expenses	6	(2,139)		(2,230)	
Interest payable and similar charges	8	(900)		(733)	
Net revenue/(expense) before taxation		13,958		17,063	
Taxation	7	-		-	
Net revenue/(expense) after taxation			13,958		17,063
Total return before distributions			1,496		47,648
Distributions	8		(13,958)		(17,063)
Change in net assets attributable to shareholders from investment activities			(12,462)		30,585

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 June 2018

		30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			462,513		519,909
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		156,861		40,258	
Amounts payable on cancellation of shares		(90,586)		(105,595)	
In specie cancellation of shares		-		(37,652)	
			66,275		(102,989)
Swing price adjustment			965		475
Change in net assets attributable to shareholders from investment activities (see above)			(12,462)		30,585
Retained distribution on accumulation shares			14,019		14,533
Closing net assets attributable to shareholders			531,310		462,513

Balance Sheet

as at 30 June 2018

	Note	30/06/18		30/06/17	
		£'000	£'000	£'000	£'000
Assets					
Investments			523,908		453,628
Current assets:					
Debtors	9	7,093		6,386	
Cash and bank balances	10	4,958		8,370	
Total other assets			12,051		14,756
Total assets			535,959		468,384
Liabilities:					
Investment liabilities			(3,932)		(3,724)
Creditors					
Bank overdrafts		-		(33)	
Distribution payable		(239)		(374)	
Other creditors	11	(478)		(1,740)	
Total other liabilities			(717)		(2,147)
Total liabilities			(4,649)		(5,871)
Net assets attributable to shareholders			531,310		462,513

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)

	30/06/18	30/06/17
	£'000	£'000
Gains/(losses) on non-derivative securities	(13,151)	28,071
Gains/(losses) on derivative contracts	(276)	9,245
Gains/(losses) on forward currency contracts	1,089	(6,670)
Other currency gains/(losses)	(115)	(56)
Transaction charges	(9)	(5)
	<u>(12,462)</u>	<u>30,585</u>
Net capital gains/(losses)		

5 Revenue

	30/06/18	30/06/17
	£'000	£'000
Interest on securities	16,615	19,821
Derivative revenue	379	204
Bank interest	3	1
	<u>16,997</u>	<u>20,026</u>
Total revenue		

6 Expenses

	30/06/18	30/06/17
	£'000	£'000
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	1,754	1,857
Service charges	251	265
Foreign exchange administration fees	1	2
	<u>2,006</u>	<u>2,124</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary fees	45	47
Custody fees	24	13
	<u>69</u>	<u>60</u>
Other expenses:		
Audit fee	10	10
Other operating expenses	54	36
	<u>64</u>	<u>46</u>
	<u>2,139</u>	<u>2,230</u>
Total expenses		

7 Taxation

	30/06/18	30/06/17
	£'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>13,958</u>	<u>17,063</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2017: 20%).	<u>2,792</u>	<u>3,413</u>

Notes to the Financial Statements

Effects of:

Interest distributions	(2,792)	(3,413)
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

	30/06/18	30/06/17
	£'000	£'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
Income Shares		
Final	239	157
Interim	133	730
Accumulation Shares		
Final	7,029	6,636
Interim	6,990	7,897
Gross paying Income Shares*		
Final	-	217
Interim	213	287
	14,604	15,924
Add: Revenue deducted on cancellation of shares	655	1,500
Deduct: Revenue received on issue of shares	(1,301)	(361)
Net distributions for the year	13,958	17,063
Interest/other		
Currency amortisation	430	-
FX Hedging Expense	4	8
Swap expenses	440	-
Interest	2	6
Derivative expense	24	719
	900	733
Total finance costs	14,858	17,796

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

*This share class converted to Income Shares on 1 May 2018.

9 Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for issue of shares	107	46
Sales awaiting settlement	27	38
Accrued revenue	6,959	6,302
Total debtors	7,093	6,386

10 Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Amounts held at futures clearing houses and brokers	3,546	5,353
Cash and bank balances	1,412	3,017
Total cash and bank balances	4,958	8,370

Notes to the Financial Statements

11 Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	153	336
Purchases awaiting settlement	5	1,186
Accrued expenses	220	203
Amounts payable on closure of derivative contract	100	15
Total other creditors	478	1,740

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:

Currency	Non-monetary exposures Investments	Monetary exposures Cash balances	Monetary exposures Debtors/(Creditors)	Total exposure
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	(41)	1	(11)	(51)
Canadian Dollar	(6)	22	(3)	13
Euro	21,497	1	519	22,017
Japanese Yen	(88)	-	(12)	(100)
New Zealand Dollar	58	17	50	125
Swedish Krona	(5)	1	(1)	(5)
Swiss Franc	16	-	17	33
UK Pound	458,069	4,846	5,293	468,208
US Dollar	40,476	70	524	41,070
Total	519,976	4,958	6,376	531,310
30/06/17	£'000	£'000	£'000	£'000
Euro	26,546	1,188	(744)	26,990
UK Pound	371,273	7,182	4,302	382,757
US Dollar	52,085	(33)	714	52,766
Total	449,904	8,337	4,272	462,513

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	3	-	-	3
Canadian Dollar	25	2	11	38
Euro	1	21,998	522	22,521
Japanese Yen	-	20	-	20
New Zealand Dollar	17	58	52	127
Swedish Krona	1	-	-	1
Swiss Franc	-	16	17	33
UK Pound	5,352	448,131	15,532	469,015
US Dollar	110	43,126	965	44,201
Total	5,509	513,351	17,099	535,959
30/06/17	£'000	£'000	£'000	£'000
Euro	1,188	27,108	980	29,276
UK Pound	7,487	369,060	8,232	384,779
US Dollar	-	53,244	1,085	54,329
Total	8,675	449,412	10,297	468,384

Notes to the Financial Statements

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
30/06/18	£'000	£'000	£'000	£'000
Australian Dollar	43	-	11	54
Canadian Dollar	11	-	14	25
Euro	10	-	494	504
Japanese Yen	108	-	12	120
New Zealand Dollar	-	-	2	2
Swedish Krona	5	-	1	6
UK Pound^	59	93	531,965	532,117
US Dollar	2	-	3,129	3,131
Total	238	93	535,628	535,959
30/06/17	£'000	£'000	£'000	£'000
Euro	-	-	2,286	2,286
UK Pound	-	-	464,535	464,535
US Dollar	33	-	1,530	1,563
Total	33	-	468,351	468,384

^ Includes £531,310,000 in respect of the fund's liability to redeem all shares (2017: £462,513,000).

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 12.20% fall or rise in the fund's market value (2017: 12.46%).

Credit rating risk

As at the year end 4.64% (2017: 5.75%) of the fund's market value was invested in securities rated as below investment grade, additionally 1.54% (2017: 1.41%) 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 2.17% (2017: 2.02%) 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 0.28% (2017: 0.03%) 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: A 2% change in credit spreads would lead to a change representing 0.11% 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 24.47% (2017: 26.31%).

Notes to the Financial Statements

13 Portfolio transaction costs

30/06/18

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	236,513	-	-	-	-
Derivative	-	8	-	-	-
Total	<u>236,513</u>	<u>8</u>		<u>-</u>	

Total including transaction costs

236,521

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	149,934	-	-	-	-
Corporate actions	7,850	-	-	-	-
Derivative	-	9	-	-	-
Total	<u>157,784</u>	<u>9</u>		<u>-</u>	

Total including transaction costs

157,775

Total as a percentage of average net assets*

0.00 %

0.00 %

30/06/17

Analysis of total purchases costs

	Purchases £'000	Commissions £'000	%	Taxes £'000	%
Bond	204,186	-	-	-	-
Derivative	-	10	-	-	-
Total	<u>204,186</u>	<u>10</u>		<u>-</u>	

Total including transaction costs

204,196

Analysis of total sales costs

	Sales £'000	Commissions £'000	%	Taxes £'000	%
Bond	227,793	-	-	-	-
Corporate actions	14,505	-	-	-	-
In-specie	37,164	-	-	-	-
Derivative	-	10	-	-	-
Total	<u>279,462</u>	<u>10</u>		<u>-</u>	

Total including transaction costs

279,452

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 0.87% (2017: 1.11%).

14 Basis of valuation

	30/06/18 £'000	30/06/18 £'000	30/06/17 £'000	30/06/17 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	123,092	(2,083)	42,886	(2,436)
Level 2: Observable market data	400,815	(1,849)	410,739	(1,288)
Level 3: Unobservable data*	1	-	3	-
	<u>523,908</u>	<u>(3,932)</u>	<u>453,628</u>	<u>(3,724)</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 30/06/17	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 30/06/18
Income Shares	6,675,651	1,105,529	(2,602,768)	6,373,847	11,552,259
Accumulation Shares	148,421,835	51,412,630	(26,949,872)	-	172,884,593
Gross paying Income Shares	1,155,203	184,953	(544,034)	(796,122)	-

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 £174,000 (2017: £163,000) are included within accrued expenses in Note 11.

17 Counterparty details of financial derivative transactions

30/06/18

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
Bank of America	(1,304)	-	-	-	(1,304)
Barclays	-	-	23	-	23
Citibank	(23)	-	-	-	(23)
Goldman Sachs	-	-	355	-	355
HSBC Global Markets	73	-	(18)	-	55
JP Morgan	-	-	(74)	-	(74)
Merrill Lynch	-	-	20	-	20
Morgan Stanley	3	-	249	-	252
Royal Bank of Canada	(12)	-	-	-	(12)
Societe Generale	(144)	-	-	-	(144)
UBS	-	(1,217)	-	-	(1,217)
Total	<u>(1,407)</u>	<u>(1,217)</u>	<u>555</u>	<u>-</u>	<u>(2,069)</u>

30/06/17

Broker	Currency Contracts £'000	Futures £'000	Swaps £'000	Options £'000	Grand Total £'000
Bank of America	(139)	-	-	-	(139)
BBH	1	-	-	-	1
BNP Paribas	2	-	-	-	2
Citibank	(9)	-	-	-	(9)
Citigroup Global Markets	-	-	-	184	184
HSBC Global Markets	(9)	-	-	-	(9)
Morgan Stanley	215	-	455	-	670
National Australia Bank	19	-	-	-	19
Northern Trust	(1,048)	-	-	-	(1,048)
Royal Bank of Canada	(55)	-	-	-	(55)
UBS	-	(1,977)	-	-	(1,977)
Total	<u>(1,023)</u>	<u>(1,977)</u>	<u>455</u>	<u>184</u>	<u>(2,361)</u>

Notes to the Financial Statements

18 Shareholders' funds

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

Income Shares : 0.35%

Accumulation Shares : 0.35%

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 30/06/18	NAV as at 20/08/18	Increase/(decrease)%
Income Shares	149.30	152.09	1.87
Accumulation Shares	297.34	302.89	1.87

Distribution Statement

for the year ended 30 June 2018

Income Shares - final distribution No. 34 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount distributed 31/08/18	Amount distributed 31/08/17
Group 1	2.0703	-	2.0703	2.3460
Group 2	0.6499	1.4204	2.0703	2.3460

Income Shares - interim distribution No. 33 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/02/18	Amount distributed 28/02/17
Group 1	2.2196	-	2.2196	2.0542
Group 2	1.1158	1.1038	2.2196	2.0542

Accumulation Shares - final distribution No. 31 in pence per share

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

Group 2 - Shares purchased from 1 January 2018 to 30 June 2018.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 31/08/18	Amount accumulated 31/08/17
Group 1	4.0658	-	4.0658	4.4713
Group 2	1.6443	2.4215	4.0658	4.4713

Accumulation Shares - interim distribution No. 30 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount accumulated 28/02/18	Amount accumulated 28/02/17
Group 1	4.2967	-	4.2967	4.8122
Group 2	1.7754	2.5213	4.2967	4.8122

Gross paying Income Shares - interim distribution No. 11 in pence per share

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

Group 2 - Shares purchased from 1 July 2017 to 31 December 2017.

	Gross revenue	Equalisation (Note 2)	Amount distributed 28/02/18^	Amount distributed 28/02/17
Group 1	17.6826	-	17.6826	20.5501
Group 2	8.0037	9.6789	17.6826	20.5501

^This share class converted to Income Shares on 1 May 2018

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Information Technology - (23.15%)		
138,475	Oracle	4,620	2.09
5,236	Alphabet (A)	4,490	2.03
48,891	Microsoft	3,670	1.66
19,516	Apple	2,755	1.25
58,607	Leidos Holdings	2,616	1.18
77,086	Cisco Systems	2,519	1.14
32,949	Dell Technologies (V)	2,137	0.97
13,828	Facebook (A)	2,065	0.93
46,752	QUALCOMM	1,989	0.90
38,681	Amdocs	1,952	0.88
12,994	MasterCard (A)	1,949	0.88
64,980	Ebay	1,787	0.81
23,346	Check Point Software Technologies	1,752	0.79
45,553	Intel	1,707	0.77
24,157	Akamai Technologies	1,332	0.60
70,178	Sabre	1,315	0.60
12,104	International Business Machines	1,290	0.58
11,248	salesforce.com	1,157	0.52
17,690	Worldpay (A)	1,098	0.50
51,635	Juniper Networks	1,071	0.48
149,204	Ericsson (B)	868	0.39
10,053	Fidelity National Information Services	809	0.37
6,061	F5 Networks	798	0.36
941	Alphabet (C)	798	0.36
9,359	CDW	582	0.26
7,895	Paypal Holdings	496	0.22
12,278	SS&C Technologies Holdings	485	0.22
6,589	TE Connectivity	449	0.20
3,872	Electronic Arts	414	0.19
4,875	Global Payments	408	0.18
3,937	Visa (A)	398	0.18
5,445	Mellanox Technologies	349	0.16
22,372	Travelport Worldwide	309	0.14
9,806	Descartes Systems Group (US)	238	0.11
8,597	Forescout Technologies	218	0.10
6,555	Teradata	199	0.09
1,619	Broadridge Financial Solutions	141	0.06
5,481	Syntel	133	0.06
1,037	Spotify Technology	132	0.06
3,004	Realpage	126	0.06
9,924	FireEye	117	0.05
1,321	Splunk	99	0.04
5,765	Evo Payments (A)	90	0.04
3,485	Inphi	86	0.04
1,450	FLIR Systems	57	0.03
1,145	Talend Sponsored (ADR)	51	0.02
681	Universal Display	43	0.02
		52,164	23.61

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Financials - (22.90%)		
4,220,450	Fidelity US Quality Income UCITS ETF	18,654	8.44
35,372	Willis Towers Watson	4,073	1.84
28,246	Berkshire Hathaway	4,022	1.82
57,659	Bank New of York Mellon	2,383	1.08
29,142	JPMorgan Chase	2,327	1.05
39,569	Intercontinental Exchange	2,224	1.01
46,700	Wells Fargo	1,906	0.86
4,470	Fairfax Financial Holdings	1,897	0.86
32,972	Citigroup	1,678	0.76
14,537	Travelers Cos	1,355	0.61
12,773	PNC Financial Services Group	1,318	0.60
16,791	Nasdaq	1,169	0.53
35,221	Thomson Reuters (US)	1,074	0.49
16,913	Marsh & McLennan	1,043	0.47
27,031	Morgan Stanley	994	0.45
12,381	Northern Trust	977	0.44
5,357	First Republic Bank San Francisco CA	398	0.18
6,479	Validus Holdings	334	0.15
4,036	Bank of The Ozarks	139	0.06
0	Fidelity Institutional USD Fund Class A-Acc	1	0.00
		47,966	21.71
	Health Care - (11.05%)		
83,455	Abbott Laboratories	3,891	1.76
101,137	Pfizer	2,799	1.27
11,831	UnitedHealth Group	2,205	1.00
17,763	Johnson & Johnson	1,649	0.75
23,618	AmerisourceBergen	1,548	0.70
5,926	Humana	1,339	0.61
8,810	Aetna	1,243	0.56
26,706	Merck	1,226	0.55
6,718	Anthem	1,223	0.55
8,361	Jazz Pharmaceuticals	1,106	0.50
36,785	Mylan	1,017	0.46
6,363	Amgen	888	0.40
12,688	Zoetis (A)	819	0.37
6,182	Cigna	799	0.36
9,449	HCA Healthcare	741	0.34
12,037	Gilead Sciences	644	0.29
25,858	Boston Scientific	640	0.29
4,762	Allergan	611	0.28
18,574	Heron Therapeutics	577	0.26
5,309	Charles River Laboratories International	449	0.20
4,862	United Therapeutics	412	0.19
5,452	PRA Health Sciences	385	0.17
3,844	Alexion Pharmaceuticals	356	0.16
4,120	Irhythm Technologies	256	0.12
6,243	MEDNAX	206	0.09
3,705	CVS Health	185	0.08

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,287	BioMarin Pharmaceutical	159	0.07
2,035	Spark Therapeutics	128	0.06
50,652	Medmen Enterprises	126	0.06
2,542	Emergent BioSolutions	98	0.04
		27,725	12.55
	Consumer Discretionary - (6.65%)		
1,497	Amazon	1,938	0.88
67,420	Comcast (A)	1,674	0.76
35,881	ServiceMaster Global Holdings	1,636	0.74
18,671	Dollar General	1,409	0.64
877	The Booking Holdings	1,348	0.61
30,094	Tapestry	1,072	0.49
41,226	LKQ	997	0.45
16,812	Six Flags Entertainment	909	0.41
19,975	TripAdvisor (A)	861	0.39
3,420	Charter Communications (A)	768	0.35
4,933	Home Depot	733	0.33
6,446	Advance Auto Parts	663	0.30
8,969	Lowes	655	0.30
41,786	Liberty Latin America (C)	621	0.28
13,167	Newell Brands	258	0.12
		15,542	7.03
	Industrials - (9.07%)		
18,257	Union Pacific	1,955	0.88
13,400	Honeywell International	1,460	0.66
101,354	General Electric	1,067	0.48
11,563	United Parcel Service (B)	932	0.42
8,282	Harris	912	0.41
9,346	Dun & Bradstreet	885	0.40
15,503	Jacobs Engineering Group	748	0.34
4,856	L3 Technologies	707	0.32
17,913	MasTec	682	0.31
5,530	Caterpillar	572	0.26
14,402	IHS Markit	570	0.26
3,110	Huntington Ingalls Industr	511	0.23
3,557	General Dynamics	507	0.23
1,910	Northrop Grumman	447	0.20
12,754	Johnson Controls International	323	0.15
13,217	Nielsen Holdings	309	0.14
15,613	Welbilt	265	0.12
3,897	Allegion	229	0.10
665	TransDigm Group	170	0.08
3,257	FTI Consulting	152	0.07
2,477	Woodward	143	0.06
1,613	MSC Industrial Direct (A)	105	0.05
5,287	Univar	104	0.05
1,674	AMETEK	91	0.04
		13,846	6.27

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Materials - (3.75%)		
28,231	Praxair	3,365	1.52
73,383	Mosaic	1,580	0.72
20,383	FMC	1,370	0.62
21,929	Dowdupont	1,104	0.50
18,429	Ashland Global Holdings	1,095	0.50
67,153	Valvoline	1,088	0.49
5,863	SCOTTS MIRACLE GRO CO	368	0.17
2,017	Martin Marietta Materials	340	0.15
3,038	Vulcan Materials	294	0.13
4,541	CF Industries Holdings	153	0.07
		10,757	4.87
	Energy - (3.02%)		
45,213	Apache	1,580	0.72
40,306	Suncor Energy	1,224	0.55
10,236	Andeavor	1,015	0.46
78,914	SBM Offshore	930	0.42
8,181	Concho Resources	855	0.39
6,062	Diamondback Energy	603	0.27
5,916	Chevron	566	0.26
3,793	Pioneer Natural Resources	545	0.25
19,199	Baker Hughes A GE (A)	481	0.22
26,669	Cabot Oil & Gas	480	0.22
11,482	US Silica Holdings	231	0.10
2,057	EOG Resources	193	0.09
		8,703	3.94
	Consumer Staples - (6.20%)		
38,360	Molson Coors Brewing (B)	1,980	0.90
37,465	Archer Daniels Midland	1,317	0.60
28,515	Walgreens Boots Alliance	1,296	0.59
20,338	Colgate-Palmolive	1,005	0.45
8,038	PepsiCo	665	0.30
13,820	Altria Group	603	0.27
8,397	Philip Morris International	522	0.24
23,021	Kroger	498	0.23
8,533	Monster Beverage	369	0.17
		8,255	3.74
	Telecommunication Services - (1.63%)		
66,207	Verizon Communications	2,563	1.16
41,549	AT&T	1,018	0.46
13,031	Zayo Group Holdings	361	0.16
995	T-Mobile US	45	0.02
		3,987	1.80
	Utilities - (0.72%)		
51,691	Exelon	1,665	0.75
27,980	Edison International	1,352	0.61
13,488	NiSource	268	0.12
		3,285	1.49

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Real Estate - (0.62%)		
7,115	American Tower	781	0.35
11,888	Corporate Office Properties Trust	261	0.12
798	Equinix	259	0.12
		1,301	0.59
	Futures - ((0.01)%)		
9,600	E-Mini S&P 500 Index Future 21/09/2018	(453)	(0.21)
		(453)	(0.21)
	Portfolio of investments	193,078	87.39
	Cash and other net assets/(liabilities)	27,875	12.61
	Net assets	220,953	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Emerging Markets Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
China - (20.64%)			
717,657	Alibaba Group Holding (ADR)	102,875	4.14
1,542,668	JD.com (ADR)	45,705	1.84
17,621,000	China Mengniu Dairy	45,377	1.83
17,418,000	Zhongsheng Group Holdings	39,702	1.60
744,781	Ctrip.com International (ADR)	27,207	1.09
8,458,730	Inner Mongolia Yili Industrial Group (CN) 15/05/2020 (ELN)	27,132	1.09
17,678,000	Brilliance China Auto Holding	24,245	0.98
4,001,458	Midea Group (A) (CN)	24,010	0.97
3,867,931	Midea Group (A)	23,209	0.93
251,894	Kweichow Moutai (A) (CN)	21,184	0.85
5,861,568	Inner Mongoli Yili Ind (A) (CN)	18,801	0.76
16,255,822	Focus Media Information Technology (A) (CN)	17,860	0.72
3,945,000	ANTA Sports Products	15,899	0.64
4,734,000	Sinopharm Group (H)	14,464	0.58
9,385,252	Guangzhou Baiyun International Airport (A) (CN)	14,108	0.57
19,375,000	BAIC Motor (H)	14,076	0.57
3,572,389	Hangzhou Robam Appliances (A) (CN)	12,567	0.51
1,763,030	DONG E-E-Jiao (A) (CN)	10,901	0.44
7,201,313	Guangzhou Baiyun International Airport (A) (CN) 19/11/2018 (ELN)	10,825	0.44
2,833,322	Hualan Biological Engineer (A) (CN)	10,469	0.42
11,598,000	Li Ning	9,731	0.39
2,858,352	China Resource Sanjiu Med & PH (A) (CN)	9,142	0.37
628,300	Sunny Optical Technology Group	8,891	0.36
1,278,920	Shanghai International Airport (A) (CN) 08/02/2018 (ELN)	8,154	0.33
1,229,104	Zhejiang Supor Cookware (A) (CN)	7,275	0.29
2,119,916	Inner Mongoli Yili Ind (A)	6,800	0.27
1,033,064	DONG E-E-Jiao (A)	6,387	0.26
929,716	DONG E-E-Jiao (A) (CN) 10/02/2020 (ELN)	5,748	0.23
3,353,432	Guangzhou Baiyun International Airport (A) (CN) 23/11/2022 (ELN)	5,041	0.20
794,305	Hualan Biological Engineer (A)	2,935	0.12
852,100	China Resource Sanjiu Med & PH (A)	2,725	0.11
273,177	Midea Group (A) 27/01/2020 (ELN)	1,639	0.07
13,000	Kweichow Moutai (A)	1,093	0.04
		596,177	23.99
South Africa - (11.84%)			
792,112	Naspers (N)	147,917	5.95
4,173,818	Barclays Africa Group	36,186	1.46
4,007,747	Discovery	32,775	1.32
10,837,543	Old Mutual	16,496	0.66
15,387,128	Steinhoff Africa Retail	14,523	0.58
7,210,338	Dis-Chem Pharmacies Pty	10,494	0.42
		258,391	10.40
India - (11.13%)			
5,191,005	HDFC Bank	121,642	4.89
4,132,610	Housing Development Finance	87,596	3.52
1,884,508	Indiabulls Housing Finance	23,838	0.96
522,397	Makemytrip (A)	13,875	0.56
		246,951	9.94

Emerging Markets Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Hong Kong - (10.76%)		
21,455,000	AIA Group	142,756	5.74
8,163,500	Techtronic Industries	34,602	1.39
39,032,000	WH Group	24,116	0.97
7,102,600	Samsonite International	19,152	0.77
		220,626	8.88
	Russia - (6.44%)		
41,404,217	Sberbank Russia (USD)	107,905	4.34
17,459,070	Sberbank of Russia Preferred	39,330	1.58
1,970,927	PhosAgro (GDR)	19,274	0.78
815,890	Mail.Ru Group (GDR)	17,907	0.72
254,387	LUKOIL (USD)	13,158	0.53
229,875	LUKOIL (ADR)	11,886	0.48
356,040	Novolipetsk Steel (GDR)	6,560	0.26
		216,020	8.69
	Korea - (4.46%)		
2,200,114	Samsung Electronics	70,134	2.82
1,040,425	SK Hynix	60,858	2.45
1,048,941	KB Financial Group	37,846	1.52
116,157	Samsung Fire & Marine Insurance	20,955	0.84
339,944	Shinhan Financial Group	10,047	0.40
		199,840	8.04
	United States - (6.19%)		
12,493	Fidelity Institutional USD Fund Class A-Acc	166,066	6.68
		166,066	6.68
	Taiwan - (7.90%)		
19,964,514	Taiwan Semiconductor Manufacturing	107,750	4.34
4,389,000	Catcher Technology	37,286	1.50
6,933,000	Chailease Holding	17,306	0.70
		162,342	6.53
	United Kingdom - (0.00%)		
13,920,093	Glencore (ZA)	50,312	2.02
1,299,228	Prudential	22,633	0.91
4,103,047	Vivo Energy	5,991	0.24
3,612,514	Quilter (ZA)	5,298	0.21
		84,234	3.39
	Mexico - (5.43%)		
22,429,203	Grupo Mexico	48,296	1.94
657,030	Gruma (B)	6,084	0.24
		54,380	2.19
	Indonesia - (3.04%)		
40,894,200	Bank Central Asia	46,392	1.87
1,205,600	Gudang Garam PT Perusahaan	4,318	0.17
		50,710	2.04
	Brazil - (4.27%)		
4,023,183	Suzano Papel E Celulose	35,010	1.41
5,622,200	Rumo	14,997	0.60
		50,007	2.01

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	United Arab Emirates - (1.16%)		
12,998,742	Abu Dhabi Commercial Bank	19,014	0.76
5,728,583	First Abu Dhabi Bank	14,421	0.58
		33,435	1.35
	Turkey - (0.00%)		
1,533,701	Turkiye Petrol Rafinerileri	27,615	1.11
6,230	Koytas Tekstil Sanayi Ve Ticaret	0	0.00
		27,615	1.11
	Germany - (0.00%)		
102,729	adidas	17,040	0.69
		17,040	0.69
	Peru - (0.69%)		
89,923	Credicorp	15,150	0.61
		15,150	0.61
	Nigeria - (0.63%)		
159,313,339	Zenith Bank	8,416	0.34
1,561,927	Guaranty Trust Bank (GDR)	6,359	0.26
		14,775	0.59
	Cyprus - (0.00%)		
896,923	TCS Group Holding (A) (GDR)	13,925	0.56
		13,925	0.56
	Cayman Islands - (0.00%)		
60,767	Noah Holdings (ADR)	2,437	0.10
		2,437	0.10
	Contracts for Difference - (0.02%)		
53,513	Credicorp (CFD)	177	0.01
		177	0.01
	Portfolio of investments	2,430,298	97.80
	Cash and other net assets/(liabilities)	55,275	2.20
	Net assets	2,485,573	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	France - (20.37%)		
179,919	Essilor International	19,292	4.93
75,866	L'Oreal	14,113	3.60
130,646	Dassault Systemes	13,998	3.57
53,594	LVMH Moet Hennessy SE	13,514	3.45
129,921	Safran	11,889	3.04
143,536	Vinci SA	10,526	2.69
622,266	Beneteau	9,062	2.31
314,867	Edenred	7,520	1.92
132,334	BNP Paribas	6,223	1.59
483,387	Engie	5,635	1.44
41,823	Iliad Group	5,092	1.30
102,271	Worldline	4,452	1.14
56,942	ICADE	4,051	1.03
29,875	Thales	2,909	0.74
332,397	SRP Groupe	2,079	0.53
		130,355	33.28
	Germany - (19.93%)		
230,013	SAP SE	20,074	5.13
157,900	Deutsche Boerse	15,939	4.07
97,684	Allianz SE	15,239	3.89
61,953	adidas	10,277	2.62
44,730	Linde	8,060	2.06
119,626	Symrise	7,984	2.04
216,446	Deutsche Post	5,367	1.37
193,632	Varta	3,945	1.01
86,797	United Internet	3,815	0.97
81,629	Dermapharm Holding SE	1,986	0.51
		92,686	23.67
	Switzerland - (11.48%)		
402,289	Nestle	23,507	6.00
106,047	Roche Holdings	17,778	4.54
36,519	Lonza Group	7,347	1.88
		48,632	12.42
	Netherlands - (13.30%)		
815,341	ING Groep	8,952	2.29
449,194	RELX	7,272	1.86
215,852	Koninklijke Philips	6,976	1.78
354,183	ABN AMRO Group	6,959	1.78
266,587	Wessanen	4,270	1.09
		34,429	8.79
	Spain - (14.80%)		
190,243	Amadeus IT Group (A)	11,352	2.90
409,136	Grifols Preferred B	6,807	1.74
249,269	Cellnex Telecom SAU	4,759	1.22
		22,918	5.85
	United Kingdom - (4.93%)		
590,115	Royal Dutch Shell (A) (NL)	15,604	3.98
139,121	CRH	3,739	0.95
		19,343	4.94

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Italy - (2.67%)		
2,117,800	Prada	7,405	1.89
350,897	Gima TT	4,383	1.12
		11,788	3.01
	Belgium - (0.00%)		
134,082	Anheuser-Busch InBev	10,310	2.63
		10,310	2.63
	Norway - (0.78%)		
500,280	DNB	7,424	1.90
		7,424	1.90
	Finland - (2.91%)		
223,023	Konecranes	6,897	1.76
		6,897	1.76
	Ireland - (1.67%)		
469	Fidelity Institutional Euro Fund Class A-Acc	5,787	1.48
		5,787	1.48
	Sweden - (1.63%)		
363,465	Getinge	2,498	0.64
		2,498	0.64
	Portfolio of investments	393,067	100.37
	Cash and other net assets/(liabilities)	(1,414)	(0.37)
	Net assets	391,653	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period comparative percentages have been restated.

