

Investec Funds Series iv Annual Report and Accounts

For the year ended 31 May 2018



Investec Funds Series iv

Report and Accounts

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

Diversified Growth Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term real returns (through a combination of income and capital growth) in sterling. Real returns are returns in excess of UK inflation (currently measured by the increase in the UK Consumer Price Index). The Fund's real returns are not guaranteed over the long term or over any period of time and you may get back less than you invested.

The Fund invests around the world in shares of companies; bonds (contracts to repay borrowed money which typically pay interest at fixed times); property; commodities; other funds; derivatives (financial contracts whose value is linked to the price of an underlying asset) and cash. Exposure to shares may be up to 85%. The bonds invested in are issued by governments or companies.

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

Performance

12 Months (%)

Investec Diversified Growth Fund 'I' accumulation shares	-0.19%*
Performance comparison index	2.42%**
Peer group sector average	Not applicable**

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

Performance review

The Fund delivered a negative return during the period under review and underperformed the performance comparison index.

Factors hindering performance

The portfolio's exposure to the Swedish krona detracted from performance over the review period. We held the position as we viewed the krona as an attractively valued currency and believed the Swedish economy to be solid. The position was initiated in November 2017 and declined in the first quarter of 2018 as inflation fell, and so expectations for higher Swedish interest rates were revised lower. We closed the position but have recently re-opened it at more attractive levels.

Our holdings of emerging market local currency bonds detracted from returns over the period. The position came under pressure at the beginning of 2018 as riskier assets, like emerging market bonds, came under pressure in certain regions. We have since altered the position to hold Indonesian 20-year bonds only, while closing the positions in the other countries such as Israel and Hungary.

We positioned the Fund in the belief that Spanish equities would perform better than the wider European equity market, following a long period of underperformance. However, the escalation of political issues in Spain, namely the Catalan vote for independence towards the end of the third quarter of 2017, led to Spanish equities underperforming the wider European equity market. For this reason, we closed the position early in the fourth quarter.

Factors helping performance

Our collection of stocks made a strong contribution to performance over the period. This group of stocks consists of companies that aim to generate high levels of cash and consistently produce high rates of return from their investments. These companies performed well over the period in review, partly due to the positive economic environment and strong earnings growth. We have increased our exposure as we continue to identify companies that meet the above criteria.

Our holdings of Japanese companies, mainly comprising a collection of stocks focused on either a strong restructuring story or high shareholder returns, were another strong performance area, enhanced by our stock selection decisions. We have maintained our exposure to Japan as we believe the environment continues to look positive for Japanese companies.

We believed companies in the US 'casual dining' restaurant industry were expensive compared to the rest of the market, and were facing challenges such as a reduction in demand from consumers, and so positioned the Fund to benefit from this theme. This positioning helped Fund performance over the period, as US restaurants underperformed the broader US equity market following a profit warning from one of the largest companies within the restaurant sector. Investors were also concerned about the negative impact of the recent hurricanes on demand in the southern US. We subsequently closed the position in order to lock in these gains for the portfolio.

Portfolio activity

Significant purchases

United States Treasury Bond 3% 15/05/2047; Spain Government Bond 1.45% 31/10/2027; United Kingdom Gilt 2% 22/07/2020; Germany Bundesobligation 0.01% 08/04/2022; United States Treasury Bond 2.75% 15/02/2028; Australia Government Bond 1.75% 21/11/2020; United Kingdom Gilt 0.5% 22/07/2022; Canadian Government Bond 1% 01/06/2027; Australia Government Bond 2.25% 21/11/2022; United Kingdom Gilt 1.75% 07/09/2022; Israel Government Bond 5.5% 31/01/2022; Hungary Government Bond 7.5% 12/11/2020; Israel Government Bond 4.25% 31/03/2023.

Significant sales

United Kingdom Gilt 0.5% 22/07/2022; Spain Government Bond 1.45% 31/10/2027; United States Treasury Bond 3% 15/05/2047; Bundesobligation 0.01% 08/04/2022; United States Treasury Bond 2.75% 15/02/2028; Australia Government Bond 1.75% 21/11/2020; Canadian Government Bond 1% 01/06/2027; Australia Government Bond 2.25% 21/11/2022; Brazil Letras do Tesouro Nacional 0.01% 01/01/2020; United Kingdom Gilt 1.75% 07/09/2022; Mexican Bonos 10% 20/11/2036; Republic of South Africa Government Bond 10.5% 21/12/2026; Hungary Government Bond 7% 24/06/2022; Hungary Government Bond 1.75% 26/10/2022; Israel Government Bond 5.5% 31/01/2022.

Outlook

The sell-off in global equity markets at the start of the year has brought valuations back to more sensible levels, after the market's continuous rally throughout 2017. Looking forward, we continue to see a robust economic background backed by US fiscal stimulus and supply-side reforms in China. This background should support corporate earnings, which have remained strong throughout the period.

However, ongoing liquidity withdrawal – in the form of higher interest rates, central banks reducing their balance sheets and tapering quantitative easing – should pose headwinds to Growth assets (assets that react positively to increasing real economic growth). Although our preference has diminished since last year, we still maintain a bias towards Growth assets as we see that investor confidence has been restored following the recent market weakness.

We also maintain a healthy exposure to Defensive assets (assets that provide a safe haven in market crises) where we see value in order to diversify the portfolio's returns, given the risks around central banks' liquidity withdrawal. Among Defensive assets, we continue to favour long-dated US Treasuries and the Japanese yen. We believe the former has discounted the current US interest rate hiking cycle, and the latter has scope to appreciate versus the US dollar.

This outlook statement reflects the views of our Multi-Asset investments team's process, and is therefore similar to that of the Multi-Asset Protector Funds (1 & 2).

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

**Index (UK CPI + 5% p.a. shown for performance comparison purposes only. For this Fund, there is no relevant Investment Association peer group sector average against which to measure Fund performance.

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Emerging Markets Blended Debt Fund

Summary of the Fund's investment objective and policy

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

The Fund invests primarily in bonds (contracts to repay borrowed money which typically pay interest at fixed times) issued by governments, institutions or companies in emerging markets (countries that are in economic terms less developed than the major Western countries). These bonds are issued in either the currency of the country in which they are issued or in hard currencies (globally traded major currencies).

The Fund uses a currency hedging strategy that aims to reduce the impact of exchange rate movements between US dollars (USD) and the currency that the Fund's investments are valued in, sterling (GBP), consistent with the currency hedging in the Fund's performance comparison index*. This strategy will be implemented regardless of whether the rate of exchange between GBP and USD is increasing or decreasing. It uses derivatives for efficient portfolio management and investment purposes. The currency hedging in the Fund seeks to reduce, but is not intended to remove, currency risk between GBP and USD. The Fund's actual exposure to USD at any time may be higher or lower than the USD exposure hedged to GBP in the performance comparison index, depending on the Investment Manager's investment view on currency returns and/or volatility (wide fluctuations in price). Where higher, this will result in additional currency exposure to USD. Where lower, this will result in additional currency exposure to GBP.

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

The Investment Manager is free to choose how the Fund is invested. However, a composite index (*50% JPMorgan GBI-EM Global Diversified/30% JPMorgan EMBI Global Diversified GBP Hedged/20% JPMorgan CEMBI Broad Diversified GBP Hedged) is currently taken into account when the Fund's investments are selected.

Performance	12 Months (%)
Investec Emerging Markets Local Currency Debt Fund 'I' accumulation shares	-1.20*
Performance comparison index	-2.49**
Peer group sector average	-2.98%**

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

Total deemed income distributions per 'I' accumulation share

12 months to May 2018	7.47 pence
12 months to May 2017	6.46 pence

Performance review

The Fund produced a negative return over the period but outperformed its performance comparison index and peer group sector average.

Factors helping performance

A number of individual positions had a positive impact on returns over the twelve month period, led by our allocation to Egyptian Treasury bills and hard currency bonds. Egyptian assets generally enjoyed a solid twelve months due to the ongoing recovery in foreign investment into the country, which has been triggered by a successful government reform programme.

In Malaysia, we maintained an overweight allocation to the oil-sensitive ringgit (Malaysian currency) which positively contributed to returns, notably during the last six months of the period given the strong economic growth in Malaysia, underpinned by the strength in Brent crude oil prices, which touched highs of US\$80 per barrel.

In Chile, we held an overweight position in the peso during the latter half of 2017 which added to relative performance. The peso consistently appreciated (relative to the US dollar) during this time period, due to a combination of a rally in the copper price, a recovering trade balance, improving prospects for economic growth and a market friendly result in the national election. We finished the period with a neutral position relative to the index as we felt the currency was more fairly priced. Finally, in South Africa, we held an overweight allocation to long-dated local currency bonds during the first five months of 2018, which positively impacted performance. These bonds benefited from positive sentiment towards the country following the inauguration of President Cyril Ramaphosa, coupled with a more favourable inflationary outlook.

Factors hindering performance

In Mexico, we held an overweight position in the peso during October which negatively impacted relative performance. Mexican assets endured a difficult month when concerns resurfaced over the country's Nafta (North American free trade agreement) trade negotiations with its northern neighbours. We subsequently exited the position due to our own concerns regarding the lack of progress in negotiations.

In Argentina, we held overweight positions in the peso and in the country's hard currency bonds, both of which acted as a drag on relative returns towards the end of the period. Argentinian assets were particularly vulnerable to the strengthening in the US dollar, given their limited liquidity, high foreign ownership and international investor outflows. Both the peso and the country's hard currency bonds stabilised somewhat at the end of May as the central bank raised interest rates to 40% and the government called in the IMF to help allay investor concerns, which prompted us to maintain the positions. Similarly in Uruguay, we held an overweight allocation to the peso which detracted towards the tail end of the period, as the currency was impacted by the fall in the value of currencies in neighbouring Argentina and Brazil due to their close trading relationship. We still hold an overweight position in the Uruguayan peso as it is relatively high yielding and we think that Uruguay's current account and trade account should provide support to the currency going forward.

Portfolio activity

Significant purchases

Republic of South Africa Government Bond 10.5% 21/12/2026; Republic of Russia Government Bond 7.7% 23/03/2033; Mexican Bonos 6.5% 09/06/2022; Argentina Politica Monetaria 27.483% 21/06/2020; Republic of South Africa Government Bond 8.875% 28/02/2035; Mexican Bonos 10% 20/11/2036; Brazil Letras do Tesouro Nacional 0.01% 01/01/2020; Indonesia Government International Bond 5.875% 15/01/2024; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025; Brazil Letras do Tesouro Nacional 0.01% 01/07/2019.

Significant sales

Republic of South Africa Government Bond 10.5% 21/12/2026; Brazil Letras do Tesouro Nacional 0.01% 01/01/2019; Mexican Bonos 6.5% 09/06/2022; Argentina Politica Monetaria 27.483% 21/06/2020; Russian Federal Bond – OFZ 7.75% 16/09/2026; Romania Government Bond 4.75% 24/02/2025; Malaysia Government Bond 3.314% 31/10/2017; Brazil Letras do Tesouro Nacional 0.01% 01/01/2020; Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2021; Malaysia Government Bond 3.58% 28/09/2018.

Outlook

It's been a challenging first half of 2018 for emerging markets, but we retain a constructive view on the asset class. We see the recent weakness as short term, with the worst of the sell-off concentrated in a few of the more vulnerable emerging markets. The policy responses (Turkey interest rate increases, Argentina IMF deal, etc.) have generally stabilised their respective markets.

The global economy is still growing relatively strongly, and on aggregate, emerging markets are still early in the economic cycle. While we are conscious of the risks from higher US yields, we feel that any increases in yields from today may be much more modest, as the two anticipated interest rate increases for the remainder of the year are already being reflected in the prices of US Treasuries.

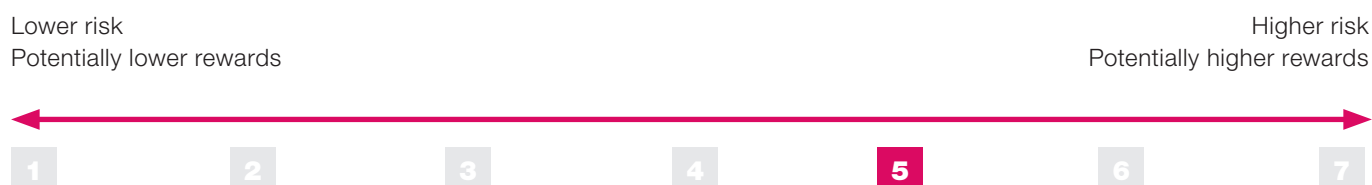
We are positive on EM currencies, where we remain overweight. Given the recent sell-off they are now more attractively valued and the fundamentals still stack up: the growth differential over developed markets is expected to continue widening in favour of EM, and EM terms of trade remain very supportive for currency appreciation. The sell-off has also increased value in local currency bonds, with recent inflation readings offering support. We see value in EM hard currency sovereign bonds too, as the fundamental drivers of the asset class remain in place.

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

**Index (50% JPMorgan GBI-EM Global Diversified; 30% JPMorgan EMBI Global Diversified; 20% JPMorgan CEMBI Broad Diversified Index) and peer group sector average (Investment Association Global Emerging Markets Bond sector) shown for performance comparison purposes only.

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in bonds whose returns tend to fluctuate more than those of cash funds but less than those of funds which invest in the shares of companies.

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

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

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

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

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

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

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

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

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

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VI of the Investec Funds Series Omnibus prospectus.

Emerging Markets Equity Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long-term.

The Fund invests primarily in the shares of companies either in emerging markets (countries that are in economic terms less developed than the major Western countries) or with material links to these markets.

The Fund can also invest in other assets including cash and derivatives (financial contracts whose value is linked to the price of an underlying asset). Derivatives may be used in order to achieve the Fund's investment objectives or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

The Investment Manager is free to choose how the Fund is invested. However, the MSCI Emerging Markets Net Total Return Index is currently taken into account when the Fund's investments are selected.

Performance

12 Months (%)

Investec Emerging Markets Equity Fund 'I' accumulation shares	11.73%*
Performance comparison index	10.63%**
Peer group sector average	7.55%**

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

Performance review

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

Factors helping performance

The biggest driver of returns over the period was China, where the stock market rallied strongly and the specific companies we hold performed very well overall. In fact the country was responsible for each of the top five largest performance contributors over the year. Highlights among these included car manufacturer Geely Automobile, the parent company of Volvo, which continued to perform well due to very strong sales from its three top-selling models. Geely's contribution to performance was bettered only by pharmaceutical company CSPC, whose shares rallied strongly in the opening five months of 2018 as the company reported solid operating metrics at each of its key divisions. Looking further ahead, we believe CSPC could benefit from China's commitment to increase spending on public health initiatives, as well as from its own product pipeline.

Our holding in Ping An Insurance Company of China significantly contributed to relative returns, as its life insurance premiums grew faster than expected. Ping An's Property & Casualty insurance business continued to generate growth, with demand for protection products increasing and margins and agent productivity improving. In addition, the company's heavy investment in technology compared to its peers helps to make it more competitive, while the company has also been reducing its investments in the more capital-intensive areas of its business.

Finally, our holding in Tencent added value, as the Chinese internet provider continued to comfortably beat market expectations. Its gaming and advertising revenues surprised on the upside, while good traction of its online video business showed market share gains. In our view, the defining feature of Tencent relative to its global peer group has been the ability to expand into new products and businesses that leverages its dominant position in Chinese social media.

Factors hindering performance

Metal producer EN+ was the biggest detractor to relative returns over the 12-month period as the company was targeted by US sanctions aimed at politically connected Russian individuals. Trading in EN+ shares has remained suspended, despite an agreement in principal that will see owner Oleg Deripaska reduce his stake in the company to below the 50% control threshold in an effort to remove the sanctions.

Mexican cement company Cemex was also a significant detractor to relative returns. Cemex shares were negatively impacted by natural disasters that led to production shutdowns in Mexico and the US gulf coast last year. Lately, its shares

have also been impacted by rising input costs and concerns over its management's efforts to potentially pursue acquisitions. Despite these headwinds, we continue to hold the stock as we believe it still appears to be attractively valued and could benefit from its exposure to rising US infrastructure spending.

UAE listed property developer Emaar is the last of our three largest performance detractors as its shares came under pressure after a slump in Dubai property, evidenced through falling prices and growing inventories. Emaar shares also sold off after the company announced an interim dividend that was lower than market expectations. We remain committed to holding this stock at least for the short term as its shares now trade at a more attractive valuation.

Portfolio activity

Significant purchases

Baidu ADR; Vale ADR; CNOOC; Hindalco Industries; Sberbank of Russia; HDFC Bank; MediaTek; Atacadao Distribuicao Comercio e Industria; Infosys; Ping An Insurance Group Company of China.

Significant sales

Samsung Electronics; Taiwan Semiconductor Manufacturing ADR; Hon Hai Precision Industry; Banco Bradesco ADR; Sberbank of Russia; Bank of China; Telekomunikasi Indonesia; NetEase ADR; Broadcom; Autohome ADR.

Outlook

2017 was a remarkable year for emerging market (EM) equities. Despite extensive market commentary around a long list of geopolitical and macroeconomic risks, market volatility was almost non-existent. The EM equity market marched upwards with no correction longer than a month or greater than 5%. What also distinguished 2017 was the narrowness of the market advance, concentrated as it was mainly in three areas: technology, China and the intersection of the two with the Chinese internet companies. It is possible to argue that regardless of the direction of markets in 2018, they are very likely to be more volatile.

In terms of 2018, the major positive in emerging markets is the conjunction of governments, regulators and company management teams responding positively to the challenges they face. The result is that corporate returns and profit margins are now rising in emerging markets, with cash-flows in general being higher, and importantly, more wisely allocated by companies. This has led to corporate earnings beating expectations over the past six quarters. Few have managed to consistently outperform expectations over this period, although this is predominantly a Chinese phenomenon. Valuations are no longer at bargain basement levels but remain at a significant discount to developed markets. In a world of stretched asset valuations it is probably fair to say that in general emerging market equity valuations are less stretched than most. China's new awareness of 'Minsky' risks (i.e. a sharp correction) underpins our positive view on Asia, while elections in Brazil and Mexico are likely to bring more volatility into Latin American equity performance. This volatility must be considered against a geopolitical backdrop that is simmering, given the more protectionist tilt being adopted by the US.

However, the most important issue for us is that a gradual tightening of monetary policy in the developed world, could make investors pickier about their investments in emerging markets, therefore reducing stock level correlations. If this eventuates, we believe it will be positive for stock-pickers such as ourselves.

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

Index (MSCI* Emerging Markets NDR Index) and peer group sector average (Investment Association Global Emerging Markets) shown for performance comparison purposes only.

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

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

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

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

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

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

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

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

Global Dividend Fund

Summary of the Fund's investment objective and policy

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

The Fund invests primarily in the shares of companies from around the world with a focus on those that pay an attractive dividend.

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

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

Performance

12 Months (%)

Investec Global Dividend Fund 'I' accumulation shares	7.72%*
Performance comparison index	8.50%**
Peer group sector average	2.89%**

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

Total deemed income distributions per 'I' accumulation share

12 months to May 2018	3.37 pence
12 months to May 2017	3.19 pence

Performance review

The Fund delivered a positive return, outperforming its peer group sector average but underperforming its performance comparison index.

Factors helping performance

Business events firm UBM was the portfolio's largest contributor over the 12 months, largely attributable to a takeover approach from fellow conference operator Informa.

Pharmaceuticals firm Abbvie also performed strongly following encouraging product pipeline data and the announcement it had reached a global settlement with competitor Amgen regarding its intellectual property, meaning Amgen's version of Abbvie's top-selling drug Humira won't be released until 2023.

Casino operator Las Vegas Sands also advanced after delivering a solid set of results, due to good gaming revenues and being a beneficiary of recent US tax reforms.

Factors hindering performance

The tobacco sector sold off during the period on news that the US Food and Drug Administration planned to increase its regulation of the US tobacco industry, with a view to reducing nicotine levels in cigarettes and potentially banning menthol-flavoured products. Fund holdings in Altria, British American Tobacco and Philip Morris were all negatively impacted. However, all three companies are world leaders with promising fundamentals and we maintain our positions.

The shares of PepsiCo performed poorly on fears over the impact of recent hurricanes in the US, market share losses and negative trends in the US beverages industry. However, the company still beat first-quarter earnings expectations and maintained full-year guidance due to solid operating momentum at its international business. We continue to hold the position.

Danish bank Danske also detracted amid a wider sell off in European financials, as well as some disappointment in the fees generated by its capital markets businesses. Nevertheless, Danske has continued to outperform profit expectations thanks to a mix of cost cutting and an improvement in the health of its loan book. We believe these positive developments should drive value in the long run and therefore remain invested in Danske.

Portfolio activity

Significant purchases

Schneider Electric; Novartis; Royal Dutch Shell; Eastman Chemical; AXA; Hon Hai Precision Industry; China Construction Bank; Broadcom; Sumitomo Mitsui Financial; Carnival.

Significant sales

UBM; AbbVie; Publicis; Siemens; Nordea Bank; LG Chem; bpost; Red Electrica; Public Service Enterprise; Meggitt.

Outlook

It looks likely that the market schizophrenia – which fears geopolitical turmoil on one side while embracing a persistent stream of positive economic and corporate data on the other – will persist in the near term. However, the increasingly tame market reactions indicate that these issues are being more broadly accepted.

All the while, analyst growth estimates for the year are generally rising. As a result, there is a more meaningful valuation case for global equities building, which should provide some comfort to nervous investors. Our bottom-up work continues to support the case for the value tier of the market: the upturn in earnings revisions has yet to be matched by any meaningful outperformance from the value (cheaper) end of the market, and the value factor continues to look under-priced relative to history.

Although we recognise the external threats to the improving growth narrative, we consider that significant opportunities remain within global equities that can be captured by our focus on value, quality, earnings revisions and technical momentum.

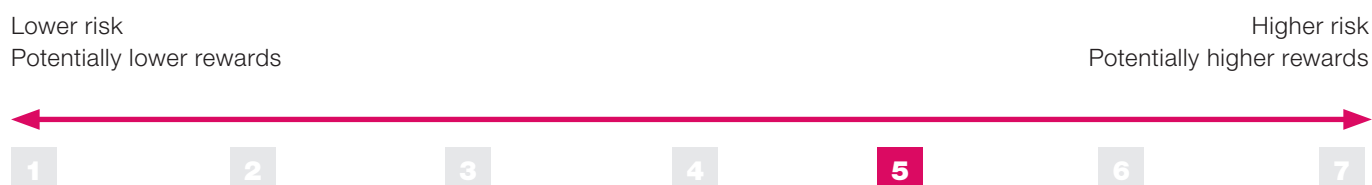
*Source: Morningstar, total return, income reinvested, no initial charge, accumulation (acc) share class, net of fees in GBP. Fund launch date: 28 May 2015.

Index (MSCI* All Country World Index NDR) and peer group sector average (Investment Association Global Equity Income sector) shown for performance comparison purposes only.

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

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

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

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

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

The full list of the Fund's risks are contained in the appendices of the Investec Funds Series omnibus prospectus.

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

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

Global Franchise Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

The Fund invests around the world primarily in the shares of companies.

The Fund focuses investment on companies deemed by the Investment Manager to be of high quality i.e. companies which have provided sustainably high levels of return on invested capital and free cash flow (a company's cash earnings after its capital expenditures have been accounted for), typically those associated with global brands or franchises.

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

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

Performance

12 Months (%)

Investec Global Franchise Fund 'I' accumulation shares	2.88%*
Performance comparison index	8.50%**
Peer group sector average	8.67%**

Performance review

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

Factors hindering performance

The biggest drag on returns over the period was our holdings in tobacco producers such as Philip Morris, Imperial Brands and Japan Tobacco. Tobacco stocks have been under pressure since July last year when the US Food & Drug Administration announced it was considering reducing nicotine levels in cigarettes in the US to non-addictive levels, which unsettled the market. Additionally, the uptake in RRP (reduced risk products) has been slower than expected, leading to negative investor sentiment. Despite the changes in the landscape of the tobacco industry, we believe these companies' current valuations and dividends remain compelling in the long run.

Our position in consumer goods company Reckitt Benckiser (RB) was another major detractor during the period. Reckitt Benckiser has struggled with hitting its growth targets over the past year, in part due to the well-documented issues in Korea. Its rather disappointing Scholl product launch in mid-2016 has come back to haunt it in 2018, with management alluding to weak device sales as the reason for the lacklustre 1% growth in its Health division in the first quarter. It is still dealing with the fallout from the cyber-attack last year, which disrupted product manufacturing, invoicing and distribution. We believe that the worst of the operational issues are behind the business and the share price has picked up this year.

Our exposure to healthcare hurt returns, primarily through holding Roche, with the shares declining as its portfolio of medicines faces increasing competition from biosimilar copies, especially in Europe.

Factors helping performance

The portfolio's holding in credit rating agency Moody's was a major contributor to performance. Moody's posted strong results in April this year and its shares rallied throughout last year amid strong corporate bond issuance volumes which directly benefitted the company as it earns a fee from issuing credit ratings for these bonds.

Our technology sector holdings also contributed to relative performance. Our position in internet domain name and internet security firm Verisign performed well after it successfully closed out its convertible bond in April. Following the closure, it achieved an investment grade credit rating which was viewed positively by the market. Business software company Intuit released good quarterly numbers in May following strong performance in its Consumer tax division and strong growth in its TurboTax products amid a busy tax return season. Microsoft released strong results throughout last year mainly attributed to the healthy growth from its Cloud offering, Azure, and from its gaming platforms. Global payment provider Visa also added to performance underpinned by strong financial results.

Portfolio activity

Significant purchases

Beiersdorf; NetEase; Charles Schwab; Philip Morris International (added to existing position); Twenty-First Century Fox; Intuit; Amadeus IT; GlaxoSmithKline; Unilever; Check Point Software Technologies.

Significant sales

Automatic Data Processing; Johnson & Johnson; Novartis; Oracle; PayPal; C&C; L'Oreal; WPP; Moody's; Nestle.

Outlook

We believe we are experiencing a modest short-term rebound within a world of sluggish economic growth. While markets have been buying into the recent pro-growth, reflationary story, including expectations for higher interest rates in the US, the economic, political and market outlook remains uncertain.

We do not believe the current market environment has significantly changed the underlying fundamentals of the companies we own, which continue to compound cashflows at attractive rates. Given the uncertain outlook, and given we believe nothing has changed in terms of how quality companies can provide long-term outperformance, the opportunities provided by quality stocks continue to appear attractive.

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

Index (MSCI* All Countries Word Index NR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.

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

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

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

Concentrated portfolio: The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios.

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

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

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

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

Global Quality Equity Income Fund

Summary of the Fund's investment objective and policy

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

The Fund invests primarily in the shares of companies around the world with a focus on companies deemed by the Investment Manager to be of high quality i.e. companies which have provided sustainably high levels of return on invested capital and free cash flow (a company's cash earnings after its capital expenditures have been accounted for). The Fund may, at times, invest in a relatively small number of companies.

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

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

Performance

12 Months (%)

Investec Global Quality Equity Income Fund 'I' income-2 shares	-3.10%*
Performance comparison index	8.50%**
Peer group sector average	2.89%**

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

Total deemed income distributions per 'I' income-2 share

12 months to 31 May 2018	3.18 pence
12 months to 31 May 2017	3.09 pence

Performance review

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

Factors hindering performance

The biggest drag on returns over the period was our holding in tobacco producers, namely Japan Tobacco, British American Tobacco and Imperial Brands. Tobacco stocks have been under pressure since July last year when the US Food & Drug Administration announced it was considering reducing nicotine levels in cigarettes in the US to non-addictive levels, which unsettled the market. Additionally, the uptake in RRP (reduced risk products) has been slower than expected, leading to negative investor sentiment around the future of the industry. Despite the changes in the landscape of the tobacco industry, we believe these companies' current valuations and dividends remain compelling in the long run.

Brewing company AB InBev suffered as a result of weakening sales in the US for staple brands like Budweiser and Bud Light, due to the popularity of craft and imported beer. We remain optimistic on the company's long-term profits and it has appointed a new North American zone president to turn things around.

Our position in consumer goods company Reckitt Benckiser (RB) was another major detractor during the period. Reckitt Benckiser has struggled with hitting its growth targets over the past year, in part due to the well-documented issues in

Korea. Its rather disappointing Scholl product launch in mid-2016 has come back to haunt it in 2018, with management alluding to weak device sales as the reason for the lacklustre 1% growth in its Health division in the first quarter. It is still dealing with the fallout from the cyber-attack last year, which disrupted product manufacturing, invoicing and distribution. We believe that the worst of the operational issues are behind the business and the share price has picked up this year.

Factors helping performance

More positively, in the technology sector, Microsoft released strong results throughout last year, mainly attributed to the healthy growth from its Cloud offering, Azure, and from its gaming platforms. Global payment provider Visa and IT services company Amadeus also added to performance underpinned by strong financial results.

In media, Twenty-First Century Fox's share price increased over the start of the period, initially due to talks that Disney was interested in acquiring certain media assets. Its share price rallied further as news emerged that US rival Comcast was also interested, sparking a potential bidding war between the two.

Our stock selection within financials, particularly our position in US exchange operator CME Group, contributed positively to relative returns. Our financials exposure is focused on capital-light, cash generative businesses and CME benefited from the heightened volatility in global financial markets in the first quarter of 2018, as evident through the notable increase in options and futures trading in the quarter.

Portfolio activity

Significant purchases

Sage; British American Tobacco; Experian; CME; Imperial Tobacco; Coca Cola; GlaxoSmithKline; Reckitt Benckiser; Japan Tobacco; Johnson & Johnson.

Significant sales

Microsoft; GlaxoSmithKline; Nestle; Novartis; Imperial Tobacco; Johnson & Johnson; Visa; Philip Morris International; British American Tobacco; Twenty-First Century Fox.

Outlook

Despite the ongoing uncertainty surrounding global growth, we still believe that by following a quality income approach, there are opportunities to find attractive returns from global equities. We aim to invest in capital-light companies that are able to sustain high returns on invested capital, as this allows them to grow cash-flows while returning a proportion of that cash back to shareholders in the form of a growing dividend. Due to hard-to-replicate and enduring competitive advantages, these businesses tend to be more resilient to change than most, so they can compound cash-flows, and thus dividends, long into the future.

We feel the valuations of quality income shares remain reasonable, particularly considering the superior growth and lower risks of such shares. By keeping to our quality approach to equity income investing, we believe we have the potential to deliver resilient, growing dividends and total returns for the long term.

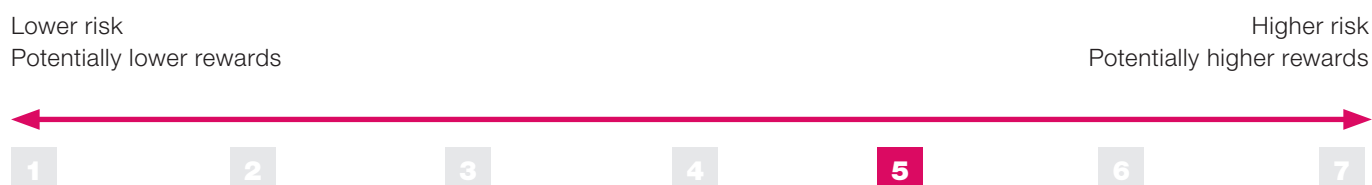
*Source: Morningstar, total return, income reinvested, no initial charge, income (inc-2) share class, net of fees in GBP.

Index (MSCI* All Countries World Index NR Index) and peer group sector average (Investment Association Global Equity Income sector) shown for performance comparison purposes only.

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The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

Concentrated portfolio: The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios.

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

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

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VI of the Investec Funds Series Omnibus prospectus.

Global Special Situations Fund

Summary of the Fund's investment objective and policy

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

The Fund invests around the world primarily in the shares of companies and currently uses a value-based, contrarian approach (investing in companies seen as undervalued where market sentiment is believed to be generally weak) in selecting investments.

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

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

Performance	12 Months (%)
Investec Global Special Situations Fund 'I' accumulation shares	14.42%*
Performance comparison index	8.50%**
Peer group sector average	8.67%**

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

Performance review

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

Factors helping performance

Our selection of US stocks notably added to performance over the period. Shares in our largest holding in the Fund, Bank of America, have gained on rising interest rates in the US and progress in corporate tax reforms, with financial companies generally viewed as being among the biggest beneficiaries.

US software firm Microsoft has performed strongly over the period as it has successfully scaled its cloud proposition, Azure, having made significant capital investment in recent years.

Japan Steel Works (JSW) was among the top performers and has enjoyed a particularly strong start to 2018. Six months ago, the company's orders for nuclear power plant components had dwindled. But then the market caught wind of two potentially fast-growing new revenue streams: JSW makes specialist machinery that is expected to benefit from explosive growth in demand for batteries used in electric vehicles, and from growing demand for 'OLED' display screens (for smartphones, TVs etc.). The market's reappraisal of JSW's prospects have seen its share price more than double in the past six months.

Factors hindering performance

At a sector level, being underweight IT was the leading detractor from relative returns. We do not hold tech giant Amazon due to its continuing high valuation and other company specifics which do not meet our investment criteria. The tech sector has been flying high for much of the past two years, and while we do hold exposure to the sector, not holding Amazon was a drag on relative returns.

In terms of stocks, our position in Turkish airport operator TAV was the leading detractor over the period. We initiated the position in February after a period of company underperformance presented us with an attractive buying opportunity. Unfortunately, not far after, the company released a trading update which reported sales 4.2% lower than market estimates. We are not too concerned with the subsequent share price drop as we believe the investment thesis and turnaround story remains intact, indeed we took advantage of the recent dip to buy more shares.

Our position in Welbilt, formally known as Manitowoc Foodservice, was also among the key detractors over the period. Most of the damage was done in the first quarter of this year, as the stock dropped 20% as expectations of revenue growth in its restaurant equipment business were delayed by soft industry conditions.

Portfolio activity

Significant purchases

TAV Havalimanlari; Capita; Barclays; Conduent; Cars.com; Aggreko; Aldar Properties; Capita; Bank of America; Centrica.

Significant sales

Metcash; Tesco; THK; Washington Federal; Standard Chartered; J D Wetherspoon; Jefferies Financial; Bank of America; SIG; Microsoft.

Outlook

Since the beginning of the year the MSCI World index has risen by just over 2% in US dollar terms. Virtually all of this positive performance has been generated by the technology sector, which has outperformed by over 11%. Much smaller contributions have come from energy and healthcare, while the other sectors have underperformed. It has been a growth- and momentum-driven six months, and therefore it is perhaps surprising that the Fund has kept up with the market – given its value tilt. The MSCI World Value index has underperformed by 4.5% over these six months.

The leadership of the technology sector is unlikely to last forever, but as to when it will end, it is anyone's guess. We do believe, however, that most investors are positioned for a continuation of this trend, and the majority of client assets globally are invested in growth-oriented funds, with true Value managers few and far between. Our portfolio remains positioned firmly in Value territory, with a high exposure to financials and currently out-of-favour industrials and consumer discretionary stocks. The Fund retains an overweight exposure to UK domestic stocks, which we believe continue to be punished by investors due to political worries, and are finding an increasing number of interesting ideas in emerging markets, particularly Turkey and Brazil. In our view, our investments currently present good, absolute value, and they have shown that they can hold their own in growth-driven markets.

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

Index (MSCI* All Countries World NR Index) and peer group sector average (Investment Association Global sector) shown for performance comparison purposes only.

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

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

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

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

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VI of the Investec Funds Series Omnibus prospectus.

Multi-Asset Protector Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth and provide protection (the minimum amount you can expect to get back from your investment) at 80% of the Fund's highest ever share price.

The Fund invests around the world in shares of companies (up to 85%); bonds (contracts to repay borrowed money which typically pay interest at fixed times); property; commodities; cash (up to 100%); derivatives (financial contracts whose value is linked to the price of an underlying asset); and other eligible asset classes.

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

The Fund aims to provide the 80% protection by gradually switching from the investment portfolio to a cash portfolio when markets fall. As a further level of security the Fund will invest in a derivative contract with a single counterparty. Where this arrangement fails to support the protection level, the Fund will only be relying on its cash allocation policy to provide the protection.

The costs of providing the protection are between 0.15-0.5% and are charged to the Fund. These costs are in addition to the ongoing charge set out in the charges section.

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

Performance

12 Months (%)

Investec Multi-Asset Protector Fund 'A' accumulation shares	2.20%*
Performance comparison index	Not applicable**
Peer group sector average	Not applicable**

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

Performance review

The Fund delivered a positive return during the period under review but underperformed its performance objective of 5% per annum gross of fees.

Factors helping performance

The Fund's exposure to mining equities contributed positively over the period. We believe these companies are likely to see increasing investor interest and price appreciation as they reduce their debt, improve balance sheet quality and increasingly focus on free cashflow generation and investor returns. We continue to hold this exposure.

We are also invested in Japanese equities, which performed strongly over the period. We believe that Japanese companies will continue to benefit from positive global growth momentum, supportive Japanese monetary policy and ongoing improvements in profitability and corporate governance.

We added exposure to UK equities in the first quarter after some market weakness and the position rebounded strongly in the second quarter. We believe the UK equity market is attractively valued compared to other regions and relative to UK government bonds and therefore retain this position.

Factors hindering performance

The Fund's modest allocation to US REITs (real estate investment trusts) detracted over the period as rising bond yields (prices falling) adversely impacted returns. However, we continue to hold our allocation given we believe these assets offer good relative value and diversification for the portfolio.

The position in US 30-year Treasuries also detracted from performance over the period as bond yields rose. We continue to hold the allocation, as we believe longer-dated US treasuries represent the best opportunity within developed market government bonds. They appear cheap relative to our estimate of fair value and also provide diversifying characteristics.

The Fund's position in emerging market equities made a negative contribution over the period. We maintain this position due to our belief that the supply side reforms in China and a weaker US dollar should provide support to the asset class over a medium-term horizon.

Portfolio activity

Significant purchases

iShares USD Treasury Bond 20 Years UCITS ETF; Vanguard S&P 500 UCITS ETF; iShares UK Gilts 0-5 Years UCITS ETF; iShares MSCI Emerging Markets UCITS ETF; iShares MSCI Japan UCITS ETF; iShares Core FTSE 100 UCITS ETF; New Capital Wealthy Nations Bond Fund (GBP); Turkey Government Bond 11.1% 15/05/2019; Glencore; Rio Tinto.

Significant sales

Vanguard S&P 500 UCITS ETF; iShares MSCI Emerging Markets UCITS ETF; iShares MSCI Japan UCITS ETF; iShares UK Gilts 0-5 Years UCITS ETF; New Capital Wealthy Nations Bond Fund (GBP); Turkey Government Bond 10.6% 11/02/2026; United States Treasury Note 2.875% 15/11/2046; iShares Core FTSE 100 UCITS ETF; iShares NASDAQ 100 UCITS ETF; iShares USD Treasury Bond 20 Years UCITS ETF; iShares US Property Yield UCITS ETF.

Outlook

The sell-off in global equity markets at the start of the year has brought valuations back to more sensible levels, after the market's continuous rally throughout 2017. Looking forward, we continue to see a robust economic background backed by US fiscal stimulus and supply-side reforms in China. This background should support corporate earnings, which have remained strong throughout the period.

However, ongoing liquidity withdrawal – in the form of higher interest rates, central banks reducing their balance sheets and tapering quantitative easing – should pose headwinds to Growth assets (assets that react positively to increasing real economic growth). Although our preference has diminished since last year, we still maintain a bias towards Growth assets as we see that investor confidence has been restored following the recent market weakness.

We also maintain a healthy exposure to Defensive assets (assets that provide a safe haven in market crises) where we see value in order to diversify the portfolio's returns, given the risks around central banks' liquidity withdrawal. Among Defensive assets, we continue to favour long-dated US Treasuries and the Japanese yen. We believe the former has discounted the current US interest rate hiking cycle, and the latter has scope to appreciate versus the US dollar.

This outlook statement reflects the views of our Multi-Asset investments team's process, and is therefore similar to that of the Investec Multi-Asset Protector Fund 2 and Diversified Growth Fund.

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

**For this Fund, there is no applicable performance comparison index or peer group sector average against which to measure performance.

The Fund's performance target is to exceed 5% p.a. gross of fees over rolling three-year periods. Performance targets are subject to change and may not be achieved, losses may be made.

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

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

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

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

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

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

Fund closure: Where the Fund is unable to find a suitable counterparty to enable at least 80% of the value of the Fund to be protected or where only allocation to cash is feasible, the Fund may have to be closed with the proceeds returned to investors.

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

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

Large cash holding: There is a risk that the Fund may hold large proportions of cash for considerable periods of time. This may lead to the Fund underperforming those markets where it is usually expected to invest.

Protected value: Whilst the Fund will endeavour to protect at least 80% of its value at all times this is not guaranteed.

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

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

Multi-Asset Protector Fund 2

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth and provide protection (the minimum amount you can expect to get back from your investment) at 80% of the Fund's highest ever share price.

The Fund invests around the world in shares of companies (up to 85%); bonds (contracts to repay borrowed money which typically pay interest at fixed times); property; commodities; cash (up to 100%); derivatives (financial contracts whose value is linked to the price of an underlying asset); and other eligible asset classes.

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

The Fund aims to provide the 80% protection by gradually switching from the investment portfolio to a cash portfolio when markets fall. As a further level of security the Fund will invest in a derivative contract with a single counterparty. Where this arrangement fails to support the protection level, the Fund will only be relying on its cash allocation policy to provide the protection.

The costs of providing the protection are between 0.15-0.5% and are charged to the Fund. These costs are in addition to the ongoing charge set out in the charges section.

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

Performance

12 Months (%)

Investec Multi-Asset Protector Fund 2 'I' accumulation shares	2.83%*
Performance comparison index	Not applicable**
Peer group sector average	Not applicable**

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

Performance review

The Fund delivered a positive return during the period under review but underperformed its performance objective of 5% per annum gross of fees.

Factors helping performance

The Fund's exposure to mining equities contributed positively over the period. We believe these companies are likely to see increasing investor interest and price appreciation as they reduce their debt, improve balance sheet quality and increasingly focus on free cashflow generation and investor returns. We continue to hold this exposure.

We are also invested in Japanese equities, which performed strongly over the period. We believe that Japanese companies will continue to benefit from positive global growth momentum, supportive Japanese monetary policy and ongoing improvements in profitability and corporate governance.

We added exposure to UK equities in the first quarter after some market weakness and the position rebounded strongly in the second quarter. We believe the UK equity market is attractively valued compared to other regions and relative to UK government bonds and therefore retain this position.

Factors hindering performance

The Fund's modest allocation to US REITs (real estate investment trusts) detracted over the period as rising bond yields (prices falling) adversely impacted returns. However, we continue to hold our allocation given we believe these assets offer good relative value and diversification for the portfolio.

The position in US 30-year Treasuries also detracted from performance over the period as bond yields rose. We continue to hold the allocation, as we believe longer-dated US treasuries represent the best opportunity within developed market government bonds. They appear cheap relative to our estimate of fair value and also provide diversifying characteristics.

The Fund's position in emerging market equities made a negative contribution over the period. We maintain this position due to our belief that the supply side reforms in China and a weaker US dollar should provide support to the asset class over a medium-term horizon.

Portfolio activity

Significant purchases

Vanguard S&P 500 UCITS ETF; iShares USD Treasury Bond 20 Years UCITS ETF; iShares UK Gilts 0-5 Years UCITS ETF; iShares MSCI Emerging Markets UCITS ETF; iShares MSCI Japan UCITS ETF; iShares Core FTSE 100 UCITS ETF; New Capital Wealthy Nations Bond Fund (GBP); Turkey Government Bond 10.6% 11/02/2026; Investec Global Equity Fund; Glencore.

Significant sales

Vanguard S&P 500 UCITS ETF; iShares MSCI Emerging Markets UCITS ETF; iShares MSCI Japan UCITS ETF; iShares UK Gilts 0-5 Years UCITS ETF; iShares Core FTSE 100 UCITS ETF; Turkey Government Bond 10.6% 11/02/2026; iShares NASDAQ 100 UCITS ETF; United States Treasury Note 2.875% 15/11/2046; iShares FTSE 250 UCITS ETF; Mexican Bonos 5.75% 05/03/2026.

Outlook

The sell-off in global equity markets at the start of the year has brought valuations back to more sensible levels, after the market's continuous rally throughout 2017. Looking forward, we continue to see a robust economic background backed by US fiscal stimulus and supply-side reforms in China. This background should support corporate earnings, which have remained strong throughout the period.

However, ongoing liquidity withdrawal – in the form of higher interest rates, central banks reducing their balance sheets and tapering quantitative easing – should pose headwinds to Growth assets (assets that react positively to increasing real economic growth). Although our preference has diminished since last year, we still maintain a bias towards Growth assets as we see that investor confidence has been restored following the recent market weakness.

We also maintain a healthy exposure to Defensive assets (assets that provide a safe haven in market crises) where we see value in order to diversify the portfolio's returns, given the risks around central banks' liquidity withdrawal. Among Defensive assets, we continue to favour long-dated US Treasuries and the Japanese yen. We believe the former has discounted the current US interest rate hiking cycle, and the latter has scope to appreciate versus the US dollar.

This outlook statement reflects the views of our Multi-Asset investments team's process, and is therefore similar to that of the Investec Multi-Asset Protector Fund and Diversified Growth Fund.

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

**For this Fund, there is no applicable performance comparison index or peer group sector average against which to measure performance. The Fund's performance target is to exceed 5% p.a. gross of fees over rolling three-year periods. Performance targets are subject to change and may not be achieved, losses may be made.

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

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

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

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

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

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

Fund closure: Where the Fund is unable to find a suitable counterparty to enable at least 80% of the value of the Fund to be protected or where only allocation to cash is feasible, the Fund may have to be closed with the proceeds returned to investors.

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

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

Large cash holding: There is a risk that the Fund may hold large proportions of cash for considerable periods of time. This may lead to the Fund underperforming those markets where it is usually expected to invest.

Protected value: Whilst the Fund will endeavour to protect at least 80% of its value at all times this is not guaranteed.

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

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

Short Dated Bond Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide capital stability and income.

The Fund invests in short-term fixed income and variable rate securities (contracts to repay borrowed money which typically pay interest at fixed times) including money market instruments (tradable securities where money can be invested for short periods). These investments are issued by governments, institutions and companies.

The Fund's investments generally have an average lifespan of around three years or less.

The Fund will not invest in investments rated as being below investment grade (high quality) by credit rating agencies (companies that rate the ability of the issuers of fixed and variable rate securities to repay borrowed money).

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

While the Fund aims to provide capital stability this is not guaranteed.

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

Performance

12 Months (%)

Investec Short Dated Bond Fund 'I' accumulation shares	-0.25%*
Performance comparison index	0.39%**
Peer group sector average	Not applicable**

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

Performance review

The Fund delivered a negative return and underperformed the performance comparison index during the period under review.

Factors hindering performance

Our investment process follows a model that seeks to buy or sell government bonds when a number of variables – such as inflation, the economy, price momentum and investor positioning – are aligned. Over the twelve month period, the choppy market conditions meant that the environment was such that the combination of these factors did not provide strong investment steers as they historically have and thus detracted from the fund's performance.

In particular, our position in 2-year Australian government bonds detracted from performance. We bought these bonds on the view that the Australian economy was sluggish, and so had little need for higher interest rates, but the position underperformed as bond yields rose around the world – including in Australia.

