

# **Majedie Asset Management Investment Fund Company**

**Annual Report & Financial Statements  
For the year ended 31 December 2018**

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## Information on the individual sub-funds of Majedie Asset Management Investment Fund Company

### Objectives

The objectives for the individual sub-funds can be found at the start of each sub-fund section.

### Minimum initial investment

The minimum initial investment for all sub-funds and share classes is £/\$100,000 except for the following:

Majedie Tortoise Fund A Accumulation Shares	£10,000,000
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## Statement of Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ("ACD") of Majedie Asset Management Investment Fund Company ("Company"), Majedie Asset Management Limited, is responsible for preparing the Annual Report and the audited financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) ("UK GAAP") including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" ("SORP") issued by the IMA (now known as the Investment Association) in May 2014; and
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that period and the net revenue/losses and the net capital gains/losses on the property of the Company and each of its sub-funds for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable UK Accounting Standards and The Investment Association SORP have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and each of its sub-funds and enable it to ensure that the financial statements comply with the applicable SORP and UK GAAP. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and each of its sub-funds and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Report of the Authorised Corporate Director

The Authorised Corporate Director ("ACD") presents herewith the annual long report ("the report") for Majedie Asset Management Investment Fund Company ("the Company") for the year from 1 January 2018 to 31 December 2018.

### Authorised status

The Company is an Investment Company with Variable Capital ("ICVC") under regulation 12 (Authorisation) of the Open-Ended Investment Company Regulations 2001 ("the OEIC Regulations"). The Company is incorporated in England & Wales with registered number IC000216 and was recognised as an authorised OEIC by the FSA (succeeded by the FCA) on 12 March 2003. The Instrument of Incorporation can be inspected at the office of the ACD.

The Company is an 'umbrella scheme' with seven sub-funds currently in operation. Each sub-fund has the investment powers equivalent to that of a UCITS. The investment objectives, policies and activities of each sub-fund during the year are covered in the investment reports for each sub-fund. The investment reports of each sub-fund also refer to the risk factors associated with the financial instruments utilised and the management tools used to mitigate such risks.

The ACD of the Company is Majedie Asset Management Limited. The ACD is the sole director of the Company and is authorised and regulated by the Financial Conduct Authority.

The sub-funds in which shares are currently available are:

Majedie UK Equity Fund  
Majedie UK Focus Fund  
Majedie UK Smaller Companies Fund  
Majedie UK Income Fund  
Majedie Tortoise Fund  
Majedie Global Equity Fund  
Majedie Global Focus Fund

## Report of the Authorised Corporate Director (continued)

On 21 December 2011, the Open Ended Investment Companies Regulations 2011 (as amended) ("the Regulations") were amended to introduce a Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-funds and shall not be available for such purpose. The shareholders of the Company are not liable for the debts of the Company.

As of 2 January 2013, the Protected Cell Regime was implemented for Majedie Asset Management Investment Fund Company.

### Brexit

On 29 March 2019 the UK is due to leave the EU, an event commonly referred to as Brexit. At the date of this report, discussions remain ongoing between the UK and Europe as to the precise nature of the future relationship. It is unclear at this stage whether a constructive deal will be reached, the Brexit date be postponed or that the UK will leave under a no deal scenario. In the event of a no deal scenario, UK domiciled UCITS such as this Company will under EU law become non-EU AIFs and Europe-wide distribution rights under the passporting regime would cease. The Directors of the ACD do not believe that Brexit under any of these scenarios will present significant issues that cannot be mitigated; no sub-fund is passported into Europe, sub-fund shareholders are predominantly UK based whilst core counterparties of and service providers to the Company have contingent arrangements available as necessary to ensure that activities can continue with minimal disruption.

### Going Concern

Having considered relevant factors, including Brexit scenarios (see above), the Directors of the ACD are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Fund consist predominantly of securities that are readily realisable, and accordingly, the Fund has adequate resources to continue in operational existence for the foreseeable future.

### UCITS V Directive

The European Securities and Markets Authority (ESMA) published guidelines on sound remuneration policies under the UCITS V Directive in March 2016. As a result, the ACD is subject to the UCITS V remuneration guidelines from 1 January 2017.

In order for the Company to meet its obligations under the UCITS V Directive it will need to ensure that all information provided in the annual report is presented in a manner that provides materially relevant, reliable, comparable and clear information.

Please refer to page 215 for the ACD's Remuneration Policy.

### Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required on all reports & accounts published after 13 January 2017. During the year to 31 December 2018 and at the balance sheet date, the sub-funds of the Company did not use SFTs or total return swaps.

### Holdings in other sub funds of the Company

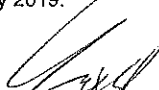
As at 31 December 2018, no sub-funds held shares in any other sub-fund of the Company.

This report is signed in accordance with the requirement of the COLL sourcebook.

In accordance with COLL 4.5.8BR, the annual report and the financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 28 February 2019.



**Christopher Simmons**  
Director  
Majedie Asset Management Limited  
Authorised Corporate Director  
28 February 2019



**Christopher Field**  
Director  
Majedie Asset Management Limited  
Authorised Corporate Director  
28 February 2019

## **Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Majedie Asset Management Investment Funds ("the Company") for the Period Ended 31 December 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.

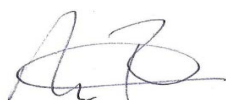
The Depositary must ensure that:

- 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 and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

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

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

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



For and on behalf of  
The Bank of New York Mellon (International) Limited  
One Canada Square  
London E14 5AL

28 February 2019

# Independent Auditor's Report to the Shareholders of the Majedie Asset Management Investment Fund Company

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements:

- give a true and fair view of the financial position of the sub-funds as at 31 December 2018 and of the net revenue and expense and the net capital gains and losses on the property of the Company and its sub-funds for the year ended 31 December 2018; and
- have been properly 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", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements of Majedie Asset Management Investment Fund Company (the 'Company') which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the related consolidated and individual notes 1 to 16 and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

### Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## Independent Auditor's Report to the Shareholders of the Majedie Asset Management Investment Fund Company (continued)

### Responsibilities of depositary and ACD

As explained more fully in the Statement of the Depositary's Responsibilities and the Statement of Authorised Corporate Director's Responsibilities, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. 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.

### Report on other legal and regulatory requirements

#### Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and its sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 31 December 2018 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.



Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom

28 February 2019



## Notes applicable to the Financial Statements of all sub-funds

for the year ended 31 December 2018

### 1 Accounting policies

#### a) Basis of accounting

The financial statements of the Company comprise the financial statements of each of the sub-funds and have been prepared on a going concern basis and under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102 and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the IMA (now known as the Investment Association) in May 2014 (the "SORP").

#### b) Investments

Quoted investments are included in the financial statements at the bid-market price at close of business on the last dealing day of the reporting period.

Where a share held in any of the sub-funds has been suspended from trading on a recognised exchange, the share will be valued on a fair value basis. The share will be valued at the lower of the suspension price and the Manager's opinion of the value of the share having consulted with other investment professionals and taking into account all publicly available information.

The Contracts for Difference (CFDs) held in the sub-funds are valued based on the price of the underlying security or index which they are purchased to reflect.

For over the counter derivatives (e.g. index options), market value is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. Amounts due to and from an individual counterparty which falls under a legally enforceable master netting agreement are netted.

#### c) Recognition of revenue

Revenue is included in the Statement of Total Return on the following basis:

Dividends, net of withholding tax suffered, are recognised as revenue on the dates when the securities are first quoted ex-dividend, to the extent that information thereon is reasonably available to the Company.

Special dividends and share buy-backs are treated as a repayment of capital unless there is sufficient evidence to suggest that they should be treated as revenue.

Interest on bank deposits, short term deposits and Short Term Investment Funds (STIF) are recognised on an earned basis.

Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of revenue.

Revenue is allocated to the share classes of each sub-fund based on the proportion of assets held within each share class.

Dividend equivalent values on short Contracts for Differences (CFDs) are recognised when the underlying securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared.

#### d) Treatment of expenses

The ACD is entitled to receive a periodic charge from each sub-fund. As provided for in the Prospectus, the ACD's fees can be charged to revenue or capital or a combination of the two and is at the sole discretion of the ACD.

The ACD, as provided for in the Prospectus, has the right to discharge the fees of the Depositary, Investment Advisers, Consultants and Administrator and other expenses. However for the period from 1 January 2018 to 31 December 2018 only the ACD's, Depositary and Audit fees have been charged to the sub-funds. In the future, a larger proportion of the aforementioned fees and expenses may be charged to the sub-funds.

The ACD fee, Depositary fee and Audit fees are charged to revenue, except for Majedie UK Income sub-fund where the fees are deducted from capital for the purpose of distribution. The only other expenses paid by the sub-funds relate to the purchase and sale of investments, Performance fees and Stamp Duty Reserve Tax, which are charged against capital. The expenses relating to each sub-fund are allocated to the share classes based on the proportion of assets held within each share class, apart from the ACD's periodic charge and the Performance fee which are directly attributable to the individual share classes.

As set out in the Prospectus, the ACD may be entitled to receive Performance fees on certain share classes of certain sub-funds if the investment return over a relevant performance period outperforms a predetermined performance benchmark. Where the end of the relevant performance period comes after the accounting reference date and the investment return is outperforming the performance benchmark at that point in time, a Performance fee expense will be accrued at the accounting reference date. There is no certainty that any or all of such accrued expense will actually materialise as this will also be determined by the investment return from the accounting reference date to the end of the performance fee period. The reversal of previously accrued Performance fees may result in a negative expense being recognised in any particular period.

## Notes applicable to the Financial Statements of all sub-funds (continued)

for the year ended 31 December 2018

### 1 Accounting policies (continued)

#### e) Distribution policy

The whole of the net revenue attributable to a share class must be distributed or accumulated at the end of the sub-fund's financial year. Any share class in deficit of revenue will be claimed against the capital attributable to that share class.

#### f) Foreign exchange rates

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the end of the accounting period. Transactions denominated in foreign currencies are converted to sterling at the exchange rate ruling at the date of the transaction. Exchange differences from investments are taken to capital, while exchange differences arising from revenue received are taken to revenue in the Statement of Total Return.

#### g) Scrip dividends

Each sub-fund may elect to receive scrip dividends. Where an ordinary scrip dividend is received the whole amount is recognised as revenue on the basis of the market value of the shares on the date they are quoted ex-dividend. Where an enhanced scrip dividend is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the alternative cash dividend is treated as capital. Scrip dividend revenue forms part of the distributions.

#### h) Taxation

Corporation tax is provided at 20% on revenue, other than UK dividends, after deduction of expenses.

Where overseas tax has been deducted from overseas revenue, that tax can, in some circumstances, be set off against the corporation tax payable, by way of double taxation relief.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of revenue and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### i) Equalisation

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return on capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for the purpose of capital gains tax. The equalisation is calculated on an average basis and distributed to the shareholders accordingly.

#### j) Underwriting commission

Underwriting commission is generally treated as revenue and recognised when the issue takes place. However, where the sub-funds are required to take up all of the shares underwritten, the commission received is treated as a reduction in cost of the relevant shares.

## Notes applicable to the Financial Statements of all sub-funds (continued)

for the year ended 31 December 2018

### 2 Derivatives and other financial instruments

The individual sub-funds' financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and amounts receivable for creations and payable for cancellations.

For the purpose of efficient portfolio management, individual sub-funds may enter into derivative transactions in the form of warrants and futures. When used, this type of financial instrument is included in the 'Statement of Total Return' and held at market value. Any unlisted warrants are held at an estimated value calculated by the Fund Manager, which is based on the available market data of the underlying security and terms of the warrants. Investment in traded options is limited to 10% in value of the sub-fund's property.

Except for the Majedie Tortoise Fund, the sub-funds do not hold any derivatives that could significantly impact the value of the sub-funds. Each individual sub-fund has little exposure to credit, foreign currency or cash flow risk. There are no material borrowings or unlisted securities, and so little exposure to liquidity risk. The main risks they face arising from their financial instruments are interest rate risk and market risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement.

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

There are no material differences between the carrying value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

#### b) Sensitivity analysis

There were no derivatives of a material nature held by the sub-funds during the year, with the exception of Majedie Tortoise Fund. Sensitivity analysis on the financial assets and liabilities of each sub-fund are detailed in the financial statements of each sub-fund.

#### c) Market risk

##### i) Market price risk

Each individual sub-fund's investment portfolio is exposed to market price fluctuations which are monitored in pursuance of the investment objectives and policies of each sub-fund. Adherence to investment guidelines reduces the risk of excessive exposure to a particular type of security or issuer.

##### ii) Currency exposure risk

A proportion of the individual sub-fund's investment portfolio and cash on deposit may be invested in overseas securities and the balance sheet may be affected by movements in foreign exchange rates. The foreign currency exposure for each sub-fund is disclosed in the individual financial statements of that sub-fund.

##### iii) Interest rate risk

Changes in the outlook for interest rates may affect stock market valuations of companies. Interest rates and inflation expectations are continuously reviewed. Each individual sub-fund's assets include bank balances that earn interest at rates linked to the UK base rate. The assessment of interest rate risk may result in a change in investment strategy.

The interest rate risk exposure for each sub-fund is disclosed in the individual financial statements of that sub-fund.

#### d) Liquidity risk

The Prospectus of the Company and its individual sub-funds provides for the daily creation and cancellation of redeemable shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time. The sub-funds therefore invested principally in equity securities of companies incorporated in the UK and traded on a UK recognised exchange. The liquidity position of each sub-fund is reviewed on a regular basis to ensure that there is sufficient liquidity in the portfolio to provide for any potential future redemptions, however the diversified nature of the holdings could mean that some equity securities (except for the money market fund Goldman Sachs Liquidity Reserve Fund (cash), mainly those with relatively smaller market capitalisation, could be harder to liquidate in order to satisfy larger redemptions. In instances where there are a concentrated number of investors in any one particular sub-fund and an investor requests the redemption of shares considered to be substantial in relation to the total size of the sub-fund, the Authorised Corporate Director having given prior written notice may make payment for the shares redeemed in the form of an in specie transfer to the investor.

#### e) Credit risk

Certain transactions in securities that each sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility. The sub-funds only buy and sell investments through brokers which are approved counterparties, therefore minimising the risk of default.

The credit risk exposure for each sub-fund is disclosed in the individual financial statements of that sub-fund.

## Notes applicable to the Financial Statements of all sub-funds (continued)

for the year ended 31 December 2018

### 3 Commitments on derivative contracts

There were no commitments on derivative contracts at 31 December 2018 (31 December 2017: £nil).

### 4 Contingent liabilities

The sub-funds had no contingent liabilities at 31 December 2018 (31 December 2017: nil).

### 5 Related party transactions

Majedie Asset Management Limited, the ACD, is related to the sub-funds as defined by Section 33 of Financial Reporting Standard 102 'Related Party Disclosures', and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through creation and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders within each sub-fund. Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 8 or 9 and 10 or 11 within each sub-fund.

Shareholders holding in excess of 20% of the sub-funds have been disclosed in the individual sub-fund financial statements.

### 6 Authorised share capital

All shares rank for revenue allocation based upon the income available for distribution in the relevant share class in each distribution period.

In each sub-fund, shares may be purchased and sold with the ACD, priced forward at the next valuation point.

In the event of a sub-fund being wound up, shareholders will receive an amount to the appropriate proportion of the net assets of that sub-fund.