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Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	United States - (53.68%)		
183	Fidelity Institutional USD Fund Class A-Acc	2,430	2.64
27,171	Microsoft	2,039	2.22
2,095	Alphabet (A)	1,797	1.95
33,487	Merck	1,537	1.67
17,301	JPMorgan Chase	1,382	1.50
8,842	Intuit	1,373	1.49
32,594	Wells Fargo	1,330	1.45
34,844	Intel	1,306	1.42
36,610	Oracle	1,221	1.33
11,380	Union Pacific	1,219	1.33
11,859	Visa (A)	1,198	1.30
35,160	Coca Cola	1,163	1.27
10,591	International Business Machines	1,129	1.23
13,698	Walt Disney	1,092	1.19
8,638	CME Group (A)	1,077	1.17
24,195	TripAdvisor (A)	1,043	1.13
8,288	SBA Communications (A)	1,040	1.13
30,598	Booz Allen Hamilton Holding C (A)	1,012	1.10
35,489	Ebay	976	1.06
8,627	American Tower	947	1.03
21,893	Monster Beverage	946	1.03
18,914	Colgate-Palmolive	934	1.02
13,745	American Water Works	894	0.97
20,805	QUALCOMM	885	0.96
41,024	Mosaic	884	0.96
13,120	AmerisourceBergen	860	0.94
20,087	CBS (B)	858	0.93
5,907	Apple	834	0.91
32,554	Baker Hughes A GE (A)	816	0.89
7,761	Concho Resources	811	0.88
15,044	Bunge	797	0.87
12,265	Dell Technologies (V)	795	0.86
28,172	Mylan	779	0.85
25,152	Flowserve	767	0.83
2,351	ABIOMED	741	0.81
10,488	BioMarin Pharmaceutical	728	0.79
33,327	Bank of America	727	0.79
15,609	Leidos Holdings	697	0.76
19,385	Voya Financial	695	0.76
38,382	Cabot Oil & Gas	691	0.75
11,167	Akamai Technologies	616	0.67
11,991	Schlumberger	612	0.67
14,157	Edgewell Personal Care	530	0.58
4,702	Lauder Estee Cos (A)	510	0.55
6,972	Royal Gold	485	0.53
23,592	General Electric	248	0.27
7,544	Heron Therapeutics	235	0.26
12,651	Cytomx Therapeutics	220	0.24
7,008	Weyerhaeuser	193	0.21
4,485	Newell Brands	88	0.10
		46,187	50.24

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	United Kingdom - (6.07%)		
65,793	Royal Dutch Shell (A) (NL)	1,740	1.89
117,471	Ocado Group	1,206	1.31
181,680	Beazley	1,054	1.15
384,909	Tesco	998	1.09
216,714	Glencore	783	0.85
379,508	Barclays	720	0.78
151,621	Sports Direct International	606	0.66
71,033	Standard Chartered	494	0.54
63,341	Standard Chartered (HK)	446	0.49
266,534	Vivo Energy	389	0.42
		8,436	9.18
	Germany - (5.62%)		
13,113	SAP SE	1,144	1.24
12,844	Bayer	1,081	1.18
10,702	Siemens	1,071	1.17
10,611	Deutsche Boerse	1,071	1.17
26,319	Deutsche Wohnen	964	1.05
10,997	Beiersdorf	947	1.03
6,118	Volkswagen Preferred	776	0.84
		7,054	7.67
	Japan - (10.88%)		
2,400	Keyence	1,032	1.12
84,200	ORIX	1,013	1.10
3,600	Nintendo	896	0.97
20,900	Sony	814	0.89
37,300	Recruit	786	0.86
25,800	Sumitomo Mitsui Trust Holdings	779	0.85
10,400	SoftBank Group	570	0.62
		5,890	6.41
	Sweden - (2.27%)		
12,480	Spotify Technology	1,593	1.73
58,858	Assa ABLOY	948	1.03
152,859	Ericsson (B)	889	0.97
45,015	Elektro	447	0.49
		3,877	4.22
	Canada - (1.62%)		
48,044	Canadian National Resources (US)	1,276	1.39
1,941	Fairfax Financial Holdings	824	0.90
50,739	Fairfax India Holdings	632	0.69
9,263	Franco-Nevada (US)	510	0.55
13,030	Agnico Eagle Mines (US)	442	0.48
		3,684	4.01
	India - (2.87%)		
85,354	Kotak Mahindra Bank	1,273	1.38
87,812	Reliance Industries	949	1.03
61,012	Jubilant FoodWorks	945	1.03
211,030	Bank of Baroda	264	0.29
		3,431	3.73

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Switzerland - (3.77%)		
6,667	Roche Holdings	1,118	1.22
20,751	LafargeHolcim	771	0.84
13,453	Julius Baer Group	601	0.65
		2,490	2.71
	France - (2.04%)		
14,357	Sartorius Stedim Biotech	1,133	1.23
15,859	BNP Paribas	746	0.81
		1,879	2.04
	Denmark - (2.22%)		
28,755	Novozymes	1,104	1.20
4,758	Genmab	556	0.60
		1,660	1.81
	China - (1.88%)		
1,752,000	Lenovo Group	722	0.79
224,600	China Pacific Insurance Group (H)	661	0.72
		1,383	1.50
	Spain - (1.22%)		
36,209	Inditex	939	1.02
		939	1.02
	Netherlands - (0.00%)		
10,006	NXP Semiconductors	840	0.91
		840	0.91
	South Africa - (1.07%)		
4,427	Naspers (N)	827	0.90
		827	0.90
	Mexico - (1.10%)		
11,741	Fomento Economico Mexicano (ADR)	777	0.85
		777	0.85
	Korea - (0.73%)		
1,391	NAVER	723	0.79
		723	0.79
	Thailand - (0.00%)		
1,280,100	Thai Beverage	510	0.55
		510	0.55
	Australia - (0.88%)		
233,814	South32 (GB)	473	0.51
		473	0.51
	Singapore - (0.32%)		
238,400	Delfi	166	0.18
		166	0.18

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Ireland - (0.00%)		
0	Fidelity Institutional Euro Fund Class A-Acc	4	0.00
		4	0.00
	Portfolio of investments	91,230	99.23
	Cash and other net assets/(liabilities)	696	0.77
	Net assets	91,926	100.00

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Index-Linked Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Gilt Edged Securities - (83.48%)		
8,600,000	UK Gilt 0.75% I/L 22/11/2047	21,520	13.17
4,680,000	UK Gilt 1.25% I/L 22/11/2055	16,462	10.07
9,950,000	UK Gilt 0.125% I/L 22/11/2036 Reg S	14,727	9.01
9,750,000	UK Gilt 0.125% I/L 22/03/2026 Reg S	12,223	7.48
5,225,000	UK Gilt 0.625% I/L 22/03/2040	10,686	6.54
2,508,000	UK Gilt 4.125% I/L 22/07/2030	9,079	5.55
3,425,000	UK Gilt 0.375% I/L 22/03/2062	8,975	5.49
3,275,000	UK Gilt 0.125% I/L 22/03/2068	8,461	5.18
3,475,000	UK Gilt 0.625% I/L 22/11/2042	7,628	4.67
3,054,000	UK Gilt 0.50% I/L 22/03/2050	7,394	4.52
3,360,000	UK Gilt 0.125% I/L 22/03/2058 Reg S	7,039	4.31
2,466,000	UK Gilt 2.00% I/L 26/01/2035	6,612	4.05
2,200,000	UK Gilt 0.125% I/L 22/11/2065 Reg S	5,193	3.18
3,450,000	UK Gilt 0.125% I/L 22/03/2029	4,922	3.01
2,600,000	UK Gilt 0.75% I/L 22/03/2034	4,478	2.74
1,950,000	UK Gilt 0.125% I/L 22/03/2046 Reg S	3,354	2.05
		148,753	91.00
	Mortgage Related Bonds - (2.13%)		
1,420,000	Dwr Cymru (Financing) 3.514% 31/03/2030	3,350	2.05
800,000	UPP Bond 1 Issuer 2.7291% 31/08/2047 EMTN	1,503	0.92
750,000	High Speed Rail Finance 1 1.566% 01/11/2038 EMTN Reg S	1,139	0.70
230,000	Southern Water Services Finance 3.706% 31/03/2034	580	0.35
114,000	Southern Water Services Finance 3.816% 31/03/2023 Reg S	213	0.13
116,667	Broadgate Financing FRN 1.6829% 05/01/2022	116	0.07
		6,901	4.22
	Corporate Bonds - (3.22%)		
1,050,000	Thames Water Utilities 2.875% 03/05/2027 EMTN Reg S	1,012	0.62
580,000	National Grid Electric Transm 2.983% 08/07/2018	931	0.57
800,000	Northumbrian Water Finance 1.625% 11/10/2026 Reg S	743	0.45
550,000	Kraft Heinz Foods 4.125% 01/07/2027 Reg S	592	0.36
270,000	Eastern Power Networks 6.25% VRN 12/11/2036 EMTN Reg S	388	0.24
		3,666	2.24
	Financials - (9.50%)		
145	Fidelity Institutional Sterling Fund Class A-Acc	3,003	1.84
		3,003	1.84
	Futures - ((0.09)%)		
5,600,000	Long Gilt Commodity Future 26/09/2018	71	0.04
		71	0.04
	Interest Rate Swaps - (0.01%)		
6,100,000	Pay fixed 0.715% receive float 6 Month GBP LIBOR 17/01/2020	22	0.01
7,000,000	Pay fixed 0.76% receive float 6 Month GBP LIBOR 19/01/2020	21	0.01
6,300,000	Pay fixed 0.7632% receive float 6 Month GBP LIBOR 19/01/2020	19	0.01
		62	0.04

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Inflation Index Swap - ((0.06)%)		
3,000,000	Pay fixed 3.55% receive float UK Retail Price Index 15/01/2025	(52)	(0.03)
7,500,000	Pay fixed 3.555% receive float UK Retail Price Index 15/01/2025	(135)	(0.08)
		(187)	(0.11)
	Portfolio of investments	162,269	99.27
	Cash and other net assets/(liabilities)	1,187	0.73
	Net assets	163,456	100.00

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Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Electric Appliances - (20.32%)		
83,300	Nidec	9,519	4.26
21,600	Keyence	9,285	4.15
309,200	Yokogawa Electric	4,195	1.88
54,800	Sysmex	3,887	1.74
82,500	IRISO Electronics	3,786	1.69
92,100	Sony	3,588	1.60
103,100	Hamamatsu Photonics	3,373	1.51
95,100	Azbil	3,153	1.41
33,000	TDK	2,570	1.15
15,900	Tokyo Electron	2,080	0.93
72,600	Stanley Electric	1,883	0.84
153,700	Panasonic	1,577	0.71
38,900	Advantest	617	0.28
19,700	Nihon Kohden	417	0.19
10,800	Ichikoh Industries	98	0.04
		50,028	22.37
	Machinery - (14.86%)		
273,700	Makita	9,330	4.17
91,700	Daikin Industries	8,372	3.74
349,900	Komatsu	7,616	3.41
25,900	SMC	7,236	3.24
31,700	Disco	4,122	1.84
64,300	Daifuku	2,145	0.96
104,800	CKD	1,313	0.59
50,000	THK	1,090	0.49
26,800	Shima Seiki Manufacturing	973	0.44
40,500	Sega Sammy Holdings	529	0.24
18,700	Nabtesco	438	0.20
31,800	Tadano	298	0.13
22,500	NSK	177	0.08
8,700	Amano	157	0.07
		43,796	19.59
	Wholesale Trade - (13.03%)		
497,000	MISUMI Group	11,010	4.92
86,100	Hitachi High Technologies	2,677	1.20
64,000	Trusco Nakayama	1,218	0.54
38,100	Hanwa	1,106	0.49
46,900	ITOCHU	647	0.29
27,900	SiiX	466	0.21
		17,124	7.66
	Insurance - (4.18%)		
167,800	Tokio Marine Holdings	5,987	2.68
408,200	Dai-ichi Life Holdings	5,546	2.48
303,900	T&D Holdings	3,476	1.55
84,500	MS&AD Insurance Group Holdings	2,000	0.89
		17,009	7.61

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Services - (1.38%)		
471,100	Recruit	9,931	4.44
173,700	Raksul	2,921	1.31
33,200	Nomura	559	0.25
10,600	Persol Holdings Co Ltd	180	0.08
		13,591	6.08
	Chemicals - (5.45%)		
65,300	Kao	3,796	1.70
95,100	Denka	2,417	1.08
96,300	Nifco	2,266	1.01
7,600	Kose	1,248	0.56
71,000	Air Water (Osaka)	992	0.44
59,300	Kansai Paint Osaka	939	0.42
6,100	Shin-Etsu Chemical	414	0.19
15,400	Fuso Chemical	303	0.14
		12,375	5.53
	Transportation Equipment - (0.62%)		
156,600	Suzuki Motor	6,576	2.94
23,700	Shimano	2,646	1.18
101,100	Yamaha Motor	1,934	0.86
99,300	Isuzu Motors	1,004	0.45
		12,160	5.44
	Retail Trade - (5.25%)		
12,700	Ryohin Keikaku	3,403	1.52
26,100	Tsuruha Holdings	2,492	1.11
55,900	Don Quijote Holdings	2,042	0.91
83,500	Marui Group	1,339	0.60
22,600	Izumi	1,063	0.48
15,700	Kura	793	0.35
2,100	Fast Retailing	734	0.33
		11,866	5.31
	Information & Communication - (15.00%)		
89,700	SoftBank Group	4,912	2.20
107,200	Otsuka	3,204	1.43
72,300	NS Solutions	1,389	0.62
16,800	Obic	1,059	0.47
		10,564	4.72
	Precision Instruments - (0.61%)		
396,000	Shimadzu	9,113	4.08
47,400	Asahi Intecc	1,365	0.61
		10,478	4.69
	Pharmaceutical - (3.91%)		
233,700	Santen Pharmaceutical	3,101	1.39
58,400	Nippon Shinyaku	2,760	1.23
34,500	Eiken Chemical	558	0.25
		6,419	2.87

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Other Financing Business - (5.63%)		
329,500	ORIX	3,965	1.77
20,900	Zenkoku Hoshu	722	0.32
		4,687	2.10
	Construction - (0.42%)		
84,500	Daiwa House Industry	2,192	0.98
202,800	Penta Ocean Construction	1,035	0.46
17,400	SHO-BOND Holdings	923	0.41
13,000	Toshiba Plant Systems & Services	227	0.10
8,200	Hazama Ando	57	0.03
		4,434	1.98
	Banks - (4.05%)		
39,200	Sumitomo Mitsui Financial Group	1,160	0.52
215,100	Mitsubishi UFJ Finance Group	932	0.42
		2,092	0.94
	Other Products - (0.26%)		
8,300	Nintendo	2,066	0.92
		2,066	0.92
	Nonferrous Metals - (0.51%)		
53,000	Sumitomo Metal Mining	1,543	0.69
		1,543	0.69
	Rubber Products - (0.00%)		
25,100	Bridgestone	747	0.33
		747	0.33
	Fishing, Agriculture, & Forestry - (0.00%)		
21,200	Sakata Seed	610	0.27
		610	0.27
	Iron & Steel - (0.00%)		
17,800	Yamato Kogyo	409	0.18
		409	0.18
	Metal Products - (0.21%)		
4,900	Rinnai	329	0.15
		329	0.15
	Securities & Commodity Futures - (0.56%)		
6,900	Jafco	213	0.10
		213	0.10
	Portfolio of investments	222,540	99.53
	Cash and other net assets/(liabilities)	1,075	0.47
	Net assets	223,615	100.00

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Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
Gilt Edged Securities - (74.27%)			
13,250,000	UK Gilt 3.75% 22/07/2052	20,444	14.13
13,100,000	UK Gilt 3.25% 22/01/2044	17,144	11.85
10,540,000	UK Gilt 4.25% 07/09/2039	15,290	10.57
9,000,000	UK Gilt 4.25% 07/12/2046	14,074	9.73
7,200,000	UK Gilt 3.50% 22/07/2068	12,038	8.32
6,835,000	UK Gilt 4.75% 07/12/2038	10,446	7.22
6,000,000	UK Gilt 4.25% 07/12/2055	10,431	7.21
4,720,000	UK Gilt 4.25% 07/12/2049	7,646	5.28
4,055,000	UK Gilt 4.00% 22/01/2060	7,032	4.86
1,000,000	UK Gilt 2.50% 22/07/2065 Reg S	1,314	0.91
700,000	UK Gilt 4.50% 07/12/2042	1,086	0.75
650,000	UK Gilt 3.50% 22/01/2045	892	0.62
		117,837	81.44
Corporate Bonds - (20.98%)			
1,900,000	Westpac Banking 2.125% 02/05/2025	1,889	1.31
1,150,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	1,576	1.09
1,050,000	HSBC Holdings 2.175% VRN 27/06/2023	1,044	0.72
1,000,000	Daimler International Finance 1.50% 18/08/2021 EMTN Reg S	997	0.69
850,000	Society of Lloyds 4.75% 30/10/2024 Reg S	912	0.63
925,000	Shaftesbury Carnaby 2.487% 30/09/2031	875	0.60
750,000	University of Cambridge 2.35% 27/06/2078 Reg S	743	0.51
667,000	London & Quadrant Housing Trust 3.125% 28/02/2053 Reg S	659	0.46
500,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	659	0.46
550,000	BHP Billiton Finance 6.50% VRN 22/10/2077 Reg S	617	0.43
600,000	Orbit Capital 3.375% 14/06/2048 Reg S	606	0.42
450,000	Intu SGS Finance 4.25% 17/09/2035 EMTN Reg S	497	0.34
400,000	Lloyds Bank 4.875% 30/03/2027 EMTN	494	0.34
450,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	473	0.33
350,000	British Land 5.264% 24/09/2035	442	0.31
350,000	Close Brothers Group 4.25% 24/01/2027 Reg S	365	0.25
400,000	HSBC Holdings 4.75% VRN (Perpetual) EMTN	350	0.24
450,000	Scentre Management 2.375% 05/11/2019 144A	338	0.23
200,000	Bankers Investment Trust 8.00% 31/10/2023	251	0.17
200,000	Edinburgh Investment Trust 7.75% 30/09/2022	242	0.17
200,000	London & Quadrant Housing Trust 2.625% 28/02/2028 Reg S	199	0.14
202,000	Land Securities Capital Markets	198	0.14
150,000	Cattles 7.125% 05/07/2017 (Defaulted)	0	0.00
		14,426	9.97
Mortgage Related Bonds - (2.23%)			
1,550,000	Newday Partnership Funding 2017 1 1.2564% VRN 15/12/2027 Reg S	1,549	1.07
950,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	881	0.61
759,253	Together Asset Backed Securitisation 1 1.6246% VRN 12/03/2049 Reg S	763	0.53
500,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	504	0.35
430,000	SLM Student Loan Trust FRN 5.15% 15/12/2039 Reg S	414	0.29
300,000	RHP Finance 3.25% 05/02/2048 Reg S	303	0.21
86,059	Juturna European Loan Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	104	0.07
87,603	Dignity Finance 3.5456% 31/12/2034 Reg S	93	0.06
		4,611	3.19
Financials - (0.00%)			
145	Fidelity Institutional Sterling Fund Class A-Acc	3,008	2.08
		3,008	2.08

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Government Bonds - (1.57%)		
1,050,000	Qatar 2.375% 02/06/2021 Reg S	771	0.53
950,000	Kuwait 3.50% 20/03/2027 Reg S	703	0.49
900,000	Kuwait 2.75% 20/03/2022 Reg S	667	0.46
		2,141	1.48
	Interest Rate Swaps - (0.07%)		
10,000,000	Pay fixed 2.6187% receive float 3 Month USD LIBOR 24/01/2047	467	0.32
10,000,000	Receive fixed 1.725% pay float 6 Month GBP LIBOR 27/01/2042	206	0.14
12,000,000	Pay fixed 1.1182% receive float 6 Month GBP LIBOR 15/02/2024	137	0.09
4,000,000	Pay fixed 2.3517% receive float 3 Month USD LIBOR 24/01/2026	113	0.08
7,500,000	Receive fixed 1.617% pay float 6 Month GBP LIBOR 15/12/2031	34	0.02
2,000,000	Receive fixed 1.5228% pay float 6 Month GBP LIBOR 18/01/2033	(19)	(0.01)
5,000,000	Receive fixed 1.4473% pay float 6 Month GBP LIBOR 18/01/2030	(55)	(0.04)
		883	0.61
	Municipal Bond - (0.37%)		
900,000	University of California Revenues 4.858% 15/05/2112	729	0.50
		729	0.50
	Futures - ((0.04)%)		
8,000,000	US Ultra Bond Commodity Future 19/09/2018	331	0.23
7,300,000	US 10 Year Treasury Note (CBT) Commodity Future 19/09/2018	61	0.04
100,000	EURO BUXL 30 Year Commodity Future 06/09/2018	2	0.00
400,000	Euro-BOBL Commodity Future 06/09/2018	2	0.00
(800,000)	US 2 Year Treasury Note (CBT) Commodity Future 28/09/2018	0	0.00
(700,000)	Euro-Schatz Commodity Future 06/09/2018	(1)	0.00
(100,000)	EURO-BUND Commodity Future 06/09/2018	(1)	0.00
(1,100,000)	US 10 Year Ultra Future Sep 18	(15)	(0.01)
(4,100,000)	US 5 Year Treasury Note (CBT) Commodity Future 28/09/2018	(18)	(0.01)
(2,500,000)	Long Gilt Commodity Future 26/09/2018	(33)	(0.02)
(2,200,000)	US 20 Year Long Bond (CBT) Commodity Future 19/09/2018	(61)	(0.04)
(7,700,000)	Canadian 10 Year Commodity Bond Future 19/09/2018	(90)	(0.06)
		177	0.12
	Forward Foreign Exchange Contracts - ((0.05)%)		
606,000	Bought USD sold GBP @ 1.354985 for settlement 16/08/2018	13	0.01
620,000	Bought EUR sold GBP @ 1.138006 for settlement 16/08/2018	5	0.00
284,000	Bought USD sold GBP @ 1.333828 for settlement 16/08/2018	3	0.00
(5,867,000)	Bought GBP sold USD @ 1.355524 for settlement 16/08/2018	(127)	(0.09)
		(106)	(0.07)
	Index Credit Default Swap - (0.00%)		
9,000,000	Bought Protection on ITRAXX XOver S28 20/12/2022	(719)	(0.50)
		(719)	(0.50)
	Portfolio of investments	142,987	98.82
	Cash and other net assets/(liabilities)	1,717	1.18
	Net assets	144,704	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Pacific (ex-Japan) Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Australia - (52.35%)		
39,746	CSL	4,294	6.54
83,796	Commonwealth Bank Australia	3,425	5.21
47,442	Macquarie Group	3,290	5.01
169,468	BHP Billiton	3,224	4.91
128,500	ANZ Bank	2,036	3.10
77,913	CIMIC Group	1,848	2.81
175,263	Treasury Wine Estates	1,710	2.60
149,587	Lendlease Group	1,662	2.53
269,979	Origin Energy	1,519	2.31
12,485	Cochlear	1,402	2.13
138,112	BlueScope Steel	1,337	2.03
228,204	QBE Insurance Group	1,247	1.90
151,048	Suncorp Group	1,236	1.88
67,512	Corporate Travel Managemnt	1,034	1.57
2,321,002	Fairfax Media	970	1.48
91,885	Sims Metal Management	828	1.26
580,225	Lynas	758	1.15
248,199	CSR	638	0.97
242,202	Domain Holdings Australia	436	0.66
2,036,701	Myer Holdings	423	0.64
		33,317	50.70
	Hong Kong - (29.45%)		
734,400	AIA Group	4,887	7.44
282,000	CK Hutchison Holdings	2,276	3.46
108,100	Hang Seng Bank	2,057	3.13
1,561,298	New World Development	1,672	2.54
1,080,000	Shangri La Asia	1,546	2.35
362,000	Techtronic Industries	1,534	2.33
1,704,600	Chow TAI Fook Jewellery	1,462	2.22
2,871,020	Sa Sa International	1,384	2.11
335,100	Samsonite International	904	1.38
		17,722	26.97
	China - (4.42%)		
56,500	Tencent Holdings	2,157	3.28
1,390,000	Uni-President China Holdings	1,359	2.07
32,634	Yum China Holdings	961	1.46
1,974,000	Lenovo Group	814	1.24
20,241	Ctrip.com International (ADR)	739	1.12
219,600	Sinopharm Group (H)	671	1.02
286,000	China Life Insurance (H)	560	0.85
		7,261	11.05
	Singapore - (6.73%)		
106,500	United Overseas Bank	1,590	2.42
698,800	CapitaLand	1,232	1.87
1,923,100	Sarine Technologies	949	1.44
50,400	Venture	501	0.76
		4,272	6.50

Pacific (ex-Japan) Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	United States - (2.46%)		
97	Fidelity Institutional USD Fund Class A-Acc	1,286	1.96
		1,286	1.96
	United Kingdom - (3.65%)		
179,042	Standard Chartered (HK)	1,261	1.92
		1,261	1.92
	Portfolio of investments	65,119	99.10
	Cash and other net assets/(liabilities)	601	0.90
	Net assets	65,720	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	United Kingdom - (32.92%)		
94,283	Royal Dutch Shell (A) (NL)	2,493	1.98
412,516	BP	2,391	1.90
78,767	Royal Dutch Shell (B)	2,148	1.70
52,533	British American Tobacco	2,049	1.63
36,959	AstraZeneca	1,953	1.55
102,617	Prudential	1,788	1.42
34,530	Shire	1,475	1.17
196,685	HSBC Holdings	1,403	1.11
52,080	CRH	1,400	1.11
2,169,595	Lloyds Banking Group	1,367	1.08
665,657	Barclays	1,263	1.00
341,453	Glencore	1,234	0.98
371,324	Tesco	962	0.76
488,820	Vodafone Group	898	0.71
32,127	Royal Dutch Shell (A)	850	0.67
13,631	Ferguson	842	0.67
39,626	Experian	744	0.59
29,073	Bunzl	669	0.53
24,274	Diageo	667	0.53
47,235	SSE	641	0.51
33,797	GlaxoSmithKline	516	0.41
202,520	Cairn Energy	512	0.41
79,246	John Wood Group	505	0.40
9,137	London Stock Exchange	412	0.33
148,960	Legal & General Group	395	0.31
13,445	Associated British Foods	367	0.29
31,928	St James Place	367	0.29
16,806	Burberry Group	364	0.29
12,120	Imperial Brands	344	0.27
38,481	National Grid	325	0.26
16,576	Admiral Group	317	0.25
66,032	Essentra	317	0.25
18,697	Hikma Pharmaceuticals	283	0.22
55,176	Meggitt	273	0.22
94,637	Balfour Beatty	268	0.21
77,098	Morgan Advanced Materials	251	0.20
17,890	Smith & Nephew	251	0.20
97,369	RBS Group	250	0.20
156,558	Saga	196	0.16
47,348	Sports Direct International	189	0.15
120,434	El Group	178	0.14
4,114	Rio Tinto	173	0.14
13,375	Diploma	173	0.14
21,402	Britvic	167	0.13
11,661	Micro Focus International	156	0.12
2,372	Reckitt Benckiser Group	148	0.12
2,448	Randgold Resources	142	0.11
17,826	United Utilities Group	137	0.11
177,911	Coats Group	137	0.11
80,587	Centrica	129	0.10
12,030	GVC Holdings	127	0.10