Factors helping performance

We held a long (aiming to benefit from a rise in value) US 10-year Treasuries versus short (aiming to benefit from a fall in value) Canadian 10-year government bonds 'relative value' position, which supported Fund performance. Canadian bonds sold off aggressively compared to US Treasuries as economic growth in the former bounced back strongly from earlier weakness. We closed this position once it hit our target level.

We had been worried for some time about the impact of Brexit on the UK economy and saw fit to buy short-dated UK 2022 gilts in anticipation of a resulting fall in UK bond yields. Our concerns over UK bond yields proved correct and our position contributed positively to returns.

Portfolio activity

Significant purchases

Australian Government Bond 5.75% 15/07/2022; United Kingdom Treasury 3.75% 07/09/2019; United Kingdom Treasury 1.75% 22/07/2019; United Kingdom Treasury 0.5% 22/07/2022; United Kingdom Treasury 4.75% 07/03/2020; United Kingdom Gilt 4.5% 07/03/2019; Australian Government 2.75% 21/10/2019; United States Treasury Inflation Indexed Bonds 0.125% 15/04/2022; United Kingdom Treasury 4.25% 07/12/2027; Canadian Government Bond 1% 01/06/2027.

Significant sales

UK Treasury 0.5% 22/07/2022; United States Treasury Inflation Indexed Bonds 0.125% 15/04/2022; Australian Government Bond 5.75% 15/07/2022; Switzerland Government Bond 3% 12/05/2019; United States Treasury Note 2.25% 15/02/2027; Bundesobligation 0.01% 09/04/2021; Australian Government 2.75% 21/10/2019; United Kingdom Treasury 3.75% 07/09/2019; United Kingdom Treasury 1.75% 22/07/2019; United Kingdom Treasury 4.75% 07/03/2020.

Outlook

There is still no certainty on the exact end date of the US Federal Reserve's interest-rate tightening cycle, however we feel we are closer to the end than the beginning. The US central bank is gradually reducing its balance sheet too; the economic impact of this is still uncertain and seems difficult to estimate with few instances of such an event occurring in recent history.

In contrast to the monetary policy situation in the US, the European Central Bank (ECB) has adopted a move dovish stance, keeping interest rates at record lows. With regards to its quantitative easing programme, as we predicted, the ECB signalled that it plans to wind down the quantitative easing programme by the end of this year.

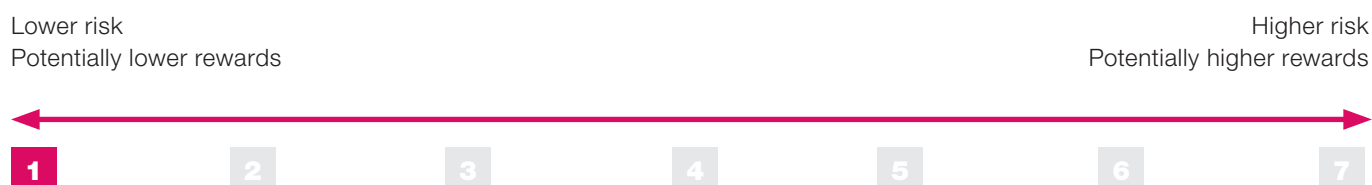
The British pound has been stuck in a downward trend since April, hit by expectations that the Bank of England will follow the US Federal Reserve in tightening monetary policy and by concerns of an economic slowdown following uncertainty on Brexit talks. As a result of the uncertainty around economic growth, we anticipate lower yields and higher prices in the gilts market.

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

**Index (ICE LIBOR 1 Month GBP) shown for performance comparison purposes only. For this Fund, there is no relevant Investment Association peer group sector average against which to measure Fund performance.

The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

The Fund appears towards the lower end of the Risk and Reward Indicator scale. This is because it invests in short-term fixed income and variable rate securities whose returns tend to fluctuate less widely than most other types of investment.

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

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

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

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

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

*The Risk and Reward profile is taken from the Key Investor Information Document. Please note that, the Risk and Reward profile section is based on Sterling 'I' Class Accumulation shares.
The full list of the Fund's risks are contained in Appendix VI of the Investec Funds Series Omnibus prospectus.

Target Return Bond Fund

Summary of the Fund's investment objective and policy

The Fund aims to produce a positive return above overnight GBP LIBOR over rolling 3 year periods regardless of market conditions by investing primarily in interest bearing assets and related derivatives. While the Fund aims to achieve a positive return there is no guarantee it will be achieved over rolling three year periods or over any period of time. There is no guarantee that all capital invested in the Fund will be returned.

The Fund invests around the world primarily in a wide range of bonds (contracts to repay borrowed money which typically pay interest at fixed times) issued by companies, institutions or governments and in their related derivatives (financial contracts whose value is linked to the price of an underlying asset). The Fund will not invest in shares or in their related derivatives.

Returns could be from income or growth or a combination of the two.

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

Performance

12 Months (%)

Investec Target Return Fund 'I' accumulation shares	-3.03%*
Performance comparison index	0.26%**
Peer group sector average	Not applicable**

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

Total deemed income distributions per 'I' accumulation share

12 months to 31 May 2018	1.57 pence
12 months to 31 May 2017	1.16 pence

Performance review

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

Factors hindering performance

Our investment process follows a model that seeks to buy or sell government bonds when a number of variables – such as inflation, the economy, price momentum and investor positioning – are aligned. Over the twelve month period, the choppy market conditions meant that the environment was such that the combination of these factors did not provide strong investment steers as they historically have and thus detracted from the fund's performance.

The portfolio's exposure to the Swedish krona detracted from performance over the review period. We held the position as we viewed the krona as an attractively valued currency and believed the Swedish economy to be solid. While the currency performed well up to September 2017, it then declined sharply as inflation fell, and so expectations for higher Swedish interest rates were re-set. We closed the position but have recently re-opened it at more attractive levels.

Our short exposure (aiming to benefit from a fall in value) to the Mexican peso also detracted from the Fund's performance. We believed that fears over NAFTA (North American free trade agreement) renegotiation and the impending presidential election would see the peso drift lower. However, a very positive market backdrop, which saw equities making new highs in the early part of 2018, undermined the position and we closed it down for a loss. We have recently reopened the position and have recovered some of these losses.

Factors helping performance

In our view, the Japanese yen is one of the cheapest currencies we monitor, yet the economy continues to recover and we believe the Bank of Japan will soon begin to contemplate reducing the degree of monetary easing – both of which should support the yen. Our holding in the yen made a positive contribution to returns over the past year but has given back some of these gains in recent months. We retain the position.

We continue to hold a position in US 30-year Treasury bonds as we believe the anticipated interest rate increases in the US are already factored into the price of the bonds. While bond yields are at similar levels to when we invested – with a running yield of 3.1% – the bonds have made a positive contribution to performance and we retain the position.

We held a long (aiming to benefit from a rise in value) US 10-year Treasuries versus short (aiming to benefit from a fall in value) Canadian 10-year government bonds 'relative value' position, which supported Fund performance. Canadian bonds sold off aggressively compared to US Treasuries as economic growth in the former bounced back strongly from earlier weakness. We closed this position once it hit our target level.

Portfolio activity

Significant purchases

Australia Government Bond 2.75% 21/10/2019; Canadian Government Bond 1.25% 01/02/2020; Canadian Government Bond 1.5% 01/03/2020; United States Treasury Inflation Indexed Bonds 0.125% 15/04/2022; United States Treasury Note 2.375% 15/05/2027; United Kingdom Treasury 4.25% 07/12/2027; United States Treasury Note 2.25% 15/11/2027; Bonos y Obligaciones del Estado 1.45% 31/10/2027; United Kingdom Treasury 0.5% 22/07/2022; United States Treasury Note 1.75% 30/11/2019.

Significant sales

United Kingdom Treasury 0.5% 22/07/2022; United States Treasury Inflation Indexed Bonds 0.125% 15/04/2022; Australia Government Bond 2.75% 21/10/2019; United States Treasury Note 2.375% 15/05/2027; Bonos y Obligaciones del Estado 1.45% 31/10/2027; United States Treasury Note 2.25% 15/11/2027; Norway Government Bond 1.75% 17/02/2027; United States Treasury Note 1.75% 30/11/2019; United States Treasury Inflation Indexed Bonds 0.625% 15/04/2023; United States Treasury Note 2.75% 15/02/2028.

Outlook

We continue to see a robust economic background supported by US fiscal stimulus and supply side reforms in China. The backdrop for Growth assets (assets that react positively to increasing real economic growth) remains challenging, with economic growth slowing and financial conditions tightening. Political concerns have re-ignited after uncertainty following the Italian election and talks of trade war between the US and its allies. Investor positioning, however, is less stretched, and the risk of recession still seems low. We continue to maintain a bias towards Growth assets which we believe should outperform – even if it is at a lower rate – as the business cycle continues to mature.

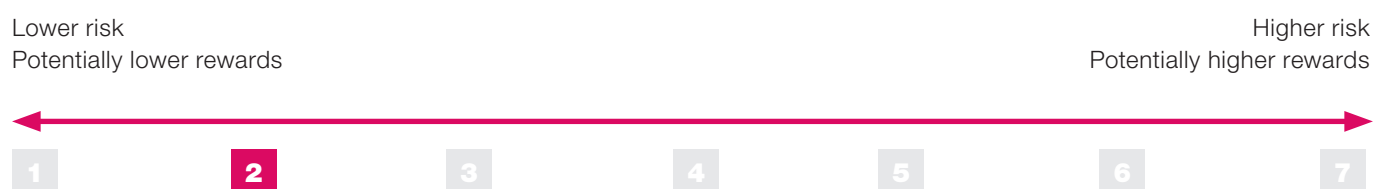
Developed market government bonds are losing their support from central banks due to the banks' ongoing liquidity withdrawal, leaving them vulnerable to rising bond yields, however yields are also being held down by low inflation, weak growth and high levels of debts. Higher yielding developed government bonds look reasonably priced in our view.

We foresee headwinds for the US dollar with Trump's policies likely to push the US twin deficits (fiscal deficit and trade deficit) much wider. We believe the Japanese yen is the major currency with the most scope to strengthen against the US dollar over time and also has attractive defensive characteristics, which is why we continue to hold a long position in the yen.

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

**Index (LIBOR GBP Overnight Rate) shown for performance comparison purposes only. For this Fund, there is no relevant Investment Association peer group sector average against which to measure Fund performance.
The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

The Fund appears towards the lower end of the Risk and Reward Indicator scale. This is because it invests in bonds whose returns tend to fluctuate more than those of cash funds but less than those of funds which invest in the shares of companies.

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

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

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

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

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

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

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

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

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

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

UK Total Return Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide long-term capital growth.

While the Fund aims to achieve a positive return this is not guaranteed over any period of time, and you may get back less than you invested.

The Fund invests primarily in equities (e.g. shares of companies) and related derivatives (financial contracts whose value is linked to the price of an underlying asset). At least 80% of the Fund's equity investments will be priced in sterling.

The Fund seeks to achieve its objectives by holding investments which, in combination, are considered over the long term to offer a level of risk lower than that of the FTSE All-Share Index (an index representing a broad spread of companies listed on the London Stock Exchange).

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

Performance

12 Months (%)

Investec UK Total Return Fund 'I' accumulation shares	3.61%*
Performance comparison index	6.53%**
Peer group sector average	Not applicable**

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

Performance review

The Fund delivered a positive return but underperformed the performance comparison index during the period under review.

Factors hindering performance

Flooring specialist Carpetright has been by far the Fund's worst performer over the last 12 months, with the company's operational performance deteriorating over the period, first slowly, and then post-Christmas, very rapidly. The upshot has been that the group's balance sheet has unravelled, necessitating them to raise more cash, which was done in May. The environment for UK consumer stocks, especially those tied to transaction levels in the housing market has unquestionably been very difficult, but Carpetright has also greatly contributed to its parlous position through years of mismanagement. Most of the damage was effectively done a decade or more ago, when the group's headlong expansion led to it taking on far too many stores, often in poorly located sites. This long tail of unproductive stores, on which Carpetright was tied into long and costly leases, has been a millstone around the group's neck as trading has worsened, and ultimately led to the overhaul and request for additional capital that the group has just been through. This process gives Carpetright a fresh start, with a right-sized and profitable portfolio of stores, and fundamentally this is not that bad a business. It is the clear market leader in a sector that does something sensible and where structural threats, such as from online disruption, are limited. What we need from here is better execution by management which, if delivered, could offer significant upside to the shares from here.

In sector terms, the Fund's underweight exposure to oil & gas companies, in particular not holding Royal Dutch Shell, detracted from relative returns. The oil price rose strongly over the period due to lower US stockpiles and an extension of OPEC-led production cuts. We do not hold the stock as it does not meet our investment criteria, instead we prefer to hold our small exposure to the sector through BP and Helmerich & Payne.

Similarly, the Fund's underweight exposure to materials companies, in particular to sector heavyweights like BHP, Glencore and Rio Tinto, detracted from relative returns. The Fund's comparatively low weightings in oil and mining stocks can be viewed as structural in nature. As fundamental investors, we find it relatively hard to determine the intrinsic value of commodity stocks with any great confidence. We therefore demand a greater than average margin of safety in order to justify owning commodity stocks, a margin of safety that we believe is currently largely absent.

Factors helping performance

The Fund holds a small allocation to US equities and this contributed positively to returns over the period. Our position in US retailer Advance Auto Parts (AAP) and clothing retailer Abercrombie & Fitch (A&F) helped boost returns. A&F has enjoyed a very positive 12-month period after what was a very disappointing prior year. The group's recovery was initially driven by the Hollister brand (now larger than the A&F label itself at nearly 60% of group sales), but the eponymous A&F brand is also now growing once more. We purchased shares in AAP during the period and the shares have enjoyed a strong run since November 2017. The market's expectations for the company were rock bottom at this point, having endured years of poor performance. The management team was overhauled around this time and a decent set of quarterly results in the final quarter proved a sufficient catalyst to lift the share price. Since then, it has maintained this recovery, reporting better-than-expected earnings, attributable to higher gross margins and the better execution from the newish management team.

Elsewhere, there were strong individual contributions from our UK equity exposure, including holdings in Games Workshop and Computacenter. Over the past year or so Games Workshop – a small company which produces fantasy war-game systems and associated miniature figures – has issued a succession of positive trading statements, with each seeing expectations for sales and profits raised yet higher and there is no current indication that the operational momentum has slowed. The shares have now more than quadrupled from the lows touched in mid-2016 and are up by over 200% over the past twelve months. Computacenter delivered a positive recent update and promised yet another large return of capital to shareholders.

Portfolio activity

Significant purchases

United Kingdom Gilt 1.25% 22/07/2018; Capita; Aggreko; Countrywide; United Kingdom Gilt 1% 07/09/2017; NOW; Kingfisher; Lloyds Banking; Advance Audio Parts.

Significant sales

United Kingdom Gilt 1% 07/09/2017; United Kingdom Gilt 1.25% 22/07/2018; Grafton; Computacenter; Games Workshop; BP; SIG; HSBC; J D Wetherspoon; Tesco.

Outlook

We believe current valuations of stocks and bonds are somewhere between expensive and extreme, and the current investment climate warrants a cautious approach. In addition, we identify the changing tone from central banks as further reason to tread carefully.

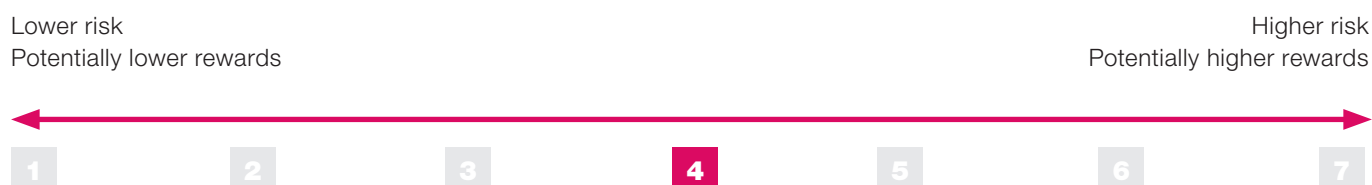
The next stage of central bank monetary policy should see the reversal of quantitative easing (QE) and higher short-term interest rates. Can this be effected without unsettling markets? Given there is no historical precedent for QE in the size it has been implemented, we believe investors should be highly sceptical.

In our view, the main risk is that central banks sell their bond holdings too aggressively, causing bond yields to rise. This could force central banks to suspend their actions while they reassess the timing and scale of the strategy. A failure to normalise monetary policy could encourage investors to conclude that central bankers are addicted to QE. In that scenario, we would expect bond yields to rise, while equities, which have been so reliant on low bond yields the past few years, could very easily fall.

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

**Index (FTSE All-Share Index) shown for performance comparison purposes only. For this Fund, there is no relevant Investment Association peer group sector average against which to measure performance. The opinions expressed herein are as at end of May 2018.

Risk and Reward profile*



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

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

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

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

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

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

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

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

Diversified Growth Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 3.40% (31.05.17: 4.09%)			
INFRASTRUCTURE			
HIICL Infrastructure	19,527,519	27,553	1.14
3i Infrastructure	11,981,482	27,204	1.13
John Laing Infrastructure Fund	12,937,664	15,267	0.63
BBGI SICAV	9,094,342	12,050	0.50
		82,074	3.40
CORPORATE BONDS 2.80% (31.05.17: 8.59%)			
Tenet Healthcare 6% 01/10/2020	USD 2,800,000	2,166	0.09
Hughes Satellite Systems 5.25% 01/08/2026	USD 2,960,000	2,123	0.09
Peabody Energy 6% 31/03/2022	USD 2,760,000	2,123	0.09
HCA 4.75% 01/05/2023	USD 2,450,000	1,842	0.08
Builders FirstSource 5.625% 01/09/2024	USD 2,480,000	1,830	0.08
ATF Netherlands 3.75% Perpetual	EUR 1,900,000	1,687	0.07
Nabors Industries 5.5% 15/01/2023	USD 2,200,000	1,620	0.07
La Financiere Atalian 4% 15/05/2024	EUR 1,944,000	1,611	0.07
IQVIA 3.5% 15/10/2024	EUR 1,770,000	1,573	0.07
Vantiv 3.875% 15/11/2025	GBP 1,620,000	1,566	0.07
Arrow Global Finance (FRN) 2.875% 01/04/2025	EUR 1,833,000	1,559	0.06
WMG Acquisition 4.125% 01/11/2024	EUR 1,700,000	1,553	0.06
AMC Entertainment 6.375% 15/11/2024	GBP 1,500,000	1,526	0.06
Equinix 2.875% 15/03/2024	EUR 1,746,000	1,515	0.06
APX 6.375% 01/12/2019	USD 2,000,000	1,502	0.06
ARD Finance 6.625% 15/09/2023	EUR 1,650,000	1,492	0.06
CCO 5.125% 01/05/2023	USD 2,000,000	1,491	0.06
United 4.875% 01/07/2024	EUR 1,660,000	1,486	0.06
Cott 5.5% 01/04/2025	USD 2,000,000	1,478	0.06
Chesapeake Energy (FRN) 5.598% 15/04/2019	USD 1,963,000	1,470	0.06
Open Text 5.875% 01/06/2026	USD 1,900,000	1,462	0.06
Belden 2.875% 15/09/2025	EUR 1,700,000	1,450	0.06
Iron Mountain 5.375% 01/06/2026	USD 2,000,000	1,433	0.06
Dell International 6.02% 15/06/2026	USD 1,800,000	1,425	0.06
Altice Financing 7.5% 15/05/2026	USD 1,930,000	1,399	0.06
IHO Verwaltungs 3.75% 15/09/2026	EUR 1,500,000	1,367	0.06
FAGE International 5.625% 15/08/2026	USD 1,956,000	1,366	0.06
Reynolds 7% 15/07/2024	USD 1,750,000	1,349	0.06
Constellium 6.625% 01/03/2025	USD 1,800,000	1,344	0.06
MPT Operating Partnership 5.5% 01/05/2024	USD 1,770,000	1,342	0.06
Scientific Games International 10% 01/12/2022	USD 1,599,000	1,287	0.05
NRG Energy 6.25% 15/07/2022	USD 1,650,000	1,276	0.05
Casino Guichard Perrachon 4.048% 05/08/2026	EUR 1,500,000	1,275	0.05
Cheniere Energy Partners 5.25% 01/10/2025	USD 1,741,000	1,263	0.05
CPUK Finance 4.875% 28/02/2047	GBP 1,250,000	1,257	0.05
Virgin Media Secured Finance 5.125% 15/01/2025	GBP 1,100,000	1,123	0.05
Arrow Global Finance 5.125% 15/09/2024	GBP 1,100,000	1,065	0.04
United States Steel 6.25% 15/03/2026	USD 1,390,000	1,033	0.04
Kraton Polymers 5.25 15/05/2026	EUR 1,165,000	1,021	0.04
Cott 5.5% 01/07/2024	EUR 1,000,000	923	0.04
Catalent Pharma Solutions 4.75% 15/12/2024	EUR 1,000,000	918	0.04
Coty 4% 15/04/2023	EUR 1,000,000	877	0.04
Valeant Pharmaceuticals 6.5% 15/03/2022	USD 1,000,000	780	0.03
Cabot Financial Luxembourg II (FRN) 5.875% 15/11/2021	EUR 850,000	755	0.03
HCA 5% 15/03/2024	USD 1,000,000	754	0.03
Williams 4.55% 24/06/2024	USD 920,000	693	0.03
TeamSystem (FRN) 4% 15/04/2023	EUR 710,000	613	0.03
Paprec 4% 31/03/2025	EUR 680,000	596	0.02
EC Finance 2.375% 15/11/2022	EUR 649,000	565	0.02
United States Steel 6.875% 15/08/2025	USD 610,000	466	0.02

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 2.80% (31.05.17: 8.59%) (continued)			
Cabot Financial Luxembourg 7.5% 01/10/2023	GBP 390,000	408	0.02
AA Bond 5.5% 31/07/2043	GBP 362,000	331	0.01
RAC Bond 5% 06/11/2022	GBP 340,000	324	0.01
Alpha 2 8.75% 01/06/2023	USD 433,333	323	0.01
Nielsen Finance 5% 15/04/2022	USD 300,000	223	0.01
Monitchem HoldCo 3 5.25% 15/06/2021	EUR 200,000	175	0.01
		67,474	2.80
GOVERNMENT BONDS 24.49% (31.05.17: 29.79%)			
United States Treasury Bond 3% 15/05/2047	USD 427,848,100	319,207	13.23
United Kingdom Gilt 2% 22/07/2020	GBP 233,900,000	240,636	9.97
Indonesia Treasury Bond 7.5% 15/05/2038	IDR 301,567,000,000	16,152	0.67
Indonesia Treasury Bond 8.25% 15/05/2036	IDR 266,751,000,000	15,055	0.62
		591,050	24.49
BASIC MATERIALS 3.96% (31.05.17: 0.33%)			
CHEMICALS			
Hexpol	781,869	6,319	0.26
Mitsubishi Chemical	725,800	5,037	0.21
DIC	193,900	4,742	0.20
DowDuPont	91,908	4,467	0.19
		20,565	0.86
MINING			
Glencore	4,119,158	15,558	0.65
Rio Tinto	294,943	12,585	0.52
Anglo American	664,292	12,001	0.50
Boliden	442,826	11,744	0.49
South32	5,058,394	10,707	0.44
Randgold Resources	100,681	5,970	0.25
BHP Billiton	340,189	5,843	0.24
Boliden Redemption Shares	442,826	217	0.01
		74,625	3.10
CONSUMER GOODS 5.55% (31.05.17: 4.27%)			
AUTOMOBILES & PARTS			
Lear	56,015	8,333	0.35
Honda Motor	277,900	6,597	0.27
Adient	133,340	5,310	0.22
Genuine Parts	75,361	5,185	0.22
Delphi Technologies	128,557	4,880	0.20
Bridgestone	156,400	4,702	0.20
Aptiv	53,043	3,838	0.16
		38,845	1.62
BEVERAGES			
Dr Pepper Snapple	120,969	10,952	0.45
Britvic	936,947	7,589	0.31
Kirin	319,500	6,805	0.28
		25,346	1.04
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Sekisui Chemical	484,100	5,959	0.25
LEISURE GOODS			
Bandai Namco	263,800	8,414	0.35
Sony	169,500	6,017	0.25
Hasbro	68,282	4,448	0.18
Thor Industries	29,376	2,146	0.09
		21,025	0.87
PERSONAL GOODS			
Unilever	271,213	11,392	0.47
Moncler	298,355	10,193	0.42
Estee Lauder	58,399	6,627	0.27
Kao	103,100	5,996	0.25
Hugo Boss	57,870	3,913	0.16
		38,121	1.57

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
TOBACCO			
Philip Morris International	79,251	4,777	0.20
CONSUMER SERVICES 2.83% (31.05.17: 3.41%)			
FOOD & DRUG RETAILERS			
Axfood	370,854	5,124	0.21
GENERAL RETAILERS			
Home Depot	84,928	11,923	0.49
WH Smith	483,445	9,587	0.40
TJX	137,320	9,249	0.38
AutoZone	13,291	6,524	0.27
Cars.com	237,329	4,739	0.20
eBay	88,330	2,508	0.10
		44,530	1.84
MEDIA			
RELX	538,794	8,893	0.37
FactSet Research Systems	29,787	4,518	0.19
		13,411	0.56
TRAVEL & LEISURE			
Aristocrat Leisure	303,176	5,182	0.22
FINANCIALS 13.31% (31.05.17: 11.39%)			
BANKS			
Sumitomo Mitsui Financial	188,600	5,848	0.24
Mitsubishi UFJ Financial	1,177,900	5,320	0.22
		11,168	0.46
FINANCIAL SERVICES			
MGIC Investment	1,742,660	13,823	0.57
Essent	488,793	12,801	0.53
S&P Global	76,023	11,381	0.47
SBI	399,300	8,180	0.34
Partners	13,618	7,393	0.31
Hargreaves Lansdown	316,263	6,072	0.25
ORIX	465,300	5,853	0.24
Jafco	107,900	3,322	0.14
		68,825	2.85
LIFE INSURANCE			
Brighthouse Financial	83,806	3,034	0.13
NON-LIFE INSURANCE			
American Financial	170,019	14,255	0.59
Arch Capital	228,011	13,532	0.56
Chubb	129,492	12,857	0.53
Travelers	130,842	12,779	0.53
Reinsurance Group of America	108,072	12,205	0.51
Beazley	1,995,327	11,952	0.50
Hiscox	717,932	10,834	0.45
Marsh & McLennan	144,396	8,751	0.36
Intact Financial	151,865	8,603	0.36
Tokio Marine	153,500	5,538	0.23
Qualicorp	616,580	2,367	0.10
		113,673	4.72
REAL ESTATE INVESTMENT & SERVICES			
ADO Properties	203,299	7,999	0.33
Leopalace21	1,202,400	6,204	0.26
Daito Trust Construction	43,300	5,299	0.22
Capital & Counties Properties	1,335,107	4,088	0.17
		23,590	0.98
REAL ESTATE INVESTMENT TRUSTS			
Derwent London	462,343	13,866	0.57
Prologis	280,000	13,618	0.56
Tritax Big Box REIT	8,896,804	13,319	0.55
Primary Health Properties	11,468,928	12,868	0.53
Great Portland Estates	1,349,452	9,326	0.39

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
REAL ESTATE INVESTMENT TRUSTS (continued)			
Merlin Properties Socimi	862,488	9,001	0.37
Unibail-Rodamco	51,734	8,679	0.36
Simon Property	69,400	8,415	0.35
Shaftesbury	731,188	6,800	0.28
Park Hotels & Resorts	122,447	2,942	0.12
Hansteen	2,117,775	2,243	0.09
		101,077	4.17
HEALTH CARE 1.88% (31.05.17: 0.69%)			
HEALTH CARE EQUIPMENT & SERVICES			
Varex Imaging	246,834	6,941	0.29
PHARMACEUTICALS & BIOTECHNOLOGY			
Johnson & Johnson	140,657	12,771	0.53
Novo Nordisk	266,047	9,520	0.39
Shionogi	204,100	8,032	0.33
Zoetis	78,306	4,963	0.21
Toho	167,500	3,082	0.13
		38,368	1.59
INDUSTRIALS 5.57% (31.05.17: 8.63%)			
AEROSPACE & DEFENCE			
Lockheed Martin	20,692	4,986	0.21
Northrop Grumman	19,315	4,805	0.20
		9,791	0.41
CONSTRUCTION & MATERIALS			
Taisei	170,100	7,007	0.29
Promotora y Operadora de Infraestructura	595,203	4,026	0.17
		11,033	0.46
ELECTRONIC & ELECTRICAL EQUIPMENT			
Hoya	155,400	6,928	0.29
Azbil	179,400	6,562	0.27
Hitachi	1,059,000	5,811	0.24
Amano	297,700	5,562	0.23
nVent Electric	96,767	1,941	0.08
		26,804	1.11
GENERAL INDUSTRIALS			
Honeywell International	126,528	14,285	0.59
3M	34,862	5,198	0.22
		19,483	0.81
INDUSTRIAL ENGINEERING			
Mitsubishi Electric	477,800	5,084	0.21
Daifuku	109,300	4,239	0.18
Illinois Tool Works	36,283	3,968	0.16
Pentair	96,767	3,247	0.13
		16,538	0.68
SUPPORT SERVICES			
Jack Henry & Associates	108,541	10,086	0.42
Mitsui	592,900	7,821	0.32
Amadeus IT	112,845	6,704	0.28
Sumitomo	528,300	6,649	0.28
Howden Joinery	1,090,491	5,485	0.23
Meitec	148,800	5,135	0.21
Deluxe	87,739	4,413	0.18
Conduent	307,791	4,412	0.18
		50,705	2.10

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
OIL & GAS 5.29% (31.05.17: 0.00%)			
OIL & GAS PRODUCERS			
HollyFrontier	108,140	6,297	0.26
Valero Energy	64,287	5,896	0.24
Noble Energy	211,013	5,777	0.24
Andeavor	52,757	5,773	0.24
Marathon Petroleum	96,401	5,755	0.24
Energen	111,774	5,723	0.24
Devon Energy	180,495	5,679	0.24
Marathon Oil	350,299	5,660	0.23
Phillips 66	62,972	5,632	0.23
Occidental Petroleum	88,416	5,577	0.23
Exxon Mobil	91,097	5,571	0.23
EOG Resources	61,972	5,570	0.23
EQT	142,600	5,481	0.23
Cabot Oil & Gas	321,157	5,471	0.23
ConocoPhillips	106,304	5,429	0.22
Pioneer Natural Resources	36,695	5,414	0.22
Chevron	57,429	5,394	0.22
Cimarex Energy	75,712	5,387	0.22
Apache	175,232	5,352	0.22
Diamondback Energy	57,970	5,342	0.22
Concho Resources	49,789	5,274	0.22
Parsley Energy	233,204	5,262	0.22
		122,716	5.07
OIL EQUIPMENT, SERVICES & DISTRIBUTION			
NOW	482,828	5,232	0.22
TECHNOLOGY 2.23% (31.05.17: 2.49%)			
SOFTWARE & COMPUTER SERVICES			
Microsoft	111,813	8,299	0.34
Amdocs	131,859	6,776	0.28
Check Point Software Technologies	86,356	6,282	0.26
DXC Technology	68,869	4,790	0.20
TravelSky Technology	1,825,000	3,996	0.17
Micro Focus International	195,232	2,629	0.11
		32,772	1.36
TECHNOLOGY HARDWARE & EQUIPMENT			
F5 Networks	62,003	8,057	0.33
Tokyo Electron	54,600	7,671	0.32
Taiwan Semiconductor Manufacturing ADR	99,335	2,858	0.12
Xilinx	46,448	2,371	0.10
		20,957	0.87
TELECOMMUNICATIONS 0.21% (31.05.17: 0.25%)			
FIXED LINE TELECOMMUNICATIONS			
Nippon Telegraph & Telephone	140,800	4,951	0.21
UTILITIES 0.00% (31.05.17: 0.06%)			
GOVERNMENT TREASURY BILLS 0.83% (31.05.17: 2.34%)			
United Kingdom Treasury Bill 03/09/2018	GBP 20,000,000	19,975	0.83
CERTIFICATES OF DEPOSIT 9.32% (31.05.17: 9.03%)			
Skandinaviska Enskilda Banken 0.5% 24/08/2018	25,000,000	24,994	1.04
Svenska Handelsbanken 0.58% 19/06/2018	24,000,000	24,002	1.00
Oversea Chinese Banking 0.53% 23/08/2018	22,000,000	21,997	0.91
Nordea Bank 0.001% 23/08/2018	22,000,000	21,969	0.91
Credit Industriel et Commercial 0.64% 13/08/2018	20,000,000	20,002	0.83
Korea Development Bank 0.63% 08/08/2018	20,000,000	20,001	0.83
Sumitomo Mitsui Banking 0.62% 08/08/2018	20,000,000	20,001	0.83
The Sumitomo Trust Banking 0.62% 09/08/2018	20,000,000	20,001	0.83
Bank Of Toyko Mitsubishi UFJ 0.58% 23/08/2018	20,000,000	19,999	0.83
Sumitomo Mitsui Banking 0.63% 21/06/2018	17,500,000	17,502	0.73
Oversea Chinese Banking 0.7% 27/06/2018	3,000,000	3,004	0.12

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CERTIFICATES OF DEPOSIT 9.32% (31.05.17: 9.03%) (continued)			
Bank Of Montreal 0.72% 27/06/2018	3,000,000	3,000	0.12
Bank Of Toyko Mitsubishi UFJ 0.57% 15/08/2018	3,000,000	3,000	0.12
Nordea Bank 0.55% 16/08/2018	3,000,000	3,000	0.12
National Australia Bank 0.58% 21/06/2018	2,500,000	2,500	0.10
		224,972	9.32
COMMERCIAL PAPERS 11.96% (31.05.17: 5.33%)			
Caisse des Depots et Consignations 04/06/2018	25,000,000	24,999	1.04
Council of Europe Development Bank 06/06/2018	25,000,000	24,999	1.04
Municipality Finance 06/06/2018	25,000,000	24,999	1.04
Dz Privatbank 23/08/2018	25,000,000	24,967	1.03
Bank Nederlandse Gemeenten 04/06/2018	20,000,000	20,000	0.83
FMS Wertmanagement 15/06/2018	20,000,000	19,996	0.83
Agence Centrale des Organismes de Securite Sociale 13/08/2018	20,000,000	19,982	0.83
Swedbank 09/08/2018	20,000,000	19,979	0.83
Transport for London 20/07/2018	18,000,000	17,990	0.75
Transport for London 10/08/2018	18,000,000	17,985	0.75
Allianz 19/07/2018	17,500,000	17,488	0.72
Toyota Motor Finance (Netherlands) 17/09/2018	14,000,000	13,974	0.58
Erste Abwicklungsanstalt 06/08/2018	10,000,000	9,992	0.41
Erste Abwicklungsanstalt 29/08/2018	10,000,000	9,989	0.41
NRW.Bank 22/06/2018	5,000,000	4,999	0.21
Bank Nederlandse Gemeenten 22/06/2018	5,000,000	4,999	0.21
OP Corporate Bank 11/06/2018	5,000,000	4,999	0.21
Paccar Financial Europe 08/06/2018	3,000,000	3,000	0.12
OP Corporate Bank 30/07/2018	3,000,000	2,997	0.12
		288,333	11.96
DERIVATIVES – FUTURES (0.37%) (31.05.17: (0.05%))			
EURO STOXX 50 Futures 15/06/2018	(630)	478	0.02
EURO-OAT Futures 07/06/2018	(2,106)	403	0.02
Japan TOPIX Index Futures 07/06/2018	10	(10)	–
HSCEI Futures 28/06/2018	45,250	(405)	(0.02)
FTSE 100 Index Futures 15/06/2018	(215)	(814)	(0.03)
S&P 500 E Mini Index Futures 15/06/2018	(2,272)	(1,227)	(0.05)
EURO-BUND Futures 07/06/2018	1,988	(2,454)	(0.10)
US MSCI Emerging Market Index Futures 15/06/2018	2,286	(5,181)	(0.21)
		(9,210)	(0.37)
DERIVATIVES – OPTIONS 0.11% (31.05.17: 0.00%)			
GS 105 USD Put JPY Call FX Option 04/10/2018	394,000,000	2,870	0.12
Russell 2000 Index 1340 Put Option 21/09/2018	529	230	0.01
Russell 2000 Index 1270 Put Option 21/09/2018	557	163	0.01
EURO STOXX 50 PR 3625 Call Option 15/06/2018	11,995	32	–
EURO STOXX 50 PR 3275 Put Option 15/06/2018	(1,585)	(124)	(0.01)
S&P 500 Index 2200 Put Option 21/09/2018	(323)	(211)	(0.01)
S&P 500 Index 2325 Put Option 21/09/2018	(306)	(312)	(0.01)
		2,648	0.11
DERIVATIVES – CREDIT DEFAULT SWAPS 0.00% (31.05.17: (0.70%))			
DERIVATIVES – EXCESS RETURN SWAPS 0.00% (31.05.17: (0.04%))			
DERIVATIVES – TOTAL RETURN SWAPS 0.01% (31.05.17: (0.15%))			
JP Morgan Total Return Swap receive 0.09% 30/03/2019	(415,901,803)	11,965	0.49
JP Morgan Total Return Swap pay 0.9% 30/03/2019	413,110,458	(11,778)	(0.48)
		187	0.01
DERIVATIVES – INTEREST RATE SWAPS 0.13% (31.05.17: (0.07%))			
Goldman Sachs Interest Rate Swap receive 1.438% 06/02/2028	1,461,200,000	4,340	0.18
Goldman Sachs Interest Rate Swap receive 1.264% 26/03/2028	750,200,000	992	0.04
Goldman Sachs Interest Rate Swap receive 0.10% 01/12/2022	116,550,000,000	668	0.03
Goldman Sachs Interest Rate Swap receive 1.221% 07/05/2028	792,100,000	556	0.02
Goldman Sachs Interest Rate Swap pay 1.245% 22/04/2020	988,015,034	(23)	–
Goldman Sachs Interest Rate Swap pay 0.165% 07/05/2020	4,134,000,000	(108)	–
Goldman Sachs Interest Rate Swap pay 0.732% 17/10/2037	1,744,000,000	(159)	(0.01)
Goldman Sachs Interest Rate Swap pay 0.137% 26/03/2020	3,923,000,000	(541)	(0.03)
Goldman Sachs Interest Rate Swap pay 0.733% 19/10/2037	26,359,000,000	(676)	(0.03)
Goldman Sachs Interest Rate Swap pay 0.077% 06/02/2020	7,610,500,000	(1,645)	(0.07)
		3,404	0.13

				MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
ASSET	HOLDING				
FORWARD FOREIGN EXCHANGE CONTRACTS (2.27%) (31.05.2017: 0.79%)					
FORWARD CURRENCY CONTRACTS					
Australian Dollar					
Buy AUD	1,140,000	for GBP	(639,531)	9	–
Sell AUD	(111,589,700)	for GBP	62,600,968	(852)	(0.04)
Canadian Dollar					
Buy CAD	104,909,000	for GBP	(59,347,297)	2,006	0.08
Sell CAD	(134,427,100)	for GBP	74,814,523	(3,801)	(0.16)
Swiss Franc					
Sell CHF	(189,861,000)	for GBP	145,692,203	1,147	0.05
Euro					
Buy EUR	356,452,000	for GBP	(314,068,740)	(1,592)	(0.07)
Sell EUR	(749,510,400)	for GBP	666,639,963	9,595	0.40
Hong Kong Dollar					
Buy HKD	24,600,000	for GBP	(2,194,713)	157	0.01
Sell HKD	(80,400,000)	for GBP	7,557,628	(128)	(0.01)
Hungarian Forint					
Buy HUF	54,218,950,000	for GBP	(151,984,838)	(2,984)	(0.12)
Sell HUF	(56,356,994,400)	for GBP	161,898,864	7,022	0.29
Israeli Sheqel					
Buy ILS	461,120,000	for GBP	(92,911,827)	4,134	0.17
~Sell ILS	(20,000)	for GBP	3,995	–	–
Japanese Yen					
Buy JPY	48,216,272,600	for GBP	(328,039,696)	4,205	0.17
Sell JPY	(780,510,000)	for GBP	5,291,279	(87)	–
Norwegian Krone					
Buy NOK	1,068,038,000	for GBP	(98,477,489)	(404)	(0.02)
New Zealand Dollar					
Buy NZD	271,370,000	for GBP	(141,741,619)	1,036	0.04
Swedish Krona					
Buy SEK	2,413,796,100	for GBP	(211,795,068)	(5,683)	(0.24)
Sell SEK	(7,000,000)	for GBP	585,468	(12)	-
US Dollar					
Buy USD	554,201,000	for GBP	(404,902,331)	10,663	0.44
Sell USD	(2,256,298,334)	for GBP	1,624,260,493	(67,614)	(2.80)
				(43,183)	(1.81)
FORWARD CROSS CURRENCY CONTRACTS					
Buy AUD	64,140,000	for USD	(47,947,510)	518	0.02
Buy BRL	99,490,000	for USD	(27,911,348)	(897)	(0.04)
Buy EUR	257,087,000	for SEK	(2,679,518,197)	(3,432)	(0.14)
Buy EUR	70,432,000	for USD	(85,754,992)	(2,560)	(0.11)
Buy IDR	274,896,560,000	for USD	(19,405,376)	222	0.01
Buy INR	23,497,673,969	for USD	(356,617,378)	(7,088)	(0.29)
Buy JPY	17,809,275,000	for CHF	(161,506,543)	(240)	(0.01)
Buy JPY	3,542,800,000	for USD	(33,548,111)	(744)	(0.03)
Buy RUB	3,937,181,000	for USD	(63,022,463)	211	0.01
Buy SEK	708,990,000	for EUR	(69,145,437)	(75)	–
Buy USD	29,608,232	for BRL	(96,676,798)	2,738	0.11
Buy USD	78,955,000	for EUR	(64,124,826)	2,990	0.12
Buy USD	20,367,020	for IDR	(284,242,125,000)	(5)	–
Buy USD	129,797,000	for ILS	(463,628,654)	(246)	(0.01)
Buy USD	191,634,011	for INR	(12,994,490,000)	(264)	(0.01)
Buy USD	125,236,999	for JPY	(13,680,351,691)	(359)	(0.01)
Buy USD	187,688,786	for NZD	(271,360,000)	(2,034)	(0.08)
				(11,265)	(0.46)
Portfolio of investments^				2,201,627	91.24
Net other assets				211,352	8.76
NET ASSETS				2,412,979	100.00

^ Including derivative liabilities.

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

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

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

Stocks shown as ADRs represent American Depositary Receipts.

Portfolio Analysis

As at 31 May 2018

Portfolio Analysis

ASSET	31.05.18		31.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	658,524	27.29	817,847	38.38
Certificates of Deposit	224,972	9.32	192,992	9.03
Commercial Papers	288,333	11.96	113,946	5.33
Collective Investment Schemes	82,074	3.40	87,070	4.09
Derivatives	(2,971)	(0.12)	(21,651)	(1.01)
Equities	985,168	40.83	671,464	31.52
Forward Foreign Exchange Contracts	(54,448)	(2.27)	17,407	0.79
Government Treasury Bills	19,975	0.83	49,998	2.34
Net other assets	211,352	8.76	203,258	9.53
Net assets	2,412,979	100.00	2,132,331	100.00

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

Credit Breakdown*

ASSET	31.05.18		31.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	-	-	40,065	1.88
AA	559,843	23.20	191,963	9.00
A	-	-	50,025	2.35
BBB	34,319	1.42	236,975	11.11
BB	32,373	1.35	182,992	8.59
B	26,068	1.08	91,570	4.31
CCC	5,921	0.24	24,257	1.14
Total Bonds	658,524	27.29	817,847	38.38

* Bond ratings are Investec approximations.