The voting rights attached to each share are in proportion to the voting rights attached to all shares in issue. Total shares are taken to be those shares in issue at the date, seven days before the notice of a shareholders' meeting is deemed to be served.

# Majedie UK Equity Fund

## Investment report

### Sub-fund objectives and policy

The sub-fund aims to produce a total return in excess of the FTSE All-Share Index over the long term through investment in a diversified portfolio of predominantly UK equities.

The sub-fund will invest in equity securities of companies which are listed or traded on one or more eligible markets. At least 80% of the sub-fund will be invested in UK equities, with the balance in international equities, cash or near cash. It is not the intention to invest materially in emerging markets.

### Performance and Financial Review

This report covers the period 1 January 2018 to 31 December 2018. During the period the sub-fund returned -9.8% (Class X Income shares, net of fees, GBP) against the FTSE All-Share Index return of -9.5%.

The start of 2018 was redolent with contrasts. Euphoria and optimism pushed retail money into financial markets, sending the S&P 500 Index to record levels in late January. And yet by the end of the year it was also a period for the bears, who savoured the sharp correction that exposed the vulnerability of a market structure where computer-based trading strategies now dominate both trading and flows.

The January rally was rapid. The S&P 500 Index rose 7.5% (USD) higher over 18 trading sessions. The catalysts were the US tax reform, which handed a tax cut across corporate America, and the prospect of additional fiscal stimulus. Markets rallied into the passing of the bill and then rallied further as company management teams announced strong sets of quarterly results. Growth stocks powered higher, so too did the momentum trade, Technology, and cryptocurrencies.

And then the mood soured. Wage data in the US surprised to the upside, the implications being that a hot economy was running too hot. The US Federal Reserve (the Fed) was perhaps itself too far behind the curve. The conclusion: inflation was back, and interest rates were going up, potentially faster than many had anticipated.

Stock markets fell and measures of volatility, languid for so long, jumped higher, catching short investors in highly levered synthetic instruments. Providers pulled volatility related products from the market, leaning once more on technical small print. We have long held concerns about the change in market structure, in the context of the rise of exchange traded funds (ETFs) and other low-cost passive products, and we continue to do so.

The dip was, once more, bought. Bulls pointed to a synchronised global expansion, deregulation, and ample liquidity. The sell-off was framed as a much-needed correction. Despite talk of tapering and monetary adjustment, the cumulative assets of the world's Central Banks hit a new high. The adjustment did not happen, so we believe it is still to come.

UK stocks found buyers during the spring as the FTSE All-Share Index rallied into the summer. With many large, active positions working, the sub-fund performed well. Despite the incessant doom on Brexit, the political positioning and the fact that two years after the EU Referendum vote there is a distinct lack of detail on the post-divorce framework, the valuation of UK assets had started to flash up on screens. Regardless of the vogue for passive and consequent price agnostic buying, there are investors, including corporates, who still care about valuation. Flows picked up. Brokers started to suggest the region may be worth a look. The caveats though, were many: Brexit remains a major uncertainty.

A sharp sell-off towards the end of the year marred sentiment and saw the bears grip the tiller, steering markets lower into the year-end as the consensus narrative turned towards signs of slowing global growth. As the data soured, so too did investors' appetite for risk. Skittish markets rallied, sold off and then did it all again. We believe these moves were symptomatic of thin liquidity and a fragile market structure.

Liquidity joins a long list of concerns for investors, a list that is dominated by the slow and inexorable exchange between the US and China, as the two superpowers vie for position in a changing world order. Ostensibly this is about tariffs and the US President's view that the Chinese have been taking advantage for too long. The negotiations are played out against a backdrop of nervous geopolitics, laced with rhetoric over the part-reversal of globalisation and a slow shift away from the US dollar as the global reserve currency of choice. As China has moved forward and developed, the balance of power has changed. For a long time, the country was simply part of the supply chain, with US corporations expanding their margins via a vast pool of cheap labour; but now, with the emergence of Technology companies, such as ZTE and Huawei, it is increasingly a competitor. This sits uneasily in the minds of US politicians, given the obvious implications for military development. The relationship, therefore, is changing, moving to a new level with significant long-term implications for markets. Whilst some tensions have been loosened with tariff negotiations ongoing, the way the US handles the inexorable rise of China is likely to be the defining geopolitical issue for the next decade.

## Investment report (continued)

### Performance and Financial Review (continued)

The price of crude oil collapsed in the latter part of the year. Various explanations were offered, from the squaring of speculative positioning to the fraying growth outlook, but it appears the main cause for the slump was a simple case of supply and demand. In anticipation of the removal of Iranian oil as a result of US sanctions, Saudi Arabia and Russia ramped up production. A week before the sanctions were set to bite, the US pulled an about turn and made some exemptions for the biggest buyers of Iranian oil. With US shale pumping hard, the market was very evidently oversupplied. An Organisation of the Petroleum Exporting Countries (OPEC) meeting followed, and a cut ensued which should in time, with demand steady, clear the excess and refocus minds on the long-term implications of accelerating decline rates and the muted appetite of the Oil majors to sanction large scale exploration projects. We remain positive on the outlook for crude oil from these levels and see scope for a significant re-rating in companies such as BP, where operational upgrades and portfolio re-positioning is sending the breakeven price towards \$40, with cash flow and dividends set to reap the reward.

In the UK, the trade war and the oil price were side issues. The main focus was Brexit. The pound was hit as the Conservative Party argued with itself. International investors watched from a distance, while corporate Britain fumed. We think the debacle that is being played out will be resolved in the course of 2019. Clarity is what the market craves, and with clarity comes release. Sterling, in our view, is now a long way below fair value and whilst it might seem impossible to imagine given recent headlines, a sharp rally would have major ramifications for investors who are squeezed into UK-listed US dollar earners. Should the currency start to rattle back towards fair value – somewhere in the range of \$1.42 and \$1.56 according to HSBC's Little Mac purchasing power parity gauge – then there is potentially a major rotation set to play out.

The performance of the sub-fund has been in line with the market for a prolonged period but masks several factors at play. Distil financial markets down and in the simplest terms the only price that matters is the price of money – interest rates. For ten years, Central Banks have distorted the price of money, and as a result all sorts of assets have risen and bubbles have emerged. As liquidity is being sucked out of the system, those bubbles from Bitcoin to leveraged loans are starting to hiss air. We have for several years, after many meetings with Central Bankers, been concerned about the transition to a more 'normal' monetary policy framework. We grew cautious and focused our minds on capital preservation. Whilst the Fed was the first to move, liquidity on a cumulative basis remained plentiful, supporting asset prices. This fuelled appetite for many growth stocks and bond proxies, areas of the market where the Fund was under-represented. Strong stock selection elsewhere offset these negatives leading to the in-line performance. And now, the tide has turned. Those assets that so benefited from Quantitative Easing are rolling over. This is what we have been waiting for. Indeed, the strategists at Morgan Stanley highlighted that the October sell-off was the first period since the Financial Crisis where value stocks outperformed. We are not value investors, but we see sensible value as being ripe for a run given the extreme underperformance over the past ten years. When thinking about where we can make our clients' money over the next ten, it is apparent to us that a different portfolio is required in comparison to what has worked in the era of monetary excess. We have been frustrated by the performance of the last two years, but conversely our conviction in the changes that we have made, and the shape of the current portfolio has risen. Within the UK there are many excellent businesses trading on attractive cash flow multiples. The sub-fund is invested in these stocks and we remain upbeat about their prospects into next year as markets adjust to the regime change in Central Bank policy.

## Comparative Tables

For the year ended:	31.12.18† pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>A Income Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	513.97	498.13	417.16
Return before operating charges*	14.58	33.21	96.26
Operating charges	(4.53)	(7.74)	(6.66)
Return after operating charges	10.05	25.47	89.60
Net asset value per share before distributions	524.02	523.60	506.76
Distributions	(6.75)	(9.63)	(8.63)
<b>Closing net asset value per share</b>	<b>517.27</b>	<b>513.97</b>	<b>498.13</b>
*After direct transaction costs of	(0.29)	(1.12)	(0.86)
<b>Performance</b>			
Return after charges	1.96%	5.11%	21.48%
<b>Other information</b>			
Closing net asset value (£)	-	415,968	422,618
Closing number of shares	-	80,932	84,841
Operating charges**	1.51%	1.52%	1.52%
Direct transaction costs	0.17%	0.22%	0.20%
<b>Prices</b>			
Highest share price	542.38	525.54	499.97
Lowest share price	471.76	495.81	374.71

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

† The above table shows performance information to 1 August 2018, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.18† pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>A Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	571.72	543.71	446.60
Return before operating charges*	(53.08)	36.50	104.29
Operating charges	(8.52)	(8.49)	(7.18)
Return after operating charges	(61.60)	28.01	97.11
Distributions	(7.46)	(10.55)	(9.28)
Retained distributions on accumulation shares	7.46	10.55	9.28
<b>Closing net asset value per share</b>	<b>510.12</b>	<b>571.72</b>	<b>543.71</b>
*After direct transaction costs of	(0.55)	(1.23)	(0.93)
<b>Performance</b>			
Return after charges	(10.77%)	5.15%	21.74%
<b>Other information</b>			
Closing net asset value (£)	-	10,110,532	53,440,666
Closing number of shares	-	1,768,446	9,828,864
Operating charges**	1.52%	1.52%	1.52%
Direct transaction costs	0.10%	0.22%	0.20%
<b>Prices</b>			
Highest share price	603.26	574.58	542.41
Lowest share price	505.35	541.15	401.21

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

† The above table shows performance information to 28 December 2018, the date the share class closed.



## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>B Income Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	584.66	566.63	474.22
Return before operating charges*	(52.13)	37.87	109.87
Operating charges	(0.11)	(0.12)	(0.10)
Return after operating charges	(52.24)	37.75	109.77
Net asset value per share before distributions	532.42	604.38	583.99
Distributions	(21.90)	(19.72)	(17.36)
<b>Closing net asset value per share</b>	<b>510.52</b>	<b>584.66</b>	<b>566.63</b>
*After direct transaction costs of	(0.56)	(1.28)	(0.98)
<b>Performance</b>			
Return after charges	(8.94%)	6.66%	23.15%
<b>Other information</b>			
Closing net asset value (£)	84,765,410	101,149,524	120,002,304
Closing number of shares	16,603,698	17,300,428	21,178,414
Operating charges**	0.02%	0.02%	0.02%
Direct transaction costs	0.10%	0.22%	0.20%
<b>Prices</b>			
Highest share price	620.59	601.38	572.67
Lowest share price	514.11	566.61	426.62

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

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## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>B Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	672.85	630.35	510.10
Return before operating charges*	(61.67)	42.63	120.36
Operating charges	(0.13)	(0.13)	(0.11)
Return after operating charges	(61.80)	42.50	120.25
Distributions	(25.43)	(22.13)	(18.84)
Retained distributions on accumulation shares	25.43	22.13	18.84
<b>Closing net asset value per share</b>	<b>611.05</b>	<b>672.85</b>	<b>630.35</b>
*After direct transaction costs of	(0.65)	(1.44)	(1.07)
<b>Performance</b>			
Return after charges	(9.18%)	6.74%	23.57%
<b>Other information</b>			
Closing net asset value (£)	652,878,059	839,025,694	875,578,714
Closing number of shares	106,844,742	124,697,350	138,904,030
Operating charges**	0.02%	0.02%	0.02%
Direct transaction costs	0.10%	0.22%	0.20%
<b>Prices</b>			
Highest share price	714.19	674.02	628.78
Lowest share price	603.69	630.26	459.05

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

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## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>X Income Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	157.79	152.93	128.03
Return before operating charges*	(14.04)	10.21	29.61
Operating charges	(1.19)	(1.21)	(1.04)
Return after operating charges	(15.23)	9.00	28.57
Net asset value per share before distributions	142.56	161.93	156.60
Distributions	(4.74)	(4.14)	(3.67)
<b>Closing net asset value per share</b>	<b>137.82</b>	<b>157.79</b>	<b>152.93</b>
*After direct transaction costs of	(0.15)	(0.34)	(0.26)
<b>Performance</b>			
<b>Return after charges</b>	(9.65%)	5.89%	22.32%
<b>Other information</b>			
Closing net asset value (£)	1,327,292,238	1,516,375,678	1,267,523,697
Closing number of shares	963,041,606	960,991,661	828,828,270
Operating charges**	0.77%	0.77%	0.77%
Direct transaction costs	0.10%	0.22%	0.20%
<b>Prices</b>			
Highest share price	167.00	161.83	154.03
Lowest share price	138.23	152.57	115.10

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

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## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>X Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	180.71	170.57	139.06
Return before operating charges*	(16.43)	11.50	32.65
Operating charges	(1.38)	(1.36)	(1.14)
Return after operating charges	(17.81)	10.14	31.51
Distributions	(5.47)	(4.65)	(4.01)
Retained distributions on accumulation shares	5.47	4.65	4.01
<b>Closing net asset value per share</b>	<b>162.90</b>	<b>180.71</b>	<b>170.57</b>
*After direct transaction costs of	(0.18)	(0.39)	(0.29)
<b>Performance</b>			
Return after charges	(9.86%)	5.94%	22.66%
<b>Other information</b>			
Closing net asset value (£)	1,301,623,916	1,577,083,834	1,347,160,392
Closing number of shares	799,054,817	872,719,373	789,807,999
Operating charges**	0.77%	0.77%	0.77%
Direct transaction costs	0.10%	0.22%	0.20%
<b>Prices</b>			
Highest share price	191.28	181.32	170.15
Lowest share price	160.95	170.16	125.04

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Risk and Reward Profile

The sub-fund invests in equities, which can provide higher returns over the medium to long term. However, such returns may be subject to greater rises and falls in the short term than investing in lower risk assets. The sub-fund's Synthetic Risk and Reward Indicator is 5 on a scale of 1 (lower) to 7 (higher).

It should be noted that past performance is not a guide to future performance and the value of your investment may go down as well as up meaning you may not get back your initial investment.