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
36,747	BBA Aviation	124	0.10
40,267	Kingfisher	120	0.10
65,437	Oakley Capital Investments Fund	119	0.09
1,531	Livanova	118	0.09
98,687	Diversified Gas & Oil	118	0.09
93,586	Greencoat UK Wind Funds	117	0.09
31,508	Urban & Civic	108	0.09
34,004	IWG	107	0.08
72,461	Faroe Petroleum	106	0.08
2,925	Wizz Air Holdings	105	0.08
129,445	Renewi	98	0.08
4,349	Ted Baker	94	0.07
7,876	Bovis Homes Group	90	0.07
50,249	Man Group	89	0.07
19,787	SDL	84	0.07
31,488	RPS Group	81	0.06
4,675	4imprint Group	80	0.06
524,284	Amerisur Resources	79	0.06
7,718	Oxford Instruments Group	78	0.06
8,985	IG Group Holdings	78	0.06
13,852	Safestore Holdings	76	0.06
12,637	Headlam Group	63	0.05
19,304	Hostelworld Group	61	0.05
13,106	Microgen	59	0.05
58,920	McCarthy & Stone	58	0.05
2,650	Craneware	54	0.04
52,161	Photo-Me International	53	0.04
81,552	Ophir Energy	42	0.03
27,295	Vivo Energy	40	0.03
4,265	Electra Private Equity	39	0.03
		38,144	30.27
	France - (17.45%)		
36,447	Sanofi	2,233	1.77
112,822	AXA	2,111	1.68
94,271	Engie	1,099	0.87
23,191	BNP Paribas	1,090	0.86
5,731	L'Oreal	1,066	0.85
10,822	Safran	990	0.79
33,955	Edenred	811	0.64
15,093	Total	699	0.55
7,211	Air Liquide	686	0.54
13,028	Amundi	683	0.54
2,427	LVMH Moët Hennessy SE	612	0.49
9,176	Renault	592	0.47
15,397	Société Générale France (A)	494	0.39
3,877	Pernod Ricard	483	0.38
1,065	Kering	457	0.36
5,104	Sartorius Stedim Biotech	403	0.32
4,470	Arkema	400	0.32
7,439	Publicis Groupe	390	0.31
3,106	Iliad Group	378	0.30
27,034	Orange	344	0.27

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
3,659	Michelin Comp Gen Des Estbmts (B)	338	0.27
4,407	Vinci SA	323	0.26
3,744	Eiffage	311	0.25
3,771	Rubis	179	0.14
1,801	Thales	175	0.14
2,146	Alten	167	0.13
981	Sopra Steria Group	151	0.12
12,435	Elior SCA	136	0.11
2,318	Euronext	111	0.09
9,780	Altran Technologies	111	0.09
2,516	Worldline	110	0.09
2,284	LISI	68	0.05
		18,201	14.44
	Germany - (15.87%)		
22,442	SAP SE	1,959	1.55
21,151	Fresenius Medical Care	1,614	1.28
16,119	Siemens	1,614	1.28
15,018	Bayer	1,263	1.00
12,594	Hannover Reins	1,196	0.95
41,036	Deutsche Post	1,017	0.81
4,915	Linde	886	0.70
4,962	Munich RE Group	797	0.63
39,877	Infineon Technologies	769	0.61
4,462	adidas	740	0.59
4,262	Allianz SE	665	0.53
17,762	Vonovia SE	642	0.51
9,668	HeidelbergCement	617	0.49
8,015	BASF SE	582	0.46
12,459	Fuchs Petrolub SE (GW)	445	0.35
6,840	United Internet	301	0.24
34,088	E.ON SE	276	0.22
4,577	Daimler	224	0.18
9,961	Freenet	200	0.16
20,727	Aroundtown	129	0.10
3,208	Deutsche Wohnen	118	0.09
1,110	Amadeus Fire	91	0.07
14,878	Tele Columbus	80	0.06
5,647	Takkt	78	0.06
2,733	GEA Group	71	0.06
		16,374	12.99
	Switzerland - (12.72%)		
42,529	Nestle	2,485	1.97
14,339	Roche Holdings	2,404	1.91
11,314	Novartis	645	0.51
53,387	Credit Suisse Group	611	0.48
1,941	Zurich Insurance Group	436	0.35
80	Lindt & Spruengli Chocolad (Participation Certificate)	392	0.31
10,420	LafargeHolcim	387	0.31
5,972	Cembra Money Bank	354	0.28
5,343	Swiss RE	352	0.28
7,542	Julius Baer Group	337	0.27

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,640	Sika	277	0.22
3,698	Compagnie Finance Richemont Switz (A)	237	0.19
653	Swisscom	222	0.18
3,085	Sunrise Communications Group	190	0.15
1,125	Schindler Holding	179	0.14
306	Banque Cantonale Vaudoise	176	0.14
334	EMS-Chemie Holding	163	0.13
2,718	Galenica Sante	109	0.09
5,072	Clariant	92	0.07
375	VZ Holding	89	0.07
7,252	OC Oerlikon	84	0.07
487	Flughafen Zurich	75	0.06
842	SFS Group	68	0.05
911	DKSH Holding	48	0.04
328	Sonova Holding	45	0.04
3,118	Ascom Holding	43	0.03
		10,500	8.33
	Netherlands - (10.31%)		
51,351	Koninklijke Philips	1,660	1.32
29,263	Unilever	1,244	0.99
13,180	Heineken	1,012	0.80
51,067	ABN AMRO Group	1,003	0.80
54,136	RELX	876	0.70
39,101	ArcelorMittal Luxembourg	876	0.70
362,632	Koninklijke KPN	744	0.59
22,381	NN Group	693	0.55
3,642	ASML Holding	549	0.44
11,852	ASR Nederland	368	0.29
26,025	ING Groep	286	0.23
36,689	Tomtom Group	258	0.20
7,887	Ahold Delhai (Koninklijke)	144	0.11
34,494	Koninklijke BAM Groep	110	0.09
8,296	B&S Group SARL	105	0.08
2,428	Sligro Food Group	96	0.08
		10,024	7.95
	Spain - (5.38%)		
45,181	Inditex	1,171	0.93
168,788	Iberdrola	995	0.79
58,116	Ferrovial	904	0.72
13,760	Amadeus IT Group (A)	821	0.65
25,759	ACS Actividades de Construccion y Servicios	788	0.63
32,419	Grifols Preferred B	539	0.43
150,512	CaixaBank	495	0.39
21,725	Enagas S A	481	0.38
324,362	Banco de Sabadell	418	0.33
51,219	International Consolidated Airlines Group (ES)	341	0.27
16,837	Cellnex Telecom SAU	321	0.25
18,239	Red Electrica	283	0.22
21,472	Bankinter	160	0.13
15,575	Euskaltel	108	0.09
		7,825	6.21

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Italy - (4.53%)		
60,996	Atlantia	1,362	1.08
537,813	Intesa Sanpaolo	1,195	0.95
67,564	Eni	950	0.75
146,831	Enel	619	0.49
43,314	UniCredit	546	0.43
237,852	Saras Raffinerie Sarde	439	0.35
128,854	Snam	407	0.32
13,395	Banca Generali	251	0.20
32,329	Anima Holding	132	0.10
6,509	Buzzi Unicem	121	0.10
14,279	Leonardo	107	0.08
20,932	Terna	86	0.07
		6,215	4.93
	Finland - (2.89%)		
35,046	Sampo	1,297	1.03
9,269	Neste	550	0.44
12,368	Kone	477	0.38
24,668	Fortum	446	0.35
72,953	YIT	330	0.26
4,782	Huhtamaki	133	0.11
4,040	Nokian Tyres	121	0.10
3,584	Konecranes	111	0.09
7,434	Ahlstrom Munksjo Oyj	102	0.08
4,995	Dna Oy	89	0.07
5,287	Valmet	77	0.06
		3,733	2.96
	Sweden - (2.32%)		
57,733	Swedbank	937	0.74
51,627	Svenska Handelsbanken	433	0.34
24,291	Assa ABLOY	391	0.31
25,686	Securitas	320	0.25
19,836	Sandvik	266	0.21
11,654	Atlas Copco (A)	256	0.20
46,477	Inwido AB	252	0.20
30,265	Getinge	208	0.17
83,642	Rezidor Hotel Group	203	0.16
7,173	Intrum AB	127	0.10
22,199	Academedia	92	0.07
11,654	Epiroc (A)	92	0.07
6,382	D Carnegie	77	0.06
24,141	Kappahl	62	0.05
		3,716	2.95

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Denmark - (3.27%)		
33,090	Novo Nordisk (B)	1,163	0.92
37,551	ISS Holdings	978	0.78
14,293	Vestas Wind Systems	671	0.53
4,262	Coloplast (B)	324	0.26
162	AP Moller Maersk (B)	151	0.12
2,765	Pandora	145	0.12
2,124	Royal Unibrew	128	0.10
3,056	Scandinavian Tobacco Group (A)	35	0.03
		3,595	2.85
	Norway - (0.89%)		
89,811	DNB	1,333	1.06
18,835	Aker BP	535	0.42
4,312	TGS Nopec Geophysical	122	0.10
21,819	Europris	50	0.04
		2,040	1.62
	Ireland - (0.49%)		
6,647	DCC	462	0.37
26	Fidelity Institutional Euro Fund Class A-Acc	322	0.26
18,594	Ryanair Holdings	258	0.20
23,232	Dalata Hotel Group	141	0.11
29,885	Ireland Continental Group	138	0.11
22,170	Applegreen	121	0.10
63,262	Cairn Homes	100	0.08
887	Ryanair Holdings (ADR)	76	0.06
7,259	FBD Holdings	69	0.05
11,079	Origin Enterprises	60	0.05
		1,747	1.39
	United States - (1.17%)		
6,838	Philip Morris International	425	0.34
5,588	Zayo Group Holdings	155	0.12
		580	0.46
	Belgium - (1.06%)		
4,195	Anheuser-Busch InBev	323	0.26
4,382	KBC Ancora	178	0.14
5,972	Orange Belgium	77	0.06
		578	0.46
	Austria - (0.14%)		
10,632	Erste Group Bank	337	0.27
5,527	Wienerberger	103	0.08
3,338	Porr	86	0.07
		526	0.42
	Canada - (0.16%)		
44,139	Nevsun Resources	108	0.09
64,213	Africa Oil	42	0.03
		150	0.12
	Portugal - (0.10%)		
23,151	The Navigator Company	105	0.08
		105	0.08

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Guernsey - (0.00%)		
494,507	Pallinghurst Resources	68	0.05
		68	0.05
	Corporate Bonds - (0.14%)		
85,326	Ladbroke Group Finance 0.00% 31/12/2049	1	0.00
		1	0.00
	Futures - (0.00%)		
250	EURO STOXX 50 Commodity Future 21/09/2018	(14)	(0.01)
		(14)	(0.01)
	Portfolio of investments	124,108	98.47
	Cash and other net assets/(liabilities)	1,906	1.53
	Net assets	126,014	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period comparative percentages have been restated.

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Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Pre-Retirement Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Gilt Edged Securities - (31.47%)		
13,000,000	UK Gilt 2.75% 07/09/2024	14,302	7.78
8,350,000	UK Gilt 4.25% 07/06/2032	11,164	6.08
8,500,000	UK Gilt 3.25% 22/01/2044	11,126	6.05
5,050,000	UK Gilt 4.25% 07/03/2036	7,058	3.84
4,150,000	UK Gilt 4.25% 07/12/2049	6,723	3.66
6,000,000	UK Gilt 4.00% 07/03/2022	6,697	3.64
4,150,000	UK Gilt 4.75% 07/12/2038	6,342	3.45
3,850,000	UK Gilt 3.75% 22/07/2052	5,941	3.23
4,900,000	UK Gilt 1.50% 22/01/2021 Reg S	4,996	2.72
2,950,000	UK Gilt 4.25% 07/12/2046	4,613	2.51
2,500,000	UK Gilt 4.00% 22/01/2060	4,335	2.36
2,250,000	UK Gilt 3.50% 22/07/2068	3,762	2.05
1,450,000	UK Gilt 4.25% 07/12/2055	2,521	1.37
950,000	UK Gilt 4.50% 07/12/2042	1,473	0.80
50,000	UK Gilt 4.25% 07/12/2040	74	0.04
		91,127	49.59
	Corporate Bonds - (58.04%)		
2,150,000	Westpac Banking 2.125% 02/05/2025	2,138	1.16
1,350,000	GE Capital UK Funding 6.25% 05/05/2038 EMTN	1,876	1.02
1,100,000	Reseau Ferre de France 4.83% 25/03/2060 EMTN	1,851	1.01
1,049,000	Engie 5.95% 16/03/2111 EMTN Reg S	1,575	0.86
1,600,000	Barclays 2.375% VRN 06/10/2023 Reg S	1,569	0.85
970,000	Lloyds Bank 6.50% 17/09/2040 EMTN Reg S	1,457	0.79
1,300,000	Daimler International Finance 1.50% 18/08/2021 EMTN Reg S	1,296	0.71
1,300,000	HSBC Holdings 2.175% VRN 27/06/2023	1,292	0.70
1,250,000	AA Bond 2.875% 31/07/2043 Reg S	1,225	0.67
1,100,000	CPUK Finance 2.666% 28/02/2042 EMTN Reg S	1,117	0.61
1,076,000	Ladbrokes Group Finance 5.125% 08/09/2023 Reg S	1,112	0.61
1,050,000	Gazprom Capital Luxembourg 4.25% 06/04/2024 Reg S	1,069	0.58
750,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	1,028	0.56
950,000	University of Cambridge 2.35% 27/06/2078 Reg S	941	0.51
750,000	America Movil 4.948% 22/07/2033	904	0.49
800,000	Royal London Finance Bonds 6.125% VRN 30/11/2043 Reg S	884	0.48
750,000	BHP Billiton Finance 6.50% VRN 22/10/2077 Reg S	841	0.46
750,000	Phoenix Group Holdings Capital 5.75% 07/07/2021 Reg S	826	0.45
823,000	London & Quadrant Housing Trust 3.125% 28/02/2053 Reg S	813	0.44
800,000	Digital Stout Holding 2.75% 19/07/2024 Reg S	806	0.44
750,000	Society of Lloyds 4.75% 30/10/2024 Reg S	805	0.44
600,000	EDF 6.00% 23/01/2114 EMTN Reg S	773	0.42
750,000	Orbit Capital 3.375% 14/06/2048 Reg S	757	0.41
750,000	Liberty Living Finance 3.375% 28/11/2029 Reg S	754	0.41
775,000	Shaftesbury Carnaby 2.487% 30/09/2031	733	0.40
950,000	BAT International Finance 2.25% 09/09/2052 EMTN Reg S	714	0.39
550,000	British Land 5.264% 24/09/2035	694	0.38
700,000	Principality Building Society 2.375% 23/11/2023 EMTN Reg S	690	0.38
650,000	RAC Bond 4.565% 06/05/2046 EMTN Reg S	677	0.37
550,000	Lloyds Bank 5.125% 07/03/2025 EMTN Reg S	667	0.36
700,000	Petroleos Mexicanos 3.75% 21/02/2024 Reg S	628	0.34
1,132,000	Rowan Cos 5.40% 01/12/2042	613	0.33

Pre-Retirement Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
600,000	Annington Funding 3.184% 12/07/2029 EMTN Reg S	600	0.33
450,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	593	0.32
600,000	Land Securities Capital Markets 2.75% 22/09/2059 EMTN Reg S	590	0.32
529,000	Lloyds Banking Group 7.625% VRN (Perpetual)	578	0.31
500,000	AT&T 4.875% 01/06/2044	573	0.31
550,000	CYBG 5.00% VRN 09/02/2026 Reg S	570	0.31
580,000	Petrobras Global Finance 6.625% 16/01/2034	561	0.31
500,000	CNP Assurances 7.375% VRN 30/09/2041 Reg S	560	0.30
600,000	Petroleos Mexicanos 4.875% 21/02/2028 Reg S	549	0.30
550,000	AA Bond 2.75% 31/07/2043 EMTN Reg S	524	0.29
500,000	Virgin Media Secured Finance 6.25% 28/03/2029 Reg S	522	0.28
400,000	IPIC GMTN 6.875% 14/03/2026 EMTN Reg S	521	0.28
600,000	Vodafone Group 3.00% 12/08/2056 EMTN Reg S	513	0.28
650,000	Met Life Glb Funding I 2.30% 10/04/2019 144A	493	0.27
490,000	Newriver (REIT) 3.50% 07/03/2028 Reg S	483	0.26
400,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	481	0.26
400,000	Bank of Scotland 7.281% VRN (Perpetual)	474	0.26
450,000	Annington Funding 3.685% 12/07/2034 Reg S	460	0.25
450,000	London & Quadrant Housing Trust 2.625% 05/05/2026 Reg S	456	0.25
450,000	WM Treasury 3.25% 20/10/2048 Reg S	452	0.25
400,000	Zurich Finance (UK) 6.625% VRN (Perpetual) EMTN	449	0.24
500,000	HSBC Holdings 4.75% VRN (Perpetual) EMTN	437	0.24
350,000	HSBC Bank 5.375% 22/08/2033 EMTN Reg S	425	0.23
300,000	RWE Finance 6.125% 06/07/2039 EMTN	420	0.23
550,000	Pershing Square Holdings 5.50% 15/07/2022 Reg S	419	0.23
525,000	EDF 6.00% 22/01/2114 144A	418	0.23
550,000	BP Capital Markets 2.75% 10/05/2023	405	0.22
350,000	Glencore Finance (Europe) 6.00% VRN 03/04/2022 Reg S	396	0.22
300,000	GE Capital UK Funding 5.875% 18/01/2033 EMTN	390	0.21
350,000	Abbey National Treasury Services 5.125% 14/04/2021 EMTN Reg S	387	0.21
400,000	British Telecommunications 3.125% 21/11/2031 EMTN Reg S	386	0.21
400,000	Digital Euro Finco 2.625% 15/04/2024 Reg S	376	0.20
400,000	Bharti Airtel International Netherlands 3.375% 20/05/2021 Reg S	373	0.20
350,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	368	0.20
400,000	Phoenix Group Holdings 5.75% VRN (Perpetual) Reg S	367	0.20
350,000	Annington Funding 3.935% 12/07/2047 EMTN Reg S	362	0.20
300,000	University of Liverpool 3.375% 25/06/2055 Reg S	356	0.19
450,000	Microsoft 4.00% 12/02/2055	340	0.19
300,000	Intu SGS Finance 4.25% 17/09/2035 EMTN Reg S	331	0.18
350,000	Yorkshire Building Society 3.375% VRN 13/09/2028 EMTN Reg S	329	0.18
250,000	RWE Finance 6.25% 03/06/2030 EMTN	328	0.18
250,000	Northern Powergrid Yorkshire 5.125% 04/05/2035	326	0.18
200,000	Reseau Ferre de France 5.00% 11/03/2052 EMTN	323	0.18
300,000	TSB Banking Group 5.75% VRN 06/05/2026 EMTN	316	0.17
300,000	Close Brothers Group 4.25% 24/01/2027 Reg S	313	0.17
300,000	Provident Financial 7.00% 04/06/2023 EMTN Reg S	306	0.17
200,000	AT&T 7.00% 30/04/2040 EMTN	289	0.16
250,000	Intu SGS Finance 4.625% 17/03/2028 Reg S	282	0.15
300,000	NN Group 4.625% VRN 13/01/2048 Reg S	279	0.15
250,000	Marks & Spencer 4.75% 12/06/2025 EMTN	273	0.15

Pre-Retirement Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
250,000	Phoenix Group Holdings 4.125% 20/07/2022 EMTN Reg S	256	0.14
250,000	Land Securities Cap Markets 2.399% 08/02/2031 Reg S	252	0.14
250,000	Land Securities Capital Markets 1.974% 08/02/2026 Reg S	251	0.14
200,000	Lloyds Bank 4.875% 30/03/2027 EMTN	247	0.13
200,000	EDF 5.50% 27/03/2037 EMTN	246	0.13
400,000	European Investment Bank 6.00% 06/08/2020	241	0.13
200,000	Investec Bank 9.625% 17/02/2022 EMTN Reg S	239	0.13
200,000	HSBC Bank 6.50% 07/07/2023 EMTN Reg S	238	0.13
300,000	Scentre Management 2.375% 05/11/2019 144A	225	0.12
200,000	UNITE (USAF) II 3.921% 30/06/2025 Reg S	222	0.12
200,000	Admiral Group 5.50% 25/07/2024 Reg S	219	0.12
200,000	Anglian Water (Osprey) Financing 5.00% 30/04/2023 EMTN Reg S	203	0.11
150,000	University of Cambridge 3.75% 17/10/2052	199	0.11
200,000	London & Quadrant Housing Trust 2.625% 28/02/2028 Reg S	199	0.11
200,000	EDF 5.875% VRN (Perpetual) Reg S	198	0.11
200,000	Massachusetts Institute Technology 5.60% 01/07/2111	195	0.11
250,000	Korea Development Bank 3.00% 17/03/2019	190	0.10
150,000	CPUK Finance 7.239% 28/02/2024 EMTN Reg S	186	0.10
200,000	Telefonica Emisiones SAU 7.045% 20/06/2036	184	0.10
150,000	AA Bond 4.2487% 31/07/2043 Reg S	155	0.08
200,000	Empresa de Transporte de Pasajeros Metro 4.75% 04/02/2024 Reg S	155	0.08
200,000	Continental Resources Okla 4.50% 15/04/2023	155	0.08
200,000	Credit Agricole 8.125% VRN 19/09/2033	153	0.08
200,000	Korea Hydro & Nuclear Power 2.875% 02/10/2018 Reg S	152	0.08
200,000	Delek & Avner-Yam Tethys 5.082% 30/12/2023 144A	152	0.08
100,000	Yorkshire Water Services 6.375% 19/08/2039	152	0.08
100,000	Freshwater Finance 5.182% 20/04/2035	132	0.07
100,000	Abbey National Treasury Services 5.75% 02/03/2026 EMTN Reg S	128	0.07
100,000	Suez Environnement 5.375% 02/12/2030 EMTN	128	0.07
100,000	London Merchant Securities 6.50% 16/03/2026	125	0.07
100,000	Statoil 4.25% 10/04/2041 EMTN Reg S	125	0.07
100,000	Bankers Investment Trust 8.00% 31/10/2023	125	0.07
100,000	Aviva 6.875% VRN 20/05/2058 EMTN	121	0.07
100,000	America Movil 5.00% 27/10/2026	118	0.06
200,000	Samarco Mineracao 4.125% 01/11/2022 Reg S (Defaulted)	111	0.06
100,000	Lloyds Bank 5.75% VRN 09/07/2025 EMTN	106	0.06
102,000	Land Securities Capital Markets	100	0.05
100,000	Credit Suisse 5.75% VRN 18/09/2025	97	0.05
100,000	America Movil 4.125% 25/10/2019 EMTN	93	0.05
100,000	ONEOK Partners 6.20% 15/09/2043	85	0.05
100,000	HP 6.00% 15/09/2041	78	0.04
100,000	UnitedHealth Group 4.25% 15/03/2043	76	0.04
50,000	Engie 5.00% 01/10/2060 EMTN Reg S	74	0.04
50,000	Peel Holdings 8.375% STEP 30/04/2040	74	0.04
50,000	BAT International Finance 5.75% 05/07/2040 EMTN	67	0.04
50,000	Wales & West Utilities Finance 5.75% 29/03/2030	65	0.04
50,000	Broadgate Financing 4.821% 05/07/2036	65	0.04
50,000	East Japan Railway 4.875% 14/06/2034 EMTN Reg S	65	0.04
50,000	HSBC Holdings 6.00% 29/03/2040 EMTN Reg S	64	0.03
100,000	CenturyLink 7.65% 15/03/2042	63	0.03

Pre-Retirement Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
50,000	Annes Gate Property 5.661% 30/06/2031	63	0.03
50,000	Edinburgh Investment Trust 7.75% 30/09/2022	61	0.03
50,000	HSBC Bank 4.75% 24/03/2046 EMTN	60	0.03
50,000	Home Depot 4.875% 15/02/2044	42	0.02
50,000	Viacom 5.85% 01/09/2043	38	0.02
		62,260	33.88
	Mortgage Related Bonds - (4.40%)		
1,400,000	Newday Partnership Funding 2017 1 1.2564% VRN 15/12/2027 Reg S	1,399	0.76
900,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	834	0.45
750,000	Swan Housing Capital 3.625% 05/03/2048 Reg S	788	0.43
679,332	Together Asset Backed Securitisation 1 1.6246% VRN 12/03/2049 Reg S	682	0.37
450,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	454	0.25
340,590	Tesco Property Finance 3 5.744% 13/04/2040 Reg S	395	0.21
261,293	Tesco Property Finance 2 6.0517% 13/10/2039	308	0.17
280,000	SLM Student Loan Trust FRN 5.15% 15/12/2039 Reg S	269	0.15
200,000	High Speed Rail Finance 1 4.375% 01/11/2038 Reg S	243	0.13
285,188	Sprint Spectrum 3.36% 20/03/2023 144A	214	0.12
173,077	Equity Release Funding 3 5.70% 26/02/2031	205	0.11
200,000	Dignity Finance 4.6956% 31/12/2049 Reg S	193	0.11
144,950	Channel Tunnel Rail Link 5.234% 02/05/2035	182	0.10
239,125	Empresa Electrica Angamos 4.875% 25/05/2029 Reg S	176	0.10
113,865	Meadowhall Finance 4.986% 12/07/2037 Reg S	138	0.08
100,000	Dali Capital 4.7992% 21/12/2037	128	0.07
89,354	Tesco Property Finance 1 7.6227% 13/07/2039	119	0.06
98,493	Tesco Property Finance 5 5.6611% 13/10/2041 Reg S	114	0.06
100,000	Telereal Securitisation 4.0902% VRN 10/12/2033	104	0.06
86,059	Juturna European Loan Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	104	0.06
91,509	Premiertel 6.175% 08/05/2032	103	0.06
100,000	RHP Finance 3.25% 05/02/2048 Reg S	101	0.05
87,603	Dignity Finance 3.5456% 31/12/2034 Reg S	93	0.05
76,338	Unique Pub Finance 5.659% 30/06/2027	84	0.05
61,891	Longstone Finance 4.791% 19/04/2036	71	0.04
50,000	Peel South East 10.00% 30/04/2026	70	0.04
50,000	Equity Release Funding 3 5.05% 26/04/2033	61	0.03
43,006	Trafford Centre Finance 6.50% 28/07/2033	58	0.03
46,703	Equity Release Funding 2 5.88% 26/05/2032	57	0.03
45,320	White City Property Finance 5.1202% 17/04/2035	56	0.03
39,081	RMPA Services 5.337% 30/09/2038	49	0.03
24,382	BL Superstores Finance 5.27% 04/10/2030	27	0.01
		7,879	4.29
	Government Bonds - (3.74%)		
1,800,000	Saudi Arabia 3.25% 26/10/2026 Reg S	1,284	0.70
1,350,000	Qatar 2.375% 02/06/2021 Reg S	992	0.54
1,350,000	Qatar 3.25% 02/06/2026 Reg S	967	0.53
1,050,000	Kuwait 2.75% 20/03/2022 Reg S	778	0.42
1,050,000	Kuwait 3.50% 20/03/2027 Reg S	777	0.42
750,000	Colombia 5.625% 26/02/2044	603	0.33
		5,401	2.94
	Municipal Bond - (0.21%)		
450,000	University of California Revenues 4.858% 15/05/2112	364	0.20
		364	0.20