Emerging Markets Blended Debt Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
COLLECTIVE INVESTMENT SCHEMES 0.36% (31.05.17: 2.14%)			
Investec GSF Emerging Markets Corporate Debt Fund†	17,680	398	0.36
CORPORATE BONDS 18.84% (31.05.17: 25.01%)			
Petroleos Mexicanos 4.875% 21/02/2028	EUR 911,000	835	0.75
European Investment Bank 7.20% 09/07/2019	IDR 14,460,000,000	777	0.69
Empresa Nacional del Petroleo 3.75% 05/08/2026	USD 975,000	681	0.61
Minerva Luxembourg 6.5% 20/09/2026	USD 900,000	619	0.55
Southern Copper 6.75% 16/04/2040	USD 700,000	616	0.55
KazMunayGas National 5.375% 24/04/2030	USD 775,000	585	0.52
Raizen Fuels Finance 5.3% 20/01/2027	USD 800,000	573	0.51
Lamar Funding 3.958% 07/05/2025	USD 850,000	568	0.51
Ooredoo International Finance 3.75% 22/06/2026	USD 800,000	568	0.51
Turk Telekomunikasyon 4.875% 19/06/2024	USD 800,000	564	0.50
Ecopetrol 5.875% 28/05/2045	USD 772,000	552	0.49
Marfrig Holdings Europe 8% 08/06/2023	USD 725,000	550	0.49
Eskom 7.5% 15/09/2033	ZAR 11,900,000	549	0.49
GTH Finance 7.25% 26/04/2023	USD 700,000	547	0.49
Southern Gas Corridor 6.875% 24/03/2026	USD 650,000	531	0.47
C&W Senior Financing Designated Activity 6.875% 15/09/2027	USD 725,000	530	0.47
Petroleos Mexicanos 4.25% 15/01/2025	USD 748,000	524	0.47
OCP 5.625% 25/04/2024	USD 650,000	500	0.45
Star Energy Geothermal Wayang Windu 6.75% 24/04/2033	USD 701,000	492	0.44
Proven Honour Capital 4.125% 06/05/2026	USD 625,000	447	0.40
OCP 6.875% 25/04/2044	USD 550,000	444	0.40
Russian Railways via RZD Capital 7.487% 25/03/2031	GBP 340,000	428	0.38
Empresa de Transporte de Pasajeros Metro 5% 25/01/2047	USD 575,000	425	0.38
MAF Global Securities 5.5% Perpetual	USD 575,000	419	0.37
Banco Nacional de Costa Rica 5.875% 25/04/2021	USD 550,000	417	0.37
Petroleos Mexicanos 7.19% 12/09/2024	MXN 12,416,800	415	0.37
Grupo Unicomer 7.875% 01/04/2024	USD 525,000	414	0.37
Eskom 6.75% 06/08/2023	USD 550,000	413	0.37
Alfa 6.875% 25/03/2044	USD 550,000	409	0.36
Ultrapar International 5.25% 06/10/2026	USD 575,000	407	0.36
Global Bank 4.5% 20/10/2021	USD 550,000	406	0.36
Banco Regional SAECA 8.125% 24/01/2019	USD 525,000	401	0.36
BBVA Bancomer 6.75% 30/09/2022	USD 500,000	397	0.35
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2027	BRL 2,000,000	376	0.34
Transnet 9.5% 13/05/2021	ZAR 5,540,000	328	0.29
Eskom 7.125% 11/02/2025	USD 400,000	302	0.27
Mexico City Airport Trust 5.5% 31/07/2047	USD 450,000	296	0.26
Aegea Finance 5.75% 10/10/2024	USD 377,000	271	0.24
America Movil 7.125% 09/12/2024	MXN 7,740,000	269	0.24
Rede D'or Finance 4.95% 17/01/2028	USD 397,000	268	0.24
Petkim Petrokimya 5.875% 26/01/2023	USD 383,000	268	0.24
Minejesa Capital 5.625% 10/08/2037	USD 380,000	264	0.24
Inter-American Development Bank 7.35% 12/09/2018	IDR 4,650,000,000	251	0.22
Türkiye İş Bankası 6.125% 25/04/2024	USD 360,000	250	0.22
Financiera de Desarrollo Territorial SA Findeter 7.875% 12/08/2024	COP 856,000,000	228	0.20
Gazprom OAO Via Gaz Capital 4.25% 06/04/2024	GBP 150,000	154	0.14
KazAgro National Management 4.625% 24/05/2023	USD 211,000	153	0.14
MTN Mauritius Investment 6.5% 13/10/2026	USD 200,000	152	0.14
European Investment Bank 8.5% 17/09/2024	ZAR 2,150,000	130	0.12
Nemak 3.25% 15/03/2024	EUR 100,000	88	0.08
Central American Bottling 5.75% 31/01/2027	USD 90,000	68	0.06
		21,119	18.84

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GOVERNMENT BONDS 61.76% (31.05.17: 64.63%)			
Malaysia Government Bond 3.62% 30/11/2021	MYR 13,423,000	2,521	2.25
Republic of South Africa Government Bond 8.875% 28/02/2035	ZAR 40,706,846	2,355	2.10
Mexican Bonos 10% 20/11/2036	MXN 46,882,600	2,133	1.90
Russian Federal Bond – OFZ 7.7% 23/03/2033	RUB 156,906,000	1,941	1.73
Indonesia Government International Bond 5.875% 15/01/2024	USD 2,350,000	1,903	1.70
Brazil Letras do Tesouro Nacional 0.01% 01/07/2019	BRL 9,739,000	1,821	1.62
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2025	BRL 8,843,000	1,710	1.53
Colombian TES 6% 28/04/2028	COP 6,170,700,000	1,537	1.37
Republic of South Africa Government Bond 7.25% 15/01/2020	ZAR 24,900,000	1,484	1.32
Egypt Government International Bond 8.5% 31/01/2047	USD 1,840,000	1,474	1.32
Republic of Poland Government Bond 2.5% 25/01/2023	PLN 7,095,000	1,445	1.29
Brazil Letras do Tesouro Nacional 0.01% 01/01/2020	BRL 7,000,000	1,253	1.12
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2023	BRL 6,085,000	1,217	1.09
Turkey Government International Bond 7.375% 05/02/2025	USD 1,525,000	1,207	1.08
Serbia Treasury Bonds 5.875% 08/02/2028	RSD 142,060,000	1,129	1.01
Kazakhstan Government International Bond 6.5% 21/07/2045	USD 1,250,000	1,125	1.00
Serbia International Bond 7.25% 28/09/2021	ZAR 1,275,000	1,043	0.93
Republic of South Africa Government Bond 10.5% 21/12/2026	USD 15,648,051	1,045	0.93
Malaysia Government Bond 3.759% 15/03/2019	MYR 5,498,000	1,039	0.93
Argentine Republic Government International Bond 7.5% 22/04/2026	USD 1,275,000	956	0.85
Colombian TES 7% 30/06/2032	COP 3,662,100,000	952	0.85
Colombian TES 7.5% 26/08/2026	COP 3,375,000,000	937	0.84
Mongolia Government International Bond 5.625% 01/05/2023	USD 1,189,000	864	0.77
Republic of Poland Government Bond 3.25% 25/07/2025	PLN 4,088,000	845	0.75
Dominican Republic International Bond 6.5% 15/02/2048	USD 1,100,000	794	0.71
Ukraine Government International Bond 7.75% 01/09/2025	USD 1,009,000	752	0.67
Indonesia Treasury Bond 7.5% 15/05/2038	IDR 14,017,000,000	751	0.67
Republic of South Africa Government International Bond 4.3% 12/10/2028	USD 1,075,000	737	0.66
Republic of South Africa Government International Bond 4.875% 14/04/2026	USD 1,000,000	732	0.65
Uruguay Government International Bond 8.5% 15/03/202028	USD 33,135,000	721	0.64
Republic of South Africa Government International Bond 4.85% 27/09/2027	UYU 1,000,000	722	0.64
Brazil Notas do Tesouro Nacional Serie F 10% 01/01/2029	BRL 3,813,000	705	0.63
Colombian TES 10% 24/07/2024	COP 2,256,800,000	704	0.63
Dominican Republic International Bond 6.875% 29/01/2026	USD 875,000	699	0.62
Argentine Republic Government International Bond 5.875% 11/01/2028	USD 1,016,000	676	0.60
Angolan Government International Bond 8.25% 09/05/2028	USD 864,000	673	0.60
Malaysia Government Bond 4.378% 29/11/2019	MYR 3,514,000	671	0.60
Republic of South Africa Government Bond 8% 31/01/2030	ZAR 12,000,000	668	0.60
Republic of South Africa Government Bond 8.5% 31/01/2037	ZAR 11,804,374	654	0.58
Costa Rica Government International Bond 7% 04/04/2044	USD 905,000	650	0.58
Nigeria Government International Bond 6.5% 28/11/2027	USD 825,000	613	0.55
Republic of South Africa Government Bond 8.25% 31/03/2032	ZAR 10,639,505	593	0.53
Colombian TES 7% 04/05/2022	COP 2,142,900,000	584	0.52
Costa Rica Government International Bond 7.158% 12/03/2045	USD 795,000	579	0.52
Provincia de Buenos Aires 7.875% 15/06/2027	USD 811,000	577	0.52
Ukraine Government International Bond 7.375% 25/09/2032	USD 824,000	575	0.51
Indonesia Treasury Bond 9% 15/03/2029	COP 9,527,000,000	572	0.51
Colombian TES 4.75% 04/04/2035	IDR 7,480,000	572	0.51
Jordan Government International Bond 5.75% 31/01/2027	USD 775,000	552	0.49
Hungary Government International Bond 7.625% 29/03/2041	USD 524,000	545	0.49
Egypt Government International Bond 7.5% 31/01/2027	USD 690,000	544	0.49
Oman Government International Bond 5.625% 17/01/2028	USD 736,000	538	0.48
Dominican Republic International Bond 5.95% 25/01/2027	USD 700,000	529	0.47
Jordan Government International Bond 7.375% 10/10/2047	USD 725,000	521	0.46
Republic of South Africa Government Bond 9% 31/01/2040	ZAR 8,910,000	513	0.46
Mexican Bonos 10% 05/12/2024	MXN 11,760,700	497	0.44
Mexican Bonos 6.5% 10/06/2021	MXN 13,556,600	497	0.44
Ukraine Government International Bond 7.75% 01/09/2024	USD 641,000	482	0.43
Colombian TES 11% 24/07/2020	COP 1,633,000,000	476	0.42
Dominican Republic International Bond 5.5% 27/01/2025	USD 625,000	468	0.42
Indonesia Government International Bond 8.5% 12/10/2035	USD 450,000	468	0.42
Peruvian Government International Bond 6.95% 12/08/2031	PEN 1,801,000	462	0.41
Turkey Government International Bond 5.1125% 17/02/2028	USD 641,000	435	0.39
Nigeria Government International Bond 7.875% 16/02/2032	USD 550,000	434	0.39
Eskom 5.75% 26/01/2021	USD 575,000	430	0.38
Ivory Coast Government International Bond 6.375% 03/03/2028	USD 575,000	419	0.37
Malaysia Government Bond 3.955% 15/09/2025	MYR 2,185,000	404	0.36
Peru Government Bond 6.15% 12/08/2032	PEN 1,693,000	398	0.36

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
GOVERNMENT BONDS 61.76% (31.05.17: 64.63%) (continued)			
Malaysia Government Bond 3.9% 30/11/2026	MYR 2,105,000	385	0.34
Indonesia Treasury Bond 8.25% 15/05/2036	IDR 6,051,000,000	342	0.31
Indonesia Treasury Bond 7.5% 15/08/2032	IDR 6,295,000,000	337	0.30
Peruvian Government International Bond 6.9% 12/08/2037	PEN 1,340,000	333	0.30
Ukraine Government International Bond 7.75% 01/09/2021	USD 400,000	310	0.28
Colombian TES 7% 11/09/2019	COP 1,153,300,000	309	0.28
Mexican Bonos 8.5% 18/11/2038	MXN 7,706,700	309	0.28
Indonesia Government International Bond 7.75% 17/01/2038	USD 311,000	307	0.27
Indonesia Government International Bond 4.625% 15/04/2043	USD 420,000	297	0.26
Egypt Government International Bond 7.903% 21/02/2048	USD 375,000	285	0.25
Egypt Government International Bond 5.577% 21/02/2023	USD 350,000	260	0.23
Egypt Government International Bond 6.588% 21/02/2028	USD 350,000	258	0.23
Indonesia Treasury Bond 8.375% 15/03/2034	USD 4,447,000,000	251	0.22
Argentine Republic Government International Bond 6.875% 26/01/2027	IDR 350,000	251	0.22
Ivory Coast Government International Bond 5.75% 31/12/2032	USD 351,540	246	0.22
Provincia de Cordoba 7.125% 10/06/2021	USD 325,000	242	0.22
Colombia Government International Bond 7.375% 18/09/2037	USD 250,000	234	0.21
Uruguay Government International Bond 4.3758% 15/12/2028	UYU 5,354,186	230	0.21
Republic of Poland Government Bond 2.5% 25/07/2026	PLN 1,182,000	229	0.20
Ecuador Government International Bond 6.125% 23/01/2028	CZK 339,000	227	0.20
Czech Republic Government Bond 0.25% 10/02/2027	USD 7,710,000	228	0.20
Mongolia Government International Bond 8.75% 09/03/2024	USD 261,000	215	0.19
Ecuador Government International Bond 10.5% 24/03/2020	USD 275,000	215	0.19
Czech Republic Government Bond 4.2% 04/12/2036	CZK 5,100,000	214	0.19
Indonesia Government International Bond 4.125% 15/01/2025	USD 275,000	205	0.18
Ecuador Government International Bond 8.75% 02/06/2023	USD 275,000	202	0.18
Angolan Government International Bond 9.375% 08/05/2048	USD 250,000	201	0.18
Colombia Government International Bond 6.125% 18/01/2041	USD 240,000	201	0.18
Dominican Republic International Bond 6.85% 27/01/2045	USD 250,000	188	0.17
Indonesia Treasury Bond 8.75% 15/05/2031	IDR 2,869,000,000	169	0.15
Ivory Coast Government International Bond 5.375% 23/07/2024	USD 228,000	163	0.15
Ecuador Government International Bond 10.75% 28/03/2022	USD 200,000	159	0.14
Indonesia Government International Bond 4.75% 08/01/2026	USD 200,000	154	0.14
Kenya Government International Bond 7.25% 28/02/2028	USD 200,000	151	0.13
Kenya Government International Bond 8.25% 28/02/2048	USD 200,000	150	0.13
Ukraine Government International Bond 7.75% 01/09/2026	USD 200,000	148	0.13
Mongolia Government International Bond 5.125% 05/12/2022	USD 200,000	144	0.13
Ecuador Government International Bond 8.875% 23/10/2027	USD 200,000	143	0.13
Peru Government Bond 6.9% 12/08/2037	PEN 571,000	140	0.12
Mexican Bonos 7.75% 23/11/2034	MXN 3,052,400	114	0.10
Malaysia Government Bond 3.892% 15/03/2027	MYR 553,000	101	0.09
Dominican Republic International Bond 7.45% 30/04/2044	USD 125,000	100	0.09
Malaysia Government Bond 4.254% 31/05/2035	MYR 551,000	96	0.09
Malaysia Government Investment Issue 4.07% 30/09/2026	MYR 517,000	95	0.08
Malaysia Government Bond 4.392% 15/04/2026	MYR 387,000	73	0.07
Czech Republic Government Bond 2.5% 25/08/2028	CZK 1,400,000	50	0.04
Malaysia Government Bond 4.16% 15/07/2021	MYR 128,000	24	0.02
Peru Government Bond 6.85% 12/02/2042	PEN 81,000	19	0.02
Mexican Bonos 8.5% 31/05/2029	MXN 437,000	17	0.02
		69,243	61.76
GOVERNMENT TREASURY BILLS 5.98% (31.05.17: 2.93%)			
Egypt Treasury Bill 09/10/2018	EGP 53,300,000	2,087	1.86
Egypt Treasury Bill 10/07/2018	EGP 38,750,000	1,588	1.42
Nigeria Treasury Bill 22/11/2018	NGN 259,732,000	509	0.45
Nigeria Treasury Bill 30/08/2018	NGN 189,756,000	382	0.34
Nigeria Treasury Bill 08/11/2018	NGN 181,000,000	356	0.32
Nigeria Treasury Bill 23/08/2018	NGN 168,863,000	341	0.30
Nigeria Treasury Bill 28/10/2018	NGN 153,036,000	303	0.27
Egypt Treasury Bill 31/07/2018	EGP 7,425,000	301	0.27
Nigeria Treasury Bill 05/07/2018	NGN 128,366,000	264	0.24
Nigeria Treasury Bill 07/06/2018	NGN 95,777,000	199	0.18
Egypt Treasury Bill 28/08/2018	EGP 3,125,000	125	0.11
Egypt Treasury Bill 11/09/2018	EGP 3,100,000	123	0.11
Egypt Treasury Bill 26/06/2018	EGP 2,875,000	119	0.11
		6,697	5.98

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
EQUITY 0.00% (31.05.17: 0.03%)			
DERIVATIVES – FUTURES (0.04%) (31.05.17: 0.01%)			
United Kingdom Long Gilt Futures September 2018	(6)	1	–
US 10 Years Note (CBT) September 2018	(20)	(8)	(0.01)
EURO-BUND Futures June 2018	(4)	(16)	(0.01)
US 5 Years Note (CBT) September 2018	(93)	(19)	(0.02)
		(42)	(0.04)
DERIVATIVES – INTEREST RATE SWAPS 0.06% (31.05.17: (0.10%))			
Goldman Sachs Interest Rate Swap Rec 6.418% 14/11/2022	193,627,433	39	0.04
Goldman Sachs Interest Rate Swap Rec 6.45% 16/11/2022	126,432,567	24	0.03
Goldman Sachs Interest Rate Swap Rec 2.13% 06/10/2020	6,490,000	20	0.02
Goldman Sachs Interest Rate Swap Rec 6.654% 19/04/2023	54,180,342	7	–
Goldman Sachs Interest Rate Swap Pay 9.32% 14/01/2046	300,000	(3)	(0.01)
Goldman Sachs Interest Rate Swap Pay 9.3121% 15/01/2046	500,000	(4)	(0.01)
Goldman Sachs Interest Rate Swap Pay 9.3685% 19/01/2046	500,000	(4)	(0.01)
		79	0.06
DERIVATIVES – TOTAL RETURN SWAPS 1.57% (31.05.17: 1.71%)			
Citi Total Return Swap 10.25% 15/07/2022	5,000,000,000	301	0.27
Standard Chartered Bank Total Return Swap 8.75% 15/05/2031	4,949,000,000	289	0.26
Citi Total Return Swap 10.25% 15/07/2027	3,500,000,000	226	0.20
Standard Chartered Bank Total Return Swap 7.50% 15/05/2038	4,068,000,000	218	0.19
Standard Chartered H1 Total Return Swap 7.875% 15/04/2019	3,375,000,000	184	0.17
Standard Chartered Bank Total Return Swap 8.375% 15/03/2024	2,954,000,000	169	0.15
Deutsche Bank – Indonesia Government Total Return Bond Swap Rec 8.75% 15/05/2031	2,002,000,000	117	0.10
Standard Chartered Bank Total Return Swap 7.50% 15/08/2032	1,639,000,000	86	0.08
Standard Chartered G1 Total Return Swap 9% 15/03/2029	1,037,000,000	62	0.06
Deutsche Bank – Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	1,017,000,000	59	0.05
Deutsche Bank – Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	464,000,000	27	0.02
Standard Chartered – Indonesia Government Total Return Bond Swap Rec 8.75% 15/05/2031	219,000,000	13	0.01
Standard Chartered – Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	217,000,000	12	0.01
Standard Chartered – Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	41,000,000	2	–
Standard Chartered – Indonesia Government Total Return Bond Swap Rec 8.375% 15/09/2026	37,000,000	2	–
		1,767	1.57
FORWARD FOREIGN EXCHANGE CONTRACTS (0.61%) (31.05.17: 0.57%)			
US Dollar			
Buy USD	1,984,328	for GBP	(1,430,000)
Sell USD	(76,446,535)	for GBP	57,130,000
			109
FORWARD CROSS CURRENCY CONTRACTS			
Buy ARS	64,710,000	for USD	(3,021,410)
Buy BRL	31,850,000	for USD	(9,026,719)
Buy CAD~	30,000	for USD	(23,369)
Buy CLP	4,687,492,126	for USD	(7,723,019)
Buy CNH	29,790,000	for USD	(4,674,261)
Buy COP	7,673,242,906	for USD	(2,720,231)
Buy CZK	45,310,000	for EUR	(1,709,446)
Buy CZK	184,496,700	for USD	(8,520,923)
Buy EUR	4,705,246	for CZK	(119,790,000)
Buy EUR	1,630,300	for HUF	(522,040,000)
Buy EUR	3,069,397	for PLN	(13,020,000)
Buy EUR	1,980,000	for USD	(2,330,876)
Buy HUF	529,880,000	for USD	(2,078,383)
Buy IDR~	45,666,344,178	for USD	(3,273,079)
Buy ILS	13,560,000	for USD	(3,964,217)
Buy KRW	4,172,180,000	for USD	(3,895,411)
Buy MXN	165,670,000	for USD	(8,712,344)
Buy MYR	9,390,000	for USD	(2,395,918)
Buy PEN	30,040,000	for USD	(9,196,468)
Buy PLN	40,288,500	for USD	(11,771,409)
Buy RUB	300,742,358	for USD	(5,076,324)
Buy SGD	9,910,000	for USD	(7,418,789)
Buy THB	306,757,300	for USD	(9,788,401)
Buy TRY	80,189,787	for USD	(19,715,450)
Buy TWD	5,700,000	for USD	(190,955)
			(1)

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD CROSS CURRENCY CONTRACTS (continued)					
Buy USD	16,254,272	for BRL	(57,579,298)	639	0.57
Buy USD~	50,763	for CAD	(65,000)	–	–
Buy USD	5,864,004	for CLP	(3,518,405,000)	192	0.17
Buy USD	4,695,517	for CNH	(29,790,000)	37	0.03
Buy USD	878,848	for COP	(2,487,410,000)	11	0.01
Buy USD	247,405	for CZK	(5,050,000)	14	0.01
Buy USD	14,405,664	for EUR	(11,757,800)	495	0.44
Buy USD	2,078,327	for HUF	(522,560,100)	122	0.11
Buy USD	2,848,578	for IDR	(40,212,950,000)	(25)	(0.02)
Buy USD	3,748,217	for ILS	(13,560,000)	(43)	(0.04)
Buy USD	7,912,404	for INR	(521,360,000)	157	0.14
Buy USD	3,938,115	for MXN	(74,038,100)	159	0.14
Buy USD	571,896	for MYR	(2,270,000)	1	–
Buy USD	9,182,064	for PEN	(30,030,457)	5	–
Buy USD	7,675,100	for PHP	(403,890,000)	6	0.01
Buy USD	1,964,908	for PLN	(6,850,000)	82	0.07
Buy USD	4,732,808	for RON	(17,900,900)	180	0.16
Buy USD	1,384,254	for RUB	(80,370,000)	69	0.06
Buy USD	3,721,361	for SGD	(4,866,300)	63	0.06
Buy USD~	185,174	for THB	(5,940,000)	–	–
Buy USD	11,908,524	for TRY	(49,658,600)	719	0.64
Buy USD	9,424,701	for TWD	(273,610,000)	219	0.20
Buy USD	15,229,738	for ZAR	(183,282,900)	508	0.45
Buy ZAR	101,770,000	for USD	(8,138,371)	(40)	(0.04)
				(803)	(0.71)
Portfolio of investments^				98,567	87.92
Net other assets				13,541	12.08*
Net assets				112,108	100.00

^ Including derivative liabilities.

† A related party to the Fund.

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

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

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

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

Portfolio Analysis

As at 31 May 2018

Portfolio Analysis

ASSET	31.05.18		31.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	90,362	80.60	84,026	89.64
Collective Investment Schemes	398	0.36	2,007	2.14
Derivatives	1,804	1.59	1,528	1.61
Equities	–	–	25	0.03
Forward Foreign Exchange Contracts	(694)	(0.61)	536	0.57
Government Treasury Bills	6,697	5.98	2,736	2.93
Net other assets	13,541	12.08	2,890	3.08
Net assets	112,108	100.00	93,748	100.00

Credit Breakdown*

ASSET	31.05.18		31.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	907	0.81	406	0.43
AA	251	0.22	878	0.93
A	11,034	9.84	17,250	18.41
BBB	29,145	26.00	26,487	28.28
BB	32,880	29.34	25,206	26.88
B	13,163	11.73	8,420	8.99
CCC	2,982	2.66	2,004	2.12
CC	–	–	214	0.23
NR	–	–	3,161	3.37
Total Bonds	90,362	80.60	84,026	89.64

*Bond ratings are Investec approximations.

Emerging Markets Equity Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AUSTRIA 1.39% (31.05.17: 1.30%)			
Erste Group Bank	37,842	1,183	0.70
Raiffeisen Bank International	50,072	1,173	0.69
		2,356	1.39
BRAZIL 7.52% (31.05.17: 4.55%)			
Vale ADR	298,540	3,033	1.79
Atacadao Distribuicao Comercio e Industria	496,553	1,594	0.94
Fibria Celulose	108,182	1,542	0.91
Itausa	639,195	1,445	0.85
Banco do Brasil	213,433	1,302	0.77
Engie Brasil Energia	135,675	1,008	0.59
Cia de Transmissao de Energia Eletrica Paulista Preference Shares	70,247	905	0.53
TIM Participacoes ADR	59,462	798	0.47
Qualicorp	151,534	582	0.34
EcoRodovias Infraestrutura e Logistica	356,933	568	0.33
		12,777	7.52
CHILE 0.00% (31.05.17: 0.80%)			
CHINA 31.96% (31.05.17: 23.96%)			
Tencent	320,700	12,241	7.20
Alibaba ADR	63,720	9,468	5.57
Ping An Insurance Group Company of China	661,500	4,864	2.86
Baidu ADR	22,053	3,998	2.35
China Construction Bank	4,901,000	3,707	2.18
CNOOC	2,282,000	2,880	1.70
CSPC Pharmaceutical	1,220,000	2,864	1.68
China Petroleum & Chemical	3,778,000	2,771	1.63
ENN Energy	316,000	2,438	1.44
Anhui Conch Cement	452,900	1,817	1.07
China Shenhua Energy	809,988	1,588	0.94
Geely Automobile	625,000	1,330	0.78
Bank of China	3,330,500	1,305	0.77
CITIC Securities	593,000	1,120	0.66
Wuliangye Yibin	114,700	1,061	0.62
Beijing Capital International Airport	782,000	867	0.51
		54,319	31.96
COLOMBIA 0.00% (31.05.17: 0.06%)			
CZECH REPUBLIC 0.00% (31.05.17: 0.53%)			
HONG KONG 6.84% (31.05.17: 6.78%)			
AIA	353,000	2,425	1.43
WH	3,097,988	2,384	1.40
China Overseas Land & Investment	870,519	2,181	1.28
Galaxy Entertainment	239,000	1,578	0.93
Kerry Properties	349,694	1,403	0.82
Lee & Man Paper Manufacturing	1,258,756	1,106	0.65
Shenzhen International	337,500	553	0.33
		11,630	6.84
HUNGARY 1.05% (31.05.17: 1.39%)			
MOL Hungarian Oil & Gas	148,951	1,054	0.62
Richter Gedeon	49,994	737	0.43
		1,791	1.05

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
INDIA 7.09% (31.05.17: 5.36%)			
Infosys ADR	156,261	2,125	1.25
HDFC Bank	88,830	2,105	1.24
Hindalco Industries	666,953	1,738	1.02
Maruti Suzuki India	18,011	1,713	1.01
Tech Mahindra	184,541	1,455	0.86
Hero MotoCorp	30,843	1,216	0.72
Grasim Industries	70,481	814	0.48
Infosys	39,273	539	0.32
Federal Bank	338,632	319	0.19
		12,024	7.09
INDONESIA 0.98% (31.05.17: 3.06%)			
Bank Negara Indonesia	3,645,300	1,668	0.98
JERSEY 0.18% (31.05.17: 0.00%)			
En+ GDR	83,391	311	0.18
LUXEMBOURG 1.08% (31.05.17: 0.65%)			
Ternium ADR	68,149	1,843	1.08
MALAYSIA 0.90% (31.05.17: 0.61%)			
Malayan Banking	837,400	1,525	0.90
MEXICO 4.45% (31.05.17: 3.70%)			
Wal-Mart de Mexico	909,650	1,723	1.01
Grupo Financiero Banorte	389,307	1,585	0.93
Grupo Aeroportuario del Sureste ADR	11,512	1,391	0.82
Cemex ADR	282,260	1,264	0.75
Grupo Mexico	559,366	1,070	0.63
Industrias Penoles	42,273	533	0.31
		7,566	4.45
PERU 1.04% (31.05.17: 0.94%)			
Credicorp	10,705	1,773	1.04
POLAND 0.66% (31.05.17: 0.83%)			
Powszechna Kasa Oszczednosci Bank Polski	146,134	1,115	0.66
QATAR 0.00% (31.05.17: 1.32%)			
RUSSIA 1.80% (31.05.17: 3.52%)			
Lukoil ADR	42,184	2,159	1.27
Polymetal International	130,717	899	0.53
		3,058	1.80
SINGAPORE 0.00% (31.05.17: 1.92%)			
SOUTH AFRICA 1.25% (31.05.17: 2.75%)			
RMB	278,010	1,205	0.71
Exxaro Resources	123,768	918	0.54
		2,123	1.25
SOUTH KOREA 9.27% (31.05.17: 13.60%)			
Samsung Electronics	178,600	6,304	3.71
POSCO	9,126	2,157	1.27
KB Financial	56,175	2,026	1.19
Shinhan Financial	49,816	1,517	0.89
Hana Financial	48,361	1,400	0.82
Samsung Life Insurance	14,515	1,041	0.61
ING Life Insurance Korea	24,714	692	0.41
LG Chem	2,646	623	0.37
		15,760	9.27
SPAIN 0.00% (31.05.17: 0.20%)			
SWITZERLAND 0.83% (31.05.17: 0.53%)			
Swatch	3,853	1,414	0.83

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
TAIWAN 7.97% (31.05.17: 11.17%)			
Taiwan Semiconductor Manufacturing ADR	264,814	7,619	4.48
MediaTek	245,000	1,908	1.12
Cathay Financial	1,146,000	1,539	0.91
Silicon Motion Technology ADR	27,059	1,003	0.59
Novatek Microelectronics	281,000	950	0.56
China Life Insurance	670,860	528	0.31
		13,547	7.97
THAILAND 1.84% (31.05.17: 2.04%)			
PTT	1,433,000	1,757	1.03
Bangkok Bank NVDR *	270,300	1,195	0.70
Bangkok Bank	42,700	193	0.11
		3,145	1.84
TURKEY 1.18% (31.05.17: 2.03%)			
TAV Havalimanlari	312,256	1,134	0.67
Akbank Turk	638,513	876	0.51
		2,010	1.18
UNITED ARAB EMIRATES 2.54% (31.05.17: 2.11%)			
Emaar Properties	1,392,717	1,477	0.87
First Abu Dhabi Bank	431,029	1,079	0.64
Aldar Properties	2,252,588	939	0.55
Abu Dhabi National Oil for Distribution	1,619,227	820	0.48
		4,315	2.54
UNITED KINGDOM 3.52% (31.05.17: 1.11%)			
Mondi	100,946	2,122	1.25
Old Mutual	848,584	2,051	1.21
Anglo American	100,213	1,810	1.06
		5,983	3.52
UNITED STATES 1.06% (31.05.17: 0.00%)			
Broadcom	9,588	1,794	1.06
Portfolio of investments		163,847	96.40
Net other assets		6,125	3.60
NET ASSETS		169,972	100.00

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

* Non Voting Depositary Receipts

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

Global Dividend Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BELGIUM 0.00% (31.05.17: 1.55%)			
BERMUDA 0.00% (31.05.17: 0.89%)			
CANADA 2.29% (31.05.17: 2.26%)			
Canadian Imperial Bank of Commerce	4,337	287	2.29
CHINA 3.20% (31.05.17: 2.01%)			
China Construction Bank	300,000	227	1.81
Qingdao Port International	291,000	174	1.39
		401	3.20
DENMARK 2.17% (31.05.17: 2.26%)			
Danske Bank	10,891	272	2.17
FRANCE 6.49% (31.05.17: 3.66%)			
Schneider Electric	7,222	470	3.74
Total	5,051	231	1.84
AXA	6,018	114	0.91
		815	6.49
GERMANY 0.88% (31.05.17: 3.34%)			
HeidelbergCement	1,640	110	0.88
HONG KONG 2.22% (31.05.17: 2.17%)			
PCCW	631,000	279	2.22
IRELAND 0.00% (31.05.17: 1.07%)			
JAPAN 4.71% (31.05.17: 4.39%)			
Sumitomo Mitsui Financial	11,700	363	2.89
Nippon Telegraph & Telephone	6,500	229	1.82
		592	4.71
JERSEY 0.00% (31.05.17: 3.08%)			
NETHERLANDS 2.62% (31.05.17: 0.99%)			
ASR Nederland	5,976	191	1.52
Euronext	2,896	138	1.10
		329	2.62
NORWAY 1.24% (31.05.17: 0.00%)			
SalMar	4,752	156	1.24
PANAMA 0.00% (31.05.17: 3.05%)			
RUSSIA 1.81% (31.05.17: 1.30%)			
LUKOIL ADR	4,436	227	1.81
SINGAPORE 4.37% (31.05.17: 2.82%)			
United Overseas Bank	21,900	345	2.75
DBS	12,800	204	1.62
		549	4.37
SOUTH KOREA 3.65% (31.05.17: 2.54%)			
Samsung Electronics Preference	10,743	302	2.40
Samsung Electronics	4,450	157	1.25
		459	3.65
SPAIN 2.28% (31.05.17: 3.50%)			
Repsol	20,021	286	2.28

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
SWEDEN 0.00% (31.05.17: 2.20%)			
SWITZERLAND 2.48% (31.05.17: 1.36%)			
Novartis	5,491	312	2.48
TAIWAN 2.93% (31.05.17: 1.71)			
Taiwan Semiconductor Manufacturing	43,000	241	1.92
Hon Hai Precision Industry	59,000	127	1.01
		368	2.93
UNITED ARAB EMIRATES 2.85% (31.05.17: 2.48%)			
Aldar Properties	859,458	358	2.85
UNITED KINGDOM 18.01% (31.05.17: 18.44%)			
British American Tobacco	11,845	457	3.64
Prudential	24,035	439	3.50
Schroders	16,418	418	3.33
Royal Dutch Shell	12,947	347	2.76
RELX	13,112	216	1.72
Travelport Worldwide	10,476	136	1.08
Rio Tinto	3,160	135	1.08
Reckitt Benckiser	1,911	113	0.90
		2,261	18.01
UNITED STATES 37.14% (31.05.17: 31.69%)			
Las Vegas Sands	8,465	510	4.06
PepsiCo	5,380	411	3.27
Carnival	8,542	403	3.21
Microsoft	4,624	343	2.73
Wells Fargo	8,269	337	2.68
Johnson & Johnson	3,470	315	2.51
Extended Stay America	19,024	283	2.25
Altria	6,621	281	2.24
Eastman Chemical	3,190	251	2.00
Pfizer	8,995	243	1.94
Broadcom	1,259	235	1.87
Cisco Systems	6,766	217	1.73
Philip Morris International	3,474	209	1.66
Gaming and Leisure Properties*	6,391	169	1.35
Foot Locker	4,092	168	1.34
Qualcomm	3,747	164	1.31
Public Service Enterprise	3,138	124	0.99
		4,663	37.14
Portfolio of investments		12,724	101.34
Net other assets		(168)	(1.34)
NET ASSETS		12,556	100.00

*Real Estate Investment Trust (REIT).

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

Stocks shown as ADRs represent American Depositary Receipts.

Global Franchise Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BELGIUM 2.30% (31.05.17: 3.03%)			
Anheuser-Busch InBev ADR	23,100	1,632	2.30
CHINA 1.02% (31.05.17: 0.00%)			
NetEase ADR	4,251	724	1.02
FRANCE 0.00% (31.05.17: 0.98%)			
GERMANY 2.57% (31.05.17: 0.00%)			
Beiersdorf	21,041	1,823	2.57
IRELAND 1.76% (31.05.17: 2.95%)			
Medtronic	19,330	1,246	1.76
ISRAEL 2.99% (31.05.17: 3.10%)			
Check Point Software Technologies	29,192	2,124	2.99
JAPAN 2.12% (31.05.17: 3.69%)			
Japan Tobacco	74,300	1,502	2.12
JERSEY 0.00% (31.05.17: 1.01%)			
SOUTH KOREA 2.37% (31.05.17: 2.12%)			
Samsung Electronics GDR	1,890	1,679	2.37
SPAIN 1.19% (31.05.17: 0.00%)			
Amadeus IT	14,268	848	1.19
SWITZERLAND 7.32% (31.05.17: 11.09%)			
Nestle	49,865	2,864	4.03
Roche	14,316	2,338	3.29
		5,202	7.32
UNITED KINGDOM 12.15% (31.05.17: 13.23%)			
Unilever	60,851	2,556	3.60
Imperial Tobacco	88,753	2,379	3.35
Reckitt Benckiser	38,059	2,252	3.17
GlaxoSmithKline	94,377	1,439	2.03
		8,626	12.15
UNITED STATES 61.74% (31.05.17: 56.50%)			
Visa	48,428	4,746	6.69
Microsoft	60,788	4,512	6.36
Moody's	30,248	3,936	5.54
VeriSign	37,208	3,650	5.14
Booking	1,973	3,106	4.38
Johnson & Johnson	33,621	3,052	4.30
Twenty-First Century Fox	97,476	2,827	3.98
Intuit	17,884	2,699	3.80
Philip Morris International	41,564	2,505	3.53
S&P Global	13,960	2,090	2.94
PayPal	30,668	1,878	2.65
Factset Research Systems	9,777	1,483	2.09
Altria	34,616	1,470	2.07
3M	9,784	1,459	2.06
Becton Dickinson	7,591	1,273	1.79
Colgate-Palmolive	24,188	1,169	1.65
PepsiCo	13,841	1,058	1.49
Charles Schwab	21,698	912	1.28
		43,825	61.74

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Portfolio of investments		69,231	97.53
Net other assets		1,750	2.47
Net assets		70,981	100.00

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.
 Stocks shown as ADRs and GDRs represent American Depositary Receipts and Global Depositary Receipts.

Global Quality Equity Income Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CONSUMER GOODS 37.61% (31.05.17: 47.84%)			
BEVERAGES			
Diageo	27,220	751	3.78
Newbelco	7,962	569	2.87
Coca Cola	13,690	443	2.23
PepsiCo	4,328	331	1.67
		2,094	10.55
HOUSEHOLD GOODS & HOME CONSTRUCTION			
Reckitt Benckiser	9,979	589	2.97
Procter & Gamble	9,992	562	2.83
		1,151	5.80
PERSONAL GOODS			
Unilever	15,424	648	3.26
Nike	8,542	463	2.33
		1,111	5.59
TOBACCO			
Imperial Tobacco	36,357	975	4.91
British American Tobacco	21,808	841	4.23
Philip Morris International	11,361	685	3.45
Japan Tobacco	30,200	611	3.08
		3,112	15.67
CONSUMER SERVICES 5.70% (31.05.17: 5.59%)			
MEDIA			
Twenty-First Century Fox	27,751	805	4.06
TRAVEL & LEISURE			
Sands China	72,400	325	1.64
FINANCIALS 7.61% (31.05.17: 5.38%)			
FINANCIAL SERVICES			
Visa	8,877	870	4.38
CME	3,431	426	2.15
		1,296	6.53
REAL ESTATE INVESTMENT TRUSTS			
Growthpoint Properties Australia	106,075	214	1.08
HEALTH CARE 19.51% (31.05.17: 19.37%)			
HEALTH CARE EQUIPMENT & SERVICES			
Medtronic	6,996	451	2.27
Becton Dickinson	2,007	337	1.70
		788	3.97
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	64,410	982	4.94
Novartis	15,246	867	4.37
Johnson & Johnson	8,726	792	3.99
Roche	2,718	444	2.24
		3,085	15.54
INDUSTRIALS 15.65% (31.05.17: 9.92%)			
GENERAL INDUSTRIALS			
3M	2,140	319	1.61

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
INDUSTRIAL ENGINEERING			
Kone	19,434	723	3.64
Rockwell Automation	2,384	318	1.60
		1,041	5.24
SUPPORT SERVICES			
Amadeus IT	13,416	797	4.01
Experian	31,753	588	2.96
Automatic Data Processing	3,707	363	1.83
		1,748	8.80
TECHNOLOGY 13.15% (31.05.17: 9.75%)			
SOFTWARE & COMPUTER SERVICES			
Microsoft	19,064	1,415	7.13
Sage	104,312	692	3.49
Oracle	14,220	502	2.53
		2,609	13.15
Portfolio of investments		19,698	99.23
Net other assets		152	0.77
NET ASSETS		19,850	100.00

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

Global Special Situations Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AUSTRALIA 4.30% (31.05.17: 6.70%)			
WorleyParsons	260,052	2,456	4.30
FRANCE 0.00% (31.05.17: 1.11%)			
BRAZIL 2.39% (31.05.17: 0.00%)			
Cia de Saneamento de Minas Gerais	60,892	530	0.93
Cia de Saneamento Basico do Estado de Sao Paulo	80,017	421	0.74
Cia de Saneamento do Parana	40,565	409	0.72
		1,360	2.39
HONG KONG 1.13% (31.05.17: 1.58%)			
Chow Sang Sang International	420,000	646	1.13
IRELAND 2.03% (31.05.17: 4.06%)			
Grafton	151,601	1,160	2.03
ITALY 0.00% (31.05.17: 1.65%)			
JAPAN 5.47% (31.05.17: 12.91%)			
Resona	319,200	1,334	2.34
Japan Steel Works	44,400	937	1.64
Japan Airlines	29,200	848	1.49
		3,119	5.47
LUXEMBOURG 1.82% (31.05.17: 0.00%)			
Tenaris	73,976	1,038	1.82
NORWAY 1.30% (31.05.17: 1.46%)			
Yara International	23,657	743	1.30
TURKEY 2.81% (31.05.17: 0.00%)			
TAV Havalimanlari	442,995	1,608	2.81
UNITED ARAB EMIRATES 2.16% (31.05.17: 0.00%)			
Aldar Properties	2,959,230	1,233	2.16
UNITED KINGDOM 23.59% (31.05.17: 20.59%)			
Capita	1,703,116	2,338	4.09
Barclays	867,426	1,727	3.02
Royal Bank of Scotland	521,557	1,452	2.54
Aggreko	182,785	1,302	2.28
Travis Perkins	90,788	1,232	2.16
Centrica	822,113	1,185	2.07
Virgin Money	287,562	1,002	1.75
Next	16,207	944	1.65
Lloyds Banking	1,468,102	934	1.64
Rolls-Royce	91,971	759	1.33
Forterra	195,957	600	1.05
Rolls-Royce 'C' Shares	7,988,210	8	0.01
		13,483	23.59
UNITED STATES 47.03% (31.05.17: 43.29%)			
Bank of America	127,079	2,810	4.92
Microsoft	37,778	2,804	4.91
Welbilt	156,990	2,346	4.11
Citigroup	45,709	2,287	4.00
Deere & Co	18,034	2,098	3.67
Conduent	139,594	2,001	3.50
American Express	23,470	1,743	3.05
Northern Trust	21,849	1,701	2.98
Cars.com	75,236	1,502	2.63
Vistra Energy	64,327	1,172	2.05

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
UNITED STATES 47.03% (31.05.17: 43.29%) (continued)			
Signet Jewelers	31,363	1,013	1.77
Advance Auto Parts	10,425	1,005	1.76
Helmerich & Payne	19,518	985	1.72
NOW	84,300	913	1.60
MicroStrategy	8,888	882	1.54
Tapestry	23,980	791	1.39
Jefferies Financial	43,636	727	1.27
Avon Products	64,553	89	0.16
National Oilwell Varco~	10	–	–
		26,869	47.03
Portfolio of investments^		53,715	94.03
Net other assets		3,413	5.97
Net assets		57,128	100.00

^ Including derivative liabilities.

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

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

Multi-Asset Protector Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
ALTERNATIVES 2.36% (31.05.17: 2.45%)			
BGI SICAV	1,212,273	1,606	0.85
HIICL Infrastructure	1,044,370	1,474	0.78
3i Infrastructure	603,825	1,371	0.73
		4,451	2.36
EQUITIES 38.93% (31.05.17: 36.36%)			
GLOBAL EQUITIES 14.44% (31.05.17: 19.42%)			
Investec GSF Global Endurance Equity Fund †	371,006	9,900	5.26
iShares MSCI Emerging Markets UCITS ETF	227,461	7,423	3.95
Investec Global Equity Fund †	3,857,176	6,934	3.69
Vanguard S&P 500 UCITS ETF	74,513	2,899	1.54
		27,156	14.44
REGION THEMATIC 5.02% (31.05.17: 2.28%)			
iShares MSCI Japan UCITS ETF	833,800	9,439	5.02
SECTOR THEMATIC 6.68% (31.05.17: 3.17%)			
INSURANCE			
American Financial	5,157	432	0.23
Reinsurance Group of America	3,704	418	0.22
Travelers	4,250	415	0.22
Beazley	65,565	393	0.21
Chubb	3,688	366	0.20
Essent	13,735	360	0.19
MGIC Investment	44,496	353	0.19
Hiscox	22,783	344	0.18
Arch Capital	5,731	340	0.18
Intact Financial	5,281	299	0.16
		3,720	1.98
MINERS			
Glencore	256,477	969	0.52
Anglo American	42,037	759	0.40
Rio Tinto	17,131	731	0.39
Boliden	27,096	719	0.38
South32	313,686	664	0.35
BHP Billiton	27,564	473	0.25
Randgold Resources	7,976	473	0.25
Boliden Redemption Shares	27,096	13	0.01
		4,801	2.55
SPIN OFF			
Varex Imaging	10,544	296	0.16
Adient	5,696	227	0.12
DXC Technology	2,829	197	0.10
Cars.com	9,748	195	0.10
Conduent	13,485	193	0.10
Delphi Technologies	5,074	192	0.10
DowDuPont	3,775	183	0.10
NOW	13,741	149	0.08
Brighthouse Financial	3,672	133	0.07
Pentair	3,975	133	0.07
Park Hotels & Resorts REIT *	5,029	121	0.06
nVent Electric	3,975	80	0.04
		2,099	1.10

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
US OIL EXPLORATION & PRODUCTION			
HollyFrontier	1,697	99	0.05
Valero Energy	1,018	93	0.05
Andeavor	832	91	0.05
Marathon Petroleum	1,525	91	0.05
Energen	1,765	90	0.05
Noble Energy	3,292	90	0.05
Devon Energy	2,827	89	0.05
Marathon Oil	5,526	89	0.05
Phillips 66	991	89	0.05
Occidental Petroleum	1,389	88	0.05
Exxon Mobil	1,427	87	0.05
EOG Resources	963	86	0.05
Cabot Oil & Gas	5,028	86	0.05
ConocoPhillips	1,676	85	0.05
Chevron	903	85	0.05
Apache	2,744	84	0.05
Cimarex Energy	1,182	84	0.04
EQT	2,186	84	0.04
Pioneer Natural Resources	568	84	0.05
Concho Resources	784	83	0.04
Parsley Energy	3,672	83	0.04
Diamondback Energy	886	82	0.04
		1,922	1.05
TOTAL RETURN EQUITY 7.73% (31.05.17: 4.68%)			
Honeywell International	5,258	594	0.32
Johnson & Johnson	5,853	531	0.28
S&P Global	3,484	522	0.28
Unilever	12,412	521	0.28
Home Depot	3,619	508	0.27
Jack Henry & Associates	5,370	499	0.27
Dr Pepper Snapple	5,496	498	0.26
Novo Nordisk	13,290	476	0.25
Moncler	13,250	453	0.24
Marsh & McLennan	7,045	427	0.23
Microsoft	5,703	423	0.22
TJX	6,273	423	0.22
RELX	23,244	384	0.20
F5 Networks	2,900	377	0.20
Britvic	41,585	337	0.18
WH Smith	16,649	330	0.18
Amdocs	5,931	305	0.16
Hargreaves Lansdown	15,590	299	0.16
Lear	1,987	296	0.16
Daito Trust Construction	2,400	294	0.16
Estee Lauder	2,484	282	0.15
Partners	516	280	0.15
Hexpol	34,381	278	0.15
Lockheed Martin	1,128	272	0.15
Axfood	19,395	268	0.14
AutoZone	538	264	0.14
3M	1,708	255	0.14
Genuine Parts	3,571	246	0.13
Check Point Software Technologies	3,338	243	0.13
Howden Joinery	47,985	241	0.13
Zoetis	3,805	241	0.13
Deluxe	4,749	239	0.13
Hasbro	3,656	238	0.13
Aristocrat Leisure	13,773	235	0.12
Philip Morris International	3,837	231	0.12
Amadeus IT	3,850	229	0.12
Northrop Grumman	867	216	0.11
FactSet Research Systems	1,389	211	0.11
Hugo Boss	3,020	204	0.11
TravelSky Technology	89,000	195	0.10
Aptiv	2,415	175	0.09
Promotora y Operadora de Infraestructura	24,960	169	0.09
Illinois Tool Works	1,262	138	0.07

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
TOTAL RETURN EQUITY 7.73% (31.05.17: 4.68%) (continued)			
Qualicorp	35,412	136	0.07
Micro Focus International	10,020	135	0.07
eBay	4,414	125	0.07
Taiwan Semiconductor Manufacturing ADR	4,149	119	0.06
Thor Industries	1,334	97	0.05
Xilinx	1,771	90	0.05
		14,549	7.73
UK EQUITIES 5.06% (31.05.17: 6.81%)			
Investec UK Alpha Fund †	151,746	4,118	2.19
iShares Core FTSE 100 UCITS ETF	412,506	3,175	1.69
Investec UK Smaller Companies Fund †	40,359	2,218	1.18
		9,511	5.06
FIXED INCOME 37.25% (31.05.17: 28.28%)			
CORPORATE HIGH YIELD 4.93% (31.05.17: 6.12%)*			
Investec Diversified Income Fund †	3,629,338	5,983	3.18
H2O Multibonds	22	3,297	1.75
		9,280	4.93
EMERGING MARKETS DEBT 3.54% (31.05.17: 4.02%)*			
New Capital Wealthy Nations Bond Fund (GBP)	60,083	6,579	3.50
New Capital Wealthy Nations Bond Fund (USD)	922	78	0.04
		6,657	3.54
GOVERNMENT BOND 28.78% (31.05.17: 18.14%)			
iShares USD Treasury Bond 20 Years UCITS ETF	USD 8,551,929	29,264	15.56
iShares UK Gilts 0-5 Years UCITS ETF	GBP 114,072	15,124	8.04
United States Treasury Note 2.875% 15/11/2046	USD 6,746,300	4,914	2.61
United States Treasury Note 2.25% 15/08/2046	USD 7,545,200	4,829	2.57
		54,131	28.78
GOVERNMENT TREASURY BILLS 17.76% (31.05.17: 19.63%)			
United Kingdom Treasury Bill 18/06/2018	GBP 6,500,000	6,499	3.46
United Kingdom Treasury Bill 25/06/2018	GBP 5,000,000	4,999	2.66
United Kingdom Treasury Bill 06/08/2018	GBP 5,000,000	4,996	2.66
United Kingdom Treasury Bill 20/08/2018	GBP 5,000,000	4,996	2.66
United Kingdom Treasury Bill 23/07/2018	GBP 4,000,000	3,997	2.13
United Kingdom Treasury Bill 30/07/2018	GBP 3,000,000	2,998	1.59
United Kingdom Treasury Bill 28/08/2018	GBP 3,000,000	2,997	1.59
United Kingdom Treasury Bill 09/07/2018	GBP 1,000,000	999	0.53
United Kingdom Treasury Bill 13/08/2018	GBP 900,000	899	0.48
		33,380	17.76
PROPERTY 2.55% (31.05.17: 4.71%)			
Investec GSF Global Real Estate Securities Fund †	217,990	3,052	1.62
iShares US Property Yield UCITS ETF	85,821	1,750	0.93
		4,802	2.55

Portfolio Statement continued

As at 31 May 2018

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD FOREIGN EXCHANGE CONTRACTS (1.86%) (31.05.17: (0.43%))					
FORWARD CURRENCY CONTRACTS					
EURO					
Buy EUR	432,000	for GBP	(378,119)	1	–
Sell EUR	(10,300,000)	for GBP	9,041,587	10	0.01
US Dollar					
Buy USD	10,586,000	for GBP	(7,580,189)	355	0.19
Sell USD	(97,759,000)	for GBP	69,406,248	(3,870)	(2.06)
				(3,504)	(1.86)
Portfolio of investments [^]				182,394	96.99
Net other assets				5,652	3.01
Net assets				188,046	100.00

[^] Including derivative liabilities.