## Summary of Material Portfolio Changes

The table below shows the top ten purchases and sales for the year:

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Pearson	55,588,571	HSBC	74,761,567
Legal & General	50,379,948	Standard Chartered	37,966,752
Novartis	46,564,321	Vodafone	27,840,827
British Land	38,172,353	Barclays	26,858,929
ITV	35,932,667	Telecom Italia	24,640,796
GlaxoSmithKline	35,552,554	BT	23,278,197
Barclays	26,001,933	Royal Dutch Shell class 'B' shares	20,273,619
Lloyds Banking	25,266,401	Anglo American	20,160,106
Dixons Carphone	23,074,855	KAZ Minerals	20,153,971
Aviva	22,920,846	Tencent	18,216,966

## Portfolio Statement

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
<b>EQUITIES (97.22%; 2017 95.71%)</b>			
<b>Aerospace &amp; Defence (2.41%; 2017 2.18%)</b>			
10,904,657	BAE Systems	50,074,185	1.49
3,485,392	Chemring	5,611,481	0.17
7,925,973	QinetiQ	22,699,986	0.67
213,339	Ultra Electronics	2,771,274	0.08
<b>Banks (8.65%; 2017 11.04%)</b>			
40,406,894	Barclays	60,812,375	1.81
181,236	First Republic Bank	12,371,748	0.37
17,350,081	HSBC	112,220,324	3.33
44,284,845	Lloyds Banking	22,926,264	0.68
28,210,759	Royal Bank of Scotland	60,991,661	1.81
93,789	Secure Trust Bank	1,106,710	0.03
3,421,999	Standard Chartered	20,850,240	0.62
<b>Beverages (0.24%; 2017 0.17%)</b>			
3,826,264	Stock Spirits	7,958,629	0.24
<b>Construction &amp; Materials (0.82%; 2017 0.86%)</b>			
2,551,170	Accsys Technologies	2,602,193	0.08
2,339,774	Balfour Beatty	5,828,377	0.17
3,415,297	Marshalls	15,874,301	0.47
2,329,763	Volusion	3,331,561	0.10
<b>Electricity (0.00%; 2017 0.20%)</b>			
<b>Electronic &amp; Electrical Equipment (0.12%; 2017 0.11%)</b>			
228,731	Oxford Instruments	2,035,706	0.06
1,352,305	Xaar	1,917,568	0.06
<b>Equity Investment Instruments (0.12%; 2017 0.05%)</b>			
905,390	Gresham House	4,110,471	0.12
<b>Financial Services (0.58%; 2017 0.99%)</b>			
468,117	Charles Stanley	1,273,278	0.04
590,179	Curtis Banks	1,510,858	0.05
846,021	John Laing	2,798,638	0.08
2,834,880	Morses Club	4,394,064	0.13
217,207	Mortgage Advice Bureau	1,090,379	0.03
423,012	Provident Financial	2,432,319	0.07
5,791,780	Sherborne Investors	4,054,246	0.12
3,114,556	Tungsten	828,472	0.02
771,032	XPS Pensions	1,233,651	0.04

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>Fixed Line Telecommunications (6.49%; 2017 6.78%)</b>		
23,315,787	BT	55,503,231	1.65
7,276,517	KCOM	5,268,198	0.16
8,491,652	Orange	107,889,179	3.20
17,812,834	Royal KPN	40,866,712	1.21
20,544,778	Telecom Italia	8,910,544	0.27
	<b>Food &amp; Drug Retailers (9.52%; 2017 8.96%)</b>		
20,762,687	J Sainsbury	55,021,121	1.63
82,452,179	Tesco	156,741,592	4.66
51,028,913	Wm Morrison Supermarkets	108,819,157	3.23
	<b>Food Producers (1.11%; 2017 1.16%)</b>		
1,605,132	Associated British Foods	32,792,847	0.98
1,439,247	Bakkavor	2,029,338	0.06
306,926	Dairy Crest	1,295,841	0.04
167,098	M.P. Evans	1,116,215	0.03
	<b>Forestry &amp; Paper (1.12%; 2017 1.20%)</b>		
2,309,100	Mondi	37,719,149	1.12
	<b>Gas, Water &amp; Multiutilities (3.01%; 2017 2.48%)</b>		
75,122,087	Centrica	101,339,695	3.01
	<b>General Industrials (0.08%; 2017 0.14%)</b>		
3,248,343	Coats	2,647,399	0.08
	<b>General Retailers (4.66%; 2017 5.27%)</b>		
8,669,548	Card Factory	14,980,979	0.45
10,367,091	Carpetright	1,731,304	0.05
932,975	DFS Furniture	1,696,149	0.05
20,842,399	Dixons Carphone	25,010,879	0.74
645,398	Dunelm	3,475,468	0.10
12,561,899	Kingfisher	26,053,379	0.77
19,881,973	Marks and Spencer	49,128,355	1.46
11,907,133	Mothercare	1,869,420	0.06
116,542	Next	4,651,191	0.14
25,523,860	Saga	26,366,147	0.78
5,865,219	Vertu Motors	2,052,827	0.06
	<b>Health Care Equipment &amp; Services (1.52%; 2017 1.10%)</b>		
1,609,737	CareTech	5,521,398	0.17
2,944,611	Smith & Nephew	43,109,105	1.28
2,282,345	Spire Healthcare	2,469,497	0.07
	<b>Household Goods &amp; Home Construction (0.04%; 2017 0.02%)</b>		
1,068,254	McBride	1,313,952	0.04

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>Industrial Engineering (0.00%; 2017 0.42%)</b>		
	<b>Industrial Transportation (0.00%; 2017 0.25%)</b>		
	<b>Leisure Goods (0.15%; 2017 0.20%)</b>		
5,750,017	Photo-Me	5,134,765	0.15
	<b>Life Insurance (2.59%; 2017 1.26%)</b>		
11,749,683	Aviva	44,120,060	1.31
18,606,623	Legal & General	42,981,299	1.28
	<b>Media (4.96%; 2017 1.82%)</b>		
1,794,012	Bloomsbury Publishing	3,552,144	0.11
5,464,605	Daily Mail & General Trust class 'A' shares	31,421,479	0.93
220,754	Euromoney Institutional Investor	2,547,501	0.08
837,510	Gocompare.com	572,857	0.02
26,018,653	ITV	32,484,288	0.96
9,210,504	Pearson	86,376,106	2.57
8,603,104	Reach	5,505,987	0.16
859,445	STV	2,973,680	0.09
468,546	Tarsus	1,241,647	0.04
	<b>Mining (6.94%; 2017 8.03%)</b>		
3,357,050	Acacia Mining	6,153,473	0.18
91,725	Agnico-Eagle Mines	2,908,898	0.09
2,507,529	Anglo American	43,806,532	1.30
3,296,597	Atalaya Mining	6,889,888	0.20
5,923,445	Barrick Gold	62,880,792	1.87
6,547,030	Berkeley Energia	523,762	0.02
1,759,765	BHP Billiton	29,032,603	0.86
4,661,640	Centamin	5,071,864	0.15
2,049,177	Central Asia Metals	4,456,960	0.13
3,235,312	Gem Diamonds	3,558,843	0.11
5,180,270	Gold Fields	14,317,329	0.42
2,027,995	Goldcorp	15,588,938	0.46
7,592,727	Hochschild Mining	11,848,450	0.35
8,882,671	Hummingbird Resources	1,874,243	0.06
3,030,737	KAZ Minerals	16,123,521	0.48
321,070	Kenmare Resources	593,979	0.02
295,610	Leyshon Resources*	-	-
8,858,004	Lonmin	3,994,960	0.12
7,712,162	Norseman Gold*	-	-
1,685,652	Petra Diamonds	635,154	0.02
32,642,493	Shanta Gold	1,958,549	0.06
8,519,838	Sylvania Platinum	1,363,174	0.04
	<b>Mobile Telecommunications (2.01%; 2017 3.27%)</b>		
44,344,047	Vodafone	67,802,048	2.01



## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>Non-Life Insurance (1.46%; 2017 1.22%)</b>		
6,198,470	Direct Line	19,742,127	0.59
867,918	Jardine Lloyd Thompson	16,403,650	0.49
2,331,603	RSA Insurance	11,928,481	0.35
444,183	Sabre Insurance	1,212,620	0.03
	<b>Oil &amp; Gas Producers (16.65%; 2017 15.58%)</b>		
138,713,201	Aminex	1,872,628	0.06
51,376,253	BP	254,800,527	7.57
1,136,047	Cairn Energy	1,704,071	0.05
3,752,986	Genel Energy	6,650,291	0.20
3,750,552	Nostrum Oil & Gas	3,855,568	0.11
5,251,653	Premier Oil	3,489,723	0.10
14,262,530	Rockhopper Exploration	2,930,950	0.09
11,312,142	Royal Dutch Shell class 'B' shares	264,364,759	7.85
11,718,099	Tullow Oil	20,987,115	0.62
	<b>Oil Equipment, Services &amp; Distribution (0.78%; 2017 1.40%)</b>		
477,639	Diamond Offshore Drilling	3,536,539	0.10
5,623,676	Ensco	15,675,290	0.47
5,659,490	Lamprell	3,423,991	0.10
379,788	Oceaneering International	3,605,243	0.11
	<b>Personal Goods (0.34%; 2017 0.40%)</b>		
78,968	Kao	4,601,327	0.14
168,207	Unilever	6,910,785	0.20
	<b>Pharmaceuticals &amp; Biotechnology (6.71%; 2017 2.92%)</b>		
10,126,035	GlaxoSmithKline	150,999,434	4.49
760,355	Novartis	50,884,132	1.51
354,820	Sanofi	24,042,152	0.71
	<b>Real Estate Investment &amp; Services (0.20%; 2017 0.14%)</b>		
1,580,487	Conygar	2,844,877	0.08
38,232,621	Dolphin Capital Investors	2,141,027	0.06
581,395	Helical Bar	1,837,208	0.06
4,576,733	Speymill Deutsche Immobilien*	-	-
	<b>Real Estate Investment Trusts (0.94%; 2017 0.10%)</b>		
5,596,472	British Land	29,840,389	0.88
3,946,275	Real Estate Investors	1,941,567	0.06
	<b>Software &amp; Computer Services (1.75%; 2017 2.78%)</b>		
1,967,474	CentralNic	1,003,412	0.03
1,202,148	Eckoh	414,741	0.01
293,754	EMIS	2,670,224	0.08
2,075,821	FDM	15,423,350	0.46

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
<b>Software &amp; Computer Services (continued)</b>			
414,017	GRC International	484,400	0.02
1,147,214	Gresham Technologies	768,633	0.02
536,363	RhythmOne	997,635	0.03
2,209,704	RM	4,419,408	0.13
3,992,386	Sage	23,986,255	0.71
1,463,227	SDL	6,847,902	0.20
2,596,004	Tribal	1,941,811	0.06
<b>Support Services (6.71%; 2017 7.73%)</b>			
228,824	Biffa	448,038	0.01
2,456,474	De La Rue	10,268,061	0.30
11,583,818	Electrocomponents	58,683,622	1.75
16,243,911	Hays	22,741,475	0.68
465,725	Marlowe	1,900,158	0.06
4,679,080	Mears	15,253,801	0.45
303,170	PayPoint	2,434,456	0.07
13,345,715	Renewi	4,357,376	0.13
14,484,522	Rentokil Initial	48,682,478	1.45
831,937	Restore	2,670,518	0.08
3,084,587	RPS	4,188,869	0.12
35,359,250	Serco	33,803,443	1.00
3,859,917	SIG	4,238,189	0.13
10,128,333	Speedy Hire	5,975,716	0.18
944,628	Travis Perkins	10,107,520	0.30
<b>Technology Hardware &amp; Equipment (0.20%; 2017 0.17%)</b>			
5,744,892	Spirent Communications	6,801,952	0.20
<b>Tobacco (0.00%; 2017 0.41%)</b>			
<b>Travel &amp; Leisure (4.34%; 2017 4.90%)</b>			
3,321,955	888.com	5,813,421	0.17
1,075,809	Comptoir	107,581	-
8,622,963	Ei	15,659,301	0.47
38,319,893	fastjet	517,318	0.02
1,838,032	fastjet warrants 31/7/2021*	-	-
31,822,942	FirstGroup	26,540,334	0.79
4,276,683	Greene King	22,529,566	0.67
2,227,440	GVC	15,012,946	0.45
13,677,176	GVC contingent value rights*	-	-
996,819	Patisserie*	99,683	-
4,125,718	Rank	5,685,239	0.17
4,431,477	Ryanair	42,560,635	1.27
7,253,953	William Hill	11,243,627	0.33

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
<b>NON-EQUITY INVESTMENT INSTRUMENTS (3.18%; 2017 3.85%)</b>			
107,030,759	Goldman Sachs Sterling Liquidity Reserve Fund	107,030,759	3.18
8	Goldman Sachs US Dollar Liquidity Reserve Fund	6	-
95,800	XL TG class 'A' shares*	-	-
<b>Portfolio of investments</b>		<b>3,379,937,330</b>	<b>100.40</b>
<b>Net current liabilities</b>		<b>(13,377,707)</b>	<b>(0.40)</b>
<b>Total net assets</b>		<b>3,366,559,623</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

\*Delisted security and is therefore valued at the ACD's best assessment.

Comparative figures show percentages for each sector category at 31 December 2017.

## Statement of Total Return

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
Income					
Net capital (losses)/gains	2		(487,889,002)		120,038,283
Revenue	3	147,907,384		135,102,454	
Expenses	4	(23,021,557)		(23,364,783)	
Interest payable and similar charges	6	(4,856)		(3,320)	
<b>Net revenue before taxation</b>		<b>124,880,971</b>		<b>111,734,351</b>	
Taxation	5	(413,496)		926,834	
<b>Net revenue after taxation</b>		<b>124,467,475</b>		<b>112,661,185</b>	
<b>Total (loss)/return before distributions</b>		<b>(363,421,527)</b>		<b>232,699,468</b>	
Distributions	7	(124,498,066)		(112,672,821)	
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(487,919,593)</b>		<b>120,026,647</b>	

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		<b>4,044,161,230</b>		<b>3,664,128,391</b>	
Amounts received on issue of shares		321,963,044		578,953,922	
Amounts paid on cancellation of shares		(586,927,609)		(391,526,184)	
		<b>(264,964,565)</b>		<b>187,427,738</b>	
Dilution adjustment	8	2,043,734		2,897,823	
Stamp duty reserve tax		-		(13)	
Change in net assets attributable to shareholders from investment activities		(487,919,593)		120,026,647	
Retained distribution on accumulation shares		73,238,817		69,677,190	
Unclaimed distributions		-		3,454	
<b>Closing net assets attributable to shareholders</b>		<b>3,366,559,623</b>		<b>4,044,161,230</b>	

There have been no recognised gains or losses in the year other than those shown in the statement above.

The notes on pages 30 to 42 form an integral part of these financial statements.

## Balance Sheet

as at 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
<b>Assets</b>					
Fixed assets					
Investments			3,379,937,330		4,026,231,387
Current assets					
Debtors	9	11,938,668		12,685,199	
Cash and bank balances	10	-		35,932,967	
<b>Total other assets</b>			<b>11,938,668</b>		<b>48,618,166</b>
<b>Total assets</b>			<b>3,391,875,998</b>		<b>4,074,849,553</b>
<b>Liabilities</b>					
Creditors					
Bank overdrafts		(271)		(102)	
Distribution payable	11	(21,635,911)		(18,314,531)	
Other creditors	11	(3,680,193)		(12,373,690)	
<b>Total other liabilities</b>			<b>(25,316,375)</b>		<b>(30,688,323)</b>
<b>Total liabilities</b>			<b>(25,316,375)</b>		<b>(30,688,323)</b>
<b>Net assets attributable to shareholders</b>			<b>3,366,559,623</b>		<b>4,044,161,230</b>

The notes on pages 30 to 42 form an integral part of these financial statements.

## Notes to the Financial Statements

for the year ended 31 December 2018

### 1 Accounting policies

The sub-fund's accounting and distribution policies are set out on pages 9 and 10.