Pre-Retirement Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Interest Rate Swaps - (0.01%)		
4,000,000	Pay fixed 2.6212% receive float 3 Month USD LIBOR 24/01/2047	185	0.10
3,000,000	Receive fixed 1.7528% pay float 6 Month GBP LIBOR 26/01/2036	63	0.03
1,000,000	Receive fixed 1.6138% pay float 6 Month GBP LIBOR 19/01/2035	0	0.00
4,000,000	Receive fixed 0.6628% pay float 6 Month GBP LIBOR 19/01/2019	(3)	0.00
2,000,000	Receive fixed 1.5383% pay float 6 Month GBP LIBOR 18/01/2034	(19)	(0.01)
4,000,000	Receive fixed 0.8653% pay float 6 Month GBP LIBOR 19/01/2021	(21)	(0.01)
		205	0.11
	Futures - ((0.31)%)		
15,800,000	Long Gilt Commodity Future 26/09/2018	168	0.09
1,100,000	US 20 Year Long Bond (CBT) Commodity Future 19/09/2018	27	0.01
2,100,000	Euro-BOBL Commodity Future 06/09/2018	12	0.01
1,000,000	US 10 Year Treasury Note (CBT) Commodity Future 19/09/2018	6	0.00
100,000	Australian 10 Year Bond Commodity Future 17/09/2018	1	0.00
(600,000)	US 2 Year Treasury Note (CBT) Commodity Future 28/09/2018	0	0.00
(300,000)	US 10 Year Ultra Future Sep 18	(4)	0.00
(800,000)	EURO-BUND Commodity Future 06/09/2018	(6)	0.00
(4,900,000)	US 5 Year Treasury Note (CBT) Commodity Future 28/09/2018	(22)	(0.01)
(1,300,000)	EURO BUXL 30 Year Commodity Future 06/09/2018	(28)	(0.02)
(900,000)	US Ultra Bond Commodity Future 19/09/2018	(38)	(0.02)
(9,500,000)	Canadian 10 Year Commodity Bond Future 19/09/2018	(108)	(0.06)
		8	0.00
	Forward Foreign Exchange Contracts - ((0.29)%)		
1,116,000	Bought USD sold GBP @ 1.354985 for settlement 16/08/2018	24	0.01
300,000	Bought USD sold GBP @ 1.364925 for settlement 16/08/2018	8	0.00
(400,000)	Bought GBP sold AUD @ 1.819070 for settlement 16/08/2018	(4)	0.00
(4,066,000)	Bought GBP sold EUR @ 1.135583 for settlement 16/08/2018	(26)	(0.01)
(16,051,000)	Bought GBP sold USD @ 1.355524 for settlement 16/08/2018	(349)	(0.19)
		(347)	(0.19)
	Index Credit Default Swap - (0.00%)		
8,000,000	Bought Protection on ITRAXX XOver S28 20/12/2022	(639)	(0.35)
		(639)	(0.35)
	Portfolio of investments	166,258	90.47
	Cash and other net assets/(liabilities)	17,487	9.53
	Net assets	183,745	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Select Emerging Markets Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	China - (27.01%)		
188,001	Tencent Holdings	7,177	4.94
42,800	Alibaba Group Holding (ADR)	6,135	4.22
4,118,000	China Construction Bank (H)	2,892	1.99
381,200	Shanghai International Airport (A) 24/04/2019 (ELN)	2,431	1.67
3,740,000	Industrial & Commercial Bank of China (H)	2,126	1.46
56,420	JD.com (ADR)	1,672	1.15
111,600	Sunny Optical Technology Group	1,579	1.09
3,946,000	Bank of China (H)	1,485	1.02
1,110,000	CNOOC	1,456	1.00
710,000	China Life Insurance (H)	1,391	0.96
7,400	Baidu (A) (ADR)	1,364	0.94
18,270	New Oriental Ed & Tech Group (ADR)	1,305	0.90
168,000	ENN Energy Holdings	1,256	0.86
1,292,000	China Unicom Hong Kong	1,227	0.84
381,600	Tonghua Dongbao Pharma (A) 26/03/2019 (ELN)	1,051	0.72
1,058,000	Nine Dragons Paper Holdings	1,024	0.70
510,000	Geely Automobile Holdings	1,004	0.69
142,500	Ping AN Insurance Group China (H)	997	0.69
402,000	CSPC Pharmaceutical Group	922	0.63
1,592,000	MMG	839	0.58
94,694	Jiangsu Hengrui Medicine (A) 24/06/2019 (ELN)	824	0.57
9,100	Kweichow Moutai (A) 25/03/2019 (ELN)	765	0.53
294,500	Lens Technology (A) 24/06/2019 (ELN)	710	0.49
986,000	China Oilfield Services (H)	707	0.49
944,000	China Petroleum & Chemical (H)	641	0.44
215,200	China Pacific Insurance Group (H)	634	0.44
95,950	Midea Group (A) 22/10/2018 (ELN)	576	0.40
495,400	ZTE (H)	572	0.39
732,000	Shenzhen Expressway (H)	547	0.38
108,431	Yichang Hec Changjiang Pharmaceutical (H)	420	0.29
2,070	NetEase (ADR)	389	0.27
145,000	Longfor Properties	298	0.20
		46,416	31.92
	Korea - (16.59%)		
207,961	Samsung Electronics	6,629	4.56
9,639	LG Chemical	2,197	1.51
26,453	SK Hynix	1,547	1.06
6,153	POSCO	1,381	0.95
32,329	KB Financial Group	1,167	0.80
8,588	Orion Corporation	874	0.60
89,948	LG Uplus	861	0.59
37,075	Hyundai Marine & Fire Insurance	854	0.59
3,203	AmorePacific	705	0.48
23,665	Hana Financial Group	693	0.48
10,858	Coway	640	0.44
5,518	Hyundai Motor	471	0.32
3,881	Samsung Electro-Mechanics	392	0.27
		18,411	12.66

Select Emerging Markets Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	India - (10.46%)		
290,452	Reliance Industries	3,139	2.16
104,683	Housing Development Finance	2,219	1.53
244,699	Axis Bank	1,381	0.95
250,174	Adani Ports & Special Eco Zone	1,034	0.71
312,233	Motherson Sumi Systems	982	0.68
41,552	HDFC Bank	974	0.67
309,255	Indraprastha Gas	869	0.60
128,405	Future Retail	816	0.56
113,323	Sun Pharmaceutical Industries	709	0.49
266,110	Petronet LNG	649	0.45
149,462	State Bank India	430	0.30
		13,202	9.08
	Taiwan - (10.63%)		
1,164,000	Taiwan Semiconductor Manufacturing	6,282	4.32
3,592,000	United Microelectronics	1,521	1.05
253,698	Bizlink Holding	1,360	0.94
1,496,266	E.Sun Financial Holdings	794	0.55
371,000	Hon Hai Precision Industry	770	0.53
576,000	Fubon Financial Holding	734	0.50
62,000	Catcher Technology	527	0.36
4,000	Largan Precision	446	0.31
52,000	MediaTek	389	0.27
		12,823	8.82
	Brazil - (7.51%)		
161,857	Vale (ADR)	1,574	1.08
187,940	Petroleo Brasileiro-Petrobras (ADR)	1,406	0.97
156,571	Itau Unibanco Holding	1,222	0.84
233,400	Localiza Rent A CAR	1,087	0.75
198,648	Banco Bradesco	1,029	0.71
246,700	Petrobras Distribuidora	887	0.61
67,600	Azul (ADR)	861	0.59
109,900	Hapvida Participacoes E Investimentos	652	0.45
175,186	Banco ABC Brasil	520	0.36
55,200	Telefonica Brasil	489	0.34
123,900	Ambev	440	0.30
26,100	Equatorial Energia	296	0.20
200	Petroleo Brasileiro-Petrobras	1	0.00
		10,464	7.20
	South Africa - (4.90%)		
20,582	Naspers (N)	3,843	2.64
118,617	Barclays Africa Group	1,028	0.71
101,244	Discovery	828	0.57
55,489	Foschini	536	0.37
17,808	Sasol	494	0.34
80,671	MTN Group	474	0.33
107,964	FirstRand	376	0.26
7,172	Capitec Bank Holdings	341	0.23
		7,920	5.45

Select Emerging Markets Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Russia - (3.99%)		
863,249	Sberbank Russia (USD)	2,250	1.55
29,813	LUKOIL (ADR)	1,541	1.06
754,300	ALROSA (USD)	909	0.63
20,753	Mail.Ru Group (GDR)	455	0.31
500	Novatek (GDR)	56	0.04
		5,211	3.58
	Mexico - (2.65%)		
526,600	Walmart de Mexico	1,063	0.73
111,990	Gruma (B)	1,037	0.71
167,200	Grupo Finance Banorte	729	0.50
128,662	Cemex (ADR)	643	0.44
69,900	Fomento Eco Mexico	463	0.32
		3,935	2.71
	Indonesia - (2.46%)		
9,160,900	Bank Rakyat Indonesia	1,381	0.95
4,995,200	Telekomunikasi Indonesia PT	995	0.68
812,100	Semen Indonesia Persero	307	0.21
		2,683	1.85
	Thailand - (1.33%)		
257,100	Kasikornbank (F)	1,182	0.81
439,400	CP ALL (F)	742	0.51
1,520,500	Star Petroleum Refining	454	0.31
		2,378	1.64
	Turkey - (1.26%)		
71,439	Türkiye Petrol Rafinerileri	1,286	0.88
85,161	BİM Birlesik Magazalar	957	0.66
		2,243	1.54
	United Arab Emirates - (1.27%)		
84,998	DP World	1,455	1.00
157,834	First Abu Dhabi Bank	397	0.27
		1,852	1.27
	Philippines - (1.46%)		
2,332,400	Ayala Land	1,258	0.87
		1,258	0.87
	Peru - (0.46%)		
6,230	Credicorp	1,050	0.72
		1,050	0.72
	Malaysia - (1.14%)		
1,046,700	Gamuda	645	0.44
349,600	CIMB Group Holdings	359	0.25
		1,004	0.69
	Hungary - (0.00%)		
33,917	OTP Bank	912	0.63
		912	0.63
	Poland - (0.00%)		
21,791	KRUK	876	0.60
		876	0.60

Select Emerging Markets Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
12,100	Colombia - (0.00%) Bancolombia (ADR)	441	0.30
		441	0.30
5,590	United States - (0.37%) Copa Holdings (A)	401	0.28
		401	0.28
47,300	Argentina - (0.00%) Central Puerto (ADR)	361	0.25
		361	0.25
8,900	Futures - ((0.02)%) Mini MSCI Em MK Index Future 21/09/2018	(194)	(0.13)
		(194)	(0.13)
	Portfolio of investments	133,647	91.93
	Cash and other net assets/(liabilities)	11,743	8.07
	Net assets	145,390	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Select Global Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	United States - (57.72%)		
130,800	Microsoft	9,818	2.08
7,000	Amazon	9,064	1.92
54,500	Apple	7,694	1.63
68,800	Chevron	6,580	1.39
141,900	Intel	5,319	1.13
235,900	Bank of America	5,149	1.09
31,000	Facebook (A)	4,629	0.98
401,400	AES	4,127	0.87
21,900	UnitedHealth Group	4,082	0.86
64,100	Philip Morris International	3,984	0.84
95,600	Wells Fargo	3,901	0.83
4,582	Alphabet (C)	3,885	0.82
48,600	JPMorgan Chase	3,881	0.82
4,440	Alphabet (A)	3,807	0.81
87,700	QUALCOMM	3,731	0.79
72,360	Citigroup	3,684	0.78
38,600	United Technologies	3,660	0.77
35,700	Sarepta Therapeutics	3,633	0.77
42,200	LyondellBasell Industries	3,512	0.74
23,200	MasterCard (A)	3,479	0.74
139,000	Boston Scientific	3,438	0.73
65,700	ConocoPhillips	3,421	0.72
24,400	Amgen	3,404	0.72
29,200	Norfolk Southern	3,327	0.70
29,100	Vertex Pharmaceuticals	3,269	0.69
58,100	Anadarko Petroleum	3,253	0.69
17,800	Adobe Systems	3,248	0.69
27,200	McDonalds	3,236	0.68
13,900	Humana	3,141	0.66
30,200	Visa (A)	3,050	0.65
29,200	salesforce.com	3,003	0.64
15,500	Becton Dickinson	2,828	0.60
12,000	Northrop Grumman	2,810	0.59
36,400	Neurocrine Biosciences	2,693	0.57
52,933	Dowdupont	2,665	0.56
77,400	Coca Cola	2,561	0.54
17,900	General Dynamics	2,553	0.54
27,300	Alexion Pharmaceuticals	2,528	0.54
35,800	Capital One Financial	2,519	0.53
13,300	Broadcom	2,479	0.52
28,300	Phillips 66	2,407	0.51
22,400	Union Pacific	2,399	0.51
144,700	Marvell Technology Group	2,396	0.51
73,200	Cisco Systems	2,392	0.51
47,200	CVS Health	2,363	0.50
68,000	CF Industries Holdings	2,292	0.49
24,200	Travelers Cos	2,255	0.48
29,400	Extra Space Storage	2,239	0.47
27,600	Royal Caribbean Cruises	2,191	0.46
78,600	Ebay	2,162	0.46

Select Global Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
15,000	Berkshire Hathaway	2,136	0.45
35,200	Cognizant Technology Solutions (A)	2,117	0.45
96,300	PPL	2,097	0.44
22,200	EOG Resources	2,086	0.44
64,600	Exelon	2,081	0.44
181,300	Huntington Bancshares	2,053	0.43
28,000	Lowes	2,045	0.43
37,300	AMETEK	2,036	0.43
26,837	Danaher	2,014	0.43
44,100	T-Mobile US	2,009	0.43
5,400	Intuitive Surgical	1,987	0.42
58,400	MetLife	1,953	0.41
35,100	Akamai Technologies	1,936	0.41
72,000	Cinemark Holdings	1,936	0.41
6,400	Netflix	1,926	0.41
42,400	Leidos Holdings	1,893	0.40
49,300	Twenty-First Century Fox (A)	1,868	0.40
17,600	Deere	1,868	0.40
72,700	Synchrony Financial	1,826	0.39
31,400	Activision Blizzard	1,816	0.38
138,700	Freeport McMoran	1,773	0.38
21,100	JM Smucker	1,751	0.37
15,900	American Tower	1,745	0.37
36,700	Welltower	1,741	0.37
17,000	Cummins	1,724	0.36
4,500	BlackRock	1,719	0.36
29,700	Las Vegas Sands	1,709	0.36
23,300	State Street	1,672	0.35
37,200	Monster Beverage	1,607	0.34
29,900	Bunge	1,584	0.34
20,700	Dollar General	1,562	0.33
40,100	Verizon Communications	1,552	0.33
94,400	Qurate Retail Group Qvc Group (A)	1,522	0.32
18,000	Global Payments	1,507	0.32
8,300	Alliance Data Systems	1,488	0.31
45,100	HD Supply Holdings	1,480	0.31
28,600	Molson Coors Brewing (B)	1,476	0.31
59,000	Comcast (A)	1,465	0.31
900	The Booking Holdings	1,383	0.29
10,600	Cigna	1,369	0.29
20,600	Dollar Tree	1,333	0.28
44,900	US Foods Holding	1,295	0.27
16,000	Walt Disney	1,276	0.27
24,200	Tyson Foods (A)	1,276	0.27
59,785	Liberty Global (A)	1,270	0.27
28,400	Altria Group	1,238	0.26
29,300	Bristol-Myers Squibb	1,233	0.26
38,700	Mondelez International	1,205	0.26
7,800	Home Depot	1,159	0.25
10,500	Autoliv	1,135	0.24
22,400	Deluxe	1,128	0.24

Select Global Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
14,100	Cboe Global Markets	1,114	0.24
18,568	Fortive	1,071	0.23
26,900	ITT	1,059	0.22
30,800	Wyndham Destinations	1,038	0.22
12,700	Westlake Chemical	1,030	0.22
92,300	General Electric	971	0.21
20,300	Agilent Technologies	947	0.20
91,100	FNB PA	942	0.20
3,200	Tesla	852	0.18
70,300	Coty (A)	747	0.16
		274,972	58.20
	Japan - (8.53%)		
53,300	Nippon Telegraph & Telephone	1,846	0.39
148,200	ORIX	1,783	0.38
393,000	Mitsubishi UFJ Finance Group	1,704	0.36
68,400	Honda Motor	1,528	0.32
27,600	SoftBank Group	1,511	0.32
108,700	ITOCHU	1,499	0.32
30,400	Sony	1,184	0.25
20,100	Kao	1,168	0.25
110,500	Panasonic	1,134	0.24
2,400	Keyence	1,032	0.22
54,700	Mitsui Fudosan	1,005	0.21
162,000	Hitachi	870	0.18
24,000	Tokio Marine Holdings	856	0.18
7,400	Nidec	846	0.18
349,000	Toshiba	797	0.17
10,200	TDK	794	0.17
26,300	Bridgestone	783	0.17
23,100	Takeda Pharmaceutical	742	0.16
18,500	Asahi Group Holdings	721	0.15
24,100	Asahi Glass	715	0.15
16,100	Hoya	697	0.15
7,600	Daikin Industries	694	0.15
33,800	Mitsui Chemicals	686	0.15
11,000	Shiseido	666	0.14
49,600	JSR	644	0.14
4,900	Tokyo Electron	641	0.14
29,500	Recruit	622	0.13
2,200	SMC	615	0.13
59,400	Isuzu Motors	600	0.13
46,100	Minebea Mitsumi	593	0.13
14,100	Suzuki Motor	592	0.13
25,300	Subaru	561	0.12
12,100	Taisei	508	0.11
30,900	Sony Financial Holdings	449	0.10
6,600	Shin-Etsu Chemical	448	0.09
1,800	Nintendo	448	0.09
9,700	Trend Micro	420	0.09
16,200	Sumitomo Heavy Industries	416	0.09
14,900	Mitsubishi Heavy Industries	413	0.09

Select Global Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
28,900	DeNA	413	0.09
13,100	Hitachi High Technologies	407	0.09
54,300	Renesas Electronics	405	0.09
26,300	Iida Group Holdings	386	0.08
9,600	Shionogi	376	0.08
9,400	Chugai Pharmaceutical	375	0.08
23,000	Kamigumi	364	0.08
2,400	Fanuc	363	0.08
13,000	Start Today	358	0.08
3,000	Nitori Holdings	357	0.08
9,300	Makita	317	0.07
23,600	Santen Pharmaceutical	313	0.07
1,700	Kose	279	0.06
8,800	Coca Cola Bottlers Japan Holdings	267	0.06
700	Aeon Financial Service	11	0.00
		38,222	8.09
	United Kingdom - (6.25%)		
623,942	BP	3,616	0.77
45,342	AstraZeneca	2,396	0.51
58,117	British American Tobacco	2,266	0.48
273,397	Standard Chartered	1,901	0.40
92,839	BHP Billiton	1,591	0.34
32,172	Unilever	1,358	0.29
71,003	Prudential	1,237	0.26
324,721	Glencore	1,174	0.25
24,808	Shire	1,060	0.22
22,416	Rio Tinto	945	0.20
275,794	Standard Life Aberdeen PLC	903	0.19
33,446	CRH	899	0.19
1,294,933	Lloyds Banking Group	816	0.17
305,847	Tesco	793	0.17
79,356	Rolls-Royce Holdings	785	0.17
111,428	BAE Systems	722	0.15
11,341	Ferguson	700	0.15
23,038	Imperial Brands	655	0.14
12,017	Carnival	522	0.11
37,603	Micro Focus International	503	0.11
41,313	WPP	495	0.10
54,423	Informa	453	0.10
19,655	Ashtead Group	452	0.10
89,083	Aviva	450	0.10
19,517	Bunzl	449	0.10
22,464	Weir Group	445	0.09
37,345	St James Place	429	0.09
39,595	Playtech	297	0.06
81,503	Direct Line Insurance Group	280	0.06
4,337	Randgold Resources	252	0.05
34,269	John Wood Group	218	0.05
33,624	B&M European Value Retail S.A.	136	0.03
5,634,276	Rolls-Royce Holdings Class	6	0.00
		29,204	6.18

Select Global Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	France - (3.88%)		
51,880	Total	2,402	0.51
24,769	Vinci SA	1,816	0.38
23,437	Sanofi	1,436	0.30
75,008	Vivendi	1,403	0.30
41,448	Societe Generale France (A)	1,330	0.28
2,848	Kering	1,222	0.26
10,254	Capgemini	1,043	0.22
8,034	Pernod Ricard	1,000	0.21
14,538	Schneider Electric	919	0.19
15,590	Danone	873	0.18
24,073	Compagnie de Saint-Gobain	823	0.17
24,584	Bouygues	809	0.17
6,252	Ipsen	744	0.16
19,077	Accor	711	0.15
8,390	Eiffage	697	0.15
7,129	Air Liquide	679	0.14
40,876	Rexel	448	0.09
3,811	Atos SE	397	0.08
6,108	Amundi	320	0.07
2,438	Wendel	256	0.05
1,397	Iliad Group	170	0.04
		19,498	4.13
	Germany - (3.47%)		
24,034	SAP SE	2,098	0.44
23,384	BASF SE	1,697	0.36
131,709	Deutsche Telekom	1,548	0.33
8,916	Allianz SE	1,391	0.29
159,943	E.ON SE	1,293	0.27
8,201	Volkswagen Preferred	1,040	0.22
5,916	Munich RE Group	950	0.20
5,260	Linde	948	0.20
21,356	Vonovia SE	771	0.16
13,569	Porsche Automobil Holding Non Voting Preferred	662	0.14
34,537	K&S	645	0.14
4,991	Wirecard	613	0.13
5,667	Morphosys	522	0.11
20,700	Morphosys (ADR)	464	0.10
59,405	Commerzbank	435	0.09
2,828	MTU Aero Engines	409	0.09
5,341	Fresenius Medical Care	407	0.09
19,784	Prosiebensat.1 Media SE	384	0.08
843	Puma	372	0.08
115,997	Telefonica Deutschland Holding	346	0.07
11,844	Deutsche Post	294	0.06
6,000	Akasol	266	0.06
		17,555	3.72

Select Global Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Canada - (3.42%)		
31,800	Royal Bank of Canada	1,803	0.38
32,500	Toronto Dominion Bank	1,413	0.30
44,852	Suncor Energy	1,362	0.29
410,100	Bombardier (B)	1,196	0.25
22,600	Bank of Nova Scotia	974	0.21
19,440	Nutrien	790	0.17
22,600	Brookfield Asset Management (A)	689	0.15
22,300	Sun Life Financial	670	0.14
19,200	Alimentation Couche-Tard (B)	638	0.14
58,600	Encana	584	0.12
22,000	Canadian Apartment Properties (REIT)	537	0.11
35,200	PrairieSky Royalty	529	0.11
28,000	Great West Lifeco	516	0.11
10,000	Groupe CGI (A)	477	0.10
62,200	Cenovus Energy	475	0.10
76,800	Nuvista Energy	403	0.09
14,100	TELUS	378	0.08
10,600	Agnico Eagle Mines	360	0.08
23,400	Quebecor (B)	359	0.08
600	Constellation Software	348	0.07
5,800	Franco Nevada	319	0.07
73,000	Lundin Mining	298	0.06
17,400	AutoCanada	167	0.04
		15,285	3.23
	Switzerland - (2.85%)		
16,581	Roche Holdings	2,780	0.59
35,504	Novartis	2,025	0.43
5,400	Zurich Insurance Group	1,213	0.26
104,189	Credit Suisse Group	1,192	0.25
4,170	Lonza Group	839	0.18
10,036	Swiss RE	661	0.14
1,553	Swatch Group	555	0.12
		9,265	1.96
	Australia - (2.46%)		
26,190	Macquarie Group	1,816	0.38
81,552	BHP Billiton	1,551	0.33
12,701	CSL	1,372	0.29
220,858	Insurance Australia Group	1,056	0.22
91,775	Lendlease Group	1,020	0.22
136,152	QBE Insurance Group	744	0.16
98,093	Challenger	651	0.14
154,327	South32	312	0.07
23,737	James Hardie Industries	302	0.06
		8,824	1.87

Select Global Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Hong Kong - (1.57%)		
161,400	AIA Group	1,074	0.23
282,000	BOC Hong Kong Holdings	1,011	0.21
119,272	CK Hutchison Holdings	962	0.20
167,090	Henderson Land Development	673	0.14
1,084,000	WH Group	670	0.14
689,000	HKT Trust & HKT	666	0.14
442,901	Sino Land	548	0.12
47,200	ASM Pacific Technology	453	0.10
22,500	Hang Seng Bank	428	0.09
		6,485	1.37
	Sweden - (1.33%)		
60,790	Lundin Petroleum	1,480	0.31
129,193	Nordea Bank	939	0.20
47,740	Alfa-Laval	855	0.18
39,887	Swedbank	647	0.14
33,939	Essity (B)	633	0.13
50,629	Volvo	609	0.13
		5,163	1.09
	Netherlands - (1.19%)		
48,361	Unilever	2,057	0.44
33,998	Koninklijke Philips	1,099	0.23
5,710	ASML Holding	861	0.18
1,400	Adyen	583	0.12
13,700	Coca-Cola European Partners	420	0.09
		5,020	1.06
	Belgium - (0.78%)		
26,167	Anheuser-Busch InBev	2,012	0.43
19,945	KBC Groep	1,165	0.25
20,702	Umicore	905	0.19
11,555	Telenet Group Holding	409	0.09
		4,491	0.95
	Spain - (1.69%)		
21,394	Amadeus IT Group (A)	1,277	0.27
100,013	Bankinter	744	0.16
139,981	Banco Santander	572	0.12
158,521	CaixaBank	522	0.11
330,000	Unicaja Banco	425	0.09
11,895	Aedas Homes SL	322	0.07
		3,862	0.82
	Finland - (0.23%)		
88,623	Fortum	1,601	0.34
37,671	Stora Enso	558	0.12
20,565	Wartsila	305	0.06
		2,464	0.52
	Norway - (0.19%)		
88,166	Statoil	1,772	0.38
16,808	Yara International	531	0.11
		2,303	0.49

Select Global Equities Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Singapore - (0.13%)		
76,183	United Overseas Bank	1,137	0.24
68,300	DBS Group Holdings	1,014	0.21
		2,151	0.46
	Italy - (0.61%)		
300,419	Intesa Sanpaolo	668	0.14
77,774	CNH Industrial (IT)	627	0.13
27,619	Tenaris	384	0.08
		1,679	0.36
	Denmark - (0.42%)		
37,660	Danske Bank	892	0.19
493	AP Moller Maersk (B)	459	0.10
11,000	Netcompany Group	307	0.06
		1,658	0.35
	China - (0.16%)		
41,900	Melco Resorts And Entertainment (ADR)	892	0.19
		892	0.19
	Austria - (0.00%)		
25,992	Erste Group Bank	825	0.17
		825	0.17
	New Zealand - (0.06%)		
186,077	Spark New Zealand	357	0.08
		357	0.08
	Futures - (0.00%)		
1,000	Mini MSCI Eafe Index Future 21/09/2018	(45)	(0.01)
6,200	E-Mini S&P 500 Index Future 21/09/2018	(234)	(0.05)
		(279)	(0.06)
	Portfolio of investments	449,896	95.23
	Cash and other net assets/(liabilities)	22,598	4.77
	Net assets	472,494	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	China - (29.76%)		
296,200	Tencent Holdings	11,309	6.77
57,969	Alibaba Group Holding (ADR)	8,311	4.98
6,459,400	China Construction Bank (H)	4,537	2.72
465,000	China Mobile	3,142	1.88
216,600	Sunny Optical Technology Group	3,066	1.84
3,716,600	China Petroleum & Chemical (H)	2,523	1.51
4,108,000	Industrial & Commercial Bank of China (H)	2,335	1.40
188,000	Shenzhou International Group Holdings	1,766	1.06
885,000	China Life Insurance (H)	1,734	1.04
181,165	Jiangsu Hengrui Medicine (A)	1,577	0.94
578,000	China Resources Land	1,480	0.89
329,925	Hangzhou Hikvision Digital Technology (A)	1,407	0.84
42,426	Yum China Holdings	1,250	0.75
391,200	China Pacific Insurance Group (H)	1,152	0.69
312,200	Zhuzhou CRRC Times Electric (H)	1,126	0.67
399,872	Guangdong Haid Group (A)	970	0.58
168,165	Autek China (A)	866	0.52
1,056,000	Sinopec Engineering Group (H)	839	0.50
272,496	Tonghua Dongbao Pharma (A)	750	0.45
177,161	Angel Yeast (A)	726	0.43
1,914,000	China Molybdenum (H)	705	0.42
855,000	Sensetime Group	152	0.09
		51,723	30.98
	Australia - (19.17%)		
39,983	CSL	4,320	2.59
255,138	Westpac Banking	4,192	2.51
67,936	Commonwealth Bank Australia	2,776	1.66
150,396	Aristocrat Leisure	2,606	1.56
136,136	BHP Billiton	2,590	1.55
300,061	Appen	2,251	1.35
80,585	Wesfarmers	2,231	1.34
193,916	Suncorp Group	1,587	0.95
47,068	Ramsay Healthcare	1,425	0.85
1,087,571	Spark Infrastructure Group	1,391	0.83
28,556	Rio Tinto	1,337	0.80
483,734	Incitec Pivot	982	0.59
191,089	Oil Search	954	0.57
427,542	Orora	856	0.51
329,949	Domain Holdings Australia	594	0.36
7,938,620	BGP Holdings	0	0.00
		30,092	18.03
	Hong Kong - (8.63%)		
810,400	AIA Group	5,392	3.23
338,000	Link Real Estate Investment Trust	2,349	1.41
110,700	Hang Seng Bank	2,107	1.26
291,000	Wharf Real Estate Investment	1,576	0.94
272,000	Cheung Kong Infrastructure Holdings	1,534	0.92
541,600	Wynn Macau	1,326	0.79
241,500	Power Assets Holdings	1,285	0.77

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
859,000	China Resources Pharmaceutical Group	900	0.54
1,760,000	Giordano International	840	0.50
62,400	ASM Pacific Technology	599	0.36
		17,908	10.73
	Taiwan - (11.83%)		
1,042,000	Taiwan Semiconductor Manufacturing	5,624	3.37
665,000	Formosa Chemicals & Fibre	2,019	1.21
2,667,000	Mega Financial Holding	1,789	1.07
1,799,000	TSRC	1,470	0.88
925,000	Quanta Computer	1,234	0.74
617,000	Far EasTone Telecommunications	1,215	0.73
931,000	Fubon Financial Holding	1,186	0.71
66,000	ST Shine Optical	1,149	0.69
107,088	Gourmet Master	789	0.47
154,771	Advantech	773	0.46
55,274	Eclat Textile	499	0.30
		17,747	10.63
	Korea - (13.04%)		
200,050	Samsung Electronics	6,377	3.82
59,032	KB Financial Group	2,130	1.28
61,032	Shinhan Financial Group	1,804	1.08
64,850	Samsung Electronics Preferred	1,666	1.00
9,644	SK Innovation	1,328	0.80
107,896	LG Uplus	1,032	0.62
5,299	Samsung Fire & Marine Insurance	956	0.57
11,712	Kumho Petro Chemical	928	0.56
10,593	Hyundai Motor	905	0.54
7,377	Hanssem	527	0.32
		17,653	10.57
	India - (8.56%)		
142,522	Tata Consultancy Services	2,920	1.75
109,346	HDFC Bank	2,562	1.53
221,547	Reliance Industries	2,395	1.43
99,944	Housing Development Finance	2,118	1.27
254,573	Mahindra & Mahindra Financial Services	1,333	0.80
165,720	Container of India	1,195	0.72
78,136	Kotak Mahindra Bank	1,166	0.70
149,590	Cummins India	1,080	0.65
116,989	Future Retail	743	0.45
88,100	ICICI Lombard Gen Insurance	695	0.42
4,066	Praxis Home Retail	8	0.00
		16,215	9.71
	Thailand - (3.06%)		
219,400	Electricity Generating (F)	1,129	0.68
1,009,000	PTT (F)	1,107	0.66
411,600	Tisco Financial Group (F)	794	0.48
377,100	PTT Global Chemical (F)	633	0.38
		3,663	2.19