[†] A related party to the Fund.

[‡] Prior year comparatives restated.

^{**}Real Estate Investment Trust (REIT). Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings."

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

Stocks shown as ADRs represent American Depositary Receipts.

Portfolio Analysis

As at 31 May 2018

Portfolio Analysis#

ASSET	31.05.18		30.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	9,743	5.18	28,655	12.80
Collective Investment Schemes	115,684	61.50	121,697	54.32
Equities	27,091	14.41	10,518	4.68
Forward Foreign Exchange Contracts	(3,504)	(1.86)	(964)	(0.43)
Government Treasury Bills	33,380	17.76	43,988	19.63
Net other assets	5,652	3.01	20,163	9.00
Net assets	188,046	100.00	224,057	100.00

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

Credit Breakdown*

ASSET	31.05.18		30.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AA	9,743	5.18	18,669	8.34
A	–	–	3,778	1.69
BB	–	–	6,208	2.77
Total Bonds	9,743	5.18	28,655	12.80

*Bond ratings are Investec approximations.

Multi-Asset Protector Fund 2

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
ALTERNATIVES 2.07% (31.05.17: 2.52%)			
HIICL Infrastructure	395,825	558	0.70
BBGI SICAV	417,120	553	0.69
3i Infrastructure	238,140	541	0.68
		1,652	2.07
EQUITIES 14.76% (31.05.17: 35.88%)			
GLOBAL EQUITIES 14.76% (31.05.17: 19.04%)			
Investec GSF Global Endurance Equity Fund †	151,842	4,052	5.08
iShares MSCI Emerging Markets UCITS ETF	94,564	3,086	3.87
Investec Global Equity Fund †	1,581,540	2,843	3.56
Vanguard S&P 500 UCITS ETF	46,262	1,800	2.25
		11,781	14.76
REGION THEMATIC 4.93% (31.05.17: 2.21%)			
iShares MSCI Japan UCITS ETF	347,271	3,931	4.93
SECTOR THEMATIC 6.24% (31.05.17: 3.27%)			
INSURANCE			
American Financial	1,947	163	0.20
Reinsurance Group of America	1,399	158	0.20
Travelers	1,605	157	0.20
Beazley	24,758	148	0.19
Chubb	1,393	138	0.17
Essent	5,187	136	0.17
MGIC Investment	16,802	133	0.17
Hiscox	8,603	130	0.16
Arch Capital	2,164	128	0.16
Intact Financial	1,994	113	0.14
		1,404	1.76
MINERS			
Glencore	107,529	406	0.51
Rio Tinto	7,363	314	0.39
Anglo American	17,355	314	0.39
Boliden	11,569	307	0.38
South32	133,880	283	0.35
BHP Billiton	10,365	178	0.22
Randgold Resources	2,999	178	0.22
Boliden Redemption Shares	11,569	6	0.01
		1,986	2.47
SPIN OFF			
Varex Imaging	3,960	111	0.14
Adient	2,139	85	0.11
DXC Technology	1,062	74	0.09
Cars.com	3,661	73	0.09
Conduent	5,064	73	0.09
Delphi Technologies	1,905	72	0.09
DowDuPont	1,418	69	0.09
NOW	5,221	57	0.07
Pentair	1,493	50	0.06
Brighthouse Financial	1,379	50	0.06
Park Hotels & Resorts*	1,889	45	0.06
nVent Electric	1,493	30	0.04
		789	0.99

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
US OIL EXPLORATION & PRODUCTION			
HollyFrontier	707	41	0.05
Valero Energy	424	39	0.05
Marathon Petroleum	635	38	0.05
Andeavor	346	38	0.05
Energen	735	38	0.05
Noble Energy	1,371	38	0.05
Marathon Oil	2,301	37	0.05
Devon Energy	1,177	37	0.05
Phillips 66	413	37	0.05
Occidental Petroleum	578	36	0.05
Exxon Mobil	594	36	0.05
EOG Resources	401	36	0.05
Cabot Oil & Gas	2,094	36	0.05
ConocoPhillips	698	36	0.05
Chevron	376	35	0.04
Cimarex Energy	492	35	0.04
EQT	910	35	0.04
Pioneer Natural Resources	237	35	0.04
Apache	1,143	35	0.04
Concho Resources	326	35	0.04
Parsley Energy	1,529	35	0.04
Diamondback Energy	369	34	0.04
		802	1.02
TOTAL RETURN EQUITY 7.12% (31.05.17: 4.63%)			
Honeywell International	2,125	240	0.30
Johnson & Johnson	2,286	208	0.26
S&P Global	1,361	204	0.25
Home Depot	1,414	198	0.25
Unilever	4,660	196	0.25
Jack Henry & Associates	2,098	195	0.24
Dr Pepper Snapple	2,147	194	0.24
Novo Nordisk	5,191	186	0.23
Moncler	5,175	177	0.22
Marsh & McLennan	2,752	167	0.21
Microsoft	2,227	165	0.21
TJX	2,450	165	0.21
RELX	9,079	150	0.19
F5 Networks	1,133	147	0.18
Britvic	16,243	132	0.16
WH Smith	6,503	129	0.16
Amdocs	2,317	119	0.15
Hargreaves Lansdown	6,089	117	0.15
Lear	776	115	0.14
Estee Lauder	1,004	114	0.14
Daito Trust Construction	900	110	0.14
Partners	202	110	0.14
Hexpol	13,429	108	0.13
Lockheed Martin	441	106	0.13
Axfood	7,576	105	0.13
AutoZone	210	103	0.13
3M	667	99	0.12
Genuine Parts	1,395	96	0.12
Check Point Software Technologies	1,304	95	0.12
Howden Joinery	18,743	94	0.12
Zoetis	1,486	94	0.12
Deluxe	1,855	93	0.12
Hasbro	1,428	93	0.12
Aristocrat Leisure	5,380	92	0.12
Philip Morris International	1,499	90	0.11
Amadeus IT	1,504	89	0.11
Northrop Grumman	339	84	0.11
FactSet Research Systems	542	82	0.10
HUGO BOSS	1,179	80	0.10
TravelSky Technology	35,000	77	0.10
Aptiv	943	68	0.09
Promotora y Operadora de Infraestructura	9,749	66	0.08
Illinois Tool Works	493	54	0.07

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
TOTAL RETURN EQUITY 7.12% (31.05.17: 4.63%) (continued)			
Qualicorp	13,832	53	0.07
Micro Focus International	3,914	53	0.07
eBay	1,724	49	0.06
Taiwan Semiconductor Manufacturing ADR	1,620	47	0.06
Thor Industries	521	38	0.05
Xilinx	692	35	0.04
		5,681	7.12
UK EQUITIES 4.93% (31.05.17: 6.73%)			
iShares Core FTSE 100 UCITS ETF	208,597	1,606	2.01
Investec UK Alpha Fund †	58,384	1,584	1.99
Investec UK Smaller Companies Fund †	13,460	740	0.93
		3,930	4.93
FIXED INCOME 36.21% (31.05.17: 28.04%)			
CORPORATE HIGH YIELD 4.65% (31.05.17: 5.97%)*			
Investec Diversified Income Fund †	1,431,284	2,360	2.96
H2O Multibonds	9	1,354	1.69
		3,714	4.65
EMERGING MARKETS DEBT 3.50% (31.05.17: 3.99%)*			
New Capital Wealthy Nations Bond Fund (GBP)	25,252	2,765	3.47
New Capital Wealthy Nations Bond Fund (USD)	314	27	0.03
		2,792	3.50
GOVERNMENT BOND 28.06% (31.05.17: 18.08%)			
iShares USD Treasury Bond 20 Years UCITS ETF	USD 3,601,831	12,325	15.45
iShares UK Gilts 0-5 Years UCITS ETF	GBP 45,794	6,071	7.61
United States Treasury Note 2.25% 15/08/2046	USD 3,153,000	2,018	2.53
United States Treasury Note 2.875% 15/11/2046	USD 2,708,300	1,973	2.47
		22,387	28.06
GOVERNMENT TREASURY BILLS 17.53% (31.05.17: 21.36%)			
United Kingdom Treasury Bill 18/06/2018	GBP 2,500,000	2,500	3.13
United Kingdom Treasury Bill 25/06/2018	GBP 2,000,000	1,999	2.51
United Kingdom Treasury Bill 06/08/2018	GBP 2,000,000	1,998	2.50
United Kingdom Treasury Bill 20/08/2018	GBP 2,000,000	1,998	2.50
United Kingdom Treasury Bill 28/08/2018	GBP 2,000,000	1,998	2.50
United Kingdom Treasury Bill 23/07/2018	GBP 1,500,000	1,499	1.88
United Kingdom Treasury Bill 30/07/2018	GBP 1,000,000	999	1.25
United Kingdom Treasury Bill 09/07/2018	GBP 500,000	500	0.63
United Kingdom Treasury Bill 13/08/2018	GBP 500,000	500	0.63
		13,991	17.53
PROPERTY 2.54% (31.05.17: 4.85%)			
Investec GSF Global Real Estate Securities Fund †	77,023	1,078	1.35
iShares US Property Yield UCITS ETF	46,573	950	1.19
		2,028	2.54

Portfolio Statement continued

As at 31 May 2018

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD FOREIGN EXCHANGE CONTRACTS (1.86%) (31.05.17: (0.41%))					
FORWARD CURRENCY CONTRACTS					
Euro					
Sell EUR	(2,960,000)	for GBP	2,598,359	3	–
US Dollar					
Buy USD	2,652,000	for GBP	(1,887,261)	101	0.13
Sell USD	(40,076,204)	for GBP	28,449,990	(1,590)	(1.99)
				(1,486)	(1.86)
Portfolio of investments [^]				75,382	94.47
Net other assets				4,410	5.53
Net assets				79,792	100.00

* Real Estate Investment Trust (REIT).

[^] Including derivative liabilities.

[†] A related party to the Fund.

[‡] Prior year comparatives restated.

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

Stocks shown as ADRs represent American Depositary Receipts.

Portfolio Analysis

As at 31 May 2018

Portfolio Analysis#

ASSET	31.05.18		30.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	3,991	5.00	7,733	12.70
Collective Investment Schemes	48,224	60.44	32,848	53.96
Equities	10,662	13.36	2,832	4.63
Forward Foreign Exchange Contracts	(1,486)	(1.86)	(257)	(0.41)
Government Treasury Bills	13,991	17.53	13,000	21.36
Net other assets	4,410	5.53	4,725	7.76
Net assets	79,792	100.00	60,881	100.00

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

Credit Breakdown*

ASSET	31.05.18		30.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AA	3,991	5.00	5,048	8.29
A	–	–	1,045	1.72
BB	–	–	1,640	2.69
Total Bonds	3,991	5.00	7,733	12.70

*Bond ratings are Investec approximations.

Short Dated Bond Fund

Portfolio Statement

As at 31 May 2018

The Fund terminated on the 31 May 2018, all investment assets had been sold off prior to this date.

The only assets remaining consist of cash and debtors.

Target Return Bond Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
CORPORATE BONDS 19.43% (31.05.17: 20.67%)			
Peabody Energy 6% 31/03/2022	USD 2,100,000	1,616	0.59
Credit Suisse Group Funding Guernsey (FRN) 4.64509% 16/04/2021	USD 1,700,000	1,336	0.49
Intrum 2.75% 15/07/2022	EUR 1,500,000	1,285	0.47
Lennar 2.95% 29/11/2020	USD 1,746,000	1,274	0.47
Vue International Bidco 7.875% 15/07/2020	GBP 1,200,000	1,207	0.44
Nielsen Finance 5% 15/04/2022	USD 1,600,000	1,189	0.43
HCA 4.25% 15/10/2019	USD 1,550,000	1,172	0.43
Fresenius Medical Care US Finance II 6.5% 15/09/2018	USD 1,500,000	1,136	0.42
T-Mobile USA 4% 15/04/2022	USD 1,500,000	1,118	0.41
CPUK Finance 4.25% 28/02/2047	GBP 1,050,000	1,055	0.39
NGPL PipeCo 4.375% 15/08/2022	USD 1,400,000	1,052	0.38
Smurfit Kappa Acquisitions 4.875% 15/09/2018	USD 1,400,000	1,050	0.38
Arrow Global Finance (FRN) 2.875% 01/04/2025	EUR 1,200,000	1,021	0.37
KLX 5.875% 01/12/2022	USD 1,300,000	1,016	0.37
Ball 5% 15/03/2022	USD 1,310,000	1,013	0.37
Ardagh Packaging Finance 4.25% 15/09/2022	USD 1,360,000	1,010	0.37
eircom Finance 4.5% 31/05/2022	EUR 1,130,000	1,010	0.37
NRG Energy 6.25% 15/07/2022	USD 1,300,000	1,005	0.37
GLP Capital 4.875% 01/11/2020	USD 1,300,000	993	0.36
Ally Financial 4.75% 10/09/2018	USD 1,300,000	979	0.36
Valeant Pharmaceuticals International 6.5% 15/03/2022	USD 1,250,000	975	0.36
Monitchem HoldCo 3 5.25% 15/06/2021	EUR 1,100,000	961	0.35
Elis 1.875% 15/02/2023	EUR 1,100,000	956	0.35
Verisure 6% 01/11/2022	EUR 1,026,000	939	0.34
CenturyLink 6.45% 15/06/2021	USD 1,220,000	939	0.34
Chesapeake Energy (FRN) 5.59769% 15/04/2019	USD 1,237,000	926	0.34
Sinclair Television 6.125% 01/10/2022	USD 1,190,000	916	0.34
KB Home 7% 15/12/2021	USD 1,150,000	915	0.33
Constellation Brands 3.875% 15/11/2019	USD 1,200,000	912	0.33
CCO 5.25% 15/03/2021	USD 1,200,000	910	0.33
Jaguar Land Rover Automotive 4.25% 15/11/2019	USD 1,200,000	905	0.33
Tenet Healthcare 6% 01/10/2020	USD 1,170,000	905	0.33
DR Horton 3.75% 01/03/2019	USD 1,200,000	904	0.33
Cabot Financial Luxembourg II (FRN) 5.875% 15/11/2021	EUR 1,000,000	889	0.32
Fiat Chrysler Finance Europe 7.375% 09/07/2018	EUR 1,000,000	881	0.32
International Game Technology 6.25% 15/02/2022	USD 1,100,000	850	0.31
PulteGroup 4.25% 01/03/2021	USD 1,090,000	820	0.30
IHO Verwaltungs 4.125% 15/09/2021	USD 1,090,000	813	0.30
Reynolds Group Issuer 5.75% 15/10/2020	USD 1,066,018	804	0.29
VEREIT Operating Partnership 3% 06/02/2019	USD 1,000,000	751	0.27
Casino Guichard Perrachon 4.561% 25/01/2023	EUR 800,000	733	0.27
Huntsman International 4.875% 15/11/2020	USD 950,000	728	0.27
Nabors Industries 5% 15/09/2020	USD 950,000	722	0.26
United 4.375% 01/07/2022	EUR 800,000	716	0.26
TA Manufacturing 3.625% 15/04/2023	EUR 800,000	711	0.26
Altice France 6% 15/05/2022	USD 900,000	672	0.25
Hughes Satellite Systems 7.625% 15/06/2021	USD 800,000	639	0.23
Sprint Capital 6.9% 01/05/2019	USD 830,000	633	0.23
William Hill 4.25% 05/06/2020	GBP 600,000	616	0.23
Citigroup (FRN) 3.39088% 08/12/2021	USD 800,000	609	0.22
Cablevision Systems 5.875% 15/09/2022	USD 750,000	562	0.21
EC Finance 2.375% 15/11/2022	EUR 640,000	558	0.20
Dell 5.875% 15/06/2019	USD 700,000	537	0.20
Yum! Brands 3.875% 01/11/2020	USD 668,000	501	0.18
Scientific Games International 6.25% 01/09/2020	USD 660,000	496	0.18
Iron Mountain 4.375% 01/06/2021	USD 584,000	439	0.16
United (FRN) 4.375% 01/07/2023	EUR 450,000	394	0.14
Guala Closures (FRN) 4.75% 15/11/2021	EUR 400,000	349	0.13

Portfolio Statement continued

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)		
CORPORATE BONDS 19.43% (31.05.17: 20.67%) (continued)					
Synlab Bondco 6.25% 01/07/2022	EUR 350,000	316	0.12		
Credit Agricole 2.75% 10/06/2020	USD 400,000	297	0.11		
UBS 2.45% 01/12/2020	USD 400,000	294	0.11		
Huntsman International 5.125% 15/04/2021	EUR 300,000	291	0.11		
RAC Bond 5% 06/05/2046	GBP 290,000	276	0.10		
Hughes Satellite Systems 6.5% 15/06/2019	USD 293,000	227	0.08		
ING Bank 5% 09/06/2021	USD 200,000	157	0.06		
ING Bank 2.45% 16/03/2020	USD 200,000	148	0.05		
RSP Permian 6.625% 01/10/2022	USD 100,000	78	0.03		
Continental Resources 5% 15/09/2022	USD 100,000	76	0.03		
		53,183	19.43		
GOVERNMENT BONDS 46.37% (31.05.17: 62.53%)					
Canadian Government Bond 1.25% 01/02/2020	CAD 80,000,000	46,301	16.92		
Canadian Government Bond 1.5% 01/03/2020	CAD 78,000,000	45,302	16.55		
United Kingdom Treasury 4.25% 07/12/2027	GBP 12,500,000	15,832	5.79		
United States Treasury Note 2.75% 15/11/2047	USD 14,600,000	10,357	3.79		
United States Treasury Note 3% 15/05/2047	USD 5,904,000	4,405	1.61		
Indonesia Treasury Bond 8.25% 15/05/2036	IDR 32,715,000,000	1,846	0.67		
Indonesia Treasury Bond 7.5% 15/05/2038	IDR 32,362,000,000	1,733	0.63		
United States Treasury Note 3% 15/02/2048	USD 1,500,000	1,119	0.41		
		126,895	46.37		
DERIVATIVES – FUTURES (0.05%) (31.05.17: (0.05%))					
Germany Euro-OAT Futures 07/06/2018	(134)	14	0.01		
United Kingdom Long Gilt Futures 26/09/2018	(133)	(74)	(0.03)		
Germany Euro-BUND Futures 07/06/2018	127	(84)	(0.03)		
		(144)	(0.05)		
DERIVATIVES – OPTIONS 0.10% (31.05.17: 0.00%)					
Citibank EUR 123.5 Put Option 04/10/2018	14,300,000	171	0.06		
Goldman Sachs USD 105 Put Option 04/10/2018	16,800,000	122	0.04		
		293	0.10		
DERIVATIVES – CREDIT DEFAULT SWAPS 0.00% (31.05.17: (0.73%))					
DERIVATIVES – INTEREST RATE SWAPS (0.13%) (31.05.17: (0.27%))					
Goldman Sachs Interest Rate Swap receive 1.4315% 06/02/2028	158,500,000	462	0.17		
Goldman Sachs Interest Rate Swap receive 1.2555% 26/03/2028	85,000,000	107	0.04		
Goldman Sachs Interest Rate Swap receive 0.1006% 01/12/2022	16,080,000,000	92	0.03		
Goldman Sachs Interest Rate Swap receive 1.2665% 04/04/2020	2,055,100,000	6	–		
Goldman Sachs Interest Rate Swap receive 0.1075% 29/11/2022	4,020,000,000	6	–		
Goldman Sachs Interest Rate Swap 1.7752% 01/06/2023	186,300,000	–	–		
Goldman Sachs Interest Rate Swap pay 0.7315% 17/10/2037	204,000,000	(18)	–		
Goldman Sachs Interest Rate Swap pay 0.1378% 26/03/2020	444,000,000	(61)	(0.03)		
Goldman Sachs Interest Rate Swap pay 0.7435% 29/11/2037	1,010,000,000	(96)	(0.03)		
Goldman Sachs Interest Rate Swap pay 1.2065% 02/05/2020	1,785,000,000	(108)	(0.04)		
Goldman Sachs Interest Rate Swap pay 0.083% 06/02/2020	837,300,000	(173)	(0.06)		
Goldman Sachs Interest Rate Swap pay 1.9107% 24/04/2023	335,000,000	(241)	(0.09)		
Goldman Sachs Interest Rate Swap pay 0.7313% 19/10/2037	3,692,000,000	(327)	(0.12)		
		(351)	(0.13)		
FORWARD FOREIGN EXCHANGE CONTRACTS (3.32%) (31.05.17: 0.25%)					
FORWARD CURRENCY CONTRACTS					
Australian Dollar					
Buy AUD	103,390,000	for GBP	(58,051,308)	739	0.27
Sell AUD	(117,790,800)	for GBP	66,474,106	(505)	(0.18)
Canadian Dollar					
Buy CAD	8,639,000	for GBP	(4,838,303)	214	0.08
Sell CAD	(144,816,600)	for GBP	80,758,943	(3,933)	(1.44)
Euro					
Buy EUR	40,090,000	for GBP	(35,231,790)	(88)	(0.03)
Sell EUR	(98,484,055)	for GBP	86,953,207	619	0.23
Hungarian Forint					
Buy HUF	8,218,630,000	for GBP	(23,068,645)	(483)	(0.18)
Sell HUF	(8,482,713,300)	for GBP	24,120,833	809	0.30

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD CURRENCY CONTRACTS (continued)					
Israeli Sheqel					
Buy ILS	48,440,000	for GBP	(9,765,898)	429	0.16
Sell ILS	(9,001,100)	for GBP	1,880,653	(14)	(0.01)
Japanese Yen					
Buy JPY	6,047,325,300	for GBP	(40,946,543)	724	0.26
New Zealand Dollar					
Buy NZD	40,489,000	for GBP	(21,182,182)	121	0.04
Norwegian Krone					
Buy NOK	75,986,000	for GBP	(7,036,940)	(59)	(0.02)
Swedish Krona					
Buy SEK	313,119,000	for GBP	(27,419,278)	(682)	(0.25)
Sell SEK	(770,000)	for GBP	64,396	(1)	–
Swiss Franc					
Sell CHF	(19,609,900)	for GBP	14,926,365	(3)	–
US Dollar					
Buy USD	138,284,409	for GBP	(100,375,457)	3,316	1.21
Sell USD	(261,962,562)	for GBP	187,490,022	(8,941)	(3.27)
				(7,738)	(2.83)
FORWARD CROSS CURRENCY CONTRACTS					
Buy AUD	6,614,000	for USD	(5,139,377)	(91)	(0.03)
Buy CAD	7,770,000	for USD	(6,027,232)	25	0.01
Buy CHF	14,110,000	for EUR	(12,178,207)	66	0.02
Buy CHF	18,730,000	for JPY	(2,091,951,827)	(155)	(0.06)
Buy CNH	177,580,000	for USD	(27,929,288)	(174)	(0.06)
Buy EUR	2,207,422	for JPY	(289,708,704)	(61)	(0.02)
Buy EUR	5,842,908	for NOK	(55,840,000)	(5)	–
Buy EUR	31,770,000	for SEK	(331,054,520)	(418)	(0.15)
Buy EUR	26,841,000	for USD	(32,585,245)	(904)	(0.33)
Buy HUF	332,280,000	for USD	(1,328,894)	(83)	(0.03)
Buy ILS	12,040,000	for EUR	(2,896,590)	(5)	–
Buy ILS	111,320,000	for USD	(31,303,359)	(45)	(0.02)
Buy INR	1,820,451,000	for USD	(27,854,808)	(719)	(0.26)
Buy JPY	3,392,350,000	for CHF	(30,642,906)	47	0.02
Buy JPY	393,455,000	for USD	(3,673,793)	(39)	(0.01)
Buy KRW	6,776,800,000	for USD	(6,269,010)	13	–
Buy NOK	57,300,000	for EUR	(5,995,754)	6	–
Buy NOK	100,850,000	for USD	(12,984,822)	(476)	(0.17)
Buy NZD	25,840,000	for USD	(18,143,265)	(7)	–
Buy PLN	21,880,000	for NOK	(49,007,501)	(55)	(0.02)
Buy PLN	42,856,000	for USD	(11,681,777)	(53)	(0.02)
Buy SEK	52,630,000	for CAD	(8,006,830)	(189)	(0.07)
Buy SEK	215,737,000	for EUR	(21,015,069)	(1)	–
Buy SEK	169,960,000	for USD	(19,727,687)	(280)	(0.10)
Buy SGD	8,110,000	for USD	(6,049,914)	8	–
Buy THB	105,982,736	for SGD	(4,453,000)	(10)	–
Buy THB	1,000,413,000	for USD	(31,251,734)	27	0.01
Buy TRY	61,540,000	for USD	(13,076,923)	369	0.13
Buy TWD	372,990,000	for USD	(12,673,690)	(167)	(0.06)
Buy USD	486,419	for AUD	(620,000)	12	–
Buy USD	12,682,856	for CAD	(16,326,000)	(38)	(0.01)
Buy USD	30,767,512	for EUR	(25,516,873)	702	0.26
Buy USD	5,087,040	for IDR	(70,730,200,912)	13	–
Buy USD	11,124,077	for ILS	(39,560,000)	16	0.01
Buy USD	26,788,694	for INR	(1,820,450,000)	(81)	(0.03)
Buy USD	10,846,238	for JPY	(1,177,954,700)	11	–
Buy USD	19,873,711	for KRW	(21,350,160,000)	52	0.02
Buy USD	639,052	for NOK	(4,900,000)	29	0.01
Buy USD	25,815,738	for NZD	(35,860,000)	486	0.18
Buy USD	17,353,908	for PHP	(909,837,000)	63	0.02
Buy USD	12,262,047	for PLN	(43,090,000)	440	0.16
Buy USD	17,411,391	for SEK	(152,690,000)	18	0.01
Buy USD	20,111,054	for SGD	(26,830,000)	45	0.02
Buy USD	13,604,916	for TRY	(61,550,000)	25	0.01
Buy USD	40,759,392	for TWD	(1,205,256,000)	396	0.14
Buy USD	22,433,488	for ZAR	(285,116,128)	(153)	(0.06)

Portfolio Statement continued

As at 31 May 2018

ASSET			HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
FORWARD CROSS CURRENCY CONTRACTS (continued)					
Buy ZAR	112,010,000	for USD	(8,934,116)	(31)	(0.01)
				(1,371)	(0.49)
Portfolio of investments^				170,767	62.40
Net other assets				102,896	37.60*
NET ASSETS				273,663	100.00

^ Including derivative liabilities.

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

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

The interest rate swaps and the forward foreign exchange contracts are not listed.

Portfolio Analysis

As at 31 May 2018

Portfolio Analysis#

ASSET	31.05.18		30.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
Bonds	180,078	65.80	242,331	83.20
Derivatives	(202)	(0.08)	(3,090)	(1.05)
Forward Foreign Exchange Contracts	(9,109)	(3.32)	776	0.25
Net other assets	102,896	37.60	51,270	17.60
Net assets	273,663	100.00	291,287	100.00

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

Credit Breakdown*

ASSET	31.05.18		30.05.17	
	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
AAA	91,603	33.47	77,178	26.50
AA+	15,881	5.81	57,304	19.67
AA	15,832	5.79	–	–
A+	599	0.22	–	–
A	297	0.11	4,963	1.70
BBB+	1,945	0.71	628	0.22
BBB-	7,282	2.65	38,162	13.09
BB+	10,950	4.01	14,694	5.04
BB	7,593	2.78	14,533	4.98
BB-	9,882	3.60	9,790	3.38
B+	5,667	2.07	10,630	3.65
B	9,602	3.50	11,171	3.84
B-	1,523	0.56	1,567	0.54
CCC+	1,422	0.52	871	0.30
CC	–	–	840	0.29
Total Bonds	180,078	65.80	242,331	83.20

* Bond ratings are Investec approximations.

UK Total Return Fund

Portfolio Statement

As at 31 May 2018

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
BONDS 6.28% (31.05.17: 8.80%)			
GOVERNMENT BONDS			
United Kingdom Gilt 1.25% 22/07/2018 1.25% 22/07/2018	GBP 11,842,000	11,854	6.28
CONSUMER GOODS 6.28% (31.05.17: 5.26%)			
HOUSEHOLD GOODS & HOME CONSTRUCTION			
McCarthy & Stone	2,065,779	2,644	1.40
Welbilt	147,840	2,209	1.17
Headlam	445,780	2,015	1.07
		6,868	3.64
LEISURE GOODS			
Games Workshop	103,405	2,947	1.56
PERSONAL GOODS			
Tapestry	62,055	2,047	1.08
CONSUMER SERVICES 21.63% (31.05.17: 22.63%)			
FOOD & DRUG RETAILERS			
Wm Morrison Supermarkets	1,485,149	3,698	1.96
J Sainsbury	1,060,451	3,393	1.80
		7,091	3.76
GENERAL RETAILERS			
Marks & Spencer	2,000,251	5,737	3.04
Advance Auto Parts	38,328	3,696	1.96
Next	57,999	3,378	1.79
Kingfisher	958,647	2,949	1.56
Signet Jewelers	83,733	2,705	1.43
Abercrombie & Fitch	126,197	2,438	1.30
Topps Tiles	3,162,893	2,325	1.23
ScS	938,792	1,924	1.02
Carpetright	1,793,936	667	0.35
Carpetright New Ordinary Shares *	5,846,902	–	–
		25,819	13.68
TRAVEL & LEISURE			
J D Wetherspoon	263,048	3,225	1.71
Go-Ahead	157,730	2,708	1.43
Japan Airlines	68,000	1,975	1.05
		7,908	4.19
FINANCIALS 20.00% (31.05.17: 21.52%)			
BANKS			
Royal Bank of Scotland	2,002,030	5,574	2.95
Barclays	2,601,285	5,179	2.74
Citigroup	97,415	4,874	2.58
Standard Chartered	603,493	4,510	2.39
Lloyds Banking	3,700,110	2,354	1.25
		22,491	11.91
REAL ESTATE INVESTMENT & SERVICES			
Helical	1,310,338	4,901	2.59
Countrywide	3,674,133	3,380	1.79
LSL Property Services	833,492	1,967	1.04
		10,248	5.42

ASSET	HOLDING	MARKET VALUE (£'000)	PERCENTAGE OF NET ASSETS (%)
REAL ESTATE INVESTMENT TRUSTS			
Land Securities	270,151	2,525	1.34
Green REIT	1,886,329	2,519	1.33
		5,044	2.67
HEALTH CARE 3.83% (31.05.17: 3.95%)			
PHARMACEUTICALS & BIOTECHNOLOGY			
GlaxoSmithKline	474,818	7,242	3.83
INDUSTRIALS 25.99% (31.05.17: 20.06%)			
AEROSPACE & DEFENSE			
QinetiQ	949,059	2,524	1.34
Chemring	288,886	604	0.32
		3,128	1.66
CONSTRUCTION & MATERIALS			
CRH	103,118	2,870	1.52
Forterra	791,504	2,422	1.28
		5,292	2.80
SUPPORT SERVICES			
Capita	9,240,271	12,687	6.72
Grafton	1,106,542	8,465	4.48
SIG	4,957,536	6,742	3.57
Travis Perkins	406,899	5,522	2.92
Aggreko	719,282	5,123	2.71
St Ives	2,143,477	2,133	1.13
		40,672	21.53
OIL & GAS 2.62% (31.05.17: 2.54%)			
OIL EQUIPMENT, SERVICES & DISTRIBUTION			
NOW	272,337	2,951	1.56
Helmerich & Payne	39,845	2,011	1.06
		4,962	2.62
TECHNOLOGY 0.00% (31.05.17: 2.23%)			
TELECOMMUNICATIONS 1.16% (31.05.17: 1.02%)			
FIXED LINE TELECOMMUNICATIONS			
BT	1,069,929	2,193	1.16
UTILITIES 3.30% (31.05.17: 3.78%)			
ELECTRICITY			
Drax	616,690	2,031	1.08
GAS, WATER & MULTI-UTILITIES			
Centrica	2,908,760	4,192	2.22
DERIVATIVES (1.79%) (31.05.17: (1.19%))			
DERIVATIVES – FUTURES			
FTSE 100 Index Futures 15/06/2018	(449)	(2,620)	(1.39)
FTSE 250 Index Futures 15/06/2018	(373)	(757)	(0.40)
		(3,377)	(1.79)
Portfolio of investments^		168,652	89.30
Net other assets		20,213	10.70*
NET ASSETS		188,865	100.00

^ Including derivative liabilities.

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

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

Authorised Corporate Director's Report

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

Authorised status

The Company is an investment company with variable capital incorporated in England and Wales under registered number IC392 and authorised by the Financial Conduct Authority (the "FCA") (formerly the Financial Services Authority) with effect from 10 June 2005.

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

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

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

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

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

Accounting period covered by these accounts

The accounting period covered in these accounts is from 1 June 2017 to 31 May 2018.

Changes during the accounting period

Changes made following required notice:

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

- On 27 March 2018, of the commencement of the Short Dated Bond Fund's termination, effective 31 May 2018.
- On 31 May 2018, of the commencement of the Short Dated Bond Fund's termination.
- On 31 May 2018, of the change to the Emerging Markets Blended Debt Fund's investment policy, which was amended to allow the Fund to enter into hedging transactions with the aim of reducing the impact of exchange rate movements between the base currency of the Fund, Pounds Sterling and certain US Dollar currency exposures.

There have been no fundamental changes to the Funds that required shareholder approval or any other significant changes to the operation of the Funds requiring pre-notification.

Share class launches and closures:**The following share class was launched on 7 July 2017:**

Global Special Situations Fund, S, Income, GBP

The following share class was launched on 14 December 2017:

Global Quality Equity Income Fund, L, Accumulation, GBP

The following share classes were closed on 31 August 2017:

Global Dividend, J, Income-2, GBP

Global Dividend, J, Accumulation, GBP

The following share class was closed on 16 October 2017:

Diversified Growth Fund, S, Accumulation, EUR hedged

The following share class was closed on 6 April 2018:

Short Dated Bond Fund, A, Accumulation, GBP

Other changes made:

The Prospectus was updated (on 7 July 2017) to say “The General Administrative Charge is up to 0.08%”, rather than “The General Administrative Charge is 0.08%”.

The Prospectus was updated (on 7 July 2017) to include Bolsa De Comercio De Buenos Aires as an eligible securities market for the Emerging Markets Blended Debt Fund.

The Prospectus was updated (on 31 August 2017) to reflect the fact that the Company’s administrator had changed its name from International Financial Data Services Limited to DST Financial Services International Limited and the Company’s registrar had changed its name from International Financial Data Services (UK) Limited to DST Financial Services Europe Limited.

The Prospectus was updated (on 31 August 2017) with a new eligible markets list and a new eligible derivatives markets list, which lists the securities and derivative markets open at Company rather than Fund level.

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

The Prospectus was updated (on 31 May 2018) to include changes required in respect of the GDPR.

The Prospectus was updated (on 31 May 2018) to reflect the decrease in the expected level of leverage created through derivative usage in respect of the Target Return Bond Fund from 1119% to 1065% and in respect of the Diversified Growth Fund from 667% to 514%.

K. McFarland
Director of the ACD

D. Aird
Director of the ACD

27 September 2018

Statement of Depositary's Responsibilities and Report to Shareholders

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Investec Funds Series iv ('the Company') for the year ended 31 May 2018.

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

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

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

The Depositary must ensure that:

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

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

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

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

State Street Trustees Limited

27 September 2018

Independent Auditor's Report

Independent auditor's report to the shareholders of Investec Series iv ('the Company')

Opinion

We have audited the financial statements of the Company for the year ended 31 May 2018 which comprise the *Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables* for each of the Company's sub-funds listed on page 1 and the accounting policies set out on page 117.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the sub-funds as at 31 May 2018 and of the net revenue/deficit of revenue and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

Going concern

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

Emphasis of matter – non-going concern basis of preparation

In respect of Short Dated Bond Fund we draw attention to the disclosure made in accounting policy (a) "Basis of accounting" to the financial statements which explains that the financial statements of the sub-fund have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 84 the Authorised Corporate Director is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so (as explained in accounting policy (a) the Authorised Corporate Director does not believe that it is appropriate to prepare the financial statements of Short Dated Bond Fund on a going concern).

Auditor's responsibilities

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

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

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

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

Paul McKecknie
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London, E14 5GL

27 September 2018

Statement of Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD is responsible for:

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

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

Diversified Growth Fund

Comparative Tables

As at 31 May 2018

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	129.04	117.90	126.50	141.14	130.12	140.64
Return before operating charges*	1.15	13.10	(6.68)	1.26	14.48	(7.42)
Operating charges	(2.09)	(1.96)	(1.92)	(2.29)	(2.19)	(2.17)
Return after operating charges*	(0.94)	11.14	(8.60)	(1.03)	12.29	(9.59)
Distributions	(0.70)	(1.10)	(0.86)	(0.75)	(1.27)	(0.93)
Retained distributions on accumulation shares	0.70	1.10	0.86	–	–	–
Closing net asset value per share	128.10	129.04	117.90	139.36	141.14	130.12
* after direct transaction costs of:	0.06	0.11	0.10	0.07	0.12	0.11
Performance						
Return after charges	(0.73%)	9.45%	(6.80%)	(0.73%)	9.45%	(6.82%)
Other information						
Closing net asset value (£'000)	206	167	590	486	557	540
Closing number of shares	160,844	129,584	500,216	348,994	394,453	415,332
Operating charges	1.60%	1.61%	1.62%	1.60%	1.61%	1.62%
Direct transaction costs‡	0.05%	0.09%	0.08%	0.05%	0.09%	0.08%
Prices						
Highest share price	135.08	129.12	126.64	147.76	142.51	140.78
Lowest share price	126.93	116.85	112.76	138.84	128.96	125.35

Financial year	'I' Class (Accumulation shares)			'I' Class (Income shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	134.56	122.22	130.34	126.35	116.45	125.89
Return before operating charges*	0.98	13.44	(7.07)	0.93	12.82	(6.84)
Operating charges	(1.16)	(1.10)	(1.05)	(1.09)	(1.05)	(1.02)
Return after operating charges*	(0.18)	12.34	(8.12)	(0.16)	11.77	(7.86)
Distributions	(1.55)	(1.96)	(1.64)	(1.45)	(1.87)	(1.58)
Retained distributions on accumulation shares	1.55	1.96	1.64	–	–	–
Closing net asset value per share	134.38	134.56	122.22	124.74	126.35	116.45
* after direct transaction costs of:	0.07	0.11	0.10	0.06	0.11	0.10
Performance						
Return after charges	(0.13%)	10.10%	(6.23%)	(0.13%)	10.11%	(6.24%)
Other information						
Closing net asset value (£'000)	1,713,260	1,578,587	1,182,290	469,247	315,276	63,724
Closing number of shares	1,274,895,478	1,173,170,825	967,373,357	376,181,989	249,516,462	54,720,916
Operating charges	0.85%	0.86%	0.87%	0.85%	0.86%	0.87%
Direct transaction costs‡	0.05%	0.09%	0.08%	0.05%	0.09%	0.08%
Prices						
Highest share price	141.38	134.65	130.48	132.77	128.32	126.02
Lowest share price	133.07	121.16	116.67	124.97	115.44	112.68

Comparative Tables

As at 31 May 2018

Financial year	'J' Class (Accumulation shares)			'R' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	119.14	108.12	115.22	128.25	116.73	124.74
Return before operating charges*	0.85	11.88	(6.27)	1.01	12.87	(6.70)
Operating charges	(0.91)	(0.86)	(0.83)	(1.43)	(1.35)	(1.31)
Return after operating charges*	(0.06)	11.02	(7.10)	(0.42)	11.52	(8.01)
Distributions	(1.47)	(1.83)	(1.54)	(1.22)	(1.61)	(1.34)
Retained distributions on accumulation shares	1.47	1.83	1.54	1.22	1.61	1.34
Closing net asset value per share	119.08	119.14	108.12	127.83	128.25	116.73
* after direct transaction costs of:	0.06	0.10	0.09	0.06	0.11	0.10
Performance						
Return after charges	(0.05%)	10.19%	(6.16%)	(0.33%)	9.87%	(6.42%)
Other information						
Closing net asset value (£'000)	518	433	412	9	8	7
Closing number of shares	434,948	363,385	380,744	6,877	6,250	6,250
Operating charges	0.75%	0.76%	0.77%	1.10%	1.12%	1.11%
Direct transaction costs‡	0.05%	0.09%	0.08%	0.05%	0.09%	0.08%
Prices						
Highest share price	125.24	119.22	115.35	134.58	128.34	124.87
Lowest share price	117.91	107.19	103.20	126.62	115.71	111.50

Financial year	'S' Class (Accumulation shares)			'S' Class (EUR Hedged Accumulation shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	174.75	157.77	167.26	121.50	110.91	118.42
Return before operating charges*	0.99	17.16	(9.32)	4.15	10.74	(7.34)
Operating charges	(0.17)	(0.18)	(0.17)	(0.06)	(0.15)	(0.17)
Return after operating charges*	0.82	16.98	(9.49)	4.09	10.59	(7.51)
Return to shareholder as a result of class closure	–	–	–	(125.59)	–	–
Distributions	(3.09)	(3.54)	(3.06)	–	(2.34)	(2.24)
Retained distributions on accumulation shares	3.09	3.54	3.06	–	2.34	2.24
Closing net asset value per share	175.57	174.75	157.77	0.00	121.50	110.91
* after direct transaction costs of:	0.08	0.15	0.13	0.02	0.10	0.10
Performance						
Return after charges	0.47%	10.76%	(5.67%)	3.37%	9.55%	(6.34%)
Other information						
Closing net asset value (£'000)/(EUR'000)	229,253	183,593	130,811	–	61,493	70,118
Closing number of shares	130,579,004	105,061,242	82,911,274	–	50,613,598	63,215,739
Operating charges	0.10%	0.11%	0.12%	0.15%	0.16%	0.16%
Direct transaction costs‡	0.05%	0.09%	0.08%	0.05%	0.10%	0.08%
Prices						
Highest share price	184.28	174.87	167.44	125.59	121.58	118.26
Lowest share price	173.75	156.45	150.35	121.77	109.95	105.97

(1) Closed 17 October 2017.