### 2 Net capital (losses)/gains on investments during the year

	31 December 2018	31 December 2017
	£	£
<b>The net (losses)/gains investments during the year comprise:</b>		
(Losses)/gains on non-derivative securities	(487,804,004)	119,910,287
Currency (losses)/gains	(69,926)	112,924
(Losses)/gains on derivative securities	(15,072)	15,072
	<u>(487,889,002)</u>	<u>120,038,283</u>
<b>Net (losses)/gains on investments</b>	<b>(487,889,002)</b>	<b>120,038,283</b>

### 3 Revenue

	31 December 2018	31 December 2017
	£	£
Dividends from UK companies	136,152,939	121,471,872
Interest from UK bank deposits	27,080	185,796
Non-taxable overseas dividends	10,439,380	9,331,764
Stock dividends	-	3,792,411
Taxable overseas dividends	688,156	320,611
UK REIT PID dividends	599,829	-
	<u>147,907,384</u>	<u>135,102,454</u>
<b>Total revenue</b>	<b>147,907,384</b>	<b>135,102,454</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 4 Expenses

	31 December 2018 £	31 December 2017 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	22,428,415	22,712,861
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fee	582,508	641,779
<b>Other expenses:</b>		
Audit fee*	10,634	10,143
<b>Total expenses</b>	<b>23,021,557</b>	<b>23,364,783</b>

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

\*The audit fee for the year, excluding VAT, was £9,000 (2017: £8,670).

## Notes to the Financial Statements(continued)

for the year ended 31 December 2018

### 5 Taxation

#### (a) Analysis of tax charge/(credit) for the year

	31 December 2018 £	31 December 2017 £
Overseas tax suffered/(credit)	410,508	(926,834)
Income tax prior year adjustment	2,988	-
<b>Total tax charge/(credit) for the year (see note 5(b))</b>	<b>413,496</b>	<b>(926,834)</b>

#### (b) Factors affecting current tax charge/(credit) for the year

	31 December 2018 £	31 December 2017 £
The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	124,880,971	111,734,351
Corporation tax at 20% (31 December 2017: 20%)	24,976,194	22,346,870
Effects of:		
Excess management expenses for which no tax relief taken	4,342,270	4,552,897
Franked investment revenue at 20% (31 December 2017: 20%)	(27,230,588)	(24,294,374)
Income tax prior year adjustment	2,988	-
Non-taxable overseas dividends	(2,087,876)	(1,866,353)
Non-taxable stock dividends	-	(758,482)
Overseas tax suffered/(credit)	410,508	(926,834)
Prior year adjustment for excess management expenses	-	19,442
<b>Total current tax charge/(credit) for the year (see note 5(a))</b>	<b>413,496</b>	<b>(926,834)</b>

Open-ended investment companies are not liable to corporation tax on capital gains, therefore, no capital items are included in the above reconciliation.

As at 31 December 2018 the sub-fund had surplus management expenses of £120,024,028 (31 December 2017: £98,312,679). As at 31 December 2018 there is a potential deferred tax asset of £24,004,806 (31 December 2017: £19,662,536). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses, therefore, no deferred tax asset has been recognised.

### 6 Interest payable and similar charges

	31 December 2018 £	31 December 2017 £
Interest	4,856	3,320
<b>Total interest payable and similar charges</b>	<b>4,856</b>	<b>3,320</b>



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 7 Distributions

	31 December 2018 £	31 December 2017 £
Interim	69,152,672	65,017,420
Final	53,317,717	47,970,037
	<u>122,470,389</u>	<u>112,987,457</u>
Add: Revenue deducted on cancellation of shares	4,142,364	3,035,843
Less: Revenue received on issue of shares	<u>(2,114,687)</u>	<u>(3,350,479)</u>
	<u><b>124,498,066</b></u>	<u><b>112,672,821</b></u>
<b>Reconciliation of distributions:</b>		
Net revenue after taxation	124,467,475	112,661,185
Equalisation on conversions	30,588	11,636
Shortfall of revenue taken to capital	<u>3</u>	<u>-</u>
<b>Net distributions for the year</b>	<u><b>124,498,066</b></u>	<u><b>112,672,821</b></u>

The distribution per share is set out in the tables on pages 43 to 44.

### 8 Dilution adjustment

The Instrument of Incorporation allows the cost of dilution to be met directly from the sub-fund's assets or to be recovered from investors on the purchase or redemption of shares in a sub-fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment on the purchase or redemption of shares in a sub-fund. A dilution adjustment is an adjustment to the share price.

The ACD's policy for Majedie UK Equity Fund is to apply a dilution adjustment whenever there are net inflows or net outflows of £1,000,000 or more. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the sub-fund.

As dilution is directly related to the inflows and outflows of monies from the sub-fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment.

If there are net inflows into the sub-fund, the dilution adjustment will increase the price and if there are net outflows, the price will be decreased.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 9 Debtors

	31 December 2018 £	31 December 2017 £
Accrued revenue	10,494,247	11,575,894
Amounts receivable for issue of shares	905,799	548,939
Overseas withholding tax	538,622	463,145
Sales awaiting settlement	-	97,221
<b>Total debtors</b>	<b>11,938,668</b>	<b>12,685,199</b>

### 10 Cash and bank balances

	31 December 2018 £	31 December 2017 £
Cash and bank balances	-	35,932,967
<b>Total cash and bank balances</b>	<b>-</b>	<b>35,932,967</b>

### 11 Creditors

	31 December 2018 £	31 December 2017 £
<b>a) Distribution payable</b>		
Net distribution payable	21,635,911	18,314,531
<b>Total distribution payable</b>	<b>21,635,911</b>	<b>18,314,531</b>
<b>b) Other creditors</b>		
Accrued ACD's periodic charge	3,468,890	1,955,132
Accrued audit fee	10,402	10,173
Accrued Depositary's fee	92,632	72,923
Amounts payable for cancellation of shares	108,269	10,078,151
Corporation tax payable	-	4,348
Purchases awaiting settlement	-	252,963
<b>Total other creditors</b>	<b>3,680,193</b>	<b>12,373,690</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments

The sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for cancellations.

For the purpose of efficient portfolio management, the sub-fund may enter into derivative transactions in the form of warrants and futures. When used, this type of financial instrument is included in the "Statement of Total Return" and held at market value. Any unlisted warrants are held at an estimated value calculated by the Fund Manager, which is based on the available market data of the underlying security and the terms of the warrants.

The sub-fund does not hold any derivatives that could significantly impact the sub-fund.

The sub-fund has little exposure to credit, interest rate or cash flow risk. There are no material borrowings or unlisted securities and so little exposure to liquidity risk. The main risks it faces arising from its financial instruments are foreign currency risk and market risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement.

The level of leverage employed by the sub-fund during the year is not considered to be significant, hence no leverage analysis is disclosed.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

The sub-fund only buys and sells investments through brokers which are approved counterparties, therefore minimising the risk of default.

With regards to cash, the sub-fund's cash balances are held with The Bank of New York Mellon (International) Limited, which is the Global sub-custodian, appointed by the Custodian. As at 31 December 2018, the cash balance of the sub-fund was £Nil (31 December 2017: £35,932,967).

The long-term credit rating for The Bank of New York Mellon (International) Limited is AA- (31 December 2017: AA-), with the outlook considered stable. In the event of insolvency of the The Bank of New York Mellon (International) Limited, cash held on the sub-fund will be treated as a creditor in respect of cash held on its account.

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	£	£
<b>31 December 2018</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	3,272,806,882	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	107,030,765	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	99,683	-
<b>Total</b>	<b>3,379,937,330</b>	<b>-</b>
<b>31 December 2017</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	3,870,742,746	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	155,488,641	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>4,026,231,387</b>	<b>-</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk

A proportion of the sub-fund's investment portfolio and cash on deposit may be invested in overseas securities and the balance sheet may be affected by movements in foreign exchange rates.

The currency exposure risk as at 31 December 2018 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	£	£	£
Danish krone	-	32,568	32,568
Euro	(112)	226,579,447	226,579,335
Japanese yen	-	4,631,844	4,631,844
Norwegian krone	-	78,557	78,557
Swiss franc	-	50,884,132	50,884,132
US dollar	-	131,231,718	131,231,718
<b>Total</b>	<b>(112)</b>	<b>413,438,266</b>	<b>413,438,154</b>

The currency exposure risk as at 31 December 2017 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	£	£	£
Danish krone	-	10,295,775	10,295,775
Euro	(102)	252,989,954	252,989,852
Hong Kong dollar	-	18,589,881	18,589,881
Japanese yen	-	9,287,559	9,287,559
Norwegian krone	-	78,358	78,358
US dollar	-	140,902,254	140,902,254
<b>Total</b>	<b>(102)</b>	<b>432,143,781</b>	<b>432,143,679</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk

##### Management of currency risk

Currency risk exposure is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% strengthening or weakening of its base currency against other currencies to which it is exposed to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Danish krone	32,568	3,619	(2,961)
Euro	226,579,335	25,175,482	(20,598,121)
Japanese yen	4,631,844	514,649	(421,077)
Norwegian krone	78,557	8,729	(7,142)
Swiss franc	50,884,132	5,653,792	(4,625,830)
US dollar	131,231,718	14,581,302	(11,930,156)
<b>Total non base currency</b>	<b>413,438,154</b>	<b>45,937,573</b>	<b>(37,585,287)</b>
UK Sterling	2,953,121,469		
<b>Total net asset value</b>	<b>3,366,559,623</b>		

At 31 December 2017:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Danish krone	10,295,775	1,143,975	(935,980)
Euro	252,989,852	28,109,984	(22,999,077)
Hong Kong dollar	18,589,881	2,065,542	(1,689,989)
Japanese yen	9,287,559	1,031,951	(844,324)
Norwegian krone	78,358	8,706	(7,123)
US dollar	140,902,254	15,655,806	(12,809,296)
<b>Total non base currency</b>	<b>432,143,679</b>	<b>48,015,964</b>	<b>(39,285,789)</b>
UK Sterling	3,612,017,551		
<b>Total net asset value</b>	<b>4,044,161,230</b>		

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### d) Interest rate risk

Changes in the outlook for interest rates may affect stock market valuations of companies. There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates. Sterling denominated bank balances and overdrafts bear interest rates based on Bank of England base rate less 0.5% and plus 1.25% respectively. All overseas deposits and loans bear interest at rates determined by the relevant authority.

The interest rate risk profile of investment assets and liabilities as at 31 December 2018 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment assets	-	-	3,379,937,330	3,379,937,330

The interest rate risk profile of investment assets and liabilities as at 31 December 2017 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment assets	-	-	4,026,231,387	4,026,231,387

The sub-fund does not have significant interest rate risk, hence no sensitivity analysis is disclosed.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### e) Equities price risks

##### Management of equities price risk

Equities price risk is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% decrease/increase in the investments it holds as at 31 December 2018. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
France	131,931,331	(13,193,133)	13,193,133
Ireland	42,560,635	(4,256,064)	4,256,064
Italy	8,910,544	(891,054)	891,054
Japan	4,601,327	(460,133)	460,133
Netherlands	40,866,712	(4,086,671)	4,086,671
Switzerland	50,884,132	(5,088,413)	5,088,413
UK	2,862,267,107	(286,226,711)	286,226,711
US	130,884,777	(13,088,478)	13,088,478
<b>Total</b>	<b>3,272,906,565</b>	<b>(327,290,657)</b>	<b>327,290,657</b>

At 31 December 2017:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
Denmark	10,278,299	(1,027,830)	1,027,830
France	105,384,810	(10,538,481)	10,538,481
Hong Kong	18,589,881	(1,858,988)	1,858,988
Ireland	47,468,572	(4,746,857)	4,746,857
Italy	40,545,766	(4,054,577)	4,054,577
Japan	9,228,660	(922,866)	922,866
Netherlands	56,817,854	(5,681,785)	5,681,785
UK	3,442,350,797	(344,235,080)	344,235,080
US	140,791,193	(14,079,119)	14,079,119
<b>Total</b>	<b>3,871,455,832</b>	<b>(387,145,583)</b>	<b>387,145,583</b>

Liquidity Reserve Funds have been excluded from the above tables.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs

For the year 1 January 2018 to 31 December 2018

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	726,292,504	301,498	0.04	3,113,413	0.43
Collective investment schemes	1,900,382	186	0.01	3	-
<b>Total purchases</b>	<b>728,192,886</b>	<b>301,684</b>		<b>3,113,416</b>	
<b>Total purchases including transaction costs</b>	<b>731,607,986</b>				

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	843,553,359	341,531	0.04	21,544	-
<b>Total sales</b>	<b>843,553,359</b>	<b>341,531</b>		<b>21,544</b>	
<b>Total sales net of transaction costs</b>	<b>843,190,284</b>				

<b>Total transaction costs</b>		<b>643,215</b>		<b>3,134,960</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.02%</b>		<b>0.08%</b>	



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs (continued)

For the year 1 January 2017 to 31 December 2017

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	1,510,485,885	1,138,253	0.08	6,446,431	0.43
Collective investment schemes	293,083	264	0.09	7	-
<b>Total purchases</b>	<b>1,510,778,968</b>	<b>1,138,517</b>		<b>6,446,438</b>	
<b>Total purchases including transaction costs</b>	<b>1,518,363,923</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	1,315,100,714	1,175,664	0.09	15,961	-
Collective investment schemes	166,699	126	0.08	5	-
<b>Total sales</b>	<b>1,315,267,413</b>	<b>1,175,790</b>		<b>15,966</b>	
<b>Total sales net of transaction costs</b>	<b>1,314,075,657</b>				

<b>Total transaction costs</b>	<b>2,314,307</b>	<b>6,462,404</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.06%</b>	<b>0.16%</b>
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The above analysis covers any direct transaction costs suffered by the sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Transactions in money market instruments to manage the sub-fund's daily liquidity position are excluded from the analysis.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dilution adjustment costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dilution adjustment (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.31% (2017: 0.27%).

The percentages on commissions and taxes shown in the tables above are the percentages per category.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 14 Related party transactions

Majedie Asset Management Limited, the ACD, is related to the individual sub-fund under FRS 102, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders. Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 9 and 11. Management charges paid to the ACD are shown in note 4.

The ACD held investments of £859,106 (2017: £Nil) in Majedie UK Equity Fund.

### 15 Share movement

	A Income shares	A Accumulation shares	B Income shares	B Accumulation shares	X Income shares	X Accumulation shares
Opening shares	80,932	1,768,446	17,300,428	124,697,350	960,991,661	872,719,373
Shares issued	748	90,129	—	1,910,034	99,006,380	89,326,583
Shares redeemed	(430)	(513,024)	(696,730)	(19,902,370)	(97,158,690)	(166,746,662)
Shares converted	(81,250)	(1,345,551)	—	139,728	202,255	3,755,523
<b>Closing shares</b>	<b>-</b>	<b>-</b>	<b>16,603,698</b>	<b>106,844,742</b>	<b>963,041,606</b>	<b>799,054,817</b>

### 16 Post-balance sheet events

There have been no post-balance sheet events which require adjustment in these financial statements. The table below shows the movement of the NAV per share as at 25 February 2019 since the year end.

	31 December 2018 (pence per share)	25 February 2019 (pence per share)	% change
B Income	510.52	543.29	6.42
B Accumulation	611.05	650.27	6.42
X Income	137.82	146.50	6.30
X Accumulation	162.90	173.16	6.30

## Distribution Tables

Final distribution for the period 1 July 2018 to 31 December 2018

### Share Class - A Income Shares<sup>†</sup>

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> payable 28.02.2019 pence per share	<b>Distribution</b> paid 28.02.2018 pence per share
Group 1	N/A	-	N/A	3.7617
Group 2	N/A	N/A	N/A	3.7617

### Share Class - A Accumulation Shares<sup>†</sup>

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> payable 28.02.2019 pence per share	<b>Distribution</b> paid 28.02.2018 pence per share
Group 1	N/A	-	N/A	4.1395
Group 2	N/A	N/A	N/A	4.1395

### Share Class - B Income Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> payable 28.02.2019 pence per share	<b>Distribution</b> paid 28.02.2018 pence per share
Group 1	9.8533	-	9.8533	8.6892
Group 2	9.8533	0.0000	9.8533	8.6892

### Share Class - B Accumulation Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> payable 28.02.2019 pence per share	<b>Distribution</b> paid 28.02.2018 pence per share
Group 1	11.5698	-	11.5698	9.8539
Group 2	5.9355	5.6343	11.5698	9.8539

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

† As these share classes closed in August 2018 and December 2018, there are no distributions payable on 28 February 2019.