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Singapore - (2.30%)		
151,800	United Overseas Bank	2,266	1.36
625,700	Singapore Telecommunications	1,075	0.64
		3,341	2.00
	Indonesia - (0.93%)		
3,610,800	Astra International	1,264	0.76
8,182,600	Bank Rakyat Indonesia	1,233	0.74
		2,497	1.50
	Malaysia - (0.64%)		
810,800	CIMB Group Holdings	832	0.50
609,300	SP Setia	348	0.21
		1,180	0.71
	New Zealand - (0.00%)		
146,322	Fisher & Paykel Healthcare (AU)	1,122	0.67
		1,122	0.67
	Philippines - (0.00%)		
2,205,262	Robinsons Land	576	0.35
		576	0.35
	United States - (0.26%)		
35	Fidelity Institutional USD Fund Class A-Acc	468	0.28
		468	0.28
	Portfolio of investments	164,185	98.35
	Cash and other net assets/(liabilities)	2,759	1.65
	Net assets	166,944	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Sterling Core Plus Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Corporate Bonds - (58.82%)		
1,400,000	GE Capital UK Funding 8.00% 14/01/2039 EMTN Reg S	2,303	1.91
1,972,000	AA Bond 2.875% 31/07/2043 Reg S	1,933	1.61
1,405,000	South Eastern Power Networks 5.625% 30/09/2030 EMTN	1,795	1.49
2,250,000	Gilead Sciences 4.75% 01/03/2046	1,769	1.47
2,200,000	BAT International Finance 2.25% 09/09/2052 EMTN Reg S	1,653	1.37
1,250,000	Bank of Scotland 7.281% VRN (Perpetual)	1,482	1.23
1,847,000	EDF 6.00% 22/01/2114 144A	1,471	1.22
770,000	Thames Water Utilities 7.738% 09/04/2058 Reg S	1,451	1.21
1,450,000	Westpac Banking 2.125% 02/05/2025	1,441	1.20
1,625,000	AT&T 3.15% 04/09/2036	1,439	1.20
1,000,000	HSBC Holdings 6.00% 29/03/2040 EMTN Reg S	1,283	1.07
1,400,000	National Grid Gas Finance 2.625% 22/09/2038 EMTN Reg S	1,276	1.06
800,000	E.ON International Finance 5.875% 30/10/2037 EMTN	1,080	0.90
1,250,000	Vodafone Group 3.00% 12/08/2056 EMTN Reg S	1,068	0.89
1,100,000	Cadent Finance 2.75% 22/09/2046 EMTN Reg S	993	0.83
900,000	Deutsche Bank 1.875% 28/02/2020 EMTN	888	0.74
600,000	AT&T 7.00% 30/04/2040 EMTN	868	0.72
850,000	HSBC Holdings 2.175% VRN 27/06/2023	845	0.70
800,000	TSB Banking Group 5.75% VRN 06/05/2026 EMTN	842	0.70
800,000	Daimler International Finance 1.50% 18/08/2021 EMTN Reg S	798	0.66
750,000	Gazprom Capital Luxembourg 4.25% 06/04/2024 Reg S	764	0.64
600,000	EDF 5.50% 17/10/2041 EMTN Reg S	751	0.62
700,000	UNITE (USAF) II 3.374% 30/06/2028	746	0.62
800,000	Volkswagen International Finance 2.70% VRN (Perpetual)	691	0.57
500,000	Orange 5.375% 22/11/2050 EMTN	680	0.57
650,000	Ladbroke's Group Finance 5.125% 08/09/2023 Reg S	672	0.56
600,000	University of Cambridge 2.35% 27/06/2078 Reg S	594	0.49
600,000	Verizon Communications 3.125% 02/11/2035	571	0.47
450,000	Enel Finance International 5.75% 14/09/2040 EMTN	570	0.47
500,000	National Grid Electric Transmission 4.00% 08/06/2027 EMTN Reg S	570	0.47
531,000	Intu SGS Finance 3.875% 17/03/2023 Reg S	562	0.47
563,000	London & Quadrant Housing Trust 3.125% 28/02/2053 Reg S	556	0.46
550,000	Digital Stout Holding 2.75% 19/07/2024 Reg S	554	0.46
550,000	Digital Stout Holding 3.30% 19/07/2029 Reg S	553	0.46
575,000	Shaftesbury Carnaby 2.487% 30/09/2031	544	0.45
750,000	Dai-ichi Life Insurance 4.00% VRN (Perpetual) Reg S	535	0.44
550,000	Gatwick Funding 3.125% 28/09/2041 EMTN Reg S	533	0.44
500,000	AT&T 4.25% 01/06/2043	525	0.44
525,000	McKesson 3.125% 17/02/2029	520	0.43
500,000	Orbit Capital 3.375% 14/06/2048 Reg S	505	0.42
500,000	Liberty Living Finance 3.375% 28/11/2029 Reg S	503	0.42
350,000	Orsted 5.75% 09/04/2040 EMTN Reg S	495	0.41
500,000	Verizon Communications 3.375% 27/10/2036	488	0.41
600,000	WPP Finance 2013 2.875% 14/09/2046 EMTN Reg S	484	0.40
500,000	University of Southampton 2.25% 11/04/2057 Reg S	454	0.38
450,000	Principality Building Society 2.375% 23/11/2023 EMTN Reg S	443	0.37
400,000	CYBG 5.00% VRN 09/02/2026 Reg S	414	0.34
400,000	Annington Funding 3.184% 12/07/2029 EMTN Reg S	400	0.33
300,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	396	0.33
400,000	Land Securities Capital Markets 2.75% 22/09/2059 EMTN Reg S	393	0.33

Sterling Core Plus Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
300,000	Southern Electric Power Distribution 5.50% 07/06/2032	388	0.32
350,000	Royal London Finance Bonds 6.125% VRN 30/11/2043 Reg S	387	0.32
400,000	Thames Water Utilities 2.875% 03/05/2027 EMTN Reg S	386	0.32
260,000	Eastern Power Networks 6.25% VRN 12/11/2036 EMTN Reg S	373	0.31
400,000	Walmart 5.625% 15/04/2041	369	0.31
400,000	Petroleos Mexicanos 4.875% 21/02/2028 Reg S	366	0.30
300,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	361	0.30
250,000	Veolia Environnement 6.125% 29/10/2037 EMTN	351	0.29
350,000	Annington Funding 2.646% 12/07/2025 EMTN Reg S	348	0.29
300,000	Lloyds Banking Group 7.625% VRN (Perpetual)	328	0.27
318,000	Newriver (REIT) 3.50% 07/03/2028 Reg S	313	0.26
300,000	Annington Funding 3.685% 12/07/2034 Reg S	306	0.25
350,000	HSBC Holdings 4.75% VRN (Perpetual) EMTN	306	0.25
300,000	WM Treasury 3.25% 20/10/2048 Reg S	302	0.25
300,000	British Telecommunications 3.125% 21/11/2031 EMTN Reg S	290	0.24
300,000	Credit Suisse 5.75% VRN 18/09/2025	290	0.24
300,000	British Telecommunications 3.625% 21/11/2047 EMTN Reg S	288	0.24
350,000	Lyondell Basell International Finance 4.875% 15/03/2044	265	0.22
200,000	Northumbrian Water Finance 5.125% 23/01/2042	263	0.22
250,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	263	0.22
250,000	Annington Funding 3.935% 12/07/2047 EMTN Reg S	258	0.21
250,000	Akelius Residential 2.375% 15/08/2025 EMTN Reg S	241	0.20
400,000	Samarco Mineracao 4.125% 01/11/2022 Reg S (Defaulted)	222	0.18
200,000	Phoenix Group Holdings Capital 5.75% 07/07/2021 Reg S	220	0.18
200,000	Close Brothers Group 4.25% 24/01/2027 Reg S	209	0.17
200,000	Provident Financial 7.00% 04/06/2023 EMTN Reg S	204	0.17
200,000	Land Securities Capital Markets 1.974% 08/02/2026 Reg S	201	0.17
200,000	Westfield America Management 2.625% 30/03/2029 Reg S	197	0.16
150,000	Severn Trent Water Utilities Finance 4.875% 24/01/2042 EMTN Reg S	192	0.16
200,000	Yorkshire Building Society 3.375% VRN 13/09/2028 EMTN Reg S	188	0.16
200,000	Phoenix Group Holdings 5.75% VRN (Perpetual) Reg S	184	0.15
150,000	Phoenix Group Holdings 4.125% 20/07/2022 EMTN Reg S	154	0.13
200,000	NongHyup Bank 2.625% 01/11/2018 GMTN Reg S	152	0.13
100,000	E.ON International Finance 6.75% 27/01/2039 EMTN	149	0.12
150,000	London & Quadrant Housing Trust 2.625% 28/02/2028 Reg S	149	0.12
50,000	Yorkshire Water Services 6.375% 19/08/2039	76	0.06
53,000	Yorkshire Water Services 6.6011% 17/04/2031	75	0.06
50,000	Yorkshire Power Finance 7.25% 04/08/2028	70	0.06
		52,828	43.91
	Gilt Edged Securities - (31.87%)		
11,150,000	UK Gilt 3.75% 22/07/2052	17,205	14.30
9,350,000	UK Gilt 3.50% 22/07/2068	15,632	12.99
5,600,000	UK Gilt 4.25% 07/09/2039	8,124	6.75
2,700,000	UK Gilt 4.75% 07/12/2038	4,126	3.43
2,350,000	UK Gilt 4.25% 07/12/2049	3,807	3.16
1,000,000	UK Gilt 1.75% 07/09/2022	1,035	0.86
250,000	UK Gilt 4.50% 07/12/2042	388	0.32
250,000	UK Gilt 4.25% 07/03/2036	349	0.29
150,000	UK Gilt 4.25% 07/12/2046	235	0.20
		50,901	42.31

Sterling Core Plus Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
Mortgage Related Bonds - (6.19%)			
1,423,000	Dignity Finance 4.6956% 31/12/2049 Reg S	1,372	1.14
848,865	Tesco Property Finance 1 7.6227% 13/07/2039	1,135	0.94
827,428	Tesco Property Finance 2 6.0517% 13/10/2039	975	0.81
900,000	Newday Partnership Funding 2017 1 1.2564% VRN 15/12/2027 Reg S	899	0.75
800,000	Abu Dhabi Crude Oil Pipeline 4.60% 02/11/2047 Reg S	557	0.46
600,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	556	0.46
424,854	UPP Bond 1 Issuer 4.9023% 28/02/2040 EMTN Reg S	516	0.43
550,000	Elm 4.50% VRN (Perpetual) EMTN Reg S	511	0.42
439,568	Together Asset Backed Securitisation 1 1.6246% VRN 12/03/2049 Reg S	442	0.37
300,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	302	0.25
250,000	Telereal Securitisation 4.0902% VRN 10/12/2033	261	0.22
162,456	Bishopsgate Asset Finance 4.808% 14/08/2044	179	0.15
100,000	Eversholt Funding 6.697% 22/02/2035 EMTN	129	0.11
36,459	Broadgate Financing FRN 1.6829% 05/01/2022	36	0.03
		7,870	6.54
Financials - (0.00%)			
193	Fidelity Institutional Sterling Fund Class A-Acc	4,009	3.33
		4,009	3.33
Government Bonds - (1.76%)			
1,200,000	Saudi Arabia 3.25% 26/10/2026 Reg S	856	0.71
750,000	Kuwait 3.50% 20/03/2027 Reg S	555	0.46
		1,411	1.17
Interest Rate Swaps - (0.15%)			
10,200,000	Receive fixed 0.9828% pay float 6 Month EURIBOR 29/01/2028	127	0.11
5,000,000	Receive fixed 1.7125% pay float 6 Month GBP LIBOR 27/01/2046	118	0.10
1,000,000	Pay fixed 2.4267% receive float 3 Month USD LIBOR 19/01/2037	59	0.05
5,000,000	Pay fixed 1.3552% receive float 6 Month GBP LIBOR 17/11/2027	59	0.05
2,300,000	Receive fixed 3.22% pay float New Zealand Bank Bill 3mth Index 29/01/2028	24	0.02
1,000,000	Pay fixed 1.2062% receive float 6 Month EURIBOR 19/01/2037	23	0.02
1,400,000	Pay fixed 2.6637% receive float 3 Month USD LIBOR 29/01/2028	22	0.02
800,000	Receive fixed 1.0638% pay float 6 Month EURIBOR 05/03/2028	15	0.01
573,200,000	Receive fixed 0.2873% pay float 6 Month JPY LIBOR 02/07/2028	14	0.01
620,000	Receive fixed 1.0903% pay float 6 Month EURIBOR 05/02/2028	13	0.01
900,000	Receive fixed 3.2425% pay float New Zealand Bank Bill 3 Month Index 05/02/2028	10	0.01
3,000,000	Receive fixed 0.4123% pay float 6mo CHF Libor 29/01/2028	9	0.01
900,000	Pay fixed 2.7832% receive float 3 Month USD LIBOR 05/02/2028	8	0.01
500,000	Receive fixed 3.305% pay float New Zealand Bank Bill 3mth Index 12/02/2028	7	0.01
4,500,000	Pay fixed 2.517% receive float 3 Month CDOR 29/03/2028	4	0.00
2,800,000	Receive fixed 2.5575% pay float 3 Month CDOR 01/03/2028	4	0.00
1,900,000	Pay fixed 1.4767% receive float 6 Month GBP LIBOR 25/01/2028	3	0.00
6,700,000	Pay fixed 2.8143% receive float 6 Month AUD Bank Bill 29/06/2028	2	0.00
1,700,000	Receive fixed 0.4123% pay float 6mo CHF Libor 04/06/2028	2	0.00
500,000	Receive fixed 0.4098% pay float 6mo CHF Libor 04/04/2028	1	0.00
1,400,000	Receive fixed 0.0728% pay float 6 Month EURIBOR 18/01/2022	1	0.00
1,800,000	Pay fixed 1.3287% receive float 3 Month STIBOR 29/01/2028	(3)	0.00
350,000	Pay fixed 1.6502% receive float 6 Month GBP LIBOR 20/06/2048	(4)	0.00
1,500,000	Pay fixed 1.5572% receive float 6 Month GBP LIBOR 01/03/2028	(8)	(0.01)
2,400,000	Pay fixed 2.6025% receive float 3 Month CDOR 25/01/2028	(9)	(0.01)
1,500,000	Pay fixed 0.9362% receive float 6 Month EURIBOR 04/06/2028	(9)	(0.01)

Sterling Core Plus Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
119,900,000	Pay fixed 0.3814% receive float 6 Month JPY LIBOR 05/02/2028	(11)	(0.01)
600,000	Pay fixed 1.7462% receive float 6 Month GBP LIBOR 15/02/2028	(14)	(0.01)
218,900,000	Pay fixed 0.3642% receive float 6 Month JPY LIBOR 19/02/2028	(18)	(0.01)
236,800,000	Pay fixed 0.3702% receive float 6 Month JPY LIBOR 29/01/2028	(21)	(0.02)
285,000,000	Pay fixed 0.3787% receive float 6 Month JPY LIBOR 13/02/2028	(26)	(0.02)
3,600,000	Pay fixed 2.981% receive float 6 Month AUD Bank Bill 29/01/2028	(33)	(0.03)
4,000,000	Receive fixed 1.5698% pay float 6 Month GBP LIBOR 17/11/2037	(39)	(0.03)
		330	0.28
	Futures - ((0.29)%)		
24,900,000	Long Gilt Commodity Future 26/09/2018	317	0.26
4,700,000	US 5 Year Treasury Note (CBT) Commodity Future 28/09/2018	20	0.02
300,000	US 20 Year Long Bond (CBT) Commodity Future 19/09/2018	7	0.01
(3,200,000)	US 2 Year Treasury Note (CBT) Commodity Future 28/09/2018	1	0.00
(400,000)	Euro-Schatz Commodity Future 06/09/2018	0	0.00
(100,000)	EURO BUXL 30 Year Commodity Future 06/09/2018	(2)	0.00
(800,000)	Euro-BOBL Commodity Future 06/09/2018	(4)	0.00
(2,000,000)	US 10 Year Treasury Note (CBT) Commodity Future 19/09/2018	(18)	(0.01)
(3,300,000)	EURO-BUND Commodity Future 06/09/2018	(42)	(0.03)
(6,000,000)	US 10 Year Ultra Future Sep 18	(82)	(0.07)
(2,400,000)	US Ultra Bond Commodity Future 19/09/2018	(100)	(0.08)
		97	0.08
	Inflation Index Swap - ((0.14)%)		
2,250,000	Receive fixed 3.55% pay float UK Retail Price Index 15/01/2027	50	0.04
6,000,000	Pay fixed 2.29% receive float US Urban CPI Consumer Index 27/01/2026	13	0.01
3,750,000	Pay fixed 2.2775% receive float US Urban CPI Consumer Index 26/01/2026	11	0.01
		74	0.06
	Forward Foreign Exchange Contracts - ((0.15)%)		
12,567,000	Bought NOK sold GBP @ 10.962800 for settlement 16/08/2018	26	0.02
(4,425,000)	Bought GBP sold EUR @ 1.135583 for settlement 16/08/2018	(29)	(0.02)
(5,994,000)	Bought GBP sold USD @ 1.356395 for settlement 16/08/2018	(133)	(0.11)
		(136)	(0.11)
	Index Credit Default Swap - ((0.51)%)		
10,000,000	Sold Protection on ITRAXX Europe S25 20/06/2021	160	0.13
7,500,000	Bought Protection on ITRAXX XOver S28 20/12/2022	(599)	(0.50)
7,800,000	Bought Protection on ITRAXX XOver S25 20/06/2021	(600)	(0.50)
		(1,039)	(0.86)
	Portfolio of investments	116,345	96.71
	Cash and other net assets/(liabilities)	3,965	3.29
	Net assets	120,310	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

UK Aggregate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Gilt Edged Securities - (39.61%)		
41,650,000	UK Gilt 3.75% 07/09/2019	43,165	7.27
16,250,000	UK Gilt 4.75% 07/12/2038	24,834	4.18
15,920,000	UK Gilt 4.25% 07/09/2039	23,096	3.89
13,845,000	UK Gilt 3.75% 22/07/2052	21,363	3.60
20,450,000	UK Gilt 1.50% 22/01/2021 Reg S	20,852	3.51
19,500,000	UK Gilt 2.25% 07/09/2023	20,731	3.49
12,650,000	UK Gilt 4.50% 07/12/2042	19,618	3.30
13,910,000	UK Gilt 4.75% 07/12/2030	19,061	3.21
14,175,000	UK Gilt 3.75% 07/09/2021	15,500	2.61
11,330,000	UK Gilt 3.25% 22/01/2044	14,829	2.50
11,220,000	UK Gilt 4.00% 07/03/2022	12,523	2.11
12,000,000	UK Gilt 1.50% 22/07/2026 Reg S	12,268	2.07
6,190,000	UK Gilt 4.25% 07/12/2055	10,761	1.81
6,000,000	UK Gilt 3.50% 22/07/2068	10,031	1.69
5,800,000	UK Gilt 4.25% 07/12/2049	9,396	1.58
6,410,000	UK Gilt 4.50% 07/09/2034	9,028	1.52
7,230,000	UK Gilt 2.75% 07/09/2024	7,953	1.34
6,180,000	UK Gilt 1.75% 07/09/2022	6,398	1.08
3,320,000	UK Gilt 4.25% 07/12/2046	5,192	0.87
2,160,000	UK Gilt 4.25% 07/03/2036	3,018	0.51
1,700,000	UK Gilt 3.50% 22/01/2045	2,332	0.39
700,000	UK Gilt 4.25% 07/12/2040	1,029	0.17
320,000	UK Gilt 4.25% 07/12/2027	405	0.07
180,000	UK Gilt 4.00% 22/01/2060	312	0.05
100,000	UK Gilt 6.00% 07/12/2028	145	0.02
		313,840	52.86
	Corporate Bonds - (49.04%)		
6,930,000	Westpac Banking 2.125% 02/05/2025	6,890	1.16
6,111,000	AA Bond 2.875% 31/07/2043 Reg S	5,990	1.01
5,300,000	Barclays 2.375% VRN 06/10/2023 Reg S	5,197	0.88
4,260,000	America Movil 4.948% 22/07/2033	5,136	0.87
2,590,000	Reseau Ferre de France 4.83% 25/03/2060 EMTN	4,359	0.73
4,300,000	Deutsche Bank 1.875% 28/02/2020 EMTN	4,245	0.72
4,200,000	Daimler International Finance 1.50% 18/08/2021 EMTN Reg S	4,187	0.71
4,200,000	HSBC Holdings 2.175% VRN 27/06/2023	4,175	0.70
3,100,000	EDF 6.00% 23/01/2114 EMTN Reg S	3,993	0.67
3,850,000	CPUK Finance 2.666% 28/02/2042 EMTN Reg S	3,910	0.66
2,750,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	3,769	0.63
3,300,000	Gazprom Capital Luxembourg 4.25% 06/04/2024 Reg S	3,360	0.57
3,010,000	Society of Lloyds 4.75% 30/10/2024 Reg S	3,230	0.54
3,100,000	Ladbroke's Group Finance 5.125% 08/09/2023 Reg S	3,205	0.54
3,700,000	Volkswagen International Finance 2.70% VRN (Perpetual)	3,195	0.54
3,050,000	University of Cambridge 2.35% 27/06/2078 Reg S	3,022	0.51
2,704,000	Royal London Finance Bonds 6.125% VRN 30/11/2043 Reg S	2,987	0.50
2,700,000	Phoenix Group Holdings Capital 5.75% 07/07/2021 Reg S	2,974	0.50
2,450,000	BHP Billiton Finance 6.50% VRN 22/10/2077 Reg S	2,748	0.46
2,450,000	Lloyds Banking Group 7.625% VRN (Perpetual)	2,677	0.45
2,700,000	London & Quadrant Housing Trust 3.125% 28/02/2053 Reg S	2,666	0.45
2,800,000	Shaftesbury Carnaby 2.487% 30/09/2031	2,649	0.45
2,650,000	McKesson 3.125% 17/02/2029	2,627	0.44

UK Aggregate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,600,000	Digital Stout Holding 2.75% 19/07/2024 Reg S	2,621	0.44
1,715,000	Lloyds Bank 6.50% 17/09/2040 EMTN Reg S	2,576	0.43
2,600,000	Gatwick Funding 3.125% 28/09/2041 EMTN Reg S	2,519	0.42
2,450,000	Orbit Capital 3.375% 14/06/2048 Reg S	2,473	0.42
2,500,000	Petrobras Global Finance 6.625% 16/01/2034	2,419	0.41
2,400,000	Liberty Living Finance 3.375% 28/11/2029 Reg S	2,413	0.41
1,900,000	Lloyds Bank 5.125% 07/03/2025 EMTN Reg S	2,304	0.39
2,200,000	RAC Bond 4.565% 06/05/2046 EMTN Reg S	2,292	0.39
2,460,000	Votorantim Cimentos 3.50% 13/07/2022 Reg S	2,236	0.38
1,459,000	Engie 5.95% 16/03/2111 EMTN Reg S	2,191	0.37
2,200,000	Principality Building Society 2.375% 23/11/2023 EMTN Reg S	2,167	0.36
1,750,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	2,106	0.35
3,769,000	Rowan Cos 5.40% 01/12/2042	2,042	0.34
2,000,000	Annington Funding 3.184% 12/07/2029 EMTN Reg S	2,002	0.34
2,550,000	Met Life Glb Funding I 2.30% 10/04/2019 144A	1,935	0.33
1,850,000	CYBG 5.00% VRN 09/02/2026 Reg S	1,916	0.32
1,450,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	1,912	0.32
1,900,000	Land Securities Capital Markets 2.75% 22/09/2059 EMTN Reg S	1,869	0.31
2,100,000	Vodafone Group 3.00% 12/08/2056 EMTN Reg S	1,795	0.30
1,925,000	Petroleos Mexicanos 4.875% 21/02/2028 Reg S	1,760	0.30
1,550,000	Zurich Finance (UK) 6.625% VRN (Perpetual) EMTN	1,741	0.29
2,140,000	EDF 6.00% 22/01/2114 144A	1,705	0.29
1,550,000	WM Treasury 3.25% 20/10/2048 Reg S	1,558	0.26
1,400,000	Intu SGS Finance 4.25% 17/09/2035 EMTN Reg S	1,546	0.26
1,493,000	Newriver (REIT) 3.50% 07/03/2028 Reg S	1,471	0.25
1,050,000	RWE Finance 6.125% 06/07/2039 EMTN	1,470	0.25
1,900,000	Pershing Square Holdings 5.50% 15/07/2022 Reg S	1,447	0.24
1,400,000	Annington Funding 3.685% 12/07/2034 Reg S	1,430	0.24
1,850,000	Korea Development Bank 3.00% 17/03/2019	1,408	0.24
1,600,000	HSBC Holdings 4.75% VRN (Perpetual) EMTN	1,400	0.24
975,000	Anheuser-Busch InBev 9.75% 30/07/2024 EMTN Reg S	1,395	0.23
1,400,000	British Telecommunications 3.625% 21/11/2047 EMTN Reg S	1,342	0.23
1,300,000	AA Bond 4.2487% 31/07/2043 Reg S	1,340	0.23
1,250,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	1,314	0.22
1,100,000	HSBC Bank 6.50% 07/07/2023 EMTN Reg S	1,308	0.22
1,030,000	British Land 5.264% 24/09/2035	1,300	0.22
1,400,000	Phoenix Group Holdings 5.75% VRN (Perpetual) Reg S	1,286	0.22
1,072,000	Intu SGS Finance 4.625% 17/03/2028 Reg S	1,210	0.20
900,000	IPIC GMTN 6.875% 14/03/2026 EMTN Reg S	1,171	0.20
1,030,000	Glencore Finance (Europe) 6.00% VRN 03/04/2022 Reg S	1,165	0.20
1,400,000	Apple 4.65% 23/02/2046	1,138	0.19
1,100,000	Annington Funding 3.935% 12/07/2047 EMTN Reg S	1,137	0.19
1,475,000	Credit Agricole 8.125% VRN 19/09/2033	1,132	0.19
1,100,000	Provident Financial 7.00% 04/06/2023 EMTN Reg S	1,121	0.19
1,050,000	TSB Banking Group 5.75% VRN 06/05/2026 EMTN	1,106	0.19
1,100,000	British Telecommunications 3.125% 21/11/2031 EMTN Reg S	1,062	0.18
850,000	Lloyds Bank 4.875% 30/03/2027 EMTN	1,050	0.18
800,000	RWE Finance 6.25% 03/06/2030 EMTN	1,050	0.18
1,000,000	Close Brothers Group 4.25% 24/01/2027 Reg S	1,043	0.18
900,000	Admiral Group 5.50% 25/07/2024 Reg S	984	0.17
1,000,000	Yorkshire Building Society 3.375% VRN 13/09/2028 EMTN Reg S	941	0.16