Portfolio transaction costs

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

± Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Emerging Markets Blended Debt Fund

Comparative Tables

As at 31 May 2018

Financial year	'A' Class (Accumulation shares)			'A' Class (Accumulation shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.17 (p)	31.05.16 (p)	
Change in net assets per share						
Opening net asset value per share	119.14	94.57	95.11	–	98.13	97.69
Return before operating charges*	(0.26)	27.00	1.87	–	29.76	2.10
Operating charges	(1.95)	(1.94)	(1.55)	–	(2.07)	(1.66)
Return after operating charges*	(2.21)	25.06	0.32	–	27.69	0.44
Return to shareholder as a result of class closure				–	(125.82)	
Distributions	(5.63)	(5.38)	(4.29)	–	(4.08)	(4.52)
Retained distributions on accumulation shares	5.63	4.89	3.43	–	4.08	4.52
Closing net asset value per share	116.93	119.14	94.57	–	0.00	98.13
* after direct transaction costs of:	0.02	0.00	0.01	–	0.00	0.01
Performance						
Return after charges	(1.85%)	26.50%	0.34%	–	28.22%	0.45%
Other information						
Closing net asset value (£'000)	129	175	171	–	–	8
Closing number of shares	110,237	146,981	180,889	–	–	8,354
Operating charges	1.65%	1.70%	1.67%	–	0.00%	1.67%
Direct transaction costs‡	0.02%	0.00%	0.01%	–	0.00%	0.01%
Prices						
Highest share price	123.38	121.98	99.69	–	127.05	103.34
Lowest share price	114.51	95.97	85.69	–	99.59	88.18

Financial year	'A' Class (Income-2 shares)			'I' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	96.90	80.20	85.09	136.03	107.26	107.18
Return before operating charges*	(1.68)	23.75	0.65	(0.27)	30.62	2.21
Operating charges	(1.53)	(1.62)	(1.41)	(1.22)	(1.19)	(0.99)
Return after operating charges*	(3.21)	22.13	(0.76)	(1.49)	29.43	1.22
Distributions	(5.90)	(5.43)	(4.13)	(7.47)	(7.12)	(5.69)
Retained distributions on accumulation shares	–	–	–	7.47	6.46	4.55
Closing net asset value per share	87.79	96.90	80.20	134.54	136.03	107.26
* after direct transaction costs of:	0.02	0.00	0.01	0.03	0.00	0.01
Performance						
Return after charges	(3.31%)	27.59%	(0.89%)	(1.10%)	27.44%	1.14%
Other information						
Closing net asset value (£'000)	83	91	73	85,069	75,516	3,533
Closing number of shares	94,311	94,364	90,574	63,231,465	55,512,863	3,294,191
Operating charges	1.65%	1.70%	1.67%	0.90%	0.90%	0.92%
Direct transaction costs‡	0.02%	0.00%	0.01%	0.02%	0.00%	0.01%
Prices						
Highest share price	98.71	101.97	85.72	141.14	138.68	112.97
Lowest share price	87.34	81.40	75.87	131.63	108.85	96.70

Comparative Tables

As at 31 May 2018

Financial year	'I' Class (Accumulation shares) ⁽¹⁾		'I' Class (Income-2 shares)		
	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share					
Opening net asset value per share	100.86	99.69	100.40	82.49	86.87
Return before operating charges*	30.44	2.07	(1.77)	24.48	0.39
Operating charges	(1.18)	(0.90)	(0.86)	(0.95)	(0.79)
Return after operating charges*	29.26	1.17	(2.63)	23.53	(0.40)
Return to shareholder as a result of class closure	(130.12)				
Distributions	(4.86)	(5.31)	(6.13)	(5.62)	(3.98)
Retained distributions on accumulation shares	4.86	5.31	–	–	–
Closing net asset value per share	0.00	100.86	91.64	100.40	82.49
* after direct transaction costs of:	0.00	0.01	0.02	0.00	0.01
Performance					
Return after charges	29.01%	1.17%	(2.62%)	28.52%	(0.46%)
Other information					
Closing net asset value (£'000)	–	712	13,781	8,299	991
Closing number of shares	–	705,502	15,038,667	8,266,658	1,200,807
Operating charges	0.00%	0.92%	0.90%	0.95%	0.92%
Direct transaction costs‡	0.00%	0.01%	0.02%	0.00%	0.01%
Prices					
Highest share price	131.03	106.11	102.46	105.19	88.07
Lowest share price	102.39	90.13	91.09	83.72	77.76

Financial year	'J' Class (Accumulation shares)			'J' Class (Income-2 shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	129.47	102.00	101.84	109.70	90.01	94.63
Return before operating charges*	(0.27)	29.17	2.11	(1.94)	27.45	1.85
Operating charges	(1.03)	(1.06)	(0.85)	(0.83)	(0.92)	(0.79)
Return after operating charges*	(1.30)	28.11	1.26	(2.77)	26.53	1.06
Distributions	(7.24)	(6.88)	(5.51)	(6.70)	(6.84)	(5.68)
Retained distributions on accumulation shares	7.24	6.24	4.41	–	–	–
Closing net asset value per share	128.17	129.47	102.00	100.23	109.70	90.01
* after direct transaction costs of:	0.02	0.00	0.01	0.02	0.00	0.01
Performance						
Return after charges	(1.00%)	27.56%	1.24%	(2.53%)	29.47%	1.12%
Other information						
Closing net asset value (£'000)	590	435	280	1,933	325	76
Closing number of shares	460,056	335,793	274,242	1,929,084	296,429	84,254
Operating charges	0.80%	0.86%	0.82%	0.80%	0.85%	0.83%
Direct transaction costs‡	0.02%	0.00%	0.01%	0.02%	0.00%	0.01%
Prices						
Highest share price	134.37	131.92	107.43	111.98	114.84	96.10
Lowest share price	125.39	103.52	91.90	99.62	91.37	84.81

Comparative Tables

As at 31 May 2018

Financial year	'R' Class (Accumulation shares)			'R' Class (Income-2 shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	119.82	94.68	94.73	97.90	80.61	85.09
Return before operating charges*	(0.17)	27.08	2.06	(1.66)	23.95	0.68
Operating charges	(1.38)	(1.39)	(1.13)	(1.07)	(1.16)	(0.99)
Return after operating charges*	(1.55)	25.69	0.93	(2.73)	22.79	(0.31)
Distributions	(6.33)	(5.98)	(4.89)	(6.03)	(5.50)	(4.17)
Retained distributions on accumulation shares	6.33	5.43	3.91	–	–	–
Closing net asset value per share	118.27	119.82	94.68	89.14	97.90	80.61
* after direct transaction costs of:	0.02	0.00	0.01	0.02	0.00	0.01
Performance						
Return after charges	(1.29%)	27.13%	0.98%	(2.79%)	28.27%	(0.36%)
Other information						
Closing net asset value (£'000)	8	8	6	7	7	5
Closing number of shares	6,358	6,358	6,314	7,617	7,131	6,722
Operating charges	1.15%	1.21%	1.18%	1.15%	1.21%	1.17%
Direct transaction costs‡	0.02%	0.00%	0.01%	0.02%	0.00%	0.01%
Prices						
Highest share price	124.25	122.31	99.75	99.86	102.70	86.11
Lowest share price	115.75	96.09	85.46	88.64	81.82	76.08

Financial year	'S' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share			
Opening net asset value per share	133.13	103.65	101.68
Return before operating charges*	(0.28)	29.75	2.18
Operating charges	(0.19)	(0.27)	(0.21)
Return after operating charges*	(0.47)	29.48	1.97
Distributions	(8.34)	(7.83)	(6.23)
Retained distributions on accumulation shares	8.34	7.83	6.23
Closing net asset value per share	132.66	133.13	103.65
* after direct transaction costs of:	0.03	0.00	0.01
Performance			
Return after charges	(0.35%)	28.44%	1.94%
Other information			
Closing net asset value (£'000)	10,508	9,035	15,697
Closing number of shares	7,921,835	6,786,145	15,143,868
Operating charges	0.15%	0.21%	0.17%
Direct transaction costs‡	0.02%	0.00%	0.01%
Prices			
Highest share price	138.39	135.44	108.95
Lowest share price	129.68	105.21	92.09

(1) Closed 9 April 2017.

Portfolio transaction costs

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

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Emerging Markets Equity Fund

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	135.85	95.71	114.20	141.01	98.51	116.54
Return before operating charges*	17.50	42.54	(16.58)	18.20	43.92	(16.90)
Operating charges	(2.88)	(2.40)	(1.91)	(1.68)	(1.42)	(1.13)
Return after operating charges*	14.62	40.14	(18.49)	16.52	42.50	(18.03)
Distributions	(0.68)	(0.50)	(0.69)	(2.02)	(1.58)	(1.54)
Retained distributions on accumulation shares	0.68	0.50	0.69	2.02	1.58	1.54
Closing net asset value per share	150.47	135.85	95.71	157.53	141.01	98.51
* after direct transaction costs of:	0.23	0.25	0.17	0.24	0.26	0.17
Performance						
Return after charges	10.76%	41.94%	(16.19%)	11.72%	43.14%	(15.47%)
Other information						
Closing net asset value (£'000)	862	552	388	167,895	137,050	103,902
Closing number of shares	573,050	406,204	405,472	106,579,724	97,193,685	105,473,025
Operating charges	1.94%	1.99%	2.01%	1.09%	1.14%	1.16%
Direct transaction costs‡	0.16%	0.20%	0.17%	0.16%	0.20%	0.17%
Prices						
Highest share price	158.95	136.26	114.12	165.94	141.43	116.46
Lowest share price	135.54	96.73	83.42	140.70	99.56	85.64

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	131.40	92.12	109.37	146.73	101.58	119.10
Return before operating charges*	16.93	41.08	(15.87)	18.96	45.45	(17.27)
Operating charges	(2.05)	(1.80)	(1.38)	(0.26)	(0.30)	(0.25)
Return after operating charges*	14.88	39.28	(17.25)	18.70	45.15	(17.52)
Distributions	(1.37)	(1.06)	(1.12)	(3.57)	(2.80)	(2.49)
Retained distributions on accumulation shares	1.37	1.06	1.12	3.57	2.80	2.49
Closing net asset value per share	146.28	131.40	92.12	165.43	146.73	101.58
* after direct transaction costs of:	0.22	0.25	0.16	0.24	0.27	0.17
Performance						
Return after charges	11.32%	42.64%	(15.77%)	12.74%	44.45%	(14.71%)
Other information						
Closing net asset value (£'000)	69	179	46	1,146	24,153	16,216
Closing number of shares	47,137	136,522	50,140	692,361	16,460,879	15,963,209
Operating charges	1.44%	1.49%	1.51%	0.19%	0.24%	0.25%
Direct transaction costs‡	0.16%	0.20%	0.17%	0.16%	0.20%	0.17%
Prices						
Highest share price	154.27	131.80	109.29	173.74	147.14	119.02
Lowest share price	131.11	93.10	80.17	146.42	102.68	88.07

Global Dividend Fund

Comparative Tables

As at 31 May 2018

Financial year	A' Class (Accumulation shares)			A' Class (Income-2 shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	128.07	101.07	99.90	119.13	99.52	99.92
Return before operating charges*	11.15	28.98	2.79	10.29	25.53	5.17
Operating charges	(2.09)	(1.98)	(1.62)	(2.02)	(1.95)	(1.95)
Return after operating charges*	9.06	27.00	1.17	8.27	23.58	3.22
Distributions	(2.36)	(2.17)	(1.98)	(4.06)	(3.97)	(3.62)
Retained distributions on accumulation shares	2.36	2.17	1.98	–	–	–
Closing net asset value per share	137.13	128.07	101.07	123.34	119.13	99.52
* after direct transaction costs of:	0.12	0.14	0.09	0.11	0.14	0.09
Performance						
Return after charges	7.07%	26.71%	1.17%	6.94%	23.69%	3.22%
Other information						
Closing net asset value (£'000)	1	1	16	37	37	2
Closing number of shares	650	650	16,001	30,199	31,198	1,681
Operating charges	1.65%	1.72%	1.61%	1.65%	1.72%	1.61%
Direct transaction costs‡	0.09%	0.12%	0.10%	0.09%	0.12%	0.10%
Prices						
Highest share price	138.24	128.19	103.81	126.86	121.59	102.22
Lowest share price	126.29	100.01	88.37	116.51	96.29	88.31

Financial year	I' Class (Accumulation shares)			I' Class (Income-2 shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	130.03	101.88	99.90	121.32	100.55	99.90
Return before operating charges*	11.37	29.31	2.84	10.50	25.87	4.91
Operating charges	(1.21)	(1.16)	(0.86)	(1.11)	(1.10)	(0.79)
Return after operating charges*	10.16	28.15	1.98	9.39	24.77	4.12
Distributions	(3.37)	(3.19)	(2.76)	(4.15)	(4.00)	(3.47)
Retained distributions on accumulation shares	3.37	3.19	2.76	–	–	–
Closing net asset value per share	140.19	130.03	101.88	126.56	121.32	100.55
* after direct transaction costs of:	0.13	0.15	0.10	0.12	0.14	0.09
Performance						
Return after charges	7.81%	27.63%	1.98%	7.74%	24.63%	4.12%
Other information						
Closing net asset value (£'000)	224	128	21	133	44	7
Closing number of shares	159,982	98,388	20,908	105,297	36,113	6,710
Operating charges	0.90%	0.97%	0.86%	0.90%	0.97%	0.86%
Direct transaction costs‡	0.09%	0.12%	0.10%	0.09%	0.12%	0.10%
Prices						
Highest share price	141.28	130.09	104.54	130.14	123.71	103.18
Lowest share price	128.49	100.86	88.56	119.39	97.38	88.56

Comparative Tables

As at 31 May 2018

Financial year	'J' Class (Accumulation shares) ⁽¹⁾			'J' Class (Income-2 shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	130.42	101.98	99.90	121.66	100.65	99.90
Return before operating charges*	3.35	29.29	2.74	3.20	25.83	4.88
Operating charges	(0.32)	(0.85)	(0.66)	(0.30)	(0.82)	(0.65)
Return after operating charges*	3.03	28.44	2.08	2.90	25.01	4.23
Return to shareholder as a result of class closure	(133.45)			(124.56)		
Distributions	–	(3.37)	(2.89)	–	(4.00)	(3.48)
Retained distributions on accumulation shares	–	3.37	2.89	–	–	–
Closing net asset value per share	0.00	130.42	101.98	0.00	121.66	100.65
* after direct transaction costs of:	0.03	0.15	0.09	0.03	0.14	0.09
Performance						
Return after charges	2.32%	27.89%	2.08%	2.38%	24.85%	4.23%
Other information						
Closing net asset value (£'000)	–	1	1	–	1	1
Closing number of shares	–	650	650	–	681	659
Operating charges	0.98	0.87%	0.76%	0.98	0.87%	0.76%
Direct transaction costs‡	0.09%	0.12%	0.10%	0.09%	0.12%	0.10%
Prices						
Highest share price	134.31	130.49	104.62	125.29	124.06	103.26
Lowest share price	129.85	100.97	88.57	121.16	97.47	88.57

Financial year	S' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share			
Opening net asset value per share	131.93	102.61	99.90
Return before operating charges*	11.58	29.57	2.89
Operating charges	(0.20)	(0.25)	(0.18)
Return after operating charges*	11.38	29.32	2.71
Distributions	(4.46)	(4.11)	(3.45)
Retained distributions on accumulation shares	4.46	4.11	3.45
Closing net asset value per share	143.31	131.93	102.61
* after direct transaction costs of:	0.13	0.15	0.09
Performance			
Return after charges	8.63%	28.57%	2.71%
Other information			
Closing net asset value (USD'000)	12,161	12,988	8,964
Closing number of shares	8,485,785	9,844,639	8,736,362
Operating charges	0.15%	0.22%	0.11%
Direct transaction costs‡	0.09%	0.12%	0.10%
Prices			
Highest share price	144.40	131.99	105.18
Lowest share price	130.65	101.62	88.69

(1) Closed 31 August 2017.

Portfolio transaction costs

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

± Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Global Franchise Fund

Comparative Tables

As at 31 May 2018

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	196.61	151.97	139.61	203.78	156.34	142.54
Return before operating charges*	7.23	47.47	14.60	7.56	48.99	15.05
Operating charges	(3.10)	(2.83)	(2.24)	(1.70)	(1.55)	(1.25)
Return after operating charges*	4.13	44.64	12.36	5.86	47.44	13.80
Distributions	(0.43)	(3.30)	(0.90)	(2.00)	(4.77)	(2.03)
Retained distributions on accumulation shares	0.43	3.30	0.90	2.00	4.77	2.03
Closing net asset value per share	200.74	196.61	151.97	209.64	203.78	156.34
* after direct transaction costs of:	0.04	0.02	0.06	0.04	0.02	0.06
Performance						
Return after charges	2.10%	29.37%	8.85%	2.88%	30.34%	9.68%
Other information						
Closing net asset value (£'000)	19,445	21,244	17,397	33,369	30,709	28,550
Closing number of shares	9,686,709	10,805,238	11,447,790	15,917,522	15,070,023	18,261,663
Operating charges	1.59%	1.59%	1.61%	0.84%	0.84%	0.86%
Direct transaction costs‡	0.02%	0.01%	0.04%	0.02%	0.01%	0.04%
Prices						
Highest share price	201.71	196.65	156.43	209.94	203.81	160.77
Lowest share price	184.37	150.31	126.71	192.10	154.70	129.60

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	199.53	153.46	140.26	210.79	160.52	145.26
Return before operating charges*	7.38	48.06	14.81	7.89	50.46	15.41
Operating charges	(2.16)	(1.99)	(1.61)	(0.19)	(0.19)	(0.15)
Return after operating charges*	5.22	46.07	13.20	7.70	50.27	15.26
Distributions	(1.45)	(4.23)	(1.63)	(3.66)	(6.31)	(3.18)
Retained distributions on accumulation shares	1.45	4.23	1.63	3.66	6.31	3.18
Closing net asset value per share	204.75	199.53	153.46	218.49	210.79	160.52
* after direct transaction costs of:	0.04	0.02	0.06	0.05	0.03	0.07
Performance						
Return after charges	2.62%	30.02%	9.41%	3.65%	31.32%	10.51%
Other information						
Closing net asset value (£'000)	5,052	5,449	2,854	13,115	11,861	8,538
Closing number of shares	2,467,200	2,730,981	1,860,022	6,002,612	5,626,854	5,319,107
Operating charges	1.09%	1.09%	1.11%	0.09%	0.09%	0.11%
Direct transaction costs‡	0.02%	0.01%	0.04%	0.02%	0.01%	0.04%
Prices						
Highest share price	205.27	199.56	157.86	218.75	210.81	164.92
Lowest share price	187.76	151.83	127.46	199.76	158.92	132.31

Portfolio transaction costs

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

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Global Quality Equity Income Fund

Comparative Tables

As at 31 May 2018

Financial year	'A' Class (Accumulation shares) ⁽¹⁾			'A' Class (Income-2 shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	122.28	99.81	100.00	118.77	99.81	100.00
Return before operating charges*	(2.68)	24.44	(0.19)	(2.62)	23.91	(0.19)
Operating charges	(1.89)	(1.97)	–	(1.83)	(1.88)	–
Return after operating charges*	(4.57)	22.47	(0.19)	(4.45)	22.03	(0.19)
Distributions	(1.40)	(1.31)	–	(3.14)	(3.07)	–
Retained distributions on accumulation shares	1.40	1.31	–	–	–	–
Closing net asset value per share	117.71	122.28	99.81	111.18	118.77	99.81
* after direct transaction costs of:	0.16	0.30	0.15	0.16	0.30	0.15
Performance						
Return after charges	(3.74%)	22.51%	(0.19%)	(3.75%)	22.07%	(0.19%)
Other information						
Closing net asset value (£'000)	25	6	1	62	60	1
Closing number of shares	21,138	4,669	1,000	55,639	50,566	1,000
Operating charges	1.61%	1.62%	1.61%	1.61%	1.62%	1.61%
Direct transaction costs‡	0.14%	0.26%	0.15%	0.14%	0.26%	0.15%
Prices						
Highest share price	125.06	122.39	100.00	121.46	120.71	100.00
Lowest share price	109.03	97.65	100.00	104.68	97.62	100.00

Financial year	'I' Class (Accumulation shares) ⁽¹⁾			'I' Class (Income-2 shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	123.20	99.81	100.00	119.94	99.81	100.00
Return before operating charges*	(2.70)	24.50	(0.19)	(2.64)	24.24	(0.19)
Operating charges	(1.02)	(1.11)	–	(0.99)	(1.02)	–
Return after operating charges*	(3.72)	23.39	(0.19)	(3.63)	23.22	(0.19)
Distributions	(2.31)	(2.12)	–	(3.18)	(3.09)	–
Retained distributions on accumulation shares	2.31	2.12	–	–	–	–
Closing net asset value per share	119.48	123.20	99.81	113.13	119.94	99.81
* after direct transaction costs of:	0.17	0.30	0.15	0.16	0.30	0.15
Performance						
Return after charges	(3.02%)	23.43%	(0.19%)	(3.03%)	23.26%	(0.19%)
Other information						
Closing net asset value (£'000)	279	363	1	576	339	1
Closing number of shares	233,381	294,772	1,000	509,525	282,993	1,000
Operating charges	0.86%	0.87%	0.86%	0.86%	0.87%	0.86%
Direct transaction costs‡	0.14%	0.26%	0.15%	0.14%	0.26%	0.15%
Prices						
Highest share price	126.06	123.31	100.00	122.70	121.90	100.00
Lowest share price	110.51	97.69	100.00	106.37	97.69	100.00

Comparative Tables

As at 31 May 2018

Financial year	'J' Class (Accumulation shares) ⁽¹⁾			'J' Class (Income-2 shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	123.29	99.81	100.00	120.01	100.00	–
Return before operating charges*	(2.68)	24.38	(0.19)	(2.62)	24.02	–
Operating charges	(0.91)	(0.90)	–	(0.88)	(0.93)	–
Return after operating charges*	(3.59)	23.48	(0.19)	(3.50)	23.09	–
Distributions	(2.43)	(2.26)	–	(3.19)	(3.08)	–
Retained distributions on accumulation shares	2.43	2.26	–	–	–	–
Closing net asset value per share	119.70	123.29	99.81	113.32	120.01	–
* after direct transaction costs of:	0.17	0.30	0.15	0.16	0.30	–
Performance						
Return after charges	(2.91%)	23.52%	(0.19%)	(2.92%)	23.09%	–
Other information						
Closing net asset value (£'000)	207	257	1	297	317	–
Closing number of shares	172,716	208,825	1,000	262,014	263,945	–
Operating charges	0.76%	0.77%	0.71%	0.76%	0.77%	–
Direct transaction costs‡	0.14%	0.26%	0.15%	0.14%	0.26%	–
Prices						
Highest share price	126.17	123.41	100.00	122.78	121.96	–
Lowest share price	110.70	97.69	100.00	106.52	97.69	–

Financial year	'K' Class (Income-2 shares) ⁽²⁾			'L' Class (Income-2 shares) ⁽³⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	108.31	100.00	–	107.83	100.00	–
Return before operating charges*	(2.40)	11.45	–	(2.35)	11.18	–
Operating charges	(0.58)	(0.59)	–	(0.58)	(0.59)	–
Return after operating charges*	(2.98)	10.86	–	(2.93)	10.59	–
Distributions	(2.84)	(2.55)	–	(2.89)	(2.76)	–
Closing net asset value per share	102.49	108.31	–	102.01	107.83	–
* after direct transaction costs of:	0.15	0.27	–	0.14	0.28	–
Performance						
Return after charges	(2.75%)	10.86%	–	(2.72%)	10.59%	–
Other information						
Closing net asset value (£'000)	4,267	76,836	–	12,444	6,700	–
Closing number of shares	4,163,639	70,939,464	–	12,199,162	6,212,899	–
Operating charges	0.56%	0.57%	–	0.56%	0.57%	–
Direct transaction costs‡	0.14%	0.26%	–	0.14%	0.26%	–
Prices						
Highest share price	110.83	110.08	–	110.33	109.59	–
Lowest share price	96.30	94.48	–	95.87	94.05	–

Comparative Tables

As at 31 May 2018

Financial year	'L' Class (Accumulation shares) ⁽⁴⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share			
Opening net asset value per share	100.00	–	–
Return before operating charges*	(1.67)	–	–
Operating charges	(0.25)	–	–
Return after operating charges*	(1.92)	–	–
Distributions	(1.34)	–	–
Retained distributions on accumulation shares	1.34	–	–
Closing net asset value per share	98.08	–	–
* after direct transaction costs of:	0.13	–	–
Performance			
Return after charges	(1.92%)	–	–
Other information			
Closing net asset value (USD'000)	897	–	–
Closing number of shares	914,800	–	–
Operating charges	0.56%	–	–
Direct transaction costs‡	0.14%	–	–
Prices			
Highest share price	101.70	–	–
Lowest share price	90.68	–	–

Financial year	'S' Class (Accumulation shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share			
Opening net asset value per share	124.06	99.81	100.00
Return before operating charges*	(2.70)	24.60	(0.19)
Operating charges	(0.13)	(0.35)	–
Return after operating charges*	(2.83)	24.25	(0.19)
Distributions	(3.24)	(2.99)	–
Retained distributions on accumulation shares	3.24	2.99	–
Closing net asset value per share	121.23	124.06	99.81
* after direct transaction costs of:	0.17	0.29	0.15
Performance			
Return after charges	(2.28%)	24.30%	(0.19%)
Other information			
Closing net asset value (USD'000)	796	846	680
Closing number of shares	656,640	681,640	681,640
Operating charges	0.11%	0.12%	0.11%
Direct transaction costs‡	0.14%	0.26%	0.15%
Prices			
Highest share price	127.01	124.18	100.00
Lowest share price	111.99	97.73	100.00

(1) Launched 31 May 2016

(2) Launched 29 July 2016

(3) Launched 31 August 2016

(4) Launched 14 December 2017

Portfolio transaction costs

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

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Global Special Situations Fund

Comparative Tables

As at 31 May 2018

Financial year	'A' Class (Accumulation shares)			'A' Class (Income shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	246.88	178.48	186.75	194.93	140.92	147.97
Return before operating charges*	37.82	72.18	(5.46)	29.87	57.07	(4.33)
Operating charges	(4.27)	(3.78)	(2.81)	(3.38)	(3.06)	(2.22)
Return after operating charges*	33.55	68.40	(8.27)	26.49	54.01	(6.55)
Distributions	(0.90)	–	(0.65)	(0.72)	–	(0.50)
Retained distributions on accumulation shares	0.90	–	0.65	–	–	–
Closing net asset value per share	280.43	246.88	178.48	220.70	194.93	140.92
* after direct transaction costs of:	0.58	0.28	0.36	0.46	0.22	0.28
Performance						
Return after charges	13.59%	38.32%	(4.43%)	13.59%	38.33%	(4.43%)
Other information						
Closing net asset value (£'000)	5,960	5,428	4,190	173	177	86
Closing number of shares	2,125,303	2,198,648	2,347,847	78,209	90,509	60,955
Operating charges	1.66%	1.69%	1.62%	1.66%	1.69%	1.62%
Direct transaction costs‡	0.22%	0.12%	0.21%	0.22%	0.12%	0.21%
Prices						
Highest share price	284.52	254.84	186.96	224.65	201.22	148.15
Lowest share price	245.70	175.68	148.90	194.00	138.69	117.98

Financial year	'I' Class (Accumulation shares)			'I' Class (Income shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	264.12	189.51	196.80	195.50	141.15	148.22
Return before operating charges*	40.67	77.04	(5.70)	30.07	57.36	(4.30)
Operating charges	(2.52)	(2.43)	(1.59)	(1.84)	(1.80)	(1.20)
Return after operating charges*	38.15	74.61	(7.29)	28.23	55.56	(5.50)
Distributions	(3.13)	(1.63)	(2.08)	(2.32)	(1.21)	(1.57)
Retained distributions on accumulation shares	3.13	1.63	2.08	–	–	–
Closing net asset value per share	302.27	264.12	189.51	221.41	195.50	141.15
* after direct transaction costs of:	0.63	0.31	0.38	0.47	0.23	0.28
Performance						
Return after charges	14.44%	39.37%	(3.70%)	14.44%	39.36%	(3.71%)
Other information						
Closing net asset value (£'000)	22,204	15,490	4,968	2,874	727	351
Closing number of shares	7,345,769	5,864,744	2,621,322	1,298,186	371,863	248,788
Operating charges	0.91%	0.94%	0.87%	0.91%	0.94%	0.87%
Direct transaction costs‡	0.22%	0.12%	0.21%	0.22%	0.12%	0.21%
Prices						
Highest share price	305.83	272.20	197.05	226.37	202.73	148.40
Lowest share price	262.86	186.62	157.74	194.56	138.99	118.79

Comparative Tables

As at 31 May 2018

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	198.61	142.80	148.54	283.16	201.65	207.84
Return before operating charges*	30.74	57.84	(4.33)	43.65	82.02	(5.96)
Operating charges	(2.53)	(2.03)	(1.41)	(0.31)	(0.51)	(0.23)
Return after operating charges*	28.21	55.81	(5.74)	43.34	81.51	(6.19)
Distributions	(1.87)	(0.84)	(1.32)	(5.69)	(3.64)	(3.66)
Retained distributions on accumulation shares	1.87	0.84	1.32	5.69	3.64	3.66
Closing net asset value per share	226.82	198.61	142.80	326.50	283.16	201.65
* after direct transaction costs of:	0.49	0.22	0.28	0.67	0.32	0.40
Performance						
Return after charges	14.20%	39.08%	(3.86%)	15.31%	40.42%	(2.98%)
Other information						
Closing net asset value (£'000)	113	1	1	25,803	21,873	15,442
Closing number of shares	49,833	675	625	7,902,914	7,724,580	7,657,500
Operating charges	1.16%	1.19%	1.12%	0.16%	0.19%	0.12%
Direct transaction costs‡	0.22%	0.12%	0.21%	0.22%	0.12%	0.21%
Prices						
Highest share price	229.68	204.76	148.74	330.01	291.35	208.13
Lowest share price	197.66	140.57	118.92	281.81	198.68	167.47

Financial year	'S' Class (Income shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share			
Opening net asset value per share	5000.00	–	–
Return before operating charges*	648.11	–	–
Operating charges	(0.04)	–	–
Return after operating charges*	648.07	–	–
Distributions	(100.15)	–	–
Closing net asset value per share	5547.92	–	–
* after direct transaction costs of:	11.74	–	–
Performance			
Return after charges	12.96%	–	–
Other information			
Closing net asset value (£'000)	1	–	–
Closing number of shares	20	–	–
Operating charges	0.16%	–	–
Direct transaction costs‡	0.22%	–	–
Prices			
Highest share price	5708.60	–	–
Lowest share price	5000.00	–	–

(1) Launched 7 July 2017.

Portfolio transaction costs

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

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Multi-Asset Protector Fund

Comparative Table

As at 31 May 2018

Financial year	'A' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share			
Opening net asset value per share	171.14	150.07	160.93
Return before operating charges*	7.04	24.07	(7.85)
Operating charges	(3.28)	(3.00)	(3.01)
Return after operating charges*	3.76	21.07	(10.86)
Distributions	(0.49)	(0.27)	(0.09)
Retained distributions on accumulation shares	0.49	0.27	0.09
Closing net asset value per share	174.90	171.14	150.07
* after direct transaction costs of :	0.05	0.06	0.04
Performance			
Return after charges	2.20%	14.04%	(6.75%)
Other information			
Closing net asset value (£'000)	188,046	224,067	247,874
Closing number of shares	107,515,176	130,929,537	165,173,477
Operating charges	1.82%	1.91%	2.00%
Direct transaction costs‡	0.03%	0.03%	0.02%
Prices			
Highest share price	177.10	171.17	161.12
Lowest share price	170.34	149.10	143.85

Portfolio transaction costs

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

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Multi-Asset Protector Fund 2

Comparative Table

As at 31 May 2018

Financial year	'I' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share			
Opening net asset value per share	140.23	121.50	128.70
Return before operating charges*	5.31	20.13	(5.72)
Operating charges	(1.55)	(1.40)	(1.48)
Return after operating charges*	3.76	18.73	(7.20)
Distributions	(1.36)	(1.28)	(0.84)
Retained distributions on accumulation shares	1.36	1.28	0.84
Closing net asset value per share	143.99	140.23	121.50
* after direct transaction costs of :	0.04	0.04	0.06
Performance			
Return after charges	2.68%	15.42%	(5.59%)
Other information			
Closing net asset value (£'000)	79,792	60,881	47,521
Closing number of shares	55,415,395	43,415,794	39,112,908
Operating charges	1.03%	1.12%	1.29%
Direct transaction costs‡	0.03%	0.03%	0.04%
Prices			
Highest share price	145.50	140.04	128.89
Lowest share price	139.51	120.83	115.92

Portfolio transaction costs

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

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Short Dated Bond Fund

Comparative Tables

As at 31 May 2018

Financial year	'A' Class (Accumulation shares) ^{(1) #}			'I' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	1315.42	1315.56	1314.32	1421.93	1418.55	1413.46
Return before operating charges*	(1.07)	6.13	7.68	13.33	6.60	8.28
Operating charges	(5.17)	(6.27)	(6.26)	(4.24)	(3.22)	(3.19)
Return after operating charges*	(6.24)	(0.14)	1.42	9.09	3.38	5.09
Return to shareholder as a result of class closure	(1309.18)	–	–	–	–	–
Distributions	–	–	(0.91)	(4.47)	(1.76)	(4.53)
Retained distributions on accumulation shares	–	–	0.73	(4.47)	1.76	4.53
Closing net asset value per share	0.00	1315.42	1315.56	1422.08	1421.93	1418.55
* after direct transaction costs of:	0.01	0.02	0.05	0.01	0.02	0.06
Performance						
Return after charges	(0.47%)	(0.01%)	0.09%	0.64%	0.24%	0.36%
Other information						
Closing net asset value (£'000)	–	1,745	1,776	3,008	20,840	34,805
Closing number of shares	–	132,640	134,961	211,512	1,465,612	2,453,584
Operating charges	0.46%	0.48%	0.48%	0.21%	0.23%	0.23%
Direct transaction costs‡	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price	1317.21	1321.71	1318.99	1424.96	1426.37	1421.25
Lowest share price	1307.58	1314.92	1312.02	1416.30	1419.47	1411.11

Financial year	'S' Class (Accumulation shares) ⁽²⁾		
	31.05.17 (p)	31.05.16 (p)	
Change in net assets per share			
Opening net asset value per share	–	1395.04	1388.21
Return before operating charges*	–	6.68	8.10
Operating charges	–	(0.87)	(1.27)
Return after operating charges*	–	5.81	6.83
Return to shareholder as a result of class closure	–	(1400.85)	–
Distributions	–	–	(6.29)
Retained distributions on accumulation shares	–	–	6.29
Closing net asset value per share	–	0.00	1395.04
* after direct transaction costs of:	–	0.02	0.06
Performance			
Return after charges	–	0.42%	0.49%
Other information			
Closing net asset value (£'000)	–	–	372
Closing number of shares	–	–	26,681
Operating charges	–	0.10%	0.09%
Direct transaction costs‡	–	0.00%	0.00%
Prices			
Highest share price	–	1403.33	1397.14
Lowest share price	–	1395.96	1385.96

(1) Closed 6 April 2018.

(2) Closed 31 January 2017.

Share class converted from net to gross on 1 December 2016.

Portfolio transaction costs

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

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Target Return Bond Fund

Comparative Tables

As at 31 May 2018

Financial year	'A' Class (Accumulation shares)*			'A' Class (Income shares)*		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	105.46	106.04	108.08	93.26	94.28	96.41
Return before operating charges*	(2.34)	0.94	(0.50)	(2.05)	0.82	(0.45)
Operating charges	(1.41)	(1.43)	(1.45)	(1.25)	(1.27)	(1.29)
Return after operating charges*	(3.75)	(0.49)	(1.95)	(3.30)	(0.45)	(1.74)
Distributions	(0.91)	(0.66)	(0.43)	(0.79)	(0.57)	(0.39)
Retained distributions on accumulation shares	0.91	0.57	0.34	–	–	–
Closing net asset value per share	101.71	105.46	106.04	89.17	93.26	94.28
* after direct transaction costs of:	0.01	0.02	0.03	0.01	0.02	0.03
Performance						
Return after charges	(3.56%)	(0.46%)	(1.80%)	(3.54%)	(0.48%)	(1.80%)
Other information						
Closing net asset value (£'000)	2,696	2,874	214	14	15	63
Closing number of shares	2,650,951	2,725,701	202,177	15,885	15,885	66,416
Operating charges	1.34%	1.35%	1.36%	1.34%	1.35%	1.36%
Direct transaction costs‡	0.01%	0.02%	0.03%	0.01%	0.02%	0.03%
Prices						
Highest share price	107.71	107.95	108.21	94.95	95.99	96.53
Lowest share price	101.42	105.41	106.14	89.07	93.37	94.41

Financial year	'I' Class (Accumulation shares) ⁽¹⁾			'I' Class (Accumulation shares) ⁽¹⁾⁽³⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.17 (p)	31.05.16 (p)	
Change in net assets per share						
Opening net asset value per share	107.11	107.13	108.67	–	97.87	99.02
Return before operating charges*	(2.39)	0.95	(0.51)	–	1.03	(0.41)
Operating charges	(0.79)	(0.82)	(0.82)	–	(0.73)	(0.74)
Return after operating charges*	(3.18)	0.13	(1.33)	–	0.30	(1.15)
Return to shareholder as a result of class closure	–	–	–	–	(98.17)	–
Distributions	(1.57)	(1.31)	(1.07)	–	(0.88)	(0.98)
Retained distributions on accumulation shares	1.57	1.16	0.86	–	0.88	0.98
Closing net asset value per share	103.93	107.11	107.13	–	0.00	97.87
* after direct transaction costs of:	0.01	0.02	0.03	–	0.02	0.03
Performance						
Return after charges	(2.97%)	0.12%	(1.22%)	–	0.31%	(1.16%)
Other information						
Closing net asset value (£'000)	2,855	2,869	1,278	–	–	4,335
Closing number of shares	2,746,996	2,678,358	1,193,150	–	–	4,429,417
Operating charges	0.74%	0.75%	0.76%	–	0.75%	0.76%
Direct transaction costs‡	0.01%	0.02%	0.03%	–	0.02%	0.03%
Prices						
Highest share price	109.57	109.19	108.94	–	99.85	99.35
Lowest share price	103.61	107.04	107.24	–	98.11	97.97

Comparative Tables

As at 31 May 2018

Financial year	'I' Class (Income shares) ^{(2)(#)}			'I' Class (Income shares) ⁽²⁾⁽³⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.17 (p)	31.05.16 (p)	
Change in net assets per share						
Opening net asset value per share	93.21	94.24	96.37	–	97.74	99.91
Return before operating charges*	(2.05)	0.84	(0.45)	–	1.03	(0.47)
Operating charges	(0.69)	(0.72)	(0.72)	–	(0.73)	(0.74)
Return after operating charges*	(2.74)	0.12	(1.17)	–	0.30	(1.21)
Return to shareholder as a result of class closure	–	–	–	–	(97.17)	–
Distributions	(1.35)	(1.15)	(0.96)	–	(0.87)	(0.96)
Retained distributions on accumulation shares	–	–	–	–	–	–
Closing net asset value per share	89.12	93.21	94.24	–	–	97.74
* after direct transaction costs of:	0.01	0.02	0.03	–	0.02	0.03
Performance						
Return after charges	(2.94%)	0.13%	(1.21%)	–	0.31%	(1.21%)
Other information						
Closing net asset value (£'000)	89,434	138,218	974	–	–	138,308
Closing number of shares	100,352,189	148,292,147	1,033,825	–	–	141,510,285
Operating charges	0.74%	0.75%	0.76%	–	0.75%	0.76%
Direct transaction costs‡	0.01%	0.02%	0.03%	–	0.02%	0.03%
Prices						
Highest share price	94.98	96.05	96.53	–	99.68	100.09
Lowest share price	89.14	93.46	94.47	–	97.17	98.01

Financial year	'R' Class (Accumulation shares)*			'S' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	97.76	97.85	99.32	131.12	130.12	130.87
Return before operating charges*	(2.15)	0.86	(0.47)	(2.95)	1.13	(0.62)
Operating charges	(0.81)	(0.81)	(0.82)	(0.12)	(0.13)	(0.13)
Return after operating charges*	(2.96)	0.05	(1.29)	(3.07)	1.00	(0.75)
Distributions	(1.38)	(1.12)	(0.89)	(2.78)	(2.46)	(2.16)
Retained distributions on accumulation shares	1.38	0.98	0.71	2.78	2.46	2.16
Closing net asset value per share	94.80	97.76	97.85	128.05	131.12	130.12
* after direct transaction costs of:	0.01	0.02	0.03	0.01	0.03	0.03
Performance						
Return after charges	(3.03%)	0.04%	(1.30%)	(2.34%)	0.77%	(0.57%)
Other information						
Closing net asset value (£'000)	6	6	6	19,976	15,460	25,197
Closing number of shares	6,377	6,275	6,265	15,600,231	11,791,234	19,365,121
Operating charges	0.84%	0.84%	0.86%	0.09%	0.10%	0.11%
Direct transaction costs‡	0.01%	0.02%	0.03%	0.01%	0.02%	0.03%
Prices						
Highest share price	100.00	99.71	99.54	134.37	133.06	131.47
Lowest share price	94.52	97.70	97.96	127.64	130.49	129.96

Comparative Tables

As at 31 May 2018

Financial year	'S' Class (EUR Hedge Accumulation shares) ⁽⁴⁾			'S' Class (USD Hedge Accumulation shares)		
	31.05.17 (c)	31.05.16 (c)		31.05.18 (c)	31.05.17 (c)	31.05.16 (c)
Change in net assets per share						
Opening net asset value per share	–	113.74	115.45	114.88	113.40	114.25
Return before operating charges*	–	(15.38)	(1.55)	(1.10)	1.60	(0.69)
Operating charges	–	(0.10)	(0.16)	(0.11)	(0.12)	(0.16)
Return after operating charges*	–	(15.48)	(1.71)	(1.21)	1.48	(0.85)
Return to shareholder as a result of class closure	–	(98.26)	–	–	–	–
Distributions	–	(1.17)	(1.85)	(2.38)	(2.07)	(1.80)
Retained distributions on accumulation shares	–	1.17	1.85	2.38	2.07	1.80
Closing net asset value per share	–	–	113.74	113.67	114.88	113.40
* after direct transaction costs of:	–	0.03	0.03	0.01	0.02	0.03
Performance						
Return after charges	–	(13.61%)	(1.48%)	(1.05%)	1.31%	(0.74%)
Other information						
Closing net asset value (EUR'000)/(USD'000)	–	–	1,434	211,458	169,267	168,696
Closing number of shares	–	–	1,260,234	186,028,523	147,348,791	148,758,654
Operating charges	–	0.15%	0.16%	0.13%	0.15%	0.16%
Direct transaction costs‡	–	0.02%	0.03%	0.01%	0.03%	0.03%
Prices						
Highest share price	–	116.02	115.73	118.13	115.98	114.65
Lowest share price	–	114.01	113.83	113.28	113.71	113.25

(1) Share classes "I Accumulation" converted to one as of 7 April 2017.

(2) Share classes "I Income" converted to one as of 7 April 2017.

(3) Closed 7 April 2017.

(4) Closed 10 February 2017.

Share class converted from net to gross on 1 December 2016.

Portfolio transaction costs

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

‡ Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

UK Total Return Fund

Comparative Tables

As at 31 May 2018

Financial year	'A' Class (Accumulation shares)			'I' Class (Accumulation shares)		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	233.29	214.55	216.97	137.93	126.14	126.80
Return before operating charges*	10.11	21.69	0.45	5.96	12.75	0.27
Operating charges	(3.14)	(2.95)	(2.87)	(1.02)	(0.96)	(0.93)
Return after operating charges*	6.97	18.74	(2.42)	4.94	11.79	(0.66)
Distributions	(3.35)	(2.69)	(2.75)	(2.79)	(2.30)	(2.36)
Retained distributions on accumulation shares	3.35	2.69	2.75	2.79	2.30	2.36
Closing net asset value per share	240.26	233.29	214.55	142.87	137.93	126.14
* after direct transaction costs of:	0.37	0.70	0.75	0.22	0.41	0.44
Performance						
Return after charges	2.99%	8.73%	(1.12%)	3.58%	9.35%	(0.52%)
Other information						
Closing net asset value (£'000)	25,947	28,633	30,907	31,829	31,446	38,688
Closing number of shares	10,799,546	12,273,717	14,405,760	22,278,273	22,798,377	30,670,239
Operating charges	1.33%	1.36%	1.36%	0.73%	0.76%	0.76%
Direct transaction costs‡	0.16%	0.32%	0.35%	0.16%	0.32%	0.35%
Prices						
Highest share price	243.65	233.70	218.49	144.54	138.16	128.28
Lowest share price	225.43	198.23	200.99	133.91	116.58	117.96

Financial year	'R' Class (Accumulation shares)			'S' Class (Accumulation shares) ⁽¹⁾		
	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)	31.05.18 (p)	31.05.17 (p)	31.05.16 (p)
Change in net assets per share						
Opening net asset value per share	129.70	118.74	119.48	1096.12	996.06	1000.00
Return before operating charges*	5.60	11.99	0.26	47.50	100.96	(3.78)
Operating charges	(1.09)	(1.03)	(1.00)	(0.92)	(0.90)	(0.16)
Return after operating charges*	4.51	10.96	(0.74)	46.58	100.06	(3.94)
Distributions	(2.49)	(2.05)	(2.11)	(29.38)	(24.77)	(5.75)
Retained distributions on accumulation shares	2.49	2.05	2.11	29.38	24.77	5.75
Closing net asset value per share	134.21	129.70	118.74	1142.70	1096.12	996.06
* after direct transaction costs of:	0.21	0.39	0.41	1.74	3.29	0.55
Performance						
Return after charges	3.48%	9.23%	(0.62%)	4.25%	10.05%	(0.39%)
Other information						
Closing net asset value (£'000)	375	402	314	130,714	144,483	27,894
Closing number of shares	279,038	309,772	264,393	11,439,104	13,181,370	2,800,465
Operating charges	0.83%	0.86%	0.86%	0.08%	0.11%	0.11%
Direct transaction costs‡	0.16%	0.32%	0.35%	0.16%	0.32%	0.35%
Prices						
Highest share price	135.83	129.92	120.77	1155.82	1097.82	1012.02
Lowest share price	125.82	109.73	111.07	1069.96	921.01	979.76

(1) Launched 30 March 2016.

Portfolio transaction costs

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

± Direct portfolio transaction costs: Broker execution commission, taxes, and costs of research from brokers and other research providers.

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

Notes to the Financial Statements of the Company

For the year ended 31 May 2018

1. Accounting policies

a) Basis of accounting

The financial statements on pages 117 to 227 have been prepared under the historical cost basis, as modified by the revaluation of investments, in compliance with the Financial Conduct Authority's Collective Investments Schemes Sourcebook. They have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland "FRS 102"), and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 ('the 2014 SORP'). The financial statements are prepared on the going concern basis with the exception of the Short Dated Bond Fund ("the Terminating Fund") which the Authorised Corporate Director intends to terminate once all its residual assets and liabilities are settled (see Going Concern sub-heading below for details).

Going Concern

The Short Dated Bond Fund commenced termination on 31 May 2018. It is the intention of the ACD to terminate this Fund at a later date once the residual assets and liabilities are settled. As a result the financial statements of this Fund have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of the Terminating Fund continue to be stated at their fair values which materially equate to their residual values. No further adjustments were necessary in the Terminating Fund's financial statements to reduce assets to their realisable values, to provide for liabilities arising from the termination and to reclassify fixed assets and long-term liabilities as current assets and liabilities. No liabilities have been recorded for costs of the termination of the Fund as the intention is that the ACD will bear any such costs which may arise.

The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies to reflect the presentation of the Terminating Fund's financial statements as at 30 May 2018 on a basis other than going concern.

Changes in accounting policies

There have been no changes to the accounting policies as detailed in the audited financial statements for the year ended 31 May 2018.

b) Valuation of investments

The investments of the Funds have been valued at market value at noon (UK time) on 31 May 2018 net of any accrued interest. Suspended securities are valued at the last traded price or at the Fund Manager's best estimate of fair value based on market information and particular circumstances that led to the suspension subject to agreement from the ACD's valuation committee.

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

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

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

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

c) Exchange rates

Monetary assets and liabilities held in currencies other than sterling have been translated into sterling at the exchange rates ruling at noon on 31 May 2018. Transactions during the year are translated at the rate ruling on the transaction date.

d) Recognition of revenue

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

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

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

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

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

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

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

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

e) Expenses

Expenses are accounted for on an accruals basis.

f) Taxation

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

g) Deferred taxation

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

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

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2018

2. Distribution policies

a) Basis of distribution

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

Emerging Markets Blended Debt Fund and Target Return Bond Fund will distribute revenue on a quarterly basis. Global Dividend Fund and Global Quality Equity Income Fund will distribute revenue on a semi-annual basis.

Diversified Growth Fund, Emerging Market Equity Fund, Global Franchise Fund, Global Special Situations Fund, Multi-Asset Protector Fund, Multi-Asset Protector Fund 2, Short Dated Bond Fund and UK Total Return Fund will distribute annually by reference to net revenue arising during the year ended 31 May 2018.

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

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

b) Apportionment to multiple share classes

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

c) Stock dividends

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

d) Interest from debt securities

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

e) Expenses

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

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

f) Equalisation

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

g) Aggregate distribution

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

3. Risk management policies

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

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

Risk management process

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

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

General Risks

Risks Associated with Investments

Accounting

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

Active Management

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

Efficient Portfolio Management

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

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

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

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

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

3. Risk management policies (continued)

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

Exchange Rate Fluctuation

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

Income Yield

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

Inflation & Deflation

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

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

Initial Public Offerings (IPO) & Placement

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

Political & Regulatory

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

The regulatory environment is evolving and changes therein may adversely affect the ability of a Fund to pursue its investment strategies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or regulatory authorities which may adversely affect the value of the investments held by a Fund. The effect of any future regulatory or tax change on the Funds is impossible to predict. The regulatory environment within which the Funds operate may be different to the regulatory requirements of the investors' home countries.