## Distribution Tables (continued)

Final distribution for the period 1 July 2018 to 31 December 2018 (continued)

### Share Class - X Income Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> payable 28.02.2019 pence per share	<b>Distribution</b> paid 28.02.2018 pence per share
Group 1	2.0767	-	2.0767	1.7491
Group 2	1.0078	1.0689	2.0767	1.7491

### Share Class - X Accumulation Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> payable 28.02.2019 pence per share	<b>Distribution</b> paid 28.02.2018 pence per share
Group 1	2.4179	-	2.4179	1.9817
Group 2	1.0040	1.4139	2.4179	1.9817

For the accumulation/revenue payable on 28 February 2019.

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018

### Share Class - A Income Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	6.7540	-	6.7540	5.8697
Group 2	2.9990	3.7550	6.7540	5.8697

### Share Class - A Accumulation Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	7.4571	-	7.4571	6.4109
Group 2	4.1857	3.2714	7.4571	6.4109

### Share Class - B Income Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	12.0493	-	12.0493	11.0335
Group 2	12.0493	0.0000	12.0493	11.0335

### Share Class - B Accumulation Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	13.8577	-	13.8577	12.2731
Group 2	11.1999	2.6578	13.8577	12.2731

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018 (continued)

### Share Class - X Income Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	2.6616	-	2.6616	2.3899
Group 2	1.8212	0.8404	2.6616	2.3899

### Share Class - X Accumulation Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	3.0472	-	3.0472	2.6651
Group 2	2.0048	1.0424	3.0472	2.6651

For the accumulation/revenue paid on 31 August 2018

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

# Majedie UK Focus Fund

## Investment report

### Sub-fund objectives and policy

The sub-fund aims to maximise total return and to outperform the FTSE All-Share Index over the long term through investment in a concentrated portfolio of predominantly UK equities.

The sub-fund will invest in equity securities of companies which are listed or traded on one or more eligible markets. At least 80% of the sub-fund will be invested in UK equities, with the balance in international equities, cash or near cash. It is not the intention to invest materially in emerging markets

### Performance and Financial Review

This report covers the period 1st January 2018 to 31st December 2018. During the period the sub-fund returned -5.9% (Class X Accumulation shares, net of fees, GBP) against the FTSE All-Share Index return of -9.5%.

The start of 2018 was redolent with contrasts. Euphoria and optimism pushed retail money into financial markets, sending the S&P 500 Index to record levels in late January. And yet by the end of the year it was also a period for the bears, who savoured the sharp correction that exposed the vulnerability of a market structure where computer-based trading strategies now dominate both trading and flows.

The January rally was rapid. The S&P 500 Index rose 7.5% (USD) higher over 18 trading sessions. The catalysts were the US tax reform, which handed a tax cut across corporate America, and the prospect of additional fiscal stimulus. Markets rallied into the passing of the bill and then rallied further as company management teams announced strong sets of quarterly results. Growth stocks powered higher, so too did the momentum trade, Technology, and cryptocurrencies.

And then the mood soured. Wage data in the US surprised to the upside, the implications being that a hot economy was running too hot. The US Federal Reserve (the Fed) was perhaps itself too far behind the curve. The conclusion: inflation was back, and interest rates were going up, potentially faster than many had anticipated.

Stock markets fell and measures of volatility, languid for so long, jumped higher, catching short investors in highly levered synthetic instruments. Providers pulled volatility related products from the market, leaning once more on technical small print. We have long held concerns about the change in market structure, in the context of the rise of exchange traded funds (ETFs) and other low-cost passive products, and we continue to do so.

The dip was, once more, bought. Bulls pointed to a synchronised global expansion, deregulation, and ample liquidity. The sell-off was framed as a much-needed correction. Despite talk of tapering and monetary adjustment, the cumulative assets of the world's Central Banks hit a new high. The adjustment did not happen, so we believe it is still to come.

UK stocks found buyers during the spring as the FTSE All-Share Index rallied into the summer. With many large, active positions working, the sub-fund performed well. Despite the incessant doom on Brexit, the political positioning and the fact that two years after the EU Referendum vote there is a distinct lack of detail on the post-divorce framework, the valuation of UK assets had started to flash up on screens. Regardless of the vogue for passive and consequent price agnostic buying, there are investors, including corporates, who still care about valuation. Flows picked up. Brokers started to suggest the region may be worth a look. The caveats though, were many: Brexit remains a major uncertainty.

A sharp sell-off towards the end of the year marred sentiment and saw the bears grip the tiller, steering markets lower into the year-end as the consensus narrative turned towards signs of slowing global growth. As the data soured, so too did investors' appetite for risk. Skittish markets rallied, sold off and then did it all again. We believe these moves were symptomatic of thin liquidity and a fragile market structure.

Liquidity joins a long list of concerns for investors, a list that is dominated by the slow and inexorable exchange between the US and China, as the two superpowers vie for position in a changing world order. Ostensibly this is about tariffs and the US President's view that the Chinese have been taking advantage for too long. The negotiations are played out against a backdrop of nervous geopolitics, laced with rhetoric over the part-reversal of globalisation and a slow shift away from the US dollar as the global reserve currency of choice. As China has moved forward and developed, the balance of power has changed. For a long time, the country was simply part of the supply chain, with US corporations expanding their margins via a vast pool of cheap labour; but now, with the emergence of Technology companies, such as ZTE and Huawei, it is increasingly a competitor. This sits uneasily in the minds of US politicians, given the obvious implications for military development. The relationship, therefore, is changing, moving to a new level with significant long-term implications for markets. Whilst some tensions have been loosened with tariff negotiations ongoing, the way the US handles the inexorable rise of China is likely to be the defining geopolitical issue for the next decade.

## Investment report (continued)

### Performance and Financial Review (continued)

The price of crude oil collapsed in the latter part of the year. Various explanations were offered, from the squaring of speculative positioning to the fraying growth outlook, but it appears the main cause for the slump was a simple case of supply and demand. In anticipation of the removal of Iranian oil as a result of US sanctions, Saudi Arabia and Russia ramped up production. A week before the sanctions were set to bite, the US pulled an about turn and made some exemptions for the biggest buyers of Iranian oil. With US shale pumping hard, the market was very evidently oversupplied. An Organisation of the Petroleum Exporting Countries (OPEC) meeting followed, and a cut ensued which should in time, with demand steady, clear the excess and refocus minds on the long-term implications of accelerating decline rates and the muted appetite of the Oil majors to sanction large scale exploration projects. We remain positive on the outlook for crude oil from these levels and see scope for a significant re-rating in companies such as BP, where operational upgrades and portfolio re-positioning is sending the breakeven price towards \$40, with cash flow and dividends set to reap the reward.

In the UK, the trade war and the oil price were side issues. The main focus was Brexit. The pound was hit as the Conservative Party argued with itself. International investors watched from a distance, while corporate Britain fumed. We think the debacle that is being played out will be resolved in the course of 2019. Clarity is what the market craves, and with clarity comes release. Sterling, in our view, is now a long way below fair value and whilst it might seem impossible to imagine given recent headlines, a sharp rally would have major ramifications for investors who are squeezed into UK-listed US dollar earners. Should the currency start to rattle back towards fair value – somewhere in the range of \$1.42 and \$1.56 according to HSBC's Little Mac purchasing power parity gauge – then there is potentially a major rotation set to play out.

The performance of the sub-fund has been in line with the market for a prolonged period but masks several factors at play. Distil financial markets down and in the simplest terms the only price that matters is the price of money – interest rates. For ten years, Central Banks have distorted the price of money, and as a result all sorts of assets have risen and bubbles have emerged. As liquidity is being sucked out of the system, those bubbles from Bitcoin to leveraged loans are starting to hiss air. We have for several years, after many meetings with Central Bankers, been concerned about the transition to a more 'normal' monetary policy framework. We grew cautious and focused our minds on capital preservation. Whilst the Fed was the first to move, liquidity on a cumulative basis remained plentiful, supporting asset prices. This fuelled appetite for many growth stocks and bond proxies, areas of the market where the Fund was under-represented. Strong stock selection elsewhere offset these negatives leading to the in-line performance. And now, the tide has turned. Those assets that so benefited from Quantitative Easing are rolling over. This is what we have been waiting for. Indeed, the strategists at Morgan Stanley highlighted that the October sell-off was the first period since the Financial Crisis where value stocks outperformed. We are not value investors, but we see sensible value as being ripe for a run given the extreme underperformance over the past ten years. When thinking about where we can make our clients' money over the next ten, it is apparent to us that a different portfolio is required in comparison to what has worked in the era of monetary excess. We have been frustrated by the performance of the last two years, but conversely our conviction in the changes that we have made, and the shape of the current portfolio has risen. Within the UK there are many excellent businesses trading on attractive cash flow multiples. The sub-fund is invested in these stocks and we remain upbeat about their prospects into next year as markets adjust to the regime change in Central Bank policy.



## Comparative Tables

For the year ended:	31.12.18† pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>A Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	700.14	659.29	553.86
Return before operating charges*	(33.05)	54.69	117.04
Operating charges	(14.36)	(13.84)	(11.61)
Return after operating charges	(47.41)	40.85	105.43
Distributions	(8.69)	(8.28)	(7.54)
Retained distribution on accumulation shares	8.69	8.28	7.54
<b>Closing net asset value per share</b>	<b>652.73</b>	<b>700.14</b>	<b>659.29</b>
*After direct transaction costs of	(2.08)	(1.68)	(2.08)
<b>Performance</b>			
Return after charges	(6.77%)	6.20%	19.04%
<b>Other information</b>			
Closing net asset value (£)	-	1,462,482	1,752,775
Closing number of shares	-	208,885	265,856
Operating charges**	2.02%	2.02%	2.02%
Direct transaction costs	0.29%	0.24%	0.36%
<b>Prices</b>			
Highest share price	768.86	708.88	657.31
Lowest share price	646.83	661.12	476.84

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

† The above table shows performance information to 28 December 2018, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>B Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	909.51	839.49	691.37
Return before operating charges*	(42.27)	70.20	148.26
Operating charges	(0.19)	(0.18)	(0.14)
Return after operating charges	(42.46)	70.02	148.12
Distributions	(35.02)	(28.26)	(24.04)
Retained distributions on accumulation shares	35.02	28.26	24.04
<b>Closing net asset value per share</b>	<b>867.05</b>	<b>909.51</b>	<b>839.49</b>
*After direct transaction costs of	(2.74)	(2.16)	(2.62)
<b>Performance</b>			
Return after charges	(4.67%)	8.34%	21.42%
<b>Other information</b>			
Closing net asset value (£)	485,680,599	608,489,588	570,785,662
Closing number of shares	56,015,269	66,902,745	67,991,580
Operating charges**	0.02%	0.02%	0.02%
Direct transaction costs	0.29%	0.24%	0.36%
<b>Prices</b>			
Highest share price	1,006.88	913.58	836.93
Lowest share price	856.88	842.88	596.62

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>X Income Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	179.62	171.19	145.72
Return before operating charges*	(7.79)	14.15	30.50
Operating charges	(2.59)	(2.69)	(2.29)
Return after operating charges	(10.38)	11.46	28.21
Net asset value per share before distributions	169.24	182.65	173.93
Distributions	(4.27)	(3.03)	(2.74)
<b>Closing net asset value per share</b>	<b>164.97</b>	<b>179.62</b>	<b>171.19</b>
*After direct transaction costs of	(0.53)	(0.43)	(0.54)
<b>Performance</b>			
Return after charges	(5.78%)	6.69%	19.36%
<b>Other information</b>			
Closing net asset value (£)	53,714,967	36,839,454	44,484,704
Closing number of shares	32,561,259	20,510,232	25,985,198
Operating charges**	1.42%	1.52%	1.52%
Direct transaction costs	0.29%	0.24%	0.36%
<b>Prices</b>			
Highest share price	197.63	183.35	171.59
Lowest share price	164.62	171.73	125.52

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate. On 1 October 2018 the annual management fee was reduced by 0.40 from 1.50% to 1.10%. Going forwards, it is estimated that the operating charge shall be 1.12%.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>X Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	196.96	184.55	154.29
Return before operating charges*	(8.89)	15.33	32.70
Operating charges	(2.86)	(2.92)	(2.44)
Return after operating charges	(11.75)	12.41	30.26
Distributions	(4.70)	(3.29)	(2.92)
Retained distributions on accumulation shares	4.70	3.29	2.92
<b>Closing net asset value per share</b>	<b>185.21</b>	<b>196.96</b>	<b>184.55</b>
*After direct transaction costs of	(0.59)	(0.47)	(0.58)
<b>Performance</b>			
Return after charges	(5.97%)	6.72%	19.61%
<b>Other information</b>			
Closing net asset value (£)	237,727,222	247,138,005	222,086,668
Closing number of shares	128,357,775	125,473,319	120,340,293
Operating charges**	1.42%	1.52%	1.52%
Direct transaction costs	0.29%	0.24%	0.36%
<b>Prices</b>			
Highest share price	216.72	199.03	183.99
Lowest share price	183.06	185.12	132.92

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate. On 1 October 2018 the annual management fee was reduced by 0.40 from 1.50% to 1.10%. Going forwards, it is estimated that the operating charge shall be 1.12%.

## Risk and Reward Profile

The sub-fund invests in equities, which can provide higher returns over the medium to long term. However, such returns may be subject to greater rises and falls in the short term than investing in lower risk assets. The portfolio of the sub-fund will be highly concentrated in relatively few holdings, which may increase the possibility of significant rises and falls in value. The sub-fund's Synthetic Risk and Reward Indicator is 5 on a scale of 1 (lower) to 7 (higher).

It should be noted that past performance is not a guide to future performance and the value of your investment may go down as well as up meaning you may not get back your initial investment.