UK Aggregate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,210,000	Scentre Management 2.375% 05/11/2019 144A	909	0.15
700,000	Aviva 6.875% VRN 20/05/2058 EMTN	846	0.14
900,000	NN Group 4.625% VRN 13/01/2048 Reg S	837	0.14
750,000	Phoenix Group Holdings 4.125% 20/07/2022 EMTN Reg S	768	0.13
600,000	Investec Bank 9.625% 17/02/2022 EMTN Reg S	717	0.12
550,000	Abbey National Treasury Services 5.75% 02/03/2026 EMTN Reg S	703	0.12
700,000	EDF 5.875% VRN (Perpetual) Reg S	693	0.12
550,000	CPUK Finance 7.239% 28/02/2024 EMTN Reg S	680	0.11
650,000	Virgin Media Secured Finance 6.25% 28/03/2029 Reg S	678	0.11
700,000	Credit Suisse 5.75% VRN 18/09/2025	676	0.11
630,000	Lloyds Bank 5.75% VRN 09/07/2025 EMTN	671	0.11
680,000	Massachusetts Institute Technology 5.60% 01/07/2111	662	0.11
600,000	London & Quadrant Housing Trust 2.625% 28/02/2028 Reg S	597	0.10
550,000	UNITE (USAF) II 3.374% 30/06/2028	586	0.10
525,000	UNITE (USAF) II 3.921% 30/06/2025 Reg S	582	0.10
750,000	Korea Hydro & Nuclear Power 2.875% 02/10/2018 Reg S	570	0.10
700,000	Continental Resources Okla 4.50% 15/04/2023	541	0.09
450,000	America Movil 5.00% 27/10/2026	529	0.09
340,000	Peel Holdings 8.375% STEP 30/04/2040	503	0.08
370,000	Bankers Investment Trust 8.00% 31/10/2023	464	0.08
650,000	Samarco Mineracao 4.125% 01/11/2022 Reg S (Defaulted)	360	0.06
280,000	London Merchant Securities 6.50% 16/03/2026	351	0.06
356,000	Land Securities Capital Markets	348	0.06
210,000	GE Capital UK Funding 8.00% 14/01/2039 EMTN Reg S	345	0.06
335,000	European Investment Bank 0.875% 15/12/2023 EMTN Reg S	327	0.06
260,000	Edinburgh Investment Trust 7.75% 30/09/2022	315	0.05
400,000	Empresa de Transporte de Pasajeros Metro 4.75% 04/02/2024 Reg S	311	0.05
400,000	Samarco Mineracao 4.125% 01/11/2022 144A (Defaulted)	222	0.04
200,000	PGH Capital 6.625% 18/12/2025	221	0.04
150,000	Petroleos Mexicanos 8.25% 02/06/2022 EMTN Reg S	178	0.03
100,000	Orange 5.375% 22/11/2050 EMTN	136	0.02
100,000	E.ON International Finance 5.875% 30/10/2037 EMTN	135	0.02
140,000	Unilever 1.875% 15/09/2029 EMTN Reg S	134	0.02
100,000	University of Cambridge 3.75% 17/10/2052	133	0.02
100,000	Allianz Finance II 4.50% 13/03/2043 Reg S	132	0.02
120,000	Aviva 5.125% VRN 04/06/2050 EMTN Reg S	122	0.02
100,000	Apple 3.60% 31/07/2042	117	0.02
160,000	Westpac Banking 3.35% 08/03/2027	116	0.02
100,000	National Grid Electric Transmission 4.00% 08/06/2027 EMTN Reg S	114	0.02
100,000	Investec 4.50% 05/05/2022 EMTN Reg S	107	0.02
100,000	Close Brothers Finance 3.875% 27/06/2021 EMTN Reg S	106	0.02
100,000	London & Quadrant Housing Trust 2.625% 05/05/2026 Reg S	101	0.02
100,000	Verizon Communications 3.375% 27/10/2036	98	0.02
100,000	Thames Water Utilities 2.875% 03/05/2027 EMTN Reg S	96	0.02
100,000	Verizon Communications 3.125% 02/11/2035	95	0.02
60,000	SMFG Preferred Capital GBP 2 10.231% VRN (Perpetual) Reg S	95	0.02
100,000	National Grid Gas Finance 2.625% 22/09/2038 EMTN Reg S	91	0.02
120,000	BAT International Finance 2.25% 09/09/2052 EMTN Reg S	90	0.02
50,000	AT&T 7.00% 30/04/2040 EMTN	72	0.01
50,000	Rabobank 5.25% 23/05/2041 GMTN	67	0.01
50,000	Southern Electric Power Distribution 5.50% 07/06/2032	65	0.01

UK Aggregate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
50,000	HSBC Holdings 6.75% 11/09/2028 Reg S	63	0.01
60,000	Microsoft 4.75% 03/11/2055	52	0.01
635,000	Cattles 6.875% VRN 17/01/2014 EMTN (Defaulted)	0	0.00
50,000	Cattles 7.125% 05/07/2017 (Defaulted)	0	0.00
		189,037	31.84
	Financials - (3.35%)		
1,691	Fidelity Institutional Sterling Fund Class A-Acc	35,071	5.91
		35,071	5.91
	Mortgage Related Bonds - (3.94%)		
4,620,000	Newday Partnership Funding 2017 1 1.2564% VRN 15/12/2027 Reg S	4,616	0.78
4,100,000	Abu Dhabi Crude Oil Pipeline 4.60% 02/11/2047 Reg S	2,854	0.48
3,050,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	2,827	0.48
2,317,721	Together Asset Backed Securitisation 1 1.6246% VRN 12/03/2049 Reg S	2,328	0.39
1,724,533	Tesco Property Finance 2 6.0517% 13/10/2039	2,032	0.34
1,500,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	1,512	0.25
1,450,000	Channel Link Enterprises Finance 3.043% VRN 30/06/2050 Reg S	1,437	0.24
1,375,000	SLM Student Loan Trust FRN 5.15% 15/12/2039 Reg S	1,323	0.22
952,678	Highbury Finance 7.017% 20/03/2023	1,106	0.19
872,687	Telereal Securitisation 5.5534% 10/12/2033	1,044	0.18
720,000	Canary Wharf Finance II 5.952% 22/10/2037	1,026	0.17
900,000	Telereal Securitisation 4.0902% VRN 10/12/2033	940	0.16
671,547	Tesco Property Finance 3 5.744% 13/04/2040 Reg S	779	0.13
750,000	Dignity Finance 4.6956% 31/12/2049 Reg S	723	0.12
834,438	Sprint Spectrum 3.36% 20/03/2023 144A	626	0.11
813,025	Empresa Electrica Angamos 4.875% 25/05/2029 Reg S	600	0.10
500,000	RHP Finance 3.25% 05/02/2048 Reg S	504	0.08
370,055	Juturna European Loan Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	447	0.08
372,115	Equity Release Funding 3 5.70% 26/02/2031	441	0.07
375,186	Premiertel 6.175% 08/05/2032	423	0.07
330,000	Equity Release Funding 3 5.05% 26/04/2033	403	0.07
351,156	Unique Pub Finance 5.659% 30/06/2027	386	0.07
295,480	Tesco Property Finance 5 5.6611% 13/10/2041 Reg S	341	0.06
247,564	Longstone Finance 4.791% 19/04/2036	285	0.05
227,731	Meadowhall Finance 4.986% 12/07/2037 Reg S	277	0.05
190,000	Peel South East 10.00% 30/04/2026	266	0.04
148,925	Dignity Finance 3.5456% 31/12/2034 Reg S	158	0.03
160,000	Greene King Finance 5.702% 15/12/2034	149	0.03
100,000	Swan Housing Capital 3.625% 05/03/2048 Reg S	105	0.02
60,955	BL Superstores Finance 5.27% 04/10/2030	67	0.01
46,393	Aspire Defence Finance 4.674% 31/03/2040	56	0.01
18,681	Equity Release Funding 2 5.88% 26/05/2032	23	0.00
		30,104	5.07
	Government Bonds - (2.83%)		
6,350,000	Saudi Arabia 3.25% 26/10/2026 Reg S	4,528	0.76
4,500,000	Qatar 2.375% 02/06/2021 Reg S	3,305	0.56
3,700,000	Kuwait 3.50% 20/03/2027 Reg S	2,738	0.46
3,200,000	Kuwait 2.75% 20/03/2022 Reg S	2,371	0.40
1,750,000	Mexico 5.625% 19/03/2114 EMTN	1,773	0.30
750,000	Colombia 5.625% 26/02/2044	603	0.10
200,000	Qatar 3.25% 02/06/2026 Reg S	143	0.02
		15,461	2.60

UK Aggregate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Municipal Bond - (0.33%)		
2,370,000	University of California Revenues 4.858% 15/05/2112	1,919	0.32
		1,919	0.32
	Interest Rate Swaps - (0.01%)		
25,400,000	Receive fixed 0.9828% pay float 6 Month EURIBOR 29/01/2028	316	0.05
5,300,000	Receive fixed 3.22% pay float New Zealand Bank Bill 3mth Index 29/01/2028	56	0.01
3,400,000	Pay fixed 2.6637% receive float 3 Month USD LIBOR 29/01/2028	54	0.01
1,398,100,000	Receive fixed 0.2873% pay float 6 Month JPY LIBOR 02/07/2028	33	0.01
1,370,000	Receive fixed 1.0903% pay float 6 Month EURIBOR 05/02/2028	29	0.00
2,200,000	Receive fixed 3.2425% pay float New Zealand Bank Bill 3 Month Index 05/02/2028	25	0.00
1,400,000	Receive fixed 1.0638% pay float 6 Month EURIBOR 05/03/2028	26	0.00
1,580,000	Receive fixed 3.305% pay float New Zealand Bank Bill 3mth Index 12/02/2028	23	0.00
7,000,000	Receive fixed 0.4123% pay float 6mo CHF Libor 29/01/2028	22	0.00
2,000,000	Pay fixed 2.7832% receive float 3 Month USD LIBOR 05/02/2028	17	0.00
4,800,000	Pay fixed 1.4767% receive float 6 Month GBP LIBOR 25/01/2028	7	0.00
8,300,000	Pay fixed 2.517% receive float 3 Month CDOR 29/03/2028	7	0.00
5,000,000	Receive fixed 2.5575% pay float 3 Month CDOR 01/03/2028	6	0.00
5,000,000	Receive fixed 0.4123% pay float 6mo CHF Libor 04/06/2028	4	0.00
16,500,000	Pay fixed 2.8143% receive float 6 Month AUD Bank Bill 29/06/2028	4	0.00
1,000,000	Receive fixed 0.4098% pay float 6mo CHF Libor 04/04/2028	2	0.00
2,000,000	Receive fixed 1.6138% pay float 6 Month GBP LIBOR 19/01/2035	0	0.00
600,000	Pay fixed 2.9577% receive float 3 Month USD LIBOR 26/02/2028	(2)	0.00
4,300,000	Pay fixed 1.3287% receive float 3 Month STIBOR 29/01/2028	(8)	0.00
2,400,000	Pay fixed 1.5572% receive float 6 Month GBP LIBOR 01/03/2028	(13)	0.00
3,000,000	Pay fixed 0.9362% receive float 6 Month EURIBOR 04/06/2028	(18)	0.00
6,500,000	Pay fixed 2.6025% receive float 3 Month CDOR 25/01/2028	(24)	0.00
278,900,000	Pay fixed 0.3814% receive float 6 Month JPY LIBOR 05/02/2028	(26)	0.00
3,000,000	Receive fixed 1.5383% pay float 6 Month GBP LIBOR 18/01/2034	(29)	0.00
4,000,000	Receive fixed 1.5228% pay float 6 Month GBP LIBOR 18/01/2033	(39)	(0.01)
10,000,000	Receive fixed 1.0663% pay float 6 Month GBP LIBOR 26/01/2022	(39)	(0.01)
535,600,000	Pay fixed 0.3642% receive float 6 Month JPY LIBOR 19/02/2028	(44)	(0.01)
571,100,000	Pay fixed 0.3702% receive float 6 Month JPY LIBOR 29/01/2028	(50)	(0.01)
2,400,000	Pay fixed 1.7462% receive float 6 Month GBP LIBOR 15/02/2028	(55)	(0.01)
717,600,000	Pay fixed 0.3787% receive float 6 Month JPY LIBOR 13/02/2028	(66)	(0.01)
8,800,000	Pay fixed 2.981% receive float 6 Month AUD Bank Bill 29/01/2028	(79)	(0.01)
		139	0.02
	Futures - ((0.14)%)		
51,300,000	Long Gilt Commodity Future 26/09/2018	654	0.11
37,300,000	US 5 Year Treasury Note (CBT) Commodity Future 28/09/2018	161	0.03
800,000	Euro-BOBL Commodity Future 06/09/2018	5	0.00
(16,600,000)	US 2 Year Treasury Note (CBT) Commodity Future 28/09/2018	4	0.00
(1,600,000)	Euro-Schatz Commodity Future 06/09/2018	(1)	0.00
(2,300,000)	US 10 Year Ultra Future Sep 18	(31)	(0.01)
(3,600,000)	EURO-BUND Commodity Future 06/09/2018	(53)	(0.01)
(3,100,000)	EURO BUXL 30 Year Commodity Future 06/09/2018	(66)	(0.01)
(12,300,000)	US 10 Year Treasury Note (CBT) Commodity Future 19/09/2018	(109)	(0.02)
(10,400,000)	US 20 Year Long Bond (CBT) Commodity Future 19/09/2018	(290)	(0.05)
(8,300,000)	US Ultra Bond Commodity Future 19/09/2018	(346)	(0.06)
		(72)	(0.01)

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Forward Foreign Exchange Contracts - ((0.21)%)		
1,104,000	Bought USD sold GBP @ 1.364925 for settlement 16/08/2018	30	0.01
(11,165,000)	Bought GBP sold EUR @ 1.135583 for settlement 16/08/2018	(72)	(0.01)
(46,141,000)	Bought GBP sold USD @ 1.356395 for settlement 16/08/2018	(1,026)	(0.17)
		(1,068)	(0.18)
	Index Credit Default Swap - (0.00%)		
25,000,000	Bought Protection on ITRAXX XOver S28 20/12/2022	(1,997)	(0.34)
		(1,997)	(0.34)
	Portfolio of investments	582,434	98.09
	Cash and other net assets/(liabilities)	11,268	1.91
	Net assets	593,702	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Corporate Bonds - (75.33%)		
12,000,000	KFW 6.00% 07/12/2028	16,983	4.09
8,000,000	European Investment Bank 5.625% 07/06/2032	11,703	2.82
11,665,000	European Investment Bank 0.875% 15/12/2023 EMTN Reg S	11,371	2.74
6,822,000	GE Capital UK Funding 8.00% 14/01/2039 EMTN Reg S	11,222	2.70
4,360,000	Reseau Ferre de France 4.83% 25/03/2060 EMTN	7,338	1.77
6,500,000	Westpac Banking 2.125% 02/05/2025	6,462	1.56
4,940,000	America Movil 4.948% 22/07/2033	5,956	1.43
4,425,000	Barclays Bank 10.00% 21/05/2021 EMTN	5,306	1.28
3,500,000	Allianz Finance II 4.50% 13/03/2043 Reg S	4,604	1.11
3,950,000	Glencore Finance (Europe) 6.00% VRN 03/04/2022 Reg S	4,467	1.08
4,450,000	Barclays 2.375% VRN 06/10/2023 Reg S	4,363	1.05
4,435,000	Unilever 1.875% 15/09/2029 EMTN Reg S	4,250	1.02
4,100,000	Deutsche Bank 1.875% 28/02/2020 EMTN	4,047	0.97
3,680,000	Aviva 5.125% VRN 04/06/2050 EMTN Reg S	3,739	0.90
5,040,000	Westpac Banking 3.35% 08/03/2027	3,665	0.88
2,700,000	E.ON International Finance 5.875% 30/10/2037 EMTN	3,643	0.88
2,650,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	3,632	0.87
3,340,000	Society of Lloyds 4.75% 30/10/2024 Reg S	3,584	0.86
2,900,000	Lloyds Bank 4.875% 30/03/2027 EMTN	3,583	0.86
2,700,000	EDF 6.00% 23/01/2114 EMTN Reg S	3,477	0.84
3,050,000	Phoenix Group Holdings Capital 5.75% 07/07/2021 Reg S	3,359	0.81
3,080,000	UBS 1.25% 10/12/2020 Reg S	3,066	0.74
2,709,000	Royal London Finance Bonds 6.125% VRN 30/11/2043 Reg S	2,993	0.72
3,000,000	Daimler International Finance 1.50% 18/08/2021 EMTN Reg S	2,991	0.72
3,000,000	HSBC Holdings 2.175% VRN 27/06/2023	2,982	0.72
2,100,000	Orange 5.375% 22/11/2050 EMTN	2,857	0.69
1,870,000	Lloyds Bank 6.50% 17/09/2040 EMTN Reg S	2,809	0.68
2,700,000	Ladbrokes Group Finance 5.125% 08/09/2023 Reg S	2,791	0.67
1,760,000	SMFG Preferred Capital GBP 2 10.231% VRN (Perpetual) Reg S	2,785	0.67
1,837,000	Engie 5.95% 16/03/2111 EMTN Reg S	2,759	0.66
3,000,000	National Grid Gas Finance 2.625% 22/09/2038 EMTN Reg S	2,735	0.66
1,950,000	RWE Finance 6.125% 06/07/2039 EMTN	2,730	0.66
3,530,000	BAT International Finance 2.25% 09/09/2052 EMTN Reg S	2,653	0.64
2,750,000	Verizon Communications 3.125% 02/11/2035	2,616	0.63
2,725,000	Shaftesbury Carnaby 2.487% 30/09/2031	2,579	0.62
2,639,000	Petrobras Global Finance 6.625% 16/01/2034	2,553	0.61
2,200,000	National Grid Electric Transmission 4.00% 08/06/2027 EMTN Reg S	2,507	0.60
2,300,000	Virgin Media Secured Finance 6.25% 28/03/2029 Reg S	2,400	0.58
2,640,000	Votorantim Cimentos 3.50% 13/07/2022 Reg S	2,399	0.58
1,950,000	Lloyds Bank 5.125% 07/03/2025 EMTN Reg S	2,364	0.57
1,750,000	University of Cambridge 3.75% 17/10/2052	2,324	0.56
2,370,000	Massachusetts Institute Technology 5.60% 01/07/2111	2,309	0.56
1,900,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	2,287	0.55
2,250,000	Digital Stout Holding 2.75% 19/07/2024 Reg S	2,268	0.55
2,800,000	EDF 6.00% 22/01/2114 144A	2,230	0.54
2,150,000	University of Cambridge 2.35% 27/06/2078 Reg S	2,130	0.51
1,550,000	Rabobank 5.25% 23/05/2041 GMTN	2,075	0.50
2,114,000	AA Bond 2.875% 31/07/2043 Reg S	2,072	0.50
2,000,000	CYBG 5.00% VRN 09/02/2026 Reg S	2,071	0.50
1,750,000	Apple 3.60% 31/07/2042	2,040	0.49

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,550,000	RWE Finance 6.25% 03/06/2030 EMTN	2,034	0.49
2,000,000	London & Quadrant Housing Trust 2.625% 05/05/2026 Reg S	2,027	0.49
2,050,000	Verizon Communications 3.375% 27/10/2036	2,002	0.48
1,750,000	Zurich Finance (UK) 6.625% VRN (Perpetual) EMTN	1,965	0.47
2,000,000	Gatwick Funding 3.125% 28/09/2041 EMTN Reg S	1,938	0.47
1,450,000	Southern Electric Power Distribution 5.50% 07/06/2032	1,873	0.45
2,450,000	Korea Development Bank 3.00% 17/03/2019	1,865	0.45
1,450,000	HSBC Holdings 6.75% 11/09/2028 Reg S	1,835	0.44
1,800,000	Liberty Living Finance 3.375% 28/11/2029 Reg S	1,810	0.44
1,250,000	AT&T 7.00% 30/04/2040 EMTN	1,808	0.44
1,500,000	HSBC Bank 6.50% 07/07/2023 EMTN Reg S	1,783	0.43
1,800,000	British Telecommunications 3.625% 21/11/2047 EMTN Reg S	1,725	0.42
1,700,000	Orbit Capital 3.375% 14/06/2048 Reg S	1,716	0.41
1,700,000	Annington Funding 3.184% 12/07/2029 EMTN Reg S	1,701	0.41
1,750,000	Thames Water Utilities 2.875% 03/05/2027 EMTN Reg S	1,687	0.41
1,550,000	UNITE (USAF) II 3.374% 30/06/2028	1,651	0.40
1,250,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	1,648	0.40
1,550,000	Close Brothers Finance 3.875% 27/06/2021 EMTN Reg S	1,640	0.39
2,100,000	Pershing Square Holdings 5.50% 15/07/2022 Reg S	1,600	0.39
1,840,000	Microsoft 4.75% 03/11/2055	1,583	0.38
1,725,000	Petroleos Mexicanos 4.875% 21/02/2028 Reg S	1,578	0.38
1,450,000	Investec 4.50% 05/05/2022 EMTN Reg S	1,556	0.37
1,400,000	Intu SGS Finance 4.25% 17/09/2035 EMTN Reg S	1,546	0.37
1,351,000	Intu SGS Finance 4.625% 17/03/2028 Reg S	1,525	0.37
1,525,000	McKesson 3.125% 17/02/2029	1,512	0.36
1,100,000	IPIC GMTN 6.875% 14/03/2026 EMTN Reg S	1,431	0.34
1,300,000	Time Warner Cable 5.25% 15/07/2042	1,411	0.34
1,350,000	AA Bond 4.2487% 31/07/2043 Reg S	1,391	0.33
1,250,000	Admiral Group 5.50% 25/07/2024 Reg S	1,366	0.33
1,400,000	British Telecommunications 3.125% 21/11/2031 EMTN Reg S	1,352	0.33
2,455,000	Rowan Cos 5.40% 01/12/2042	1,330	0.32
1,300,000	Annington Funding 3.685% 12/07/2034 Reg S	1,328	0.32
1,500,000	HSBC Holdings 4.75% VRN (Perpetual) EMTN	1,312	0.32
1,740,000	Scentre Management 2.375% 05/11/2019 144A	1,308	0.31
1,300,000	WM Treasury 3.25% 20/10/2048 Reg S	1,307	0.31
1,350,000	EDF 6.95% 26/01/2039 144A	1,305	0.31
1,200,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	1,261	0.30
1,199,000	Newriver (REIT) 3.50% 07/03/2028 Reg S	1,181	0.28
920,000	British Land 5.264% 24/09/2035	1,161	0.28
950,000	Investec Bank 9.625% 17/02/2022 EMTN Reg S	1,135	0.27
1,059,000	Lloyds Bank 5.75% VRN 09/07/2025 EMTN	1,128	0.27
1,400,000	Korea Hydro & Nuclear Power 2.875% 02/10/2018 Reg S	1,065	0.26
900,000	Close Brothers Group 4.25% 24/01/2027 Reg S	938	0.23
625,000	Peel Holdings 8.375% STEP 30/04/2040	924	0.22
1,000,000	Phoenix Group Holdings 5.75% VRN (Perpetual) Reg S	919	0.22
950,000	Yorkshire Building Society 3.375% VRN 13/09/2028 EMTN Reg S	894	0.22
950,000	NN Group 4.625% VRN 13/01/2048 Reg S	883	0.21
750,000	America Movil 5.00% 27/10/2026	882	0.21
696,000	CPUK Finance 7.239% 28/02/2024 EMTN Reg S	861	0.21
850,000	Land Securities Capital Markets 1.974% 08/02/2026 Reg S	854	0.21
680,000	Bankers Investment Trust 8.00% 31/10/2023	852	0.21

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
841,000	Westfield America Management 2.625% 30/03/2029 Reg S	826	0.20
800,000	Provident Financial 7.00% 04/06/2023 EMTN Reg S	815	0.20
800,000	Land Securities Cap Markets 2.399% 08/02/2031 Reg S	805	0.19
700,000	UNITE (USAF) II 3.921% 30/06/2025 Reg S	776	0.19
620,000	London Merchant Securities 6.50% 16/03/2026	776	0.19
750,000	Phoenix Group Holdings 4.125% 20/07/2022 EMTN Reg S	768	0.18
1,000,000	Votorantim Cimentos 7.25% 05/04/2041 Reg S	756	0.18
600,000	America Movil 4.375% 07/08/2041	693	0.17
400,000	Rabobank 5.375% 03/08/2060 EMTN	598	0.14
450,000	Freshwater Finance 5.182% 20/04/2035	595	0.14
500,000	Petroleos Mexicanos 8.25% 02/06/2022 EMTN Reg S	592	0.14
500,000	London & Quadrant Housing Trust 2.625% 28/02/2028 Reg S	498	0.12
800,000	Samarco Mineracao 4.125% 01/11/2022 Reg S (Defaulted)	444	0.11
340,000	Edinburgh Investment Trust 7.75% 30/09/2022	412	0.10
328,000	Land Securities Capital Markets	321	0.08
400,000	Samarco Mineracao 4.125% 01/11/2022 144A (Defaulted)	222	0.05
200,000	PGH Capital 6.625% 18/12/2025	221	0.05
300,000	Cattles 7.125% 05/07/2017 (Defaulted)	1	0.00
1,485,000	TXU Eastern Funding 7.25% 08/03/2030 EMTN (Defaulted)	0	0.00
1,115,000	Cattles 6.875% VRN 17/01/2014 EMTN (Defaulted)	0	0.00
		283,635	68.28
	Gilt Edged Securities - (7.97%)		
37,920,000	UK Gilt 1.75% 07/09/2022	39,256	9.45
13,480,000	UK Gilt 3.75% 07/09/2019	13,970	3.36
5,270,000	UK Gilt 4.25% 07/12/2055	9,162	2.21
2,130,000	UK Gilt 4.75% 07/12/2038	3,255	0.78
1,200,000	UK Gilt 4.50% 07/12/2042	1,861	0.45
730,000	UK Gilt 4.25% 07/12/2046	1,142	0.27
		68,646	16.52
	Mortgage Related Bonds - (7.72%)		
3,680,000	Newday Partnership Funding 2017 1 1.2564% VRN 15/12/2027 Reg S	3,677	0.89
2,491,073	Tesco Property Finance 3 5.744% 13/04/2040 Reg S	2,891	0.70
2,020,665	Tesco Property Finance 2 6.0517% 13/10/2039	2,381	0.57
1,630,000	Canary Wharf Finance II 5.952% 22/10/2037	2,324	0.56
2,300,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	2,132	0.51
1,695,370	Juturna European Loan Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	2,047	0.49
1,878,153	Together Asset Backed Securitisation 1 1.6246% VRN 12/03/2049 Reg S	1,887	0.45
1,456,725	Aspire Defence Finance 4.674% 31/03/2040	1,769	0.43
1,784,000	Dignity Finance 4.6956% 31/12/2049 Reg S	1,720	0.41
1,500,000	Swan Housing Capital 3.625% 05/03/2048 Reg S	1,575	0.38
1,400,000	Channel Link Enterprises Finance 3.043% VRN 30/06/2050 Reg S	1,387	0.33
1,367,178	SLM Student Loan Trust FRN 5.15% 15/12/2039 Reg S	1,316	0.32
1,129,100	Highbury Finance 7.017% 20/03/2023	1,311	0.32
1,250,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	1,260	0.30
1,040,819	Telereal Securitisation 5.5534% 10/12/2033	1,246	0.30
1,100,000	Telereal Securitisation 4.0902% VRN 10/12/2033	1,149	0.28
940,000	Equity Release Funding 3 5.05% 26/04/2033	1,147	0.28
984,933	Tesco Property Finance 5 5.6611% 13/10/2041 Reg S	1,137	0.27
915,987	Longstone Finance 4.791% 19/04/2036	1,054	0.25
796,154	Equity Release Funding 3 5.70% 26/02/2031	943	0.23
750,000	RHP Finance 3.25% 05/02/2048 Reg S	757	0.18

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
546,428	Equity Release Funding 2 5.88% 26/05/2032	665	0.16
568,596	Bishopsgate Asset Finance 4.808% 14/08/2044	627	0.15
446,771	Tesco Property Finance 1 7.6227% 13/07/2039	597	0.14
488,565	Unique Pub Finance 5.659% 30/06/2027	538	0.13
398,529	Meadowhall Finance 4.986% 12/07/2037 Reg S	485	0.12
330,000	Peel South East 10.00% 30/04/2026	462	0.11
379,761	Premiertel 6.175% 08/05/2032	428	0.10
330,000	Greene King Finance 5.702% 15/12/2034	308	0.07
136,540	BL Superstores Finance 5.27% 04/10/2030	150	0.04
131,405	Dignity Finance 3.5456% 31/12/2034 Reg S	140	0.03
		39,510	9.51
	Financials - (5.84%)		
532	Fidelity Institutional Sterling Fund Class A-Acc	11,039	2.66
		11,039	2.66
	Government Bonds - (2.57%)		
4,650,000	Qatar 2.375% 02/06/2021 Reg S	3,416	0.82
3,150,000	Kuwait 3.50% 20/03/2027 Reg S	2,331	0.56
1,650,000	Mexico 5.625% 19/03/2114 EMTN	1,671	0.40
		7,418	1.79
	Municipal Bond - (0.37%)		
2,280,000	University of California Revenues 4.858% 15/05/2112	1,846	0.44
		1,846	0.44
	Interest Rate Swaps - ((0.05)%)		
12,000,000	Pay fixed 2.6212% receive float 3 Month USD LIBOR 24/01/2047	556	0.13
5,000,000	Pay fixed 1.4202% receive float 6 Month GBP LIBOR 11/01/2058	200	0.05
10,400,000	Receive fixed 0.9828% pay float 6 Month EURIBOR 29/01/2028	130	0.03
1,000,000	Pay fixed 1.4022% receive float 6 Month GBP LIBOR 15/12/2047	49	0.01
1,600,000	Pay fixed 2.6637% receive float 3 Month USD LIBOR 29/01/2028	26	0.01
2,300,000	Receive fixed 3.22% pay float New Zealand Bank Bill 3mth Index 29/01/2028	24	0.01
706,700,000	Receive fixed 0.2873% pay float 6 Month JPY LIBOR 02/07/2028	17	0.00
800,000	Receive fixed 1.0638% pay float 6 Month EURIBOR 05/03/2028	15	0.00
580,000	Receive fixed 1.0903% pay float 6 Month EURIBOR 05/02/2028	12	0.00
3,500,000	Receive fixed 0.4123% pay float 6mo CHF Libor 29/01/2028	11	0.00
900,000	Receive fixed 3.2425% pay float New Zealand Bank Bill 3 Month Index 05/02/2028	10	0.00
660,000	Receive fixed 3.305% pay float New Zealand Bank Bill 3mth Index 12/02/2028	9	0.00
1,100,000	Pay fixed 2.7832% receive float 3 Month USD LIBOR 05/02/2028	9	0.00
2,000,000	Pay fixed 1.4767% receive float 6 Month GBP LIBOR 25/01/2028	3	0.00
2,400,000	Receive fixed 2.5575% pay float 3 Month CDOR 01/03/2028	3	0.00
4,000,000	Pay fixed 2.517% receive float 3 Month CDOR 29/03/2028	3	0.00
6,500,000	Pay fixed 2.8143% receive float 6 Month AUD Bank Bill 29/06/2028	2	0.00
1,600,000	Receive fixed 0.4123% pay float 6mo CHF Libor 04/06/2028	1	0.00
400,000	Receive fixed 0.4098% pay float 6mo CHF Libor 04/04/2028	1	0.00
200,000	Pay fixed 2.9577% receive float 3 Month USD LIBOR 26/02/2028	(1)	0.00
2,100,000	Pay fixed 1.3287% receive float 3 Month STIBOR 29/01/2028	(4)	0.00
1,200,000	Pay fixed 0.9362% receive float 6 Month EURIBOR 04/06/2028	(7)	0.00
1,400,000	Pay fixed 1.5572% receive float 6 Month GBP LIBOR 01/03/2028	(8)	0.00
2,700,000	Pay fixed 2.6025% receive float 3 Month CDOR 25/01/2028	(10)	0.00
1,000,000	Receive fixed 1.45% pay float 6 Month GBP LIBOR 16/01/2030	(11)	0.00
135,500,000	Pay fixed 0.3814% receive float 6 Month JPY LIBOR 05/02/2028	(13)	0.00
1,300,000	Pay fixed 1.6502% receive float 6 Month GBP LIBOR 20/06/2048	(16)	0.00