Risks Associated with Share Classes

Base Currency Hedged Share Classes

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

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

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

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

Charges to Capital

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

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

Currency Denomination

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

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

Distribution from Capital

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

Initial Charges

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

Transactional Risks Arising From The Hedged Share Classes

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

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

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2018

3. Risk management policies (continued)

Portfolio Currency Hedged Share Class

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

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

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

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

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

Risks Associated with Shareholder Dealing and Portfolio Transactions

Cancellation

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

Conflicts of Interest

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

Counterparty – Trading

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

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

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

Dilution

In certain circumstances a dilution adjustment (or dilution levy in the case of the Multi-Asset Protector Fund and Multi-Asset Protector Fund 2) may be made on the purchase or sale of Shares (see paragraph "Dilution"). In the case of purchases this will reduce the number of Shares acquired, in the case of sales this will reduce the proceeds. Where a dilution adjustment or dilution levy (in the case of the Multi-Asset Protector Fund and Multi-Asset Protector Fund 2) is not made, existing investors in the Fund in question may suffer dilution which will constrain capital growth.

Liquidity risk – fund investments

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

Risk of Deferred Redemptions

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

Risk of Market Closure

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

Risk of Remittance Restrictions

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

Risk of Suspension

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

Risks Associated with Fund Operations

Central Securities Depositories

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

3. Risk management policies (continued)

Custody

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

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

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

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

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

Economically Viable

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

Fair Value Pricing

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

Fraud

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

Fund Legal Action

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

Liabilities of each Company and the Funds

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

Liquidity risk – shareholder activity

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

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

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

Securities Lending

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

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

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

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2018

3. Risk management policies (continued)

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

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

Tax

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

Third-Party Operational (including Counterparty – Service Providers)

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

Risks Associated with Debt Investments

Contingent Convertibles or CoCos

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

Credit

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

Distressed Debt

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

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

High Yield Debt Securities

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

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

Interest Rate

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

Investment Grade

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

Money Market Instrument

Money market instruments in which a Fund invests are subject to the solvency of the underlying issuer. The buying and selling of money market instruments is exposed to liquidity constraints in the market.

While every effort will be made to maintain the capital value of the Fund, there is no guarantee that this will be the case as a loss made on an instrument held by the Fund could reduce the capital value of the Fund.

3. Risk management policies (continued)

Mortgage Backed and Other Asset Backed Securities

Mortgage Backed

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

Asset Backed

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

CDOs/CLOs

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

Risks Associated with Derivative Instruments

Cash Flow

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

Credit Default Swaps and Other Synthetic Securities

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

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

Derivative Basis

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

Derivatives

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

Exchange Derivatives

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

Leverage

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

OTC Derivative Instruments

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

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

Notes to the Financial Statements of the Company

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3. Risk management policies (continued)

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

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

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

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus.

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

Short Exposure

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

Risks Associated with Emerging Market Investments

China Interbank Bond Market

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

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

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

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

Settlement risk

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

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

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

CIBM Direct Access rules and regulations

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

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

Restrictions to remittances and repatriations risk

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

Securities and cash accounts

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

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

3. Risk management policies (continued)

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

Bond settlement agent risk

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

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

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

China Tax

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

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

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

China Interbank Bond Market

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

Emerging Markets

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

Investment in China

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

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

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

Other applicable risks:

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

Stock Connect

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

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

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2018

3. Risk management policies (continued)

Under Stock Connect, overseas investors such as the investing Funds may invest directly in certain China A shares listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange ("Stock Connect Shares"). The Funds trade Stock Connect Shares through a broker who is affiliated to the Hong Kong sub-custodian appointed by the Depositary.

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

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

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

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

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

Investors should also consider the Investment in China detailed in this Appendix which applies to investment in China.

Risks Associated with Equity Investments

Discount / Premium

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

Equity Investment

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

Smaller Companies

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

Risks Associated with Investment Strategy

Concentration

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

Income Priority

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

Multi-Asset Investment

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

Risk of higher Ongoing Charges when investing in funds

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

Sector and / or Geographical

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

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

3. Risk management policies continued**Diversified Growth Fund**

Investment in China
 China Interbank Bond Market
 China Tax
 CIBM Direct Access
 Contingent Convertibles or CoCos
 Credit
 Credit Default Swaps and Other Synthetic Securities
 Derivative Basis
 Derivatives
 Discount/Premium
 Emerging Markets
 Exchange Derivatives
 High Yield Debt Securities
 Interest Rate
 Investment Grade
 Leverage
 Multi-Asset Investment
 OTC Derivative Instruments
 Risk of higher Ongoing Charges when investing in funds
 Short Exposure
 Stock Connect

Emerging Markets Blended Debt Fund

Investment in China
 China Interbank Bond Market
 China Tax
 CIBM Direct Access
 Credit
 Derivatives
 Emerging Markets
 Exchange Derivatives
 High Yield Debt Securities
 Income Priority
 Interest Rate
 Investment Grade
 Leverage
 OTC Derivative Instruments

Emerging Markets Equity Fund

Investment in China
 Derivatives
 Emerging Markets
 Equity Investment
 Stock Connect

Global Dividend Fund

Derivatives
 Equity Investment
 Income Priority

Global Franchise Fund

Concentration
 Derivatives
 Equity Investment

Global Quality Equity Income Fund

Concentration
 Derivatives
 Equity Investment
 Income Priority

Global Special Situations Fund

Concentration
 Derivatives
 Equity Investment

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2018

3. Risk management policies continued

Multi-Asset Protector Fund

Investment in China
China Interbank Bond Market
China Tax
CIBM Direct Access
Credit
Derivatives
Discount/Premium
High Yield Debt Securities
Interest Rate
Investment Grade
Multi-Asset Investment
OTC Derivative Instruments
Risk of higher Ongoing Charges when investing in funds
Stock Connect

Multi-Asset Protector Fund 2

Investment in China
China Interbank Bond Market
China Tax
CIBM Direct Access
Credit
Derivatives
Discount/Premium
High Yield Debt Securities
Interest Rate
Investment Grade
Multi-Asset Investment
OTC Derivative Instruments
Risk of higher Ongoing Charges when investing in funds
Stock Connect

Short Dated Bond Fund

China Interbank Bond Market
China Tax
CIBM Direct Access
Credit
Derivatives
Exchange Derivatives
Income Priority
Interest Rate
Money Market Instrument
OTC Derivative Instruments

Target Return Bond Fund

Investment in China
China Interbank Bond Market
China Tax
CIBM Direct Access
Credit
Credit Default Swaps and Other Synthetic Securities
Derivative Basis
Derivatives
Emerging Markets
Exchange Derivatives
High Yield Debt Securities
Interest Rate
Investment Grade
Leverage
OTC Derivative Instruments
Short Exposure

UK Total Return Fund

Derivative Basis
Derivatives
Equity Investment
Exchange Derivatives
Sector and/or Geographical

3. Risk management policies continued

Sensitivity analysis

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

2018 [†]	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index	FTSE British Government 5-10 Years Index
Diversified Growth Fund	0.41	0.40	0.03	0.14
Emerging Markets Blended Debt Fund	n/a	n/a	n/a	n/a
Emerging Markets Equity Fund	n/a	n/a	n/a	n/a
Global Dividend Fund	0.81	0.90	0.27	0.32
Global Franchise Fund	n/a	n/a	n/a	n/a
Global Quality Equity Income Fund	n/a	n/a	n/a	n/a
Global Special Situations Fund	0.81	0.85	-0.08	-0.54
Multi-Asset Protector Fund	0.45	0.46	0.01	0.07
Multi-Asset Protector Fund 2	0.45	0.47	0.02	0.07
Short Dated Bond Fund	0.00	0.01	0.02	0.05
Target Return Bond Fund	0.02	0.04	0.03	0.09
UK Total Return Fund	0.39	0.21	-0.24	-0.44

[†] Source: Lipper 01.06.15 – 31.05.18 using monthly sub-periods for class 'I' accumulation shares for Short Dated Bond Fund, Target Return Bond Fund, UK Total Return Fund, Global Special Situations Fund, Multi-Asset Protector Fund 2, Diversified Growth Fund, Global Dividend Fund and class 'A' accumulation for Multi-Asset Protector Fund. Data for this period is not available for Emerging Markets Blended Debt Fund, Emerging Markets Equity Fund, Global Quality Equity Income Fund and Global Franchise Fund.

2017 ^{††}	FTSE All-Share Index	MSCI World Index	Citigroup World Government Bond Index	FTSE British Government 5-10 Years Index
Diversified Growth Fund	0.46	0.44	0.04	0.24
Emerging Markets Blended Debt Fund	n/a	n/a	n/a	n/a
Emerging Markets Equity Fund	n/a	n/a	n/a	n/a
Global Dividend Fund	n/a	n/a	n/a	n/a
Global Franchise Fund	n/a	n/a	n/a	n/a
Global Quality Equity Income Fund	n/a	n/a	n/a	n/a
Global Special Situations Fund	0.80	0.87	-0.02	-0.15
Multi-Asset Protector Fund	0.54	0.53	0.03	0.16
Multi-Asset Protector Fund 2	0.53	0.51	0.03	0.16
Short Dated Bond Fund	0.01	0.01	0.02	0.06
Target Return Bond Fund	0.03	0.05	0.04	0.10
UK Total Return Fund	0.34	0.21	-0.22	-0.29

^{††} Source: Lipper 01.06.14 – 31.05.17 using monthly sub-periods for class 'I' accumulation shares for Short Dated Bond Fund, Target Return Bond Fund, UK Total Return Fund, Global Special Situations Fund, Multi-Asset Protector Fund 2, Diversified Growth Fund and class 'A' accumulation for Multi-Asset Protector Fund. Data for this period is not available for Emerging Markets Blended Debt Fund, Emerging Markets Equity Fund, Global Dividend Fund, Global Quality Equity Income Fund and Global Franchise Fund.

Past performance is not a guide to future performance.

Relevant numerical disclosures for significant risk will be provided within the financial statements for each Sub-Fund.

Notes to the Financial Statements of the Company

continued

For the year ended 31 May 2018

4. Dilution adjustment

A dilution adjustment may be applied at the ACD's discretion to all purchases, sales and switches of shares where the impact of the net deals is believed to have a material effect.

A dilution adjustment or levy is a method to ensure fair treatment between investors joining, leaving or remaining in a Fund. We reserve the right to levy a dilution adjustment on any or all deals. The price of the shares of a Fund may be adjusted to protect its value from being reduced in the case of larger scale movements into or out of the Fund.

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

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

K. McFarland

Director of the ACD

27 September 2018

D. Aird

Director of the ACD

Diversified Growth Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital (losses)/gains	4		(37,899)		152,719
Revenue	6	48,355		47,089	
Expenses	7	(17,473)		(13,979)	
Interest payable and similar charges	8	(969)		(401)	
Net revenue before taxation		29,913		32,709	
Taxation	9	(3,038)		(3,933)	
Net revenue after taxation			26,875		28,776
Total return before distribution			(11,024)		181,495
Distribution	10		(26,876)		(28,776)
Change in net assets attributable to shareholders from investment activities			(37,900)		152,719

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		2,132,331		1,431,870
Amounts receivable on creation of shares	644,024		604,206	
Amounts payable on cancellation of shares	(349,273)		(84,535)	
		294,751		519,671
Dilution adjustment		–		299
Change in net assets attributable to shareholders from investment activities		(37,900)		152,719
Retained distributions on accumulation shares		23,797		27,772
Closing net assets attributable to shareholders		2,412,979		2,132,331

Notes to the financial statements are on pages 132 to 140.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets#			2,328,394		2,011,050
Current assets					
Debtors	11	9,297		19,595	
Cash and bank balances#	12	221,725		231,346	
Total other assets			231,022		250,941
Total assets			2,559,416		2,261,991
LIABILITIES					
Investment liabilities			126,767		81,977
Creditors					
Bank overdrafts		–		15,899	
Distribution payable		5,474		4,681	
Other creditors	13	14,196		27,103	
Total other liabilities			19,670		47,683
Total liabilities			146,437		129,660
Net assets attributable to shareholders			2,412,979		2,132,331

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

Notes to the financial statements are on pages 132 to 140.

Diversified Growth Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital (losses)/gains

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

	31.05.18 £'000	31.05.17 £'000
Gains/(losses) on foreign exchange	4,285	(11,216)
Derivatives contracts	(59,965)	19,593
Forward currency contracts	10,421	(91,685)
Non-derivative securities	7,365	236,146
Transaction charges	(5)	(117)
Collateral interest fee	–	(2)
Net capital (losses)/gains	(37,899)	152,719

5. Purchases, sales and transaction costs

Analysis of total trade costs#

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Equities	703,477	823,812	475,292	761,223
Bonds	2,616,259	1,716,073	2,694,791	1,411,355
Collective Investment Schemes	13,334	63,009	6,863	151,359
Options	14,554	3,910	11,773	1,457
Swaps	12,487,763	6,712,782	12,465,826	6,730,110
Treasury Bills	257,910	336,296	287,988	381,242
Commercial Papers	448,553	345,307	274,499	285,700
Certificates of Deposit	578,508	526,015	546,542	426,537
Futures*	–	–	–	–
Trades excluding transaction costs	17,120,358	10,527,204	16,763,574	10,148,983
Commissions				
Equities	301	403	(165)	(382)
Bonds	–	–	–	–
Collective Investment Schemes	8	15	(4)	(51)
Options	2	–	(2)	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Contracts for difference	–	–	–	–
Cash Collateral	–	–	–	–
Futures*	77	105	(129)	(107)
Total commissions	388	523	(300)	(540)
Taxes				
Equities	342	399	(22)	(134)
Bonds	–	–	(20)	–
Collective Investment Schemes	–	32	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Contracts for difference	–	–	–	–
Cash Collateral	–	–	–	–
Futures*	–	–	–	–
Total taxes	342	431	(42)	(134)
Total costs	730	954	(342)	(674)
Net trades in the year after transaction costs	17,121,088	10,528,158	16,763,232	10,148,309

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

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18	31.05.17	31.05.18	31.05.17
	%	%	%	%
Commissions				
Equities	0.04	0.05	0.03	0.05
Bonds	–	–	–	–
Collective Investment Schemes	0.06	0.02	0.06	0.03
Options	0.01	–	0.02	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.05	0.05	–	0.02
Bonds	–	–	–	–
Collective Investment Schemes	–	0.05	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Certificates of Deposit	–	–	–	–
Futures*	–	–	–	–

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

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

	31.05.18	31.05.17
	%	%
Commissions	0.03	0.06
Taxes	0.02	0.03
Total costs	0.05	0.09

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.07% (31.05.17: 0.14%).

6. Revenue

	31.05.18	31.05.17
	£'000	£'000
Bank interest	703	236
Interest on debt securities	21,926	24,291
Interest on total return swaps	–	(30)
Overseas dividends	19,262	17,413
Scrip dividends	–	198
UK dividends	2,277	1,343
HMRC Interest	(2)	–
Property revenue from UK REITs – PID	1,519	1,070
Property revenue from UK REITs – Non PID	781	1,097
Property revenue from overseas REITs	1,790	1,459
Margin interest	98	7
Trail commission	1	5
Total revenue	48,355	47,089

Diversified Growth Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	15,338	12,135
General administration charge (GAC)	1,651	1,459
	16,989	13,594
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	512	351
	512	351
Other expenses:		
Collateral interest fee	14	–
VAT refund	(46)	–
Out of pocket expenses	1	5
ADR fees	2	24
Revenue collection charges	1	5
	(28)	34
Total expenses	17,473	13,979

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

The audit fee for the year is £8,000 (31.05.17: £8,000).

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

8. Interest payable and similar charges

	31.05.18 £'000	31.05.17 £'000
Interest	94	48
Margin Interest	875	353
Total interest payable and similar charges	969	401

9. Taxation

(a) Analysis of the tax charge in the year:

	31.05.18 £'000	31.05.17 £'000
Corporation tax	1,250	2,212
Double tax relief	(223)	–
Overseas tax	1,954	1,711
Current tax charge	2,981	3,923
Deferred tax charge (note 9(c))	57	10
Total tax charge (note 9(b))	3,038	3,933

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	29,913	32,709
Corporation tax of 20%	5,983	6,542
Effects of:		
Overseas tax	1,954	1,711
Revenue not subject to taxation	(4,676)	(3,988)
Double taxation relief	(223)	(332)
Total tax charge (note 9(a))	3,038	3,933

(c) Provision for deferred taxation:

	31.05.18 £'000	31.05.17 £'000
Opening provision	25	15
Deferred tax charge	57	10
Closing provision	82	25
Provision consist of:		
Revenue taxable in different periods	82	25
Closing provision	82	25

10. Distribution

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

	31.05.18 £'000	31.05.17 £'000
Final	29,271	32,453
Add: Equalisation deducted on cancellation of shares	1,722	615
Less: Equalisation received on creation of shares	(4,117)	(4,292)
Net distribution for the year	26,876	28,776

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	26,875	28,776
Revenue deficit	1	–
Net distribution for the year	26,876	28,776

11. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued bond interest	3,143	11,646
Accrued dividends and bank interest	4,494	2,822
Amounts receivable for creation of shares	662	2,020
Overseas tax recoverable	998	1,157
Sales awaiting settlement	–	1,363
Unrealised currency hedge	–	587
	9,297	19,595

12. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances#	156,245	153,266
Amount held at futures clearing houses and brokers	65,480	78,080
	221,725	231,346

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

13. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	12,109	1,124
Corporation tax payable	12	915
Deferred tax payable	82	25
Purchases awaiting settlement	236	23,500
Payable for hedge fee expense	6	13
Accrued ACD fees	1,390	1,199
Accrued general administration charge (GAC)	138	144
Accrued safe custody fee	212	141
Accrued transaction charges	11	42
	14,196	27,103

Diversified Growth Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

15. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

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

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 0.54%).

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

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

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	129,584	55,377	(24,117)	–	160,844
'A' Class (Income shares)	394,453	29,012	(72,444)	(2,027)	348,994
'I' Class (Accumulation shares)	1,173,170,825	302,225,005	(200,498,340)	(2,012)	1,274,895,478
'I' Class (Income shares)	249,516,462	133,554,980	(6,891,705)	2,252	376,181,989
'J' Class (Accumulation shares)	363,385	121,436	(52,145)	2,272	434,948
'R' Class (Accumulation shares)	6,250	627	–	–	6,877
'S' Class (Accumulation shares)	105,061,242	32,437,374	(6,919,612)	–	130,579,004
S' Class (EUR Hedged Accumulation shares)	50,613,598	81,202	(50,694,800)	–	–

18. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Australian Dollar	(10,136)	13,124
Brazilian Real	2,874	30,160
Canadian Dollar	(7,914)	82,483
Colombian Peso	–	49,420
Czech Koruna	(23)	(1,330)
Danish Krone	9,680	2,044
Euro	(84,309)	(111,648)
Hong Kong Dollar	3,365	(61)
Hungarian Forint	(5,876)	9
Indian Rupee	116,360	110,622
Indonesian Rupiah	30,792	7,280
Israeli Sheqel	(530)	356
Japanese Yen	566,963	8,322
Malaysian Ringgit	–	42
Mexican Peso	4,026	46,985
New Zealand Dollar	13	1,717
Norwegian Krone	98,074	20,155
Polish Zloty	1	3,766
Romanian Leu	–	334
Russian Ruble	47,469	29,229
Singapore Dollar	–	2,416
South African Rand	–	16,129
South Korean Won	–	(60,202)
Sterling	2,145,906	1,825,733
Swedish Krona	64,252	202,085
Swiss Franc	(259,300)	4,727
Taiwan Dollar	–	(95,196)
Thai Baht	–	–
Turkish Lira	1	62,786
US Dollar	(308,709)	(119,156)
Total	2,412,979	2,132,331

The currency exposure included in the above table that was exclusive to the currency hedge share classes at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Euro	–	53,111
Sterling	–	(52,524)
Total	–	587

Diversified Growth Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

Interest rate risk profile of financial assets and liabilities as at 31 May 2018 was as follows:

Currency	Floating rate financial assets 31.05.18 £'000	Fixed rate financial assets 31.05.18 £'000	Financial assets not carrying interest 31.05.18 £'000	Total 31.05.18 £'000
Australian Dollar	275	–	(10,411)	(10,136)
Brazilian Real	–	–	2,874	2,874
Canadian Dollar	746	–	(8,660)	(7,914)
Czech Koruna	–	–	(23)	(23)
Danish Krone	112	–	9,568	9,680
Euro	21,806	20,085	(126,200)	(84,309)
Hong Kong Dollar	5,108	–	(1,743)	3,365
Hungarian Forint	–	–	(5,876)	(5,876)
Indian Rupee	–	–	116,360	116,360
Indonesian Rupiah	–	31,207	(415)	30,792
Israeli Sheqel	2	–	(532)	(530)
Japanese Yen	1,183	–	565,780	566,963
Mexican Peso	–	–	4,026	4,026
New Zealand Dollar	8	–	5	13
Norwegian Krone	–	–	98,074	98,074
Polish Zloty	1	–	–	1
Russian Ruble	–	–	47,469	47,469
Sterling	165,975	781,515	1,198,416	2,145,906
Swedish Krona	1	–	64,251	64,252
Swiss Franc	5	–	(259,305)	(259,300)
Turkish Lira	1	–	–	1
US Dollar	26,364	354,598	(689,671)	(308,709)
Total	221,587	1,187,405	1,003,987	2,412,979

Interest rate risk profile of financial assets and liabilities as at 31 May 2017 was as follows:

Currency	Floating rate financial assets 31.05.17 £'000	Fixed rate financial assets 31.05.17 £'000	Financial assets not carrying interest 31.05.17 £'000	Total 31.05.17 £'000
Australian Dollar	(831)	–	13,955	13,124
Brazilian Real	199	93,651	(63,690)	30,160
Canadian Dollar	4,242	–	78,241	82,483
Colombian Peso	–	–	49,420	49,420
Czech Koruna	285	–	(1,615)	(1,330)
Danish Krone	–	–	2,044	2,044
Euro	(11,219)	25,572	(126,001)	(111,648)
Hong Kong Dollar	50	–	(111)	(61)
Hungarian Forint	–	77,837	(77,828)	9
Indian Rupee	–	–	110,622	110,622
Indonesian Rupiah	–	43,981	(36,701)	7,280
Israeli Sheqel	356	–	–	356
Japanese Yen	12,315	–	(3,993)	8,322
Malaysian Ringgit	–	–	42	42
Mexican Peso	–	50,024	(3,039)	46,985
New Zealand Dollar	33	–	1,684	1,717
Norwegian Krone	581	–	19,574	20,155
Polish Zloty	1	–	3,765	3,766
Romanian Leu	–	61,200	(60,866)	334
Russian Ruble	–	–	29,229	29,229
Singapore Dollar	2,395	–	21	2,416
South African Rand	387	45,385	(29,643)	16,129
South Korean Won	6,130	–	(66,332)	(60,202)
Sterling	185,012	562,845	1,077,876	1,825,733
Swedish Krona	–	–	202,085	202,085
Swiss Franc	3	40,064	(35,340)	4,727
Taiwan Dollar	–	–	(95,196)	(95,196)
Turkish Lira	2	31,166	31,618	62,786
US Dollar	1,339	137,501	(257,996)	(119,156)
Total	201,280	1,169,226	761,825	2,132,331

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2018 was as follows:

(a) Forwards

Counterparty	Market Value	
	31.05.18 £'000	31.05.17 £'000
Citibank	(29,828)	4,736
Goldman Sachs	(6,949)	8,656
HSBC	(4,316)	427
JP Morgan	(7,005)	3,868
Standard Chartered	(6,350)	(303)
State Street	–	23
Total	(54,448)	17,407

(b) Futures

Counterparty	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £'000
	31.05.17 £'000	31.05.17 £'000
Goldman Sachs	(9,210)	984,660
Total	(9,210)	984,660

Counterparty	Market Value 31.05.17 £'000	Value of exposure 31.05.17 £'000
	31.05.17 £'000	31.05.17 £'000
Goldman Sachs	(1,209)	3,138,978
Total	(1,209)	3,138,978

Diversified Growth Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

20. Fair value#

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	1,660,598	(10,737)	1,007,079	(7,793)
Level 2	667,796	(116,030)	1,003,971	(74,184)
Level 3	–	–	–	–
Total fair value	2,328,394	(126,767)	2,011,050	(81,977)

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

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

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

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

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

Diversified Growth Fund

Distribution Table

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 - Shares purchased before 1 June 2017

Group 2 - Shares purchased between 1 June 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	0.6988	–	0.6988	1.1037
Group 2	0.4790	0.2198	0.6988	1.1037
'A' Class (Income shares)				
Group 1	0.7504	–	0.7504	1.2708
Group 2	0.4737	0.2767	0.7504	1.2708
'I' Class (Accumulation shares)				
Group 1	1.5495	–	1.5495	1.9617
Group 2	0.7622	0.7873	1.5495	1.9617
'I' Class (Income shares)				
Group 1	1.4545	–	1.4545	1.8742
Group 2	0.6317	0.8228	1.4545	1.8742
'J' Class (Accumulation shares)				
Group 1	1.4705	–	1.4705	1.8250
Group 2	0.7905	0.6800	1.4705	1.8250
'R' Class (Accumulation shares)				
Group 1	1.2226	–	1.2226	1.6083
Group 2	0.1029	1.1197	1.2226	1.6083
'S' Class (Accumulation shares)				
Group 1	3.0895	–	3.0895	3.5361
Group 2	1.3598	1.7297	3.0895	3.5361
	Net Income Euro cent	Equalisation Euro cent	Distribution payable 31.07.18 Euro cent	Distribution paid 31.07.17 Euro cent
S' Class (EUR Hedged Accumulation shares)⁽¹⁾				
Group 1	–	–	–	2.3408
Group 2	–	–	–	2.3408

(1) Closed 17 October 2017.

Equalisation

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

Emerging Markets Blended Debt Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital (losses)/gains	4		(7,231)		4,760
Revenue	6	7,005		2,221	
Expenses	7	(863)		(171)	
Interest payable and similar charges	8	(13)		(2)	
Net revenue before taxation		6,129		2,048	
Taxation	9	(138)		(39)	
Net revenue after taxation			5,991		2,009
Total return before distributions			(1,240)		6,769
Distributions	10		(6,103)		(2,044)
Change in net assets attributable to shareholders from investment activities			(7,343)		4,725

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		93,748		21,551
Amounts receivable on creation of shares	22,601		81,090	
Amounts payable on cancellation of shares	(2,289)		(16,009)	
		20,312		65,081
Dilution adjustment		20		131
Change in net assets attributable to shareholders from investment activities		(7,343)		4,725
Retained distributions on accumulation shares		5,371		2,260
Closing net assets attributable to shareholders		112,108		93,748

Notes to the financial statements are on pages 143 to 150.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets			103,241		91,796
Current assets					
Debtors	11	4,229		2,043	
Cash and bank balances	12	10,390		1,670	
Total other assets			14,619		3,713
Total assets			117,860		95,509
LIABILITIES					
Investment liabilities			4,674		938
Creditors					
Bank overdrafts		147		54	
Distribution payable		252		144	
Other creditors	13	679		625	
Total other liabilities			1,078		823
Total liabilities			5,752		1,761
Net assets attributable to shareholders			112,108		93,748

Notes to the financial statements are on pages 143 to 150.

Emerging Markets Blended Debt Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital (losses)/gains

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

	31.05.18 £'000	31.05.17 £'000
Gains/(losses) on foreign exchange	487	(403)
Derivatives contracts	1,173	(837)
Forward currency contracts	(475)	1,246
Non-derivative securities	(8,395)	4,776
Transaction charges	(21)	(22)
Net capital (losses)/gains	(7,231)	4,760

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Equities	–	129	25	–
Bonds	109,009	87,596	95,925	25,271
Collective Investment Schemes	–	–	1,503	208
Swaps	44,968	27,940	44,629	27,113
Treasury Bills	7,986	2,706	4,836	–
Commercial Papers	2,162	–	1,927	–
Futures*	–	–	–	–
Trades excluding transaction costs	164,125	118,371	148,845	52,592
Commissions				
Equities	–	–	–	–
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Futures*	–	–	–	–
Total commissions	–	–	–	–
Taxes				
Equities	–	–	–	–
Bonds	–	–	(20)	–
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Futures*	–	–	–	–
Total taxes	–	–	(20)	–
Total costs	–	–	(20)	–
Net trades in the year after transaction costs	164,125	118,371	148,825	52,592

Emerging Markets Blended Debt Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18	31.05.17	31.05.18	31.05.17
	%	%	%	%
Commissions				
Equities	–	–	–	–
Bonds	–	–	–	–
Collective Investment Schemes	–	–	–	–
Swaps	–	–	–	–
Treasury Bills	–	–	–	–
Commercial Papers	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	–	–	–	–
Bonds	–	–	0.02	–
Collective Investment Schemes	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Commercial Papers	–	–	–	–
Cash Collateral	–	–	–	–
Futures*	–	–	–	–

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

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

	31.05.18	31.05.17
	%	%
Commissions	0.00	0.00
Taxes	0.02	0.00
Total costs	0.02	0.00

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.48% (31.05.17: 0.45%).

6. Revenue

	31.05.18	31.05.17
	£'000	£'000
Bank interest	124	7
Interest on debt securities	6,652	2,023
Interest on total return swaps	66	75
Offshore distribution taxable from collective investment schemes	150	110
Margin interest	13	6
Total revenue	7,005	2,221

7. Expenses

	31.05.18	31.05.17
	£'000	£'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	736	130
General administration charge (GAC)	79	27
	815	157
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	44	13
	44	13
Other expenses:		
VAT refund	(7)	–
Out of pocket expenses	–	1
Collateral interest fee	11	–
	4	1
Total expenses	863	171

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

The audit fee for the year is £12,000 (31.05.17: £12,000).

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

8. Interest payable and similar charges

	31.05.18 £'000	31.05.17 £'000
Interest	12	1
Margin Interest	1	1
Total interest payable and similar charges	13	2

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

	31.05.18 £'000	31.05.17 £'000
Overseas tax	138	39
Current tax charge	138	39
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	138	39

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	6,129	2,048
Corporation tax of 20%	1,226	410
Effects of:		
Overseas tax	138	39
Tax deductible interest distributions	(1,221)	(409)
Double taxation relief	(5)	(1)
Total tax charge (note 9(a))	138	39

(c) Provision for deferred taxation:

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

10. Distributions

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

	31.05.18 £'000	31.05.17 £'000
First quarter	1,584	391
Second quarter	1,401	338
Third quarter	1,702	456
Final	1,582	1,381
Income tax withheld at source	–	37
	6,269	2,603
Add: Equalisation deducted on cancellation of shares	21	163
Less: Equalisation received on creation of shares	(187)	(722)
Net distribution for the year	6,103	2,044

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	5,991	2,009
Amounts charged to capital:		
ACD fee	98	29
General administration charge (GAC)	10	3
Safe custody fee	5	2
Collateral charge	–	1
Net movement in revenue account	(1)	–
Net distribution for the year	6,103	2,044

Emerging Markets Blended Debt Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

11. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued bond interest	1,711	1,558
Accrued dividends and bank interest	21	19
Amounts receivable for creation of shares	89	463
Overseas tax recoverable	–	3
Sales awaiting settlement	2,408	–
	4,229	2,043

12. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances	10,138	1,399
Amount held at futures clearing houses and brokers	252	271
	10,390	1,670

13. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	55	10
Purchases awaiting settlement	531	530
Payable for capital gains tax	–	12
Accrued ACD fees	65	52
Accrued general administration charge (GAC)	6	6
Accrued safe custody fee	18	7
Accrued transaction charges	4	8
	679	625

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

15. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

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

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 0.24%).

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

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

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
A' Class (Accumulation shares)	146,981	51,627	(25,082)	(63,289)	110,237
A' Class (Income-2 shares)	94,354	21	(64)	–	94,311
I' Class (Accumulation shares)	55,512,863	8,259,408	(595,931)	55,125	63,231,465
I' Class (Income-2 shares)	8,266,658	7,115,580	(343,571)	–	15,038,667
J' Class (Accumulation shares)	335,793	272,006	(147,743)	–	460,056
J' Class (Income-2 shares)	296,429	1,831,838	(199,183)	–	1,929,084
R' Class (Accumulation shares)	6,358	–	–	–	6,358
R' Class (Income-2 shares)	7,131	486	–	–	7,617
'S' Class (Accumulation shares)	6,786,145	1,687,142	(551,452)	–	7,921,835

18. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Argentine Peso	1,907	587
Brazilian Real	2,115	4,789
Canadian Dollar	(20)	(13)
Chilean Peso	1,397	3,881
Chinese Yuan	–	(5,122)
Chinese Yuan (Offshore)	–	(491)
Colombian Peso	7,861	5,505
Czech Koruna	4,066	3,231
Egyptian Pound	4,344	2,735
Euro	(934)	931
Hungarian Forint	(1,415)	(150)
Indian Rupee	(5,707)	2,214
Indonesian Rupiah	5,614	6,630
Israeli Sheqel	–	(36)
Malaysian Ringgit	6,833	6,156
Mexican Peso	7,811	2,821
Nigerian Naira	2,353	–
Peruvian Nouveau Sol	1,380	3,288
Philippine Peso	(5,749)	1,287
Polish Zloty	6,729	7,510
Romanian Leu	(3,307)	452
Russian Ruble	4,618	1,062
Serbian Dinar	1,148	–
Singapore Dollar	2,831	(4,554)
South African Rand	6,158	3,249
South Korean Won	2,902	(4)
Sterling	65,552	(4)
Taiwan Dollar	(6,706)	4,183
Thai Baht	7,053	3,324
Turkish Lira	4,685	5,657
Uruguayan Peso	967	–
US Dollar	(12,378)	34,630
Total	112,108	93,748

Emerging Markets Blended Debt Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

Interest rate risk profile of financial assets and liabilities as at 31 May 2018 was as follows:

Currency	Floating rate financial assets 31.05.18 £'000	Fixed rate financial assets 31.05.18 £'000	Financial assets not carrying interest 31.05.18 £'000	Total 31.05.18 £'000
Argentine Peso	–	–	1,907	1,907
Brazilian Real	1	7,082	(4,968)	2,115
Canadian Dollar	–	–	(20)	(20)
Chilean Peso	–	–	1,397	1,397
Colombian Peso	1	6,299	1,561	7,861
Czech Koruna	–	492	3,574	4,066
Egyptian Pound	–	4,344	–	4,344
Euro	(20)	923	(1,837)	(934)
Hungarian Forint	–	–	(1,415)	(1,415)
Indian Rupee	–	–	(5,707)	(5,707)
Indonesian Rupiah	–	3,449	2,165	5,614
Malaysian Ringgit	68	5,408	1,357	6,833
Mexican Peso	–	4,252	3,559	7,811
Nigerian Naira	–	2,353	–	2,353
Peruvian Nouveau Sol	–	1,353	27	1,380
Philippine Peso	–	–	(5,749)	(5,749)
Polish Zloty	1	2,520	4,208	6,729
Romanian Leu	62	–	(3,369)	(3,307)
Russian Ruble	–	1,941	2,677	4,618
Serbian Dinar	–	1,129	19	1,148
Singapore Dollar	4	–	2,827	2,831
South African Rand	74	8,319	(2,235)	6,158
South Korean Won	–	–	2,902	2,902
Sterling	9,576	582	55,394	65,552
Taiwan Dollar	–	–	(6,706)	(6,706)
Thai Baht	–	–	7,053	7,053
Turkish Lira	12	–	4,673	4,685
Uruguayan Peso	–	950	17	967
US Dollar	467	45,663	(58,508)	(12,378)
Total	10,246	97,060	4,802	112,108

Interest rate risk profile of financial assets and liabilities as at 31 May 2017 was as follows:

Currency	Floating rate financial assets 31.05.17 £'000	Fixed rate financial assets 31.05.17 £'000	Financial assets not carrying interest 31.05.17 £'000	Total 31.05.17 £'000
Argentine Peso	–	1,939	(1,352)	587
Brazilian Real	1	8,145	(3,357)	4,789
Canadian Dollar	–	–	(13)	(13)
Chilean Peso	–	400	3,481	3,881
Chinese Yuan	–	–	(491)	(491)
Chinese Yuan (Offshore)	–	–	(5,122)	(5,122)
Colombian Peso	1	2,823	2,681	5,505
Czech Koruna	13	–	3,218	3,231
Egyptian Pound	–	2,735	–	2,735
Euro	(15)	858	88	931
Hungarian Forint	–	–	(150)	(150)
Indian Rupee	–	–	2,214	2,214
Indonesian Rupiah	–	3,521	3,109	6,630
Israeli Sheqel	3	–	(39)	(36)
Malaysian Ringgit	33	6,097	26	6,156
Mexican Peso	–	6,511	(3,690)	2,821
Peruvian Nouveau Sol	–	986	2,302	3,288
Philippine Peso	–	–	1,287	1,287
Polish Zloty	2	3,331	4,177	7,510
Romanian Leu	2	3,133	(2,683)	452
Russian Ruble	–	2,738	(1,676)	1,062
Singapore Dollar	4	–	(4,558)	(4,554)
South African Rand	149	3,240	(140)	3,249
South Korean Won	96	–	(100)	(4)
Sterling	37	590	(631)	(4)
Taiwan Dollar	–	–	4,183	4,183
Thai Baht	–	–	3,324	3,324
Turkish Lira	1	3,431	2,225	5,657
US Dollar	1,288	36,283	(2,941)	34,630
Total	1,615	86,761	5,372	93,748

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2018 was as follows:

(a) Swaps

Counterparty	Value of collateral	
	31.05.18 £'000	31.05.17 £'000
Citibank	527	596
Deutsche Bank	203	226
Goldman Sachs	79	(99)
JP Morgan	–	(18)
Standard Chartered	1,037	813
Total	1,846	1,518

(b) Forwards

Counterparty	Market Value	
	31.05.18 £'000	31.05.17 £'000
Citibank	158	42
Goldman Sachs	(391)	209
HSBC	(492)	66
JP Morgan	108	201
Standard Chartered	(77)	20
UBS	–	(2)
Total	(694)	536

Emerging Markets Blended Debt Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

(c) Futures

	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £'000
Counterparty		
Goldman Sachs	(42)	11,039
Total	(42)	11,039

	Market Value 31.05.17 £'000	Value of exposure 31.05.17 £'000
Counterparty		
Goldman Sachs	11	4,712
Total	11	4,712

20. Fair value

	31.05.18		31.05.17	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	6,302	(43)	40	(4)
Level 2	96,939	(4,631)	91,756	(934)
Level 3	—	—	—	—
Total fair value	103,241	(4,674)	91,796	(938)

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

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

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

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

Emerging Markets Blended Debt Fund

Distribution Tables

For the year ended 31 May 2018

Interim distribution paid 31 October 2017

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June and 31 August 2017

	Net Income pence	Equalisation pence	Distribution paid 31.10.17 pence	Distribution paid 31.10.16 pence
'A' Class (Accumulation shares)				
Group 1	1.4935	–	1.4935	1.1128
Group 2	0.9751	0.5184	1.4935	1.1128
'A' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	1.4416
Group 2	n/a	n/a	n/a	1.4416
'A' Class (Income-2 shares)				
Group 1	1.5899	–	1.5899	1.2423
Group 2	0.5222	1.0677	1.5899	1.2423
'I' Class (Accumulation shares)				
Group 1	1.9654	–	1.9654	1.4492
Group 2	0.8003	1.1651	1.9654	1.4492
'I' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	1.7019
Group 2	n/a	n/a	n/a	1.7019
'I' Class (Income-2 shares)				
Group 1	1.6487	–	1.6487	1.2795
Group 2	0.9172	0.7315	1.6487	1.2795
'J' Class (Accumulation shares)				
Group 1	1.9051	–	1.9051	1.4026
Group 2	1.5549	0.3502	1.9051	1.4026
'J' Class (Income-2 shares)				
Group 1	1.8010	–	1.8010	1.3953
Group 2	0.7289	1.0721	1.8010	1.3953
'R' Class (Accumulation shares)				
Group 1	1.6650	–	1.6650	1.2243
Group 2	1.6650	–	1.6650	1.2243
'R' Class (Income-2 shares)				
Group 1	1.6173	–	1.6173	1.2567
Group 2	0.5681	1.0492	1.6173	1.2567
'S' Class (Accumulation shares)				
Group 1	2.1804	–	2.1804	1.9764
Group 2	1.2202	0.9602	2.1804	1.9764

Emerging Markets Blended Debt Fund continued

Distribution Tables

For the year ended 31 May 2018

Interim distribution paid 31 January 2018

Group 1 – Shares purchased before 1 September 2017

Group 2 – Shares purchased between 1 September and 30 November 2017

	Net Income pence	Equalisation pence	Distribution paid 31.01.18 pence	Distribution paid 31.01.17 pence
'A' Class (Accumulation shares)				
Group 1	1.2299	–	1.2299	0.8620
Group 2	0.8533	0.3766	1.2299	0.8620
'A' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	1.1330
Group 2	n/a	n/a	n/a	1.1330
'A' Class (Income-2 shares)				
Group 1	1.3490	–	1.3490	1.0346
Group 2	1.3490	–	1.3490	1.0346
'I' Class (Accumulation shares)				
Group 1	1.6665	–	1.6665	1.1760
Group 2	0.8515	0.8150	1.6665	1.1760
'I' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	1.3856
Group 2	n/a	n/a	n/a	1.3856
'I' Class (Income-2 shares)				
Group 1	1.4000	–	1.4000	1.0679
Group 2	0.5972	0.8028	1.4000	1.0679
'J' Class (Accumulation shares)				
Group 1	1.6193	–	1.6193	1.1441
Group 2	0.7293	0.8900	1.6193	1.1441
'J' Class (Income-2 shares)				
Group 1	1.5298	–	1.5298	1.1654
Group 2	0.6603	0.8695	1.5298	1.1654
'R' Class (Accumulation shares)				
Group 1	1.4061	–	1.4061	0.9851
Group 2	1.4061	–	1.4061	0.9851
'R' Class (Income-2 shares)				
Group 1	1.3916	–	1.3916	1.0456
Group 2	0.3917	0.9999	1.3916	1.0456
'S' Class (Accumulation shares)				
Group 1	1.8871	–	1.8871	1.6668
Group 2	0.9231	0.9640	1.8871	1.6668

Distribution Tables

For the year ended 31 May 2018

Interim distribution paid 30 April 2018

Group 1 – Shares purchased before 1 December 2017

Group 2 – Shares purchased between 1 December 2017 and 28 February 2018

	Net Income pence	Equalisation pence	Distribution paid 30.04.18 pence	Distribution paid 30.04.17 pence
'A' Class (Accumulation shares)				
Group 1	1.5310	–	1.5310	1.4404
Group 2	0.8139	0.7171	1.5310	1.4404
'A' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	1.5055
Group 2	n/a	n/a	n/a	1.5055
'A' Class (Income-2 shares)				
Group 1	1.5570	–	1.5570	1.5699
Group 2	1.5570	–	1.5570	1.5699
'I' Class (Accumulation shares)				
Group 1	2.0028	–	2.0028	1.8804
Group 2	1.0142	0.9886	2.0028	1.8804
'I' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	1.7693
Group 2	n/a	n/a	n/a	1.7693
'I' Class (Income-2 shares)				
Group 1	1.6185	–	1.6185	1.6239
Group 2	0.7577	0.8608	1.6185	1.6239
'J' Class (Accumulation shares)				
Group 1	1.9409	–	1.9409	1.8235
Group 2	0.7732	1.1677	1.9409	1.8235
'J' Class (Income-2 shares)				
Group 1	1.7690	–	1.7690	1.7701
Group 2	0.8548	0.9142	1.7690	1.7701
'R' Class (Accumulation shares)				
Group 1	1.7111	–	1.7111	1.5892
Group 2	1.7111	–	1.7111	1.5892
'R' Class (Income-2 shares)				
Group 1	1.5862	–	1.5862	1.5816
Group 2	0.4543	1.1319	1.5862	1.5816
'S' Class (Accumulation shares)				
Group 1	2.2148	–	2.2148	2.0808
Group 2	1.1063	1.1085	2.2148	2.0808

Emerging Markets Blended Debt Fund continued

Distribution Tables

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 March 2018

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

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	1.3728	–	1.3728	1.4723
Group 2	0.8139	0.5589	1.3728	1.4723
'A' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
'A' Class (Income-2 shares)				
Group 1	1.4025	–	1.4025	1.5869
Group 2	1.4025	–	1.4025	1.5869
'I' Class (Accumulation shares)				
Group 1	1.8308	–	1.8308	1.9555
Group 2	0.8652	0.9656	1.8308	1.9555
'I' Class (Accumulation shares)⁽¹⁾				
Group 1	n/a	–	n/a	n/a
Group 2	n/a	n/a	n/a	n/a
'I' Class (Income-2 shares)				
Group 1	1.4629	–	1.4629	1.6521
Group 2	0.6729	0.7900	1.4629	1.6521
'J' Class (Accumulation shares)				
Group 1	1.7759	–	1.7759	1.8707
Group 2	0.7519	1.0240	1.7759	1.8707
'J' Class (Income-2 shares)				
Group 1	1.6000	–	1.6000	1.7931
Group 2	0.7612	0.8388	1.6000	1.7931
'R' Class (Accumulation shares)				
Group 1	1.5522	–	1.5522	1.6296
Group 2	1.5522	–	1.5522	1.6296
'R' Class (Income-2 shares)				
Group 1	1.4309	–	1.4309	1.6130
Group 2	0.5562	0.8747	1.4309	1.6130
'S' Class (Accumulation shares)				
Group 1	2.0530	–	2.0530	2.1052
Group 2	0.6590	1.3940	2.0530	2.1052

(1) Closed 9 April 2017.

Equalisation

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

Emerging Markets Equity Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital gains	4		17,194		48,794
Revenue	6	4,378		3,857	
Expenses	7	(1,688)		(1,441)	
Interest payable and similar charges		(1)		(2)	
Net revenue before taxation		2,689		2,414	
Taxation	8	(361)		(376)	
Net revenue after taxation			2,328		2,038
Total return before distribution			19,522		50,832
Distribution	9		(2,328)		(2,038)
Change in net assets attributable to shareholders from investment activities			17,194		48,794

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		161,934		120,552
Amounts receivable on creation of shares	22,062		5,725	
Amounts payable on cancellation of shares	(33,452)		(15,132)	
		(11,390)		(9,407)
Dilution adjustment		55		–
Change in net assets attributable to shareholders from investment activities		17,194		48,794
Retained distributions on accumulation shares		2,179		1,995
Closing net assets attributable to shareholders		169,972		161,934

Notes to the financial statements are on pages 156 to 159.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets			163,847		156,792
Current assets					
Debtors	10	754		370	
Cash and bank balances	11	6,690		5,205	
Total other assets			7,444		5,575
Total assets			171,291		162,367
LIABILITIES					
Creditors					
Other creditors	12	1,319		433	
Total other liabilities			1,319		433
Total liabilities			1,319		433
Net assets attributable to shareholders			169,972		161,934

Notes to the financial statements are on pages 156 to 159.