## Summary of Material Portfolio Changes

The table below shows the top ten purchases and sales for the year:

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Daily Mail & General Trust class 'A' shares	38,559,399	Aviva	34,604,286
Associated British Foods	36,241,630	Pearson	33,362,046
Legal & General	31,215,069	Vodafone	32,179,441
Rentokil Initial	29,359,722	BP	27,460,040
Vodafone	26,788,624	Cairn Energy	24,370,564
ITV	22,107,300	Barclays	23,715,037
CRH	21,087,040	888.com	21,760,724
3i	20,234,686	Centrica	20,029,856
Aviva	19,598,668	Phoenix	18,940,501
KONE class 'B' shares	17,972,808	Tesco	17,817,248

## Portfolio Statement

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
<b>EQUITIES (97.33%; 2017 95.18%)</b>			
<b>Aerospace &amp; Defence (0.00%; 2017 0.90%)</b>			
<b>Banks (4.49%; 2017 7.50%)</b>			
2,629,725	Barclays	3,957,736	0.51
1,403,505	HSBC	9,077,871	1.17
6,469,052	Lloyds Banking	3,349,028	0.43
8,550,192	Royal Bank of Scotland	18,485,515	2.38
<b>Beverages (1.80%; 2017 2.78%)</b>			
639,341	Fevertree Drinks	14,020,748	1.80
<b>Construction &amp; Materials (4.52%; 2017 3.07%)</b>			
416,028	CRH	8,611,780	1.11
5,699,342	Marshalls	26,490,542	3.41
<b>Financial Services (2.95%; 2017 0.36%)</b>			
2,029,311	3i	15,694,691	2.02
2,146,464	AJ Bell	5,044,191	0.65
502,305	Malin	2,173,153	0.28
<b>Fixed Line Telecommunications (5.36%; 2017 4.91%)</b>			
3,938,777	BT	9,376,259	1.21
2,235,663	Orange	28,404,820	3.66
1,676,187	Royal KPN	3,845,556	0.49
<b>Food &amp; Drug Retailers (13.85%; 2017 12.56%)</b>			
94,204	Colruyt	5,235,717	0.67
4,440,525	J Sainsbury	11,767,391	1.52
32,958,437	Tesco	62,653,989	8.06
13,114,833	Wm Morrison Supermarkets	27,967,381	3.60
<b>Food Producers (3.18%; 2017 0.00%)</b>			
1,209,279	Associated British Foods	24,705,570	3.18
<b>Gas, Water &amp; Multiutilities (5.02%; 2017 5.12%)</b>			
28,952,464	Centrica	39,056,874	5.02
<b>General Retailers (4.91%; 2017 4.79%)</b>			
270,020	eBay	5,953,330	0.77
2,879,882	Kingfisher	5,972,875	0.77
3,942,417	Marks & Spencer	9,741,713	1.25
15,968,029	Saga	16,494,974	2.12
<b>Health Care Equipment &amp; Services (1.47%; 2017 1.25%)</b>			
780,405	Smith & Nephew	11,425,129	1.47
<b>Industrial Engineering (1.97%; 2017 0.00%)</b>			
411,492	KONE class 'B' shares	15,327,994	1.97

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>Life Insurance (6.66%; 2017 7.82%)</b>		
2,224,253	Aviva	8,352,070	1.08
18,782,265	Legal & General	43,387,032	5.58
	<b>Media (4.50%; 2017 2.77%)</b>		
4,917,436	Daily Mail & General Trust class 'A' shares	28,275,257	3.64
5,337,151	ITV	6,663,433	0.86
	<b>Mining (3.81%; 2017 6.62%)</b>		
451,779	Anglo American	7,892,579	1.01
943,486	Barrick Gold	10,015,649	1.29
897,703	Gold Fields	2,481,089	0.32
557,143	Goldcorp	4,282,687	0.55
3,177,098	Hochschild Mining	4,957,861	0.64
	<b>Mobile Telecommunications (0.45%; 2017 1.81%)</b>		
2,288,577	Vodafone	3,499,234	0.45
	<b>Oil &amp; Gas Producers (13.44%; 2017 18.78%)</b>		
12,336,194	BP	61,181,354	7.87
1,581,529	Royal Dutch Shell class 'B' shares	36,960,333	4.76
3,506,749	Tullow Oil	6,280,587	0.81
	<b>Oil Equipment, Services &amp; Distribution (0.21%; 2017 0.31%)</b>		
583,178	Ensco	1,625,535	0.21
	<b>Personal Goods (0.56%; 2017 0.00%)</b>		
2,061,470	PZ Cussons	4,386,808	0.56
	<b>Pharmaceuticals &amp; Biotechnology (3.31%; 2017 2.44%)</b>		
1,413,336	GlaxoSmithKline	21,075,666	2.71
2,772,768	PureTech Health	4,672,114	0.60
	<b>Real Estate Investment &amp; Services (0.20%; 2017 0.00%)</b>		
188,955	Shaftesbury	1,567,382	0.20
4,060,044	Speymill Deutsche Immobilien*	-	-
	<b>Software &amp; Computer Services (0.19%; 2017 0.44%)</b>		
111,424	Sohu.com	1,522,281	0.19
	<b>Support Services (9.07%; 2017 4.27%)</b>		
4,859,527	Electrocomponents	24,618,364	3.17
13,643,729	Rentokil Initial	45,856,573	5.90

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>Technology Hardware &amp; Equipment (0.00%; 2017 0.54%)</b>		
	<b>Travel &amp; Leisure (5.41%; 2017 6.14%)</b>		
12,675,567	FirstGroup	10,571,423	1.36
2,116,945	Ryanair	20,331,489	2.62
1,715,986	SSP	11,109,293	1.43
	<b>NON-EQUITY INVESTMENT INSTRUMENTS (2.44%; 2017 3.86%)</b>		
18,934,180	Goldman Sachs Sterling Liquidity Reserve Fund	18,934,180	2.44
6	Goldman Sachs US Dollar Liquidity Reserve Fund	6	-
	<b>Portfolio of investments</b>	<b>775,335,106</b>	<b>99.77</b>
	<b>Net current assets</b>	<b>1,787,682</b>	<b>0.23</b>
	<b>Total net assets</b>	<b>777,122,788</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

\*Delisted security and is therefore valued at the ACD's best assessment.

Comparative figures show percentages for each sector category at 31 December 2017.



## Statement of Total Return

for the year ended 31 December 2018

	Note	31 December 2018		31 December 2017	
		£	£	£	£
Income					
Net capital (losses)/gains	2		(67,588,643)		42,075,421
Revenue	3	34,424,318		27,670,084	
Expenses	4	(4,480,250)		(4,350,328)	
Interest payable and similar charges	6	(1,532)		(1,566)	
<b>Net revenue before taxation</b>		<b>29,942,536</b>		<b>23,318,190</b>	
Taxation	5	(68,822)		186,603	
<b>Net revenue after taxation</b>			<b>29,873,714</b>		<b>23,504,793</b>
<b>Total return before distributions</b>			<b>(37,714,929)</b>		<b>65,580,214</b>
Distributions	7		(29,866,572)		(23,505,126)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(67,581,501)</b>		<b>42,075,088</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2018

	Note	31 December 2018		31 December 2017	
		£	£	£	£
<b>Opening net assets attributable to shareholders</b>			<b>893,929,529</b>		<b>839,109,809</b>
Amounts received on issue of shares		107,861,000		125,183,210	
Amounts paid on cancellation of shares		(185,940,905)		(135,403,793)	
			<b>(78,079,905)</b>		<b>(10,220,583)</b>
Dilution adjustment	8		941,654		768,166
Stamp duty reserve tax			-		(325,231)
Change in net assets attributable to shareholders from investment activities			(67,581,501)		42,075,088
Retained distribution on accumulation shares			27,913,011		22,522,280
<b>Closing net assets attributable to shareholders</b>			<b>777,122,788</b>		<b>893,929,529</b>

There have been no recognised gains or losses in the year other than those shown in the statement above.

The notes on pages 59 to 71 form an integral part of these financial statements.

## Balance Sheet

as at 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
<b>Assets</b>					
Fixed assets					
Investments			775,335,106		885,317,007
Current assets					
Debtors	9	2,937,325		1,401,836	
Cash and bank balances	10	-		7,802,976	
<b>Total other assets</b>			<b>2,937,325</b>		<b>9,204,812</b>
<b>Total assets</b>			<b>778,272,431</b>		<b>894,521,819</b>
<b>Liabilities</b>					
Creditors					
Bank overdrafts		(53)		(72)	
Distribution payable	11	(515,972)		(205,343)	
Other creditors	11	(633,618)		(386,875)	
<b>Total other liabilities</b>			<b>(1,149,643)</b>		<b>(592,290)</b>
<b>Total liabilities</b>			<b>(1,149,643)</b>		<b>(592,290)</b>
<b>Net assets attributable to shareholders</b>			<b>777,122,788</b>		<b>893,929,529</b>

The notes on pages 59 to 71 form an integral part of these financial statements.

## Notes to the Financial Statements

for the year ended 31 December 2018

### 1 Accounting policies

The sub-fund's accounting and distribution policies are set out on pages 9 and 10.

### 2 Net capital (losses)/gains on investments during the year

	31 December 2018	31 December 2017
	£	£
<b>The net (losses)/gains on investments during the year comprise:</b>		
(Losses)/gains on non-derivative securities	(67,368,965)	42,135,708
Currency losses	(201,921)	(60,287)
Custodian transaction fees	(17,757)	-
	<u>(67,588,643)</u>	<u>42,075,421</u>
<b>Net (losses)/gains on investments</b>	<b>(67,588,643)</b>	<b>42,075,421</b>

### 3 Revenue

	31 December 2018	31 December 2017
	£	£
Dividends from UK companies	31,057,788	22,054,634
Interest from UK bank deposits	9	41,984
Non-taxable overseas dividends	3,180,673	4,573,424
Stock dividends	-	940,643
Taxable overseas dividends	185,848	59,399
	<u>34,424,318</u>	<u>27,670,084</u>
<b>Total revenue</b>	<b>34,424,318</b>	<b>27,670,084</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 4 Expenses

	31 December 2018 £	31 December 2017 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	4,315,295	4,161,795
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fee	154,321	159,057
<b>Other expenses:</b>		
Audit fee*	10,634	10,143
Other expenses	-	19,333
<b>Total expenses</b>	<b>4,480,250</b>	<b>4,350,328</b>

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

\*The audit fee for the year, excluding VAT, was £9,000 (2017: £8,670).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 5 Taxation

#### (a) Analysis of tax charge/(credit) for the year

	31 December 2018 £	31 December 2017 £
Overseas tax suffered	68,822	(186,603)
<b>Total tax charge/(credit) for the year (see note 5(b))</b>	<b>68,822</b>	<b>(186,603)</b>

#### (b) Factors affecting current tax charge/(credit) for the year

	31 December 2018 £	31 December 2017 £
The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	29,942,536	23,318,190
Corporation tax at 20% (31 December 2017: 20%)	5,988,507	4,663,638
Effects of:		
Excess management expenses for which no tax relief taken	859,185	850,121
Franked investment revenue at 20% (31 December 2017: 20%)	(6,211,558)	(4,410,946)
Non-taxable overseas dividends	(636,134)	(1,102,813)
Overseas tax suffered	68,822	(186,603)
<b>Total current tax charge/(credit) for the year (see note 5(a))</b>	<b>68,822</b>	<b>(186,603)</b>

Open-ended investment companies are not liable to corporation tax on capital gains, therefore, no capital items are included in the above reconciliation.

As at 31 December 2018 the sub-fund had surplus management expenses of £15,169,579 (31 December 2017: £10,873,653). As at 31 December 2018 there is a potential deferred tax asset of £3,033,916 (31 December 2017: £2,174,731). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses, therefore, no deferred tax asset has been recognised.

### 6 Interest payable and similar charges

	31 December 2018 £	31 December 2017 £
Interest	1,532	1,566
<b>Total interest payable and similar charges</b>	<b>1,532</b>	<b>1,566</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 7 Distributions

	31 December 2018 £	31 December 2017 £
Interim	18,179,250	13,774,931
Final	10,857,514	9,475,093
	<u>29,036,764</u>	<u>23,250,024</u>
Add: Revenue deducted on cancellation of shares	1,265,850	1,488,542
Less: Revenue received on issue of shares	<u>(436,042)</u>	<u>(1,233,440)</u>
	<u><b>29,866,572</b></u>	<u><b>23,505,126</b></u>
<b>Reconciliation of distributions:</b>		
Net revenue after taxation	29,873,714	23,504,793
Equalisation on conversions	<u>(7,142)</u>	<u>333</u>
	<u><b>29,866,572</b></u>	<u><b>23,505,126</b></u>

The distribution per share is set out in the tables on pages 72 to 73

### 8 Dilution adjustment

The Instrument of Incorporation allows the cost of dilution to be met directly from the sub-fund's assets or to be recovered from investors on the purchase or redemption of shares in a sub-fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment on the purchase or redemption of shares in a sub-fund. A dilution adjustment is an adjustment to the share price.

The ACD's policy for Majedie Asset UK Focus sub-fund is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the sub-fund.

As dilution is directly related to the inflows and outflows of monies from the sub-fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment.

If there are net inflows into the sub-fund, the dilution adjustment will increase the price and if there are net outflows, the price will be decreased.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 9 Debtors

	31 December 2018 £	31 December 2017 £
Accrued revenue	2,632,637	1,215,573
Amounts receivable for issue of shares	73,962	5,013
Overseas withholding tax	230,726	181,250
<b>Total debtors</b>	<b>2,937,325</b>	<b>1,401,836</b>

### 10 Cash and bank balances

	31 December 2018 £	31 December 2017 £
Cash and bank balances	-	7,802,976
<b>Total cash and bank balances</b>	<b>-</b>	<b>7,802,976</b>

### 11 Creditors

	31 December 2018 £	31 December 2017 £
<b>a) Distribution payable</b>		
Net distribution payable	515,972	205,343
<b>Total distribution payable</b>	<b>515,972</b>	<b>205,343</b>
<b>b) Other creditors</b>		
Accrued ACD's periodic charge	577,383	355,925
Accrued audit fee	10,403	10,172
Accrued Depositary's fee	24,532	19,246
Accrued other expenses	12,072	-
Amounts payable for cancellation of shares	9,228	1,532
<b>Total other creditors</b>	<b>633,618</b>	<b>386,875</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments

The sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for cancellations.

For the purpose of efficient portfolio management, the sub-fund may enter into derivative transactions in the form of warrants and futures. When used, this type of financial instrument is included in the "Statement of Total Return" and held at market value. Any unlisted warrants are held at an estimated value calculated by the Fund Manager, which is based on the available market data of the underlying security and the terms of the warrants.

The sub-fund does not hold any derivatives that could significantly impact the sub-fund.

The sub-fund has little exposure to credit, interest rate or cash flow risk. There are no material borrowings or unlisted securities and so little exposure to liquidity risk. The main risks it faces arising from its financial instruments are foreign currency risk and market risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement.

The level of leverage employed by the sub-fund during the year is not considered to be significant, hence no leverage analysis is disclosed.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

The sub-fund only buys and sells investments through brokers which are approved counterparties, therefore minimising the risk of default.

With regards to cash, the sub-fund's cash balances are held with The Bank of New York Mellon (International) Limited, which is the Global sub-custodian, appointed by the Custodian. As at 31 December 2018, the cash balance of the sub-fund was £Nil (31 December 2017: £7,802,976).

The long-term credit rating for The Bank of New York Mellon (International) Limited is AA- (31 December 2017: AA-), with the outlook considered stable. In the event of insolvency of The Bank of New York Mellon (International) Limited, cash held on the sub-fund will be treated as a creditor in respect of cash held on its account.

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	£	£
<b>31 December 2018</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	756,400,920	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	18,934,186	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>775,335,106</b>	<b>-</b>
<b>31 December 2017</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	850,778,192	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	34,538,815	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>885,317,007</b>	<b>-</b>



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk

A proportion of the sub-fund's investment portfolio and cash on deposit may be invested in overseas securities and the balance sheet may be affected by movements in foreign exchange rates.