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
800,000	Pay fixed 1.7462% receive float 6 Month GBP LIBOR 15/02/2028	(18)	0.00
268,200,000	Pay fixed 0.3642% receive float 6 Month JPY LIBOR 19/02/2028	(22)	(0.01)
274,600,000	Pay fixed 0.3702% receive float 6 Month JPY LIBOR 29/01/2028	(24)	(0.01)
328,600,000	Pay fixed 0.3787% receive float 6 Month JPY LIBOR 13/02/2028	(30)	(0.01)
4,200,000	Pay fixed 2.981% receive float 6 Month AUD Bank Bill 29/01/2028	(38)	(0.01)
10,000,000	Receive fixed 0.8653% pay float 6 Month GBP LIBOR 19/01/2021	(53)	(0.01)
20,000,000	Receive fixed 0.7125% pay float 6 Month GBP LIBOR 17/01/2020	(74)	(0.02)
10,000,000	Receive fixed 1.5238% pay float 6 Month GBP LIBOR 18/01/2033	(96)	(0.02)
		656	0.16
	Futures - ((0.01)%)		
8,500,000	US 20 Year Long Bond (CBT) Commodity Future 19/09/2018	209	0.05
40,900,000	US 5 Year Treasury Note (CBT) Commodity Future 28/09/2018	177	0.04
4,300,000	Long Gilt Commodity Future 26/09/2018	55	0.01
(20,000,000)	US 2 Year Treasury Note (CBT) Commodity Future 28/09/2018	5	0.00
(1,900,000)	Euro-BOBL Commodity Future 06/09/2018	(10)	0.00
(800,000)	US 10 Year Ultra Future Sep 18	(11)	0.00
(1,700,000)	EURO BUXL 30 Year Commodity Future 06/09/2018	(36)	(0.01)
(4,700,000)	EURO-BUND Commodity Future 06/09/2018	(69)	(0.02)
(18,300,000)	US 10 Year Treasury Note (CBT) Commodity Future 19/09/2018	(162)	(0.04)
(11,000,000)	US Ultra Bond Commodity Future 19/09/2018	(459)	(0.11)
		(301)	(0.07)
	Forward Foreign Exchange Contracts - ((0.29)%)		
2,932,000	Bought USD sold GBP @ 1.354985 for settlement 16/08/2018	63	0.02
1,978,000	Bought USD sold GBP @ 1.363377 for settlement 16/08/2018	51	0.01
902,000	Bought USD sold GBP @ 1.364925 for settlement 16/08/2018	24	0.01
(7,848,000)	Bought GBP sold EUR @ 1.135583 for settlement 16/08/2018	(50)	(0.01)
(42,683,000)	Bought GBP sold USD @ 1.356395 for settlement 16/08/2018	(949)	(0.23)
		(861)	(0.21)
	Index Credit Default Swap - (0.00%)		
20,000,000	Bought Protection on ITRAXX XOver S28 20/12/2022	(1,598)	(0.38)
		(1,598)	(0.38)
	Portfolio of investments	409,990	98.70
	Cash and other net assets/(liabilities)	5,420	1.30
	Net assets	415,410	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Financials - (27.84%)		
832,252	Fidelity Special Situations Fund W-Acc	31,542	9.61
16,436,179	Lloyds Banking Group	10,355	3.15
431,723	Prudential	7,521	2.29
868,039	HSBC Holdings	6,193	1.89
930,028	Aviva	4,693	1.43
393,520	St James Place	4,526	1.38
1,334,282	Legal & General Group	3,536	1.08
1,801,553	Barclays	3,418	1.04
55,760	London Stock Exchange	2,513	0.77
336,841	British Land	2,261	0.69
79,220	Rathbone Brothers	2,061	0.63
295,381	Phoenix Group Holdings	1,975	0.60
294,374	Liontrust Asset Management	1,825	0.56
249,281	Great Portland Estates	1,764	0.54
65,312	Admiral Group	1,250	0.38
224,900	Investec	1,215	0.37
169,620	Standard Chartered	1,179	0.36
196,590	Beazley	1,140	0.35
56,695	Brooks MacDonald Group	1,097	0.33
294,960	Helical Bar	1,007	0.31
782,465	Greencoat UK Wind Funds	978	0.30
379,444	RBS Group	974	0.30
213,317	Direct Line Insurance Group	734	0.22
48,174	Hiscox	731	0.22
232,466	John Laing Group	634	0.19
343,807	Redde	596	0.18
511,899	Primary Health Properties	595	0.18
100,564	Lancashire Holdings	568	0.17
34,701	Close Brothers Group	517	0.16
23,925	Jardine Lloyd Thompson Group	304	0.09
59,867	Chesnara	219	0.07
137,843	Phoenix Group Holdings (Rights 09/07/2018)	208	0.06
300,840	Barclays Bank 0.00% VRN 31/01/2019	2	0.00
0	Fidelity Institutional Sterling Fund Class A-Acc	1	0.00
		98,132	29.89
	Industrials - (14.88%)		
70,450	Ferguson	4,350	1.32
800,228	Meggitt	3,956	1.20
149,493	Bunzl	3,440	1.05
117,768	CRH (GB)	3,166	0.96
693,758	Polypipe Group	2,661	0.81
127,071	Weir Group	2,517	0.77
109,418	Experian	2,055	0.63
28,653	DCC	1,990	0.61
344,365	Essentra	1,653	0.50
763,846	Melrose Industries	1,628	0.50
480,992	Rotork	1,604	0.49
151,603	Rolls-Royce Holdings	1,499	0.46
110,736	Diploma	1,435	0.44
95,476	Travis Perkins	1,355	0.41

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
50,747	Spectris	1,329	0.40
1,604,773	Breedon Group	1,300	0.40
239,719	Howden Joinery Group	1,283	0.39
250,950	Royal Mail	1,257	0.38
68,853	Ultra Electronics Holdings	1,122	0.34
292,828	Morgan Advanced Materials	952	0.29
659,503	Eddie Stobart Logistics	923	0.28
14,071	Spirax-Sarco Engineering	919	0.28
85,657	HomeServe	771	0.23
761,015	Serco Group	733	0.22
235,511	Forterra	728	0.22
251,636	Balfour Beatty	714	0.22
71,599	PayPoint	697	0.21
221,676	Ibstock	659	0.20
316,151	Capita	504	0.15
31,605	Ricardo Group	307	0.09
2,206	Clarkson	51	0.02
7,461,319	Rolls-Royce Holdings Class	7	0.00
		47,565	14.49
	Consumer Services - (11.78%)		
71,061	Next	4,306	1.31
618,606	International Consolidated Airlines Group	4,125	1.26
222,377	Compass Group	3,619	1.10
46,649	Rightmove	2,471	0.75
922,405	Tesco	2,391	0.73
271,735	Informa	2,260	0.69
124,772	RELX	2,030	0.62
181,158	GVC Holdings	1,906	0.58
47,564	Wizz Air Holdings	1,701	0.52
382,825	Auto Trader Group	1,628	0.50
1,099,659	EI Group	1,625	0.49
1,408,716	Thomas Cook Group	1,512	0.46
143,135	Pearson	1,267	0.39
72,598	easyJet	1,217	0.37
269,284	Merlin Entertainments	1,046	0.32
25,510	Whitbread	1,017	0.31
124,404	Just Eat	977	0.30
21,458	Carnival	931	0.28
293,407	William Hill	892	0.27
202,468	Sports Direct International	810	0.25
446,812	ITV	783	0.24
256,683	Kingfisher	765	0.23
96,451	Daily Mail & General Trust	711	0.22
234,776	Marks & Spencer Group	698	0.21
188,014	Dominos Pizza UK & Ireland	654	0.20
179,384	Halfords Group	623	0.19
59,988	Dignity	608	0.19
115,050	On the Beach Group	587	0.18
37,104	Go-Ahead Group	586	0.18
54,575	Greggs	534	0.16
305,519	Stagecoach Group	419	0.13
		44,699	13.61

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
Consumer Goods - (16.35%)			
193,272	Unilever	8,159	2.48
281,504	Diageo	7,734	2.36
161,289	British American Tobacco	6,289	1.92
46,435	Reckitt Benckiser Group	2,901	0.88
84,195	Cranswick	2,847	0.87
99,271	Imperial Brands	2,820	0.86
44,103	Berkeley Group Holdings	1,662	0.51
322,407	Dairy Crest Group	1,562	0.48
52,941	Associated British Foods	1,446	0.44
125,714	Bovis Homes Group	1,444	0.44
26,708	Kraft Heinz	1,273	0.39
197,964	Headlam Group	983	0.30
598,684	Cairn Homes	942	0.29
127,870	Gear4music Holdings	916	0.28
22,828	Bellway	688	0.21
17,913	Games Workshop Group	539	0.16
64,984	Tate & Lyle	419	0.13
26,788	Nichols	398	0.12
8,407	Fevertree Drinks	284	0.09
8,040	Ted Baker	174	0.05
		43,480	13.24
Oil & Gas - (4.60%)			
389,279	Royal Dutch Shell (A)	10,294	3.14
1,732,634	BP	10,042	3.06
71,321	Royal Dutch Shell (B)	1,945	0.59
464,706	Cairn Energy	1,176	0.36
845,470	Premier Oil	1,086	0.33
271,964	Tullow Oil	665	0.20
2,970	Pioneer Natural Resources	427	0.13
		25,635	7.81
Health Care - (8.49%)			
136,371	AstraZeneca	7,207	2.19
385,715	GlaxoSmithKline	5,889	1.79
71,895	Novo Nordisk (B)	2,527	0.77
44,964	Shire	1,921	0.59
170,291	Oxford Biomedica	1,661	0.51
506,561	Spire Healthcare Group	1,270	0.39
210,375	Eco Animal Health Group	1,073	0.33
		21,548	6.56
Basic Materials - (2.44%)			
113,570	Rio Tinto	4,788	1.46
1,049,698	Glencore	3,794	1.16
30,295	Randgold Resources	1,758	0.54
74,698	BHP Billiton	1,280	0.39
348,527	Elementis	895	0.27
390,364	Kenmare Resources (GB)	843	0.26
26,673	Victrex	769	0.23
32,607	Mondi	672	0.20

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
78,759	KAZ Minerals	663	0.20
16,092	Johnson Matthey	585	0.18
91,885	Atalaya Mining	229	0.07
		16,276	4.96
	Utilities - (2.84%)		
407,584	National Grid	3,438	1.05
220,367	Pennon Group	1,751	0.53
182,876	United Utilities Group	1,404	0.43
97,071	SSE	1,318	0.40
66,088	Severn Trent	1,310	0.40
656,795	Centrica	1,051	0.32
176,979	Drax Group	574	0.17
		10,846	3.30
	Technology - (2.65%)		
365,671	Sage Group	2,299	0.70
23,600	ASOS	1,432	0.44
69,312	Blue Prism Group	1,238	0.38
66,465	Micro Focus International	889	0.27
89,554	GB Group	544	0.17
465,989	Iqe	486	0.15
9,259	First Derivatives	432	0.13
		7,320	2.23
	Telecommunications - (1.86%)		
1,632,930	BT Group	3,553	1.08
901,296	KCOM Group	877	0.27
138,421	Inmarsat	757	0.23
234,669	Vodafone Group	431	0.13
		5,618	1.71
	Portfolio of investments	321,119	97.80
	Cash and other net assets/(liabilities)	7,233	2.20
	Net assets	328,352	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
Gilt Edged Securities - (71.85%)			
12,690,000	UK Gilt 4.50% 07/09/2034	17,872	9.52
16,220,000	UK Gilt 3.75% 07/09/2019	16,810	8.95
11,130,000	UK Gilt 4.25% 07/09/2039	16,147	8.60
10,070,000	UK Gilt 3.25% 22/01/2044	13,180	7.02
11,100,000	UK Gilt 3.75% 07/09/2021	12,138	6.46
10,555,000	UK Gilt 4.00% 07/03/2022	11,781	6.27
6,440,000	UK Gilt 4.25% 07/12/2055	11,196	5.96
9,370,000	UK Gilt 2.75% 07/09/2024	10,307	5.49
6,350,000	UK Gilt 3.75% 22/07/2052	9,798	5.22
7,500,000	UK Gilt 2.25% 07/09/2023	7,973	4.24
7,250,000	UK Gilt 1.75% 07/09/2022	7,505	4.00
4,680,000	UK Gilt 4.25% 07/12/2027	5,919	3.15
3,120,000	UK Gilt 4.00% 22/01/2060	5,410	2.88
2,800,000	UK Gilt 3.50% 22/07/2068	4,681	2.49
1,930,000	UK Gilt 4.25% 07/03/2036	2,697	1.44
1,550,000	UK Gilt 6.00% 07/12/2028	2,250	1.20
1,200,000	UK Gilt 4.50% 07/12/2042	1,861	0.99
950,000	UK Gilt 4.75% 07/12/2038	1,452	0.77
800,000	UK Gilt 4.25% 07/12/2046	1,251	0.67
550,000	UK Gilt 3.50% 22/01/2045	754	0.40
550,000	UK Gilt 2.50% 22/07/2065 Reg S	723	0.38
		161,705	86.09
Corporate Bonds - (21.20%)			
2,370,000	Westpac Banking 2.125% 02/05/2025	2,356	1.25
1,200,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	1,645	0.88
1,400,000	Daimler International Finance 1.50% 18/08/2021 EMTN Reg S	1,396	0.74
1,100,000	Lloyds Bank 5.125% 07/03/2025 EMTN Reg S	1,334	0.71
1,300,000	HSBC Holdings 2.175% VRN 27/06/2023	1,292	0.69
900,000	Society of Lloyds 4.75% 30/10/2024 Reg S	966	0.51
950,000	University of Cambridge 2.35% 27/06/2078 Reg S	941	0.50
853,000	London & Quadrant Housing Trust 3.125% 28/02/2053 Reg S	842	0.45
700,000	BHP Billiton Finance 6.50% VRN 22/10/2077 Reg S	785	0.42
750,000	Orbit Capital 3.375% 14/06/2048 Reg S	757	0.40
725,000	Shaftesbury Carnaby 2.487% 30/09/2031	686	0.37
650,000	HSBC Holdings 4.75% VRN (Perpetual) EMTN	569	0.30
400,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	527	0.28
450,000	WM Treasury 3.25% 20/10/2048 Reg S	452	0.24
300,000	British Land 5.264% 24/09/2035	379	0.20
350,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	368	0.20
300,000	Intu SGS Finance 4.25% 17/09/2035 EMTN Reg S	331	0.18
350,000	Scentre Management 2.375% 05/11/2019 144A	263	0.14
250,000	Close Brothers Group 4.25% 24/01/2027 Reg S	261	0.14
200,000	Abbey National Treasury Services 5.75% 02/03/2026 EMTN Reg S	256	0.14
250,000	London & Quadrant Housing Trust 2.625% 28/02/2028 Reg S	249	0.13
150,000	Bankers Investment Trust 8.00% 31/10/2023	188	0.10
150,000	Edinburgh Investment Trust 7.75% 30/09/2022	182	0.10
95,000	Lloyds Bank 6.50% 17/09/2040 EMTN Reg S	143	0.08
102,000	Land Securities Capital Markets	100	0.05
150,000	Cattles 7.125% 05/07/2017 (Defaulted)	0	0.00
25,000	Cattles 6.875% VRN 17/01/2014 EMTN (Defaulted)	0	0.00
		17,268	9.19

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
Mortgage Related Bonds - (2.08%)			
1,500,000	Newday Partnership Funding 2017 1 1.2564% VRN 15/12/2027 Reg S	1,499	0.80
950,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	881	0.47
679,332	Together Asset Backed Securitisation 1 1.6246% VRN 12/03/2049 Reg S	682	0.36
450,000	SLM Student Loan Trust FRN 5.15% 15/12/2039 Reg S	433	0.23
400,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	403	0.21
300,000	RHP Finance 3.25% 05/02/2048 Reg S	303	0.16
86,059	Juturna European Loan Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	104	0.06
87,603	Dignity Finance 3.5456% 31/12/2034 Reg S	93	0.05
		4,398	2.34
Government Bonds - (2.76%)			
1,400,000	Qatar 3.25% 02/06/2026 Reg S	1,003	0.53
1,200,000	Qatar 2.375% 02/06/2021 Reg S	881	0.47
1,050,000	Kuwait 3.50% 20/03/2027 Reg S	777	0.41
		2,661	1.42
Municipal Bond - (0.37%)			
850,000	University of California Revenues 4.858% 15/05/2112	688	0.37
		688	0.37
Interest Rate Swaps - (0.06%)			
10,000,000	Pay fixed 0.6812% receive float 6 Month GBP LIBOR 12/06/2022	205	0.11
7,400,000	Receive fixed 0.9828% pay float 6 Month EURIBOR 29/01/2028	92	0.05
1,200,000	Pay fixed 2.6637% receive float 3 Month USD LIBOR 29/01/2028	19	0.01
1,600,000	Receive fixed 3.22% pay float New Zealand Bank Bill 3mth Index 29/01/2028	17	0.01
537,100,000	Receive fixed 0.2873% pay float 6 Month JPY LIBOR 02/07/2028	13	0.01
600,000	Receive fixed 1.0638% pay float 6 Month EURIBOR 05/03/2028	11	0.01
470,000	Receive fixed 1.0903% pay float 6 Month EURIBOR 05/02/2028	10	0.01
800,000	Receive fixed 3.2425% pay float New Zealand Bank Bill 3 Month Index 05/02/2028	9	0.00
2,500,000	Receive fixed 0.4123% pay float 6mo CHF Libor 29/01/2028	8	0.00
800,000	Pay fixed 2.7832% receive float 3 Month USD LIBOR 05/02/2028	7	0.00
460,000	Receive fixed 3.305% pay float New Zealand Bank Bill 3mth Index 12/02/2028	7	0.00
3,100,000	Pay fixed 2.517% receive float 3 Month CDOR 29/03/2028	3	0.00
1,700,000	Receive fixed 2.5575% pay float 3 Month CDOR 01/03/2028	2	0.00
1,300,000	Pay fixed 1.4767% receive float 6 Month GBP LIBOR 25/01/2028	2	0.00
400,000	Receive fixed 0.4098% pay float 6mo CHF Libor 04/04/2028	1	0.00
4,900,000	Pay fixed 2.8143% receive float 6 Month AUD Bank Bill 29/06/2028	1	0.00
1,200,000	Receive fixed 0.4123% pay float 6mo CHF Libor 04/06/2028	1	0.00
200,000	Pay fixed 2.9577% receive float 3 Month USD LIBOR 26/02/2028	(1)	0.00
1,600,000	Pay fixed 1.3287% receive float 3 Month STIBOR 29/01/2028	(3)	0.00
600,000	Pay fixed 0.9362% receive float 6 Month EURIBOR 04/06/2028	(4)	0.00
1,000,000	Pay fixed 1.5572% receive float 6 Month GBP LIBOR 01/03/2028	(6)	0.00
1,800,000	Pay fixed 2.6025% receive float 3 Month CDOR 25/01/2028	(7)	0.00
100,400,000	Pay fixed 0.3814% receive float 6 Month JPY LIBOR 05/02/2028	(9)	0.00
201,000,000	Pay fixed 0.3702% receive float 6 Month JPY LIBOR 29/01/2028	(18)	(0.01)
800,000	Pay fixed 1.7462% receive float 6 Month GBP LIBOR 15/02/2028	(18)	(0.01)
215,800,000	Pay fixed 0.3642% receive float 6 Month JPY LIBOR 19/02/2028	(18)	(0.01)
6,000,000	Receive fixed 0.7125% pay float 6 Month GBP LIBOR 17/01/2020	(22)	(0.01)
244,800,000	Pay fixed 0.3787% receive float 6 Month JPY LIBOR 13/02/2028	(23)	(0.01)
3,100,000	Pay fixed 2.981% receive float 6 Month AUD Bank Bill 29/01/2028	(28)	(0.01)
		251	0.13

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Financials - (0.48%)		
0	Fidelity Institutional Sterling Fund Class A-Acc	1	0.00
		1	0.00
	Futures - ((0.14)%)		
7,400,000	Long Gilt Commodity Future 26/09/2018	94	0.05
300,000	US Ultra Bond Commodity Future 19/09/2018	12	0.01
1,300,000	Euro-BOBL Commodity Future 06/09/2018	7	0.00
1,300,000	US 5 Year Treasury Note (CBT) Commodity Future 28/09/2018	6	0.00
(3,400,000)	US 2 Year Treasury Note (CBT) Commodity Future 28/09/2018	1	0.00
(1,000,000)	Euro-Schatz Commodity Future 06/09/2018	(1)	0.00
(200,000)	EURO BUXL 30 Year Commodity Future 06/09/2018	(3)	0.00
(2,100,000)	US 10 Year Treasury Note (CBT) Commodity Future 19/09/2018	(19)	(0.01)
(2,400,000)	EURO-BUND Commodity Future 06/09/2018	(26)	(0.01)
(2,600,000)	US 10 Year Ultra Future Sep 18	(35)	(0.02)
(1,800,000)	US 20 Year Long Bond (CBT) Commodity Future 19/09/2018	(50)	(0.03)
		(14)	(0.01)
	Forward Foreign Exchange Contracts - (0.02%)		
1,776,000	Bought USD sold GBP @ 1.355809 for settlement 16/08/2018	39	0.02
1,049,000	Bought USD sold GBP @ 1.354985 for settlement 16/08/2018	23	0.01
400,000	Bought EUR sold GBP @ 1.138006 for settlement 16/08/2018	3	0.00
(7,389,000)	Bought GBP sold USD @ 1.356395 for settlement 16/08/2018	(163)	(0.09)
		(98)	(0.05)
	Index Credit Default Swap - (0.00%)		
9,000,000	Bought Protection on ITRAXX XOver S28 20/12/2022	(719)	(0.38)
		(719)	(0.38)
	Portfolio of investments	186,141	99.10
	Cash and other net assets/(liabilities)	1,687	0.90
	Net assets	187,828	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

UK Investment Grade Long Credit Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Corporate Bonds - (79.01%)		
2,000,000	KFW 5.75% 07/06/2032	2,978	4.80
2,000,000	European Investment Bank 1.00% 21/09/2026 EMTN Reg S	1,912	3.08
1,100,000	Reseau Ferre de France 4.83% 25/03/2060 EMTN	1,850	2.98
1,300,000	HSBC Holdings 7.00% 07/04/2038 EMTN Reg S	1,836	2.96
1,200,000	GlaxoSmithKline Capital 5.25% 19/12/2033 EMTN	1,573	2.53
936,000	Citigroup 7.375% 01/09/2039 EMTN Reg S	1,465	2.36
1,000,000	European Investment Bank 5.625% 07/06/2032	1,463	2.36
1,000,000	KFW 6.00% 07/12/2028	1,415	2.28
1,100,000	EDF 5.50% 17/10/2041 EMTN Reg S	1,377	2.22
900,000	European Investment Bank 5.00% 15/04/2039	1,365	2.20
900,000	Engie 5.00% 01/10/2060 EMTN Reg S	1,329	2.14
850,000	Rabobank 5.375% 03/08/2060 EMTN	1,271	2.05
900,000	Wal-Mart Stores 5.625% 27/03/2034	1,267	2.04
950,000	GE Capital UK Funding 5.875% 18/01/2033 EMTN	1,236	1.99
800,000	Lloyds Bank 6.50% 17/09/2040 EMTN Reg S	1,202	1.94
900,000	AT&T 4.875% 01/06/2044	1,032	1.66
800,000	General Electric Capital 4.875% 18/09/2037 EMTN	903	1.45
600,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	822	1.32
800,000	Cadent Finance 2.75% 22/09/2046 EMTN Reg S	722	1.16
500,000	BAT International Finance 5.75% 05/07/2040 EMTN	674	1.09
500,000	Allianz Finance II 4.50% 13/03/2043 Reg S	658	1.06
500,000	IPIC GMTN 6.875% 14/03/2026 EMTN Reg S	651	1.05
725,000	Vodafone Group 3.00% 12/08/2056 EMTN Reg S	620	1.00
600,000	Massachusetts Institute Technology 5.60% 01/07/2111	584	0.94
500,000	Apple 3.60% 31/07/2042	583	0.94
300,000	Thames Water Utilities 7.738% 09/04/2058 Reg S	566	0.91
450,000	America Movil 4.948% 22/07/2033	543	0.87
400,000	University of Cambridge 3.75% 17/10/2052	531	0.86
350,000	Engie 5.95% 16/03/2111 EMTN Reg S	526	0.85
400,000	Southern Electric Power Distribution 5.50% 07/06/2032	517	0.83
400,000	Enel Finance International 5.75% 14/09/2040 EMTN	507	0.82
500,000	Daimler International Finance 1.50% 18/08/2021 EMTN Reg S	498	0.80
350,000	GE Capital UK Funding 6.25% 05/05/2038 EMTN	486	0.78
375,000	South Eastern Power Networks 5.625% 30/09/2030 EMTN	479	0.77
450,000	HSBC Holdings 2.175% VRN 27/06/2023	447	0.72
300,000	E.ON International Finance 6.75% 27/01/2039 EMTN	446	0.72
350,000	Scottish Widows 7.00% 16/06/2043 Reg S	419	0.68
250,000	Yorkshire Water Services 6.375% 19/08/2039	381	0.61
350,000	Prudential 5.70% VRN 19/12/2063 EMTN Reg S	380	0.61
400,000	Zuerich Versicherungs Gesellsc 3.50% VRN 01/10/2046 Reg S	372	0.60
300,000	BHP Billiton Finance 4.30% 25/09/2042	368	0.59
300,000	Notting Hill Housing Trust 4.375% 20/02/2054	367	0.59
300,000	EDF 5.125% 22/09/2050 EMTN Reg S	367	0.59
350,000	University of Cambridge 2.35% 27/06/2078 Reg S	347	0.56
404,000	EDF 6.00% 22/01/2114 144A	322	0.52
250,000	HSBC Holdings 6.00% 29/03/2040 EMTN Reg S	321	0.52
200,000	Southern Water Services Finance 5.125% 30/09/2056 EMTN	305	0.49
303,000	London & Quadrant Housing Trust 3.125% 28/02/2053 Reg S	299	0.48
218,000	Rabobank 5.25% 23/05/2041 GMTN	292	0.47
200,000	Heathrow Funding 5.875% 13/05/2043 EMTN Reg S	281	0.45