Emerging Markets Equity Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital gains

The net capital gains during the year comprise:

	31.05.18 £'000	31.05.17 £'000
Losses on foreign exchange	(167)	(80)
Non-derivative securities	17,416	48,927
Transaction charges	(55)	(53)
Net capital gains	17,194	48,794

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Equities	88,573	73,762	98,640	84,267
Trades excluding transaction costs	88,573	73,762	98,640	84,267
Commissions				
Equities	62	76	(72)	(90)
Taxes				
Equities	46	29	(88)	(104)
Total costs	108	105	(160)	(194)
Net trades in the year after transaction costs	88,681	73,867	98,480	84,073

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18 %	31.05.17 %	31.05.18 %	31.05.17 %
Commissions				
Equities	0.07	0.10	0.07	0.11
Taxes				
Equities	0.05	0.04	0.09	0.12

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

	31.05.18 %	31.05.17 %
Commissions	0.08	0.11
Taxes	0.08	0.09
Total costs	0.16	0.20

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.18% (31.05.17: 0.17%).

6. Revenue

	31.05.18 £'000	31.05.17 £'000
Bank interest	9	2
Overseas dividends	4,086	3,786
UK dividends	283	69
Total revenue	4,378	3,857

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	1,432	1,138
General administration charge (GAC)	125	117
	1,557	1,255
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	130	170
	130	170
Other expenses:		
DTC fees	1	1
VAT refund	(11)	–
Out of pocket expenses	3	2
ADR fees	8	13
	1	16
Total expenses	1,688	1,441

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

The audit fee for the year is £8,000 (31.05.17: £8,000).

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

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

	31.05.18 £'000	31.05.17 £'000
Overseas tax	361	376
Current tax charge	361	376
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	361	376

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	2,689	2,414
Corporation tax of 20%	538	483
Effects of:		
Movement in excess management expenses	272	227
Overseas tax	361	376
Revenue not subject to taxation	(801)	(701)
Overseas tax expensed	(9)	(9)
Total tax charge (note 8(a))	361	376

(c) Provision for deferred taxation:

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

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £875,000 (2017: £603,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Emerging Markets Equity Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

9. Distribution

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

	31.05.18 £'000	31.05.17 £'000
Final	2,179	1,995
Add: Equalisation deducted on cancellation of shares	293	87
Less: Equalisation received on creation of shares	(144)	(44)
Net distribution for the year	2,328	2,038

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	2,328	2,038
Net distribution for the year	2,328	2,038

10. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued dividends and bank interest	401	280
Amounts receivable for creation of shares	296	88
Overseas tax recoverable	5	2
Sales awaiting settlement	52	–
	754	370

11. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances	6,690	5,205
	6,690	5,205

12. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	75	220
Purchases awaiting settlement	1,026	–
Accrued ACD fees	130	103
Accrued general administration charge (GAC)	10	11
Accrued safe custody fee	62	77
Accrued transaction charges	16	22
	1,319	433

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

14. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 1.49%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

'A' Shares	1.75%
'I' Shares	0.90%
'R' Shares	1.25%
'S' Shares	0.00%

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	406,204	214,678	(41,472)	(6,360)	573,050
'I' Class (Accumulation shares)	97,193,685	13,976,576	(4,596,658)	6,121	106,579,724
'R' Class (Accumulation shares)	136,522	5,210	(94,595)	–	47,137
'S' Class (Accumulation shares)	16,460,879	82,953	(15,851,471)	–	692,361

17. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Brazilian Real	8,987	2,670
Czech Koruna	–	942
Danish Krone	–	2
Euro	2,390	2,464
Hong Kong Dollar	52,620	38,007
Hungarian Forint	1,845	2,272
Indian Rupee	10,029	8,703
Indonesian Rupiah	1,668	4,963
Malaysian Ringgit	1,525	994
Mexican Peso	4,924	2,854
New Taiwan Dollar	5,131	6,840
Polish Zloty	1,118	1,350
Russian Ruble	–	611
Qatari Rial	–	2,139
South African Rand	3,413	4,024
South Korean Won	15,768	22,030
Sterling	11,060	9,057
Swiss Franc	1,418	–
Thailand Baht	3,145	3,301
Turkish Lira	2,011	3,319
UAE Dirham	4,315	3,420
US Dollar	38,605	41,972
Total	169,972	161,934

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

18. Fair value

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	163,847	–	156,792	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	163,847	–	156,792	–

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

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

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

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

Emerging Markets Equity Fund

Distribution Table

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	0.6791	–	0.6791	0.4971
Group 2	0.2593	0.4198	0.6791	0.4971
'I' Class (Accumulation shares)				
Group 1	2.0174	–	2.0174	1.5750
Group 2	1.0208	0.9966	2.0174	1.5750
'R' Class (Accumulation shares)				
Group 1	1.3651	–	1.3651	1.0642
Group 2	0.9180	0.4471	1.3651	1.0642
'S' Class (Accumulation shares)				
Group 1	3.5653	–	3.5653	2.8004
Group 2	0.2559	3.3094	3.5653	2.8004

Equalisation

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

Global Dividend Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital gains	4		689		2,306
Revenue	6	497		434	
Expenses	7	(14)		(14)	
Net revenue before taxation		483		420	
Taxation	8	(40)		(34)	
Net revenue after taxation			443		386
Total return before distributions			1,132		2,692
Distributions	9		(444)		(387)
Change in net assets attributable to shareholders from investment activities			688		2,305

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		13,199		9,011
Amounts receivable on creation of shares	204		1,523	
Amounts payable on cancellation of shares	(1,940)		(43)	
		(1,736)		1,480
Dilution adjustment		1		2
Change in net assets attributable to shareholders from investment activities		688		2,305
Retained distributions on accumulation shares		404		401
Closing net assets attributable to shareholders		12,556		13,199

Notes to the financial statements are on pages 162 to 165

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets			12,724		13,035
Current assets					
Debtors	10	1,109		548	
Cash and bank balances	11	506		132	
Total other assets			1,615		680
Total assets			14,339		13,715
LIABILITIES					
Creditors					
Bank overdrafts		—		228	
Distribution payable		3		2	
Other creditors	12	1,780		286	
Total liabilities			1,783		516
Net assets attributable to shareholders			12,556		13,199

Notes to the financial statements are on pages 162 to 165

Global Dividend Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital gains

The net capital gains during the year comprise:

	31.05.18 £'000	31.05.17 £'000
(Losses)/gains on foreign exchange	(15)	45
Non-derivative securities	710	2,273
Transaction charges	(6)	(12)
Net capital gains	689	2,306

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.18	31.05.17	31.05.18	31.05.17
Equities	5,377	6,325	6,411	4,387
Commissions				
Equities	3	4	(3)	(2)
Taxes				
Equities	6	7	(1)	(1)
Total costs	9	11	(4)	(3)
Net trades in the year after transaction costs	5,386	6,336	6,407	4,384

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18 %	31.05.17 %	31.05.18 %	31.05.17 %
Commissions				
Equities	0.05	0.06	0.05	0.05
Taxes				
Equities	0.11	0.11	0.02	0.02

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

	31.05.18 %	31.05.17 %
Commissions	0.04	0.05
Taxes	0.05	0.07
Total costs	0.09	0.12

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.08% (31.05.17: 0.10%).

6. Revenue

	31.05.18 £'000	31.05.17 £'000
Overseas dividends	402	337
Scrip dividends	–	7
UK dividends	83	83
Property revenue from overseas REITs	12	7
Total revenue	497	434

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	3	2
General administration charge (GAC)	10	9
	13	11
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	4	3
	4	3
Other expenses:		
VAT refund	(3)	–
	(3)	–
Total expenses	14	14

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

The audit fee for the year is £8,000 (31.05.17: £8,000).

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

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

	31.05.18 £'000	31.05.17 £'000
Overseas tax	40	34
Current tax charge	40	34
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	40	34

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	483	420
Corporation tax of 20%	97	84
Effects of:		
Movement in excess management expenses	(1)	–
Overseas tax	40	34
Revenue not subject to taxation	(94)	(84)
Double taxation relief	(2)	–
Total tax charge (note 8(a))	40	34

(c) Provision for deferred taxation:

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

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £0 (2017: £1,101) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Global Dividend Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

9. Distributions

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

	31.05.18 £'000	31.05.17 £'000
Interim	164	161
Final	245	243
	409	404
Add: Equalisation deducted on cancellation of shares	36	–
Less: Equalisation received on creation of shares	(1)	(17)
Net distribution for the year	444	387

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	443	386
ACD fee	1	1
Net distribution for the year	444	387

10. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued dividends and bank interest	49	29
Amounts receivable for creation of shares	–	471
Overseas tax recoverable	14	15
Sales awaiting settlement	1,046	33
	1,109	548

11. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances	506	132
	506	132

12. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	1,776	11
Purchases awaiting settlement	–	271
Accrued general administration charge (GAC)	1	1
Accrued safe custody fee	2	1
Accrued transaction charges	1	2
	1,780	286

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

14. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 98.4%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'S' Shares	0.00%

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	650	776	(776)	–	650
'A' Class (Income-2 shares)	31,198	22	(1,021)	–	30,199
'I' Class (Accumulation shares)	98,388	78,123	(16,529)	–	159,982
'I' Class (Income-2 shares)	36,113	80,284	(11,100)	–	105,297
'J' Class (Accumulation shares) ⁽¹⁾	650	–	(650)	–	–
'J' Class (Income-2 shares) ⁽¹⁾	681	13	(694)	–	–
'S' Class (Accumulation shares)	9,844,639	–	(1,358,854)	–	8,485,785

17. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Australian Dollar	5	5
Canadian Dollar	321	302
Danish Krone	304	301
Euro	1,712	1766
Hong Kong Dollar	693	553
Japanese Yen	598	584
New Taiwan Dollar	367	226
New Zealand Dollar	2	2
Norwegian Krone	173	8
Singapore Dollar	569	382
Sterling	587	3383
South Korean Won	460	335
Swedish Krona	–	290
Swiss Franc	349	187
UAE Dirham	358	327
US Dollar	6,058	4548
Total	12,556	13,199

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

18. Fair value

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	12,724	–	13,035	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	12,724	–	13,035	–

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

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

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

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

Global Dividend Fund

Distribution Tables

For the year ended 31 May 2018

Interim distribution paid 31 January 2018

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June and 30 November 2017

	Net Income pence	Equalisation pence	Distribution paid 31.01.18 pence	Distribution paid 31.01.17 pence
'A' Class (Accumulation shares)				
Group 1	0.6283	–	0.6283	0.8049
Group 2	0.6098	0.0185	0.6283	0.8049
'A' Class (Income-2 shares)				
Group 1	1.5490	–	1.5490	1.6717
Group 2	0.9418	0.6072	1.5490	1.6717
'I' Class (Accumulation shares)				
Group 1	1.1270	–	1.1270	1.2496
Group 2	0.4396	0.6874	1.1270	1.2496
'I' Class (Income-2 shares)				
Group 1	1.5797	–	1.5797	1.6647
Group 2	0.9012	0.6785	1.5797	1.6647
'J' Class (Accumulation shares)⁽¹⁾				
Group 1	–	–	–	1.3246
Group 2	–	–	–	1.3246
'J' Class (Income-2 shares)⁽¹⁾				
Group 1	–	–	–	1.6534
Group 2	–	–	–	1.6534
'S' Class (Accumulation shares)				
Group 1	1.6503	–	1.6503	1.6773
Group 2	1.6503	–	1.6503	1.6773

Distribution Tables

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 December 2017

Group 2 – Shares purchased between 1 December 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	1.7323	–	1.7323	1.3615
Group 2	1.7323	0.0000	1.7323	1.3615
'A' Class (Income-2 shares)				
Group 1	2.5090	–	2.5090	2.2934
Group 2	2.0533	0.4557	2.5090	2.2934
'I' Class (Accumulation shares)				
Group 1	2.2442	–	2.2442	1.9375
Group 2	1.4711	0.7731	2.2442	1.9375
'I' Class (Income-2 shares)				
Group 1	2.5715	–	2.5715	2.3322
Group 2	1.7194	0.8521	2.5715	2.3322
'J' Class (Accumulation shares)⁽¹⁾				
Group 1	–	–	–	2.0446
Group 2	–	–	–	2.0446
'J' Class (Income-2 shares)⁽¹⁾				
Group 1	–	–	–	2.3420
Group 2	–	–	–	2.3420
'S' Class (Accumulation shares)				
Group 1	2.8092	–	2.8092	2.4333
Group 2	2.8092	–	2.8092	2.4333

(1) Closed 31 August 2017.

Equalisation

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

Global Franchise Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital gains	4		1,330		14,732
Revenue	6	1,428		1,637	
Expenses	7	(647)		(623)	
Net revenue before taxation		781		1,014	
Taxation	8	(178)		542	
Net revenue after taxation			603		1,556
Total return before distribution			1,933		16,288
Distribution	9		(604)		(1,556)
Change in net assets attributable to shareholders from investment activities			1,329		14,732

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		69,263		57,340
Amounts receivable on creation of shares	8,036		8,993	
Amounts payable on cancellation of shares	(8,262)		(13,348)	
		(226)		(4,355)
Change in net assets attributable to shareholders from investment activities		1,329		14,732
Retained distributions on accumulation shares		615		1,546
Closing net assets attributable to shareholders		70,981		69,263

Notes to the financial statements are on pages 169 to 172.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets			69,231		67,672
Current assets					
Debtors	10	251		267	
Cash and bank balances	11	2,408		2,521	
Total other assets			2,659		2,788
Total assets			71,890		70,460
LIABILITIES					
Creditors					
Other creditors	12	909		1,197	
Total other liabilities			909		1,197
Net assets attributable to shareholders			70,981		69,263

Notes to the financial statements are on pages 169 to 172.

Global Franchise Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital gains

The net capital gains during the year comprise:

	31.05.18 £'000	31.05.17 £'000
Gains on foreign exchange	–	31
Forward currency contracts	1	–
Non-derivative securities	1,331	14,703
Transaction charges	(2)	(2)
Net capital gains	1,330	14,732

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Equities	8,778	5,664	8,549	8,703
Trades excluding transaction costs	8,778	5,664	8,549	8,703
Commissions				
Equities	4	1	(3)	(4)
Taxes				
Equities	7	3	–	–
Total costs	11	4	(3)	(4)
Net trades in the year after transaction costs	8,789	5,668	8,546	8,699

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18 %	31.05.17 %	31.05.18 %	31.05.17 %
Commissions				
Equities	0.05	0.02	0.04	0.05
Taxes				
Equities	0.08	0.06	–	–

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

	31.05.18 %	31.05.17 %
Commissions	0.01	0.01
Taxes	0.01	–
Total costs	0.02	0.01

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.02% (31.05.17: 0.04%).

6. Revenue

	31.05.18 £'000	31.05.17 £'000
Bank interest	3	1
Overseas dividends	1,060	1,155
UK dividends	365	318
Interest received on historic tax reclaims	–	163
Total revenue	1,428	1,637

Global Franchise Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	590	557
General administration charge (GAC)	50	51
	640	608
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	8	9
	8	9
Other expenses:		
VAT refund	(7)	–
Revenue collection charges	6	4
SEBI Registration fees	–	2
	(1)	6
Total expenses	647	623

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

The audit fee for the year is £8,000 (31.05.17: £8,000).

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

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

	31.05.18 £'000	31.05.17 £'000
Overseas tax	178	(542)
Current tax charge	178	(542)
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	178	(542)

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	781	1,014
Corporation tax of 20%	156	203
Effects of:		
Movement in excess management expenses	129	92
Overseas tax	178	(542)
Revenue not subject to taxation	(285)	(295)
Total tax charge (note 8(a))	178	(542)

(c) Provision for deferred taxation:

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

(d) Factors affecting future tax charge:

The Fund has surplus management expenses that have resulted in an unrecognised deferred asset of £ 559,000 (31.05.17: £430,000). This asset has not been recognised in the financial statements due to the inherent uncertainty of the Fund to generate sufficient taxable net revenue.

9. Distribution

The Distribution takes account of equalisation received on the creation of shares and deducted on the cancellation of shares, and comprise:

	31.05.18 £'000	31.05.17 £'000
Final	615	1,546
Add: Equalisation deducted on cancellation of shares	34	125
Less: Equalisation received on creation of shares	(45)	(115)
Net distribution for the year	604	1,556

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	603	1,556
Equalisation on conversion of shares	1	–
Net distribution for the year	604	1,556

10. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued dividends and bank interest	140	145
Amounts receivable for creation of shares	2	18
Overseas tax recoverable	109	104
	251	267

11. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances	2,408	2,521
	2,408	2,521

12. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	851	153
Purchases awaiting settlement	–	985
Accrued ACD fees	50	50
Accrued general administration charge (GAC)	4	5
Accrued safe custody fee	4	4
	909	1,197

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

14. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 17.12%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

Global Franchise Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

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

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	10,805,238	345,898	(1,222,146)	(242,281)	9,686,709
'I' Class (Accumulation shares)	15,070,023	2,722,510	(2,107,930)	232,919	15,917,522
'R' Class (Accumulation shares)	2,730,981	82,074	(345,855)	–	2,467,200
'S' Class (Accumulation shares)	5,626,854	818,196	(442,438)	–	6,002,612

17. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Euro	2,673	1,470
Japanese Yen	1,502	2,559
Norwegian Krone	1	1
Sterling	10,136	12,182
Swiss Franc	5,288	7,767
US Dollar	51,381	45,284
Total	70,981	69,263

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

18. Fair value

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	69,231	–	67,672	–
Level 2	–	–	–	–
Level 3	–	–	–	–
Total fair value	69,231	–	67,672	–

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

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

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

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

Global Franchise Fund

Distribution Table

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	0.4327	–	0.4327	3.2981
Group 2	0.4107	0.0220	0.4327	3.2981
'I' Class (Accumulation shares)				
Group 1	1.9980	–	1.9980	4.7713
Group 2	1.2284	0.7696	1.9980	4.7713
'R' Class (Accumulation shares)				
Group 1	1.4546	–	1.4546	4.2300
Group 2	1.0031	0.4515	1.4546	4.2300
'S' Class (Accumulation shares)				
Group 1	3.6582	–	3.6582	6.3095
Group 2	0.7229	2.9353	3.6582	6.3095

Equalisation

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

Global Quality Equity Income Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital (losses)/gains	4		(10,235)		5,745
Revenue	6	2,768		1,507	
Expenses	7	(499)		(233)	
Interest payable and similar charges		–		(1)	
Net revenue before taxation		2,269		1,273	
Taxation	8	(197)		(119)	
Net revenue after taxation			2,072		1,154
Total return before distributions			(8,163)		6,899
Distributions	9		(2,562)		(1,372)
Change in net assets attributable to shareholders from investment activities			(10,725)		5,527

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		85,724		686
Amounts receivable on creation of shares	34,560		80,681	
Amounts payable on cancellation of shares	(89,819)		(1,245)	
		(55,259)		79,436
Dilution adjustment		66		45
Change in net assets attributable to shareholders from investment activities		(10,725)		5,527
Retained distributions on accumulation shares		44		30
Closing net assets attributable to shareholders		19,850		85,724

Notes to the financial statements are on pages 175 to 178.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets			19,698		83,877
Current assets					
Debtors	10	225		651	
Cash and bank balances	11	335		2,728	
Total other assets			560		3,379
Total assets			20,258		87,256
LIABILITIES					
Creditors					
Bank overdrafts		–		147	
Distribution payable		292		1,294	
Other creditors	12	116		91	
Total liabilities			408		1,532
Net assets attributable to shareholders			19,850		85,724

Notes to the financial statements are on pages 175 to 178.

Global Quality Equity Income Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital (losses)/gains

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

	31.05.18 £'000	31.05.17 £'000
Losses on foreign exchange	(96)	(165)
Forward currency contracts	(4)	37
Non-derivative securities	(10,129)	5,885
Transaction charges	(6)	(12)
Net capital (losses)/gains	(10,235)	5,745

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Equities	46,627	82,469	100,804	5,268
Trades excluding transaction costs	46,627	82,469	100,804	5,268
Commissions				
Equities	18	28	(33)	(2)
Taxes				
Equities	74	104	(4)	(1)
Total costs	92	132	(37)	(3)
Net trades in the year after transaction costs	46,719	82,601	100,767	5,265

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18 %	31.05.17 %	31.05.18 %	31.05.17 %
Commissions				
Equities	0.04	0.03	0.03	0.03
Taxes				
Equities	0.16	0.13	0.00	0.01

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

	31.05.18 %	31.05.17 %
Commissions	0.06	0.06
Taxes	0.08	0.20
Total costs	0.14	0.26

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.03% (31.05.17: 0.19%).

6. Revenue

	31.05.18 £'000	31.05.17 £'000
Bank interest	6	2
Overseas dividends	1,776	1,011
UK dividends	919	431
Property revenue from overseas REITs	67	63
Total revenue	2,768	1,507

Global Quality Equity Income Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	418	193
General administration charge (GAC)	68	34
	486	227
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	18	6
	18	6
Other expenses:		
VAT refund	(5)	–
	(5)	–
Total expenses	499	233

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

The audit fee for the year is £8,000 (31.05.17: £8,000).

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

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

	31.05.18 £'000	31.05.17 £'000
Overseas tax	197	119
Current tax charge	197	119
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	197	119

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	2,269	1,273
Corporation tax of 20%	454	255
Effects of:		
Movement in excess management expenses	87	34
Overseas tax	197	119
Revenue not subject to taxation	(539)	(289)
Overseas tax expensed	(2)	–
Total tax charge (note 8(a))	197	119

(c) Provision for deferred taxation:

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

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £121,379 (2017: £34,377) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distributions

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

	31.05.18 £'000	31.05.17 £'000
Interim	1,257	359
Final	323	1,314
	1,580	1,673
Add: Equalisation deducted on cancellation of shares	1,168	6
Less: Equalisation received on creation of shares	(186)	(307)
Net distribution for the year	2,562	1,372

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	2,072	1,154
ACD fee	412	190
General administration charge (GAC)	67	33
Safe custody fee	18	6
Tax relief from capital*	(7)	(11)
Net distribution for the year	2,562	1,372

* Tax relief from capital expenses

10. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued dividends and bank interest	56	217
Amounts receivable for creation of shares	22	364
Overseas tax recoverable	147	70
	225	651

11. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances	335	2,728
	335	2,728

12. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	97	46
Accrued ACD fees	8	31
Accrued general administration charge (GAC)	1	6
Accrued safe custody fee	8	4
Accrued transaction charges	2	4
	116	91

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

14. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 0.99%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

Global Quality Equity Income Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

'A' Shares	1.50%
'I' Shares	0.75%
'J' Shares	0.65%
'K' Shares	0.45%
'L' Shares	0.45%
'S' Shares	0.00%

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	4,669	16,469	–	–	21,138
'A' Class (Income-2 shares)	50,566	54,628	(49,555)	–	55,639
'I' Class (Accumulation shares)	294,772	133,267	(194,658)	–	233,381
'I' Class (Income-2 shares)	282,993	501,389	(274,857)	–	509,525
'J' Class (Accumulation shares)	208,825	52,794	(88,903)	–	172,716
'J' Class (Income-2 shares)	263,945	95,199	(97,130)	–	262,014
'K' Class (Income-2 shares)	70,939,464	24,345,677	(91,121,502)	–	4,163,639
'L' Class (Income-2 shares)	6,212,899	6,546,663	(560,400)	–	12,199,162
'L' Class (Accumulation shares) ⁽¹⁾	–	922,800	(8,000)	–	914,800
'S' Class (Accumulation shares)	681,640	–	(25,000)	–	656,640

(1) Launched 14 December 2017

17. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Australian Dollar	216	888
Chinese Yuan	–	737
Chinese Yuan (Offshore)	–	149
Euro	2,126	8,939
Hong Kong Dollar	332	–
Japanese Yen	611	3,008
Sterling	6,026	22,231
Swiss Franc	1,421	10,140
US Dollar	9,118	39,632
Total	19,850	85,724

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

18. Fair value

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	19,698	–	82,993	–
Level 2	–	–	884	–
Level 3	–	–	–	–
Total fair value	19,698	–	83,877	–

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

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

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

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

Global Quality Equity Income Fund

Distribution Tables

For the year ended 31 May 2018

Interim distribution paid 31 January 2018

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June and 30 November 2017

	Net Income pence	Equalisation pence	Distribution paid 31.01.18 pence	Distribution paid 31.01.17 pence
'A' Class (Accumulation shares)				
Group 1	0.3935	–	0.3935	0.3440
Group 2	0.2277	0.1658	0.3935	0.3440
'A' Class (Income-2 shares)				
Group 1	1.3039	–	1.3039	1.2390
Group 2	0.9764	0.3275	1.3039	1.2390
'I' Class (Accumulation shares)				
Group 1	0.8442	–	0.8442	0.7277
Group 2	0.4454	0.3988	0.8442	0.7277
'I' Class (Income-2 shares)				
Group 1	1.3191	–	1.3191	1.2452
Group 2	0.7431	0.5760	1.3191	1.2452
'J' Class (Accumulation shares)				
Group 1	0.9077	–	0.9077	0.8063
Group 2	0.7101	0.1976	0.9077	0.8063
'J' Class (Income-2 shares)				
Group 1	1.3203	–	1.3203	1.2352
Group 2	0.6395	0.6808	1.3203	1.2352
'K' Class (Income-2 shares)				
Group 1	1.1882	–	1.1882	0.8909
Group 2	0.6631	0.5251	1.1882	0.8909
'L' Class (Income-2 shares)				
Group 1	1.1869	–	1.1869	1.1031
Group 2	0.2939	0.8930	1.1869	1.1031
'S' Class (Accumulation shares)				
Group 1	1.3146	–	1.3146	1.1578
Group 2	1.3146	0.0000	1.3146	1.1578

Global Quality Equity Income Fund continued

Distribution Tables

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 December 2017

Group 2 – Shares purchased between 1 December 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	1.0097	–	1.0097	0.9616
Group 2	1.0097	0.0000	1.0097	0.9616
'A' Class (Income-2 shares)				
Group 1	1.8334	–	1.8334	1.8307
Group 2	1.5285	0.3049	1.8334	1.8307
'I' Class (Accumulation shares)				
Group 1	1.4623	–	1.4623	1.3959
Group 2	0.7207	0.7416	1.4623	1.3959
'I' Class (Income-2 shares)				
Group 1	1.8642	–	1.8642	1.8442
Group 2	0.4539	1.4103	1.8642	1.8442
'J' Class (Accumulation shares)				
Group 1	1.5232	–	1.5232	1.4499
Group 2	1.5232	0.0000	1.5232	1.4499
'J' Class (Income-2 shares)				
Group 1	1.8666	–	1.8666	1.8433
Group 2	0.5658	1.3008	1.8666	1.8433
'K' Class (Income-2 shares)				
Group 1	1.6561	–	1.6561	1.6639
Group 2	1.0212	0.6349	1.6561	1.6639
'L' Class (Income-2 shares)				
Group 1	1.6989	–	1.6989	1.6562
Group 2	1.0255	0.6734	1.6989	1.6562
'L' Class (Accumulation shares)				
Group 1	1.3432	–	1.3432	n/a
Group 2	1.3360	0.0072	1.3432	n/a
'S' Class (Accumulation shares)				
Group 1	1.9271	–	1.9271	1.8362
Group 2	1.9271	0.0000	1.9271	1.8362

Equalisation

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

Global Special Situations Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital gains	4		5,697		9,829
Revenue	6	1,155		589	
Expenses	7	(329)		(191)	
Net revenue before taxation		826		398	
Taxation	8	(74)		(42)	
Net revenue after taxation			752		356
Total return before distribution			6,449		10,185
Distribution	9		(752)		(359)
Change in net assets attributable to shareholders from investment activities			5,697		9,826

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		43,696		25,038
Amounts receivable on creation of shares	28,327		15,840	
Amounts payable on cancellation of shares	(21,328)		(7,385)	
		6,999		8,455
Dilution adjustment		36		–
Change in net assets attributable to shareholders from investment activities		5,697		9,826
Retained distributions on accumulation shares		700		377
Closing net assets attributable to shareholders		57,128		43,696

Notes to the financial statements are on pages 182 to 185.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets			53,715		40,791
Current assets					
Debtors	10	203		123	
Cash and bank balances	11	3,977		3,527	
Total other assets			4,180		3,650
Total assets			57,895		44,441
LIABILITIES					
Creditors					
Distribution payable		31		5	
Other creditors	12	736		740	
Total other liabilities			767		745
Total liabilities			767		745
Net assets attributable to shareholders			57,128		43,696

Notes to the financial statements are on pages 182 to 185.

Global Special Situations Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital gains

The net capital gains during the year comprise:

	31.05.18 £'000	31.05.17 £'000
Losses on foreign exchange	(13)	(24)
Forward currency contracts	(9)	–
Non-derivative securities	5,727	9,893
Transaction charges	(8)	(40)
Net capital gains	5,697	9,829

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Equities	44,041	16,358	36,962	10,119
Trades excluding transaction costs	44,041	16,358	36,962	10,119
Commissions				
Equities	23	8	(17)	(6)
Taxes				
Equities	79	29	(2)	–
Total costs	102	37	(19)	(6)
Net trades in the year after transaction costs	44,143	16,395	36,943	10,113

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18 %	31.05.17 %	31.05.18 %	31.05.17 %
Commissions				
Equities	0.05	0.05	0.04	0.06
Taxes				
Equities	0.18	0.18	0.01	–

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

	31.05.18 %	31.05.17 %
Commissions	0.07	0.04
Taxes	0.15	0.08
Total costs	0.22	0.12

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.08% (31.05.17: 0.13%).

6. Revenue

	31.05.18 £'000	31.05.17 £'000
Interest on debt securities	–	2
Overseas dividends	819	463
UK dividends	336	124
Total revenue	1,155	589

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	281	158
General administration charge (GAC)	41	28
	322	186
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	11	5
	11	5
Other expenses:		
VAT refund	(5)	–
Collateral interest fee	1	–
	(4)	–
Total expenses	329	191

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

The audit fee for the year is £9,000 (31.05.17: £9,000).

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

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

	31.05.18 £'000	31.05.17 £'000
Overseas tax	74	42
Current tax charge	74	42
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	74	42

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	826	398
Corporation tax of 20%	165	80
Effects of:		
Movement in excess management expenses	64	38
Overseas tax	74	42
Revenue not subject to taxation	(229)	(118)
Total tax charge (note 8(a))	74	42

(c) Provision for deferred taxation:

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

(d) Factors affecting future tax charge:

The Fund has surplus management expenses that have resulted in an unrecognised deferred asset of £232,000 (31.05.17: £168,000). This asset has not been recognised in the financial statements due to the inherent uncertainty of the Fund to generate sufficient taxable net revenue.

Global Special Situations Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

9. Distribution

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

	31.05.18 £'000	31.05.17 £'000
Final	731	382
Add: Equalisation deducted on cancellation of shares	134	31
Less: Equalisation received on creation of shares	(113)	(54)
Net distribution for the year	752	359

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	752	356
Revenue deficit	–	3
Net distribution for the year	752	359

10. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued dividends and bank interest	166	120
Amounts receivable for creation of shares	32	–
Overseas tax recoverable	5	3
	203	123

11. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances	3,977	3,527
	3,977	3,527

12. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	56	682
Purchases awaiting settlement	639	6
Accrued ACD fees	24	19
Accrued general administration charge (GAC)	3	3
Accrued safe custody fee	5	3
Accrued transaction charges	9	27
	736	740

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

14. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date 42.73% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 50.06%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

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

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	2,198,648	272,686	(329,072)	(16,959)	2,125,303
'A' Class (Income shares)	90,509	–	(12,300)	–	78,209
'I' Class (Accumulation shares)	5,864,744	8,383,782	(6,918,548)	15,791	7,345,769
'I' Class (Income shares)	371,863	1,124,976	(198,653)	–	1,298,186
'R' Class (Accumulation shares)	675	50,766	(1,608)	–	49,833
'S' Class (Accumulation shares)	7,724,580	211,232	(32,898)	–	7,902,914
'S' Class (Income shares) ⁽¹⁾	–	20	–	–	20

(1) Launched 7 July 2017.

17. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Australian Dollar	2,459	2,933
Brazilian Real	958	–
Canadian Dollar	4	4
Euro	1,038	486
Hong Kong Dollar	646	1,409
Japanese Yen	3,163	5,715
New Zealand Dollar	1	1
Norwegian Krone	748	691
Sterling	18,583	13,514
Turkish Lira	1,385	–
UAE Dirham	1,233	–
US Dollar	26,910	18,943
Total	57,128	43,696

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

18. Fair value

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	53,707	–	40,785	–
Level 2	–	–	–	–
Level 3	8	–	6	–
Total fair value	53,715	–	40,791	–

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

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

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

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). Level 3 is made up of Rolls Royce 'C' shares issued as a rights distribution in lieu of a dividend. Given the lack of observable data this security has been priced at the value of the dividend.

Global Special Situations Fund

Distribution Table

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	0.9046	–	0.9046	–
Group 2	0.8095	0.0951	0.9046	–
'A' Class (Income shares)				
Group 1	0.7184	–	0.7184	–
Group 2	0.5025	0.2159	0.7184	–
'I' Class (Accumulation shares)				
Group 1	3.1324	–	3.1324	1.6346
Group 2	2.0800	1.0524	3.1324	1.6346
'I' Class (Income shares)				
Group 1	2.3242	–	2.3242	1.2144
Group 2	1.1798	1.1444	2.3242	1.2144
'R' Class (Accumulation shares)				
Group 1	1.8661	–	1.8661	0.8409
Group 2	0.5566	1.3095	1.8661	0.8409
'S' Class (Accumulation shares)				
Group 1	5.6891	–	5.6891	3.6400
Group 2	0.0529	5.6362	5.6891	3.6400
'S' Class (Income shares)⁽¹⁾				
Group 1	100.1500	–	100.1500	n/a
Group 2	88.3765	11.7735	100.1500	n/a

(1) Launched 7 July 2017.

Equalisation

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

Multi-Asset Protector Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital gains	4		3,895		31,192
Revenue	6	3,973		4,193	
Expenses	7	(3,352)		(3,821)	
Interest payable and similar charges		(8)		(8)	
Net revenue before taxation		613		364	
Taxation	8	(27)		(19)	
Net revenue after taxation			586		345
Total return before distribution			4,481		31,537
Distribution	9		(586)		(386)
Change in net assets attributable to shareholders from investment activities			3,895		31,151

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		224,067		247,874
Amounts receivable on creation of shares	1,595		920	
Amounts payable on cancellation of shares	(42,038)		(56,229)	
		(40,443)		(55,309)
Change in net assets attributable to shareholders from investment activities		3,895		31,151
Retained distributions on accumulation shares		527		351
Closing net assets attributable to shareholders		188,046		224,067

Notes to the financial statements are on pages 188 to 192.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets*			186,264		204,987
Current assets					
Debtors	10	203		6,525	
Cash and bank balances [#]	11	6,256		18,483	
Total other assets			6,459		25,008
Total assets			192,723		229,995
LIABILITIES					
Investment liabilities			3,870		1,083
Creditors					
Bank overdrafts		5		343	
Other creditors	12	802		4,502	
Total other liabilities			807		4,845
Total liabilities			4,677		5,928
Net assets attributable to shareholders			188,046		224,067

Notes to the financial statements are on pages 188 to 192

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

Multi-Asset Protector Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital gains

The net capital gains during the year comprise:

	31.05.18 £'000	31.05.17 £'000
Losses on foreign exchange	(823)	(582)
Forward currency contracts	2,045	(212)
Non-derivative securities	2,679	33,118
Transaction charges	(6)	(7)
Price protection expense	–	(1,125)
Net capital gains	3,895	31,192

5. Purchases, sales and transaction costs

Analysis of total trade costs[#]

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Equities	24,485	18,852	10,281	14,516
Bonds	2,440	53,918	20,530	28,890
Collective Investment Schemes	114,769	179,868	122,885	221,185
Treasury Bills	246,747	275,960	257,463	330,041
Trades excluding transaction costs	388,441	528,598	411,159	594,632
Commissions				
Equities	8	7	(3)	(6)
Bonds	–	–	–	–
Collective Investment Schemes	2	28	(8)	(32)
Treasury Bills	–	–	–	–
Total commissions	10	35	(11)	(38)
Taxes				
Equities	19	10	(1)	–
Bonds	–	–	–	–
Collective Investment Schemes	15	–	–	–
Treasury Bills	–	–	–	–
Total taxes	34	10	(1)	–
Total costs	44	45	(12)	(38)
Net trades in the year after transaction costs	388,485	528,643	411,147	594,594

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

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18	31.05.17	31.05.18	31.05.17
	%	%	%	%
Commissions				
Equities	0.03	0.03	0.03	0.04
Bonds	–	–	–	–
Collective Investment Schemes	–	0.02	0.01	0.01
Treasury Bills	–	–	–	–
Taxes				
Equities	0.08	0.05	(0.01)	–
Bonds	–	–	–	–
Collective Investment Schemes	0.01	–	–	–
Treasury Bills	–	–	–	–

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

	31.05.18	31.05.17
	%	%
Commissions	0.01	0.03
Taxes	0.02	–
Total costs	0.03	0.03

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.07% (31.05.17: 0.05%).

6. Revenue

	31.05.18	31.05.17
	£'000	£'000
Bank interest	28	18
Franked investment income from collective investment schemes	338	418
Interest on debt securities	546	708
Interest distributions from collective investment schemes	259	608
Overseas dividends	592	478
Scrip dividends	–	2
UK dividends	122	149
Offshore distribution taxable from collective investment schemes	964	212
Offshore distribution non-taxable from collective investment schemes	1,123	1,592
ACD's periodic charge rebate	1	8
Total revenue	3,973	4,193

7. Expenses

	31.05.18	31.05.17
	£'000	£'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	3,190	3,624
General administration charge (GAC)	149	189
	3,339	3,813
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	18	7
	18	7
Other expenses:		
VAT refund	(8)	–
Collateral interest fee	3	–
Out of pocket expenses	–	1
	(5)	1
Total expenses	3,352	3,821

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

The audit fee for the year is £8,000 (31.05.17: £8,000).

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

Multi-Asset Protector Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

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

	31.05.18 £'000	31.05.17 £'000
Overseas tax	27	19
Current tax charge	27	19
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	27	19

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	613	364
Corporation tax of 20%	123	73
Effects of:		
Movement in excess management expenses	309	413
Overseas tax	27	19
Revenue not subject to taxation	(432)	(527)
Taxable income taken to capital	–	41
Total tax charge (note 8(a))	27	19

(c) Provision for deferred taxation:

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

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,321,683 (2017: £2,012,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distribution

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

	31.05.18 £'000	31.05.17 £'000
Final	527	351
Add: Equalisation deducted on cancellation of shares	61	36
Less: Equalisation received on creation of shares	(2)	(1)
Net distribution for the year	586	386

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	586	345
Tax provided on gains of taxable offshore funds	–	41
Net distribution for the year	586	386

10. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued bond interest	44	297
Accrued dividends and bank interest	102	95
Amounts due for rebates from underlying funds	4	–
Income tax recoverable	46	46
Overseas tax recoverable	7	4
Sales awaiting settlement	–	6,053
Amounts due for ACD's periodic charge rebate	–	30
	203	6,525

11. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances [#]	6,256	18,483
	6,256	18,483

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

12. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	362	639
Purchases awaiting settlement	–	3,349
Accrued ACD fees	256	305
Accrued general administration charge (GAC)	11	15
Accrued safe custody fee	8	4
Accrued transaction charges	1	2
Payable for pricing protection expense	164	188
	802	4,502

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

14. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

'A' Shares 1.60%

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	130,929,537	929,504	(24,343,865)	–	107,515,176

Multi-Asset Protector Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

17. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Australian Dollar	903	58
Brazilian Real	136	-
Canadian Dollar	302	269
Danish Krone	477	94
Euro	(4,468)	(4,408)
Hong Kong Dollar	196	174
Japanese Yen	298	(5,883)
Mexican Peso	189	4,049
Sterling	147,849	216,968
Swedish Krona	1,278	532
Swiss Franc	283	174
Turkish Lira	-	6,386
US Dollar	40,603	5,654
Total	188,046	224,067

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

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2018 was as follows:

(a) Forwards

Counterparty	Market Value	
	31.05.18 £'000	31.05.17 £'000
Citibank	(93)	(1,022)
Goldman Sachs	(3,411)	58
Total	(3,504)	(964)

19. Fair value*

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	152,518	-	129,811	-
Level 2	33,746	(3,870)	75,176	(1,083)
Level 3	-	-	-	-
Total fair value	186,264	(3,870)	204,987	(1,083)

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

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

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

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

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

Distribution Table

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	0.4906	–	0.4906	0.2685
Group 2	0.2172	0.2734	0.4906	0.2685

Equalisation

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

Multi-Asset Protector Fund 2

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital gains	4		1,147		7,140
Revenue	6	1,273		982	
Expenses	7	(598)		(454)	
Interest payable and similar charges		(2)		(2)	
Net revenue before taxation		673		526	
Taxation	8	(10)		8	
Net revenue after taxation			663		534
Total return before distribution			1,810		7,674
Distribution	9		(663)		(540)
Change in net assets attributable to shareholders from investment activities			1,147		7,134

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		60,881		47,521
Amounts receivable on creation of shares	19,986		11,101	
Amounts payable on cancellation of shares	(2,975)		(5,432)	
		17,011		5,669
Change in net assets attributable to shareholders from investment activities		1,147		7,134
Retained distributions on accumulation shares		753		557
Closing net assets attributable to shareholders		79,792		60,881

Notes to the financial statements are on pages 195 to 199.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets#			76,972		56,430
Current assets					
Debtors	10	535		1,342	
Cash and bank balances#	11	4,021		3,734	
Total other assets			4,556		5,076
Total assets			81,528		61,506
LIABILITIES					
Investment liabilities			1,590		274
Creditors					
Bank overdrafts		–		176	
Other creditors	12	146		175	
Total other liabilities			146		351
Total liabilities			1,736		625
Net assets attributable to shareholders			79,792		60,881

Notes to the financial statements are on pages 195 to 199.

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

Multi-Asset Protector Fund 2

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital gains

The net capital gains during the year comprise:

	31.05.18 £'000	31.05.17 £'000
Gains/(losses) on foreign exchange	130	(95)
Forward currency contracts	261	(56)
Non-derivative securities	1,094	7,555
Transaction charges	(7)	(5)
Price protection expense	(331)	(259)
Net capital gains	1,147	7,140

5. Purchases, sales and transaction costs

Analysis of total trade costs#

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Equities	9,935	4,910	2,839	3,331
Bonds	1,263	12,615	4,759	6,199
Collective Investment Schemes	45,561	37,849	31,057	40,099
Treasury Bills	89,868	68,587	88,913	69,110
Trades excluding transaction costs	146,627	123,961	127,568	118,739
Commissions				
Equities	3	2	(1)	(1)
Bonds	–	–	–	–
Collective Investment Schemes	1	6	(2)	(6)
Treasury Bills	–	–	–	–
Total commissions	4	8	(3)	(7)
Taxes				
Equities	8	3	–	–
Bonds	–	–	–	–
Collective Investment Schemes	6	–	–	–
Treasury Bills	–	–	–	–
Total taxes	14	3	–	–
Total costs	18	11	(3)	(7)
Net trades in the year after transaction costs	146,645	123,972	127,565	118,732

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

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18 %	31.05.17 %	31.05.18 %	31.05.17 %
Commissions				
Equities	0.03	0.04	0.03	0.04
Bonds	–	–	–	–
Collective Investment Schemes	–	0.02	0.01	0.02
Treasury Bills	–	–	–	–
Taxes				
Equities	0.08	0.06	–	–
Bonds	–	–	–	–
Collective Investment Schemes	0.01	–	–	–
Treasury Bills	–	–	–	–

Multi-Asset Protector Fund 2

Notes to the Financial Statements continued

For the year ended 31 May 2018

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

	31.05.18 %	31.05.17 %
Commissions	0.01	0.03
Taxes	0.02	–
Total costs	0.03	0.03

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.07% (31.05.17: 0.05%).

6. Revenue

	31.05.18 £'000	31.05.17 £'000
Bank interest	11	4
Franked investment income from collective investment schemes	109	101
Interest on debt securities	178	172
Interest distributions from collective investment schemes	79	138
Overseas dividends	199	106
UK dividends	43	32
Offshore distribution taxable from collective investment schemes	308	49
Offshore distribution non-taxable from collective investment schemes	345	379
Property revenue from overseas REITs	1	–
ACD's periodic charge rebate	–	1
Total revenue	1,273	982

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	543	407
General administration charge (GAC)	51	44
	594	451
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	4	2
	4	2
Other expenses:		
VAT refund	(3)	–
Out of pocket expenses	–	1
Collateral interest fee	3	–
	–	1
Total expenses	598	454

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

The audit fee for the year is £8,000 (31.05.17: £8,000).

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

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

	31.05.18 £'000	31.05.17 £'000
Corporation tax	–	11
Overseas tax	10	4
Deferred tax charge	–	(23)
Current tax charge	10	(8)
Total tax charge (note 8(b))	10	(8)

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	673	526
Corporation tax of 20%	135	105
Effects of:		
Capital income subject to income tax	–	6
Movement in excess management expenses	4	–
Overseas tax	10	4
Revenue not subject to taxation	(139)	(123)
Total tax charge (note 8(a))	10	(8)
(c) Provision for deferred taxation:		
Opening provision	–	23
Deferred tax charge/(credit)	–	(23)
Closing provision	–	–

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,000 (2017: nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

9. Distribution

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

	31.05.18 £'000	31.05.17 £'000
Final	753	557
Add: Equalisation deducted on cancellation of shares	18	22
Less: Equalisation received on creation of shares	(108)	(39)
Net distribution for the year	663	540

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	663	534
Tax relief from capital*	–	6
Net distribution for the year	663	540

* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce / write off the tax arising on offshore capital gains

10. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued bond interest	18	79
Accrued dividends and bank interest	38	23
Amounts receivable for creation of shares	454	5
Income tax recoverable	20	10
Overseas tax recoverable	2	1
Sales awaiting settlement	–	1,216
Amounts due for ACD's periodic charge rebate	3	8
	535	1,342

11. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances#	4,021	3,734
	4,021	3,734

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

Multi-Asset Protector Fund 2

Notes to the Financial Statements continued

For the year ended 31 May 2018

12. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	–	65
Corporation tax payable	20	11
Accrued ACD fees	53	41
Accrued general administration charge (GAC)	4	4
Accrued safe custody fee	2	1
Accrued transaction charges	1	2
Payable for pricing protection expense	66	51
	146	175

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

14. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

'I' Shares 0.80%

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'I' Class (Accumulation shares)	43,415,794	14,099,164	(2,099,563)	–	55,415,395

17. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Australian Dollar	384	19
Brazilian Real	62	–
Canadian Dollar	118	72
Danish Krone	186	24
Euro	(895)	(1,030)
Hong Kong Dollar	77	40
Japanese Yen	112	(1,541)
Mexican Peso	75	1,118
Sterling	62,669	58,285
Swedish Krona	526	142
Swiss Franc	111	44
Turkish Lira	2	1,688
US Dollar	16,365	2,020
Total	79,792	60,881

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

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2018 was as follows:

(a) Forwards

Counterparty	Market Value	
	31.05.18 £'000	31.05.17 £'000
Citibank	(121)	(259)
Goldman Sachs	(1,365)	3
Total	(1,486)	(256)

19. Fair value[#]

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	62,877	–	36,914	–
Level 2	14,095	(1,590)	19,516	(274)
Level 3	–	–	–	–
Total fair value	76,972	(1,590)	56,430	(274)

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

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

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

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

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

Multi-Asset Protector Fund 2

Distribution Table

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'I' Class (Accumulation shares)				
Group 1	1.3591	–	1.3591	1.2834
Group 2	0.5709	0.7882	1.3591	1.2834

Equalisation

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

Short Dated Bond Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital (losses)/gains	4		(45)		72
Revenue	6	75		113	
Expenses	7	(49)		(74)	
Interest payable and similar charges	8	(7)		(3)	
Net revenue before taxation		19		36	
Taxation	9	(3)		–	
Net revenue after taxation			16		36
Total return before distribution			(29)		108
Distribution	10		(17)		(38)
Change in net assets attributable to shareholders from investment activities			(46)		70

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		22,585		36,953
Amounts receivable on creation of shares	319		4,155	
Amounts payable on cancellation of shares	(19,859)		(18,619)	
		(19,540)		(14,464)
Change in net assets attributable to shareholders from investment activities		(46)		70
Retained distributions on accumulation shares		9		26
Closing net assets attributable to shareholders		3,008		22,585

Notes to the financial statements are on pages 202 to 207.