The currency exposure risk as at 31 December 2018 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	£	£	£
Euro	(53)	75,630,982	75,630,929
US dollar	-	25,943,959	25,943,959
<b>Total</b>	<b>(53)</b>	<b>101,574,941</b>	<b>101,574,888</b>

The currency exposure risk as at 31 December 2017 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	£	£	£
Euro	(72)	72,250,897	72,250,825
US dollar	-	31,163,248	31,163,248
<b>Total</b>	<b>(72)</b>	<b>103,414,145</b>	<b>103,414,073</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk

##### Management of currency risk

Currency risk exposure is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% strengthening or weakening of its base currency against other currencies to which it is exposed to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Euro	75,630,929	8,403,437	(6,875,539)
US dollar	25,943,959	2,882,662	(2,358,542)
<b>Total non base currency</b>	<b>101,574,888</b>	<b>11,286,099</b>	<b>(9,234,081)</b>
Sterling	675,547,900		
<b>Total net asset value</b>	<b>777,122,788</b>		

At 31 December 2017:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Euro	72,250,825	8,027,869	(6,568,257)
US dollar	31,163,248	3,462,583	(2,833,023)
<b>Total non base currency</b>	<b>103,414,073</b>	<b>11,490,452</b>	<b>(9,401,280)</b>
Sterling	790,515,456		
<b>Total net asset value</b>	<b>893,929,529</b>		

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### d) Interest rate risk

Changes in the outlook for interest rates may affect stock market valuations of companies. There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates. Sterling denominated bank balances and overdrafts bear interest rates based on Bank of England base rate less 0.5% and plus 1.25% respectively. All overseas deposits and loans bear interest at rates determined by the relevant authority.

The interest rate risk profile of investment assets and liabilities as at 31 December 2018 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment assets	-	-	775,335,106	775,335,106

The interest rate risk profile of investment assets and liabilities as at 31 December 2017 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment assets	-	-	885,317,007	885,317,007

The sub-fund does not have significant interest rate risk, hence no sensitivity analysis is disclosed.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### e) Equities price risks

##### Management of equities price risk

Equities price risk is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% decrease/increase in the investments it holds as at 31 December 2018. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
Belgium	5,235,717	(523,572)	523,572
Finland	15,327,994	(1,532,799)	1,532,799
France	28,404,820	(2,840,482)	2,840,482
Ireland	22,504,642	(2,250,464)	2,250,464
Netherlands	3,845,556	(384,556)	384,556
UK	655,201,620	(65,520,162)	65,520,162
US	25,880,571	(2,588,057)	2,588,057
<b>Total</b>	<b>756,400,920</b>	<b>(75,640,092)</b>	<b>75,640,092</b>

At 31 December 2017:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
Belgium	5,060,630	(506,063)	506,063
France	26,818,442	(2,681,844)	2,681,844
Greece	10,707,296	(1,070,730)	1,070,730
Ireland	21,292,777	(2,129,278)	2,129,278
Italy	3,501,581	(350,158)	350,158
Netherlands	4,403,332	(440,333)	440,333
UK	747,833,320	(74,783,332)	74,783,332
US	31,160,814	(3,116,081)	3,116,081
<b>Total</b>	<b>850,778,192</b>	<b>(85,077,819)</b>	<b>85,077,819</b>

Liquidity Reserve Funds have been excluded from the above tables.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs

For the year 1 January 2018 to 31 December 2018

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	459,955,786	182,853	0.04	2,253,780	0.49
<b>Total purchases</b>	<b>459,955,786</b>	<b>182,853</b>		<b>2,253,780</b>	
<b>Total purchases including transaction costs</b>	<b>462,392,419</b>				

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	489,418,453	213,455	0.04	4,109	0.00
<b>Total sales</b>	<b>489,418,453</b>	<b>213,455</b>		<b>4,109</b>	
<b>Total sales net of transaction costs</b>	<b>489,200,889</b>				

<b>Total transaction costs</b>	<b>396,308</b>	<b>2,257,889</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.04%</b>	<b>0.25%</b>
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## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs (continued)

For the year 1 January 2017 to 31 December 2017

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	435,132,912	277,168	0.06	1,514,720	0.35
<b>Total purchases</b>	<b>435,132,912</b>	<b>277,168</b>		<b>1,514,720</b>	
<b>Total purchases including transaction costs</b>	<b>436,924,800</b>				

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	457,249,438	318,877	0.07	1,322	-
<b>Total sales</b>	<b>457,249,438</b>	<b>318,877</b>		<b>1,322</b>	
<b>Total sales net of transaction costs</b>	<b>456,929,239</b>				

<b>Total transaction costs</b>	<b>596,045</b>	<b>1,516,042</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.07%</b>	<b>0.17%</b>
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The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Transactions in money market instruments to manage the sub-fund's daily liquidity position are excluded from the analysis.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dilution adjustment costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dilution adjustment (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.26% (2017: 0.19%).

The percentages on commissions and taxes shown in the tables above are the percentages per category.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 14 Related party transactions

Majedie Asset Management Limited, the ACD, is related to the individual sub-fund under FRS 102, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders. Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 9 and 11. Management charges paid to the ACD are shown in note 4.

The ACD held investments of £381,407 (2017: £Nil) in Majedie UK Focus Fund.

### 15 Share movement

	<b>A Accumulation shares</b>	<b>B Accumulation shares</b>	<b>X Income shares</b>	<b>X Accumulation shares</b>
Opening shares	208,885	66,902,745	20,510,232	125,473,319
Shares issued	17,809	3,056,279	21,207,211	20,958,748
Shares redeemed	(48,924)	(13,628,430)	(9,156,184)	(20,174,703)
Shares converted	(177,770)	(315,325)	-	2,100,411
<b>Closing shares</b>	<b>-</b>	<b>56,015,269</b>	<b>32,561,259</b>	<b>128,357,775</b>

### 16 Post-balance sheet events

There have been no post-balance sheet events which require adjustment in these financial statements. The table below shows the movement of the NAV per share as at 25 February 2019 since the year end.

	<b>31 December 2018 (pence per share)</b>	<b>25 February 2019 (pence per share)</b>	<b>% change</b>
B Accumulation	867.05	941.69	8.61
X Income	164.97	178.87	8.43
X Accumulation	185.21	200.81	8.42

## Distribution Tables

Final distribution for the period 1 July 2018 to 31 December 2018

### Share Class - A Accumulation Shares<sup>†</sup>

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	N/A	-	N/A	2.1469
Group 2	N/A	N/A	N/A	2.1469

### Share Class - B Accumulation Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	14.4350	-	14.4350	11.7944
Group 2	6.9743	7.4607	14.4350	11.7944

### Share Class - X Income Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	1.5846	-	1.5846	1.0012
Group 2	0.7365	0.8481	1.5846	1.0012

### Share Class - X Accumulation Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	1.7574	-	1.7574	1.0954
Group 2	0.7266	1.0308	1.7574	1.0954

For the accumulation/revenue payable on 28 February 2019.

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

<sup>†</sup> As this share class closed in December 2018, there is no distribution payable on 28 February 2019.



## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018

### Share Class - A Accumulation Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> paid 31.08.2018 pence per share	<b>Distribution</b> paid 31.08.2017 pence per share
Group 1	8.6855	-	8.6855	6.1289
Group 2	6.8634	1.8221	8.6855	6.1289

### Share Class - B Accumulation Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> paid 31.08.2018 pence per share	<b>Distribution</b> paid 31.08.2017 pence per share
Group 1	20.5874	-	20.5874	16.4695
Group 2	19.5272	1.0602	20.5874	16.4695

### Share Class - X Income Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> paid 31.08.2018 pence per share	<b>Distribution</b> paid 31.08.2017 pence per share
Group 1	2.6882	-	2.6882	2.0320
Group 2	1.8319	0.8563	2.6882	2.0320

### Share Class - X Accumulation Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> paid 31.08.2018 pence per share	<b>Distribution</b> paid 31.08.2017 pence per share
Group 1	2.9472	-	2.9472	2.1903
Group 2	2.3941	0.5531	2.9472	2.1903

For the accumulation/revenue paid on 31 August 2018

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

## Majedie UK Smaller Companies Fund

### Investment report

#### Sub-fund objectives and policy

The sub-fund aims to maximise total return and to outperform the Numis Smaller Companies plus AIM (ex Investment Companies) Total Return Index over the long term through investment in a portfolio of UK equities predominantly within that index.

The sub-fund will invest in shares of smaller companies principally within the UK that in the ACD's opinion have good prospects and are at a reasonable valuation.

#### Performance and Financial Review

This report covers the period 1 January 2018 to 31 December 2018. During the period the sub-fund returned -21.3% (class B Accumulation shares, gross of fees) compared to a return of -15.8% from its benchmark, the Numis Smaller Companies plus AIM (excluding Investment Companies) Index.

Nostrum Oil & Gas was disappointing. The Fund Manager visited the company's key assets in Kazakhstan during the period and whilst we understand market concerns about short-term production levels, the visit validated our view that the medium-term production growth profile, the quality of operations and the strategic position is deeply undervalued. We used weakness to add further to our position. Renewi underperformed with a further 68% fall. The company's permitting issue continues. The CEO has been poached by Melrose. We are disappointed that Peter Dilnot is leaving before he delivered shareholder value, but it is clear that what he achieved within the business, as yet unrecognised by markets, has been recognised by the astute Melrose team. Renewi's higher than average debt impedes some investors, however with synergies from their transformational acquisition on track, and inherited issues behind them, we see stand-out upside on a Price Earnings ratio of 6x. Profit warnings from Xaar, and Fastjet were punished by an unforgiving market. The sub-fund also suffered from underperformance in TP ICAP, where we evaluated the unexpected U-turn on cost-cutting and management change and have sold; as our original investment thesis is no longer valid.

Performance for the period was helped by a range of Resources holdings, in particular Genel Energy where cashflow generation is now accelerating under a restructured management team and Board. Copper Miner, Atalaya Mining performed strongly as it enlarged its operations and Gem Diamonds benefited from some outstanding large stone discoveries. Recovery holding Spirent Communications continue to progress.

Markets in much of 2018 have felt challenging and the year end was particularly difficult. Quantitative Tightening grinds on with record global leverage compared to GDP. The credit bubble, particularly in China, is under pressure, Italian budgetary constraints re-emerged whilst corporate bond markets in the US are clearly frothy given the high levels of corporate leverage. Trade wars have captured more headlines than the beginning of a yield curve inversion, historically a solid indicator of a looming recessionary environment. Current economic data in the US suggests this is not imminent, although the fall in the most recent Institute for Supply Management service sector survey data is noteworthy.

Extrapolating the US growth slowdown all the way into recession may still be premature, as jobless claims, and the labour market more broadly, remain stable. Consumers are seeing a strong jobs outlook and increasing wages. A US recession has never started while the unemployment rate was falling. Capex/depreciation ratios are very low. The oil price pull-back will be helpful and the US Federal Reserve appears tentative in its desire to get ahead of any inflation pick up with a cautious approach to interest rate policy. Nonetheless, the boost from Donald Trump's tax cuts is now fading and profitability is high, as are earnings expectations. US equity valuations remain high versus history, despite the market move in November and December has dampened this. In the UK, the apparent lack of parliamentary support for the Prime Minister's deal suggests all tail-risks are on the table including no-deal, a second referendum, delayed implementation and a general election, notwithstanding a range of 'fudges'.

We have a relative value bias. The portfolio has approximately half its capital in the top 25 high conviction holdings where we have a medium-term view on significant value creation. We only have a few holdings with material balance sheet leverage. The portfolio's overall focus is on companies where profits are not at peak levels, with proven free cash flow characteristics, strong balance sheets and scope for non-cyclical self-help, we believe this, offers a solid margin of safety and opportunity for outperformance as markets and economies enter a more challenging period.

Our domestic positioning is cautious with low allocation to consumer lending, consumer spending, Real Estate and Housebuilders. The portfolio is diverse, we believe it offers value in expensive global markets, with a wide range of theses and industry exposures, including an international bias. We continue to seek and find varied and exciting investment opportunities in the expansive smaller companies' universe.

## Comparative Tables

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>A Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	323.63	277.35	261.26
Return before operating charges*	(68.22)	49.46	18.76
Operating charges	(3.12)	(3.18)	(2.67)
Return after operating charges	(71.34)	46.28	16.09
Distributions	(5.51)	(3.30)	(4.41)
Retained distributions on accumulation shares	5.51	3.30	4.41
<b>Closing net asset value per share</b>	<b>252.29</b>	<b>323.63</b>	<b>277.35</b>
*After direct transaction costs of	(0.47)	(0.68)	(0.73)
<b>Performance</b>			
Return after charges	(22.04%)	16.69%	6.16%
<b>Other information</b>			
Closing net asset value (£)	406,246	514,258	438,091
Closing number of shares	161,023	158,902	157,959
Operating charges**	1.02%	1.02%	1.03%
Direct transaction costs	0.15%	0.22%	0.28%
<b>Prices</b>			
Highest share price	337.68	327.86	279.66
Lowest share price	251.07	278.22	235.98

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>B Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	364.23	309.03	288.78
Return before operating charges*	(78.49)	55.27	20.34
Operating charges	(0.07)	(0.07)	(0.09)
Return after operating charges	(78.56)	55.20	20.25
Distributions	(8.28)	(7.19)	(7.19)
Retained distributions on accumulation shares	8.28	7.19	7.19
<b>Closing net asset value per share</b>	<b>285.67</b>	<b>364.23</b>	<b>309.03</b>
*After direct transaction costs of	(0.53)	(0.77)	(0.81)
<b>Performance</b>			
Return after charges	(21.57%)	17.86%	7.01%
<b>Other information</b>			
Closing net asset value (£)	325,839,631	530,262,356	463,824,560
Closing number of shares	114,062,807	145,586,051	150,089,490
Operating charges**	0.02%	0.02%	0.03%
Direct transaction costs	0.15%	0.22%	0.28%
<b>Prices</b>			
Highest share price	380.48	368.44	311.60
Lowest share price	284.22	310.03	261.88

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Risk and Reward Profile

The sub-fund invests in equities, which can provide higher returns over the medium to long term. However, such returns may be subject to greater rises and falls in the short term than investing in lower risk assets. The portfolio of the sub-fund will be highly concentrated in relatively few holdings, which may increase the possibility of significant rises and falls in value. The sub-fund's Synthetic Risk and Reward Indicator is 5 on a scale of 1 (lower) to 7 (higher).

It should be noted that past performance is not a guide to future performance and the value of your investment may go down as well as up meaning you may not get back your initial investment.