UK Investment Grade Long Credit Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
250,000	Society of Lloyds 4.75% 30/10/2024 Reg S	268	0.43
200,000	EDF 6.00% 23/01/2114 EMTN Reg S	258	0.42
200,000	Abbey National Treasury Services 5.75% 02/03/2026 EMTN Reg S	256	0.41
250,000	Orbit Capital 3.375% 14/06/2048 Reg S	252	0.41
250,000	Liberty Living Finance 3.375% 28/11/2029 Reg S	251	0.40
200,000	Statoil 4.25% 10/04/2041 EMTN Reg S	250	0.40
250,000	Verizon Communications 3.375% 27/10/2036	244	0.39
250,000	Gatwick Funding 3.125% 28/09/2041 EMTN Reg S	242	0.39
200,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	241	0.39
200,000	HSBC Bank 4.75% 24/03/2046 EMTN	239	0.39
250,000	University of Southampton 2.25% 11/04/2057 Reg S	227	0.37
200,000	BHP Billiton Finance 6.50% VRN 22/10/2077 Reg S	224	0.36
150,000	Orange 5.375% 22/11/2050 EMTN	204	0.33
250,000	WPP Finance 2013 2.875% 14/09/2046 EMTN Reg S	202	0.33
150,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	198	0.32
200,000	Land Securities Capital Markets 2.75% 22/09/2059 EMTN Reg S	197	0.32
200,000	Phoenix Group Holdings 5.75% VRN (Perpetual) Reg S	184	0.30
200,000	Petroleos Mexicanos 4.875% 21/02/2028 Reg S	183	0.29
124,000	Wellcome Trust 4.00% 09/05/2059 Reg S	176	0.28
200,000	Microsoft 4.75% 03/11/2055	172	0.28
200,000	Noble Energy 5.25% 15/11/2043	153	0.25
150,000	Annington Funding 3.685% 12/07/2034 Reg S	153	0.25
150,000	WM Treasury 3.25% 20/10/2048 Reg S	151	0.24
100,000	RWE Finance 6.125% 06/07/2039 EMTN	140	0.23
150,000	Apple 4.65% 23/02/2046	122	0.20
100,000	University of Liverpool 3.375% 25/06/2055 Reg S	119	0.19
150,000	Shell International Finance 4.375% 11/05/2045	116	0.19
100,000	Intu SGS Finance 4.25% 17/09/2035 EMTN Reg S	110	0.18
100,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	105	0.17
100,000	Annington Funding 3.935% 12/07/2047 EMTN Reg S	103	0.17
100,000	Provident Financial 7.00% 04/06/2023 EMTN Reg S	102	0.16
100,000	British Telecommunications 3.125% 21/11/2031 EMTN Reg S	97	0.16
150,000	Verizon Communications 4.125% 15/08/2046	97	0.16
100,000	British Telecommunications 3.625% 21/11/2047 EMTN Reg S	96	0.15
50,000	RWE Finance 6.25% 03/06/2030 EMTN	66	0.11
50,000	Newell Brands 5.50% 01/04/2046	37	0.06
		47,390	76.35
	Mortgage Related Bonds - (11.92%)		
1,075,742	Juturna European Loan Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	1,299	2.09
1,024,788	Meadowhall Finance 4.986% 12/07/2037 Reg S	1,246	2.01
711,367	Telereal Securitisation 5.3887% 10/12/2033	845	1.36
564,231	Equity Release Funding 3 5.70% 26/02/2031	669	1.08
301,039	Trafford Centre Finance 6.50% 28/07/2033	403	0.65
300,000	Swan Housing Capital 3.625% 05/03/2048 Reg S	315	0.51
226,602	White City Property Finance 5.1202% 17/04/2035	278	0.45
250,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	232	0.37
150,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	151	0.24
150,000	Channel Link Enterprises Finance 3.043% VRN 30/06/2050 Reg S	149	0.24
93,407	Equity Release Funding 2 5.88% 26/05/2032	114	0.18
91,417	Greene King Finance 4.0643% 15/03/2035 Reg S	98	0.16
48,764	BL Superstores Finance 5.27% 04/10/2030	53	0.09
		5,852	9.43

UK Investment Grade Long Credit Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Gilt Edged Securities - (6.17%)		
2,700,000	UK Gilt 4.75% 07/12/2038	4,126	6.65
250,000	UK Gilt 4.25% 07/03/2036	349	0.56
200,000	UK Gilt 4.50% 07/12/2042	310	0.50
100,000	UK Gilt 4.25% 07/12/2046	156	0.25
50,000	UK Gilt 4.50% 07/09/2034	70	0.11
		5,011	8.07
	Municipal Bond - (0.57%)		
400,000	University of California Revenues 4.858% 15/05/2112	324	0.52
		324	0.52
	Forward Foreign Exchange Contracts - ((0.07)%)		
786,000	Bought USD sold GBP @ 1.364453 for settlement 16/08/2018	21	0.03
642,000	Bought USD sold GBP @ 1.352574 for settlement 16/08/2018	13	0.02
403,000	Bought USD sold GBP @ 1.354985 for settlement 16/08/2018	9	0.01
442,000	Bought EUR sold GBP @ 1.137533 for settlement 16/08/2018	4	0.01
104,000	Bought USD sold GBP @ 1.364925 for settlement 16/08/2018	3	0.00
395,000	Bought EUR sold GBP @ 1.136919 for settlement 16/08/2018	3	0.00
(2,019,000)	Bought GBP sold EUR @ 1.135583 for settlement 16/08/2018	(13)	(0.02)
(4,393,000)	Bought GBP sold USD @ 1.355524 for settlement 16/08/2018	(96)	(0.15)
		(56)	(0.09)
	Futures - ((0.23)%)		
7,400,000	Long Gilt Commodity Future 26/09/2018	75	0.12
1,000,000	EURO-BUND Commodity Future 06/09/2018	17	0.03
600,000	US 20 Year Long Bond (CBT) Commodity Future 19/09/2018	15	0.02
2,400,000	US 5 Year Treasury Note (CBT) Commodity Future 28/09/2018	10	0.02
700,000	US 10 Year Treasury Note (CBT) Commodity Future 19/09/2018	4	0.01
1,100,000	US 10 Year Ultra Future Sep 18	4	0.01
300,000	Euro-BOBL Commodity Future 06/09/2018	2	0.00
200,000	Australian 10 Year Bond Commodity Future 17/09/2018	2	0.00
(400,000)	Euro-Schatz Commodity Future 06/09/2018	0	0.00
(1,400,000)	US 2 Year Treasury Note (CBT) Commodity Future 28/09/2018	0	0.00
(800,000)	EURO BUXL 30 Year Commodity Future 06/09/2018	(17)	(0.03)
(5,500,000)	Canadian 10 Year Commodity Bond Future 19/09/2018	(63)	(0.10)
(2,700,000)	US Ultra Bond Commodity Future 19/09/2018	(113)	(0.18)
		(64)	(0.10)
	Portfolio of investments	58,457	94.18
	Cash and other net assets/(liabilities)	3,614	5.82
	Net assets	62,071	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

UK Long Corporate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Corporate Bonds - (77.08%)		
7,900,000	GE Capital UK Funding 6.25% 05/05/2038 EMTN	10,977	2.07
8,100,000	Apple 3.60% 31/07/2042	9,441	1.78
10,700,000	Gilead Sciences 4.75% 01/03/2046	8,415	1.58
6,300,000	BHP Billiton Finance 4.30% 25/09/2042	7,729	1.45
6,100,000	EDF 5.125% 22/09/2050 EMTN Reg S	7,456	1.40
4,850,000	Rabobank 5.375% 03/08/2060 EMTN	7,252	1.36
4,950,000	HSBC Holdings 7.00% 07/04/2038 EMTN Reg S	6,993	1.32
4,475,000	Lloyds Bank 6.50% 17/09/2040 EMTN Reg S	6,722	1.27
4,050,000	Reseau Ferre de France 5.00% 11/03/2052 EMTN	6,536	1.23
4,150,000	E.ON International Finance 6.75% 27/01/2039 EMTN	6,171	1.16
5,903,000	Pfizer 2.735% 15/06/2043 Reg S	5,779	1.09
4,150,000	Lloyds TSB Bank 6.00% 08/02/2029 Reg S	5,687	1.07
5,731,000	Wal-Mart Stores 6.20% 15/04/2038	5,632	1.06
4,500,000	Statoil 4.25% 10/04/2041 EMTN Reg S	5,632	1.06
3,368,000	GE Capital UK Funding 8.00% 14/01/2039 EMTN Reg S	5,540	1.04
2,850,000	Thames Water Utilities 7.738% 09/04/2058 Reg S	5,373	1.01
3,550,000	Engie 5.95% 16/03/2111 EMTN Reg S	5,331	1.00
4,200,000	Enel Finance International 5.75% 14/09/2040 EMTN	5,321	1.00
6,200,000	Vodafone Group 3.00% 12/08/2056 EMTN Reg S	5,299	1.00
3,600,000	Eastern Power Networks 6.25% VRN 12/11/2036 EMTN Reg S	5,171	0.97
5,775,000	AT&T 3.15% 04/09/2036	5,113	0.96
4,700,000	Time Warner Cable 5.25% 15/07/2042	5,101	0.96
3,788,000	Rabobank 5.25% 23/05/2041 GMTN	5,071	0.95
3,700,000	Allianz Finance II 4.50% 13/03/2043 Reg S	4,867	0.92
6,100,000	Microsoft 4.00% 12/02/2055	4,607	0.87
4,100,000	BAT International Finance 4.00% 23/11/2055 EMTN Reg S	4,441	0.84
4,750,000	Cadent Finance 2.75% 22/09/2046 EMTN Reg S	4,288	0.81
3,300,000	EDF 6.00% 23/01/2114 EMTN Reg S	4,250	0.80
3,050,000	Orange 5.375% 22/11/2050 EMTN	4,150	0.78
3,700,000	AT&T 4.25% 01/06/2043	3,883	0.73
3,800,000	HSBC Holdings 2.175% VRN 27/06/2023	3,777	0.71
5,250,000	Baker Hughes A GE 4.08% 15/12/2047	3,563	0.67
2,700,000	Southern Electric Power Distribution 5.50% 07/06/2032	3,488	0.66
3,400,000	Daimler International Finance 1.50% 18/08/2021 EMTN Reg S	3,389	0.64
2,700,000	EDF 5.50% 17/10/2041 EMTN Reg S	3,380	0.64
2,550,000	Northern Powergrid Yorkshire 5.125% 04/05/2035	3,322	0.63
3,400,000	Zuerich Versicherungs Gesellsc 3.50% VRN 01/10/2046 Reg S	3,161	0.59
2,750,000	AT&T 4.875% 01/06/2044	3,152	0.59
2,600,000	America Movil 4.948% 22/07/2033	3,135	0.59
3,350,000	National Grid Gas Finance 2.625% 22/09/2038 EMTN Reg S	3,054	0.57
2,050,000	AT&T 7.00% 30/04/2040 EMTN	2,966	0.56
2,250,000	IPIC GMTN 6.875% 14/03/2026 EMTN Reg S	2,928	0.55
2,850,000	Gazprom Capital Luxembourg 4.25% 06/04/2024 Reg S	2,902	0.55
2,200,000	RWE Finance 6.25% 03/06/2030 EMTN	2,887	0.54
3,000,000	British Telecommunications 3.625% 21/11/2047 EMTN Reg S	2,876	0.54
2,300,000	EDF 5.50% 27/03/2037 EMTN	2,824	0.53
2,250,000	GlaxoSmithKline Capital 4.25% 18/12/2045 EMTN Reg S	2,770	0.52
2,050,000	University of Cambridge 3.75% 17/10/2052	2,722	0.51
2,700,000	University of Cambridge 2.35% 27/06/2078 Reg S	2,675	0.50
2,700,000	Massachusetts Institute Technology 5.60% 01/07/2111	2,630	0.50
2,000,000	HSBC Holdings 6.75% 11/09/2028 Reg S	2,531	0.48

UK Long Corporate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,500,000	Reseau Ferre de France 4.83% 25/03/2060 EMTN	2,525	0.48
2,400,000	Ladbrokes Group Finance 5.125% 08/09/2023 Reg S	2,481	0.47
3,250,000	Microsoft 3.75% 12/02/2045	2,400	0.45
1,878,000	British Land 5.264% 24/09/2035	2,370	0.45
1,500,000	Citigroup 7.375% 01/09/2039 EMTN Reg S	2,348	0.44
2,450,000	Verizon Communications 3.125% 02/11/2035	2,331	0.44
1,600,000	RWE Finance 6.125% 06/07/2039 EMTN	2,240	0.42
2,200,000	Orbit Capital 3.375% 14/06/2048 Reg S	2,221	0.42
2,300,000	British Telecommunications 3.125% 21/11/2031 EMTN Reg S	2,221	0.42
2,214,000	London & Quadrant Housing Trust 3.125% 28/02/2053 Reg S	2,186	0.41
2,150,000	Severn Trent Water Utilities Finance 2.75% 05/12/2031 Reg S	2,113	0.40
1,500,000	Northern Gas Networks 5.625% 23/03/2040 EMTN	2,100	0.40
2,550,000	WPP Finance 2013 2.875% 14/09/2046 EMTN Reg S	2,058	0.39
2,100,000	Gatwick Funding 3.125% 28/09/2041 EMTN Reg S	2,034	0.38
1,600,000	Clydesdale Bank 4.625% 08/06/2026 EMTN	1,926	0.36
1,900,000	Liberty Living Finance 3.375% 28/11/2029 Reg S	1,910	0.36
2,100,000	University of Southampton 2.25% 11/04/2057 Reg S	1,906	0.36
1,950,000	Verizon Communications 3.375% 27/10/2036	1,905	0.36
1,250,000	Yorkshire Water Services 6.375% 19/08/2039	1,903	0.36
2,050,000	Votorantim Cimentos 3.50% 13/07/2022 Reg S	1,863	0.35
1,600,000	Prudential 5.70% VRN 19/12/2063 EMTN Reg S	1,739	0.33
1,450,000	Scottish Widows 7.00% 16/06/2043 Reg S	1,737	0.33
1,350,000	Lloyds Bank 4.875% 30/03/2027 EMTN	1,668	0.31
2,850,000	Teva Pharmaceutical Finance Neth III BV 4.10% 01/10/2046	1,564	0.29
1,559,000	Petrobras Global Finance 6.625% 16/01/2034	1,508	0.28
1,400,000	Virgin Media Secured Finance 6.25% 28/03/2029 Reg S	1,461	0.27
1,250,000	Zurich Finance (UK) 6.625% VRN (Perpetual) EMTN	1,404	0.26
1,050,000	THFC Funding No 3 5.20% 11/10/2043 EMTN Reg S	1,385	0.26
1,400,000	Land Securities Capital Markets 2.75% 22/09/2059 EMTN Reg S	1,377	0.26
1,700,000	Volkswagen International Finance 3.50% VRN (Perpetual) Reg S	1,357	0.26
1,475,000	Petroleos Mexicanos 4.875% 21/02/2028 Reg S	1,349	0.25
1,050,000	HSBC Holdings 6.00% 29/03/2040 EMTN Reg S	1,347	0.25
932,000	Wellcome Trust 4.00% 09/05/2059 Reg S	1,320	0.25
1,700,000	Noble Energy 5.25% 15/11/2043	1,304	0.25
950,000	BAT International Finance 5.75% 05/07/2040 EMTN	1,280	0.24
950,000	Freshwater Finance 5.182% 20/04/2035	1,256	0.24
1,078,000	Intu SGS Finance 4.625% 17/03/2028 Reg S	1,217	0.23
1,200,000	WM Treasury 3.25% 20/10/2048 Reg S	1,206	0.23
900,000	Broadgate Financing 4.821% 05/07/2036	1,172	0.22
1,150,000	Aquarius & Investments 4.25% VRN 02/10/2043 EMTN	1,129	0.21
1,100,000	Annington Funding 3.685% 12/07/2034 Reg S	1,124	0.21
900,000	Freshwater Finance 4.556% 03/04/2036 Reg S	1,122	0.21
800,000	Veolia Environnement 6.125% 29/10/2037 EMTN	1,122	0.21
1,200,000	Phoenix Group Holdings 5.75% VRN (Perpetual) Reg S	1,102	0.21
1,000,000	Society of Lloyds 4.875% VRN 07/02/2047 Reg S	1,051	0.20
700,000	Engie 5.00% 01/10/2060 EMTN Reg S	1,033	0.19
950,000	Investec 4.50% 05/05/2022 EMTN Reg S	1,019	0.19
850,000	HSBC Bank 4.75% 24/03/2046 EMTN	1,017	0.19
1,250,000	Apple 4.65% 23/02/2046	1,016	0.19
1,150,000	HSBC Holdings 4.75% VRN (Perpetual) EMTN	1,006	0.19
750,000	Gatwick Funding 5.75% 23/01/2037 EMTN Reg S	1,004	0.19
800,000	London Merchant Securities 6.50% 16/03/2026	1,002	0.19

UK Long Corporate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
1,150,000	Rabobank Global 5.80% 30/09/2110 144A	991	0.19
1,050,000	LafargeHolcim Sterling Finance 3.00% 12/05/2032 EMTN Reg S	990	0.19
950,000	Annington Funding 3.935% 12/07/2047 EMTN Reg S	982	0.18
700,000	Heathrow Funding 5.875% 13/05/2043 EMTN Reg S	982	0.18
800,000	University of Liverpool 3.375% 25/06/2055 Reg S	949	0.18
1,200,000	Shell International Finance 4.375% 11/05/2045	927	0.17
710,000	Annes Gate Property 5.661% 30/06/2031	901	0.17
800,000	Intu SGS Finance 4.25% 17/09/2035 EMTN Reg S	883	0.17
1,350,000	Verizon Communications 4.125% 15/08/2046	877	0.17
650,000	East Japan Railway 4.875% 14/06/2034 EMTN Reg S	850	0.16
800,000	Provident Financial 7.00% 04/06/2023 EMTN Reg S	815	0.15
1,000,000	EDF 6.00% 22/01/2114 144A	797	0.15
495,000	SMFG Preferred Capital GBP 2 10.231% VRN (Perpetual) Reg S	783	0.15
782,000	Westfield America Management 2.625% 30/03/2029 Reg S	768	0.14
700,000	Admiral Group 5.50% 25/07/2024 Reg S	765	0.14
600,000	RWE Finance 4.75% 31/01/2034 EMTN Reg S	705	0.13
700,000	Land Securities Cap Markets 2.399% 08/02/2031 Reg S	705	0.13
1,274,000	Rowan Cos 5.40% 01/12/2042	690	0.13
750,000	Citigroup 6.675% 13/09/2043	688	0.13
700,000	Motability Operations Group 2.375% 14/03/2032 EMTN Reg S	673	0.13
800,000	Pershing Square Holdings 5.50% 15/07/2022 Reg S	609	0.11
500,000	Aviva 6.875% VRN 20/05/2058 EMTN	604	0.11
600,000	Credit Suisse 5.75% VRN 18/09/2025	579	0.11
500,000	Glencore Finance (Europe) 6.00% VRN 03/04/2022 Reg S	566	0.11
350,000	Edinburgh Investment Trust 7.75% 30/09/2022	424	0.08
250,000	Peel Holdings 8.375% STEP 30/04/2040	370	0.07
314,000	Land Securities Capital Markets	307	0.06
550,000	Samarco Mineracao 4.125% 01/11/2022 Reg S (Defaulted)	305	0.06
150,000	General Electric Capital 4.875% 18/09/2037 EMTN	169	0.03
200,000	Samarco Mineracao 4.125% 01/11/2022 144A (Defaulted)	111	0.02
100,000	PGH Capital 6.625% 18/12/2025	110	0.02
300,000	Cattles 7.125% 05/07/2017 (Defaulted)	1	0.00
1,000,000	Cattles 6.875% VRN 17/01/2014 EMTN (Defaulted)	0	0.00
1,125,000	TXU Eastern Funding 7.25% 08/03/2030 EMTN (Defaulted)	0	0.00
		346,675	65.25
	Gilt Edged Securities - (8.55%)		
20,500,000	UK Gilt 4.25% 07/03/2036	28,648	5.39
16,450,000	UK Gilt 4.50% 07/12/2042	25,512	4.80
13,350,000	UK Gilt 4.75% 07/12/2038	20,402	3.84
11,600,000	UK Gilt 4.25% 07/06/2032	15,508	2.92
10,000,000	UK Gilt 2.50% 22/07/2065 Reg S	13,139	2.47
6,000,000	UK Gilt 6.00% 07/12/2028	8,711	1.64
1,650,000	UK Gilt 4.25% 07/12/2049	2,673	0.50
1,800,000	UK Gilt 4.25% 07/12/2027	2,277	0.43
650,000	UK Gilt 4.25% 07/12/2046	1,017	0.19
		117,887	22.19
	Mortgage Related Bonds - (10.52%)		
6,860,452	Tesco Property Finance 3 5.744% 13/04/2040 Reg S	7,963	1.50
6,282,336	Juturna European Loan Conduit No 16 5.0636% 10/08/2033 EMTN Reg S	7,585	1.43
4,789,000	Dignity Finance 4.6956% 31/12/2049 Reg S	4,617	0.87
2,200,000	Swan Housing Capital 3.625% 05/03/2048 Reg S	2,310	0.43

UK Long Corporate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,350,000	Income Contingent Student Loans 1 2002-2006 2.50% 24/07/2056 Reg S	2,179	0.41
1,832,019	Equity Release Funding 3 5.70% 26/02/2031	2,171	0.41
3,000,000	Abu Dhabi Crude Oil Pipeline 4.60% 02/11/2047 Reg S	2,089	0.39
1,150,000	Equity Release Funding 3 5.05% 26/04/2033	1,403	0.26
1,112,084	Meadowhall Finance 4.986% 12/07/2037 Reg S	1,352	0.25
1,083,427	Tesco Property Finance 5 5.6611% 13/10/2041 Reg S	1,251	0.24
850,000	Peel South East 10.00% 30/04/2026	1,190	0.22
1,150,000	Housing & Care Twenty One 3.288% 08/11/2049 Reg S	1,159	0.22
1,150,000	Channel Link Enterprises Finance 3.043% VRN 30/06/2050 Reg S	1,140	0.21
959,879	Greene King Finance 4.0643% 15/03/2035 Reg S	1,025	0.19
688,089	Trafford Centre Finance 6.50% 28/07/2033	920	0.17
600,000	Dali Capital 4.7992% 21/12/2037	767	0.14
607,143	Equity Release Funding 2 5.88% 26/05/2032	739	0.14
543,845	White City Property Finance 5.1202% 17/04/2035	668	0.13
587,805	Unique Pub Finance 5.659% 30/06/2027	647	0.12
500,000	RHP Finance 3.25% 05/02/2048 Reg S	504	0.09
330,000	Greene King Finance 5.702% 15/12/2034	308	0.06
251,649	Premiertel 6.175% 08/05/2032	284	0.05
171,894	BL Superstores Finance 5.27% 04/10/2030	188	0.04
148,925	Dignity Finance 3.5456% 31/12/2034 Reg S	158	0.03
		42,617	8.02
	Financials - (0.65%)		
435	Fidelity Institutional Sterling Fund Class A-Acc	9,028	1.70
		9,028	1.70
	Government Bonds - (0.62%)		
3,000,000	Colombia 5.625% 26/02/2044	2,413	0.45
1,000,000	Mexico 5.625% 19/03/2114 EMTN	1,013	0.19
1,150,000	Mexico 4.00% 15/03/2115	914	0.17
		4,340	0.82
	Municipal Bond - (0.35%)		
1,850,000	University of California Revenues 4.858% 15/05/2112	1,498	0.28
		1,498	0.28
	Interest Rate Swaps - (0.10%)		
10,000,000	Pay fixed 1.4602% receive float 6 Month GBP LIBOR 05/05/2047	355	0.07
3,000,000	Pay fixed 1.4022% receive float 6 Month GBP LIBOR 15/12/2047	148	0.03
10,600,000	Receive fixed 0.9828% pay float 6 Month EURIBOR 29/01/2028	132	0.02
1,900,000	Pay fixed 2.6637% receive float 3 Month USD LIBOR 29/01/2028	30	0.01
2,500,000	Receive fixed 3.22% pay float New Zealand Bank Bill 3mth Index 29/01/2028	27	0.01
970,000	Receive fixed 1.1173% pay float 6 Month EURIBOR 12/02/2028	23	0.00
1,020,000	Receive fixed 1.0903% pay float 6 Month EURIBOR 05/02/2028	22	0.00
5,000,000	Receive fixed 1.617% pay float 6 Month GBP LIBOR 15/12/2031	23	0.00
1,200,000	Receive fixed 1.7175% pay float 6 Month GBP LIBOR 26/01/2032	20	0.00
834,900,000	Receive fixed 0.2873% pay float 6 Month JPY LIBOR 02/07/2028	20	0.00
1,000,000	Receive fixed 1.0638% pay float 6 Month EURIBOR 05/03/2028	19	0.00
1,190,000	Receive fixed 3.305% pay float New Zealand Bank Bill 3mth Index 12/02/2028	17	0.00
1,200,000	Receive fixed 3.2425% pay float New Zealand Bank Bill 3 Month Index 05/02/2028	14	0.00
4,000,000	Receive fixed 0.4123% pay float 6mo CHF Libor 29/01/2028	12	0.00
1,200,000	Pay fixed 2.7832% receive float 3 Month USD LIBOR 05/02/2028	10	0.00
4,100,000	Pay fixed 2.517% receive float 3 Month CDOR 29/03/2028	3	0.00
2,000,000	Pay fixed 1.4767% receive float 6 Month GBP LIBOR 25/01/2028	3	0.00
1,800,000	Receive fixed 2.5575% pay float 3 Month CDOR 01/03/2028	2	0.00

UK Long Corporate Bond Fund

Portfolio Statement

as at 30 June 2018

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
2,400,000	Receive fixed 0.4123% pay float 6mo CHF Libor 04/06/2028	2	0.00
8,900,000	Pay fixed 2.8143% receive float 6 Month AUD Bank Bill 29/06/2028	2	0.00
600,000	Receive fixed 0.4098% pay float 6mo CHF Libor 04/04/2028	1	0.00
600,000	Pay fixed 2.9577% receive float 3 Month USD LIBOR 26/02/2028	(2)	0.00
2,500,000	Pay fixed 1.3287% receive float 3 Month STIBOR 29/01/2028	(5)	0.00
1,300,000	Pay fixed 1.5572% receive float 6 Month GBP LIBOR 01/03/2028	(7)	0.00
1,700,000	Pay fixed 0.9362% receive float 6 Month EURIBOR 04/06/2028	(10)	0.00
3,100,000	Pay fixed 2.6025% receive float 3 Month CDOR 25/01/2028	(11)	0.00
165,300,000	Pay fixed 0.3814% receive float 6 Month JPY LIBOR 05/02/2028	(16)	0.00
5,000,000	Receive fixed 1.5138% pay float 6 Month GBP LIBOR 19/01/2030	(18)	0.00
1,600,000	Pay fixed 1.6502% receive float 6 Month GBP LIBOR 20/06/2048	(20)	0.00
311,500,000	Pay fixed 0.3642% receive float 6 Month JPY LIBOR 19/02/2028	(26)	0.00
316,500,000	Pay fixed 0.3702% receive float 6 Month JPY LIBOR 29/01/2028	(27)	(0.01)
1,400,000	Pay fixed 1.7462% receive float 6 Month GBP LIBOR 15/02/2028	(32)	(0.01)
424,000,000	Pay fixed 0.3787% receive float 6 Month JPY LIBOR 13/02/2028	(39)	(0.01)
4,800,000	Pay fixed 2.981% receive float 6 Month AUD Bank Bill 29/01/2028	(43)	(0.01)
7,000,000	Receive fixed 1.45% pay float 6 Month GBP LIBOR 16/01/2030	(74)	(0.01)
		555	0.10
	Futures - ((0.43)%)		
43,700,000	Long Gilt Commodity Future 26/09/2018	557	0.10
12,600,000	US 20 Year Long Bond (CBT) Commodity Future 19/09/2018	309	0.06
200,000	Euro-BOBL Commodity Future 06/09/2018	1	0.00
400,000	Euro-Schatz Commodity Future 06/09/2018	0	0.00
(800,000)	US 2 Year Treasury Note (CBT) Commodity Future 28/09/2018	0	0.00
(1,900,000)	US 10 Year Treasury Note (CBT) Commodity Future 19/09/2018	(17)	0.00
(4,100,000)	US 5 Year Treasury Note (CBT) Commodity Future 28/09/2018	(18)	0.00
(5,900,000)	US 10 Year Ultra Future Sep 18	(41)	(0.01)
(6,800,000)	EURO BUXL 30 Year Commodity Future 06/09/2018	(145)	(0.03)
(12,400,000)	EURO-BUND Commodity Future 06/09/2018	(181)	(0.03)
(40,300,000)	US Ultra Bond Commodity Future 19/09/2018	(1,682)	(0.32)
		(1,217)	(0.23)
	Forward Foreign Exchange Contracts - ((0.22)%)		
2,749,000	Bought USD sold GBP @ 1.364453 for settlement 16/08/2018	73	0.01
1,614,000	Bought USD sold GBP @ 1.355809 for settlement 16/08/2018	35	0.01
824,000	Bought USD sold GBP @ 1.321908 for settlement 16/08/2018	3	0.00
(2,670,000)	Bought GBP sold EUR @ 1.138367 for settlement 16/08/2018	(23)	0.00
(3,164,000)	Bought GBP sold USD @ 1.343194 for settlement 16/08/2018	(47)	(0.01)
(22,368,000)	Bought GBP sold EUR @ 1.135583 for settlement 16/08/2018	(144)	(0.03)
(58,647,000)	Bought GBP sold USD @ 1.356395 for settlement 16/08/2018	(1,304)	(0.25)
		(1,407)	(0.27)
	Portfolio of investments	519,976	97.86
	Cash and other net assets/(liabilities)	11,334	2.14
	Net assets	531,310	100.00

The figures in brackets represent the sector distributions at 30 June 2017. Where securities are reclassified in the current period 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.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

EU Securities Financing Transaction Regulation

The Securities Financing Transaction Regulations (SFTR) requires further transparency to address perceived risks in the use of securities financing transactions.

The following disclosures relate to the long contracts for difference ("CFDs") held by Emerging Markets Fund which may be considered Total Return swaps under SFTR. CFDs were contracted bilaterally with HSBC (US) and had an open maturity. At 30 June 2018 the fair value of CFDs was £177,000 (2017: £443,000) which represented 0.01% (2017: 0.02%) of net assets. Collateral of £194,000 (2017: £116,000) was held by HSBC (US) in a segregated account on behalf of the sub-fund. Collateral was held in cash denominated in US Dollars and maturing in less than one day. The total return for the year ended 30 June 2018 from CFDs was a gain of £244,000 (2017: gain £175,000).

Fidelity Institutional Funds Annual Report and Financial Statements for the year ended 30 June 2018

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.
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- 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.

It is possible to receive 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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