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets			–		20,984
Current assets					
Debtors	11	1,849		1,971	
Cash and bank balances	12	1,188		5,712	
Total other assets			3,037		7,683
Total assets			3,037		28,667
LIABILITIES					
Investment liabilities			–		87
Creditors					
Bank overdrafts		–		445	
Distribution payable		–		–	
Other creditors	13	29		5,550	
Total other liabilities			29		5,995
Total liabilities			29		6,082
Net assets attributable to shareholders			3,008		22,585

Notes to the financial statements are on pages 202 to 207.

The Fund closed 31 May 2018 with all investments assets being sold before this date.

Short Dated Bond Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital (losses)/gains

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

	31.05.18 £'000	31.05.17 £'000
Gains/(losses) on foreign exchange	33	(266)
Derivatives contracts	34	(93)
Forward currency contracts	148	(1,550)
Non-derivative securities	(260)	1,984
Transaction charges	–	(3)
Net capital (losses)/gains	(45)	72

5. Purchases, sales and transaction costs

Analysis of total trade cost #

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Bonds	11,446	40,095	18,877	52,450
Futures*	–	–	–	–
Treasury Bills	6,997	36,424	8,799	45,644
Certificates of Deposit	13,500	14,502	18,500	9,500
Commercial Papers	13,990	15,991	19,999	11,000
Trades excluding transaction costs	45,933	107,012	66,175	118,594
Commissions				
Bonds	–	–	–	–
Futures*	–	–	–	–
Treasury Bills	–	–	–	–
Certificates of Deposit	–	–	–	–
Commercial Papers	–	–	–	–
Total commissions	–	–	–	–
Bonds	–	–	–	–
Futures*	–	–	–	–
Treasury Bills	–	–	–	–
Certificates of Deposit	–	–	–	–
Commercial Papers	–	–	–	–
Total taxes	–	–	–	–
Total costs	–	–	–	–
Net trades in the year after transaction costs	45,933	107,012	66,175	118,594

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

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

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18	31.05.17	31.05.18	31.05.17
	%	%	%	%
Commissions				
Bonds	–	–	–	–
Futures*	–	–	–	–
Treasury Bills	–	–	–	–
Certificates of Deposit	–	–	–	–
Commercial Papers	–	–	–	–
Taxes				
Bonds	–	–	–	–
Futures*	–	–	–	–
Treasury Bills	–	–	–	–
Certificates of Deposit	–	–	–	–
Commercial Papers	–	–	–	–

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

	31.05.18	31.05.17
	%	%
Commissions	–	–
Taxes	–	–
Total costs	–	–

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was nil (31.05.17: 0.07%).

6. Revenue

	31.05.18	31.05.17
	£'000	£'000
Bank interest	24	18
Interest on debt securities	51	95
Total revenue	75	113

7. Expenses

	31.05.18	31.05.17
	£'000	£'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	21	46
General administration charge (GAC)	14	26
	35	72
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	–	2
	–	2
Other expenses:		
VAT refund	(5)	–
Solvency Costs	11	–
Collateral interest fee	8	–
	14	–
Total expenses	49	74

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

The audit fee for the year is £12,000 (31.05.17: £12,000).

Short Dated Bond Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

8. Interest payable and similar charges

	31.05.18 £'000	31.05.17 £'000
Margin Interest	7	3
Total interest payable and similar charges	7	3

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

	31.05.18 £'000	31.05.17 £'000
Corporation tax	3	–
Current tax charge	3	–
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	3	–

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	19	36
Corporation tax of 20%	4	7
Effects of:		
Expenses not deductible for tax purposes	2	–
Tax deductible interest distributions	(3)	(7)
Total tax charge (note 9(a))	3	–

(c) Provision for deferred taxation:

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

10. Distribution

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

	31.05.18 £'000	31.05.17 £'000
Final	9	26
Add: Equalisation deducted on cancellation of shares	8	16
Less: Equalisation received on creation of shares	–	(4)
Net distribution for the year	17	38

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	16	36
Revenue deficit	1	2
Net distribution for the year	17	38

11. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued bond interest	–	22
Overseas tax recoverable	–	38
Sales awaiting settlement	1,849	1,911
	1,849	1,971

12. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances	1,188	5,206
Amount held at futures clearing houses and brokers	–	506
	1,188	5,712

13. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	14	5,541
Corporation tax payable	2	–
Accrued ACD fees	1	4
Accrued general administration charge (GAC)	1	2
Accrued safe custody fee	–	1
Accrued transaction charges	–	2
Solvency cost	11	–
	29	5,550

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

15. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

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

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 1.58%).

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

'A' Shares	0.00%
'I' Shares	0.25%

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

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

Short Dated Bond Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	132,640	2,013	(6,083)	(128,570)	–
'I' Class (Accumulation shares)	1,465,612	20,604	(1,393,585)	118,881	211,512

18. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Australian Dollar	–	33
Canadian Dollar	–	231
Czech Koruna	–	8
Danish Krone	–	136
Euro	–	493
Israeli Sheqel	–	2
Japanese Yen	–	1
New Zealand Dollar	–	15
Sterling	3,008	20,289
Swedish Krona	–	3
Swiss Franc	–	840
US Dollar	–	534
Total	3,008	22,585

Interest rate risk profile of financial assets and liabilities as at 31 May 2018 was as follows:

Currency	Floating rate financial assets 31.05.18 £'000	Fixed rate financial assets 31.05.18 £'000	Financial assets not carrying interest 31.05.18 £'000	Total 31.05.18 £'000
Sterling	1,188	–	1,820	3,008
Total	1,188	–	1,820	3,008

Interest rate risk profile of financial assets and liabilities as at 31 May 2017 was as follows:

Currency	Floating rate financial assets 31.05.17 £'000	Fixed rate financial assets 31.05.17 £'000	Financial assets not carrying interest 31.05.17 £'000	Total 31.05.17 £'000
Australian Dollar	33	–	–	33
Canadian Dollar	2	520	(291)	231
Czech Koruna	8	–	–	8
Danish Krone	–	472	(336)	136
Euro	(36)	1,722	(1,193)	493
Israeli Sheqel	2	–	–	2
Japanese Yen	1	–	–	1
New Zealand Dollar	15	–	–	15
Sterling	5,091	1,606	13,592	20,289
Swedish Krona	3	–	–	3
Swiss Franc	8	1,475	(643)	840
US Dollar	146	1,956	(1,568)	534
Total	5,273	7,751	9,561	22,585

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2018 was as follows:

(a) Forwards

Counterparty	Market Value	
	31.05.18 £'000	31.05.17 £'000
Citibank	–	340
Goldman Sachs	–	(33)
HSBC	–	(3)
JP Morgan	–	38
Standard Chartered Bank	–	(2)
State Street	–	13
Total	–	353

(b) Futures

No Futures contracts were held as at 31 May 2018.

Counterparty	Market Value 31.05.17 £'000	Value of exposure 31.05.17 £ '000
	31.05.17 £'000	31.05.17 £ '000
Goldman Sachs	(7)	4,348
Total	(7)	4,348

20. Fair value

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	–	–	5,803	(7)
Level 2	–	–	15,181	(80)
Level 3	–	–	–	–
Total fair value	–	–	20,984	(87)

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

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

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

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

Short Dated Bond Fund

Distribution Table

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 - Shares purchased before 1 June 2017

Group 2 - Shares purchased between 1 June 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'I' Class (Accumulation shares)				
Group 1	4.4707	–	4.4707	1.7581
Group 2	3.9818	0.4889	4.4707	1.7581

Equalisation

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

Target Return Bond Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital (losses)/gains	4		(16,449)		13,692
Revenue	6	6,766		6,360	
Expenses	7	(1,148)		(1,298)	
Interest payable and similar charges	8	(185)		(450)	
Net revenue before taxation		5,433		4,612	
Taxation	9	(25)		(45)	
Net revenue after taxation			5,408		4,567
Total return before distributions			(11,041)		18,259
Distributions	10		(5,408)		(4,574)
Change in net assets attributable to shareholders from investment activities			(16,449)		13,685

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		291,287		286,881
Amounts receivable on creation of shares	43,425		6,656	
Amounts payable on cancellation of shares	(48,379)		(18,750)	
		(4,954)		(12,094)
Dilution adjustment		35		–
Change in net assets attributable to shareholders from investment activities		(16,449)		13,685
Retained distributions on accumulation shares		3,744		2,815
Closing net assets attributable to shareholders		273,663		291,287

Notes to the financial statements are on pages 210 to 216

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets#			190,898		262,924
Current assets					
Debtors	11	2,094		3,688	
Cash and bank balances#	12	121,316		73,110	
Total other assets			123,410		76,798
Total assets			314,308		339,722
LIABILITIES					
Investment liabilities			20,131		22,907
Creditors					
Bank overdrafts		20,065		22,637	
Distribution payable		291		461	
Other creditors	13	158		2,430	
Total other liabilities			20,514		25,528
Total liabilities			40,645		48,435
Net assets attributable to shareholders			273,663		291,287

Notes to the financial statements are on pages 210 to 216

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

Target Return Bond Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital (losses)/gains

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

	31.05.18 £'000	31.05.17 £'000
(Losses)/gains on foreign exchange	(3,861)	13,498
Derivatives contracts	(636)	(4,762)
Forward currency contracts	1,997	(28,291)
Non-derivative securities	(13,943)	33,253
Transaction charges	(6)	(6)
Net capital (losses)/gains	(16,449)	13,692

5. Purchases, sales and transaction costs

Analysis of total trade costs#

	Purchases		Sales	
	31.05.18 £'000	31.05.17 £'000	31.05.18 £'000	31.05.17 £'000
Bonds	543,836	1,221,955	590,792	1,283,093
Options	501	114	–	133
Swaps	1,956,007	492,491	1,952,146	494,663
Futures*	–	–	–	–
Trades excluding transaction costs	2,500,344	1,714,560	2,542,938	1,777,889
Commissions				
Bonds	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Futures*	5	41	(10)	(26)
Taxes				
Bonds	–	–	(7)	–
Options	–	–	–	–
Swaps	–	–	–	–
Futures*	–	–	–	–
Total costs	5	41	(17)	(26)
Net trades in the year after transaction costs	2,500,349	1,714,601	2,542,921	1,777,863

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

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18 %	31.05.17 %	31.05.18 %	31.05.17 %
Commissions				
Bonds	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Futures*	–	–	–	–
Taxes				
Bonds	–	–	–	–
Options	–	–	–	–
Swaps	–	–	–	–
Futures*	–	–	–	–

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

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

	31.05.18 %	31.05.17 %
Commissions	0.01	0.02
Taxes	–	–
Total costs	0.01	0.02

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.16% (31.05.17: 0.23%).

6. Revenue

	31.05.18 £'000	31.05.17 £'000
Bank interest	57	53
Interest on debt securities	6,694	6,168
Offshore distribution taxable from collective investment schemes	–	111
Margin interest	15	18
Interest claim on trade settlement	–	10
Total revenue	6,766	6,360

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	828	953
General administration charge (GAC)	219	240
	1,047	1,193
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	45	52
	45	52
Other expenses:		
Currency hedge	58	53
VAT refund	(12)	–
Collateral interest fee	10	–
	56	53
Total expenses	1,148	1,298

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

The audit fee for the year is £12,000 (31.05.17: £12,000).

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

Target Return Bond Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

8. Interest payable and similar charges

	31.05.18 £'000	31.05.17 £'000
Interest	32	19
Margin Interest	153	431
Total interest payable and similar charges	185	450

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

	31.05.18 £'000	31.05.17 £'000
Corporation tax	5	–
Double taxation relief	(5)	–
Overseas tax	25	45
Current tax charge	25	45
Deferred tax charge (note 9(c))	–	–
Total tax charge (note 9(b))	25	45

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	5,433	4,612
Corporation tax of 20%	1,087	922
Effects of:		
Overseas tax	25	45
Revenue not subject to taxation	2	–
Tax deductible interest distributions	(1,084)	(913)
Double taxation relief	(5)	(9)
Total tax charge (note 9(a))	25	45

(c) Provision for deferred taxation:

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

10. Distributions

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

	31.05.18 £'000	31.05.17 £'000
First quarter	1795	1342
Second quarter	1279	1229
Third quarter	1252	753
Final	1,122	1,198
Income tax withheld at source	–	3
	5,448	4,525
Add: Equalisation deducted on cancellation of shares	73	60
Less: Equalisation received on creation of shares	(113)	(11)
Net distribution for the year	5,408	4,574

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	5,408	4,567
Revenue deficit	–	7
Net distribution for the year	5,408	4,574

11. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued bond interest	1,295	2,281
Amounts receivable for creation of shares	–	78
Overseas tax recoverable	194	205
Unrealised currency hedge	605	1,124
	2,094	3,688

12. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances#	99,312	50,362
Amount held at futures clearing houses and brokers	22,004	22,748
	121,316	73,110

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

13. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	28	2,290
Payable for hedge fee expense	39	18
Accrued ACD fees	54	83
Accrued general administration charge (GAC)	15	20
Accrued safe custody fee	19	17
Accrued transaction charges	3	2
	158	2,430

14. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

15. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 13 and 17 for further details.

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

At the year end date nil% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 45.23%).

16. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

17. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

'A' Shares	1.25%
'I' Shares	0.65%
'R' Shares	0.75%
'S' Shares	0.00%

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

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

Target Return Bond Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	2,725,701	4	(56,360)	(18,394)	2,650,951
'A' Class (Income shares)	15,885	–	–	–	15,885
'I' Class (Accumulation shares)	2,678,358	499,565	(448,973)	18,046	2,746,996
'I' Class (Income shares)	148,292,147	589,155	(48,529,113)	–	100,352,189
'R' Class (Accumulation shares)	6,275	202	(100)	–	6,377
'S' Class (Accumulation shares)	11,791,234	6,010,415	(2,201,418)	–	15,600,231
'S' Class (USD Hedge Accumulation shares)	147,348,791	38,679,732	–	–	186,028,523

18. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Australian Dollar	(3,407)	(2)
Brazilian Real	–	75
Canadian Dollar	60	15,844
Chinese Yuan	–	36
Chinese Yuan (Offshore)	20,769	(11,664)
Czech Koruna	(101)	(315)
Danish Krone	–	35
Euro	(50,348)	(19,774)
Hong Kong Dollar	1	(248)
Hungarian Forint	189	11,140
Indonesian Rupiah	(212)	–
Israeli Shekel	25,941	–
Japanese Yen	39,785	164
Mexican Peso	–	2,788
New Zealand Dollar	16,031	(5)
Norwegian Krone	11,182	51
Philippine Peso	(12,950)	–
Polish Zloty	4,399	(11,100)
Romanian Leu	–	58
Russian Ruble	–	(1,507)
Singapore Dollar	(12,980)	2
South African Rand	(10,305)	46
South Korean Won	(8,871)	(1,097)
Sterling	249,638	281,018
Swedish Krona	23,127	35,511
Swiss Franc	(13,718)	114
Taiwan Dollar	(20,832)	(2,484)
Thai Baht	25,946	–
Turkish Lira	(1)	4,299
US Dollar	(9,680)	(11,698)
Total	273,663	291,287

The currency exposure included in the above table that was exclusive to the currency hedge share classes at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Sterling	158,974	131,245
US Dollar	(158,369)	(130,121)
Total	605	1,124

Interest rate risk profile of financial assets and liabilities as at 31 May 2018 was as follows:

Currency	Floating rate financial assets 31.05.18 £'000	Fixed rate financial assets 31.05.18 £'000	Financial liabilities not carrying interest 31.05.18 £'000	Total 31.05.18 £'000
Australian Dollar	1,383	–	(4,790)	(3,407)
Canadian Dollar	(2,579)	91,603	(88,964)	60
Chinese Yuan (Offshore)	–	–	20,769	20,769
Czech Koruna	–	–	(101)	(101)
Euro	(7,941)	9,356	(51,763)	(50,348)
Hong Kong Dollar	1	–	–	1
Hungarian Forint	2	–	187	189
Indonesian Rupiah	–	3,580	(3,792)	(212)
Israeli Shekel	5	–	25,936	25,941
Japanese Yen	(3,101)	–	42,886	39,785
New Zealand Dollar	–	–	16,031	16,031
Norwegian Krone	–	–	11,182	11,182
Philippine Peso	–	–	(12,950)	(12,950)
Polish Zloty	1	–	4,398	4,399
Singapore Dollar	6	–	(12,986)	(12,980)
South African Rand	–	–	(10,305)	(10,305)
South Korean Won	1,265	–	(10,136)	(8,871)
Sterling	96,112	18,987	134,539	249,638
Swedish Krona	–	–	23,127	23,127
Swiss Franc	(655)	–	(13,063)	(13,718)
Taiwan Dollar	–	–	(20,832)	(20,832)
Thai Baht	–	–	25,946	25,946
Turkish Lira	1	–	(2)	(1)
US Dollar	22,272	51,029	(82,981)	(9,680)
Total	106,772	174,555	(7,664)	273,663

Interest rate risk profile of financial assets and liabilities as at 31 May 2017 was as follows:

Currency	Floating rate financial assets 31.05.17 £'000	Fixed rate financial assets 31.05.17 £'000	Financial assets not carrying interest 31.05.17 £'000	Total 31.05.17 £'000
Australian Dollar	1,454	–	(1,456)	(2)
Brazilian Real	–	9,552	(9,477)	75
Canadian Dollar	(4,311)	–	20,155	15,844
Chinese Yuan	36	–	–	36
Chinese Yuan (Offshore)	–	–	(11,664)	(11,664)
Czech Koruna	–	–	(315)	(315)
Danish Krone	1	–	34	35
Euro	(7,890)	8,784	(20,668)	(19,774)
Hong Kong Dollar	1	–	(249)	(248)
Hungarian Forint	–	8,455	2,685	11,140
Indonesian Rupiah	–	4,343	(4,343)	–
Japanese Yen	(3,095)	–	3,259	164
Mexican Peso	–	4,962	(2,174)	2,788
New Zealand Dollar	6	–	(11)	(5)
Norwegian Krone	–	33,569	(33,518)	51
Polish Zloty	2	–	(11,102)	(11,100)
Romanian Leu	–	9,649	(9,591)	58
Russian Ruble	–	–	(1,507)	(1,507)
Singapore Dollar	4	–	(2)	2
South African Rand	–	4,986	(4,940)	46
South Korean Won	1,286	–	(2,383)	(1,097)
Sterling	61,898	63,996	155,124	281,018
Swedish Krona	1	–	35,510	35,511
Swiss Franc	(687)	–	801	114
Taiwan Dollar	–	–	(2,484)	(2,484)
Turkish Lira	–	5,746	(1,447)	4,299
US Dollar	(1,891)	82,204	(92,011)	(11,698)
Total	46,815	236,246	8,226	291,287

Target Return Bond Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

19. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2018 was as follows:

(a) Forwards

Counterparty	Market Value	
	31.05.18 £'000	31.05.17 £'000
Citibank	314	(4,545)
Goldman Sachs	(2,057)	1,500
HSBC	(3,645)	665
JPMorgan	(5,853)	(475)
Standard Chartered	2,132	3,648
Total	(9,109)	793

(b) Futures

Counterparty	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £ '000
Goldman Sachs	(144)	52,555
Total	(144)	52,555

Counterparty	Market Value 31.05.17 £'000	Value of exposure 31.05.17 £ '000
Goldman Sachs	(136)	855,272
Total	(136)	855,272

20. Fair value#

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	87,044	(158)	101,455	(678)
Level 2	103,854	(19,973)	161,469	(22,229)
Level 3	—	—	—	—
Total fair value	190,898	(20,131)	262,924	(22,907)

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

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

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

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

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

Target Return Bond Fund

Distribution Tables

For the year ended 31 May 2018

Interim distribution paid 31 October 2017

Group 1 – Shares purchased before 1 June 2017

Group 2 – Shares purchased between 1 June and 31 August 2017

	Gross Income pence	Equalisation pence	Distribution paid 31.10.17 pence	Distribution paid 31.10.16 pence
'A' Class (Accumulation shares)				
Group 1	0.3332	–	0.3332	0.1907
Group 2	0.3332	–	0.3332	0.1907
'A' Class (Income shares)				
Group 1	0.2965	–	0.2965	0.1684
Group 2	0.2965	–	0.2965	0.1684
'I' Class (Accumulation shares)				
Group 1	0.5018	–	0.5018	0.3224
Group 2	0.2994	0.2024	0.5018	0.3224
'I' Class (Accumulation shares)⁽²⁾				
Group 1	–	–	–	0.3692
Group 2	–	–	–	0.3692
'I' Class (Income shares)				
Group 1	0.4371	–	0.4371	0.2846
Group 2	0.2401	0.1970	0.4371	0.2846
'I' Class (Income shares)⁽²⁾				
Group 1	–	–	–	0.3687
Group 2	–	–	–	0.3687
'R' Class (Accumulation shares)				
Group 1	0.4517	–	0.4517	0.2747
Group 2	0.4517	–	0.4517	0.2747
'S' Class (Accumulation shares)				
Group 1	0.8327	–	0.8327	0.7067
Group 2	0.3949	0.4378	0.8327	0.7067
	Gross Income Euro cent	Equalisation Euro cent	Distribution paid 31.10.17 Euro cent	Distribution paid 31.10.16 Euro cent
'S' Class (EUR Hedge Accumulation shares)⁽¹⁾				
Group 1	–	–	–	0.5993
Group 2	–	–	–	0.5993
	Gross Income US cent	Equalisation US cent	Distribution paid 31.10.17 US cent	Distribution paid 31.10.16 US cent
'S' Class (USD Hedge Accumulation shares)				
Group 1	0.7153	–	0.7153	0.5835
Group 2	0.4616	0.2537	0.7153	0.5835

Target Return Bond Fund continued

Distribution Tables

For the year ended 31 May 2018

Interim distribution paid 31 January 2018

Group 1 – Shares purchased before 1 September 2017

Group 2 – Shares purchased between 1 September and 30 November 2017

	Gross Income pence	Equalisation pence	Distribution paid 31.01.18 pence	Distribution paid 31.01.17 pence
'A' Class (Accumulation shares)				
Group 1	0.1894	–	0.1894	0.1612
Group 2	0.1894	–	0.1894	0.1612
'A' Class (Income shares)				
Group 1	0.1682	–	0.1682	0.1434
Group 2	0.1682	–	0.1682	0.1434
'I' Class (Accumulation shares)				
Group 1	0.3558	–	0.3558	0.2930
Group 2	0.0856	0.2702	0.3558	0.2930
'I' Class (Accumulation shares)⁽²⁾				
Group 1	–	–	–	0.3345
Group 2	–	–	–	0.3345
'I' Class (Income shares)				
Group 1	0.3078	–	0.3078	0.2573
Group 2	0.1621	0.1457	0.3078	0.2573
'I' Class (Income shares)⁽²⁾				
Group 1	–	–	–	0.3327
Group 2	–	–	–	0.3327
'R' Class (Accumulation shares)				
Group 1	0.3030	–	0.3030	0.2505
Group 2	0.2493	0.0537	0.3030	0.2505
'S' Class (Accumulation shares)				
Group 1	0.6525	–	0.6525	0.6605
Group 2	0.4172	0.2353	0.6525	0.6605
	Gross Income Euro cent	Equalisation Euro cent	Distribution paid 31.01.18 Euro cent	Distribution paid 31.01.17 Euro cent
'S' Class (EUR Hedge Accumulation shares)⁽¹⁾				
Group 1	–	–	–	0.5736
Group 2	–	–	–	0.5736
	Gross Income US cent	Equalisation US cent	Distribution paid 31.10.18 US cent	Distribution paid 31.01.17 US cent
'S' Class (USD Hedge Accumulation shares)				
Group 1	0.5681	–	0.5681	0.5467
Group 2	0.5681	–	0.5681	0.5467

Distribution Tables

For the year ended 31 May 2018

Interim distribution paid 30 April 2018

Group 1 – Shares purchased before 1 December 2017

Group 2 – Shares purchased between 1 December 2017 and 28 February 2018

	Gross Income pence	Equalisation pence	Distribution paid 30.04.18 pence	Distribution paid 28.04.17 pence
'A' Class (Accumulation shares)				
Group 1	0.2078	–	0.2078	0.0311
Group 2	0.2078	–	0.2078	0.0311
'A' Class (Income shares)				
Group 1	0.1780	–	0.1780	0.0267
Group 2	0.1780	–	0.1780	0.0267
'I' Class (Accumulation shares)				
Group 1	0.3702	–	0.3702	0.1900
Group 2	0.2210	0.1492	0.3702	0.1900
'I' Class (Accumulation shares)⁽²⁾				
Group 1	–	–	–	0.1739
Group 2	–	–	–	0.1739
'I' Class (Income shares)				
Group 1	0.3195	–	0.3195	0.1664
Group 2	0.1501	0.1694	0.3195	0.1664
'I' Class (Income shares)⁽²⁾				
Group 1	–	–	–	0.1723
Group 2	–	–	–	0.1723
'R' Class (Accumulation shares)				
Group 1	0.3308	–	0.3308	0.1603
Group 2	0.3237	0.0071	0.3308	0.1603
'S' Class (Accumulation shares)				
Group 1	0.6659	–	0.6659	0.4436
Group 2	0.0495	0.6164	0.6659	0.4436
	Gross Income Euro cent	Equalisation Euro cent	Distribution paid 30.04.18 Euro cent	Distribution paid 28.04.17 Euro cent
'S' Class (EUR Hedge Accumulation shares)⁽¹⁾				
Group 1	–	–	–	–
Group 2	–	–	–	–
	Gross Income US cent	Equalisation US cent	Distribution paid 30.04.18 US cent	Distribution paid 28.04.17 US cent
'S' Class (USD Hedge Accumulation shares)				
Group 1	0.5781	–	0.5781	0.3741
Group 2	0.5781	–	0.5781	0.3741

Target Return Bond Fund continued

Distribution Tables

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 – Shares purchased before 1 March 2018

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

	Gross Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	0.1754	–	0.1754	0.1909
Group 2	0.1754	–	0.1754	0.1909
'A' Class (Income shares)				
Group 1	0.1517	–	0.1517	0.1576
Group 2	0.1517	–	0.1517	0.1576
'I' Class (Accumulation shares)				
Group 1	0.3376	–	0.3376	0.3549
Group 2	0.2062	0.1314	0.3376	0.3549
'I' Class (Accumulation shares)⁽²⁾				
Group 1	–	–	–	–
Group 2	–	–	–	–
'I' Class (Income shares)				
Group 1	0.2903	–	0.2903	0.3112
Group 2	0.1562	0.1341	0.2903	0.3112
'I' Class (Income shares)⁽²⁾				
Group 1	–	–	–	–
Group 2	–	–	–	–
'R' Class (Accumulation shares)				
Group 1	0.2920	–	0.2920	0.2988
Group 2	0.2920	–	0.2920	0.2988
'S' Class (Accumulation shares)				
Group 1	0.6272	–	0.6272	0.6453
Group 2	0.3204	0.3068	0.6272	0.6453
	Gross Income Euro cent	Equalisation Euro cent	Distribution payable 31.07.18 Euro cent	Distribution paid 31.07.17 Euro cent
'S' Class (EUR Hedge Accumulation shares)⁽¹⁾				
Group 1	–	–	–	–
Group 2	–	–	–	–
	Gross Income US cent	Equalisation US cent	Distribution payable 31.07.18 US cent	Distribution paid 31.07.17 US cent
'S' Class (USD Hedge Accumulation shares)				
Group 1	0.5146	–	0.5146	0.5629
Group 2	0.5146	–	0.5146	0.5629

(1) Closed 10 February 2017.

(2) Closed 7 April 2017.

Equalisation

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

UK Total Return Fund

Statement of Total Return

For the year ended 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Income					
Net capital gains	4		3,381		17,857
Revenue	6	5,343		5,016	
Expenses	7	(701)		(783)	
Interest payable and similar charges		(1)		–	
Net revenue before taxation		4,641		4,233	
Taxation	8	(83)		(95)	
Net revenue after taxation			4,558		4,138
Total return before distribution			7,939		21,995
Distribution	9		(4,560)		(4,139)
Change in net assets attributable to shareholders from investment activities			3,379		17,856

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2018

	31.05.18 £'000	£'000	31.05.17 £'000	£'000
Opening net assets attributable to shareholders		204,965		97,803
Amounts receivable on creation of shares	4,202		103,998	
Amounts payable on cancellation of shares	(28,056)		(18,809)	
		(23,854)		85,189
Dilution adjustment		24		(9)
Change in net assets attributable to shareholders from investment activities		3,379		17,856
Retained distributions on accumulation shares		4,351		4,126
Closing net assets attributable to shareholders		188,865		204,965

Notes to the financial statements are on pages 222 to 226

Balance Sheet

As at 31 May 2018

	Note	31.05.18 £'000	£'000	31.05.17 £'000	£'000
ASSETS					
Investment assets			172,029		188,130
Current assets					
Debtors	10	10,134		967	
Cash and bank balances	11	10,901		18,721	
Total other assets			21,035		19,688
Total assets			193,064		207,818
LIABILITIES					
Investment liabilities			3,377		2,435
Creditors					
Other creditors	12	822		418	
Total other liabilities			822		418
Total liabilities			4,199		2,853
Net assets attributable to shareholders			188,865		204,965

Notes to the financial statements are on pages 222 to 226

UK Total Return Fund

Notes to the Financial Statements

For the year ended 31 May 2018

1. Accounting policies

The Accounting policies for the Fund are disclosed in the notes to the financial statements on page 117.

2. Distribution policies

The Distribution policies for the Fund are disclosed in the notes to the financial statements on page 118.

3. Risk management policies

The Risk management policies for the Fund are disclosed in the notes to the financial statements on pages 118 to 129.

4. Net capital gains

The net capital gains during the year comprise:

	31.05.18 £'000	31.05.17 £'000
(Losses)/gains on foreign exchange	(65)	12
Derivatives contracts	(2,704)	(13,757)
Forward currency contracts	(6)	–
Non-derivative securities	6,163	31,608
Transaction charges	(7)	(6)
Net capital gains	3,381	17,857

5. Purchases, sales and transaction costs

Analysis of total trade costs

	Purchases		Sales	
	31.05.18	31.05.17	31.05.18	31.05.17
Equities	64,268	116,549	80,388	59,344
Bonds	25,473	17,994	31,510	8,818
Futures*	–	–	–	–
Trades excluding transaction costs	89,741	134,543	111,898	68,162
Equities	31	34	(34)	(32)
Bonds	–	–	–	–
Futures*	–	2	–	(4)
Total commissions	31	36	(34)	(36)
Equities	238	560	–	–
Bonds	–	–	–	–
Futures*	–	–	–	–
Total taxes	238	560	–	–
Total costs	269	596	(34)	(36)
Net trades in the year after transaction costs	90,010	135,139	111,864	68,126

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

Total transaction cost expressed as a percentage of asset type cost

	Purchases		Sales	
	31.05.18 %	31.05.17 %	31.05.18 %	31.05.17 %
Commissions				
Equities	0.05	0.03	0.04	0.05
Bonds	–	–	–	–
Futures*	–	–	–	–
Taxes				
Equities	0.37	0.48	–	–
Bonds	–	–	–	–
Futures*	–	–	–	–

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

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

	31.05.18 %	31.05.17 %
Commissions	0.04	0.04
Taxes	0.12	0.28
Total costs	0.16	0.32

Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.19% (31.05.17: 0.19%).

6. Revenue

	31.05.18 £'000	31.05.17 £'000
Bank interest	1	2
Interest on debt securities	101	149
Overseas dividends	964	1,137
UK dividends	4,277	3,728
Total revenue	5,343	5,016

7. Expenses

	31.05.18 £'000	31.05.17 £'000
Payable to the ACD or associates of the ACD, and agents of either of them:		
ACD fee	553	612
General administration charge (GAC)	142	158
	695	770
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	11	12
	11	12
Other expenses:		
VAT refund	(8)	–
Collateral interest fee	3	1
	(5)	1
Total expenses	701	783

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

The audit fee for the year is £12,000 (31.05.17: £12,000).

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

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

	31.05.18 £'000	31.05.17 £'000
Overseas tax	83	95
Current tax charge	83	95
Deferred tax charge (note 8(c))	–	–
Total tax charge (note 8(b))	83	95

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

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised OEIC (20%) (31.05.17: 20%). The differences are explained below:

	31.05.18 £'000	31.05.17 £'000
Net revenue before taxation	4,641	4,233
Corporation tax of 20%	928	847
Effects of:		
Movement in excess management expenses	98	99
Overseas tax	83	95
Revenue not subject to taxation	(1,026)	(946)
Total tax charge (note 8(a))	83	95

(c) Provision for deferred taxation:

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

(d) Factors affecting future tax charge:

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,136,000 (2017: £2,038,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

UK Total Return Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

9. Distribution

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

	31.05.18 £'000	31.05.17 £'000
Final	4,351	4,126
Add: Equalisation deducted on cancellation of shares	243	200
Less: Equalisation received on creation of shares	(34)	(187)
Net distribution for the year	4,560	4,139

The net distribution for the year is represented by:

	31.05.18 £'000	31.05.17 £'000
Net revenue after taxation	4,558	4,138
Equalisation on conversion of shares	2	1
Net distribution for the year	4,560	4,139

10. Debtors

	31.05.18 £'000	31.05.17 £'000
Accrued bond interest	53	49
Accrued dividends and bank interest	992	910
Amounts receivable for creation of shares	5	1
Overseas tax recoverable	16	7
Sales awaiting settlement	9,068	–
	10,134	967

11. Cash and bank balances

	31.05.18 £'000	31.05.17 £'000
Cash and bank balances	4,517	13,369
Amount held at futures clearing houses and brokers	6,384	5,352
	10,901	18,721

12. Other creditors

	31.05.18 £'000	31.05.17 £'000
Amounts payable for cancellation of shares	758	345
Accrued ACD fees	46	51
Accrued general administration charge (GAC)	11	14
Accrued safe custody fee	5	5
Accrued transaction charges	2	3
	822	418

13. Capital commitments and contingent liabilities

The Fund had no contingent liabilities or capital commitments at the year end date (31.05.17: Nil).

14. Related party transactions

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

In accordance with the prospectus the ACD collects from the Fund, a general administration charge (GAC), ACD fees and safe custody fees. Please refer to notes 7, 12 and 16 for further details.

Any amounts due to/from Investec Fund Managers Limited at the end of the accounting year are disclosed in notes 10 and 12.

At the year end date 69.16% of the Fund's shares (by net asset value) were held by other Funds managed by the ACD (31.05.17: 70.78%).

15. Dilution adjustment

Please refer to note 4 of the notes to the financial statements for a detailed description of dilution adjustment.

16. ACD Fee and charges

The different level of ACD fees payable per annum as at 31 May 2018 for each share class is detailed below:

'A' Shares	1.25%
'I' Shares	0.65%
'R' Shares	0.75%
'S' Shares	0.00%

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

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

Reconciliation of the shares movement in the year:

	31.05.17 Opening shares in issue	Creations	Cancellations	Shares converted	31.05.18 Closing shares in issue
'A' Class (Accumulation shares)	12,273,717	163,086	(1,229,587)	(407,670)	10,799,546
'I' Class (Accumulation shares)	22,798,377	2,632,414	(3,841,207)	688,689	22,278,273
'R' Class (Accumulation shares)	309,772	78	(30,812)	–	279,038
'S' Class (Accumulation shares)	13,181,370	15,482	(1,757,748)	–	11,439,104

17. Risk consideration

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

The Fund's currency exposure as at 31 May 2018 was:

Currency	Currency exposure	
	Total 31.05.18 £'000	Total 31.05.17 £'000
Canadian dollar	2	2
Euro	2,777	5,590
Japanese Yen	2,000	2,436
Sterling	159,804	176,569
US Dollar	24,282	20,368
Total	188,865	204,965

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

18. Efficient portfolio management techniques risk exposure

The exposure obtained through efficient portfolio management techniques and identity of counterparties as at 31 May 2018 was as follows:

(a) Futures

Counterparty	Market Value 31.05.18 £'000	Value of exposure 31.05.18 £ '000
Goldman Sachs	(3,377)	50,132
Total	(3,377)	50,132

Counterparty	Market Value 31.05.17 £'000	Value of exposure 31.05.17 £ '000
Goldman Sachs	(2,435)	58,524
Total	(2,435)	58,524

UK Total Return Fund

Notes to the Financial Statements continued

For the year ended 31 May 2018

19. Fair value

Valuation technique	31.05.18		31.05.17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	160,175	(3,377)	187,078	(2,435)
Level 2	11,854	–	1,052	–
Level 3	–	–	–	–
Total fair value	172,029	(3,377)	188,130	(2,435)

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

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

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

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

UK Total Return Fund

Distribution Table

For the year ended 31 May 2018

Final distribution payable 31 July 2018

Group 1 - Shares purchased before 1 June 2017

Group 2 - Shares purchased between 1 June 2017 and 31 May 2018

	Net Income pence	Equalisation pence	Distribution payable 31.07.18 pence	Distribution paid 31.07.17 pence
'A' Class (Accumulation shares)				
Group 1	3.3545	–	3.3545	2.6874
Group 2	1.9982	1.3563	3.3545	2.6874
'I' Class (Accumulation shares)				
Group 1	2.7888	–	2.7888	2.3031
Group 2	1.6319	1.1569	2.7888	2.3031
'R' Class (Accumulation shares)				
Group 1	2.4904	–	2.4904	2.0470
Group 2	0.7790	1.7114	2.4904	2.0470
'S' Class (Accumulation shares)				
Group 1	29.3811	–	29.3811	24.7652
Group 2	1.8873	27.4938	29.3811	24.7652

Equalisation

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

Securities Financing Transactions ('SFT's') (Unaudited)

As at 31 May 2018

GLOBAL DATA

Assets engaged in SFTs and total return swaps		Fund assets under management (AUM) £'000
Diversified Growth Fund		2,412,979
Emerging Markets Blended Debt Fund		112,108
Absolute value of assets engaged in total return swaps:		
	Underlying exposure value £'000	% of net assets
Diversified Growth Fund	187	0.01%
Emerging Markets Blended Debt Fund	1,767	1.58%

CONCENTRATION DATA

Counterparty	Counterparty's country of establishment	Underlying exposure value £'000	Settlement and clearing
Diversified Growth Fund			
JP Morgan	United States of America	187	Bi-lateral
Emerging Markets Blended Debt Fund			
Standard Chartered	UK	1,037	Bi-lateral
Citi	UK	527	Bi-lateral
Deutsche Bank	Germany	203	Bi-lateral

AGGREGATE TRANSACTION DATA

Type, Quality and Currency of Collateral

Type	Quality	Currencies
Total return swaps		
Diversified Growth Fund		
n/a	n/a	n/a
Emerging Markets Blended Debt Fund		
n/a	n/a	n/a

Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open transactions £'000	Total £'000
Diversified Growth Fund								
Total return swaps	–	–	–	–	–	187	–	187
Emerging Markets Blended Debt Fund								
Total return swaps	–	–	–	–	184	1,583	–	1,767

RETURN AND COST	Collective Investment Undertaking £'000	Manager of Collective Investment Undertaking £'000	Third Parties (e.g. lending agent) £'000	Total £'000
Diversified Growth Fund				
Total return swaps				
Gross return				–
% of total gross return	–	–	–	
Cost				–
Emerging Markets Blended Debt Fund				
Total return swaps				
Gross return	65	–	–	65
% of total gross return	100.00%	–	–	
Cost	–	–	–	–

Other information (Unaudited)

ISA status

During the period under review, the shares of the funds met the requirements for eligibility to be held in a stocks and shares ISA as determined by the regulations which govern ISAs.

Investec Fund Managers Limited offer the 'A' shares of the funds through its own ISA plan.

* Please note that while the Multi Asset Protector Fund became a qualifying investment for a stocks and shares ISA as of 1 January 2011, this may change over time. Please refer to the section of the Supplementary Information Document titled 'ISA investment in the Multi Protector Fund' for further information.

Distributions

Where a distribution is to be paid, it has been calculated as at 31 May 2018 and will be distributed to shareholders, where applicable, on 31 July 2018. For accumulations shares income distribution payments are deemed to be paid on 31 July 2018.

Telephone calls

Telephone calls may be recorded for training and quality assurance purposes.

Cross holding table

There were no cross holdings between sub-funds in Investec Funds Series iv as at 31 May 2018.

UCITS V Directive on remuneration

The latest remuneration policy relating to the Authorised Corporate Director (ACD) is available from www.investecassetmanagement.com/remuneration or free of charge on request from the Registered Office.

Remuneration paid for 2017-18 to all staff employed by the management company, split into fixed and variable remuneration paid.

N/A – IFML does not employ any employees.

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

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

Glossary (Unaudited)

Active management

An active investment approach is one where a portfolio manager aims to beat the market through research, analysis and his/her judgement. (See also passive management).

Asset allocation

A fund's allotment to different asset classes.

Asset class

The main types of investment available. The traditional asset classes are equities, bonds and cash.

Bear market

A market where prices fall consistently over a long period of time. Investors are referred to as 'bearish' if they believe prices are going to fall.

Benchmark

A comparative performance index.

Bond

A form of loan issued by a government or company. Typically, an investor should receive a regular coupon and the return of the principal originally lent when the bond matures. Note: Not all bonds are interest bearing (see zero coupon bond), and not all bonds are fixed rate (e.g. index linked, floating rate and stepped rate bonds).

Bottom-up investing

An investment approach that concentrates on the analysis of individual companies and considers the company's history, management and potential as more important than macroeconomic trends.

Bull market

A market where prices rise consistently over a long period of time. Investors are referred to as 'bullish' if they believe prices are going to rise.

Cash

The most liquid form in which to store capital. While it is regarded as a safe asset class, over time the purchasing power of cash tends to be eroded by inflation.

Central bank base rate

The basic rate of interest set by a central bank that determines the cost of borrowing.

Commodities

An asset class which comprises physical assets such as oil, base and precious metals and agricultural produce.

Credit rating agency

An institution that assigns credit ratings to debt issuers, such as companies and governments. Standard & Poor's and Moody's are well-known examples.

Credit risk

The risk that a bond issuer or borrower will be unable to meet their contractual obligations.

Credit spread

The differences in yield between 'risk-free' bonds, such as gilts or US treasuries, and non-treasury (or gilt) bonds, which are identical in all respects except for the quality of their rating. Corporate bonds tend to offer additional yield to compensate investors for the potential risk of default.

Currency risk

The risk of incurring losses of foreign assets due to adverse movements in exchange rates between domestic and foreign currencies.

Deflation

As opposed to inflation, it describes conditions in which there is a widespread, consistent decline in prices. It conveys the rarer occurrence of the money in one's pocket actually increasing in buying power, rather than the more usual opposite.

Derivatives

An instrument whose value depends on the performance of an underlying security or rate which requires no initial exchange of principal. Options, futures and swaps are all examples of derivatives.

Developed markets

Refers to industrialised countries with relatively high levels of economic productivity, high standards of living and stable economies.

Disinflation

Refers to a slowing down in price growth, as opposed to deflation where prices are already falling.

Diversification

Holding a range of assets to reduce risk.

Dividend

The portion of company net profits paid out to shareholders.

Glossary (Unaudited) continued

Dividend yield

The annual dividend per share divided by the current share price.

Duration

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating 'duration' for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the higher the duration number the higher the potential return (and the greater the risk).

Emerging markets

Countries in the process of industrialising which tend to have rapidly growing economies.

Emerging market debt

Debt issued by governments and corporates in emerging markets.

Equity

Refers to shares. A share in a company provides an investor with part ownership of that company.

Fixed Income

An investment that provides a return in the form of fixed periodic payments and the eventual return of principal at maturity.

Future

An obligation to buy or sell an asset on a specific date in the future at an agreed price.

Gilt

A bond that is issued by the British government which is generally considered low risk. Bonds issued by South African and Irish governments are also referred to as gilts.

Hedging

A technique seeking to offset or minimise the exposure to specific risk by entering an opposing position.

High yield bond

A below investment grade rated bond, providing the investor with greater returns due to its higher default risk. (See Junk bond).

Index-linked bonds

Bonds whose coupons and principal payment are linked to movements in inflation.

Inflation

Describes conditions in which there have been a consistent rise in prices.

Initial public offering (IPO)

The first public sale of a company's equity resulting in a quoted stock price on a stock exchange.

Interest

The return earned on funds which have been deposited, loaned, or invested.

Investment grade bonds

Bonds considered of the highest quality by credit rating agencies. The threshold credit rating for Standard & Poor's is BBB and Baa3 for Moody's.

Liabilities

Financial obligations that must be met.

Liquidity

The ease with which an asset can be sold at a reasonable price for cash.

Long dated bond

A bond with usually 15 years or more remaining before redemption, at which point the principal is paid to the holder.

Long-term investment

Holding an asset for an extended period of time. Depending on the security, a long-term asset can be held for as little as one year or for as long as 30 years.

Macroeconomic

Refers to the big trends in an economy as a whole, such as inflation and unemployment, while microeconomic forces refer to the factors affecting individual situations or companies.

Market capitalisation

The total value of a company's equity, calculated by the number of shares multiplied by their market price.

Glossary (Unaudited) continued

Maturity

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

Outperformance

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

Overweight

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

Peer group

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

Performance

The results of an investment over a given period.

Portfolio

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

Rally

A swift rise.

Real estate

An asset class comprising buildings and land.

Risk premium

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

Security

A general term for a tradable financial instrument.

Short-term investment

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

Standard deviation

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

Top-down investing

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

Treasuries

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

Underweight

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

Volatility

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

Year-to-date (YTD)

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

Yield

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

Yield curve

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

Yield spread

The difference in yield between different bonds.

Yield to maturity

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

Directory (Unaudited)

Authorised Corporate Director (ACD)

Investec Fund Managers Limited

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Investment Manager

Investec Asset Management Limited

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Registered number for Investec Funds Series iv

IC392 England and Wales

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Issued by Investec Fund Managers Limited, July 2018.

Authorised and regulated by the Financial Conduct Authority.