## Summary of Material Portfolio Changes

The table below shows the top ten purchases and sales for the year:

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Centamin	9,841,857	Fidessa	9,613,281
SIG	7,103,804	Biffa	7,329,862
Provident Financial	6,346,665	Cairn Energy	7,176,194
Nostrum Oil & Gas	5,938,965	TP ICAP	7,056,322
QinetiQ	5,674,499	Equiniti	6,894,936
Xaar	4,645,654	IG	6,794,680
Renewi	4,387,386	Charles Taylor	6,487,643
Just	4,271,418	Hunting	5,664,593
Greene King	4,241,159	Conviviality	5,534,680
PayPoint	4,199,412	Hochschild Mining	5,334,506

## Portfolio Statement

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
<b>EQUITIES (97.11%; 2017 96.98%)</b>			
<b>Aerospace &amp; Defence (4.52%; 2017 1.97%)</b>			
4,413,433	Chemring	7,105,627	2.18
1,397,026	QinetiQ	4,001,083	1.22
281,408	Ultra Electronics	3,655,490	1.12
<b>Banks (0.44%; 2017 0.74%)</b>			
122,980	Secure Trust Bank	1,451,164	0.44
<b>Beverages (3.19%; 2017 1.91%)</b>			
5,002,314	Stock Spirits	10,404,813	3.19
<b>Construction &amp; Materials (4.76%; 2017 5.20%)</b>			
3,383,704	Accsys Technologies	3,451,378	1.06
3,087,165	Balfour Beatty	7,690,128	2.36
3,069,053	Volusion	4,388,746	1.34
<b>Electronic &amp; Electrical Equipment (1.61%; 2017 1.21%)</b>			
299,715	Oxford Instruments	2,667,464	0.82
1,823,443	Xaar	2,585,642	0.79
<b>Equity Investment Instruments (1.69%; 2017 0.52%)</b>			
1,211,677	Gresham House	5,501,014	1.69
<b>Financial Services (7.88%; 2017 7.58%)</b>			
577,999	Charles Stanley	1,572,157	0.48
700,000	Curtis Banks	1,792,000	0.55
1,110,647	John Laing	3,674,020	1.13
3,809,599	Morses Club	5,904,878	1.81
282,793	Mortgage Advice Bureau	1,419,621	0.43
553,217	Provident Financial	3,180,998	0.98
7,708,220	Sherborne Investors	5,395,754	1.65
4,388,610	Tungsten	1,167,370	0.36
1,005,486	XPS Pensions	1,608,778	0.49
<b>Fixed Line Telecommunications (2.16%; 2017 2.01%)</b>			
9,729,988	KCOM	7,044,511	2.16
<b>Food &amp; Drug Retailers (0.00%; 2017 1.82%)</b>			
<b>Food Producers (1.77%; 2017 1.73%)</b>			
1,801,335	Bakkavor	2,539,882	0.78
403,319	Dairy Crest	1,702,813	0.52
228,352	M.P. Evans	1,525,391	0.47

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>General Industrials (1.04%; 2017 1.50%)</b>		
4,182,850	Coats	3,409,023	1.04
	<b>General Retailers (2.90%; 2017 2.61%)</b>		
13,632,909	Carpetright	2,276,696	0.70
1,179,553	DFS Furniture	2,144,427	0.66
15,592,867	Mothercare	2,448,080	0.75
7,411,250	Vertu Motors	2,593,938	0.79
	<b>Health Care Equipment &amp; Services (2.22%; 2017 1.46%)</b>		
2,114,392	CareTech	7,252,365	2.22
	<b>Household Goods &amp; Home Construction (0.56%; 2017 0.21%)</b>		
1,481,746	McBride	1,822,548	0.56
	<b>Leisure Goods (2.08%; 2017 2.13%)</b>		
7,586,737	Photo-Me	6,774,956	2.08
	<b>Media (6.71%; 2017 5.38%)</b>		
2,405,988	Bloomsbury Publishing	4,763,856	1.46
292,454	Euromoney Institutional Investor	3,374,919	1.03
1,096,281	Gocompare.com	749,856	0.23
11,559,349	Reach	7,397,983	2.27
1,140,555	STV	3,946,320	1.21
631,780	Tarsus	1,674,217	0.51
	<b>Mining (12.27%; 2017 10.45%)</b>		
4,358,023	Atalaya Mining	9,108,268	2.79
9,081,001	Berkeley Energia	726,480	0.22
6,143,681	Centamin	6,684,325	2.05
2,535,528	Central Asia Metals	5,514,773	1.69
4,230,725	Gem Diamonds	4,653,798	1.43
3,069,488	Hochschild Mining	4,789,936	1.47
13,054,181	Hummingbird Resources	2,754,432	0.84
444,588	Kenmare Resources	822,488	0.25
2,446,809	Leyshon Resources*	-	-
22,831,802	Norseman Gold*	-	-
2,133,070	Petra Diamonds	803,741	0.25
41,056,949	Shanta Gold	2,463,417	0.76
10,583,109	Sylvania Platinum	1,693,297	0.52
	<b>Non-Life Insurance (0.49%; 2017 0.84%)</b>		
583,392	Sabre Insurance	1,592,660	0.49

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
<b>Oil &amp; Gas Producers (8.50%; 2017 8.45%)</b>			
201,136,845	Aminex	2,715,347	0.83
1,522,357	Cairn Energy	2,283,536	0.70
4,900,657	Genel Energy	8,683,964	2.66
5,125,469	Nostrum Oil & Gas	5,268,982	1.62
6,918,130	Premier Oil	4,597,097	1.41
20,460,636	Rockhopper Exploration	4,204,661	1.28
<b>Oil Equipment, Services &amp; Distribution (1.39%; 2017 2.03%)</b>			
7,499,909	Lamprell	4,537,445	1.39
<b>Pharmaceuticals &amp; Biotechnology (0.00%; 2017 1.16%)</b>			
<b>Real Estate Investment &amp; Services (2.79%; 2017 1.48%)</b>			
2,074,702	Conygar	3,734,464	1.14
52,200,696	Dolphin Capital Investors	2,923,239	0.90
774,810	Helical Bar	2,448,400	0.75
9,023,019	Speymill Deutsche Immobilien*	-	-
<b>Real Estate Investment Trusts (0.80%; 2017 1.07%)</b>			
5,299,038	Real Estate Investors	2,607,127	0.80
<b>Software &amp; Computer Services (8.02%; 2017 8.44%)</b>			
2,770,988	CentralNic	1,413,204	0.43
1,288,978	Eckoh	444,697	0.14
375,000	EMIS	3,408,750	1.04
515,983	GRC International	603,700	0.19
1,640,034	Gresham Technologies	1,098,823	0.34
706,422	RhythmOne	1,313,945	0.40
2,977,588	RM	5,955,176	1.83
1,995,715	SDL	9,339,946	2.86
3,431,300	Tribal	2,566,612	0.79
<b>Support Services (11.51%; 2017 17.21%)</b>			
271,120	Biffa	530,853	0.16
754,569	De La Rue	3,154,098	0.97
637,136	Marlowe	2,599,515	0.80
396,803	PayPoint	3,186,328	0.98
17,454,060	Renewi	5,698,751	1.75
1,076,954	Restore	3,457,022	1.06
4,051,611	RPS	5,502,088	1.68
5,087,117	SIG	5,585,655	1.71
13,262,992	Speedy Hire	7,825,165	2.40
<b>Technology Hardware &amp; Equipment (2.79%; 2017 1.95%)</b>			
7,676,356	Spirent Communications	9,088,806	2.79



## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>Travel &amp; Leisure (5.02%; 2017 5.92%)</b>		
4,366,136	888.com	7,640,738	2.34
1,626,567	Comptoir	162,657	0.05
54,308,392	fastjet	733,163	0.23
2,682,208	fastjet warrants 31/7/2021*	-	-
1,335,970	Patisserie*	133,597	0.04
5,596,726	Rank	7,712,288	2.36
	<b>Non-Equity Investment Instruments (0.00%; 2017 2.22%)</b>		
796,300	XL TG class 'A' shares*	-	-
	<b>Portfolio of investments</b>	<b>316,827,360</b>	<b>97.11</b>
	<b>Net current assets</b>	<b>9,418,517</b>	<b>2.89</b>
	<b>Total net assets</b>	<b>326,245,877</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

\*Delisted security and is therefore valued at the ACD's best assessment.

Comparative figures show percentages for each sector category at 31 December 2017.

## Statement of Total Return

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
Income					
Net capital (losses)/gains	2		(114,594,773)		70,182,839
Revenue	3	11,754,358		10,681,360	
Expenses	4	(107,850)		(120,081)	
Interest payable and similar charges	6	-		(115)	
<b>Net revenue before taxation</b>		<b>11,646,508</b>		<b>10,561,164</b>	
Taxation	5	(27,594)		(4,172)	
<b>Net revenue after taxation</b>			<b>11,618,914</b>		<b>10,556,992</b>
<b>Total return before distributions</b>			<b>(102,975,859)</b>		<b>80,739,831</b>
Distributions	7		(11,618,914)		(10,556,992)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(114,594,773)</b>		<b>70,182,839</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
<b>Opening net assets attributable to shareholders</b>			<b>530,776,614</b>		<b>464,262,651</b>
Amounts received on issue of shares		17,449,254		41,465,876	
Amounts paid on cancellation of shares		(119,019,583)		(56,435,348)	
			<b>(101,570,329)</b>		<b>(14,969,472)</b>
Dilution adjustment	8		800,438		846,321
Stamp duty reserve tax			-		(14)
Change in net assets attributable to shareholders from investment activities			(114,594,773)		70,182,839
Retained distribution on accumulation shares			10,833,927		10,454,289
<b>Closing net assets attributable to shareholders</b>			<b>326,245,877</b>		<b>530,776,614</b>

There have been no recognised gains or losses in the year other than those shown in the statement above.

The notes on pages 84 to 96 form an integral part of these financial statements.

## Balance Sheet

as at 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
<b>Assets</b>					
Fixed assets					
Investments			316,827,360		526,542,855
Current assets					
Debtors	9	871,461		1,158,794	
Cash and bank balances	10	<u>8,598,519</u>		<u>3,468,438</u>	
<b>Total other assets</b>			<u>9,469,980</u>		<u>4,627,232</u>
<b>Total assets</b>			<u>326,297,340</u>		<u>531,170,087</u>
<b>Liabilities</b>					
Creditors					
Other creditors	11	<u>(51,463)</u>		<u>(393,473)</u>	
<b>Total other liabilities</b>			<u>(51,463)</u>		<u>(393,473)</u>
<b>Total liabilities</b>			<u>(51,463)</u>		<u>(393,473)</u>
<b>Net assets attributable to shareholders</b>			<u>326,245,877</u>		<u>530,776,614</u>

The notes on pages 84 to 96 form an integral part of these financial statements.

## Notes to the Financial Statements

for the year ended 31 December 2018

### 1 Accounting policies

The sub-fund's accounting and distribution policies are set out on pages 9 and 10.

### 2 Net capital (losses)/gains on investments during the year

	31 December 2018	31 December 2017
	£	£
<b>The net (losses)/gains on investments during the year comprise:</b>		
(Losses)/gains on non-derivative securities	(114,572,715)	70,133,983
(Losses)/gains on derivative securities	(21,994)	21,994
Currency (losses)/gains	(64)	26,862
	<u>(114,594,773)</u>	<u>70,182,839</u>
<b>Net (losses)/gains on investments</b>	<b>(114,594,773)</b>	<b>70,182,839</b>

### 3 Revenue

	31 December 2018	31 December 2017
	£	£
Dividends from UK companies	10,653,575	9,663,532
Non-taxable overseas dividends	828,403	919,478
Non-US overseas REIT dividends	-	59,144
Taxable overseas dividends	58,550	39,206
UK REIT PID dividends	213,830	-
	<u>11,754,358</u>	<u>10,681,360</u>
<b>Total revenue</b>	<b>11,754,358</b>	<b>10,681,360</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 4 Expenses

	31 December 2018 £	31 December 2017 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	4,829	4,929
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fee	92,387	105,009
<b>Other expenses:</b>		
Audit fee*	10,634	10,143
<b>Total expenses</b>	<b>107,850</b>	<b>120,081</b>

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

\*The audit fee for the year, excluding VAT, was £9,000 (2017: £8,670).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 5 Taxation

#### (a) Analysis of tax charge for the year

	31 December 2018 £	31 December 2017 £
Corporation tax	27,594	-
Corporation tax - prior year adjustment	-	4,172
<b>Total tax charge for the year (see note 5(b))</b>	<b>27,594</b>	<b>4,172</b>

Corporation tax has been provided at a rate of 20% (31 December 2017: 20%).

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

	31 December 2018 £	31 December 2017 £
The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	11,646,508	10,561,164
Corporation tax at 20% (31 December 2017: 20%)	2,329,302	2,112,233
Effects of:		
Corporation tax - prior year adjustment	-	4,172
Excess management expenses for which no tax relief taken	(16,198)	16,198
Franked investment revenue at 20% (31 December 2017: 20%)	(2,146,419)	(2,128,431)
Non taxable overseas dividends	(150,920)	-
Prior year adjustment for excess management expenses	11,829	-
<b>Total current tax charge for the year (see note 5(a))</b>	<b>27,594</b>	<b>4,172</b>

Open-ended investment companies are not liable to corporation tax on capital gains, therefore, no capital items are included in the above reconciliation.

As at 31 December 2018 the sub-fund had surplus management expenses of £Nil (31 December 2017: £80,990). As at 31 December 2018 there is a potential deferred tax of £Nil (31 December 2017: £16,198). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses therefore no deferred tax has been recognised.

### 6 Interest payable and similar charges

	31 December 2018 £	31 December 2017 £
Interest	-	115
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>115</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 7 Distributions

	31 December 2018 £	31 December 2017 £
Interim	6,619,614	5,955,934
Final	4,214,313	4,498,355
	<u>10,833,927</u>	<u>10,454,289</u>
Add: Revenue deducted on cancellation of shares	824,807	295,145
Less: Revenue received on issue of shares	<u>(39,820)</u>	<u>(192,442)</u>
	<u><b>11,618,914</b></u>	<u><b>10,556,992</b></u>
<b>Reconciliation of distributions:</b>		
Net revenue after taxation	<u>11,618,914</u>	<u>10,556,992</u>
<b>Net distributions for the year</b>	<u><b>11,618,914</b></u>	<u><b>10,556,992</b></u>

The distribution per share is set out in the tables on pages 97 to 98.

### 8 Dilution adjustment

The Instrument of Incorporation allows the cost of dilution to be met directly from the sub-fund's assets or to be recovered from investors on the purchase or redemption of shares in a sub-fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment on the purchase or redemption of shares in a sub-fund. A dilution adjustment is an adjustment to the share price.

The ACD's policy for Majedie UK Smaller Companies Fund is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the sub-fund.

As dilution is directly related to the inflows and outflows of monies from the sub-fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment.

If there are net inflows into the sub-fund, the dilution adjustment will increase the price and if there are net outflows, the price will be decreased.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 9 Debtors

	31 December 2018 £	31 December 2017 £
Accrued revenue	814,768	960,473
Overseas tax recoverable	56,693	56,069
Sales awaiting settlement	-	142,252
<b>Total debtors</b>	<b>871,461</b>	<b>1,158,794</b>

### 10 Cash and bank balances

	31 December 2018 £	31 December 2017 £
Cash and bank balances	8,598,519	3,468,438
<b>Total cash and bank balances</b>	<b>8,598,519</b>	<b>3,468,438</b>

### 11 Creditors

	31 December 2018 £	31 December 2017 £
<b>Other creditors</b>		
Accrued ACD's periodic charge	698	431
Accrued audit fee	10,402	10,173
Accrued Depositary's fee	12,769	12,654
Corporation tax	27,594	-
Purchases awaiting settlement	-	370,215
<b>Total other creditors</b>	<b>51,463</b>	<b>393,473</b>



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments

The sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for cancellations.

For the purpose of efficient portfolio management, the sub-fund may enter into derivative transactions in the form of warrants and futures. When used, this type of financial instrument is included in the "Statement of Total Return" and held at market value. Any unlisted warrants are held at an estimated value calculated by the Fund Manager, which is based on the available market data of the underlying security and the terms of the warrants.

The sub-fund does not hold any derivatives that could significantly impact the sub-fund.

The sub-fund has little exposure to credit, interest rate or cash flow risk. There are no material borrowings or unlisted securities and so little exposure to liquidity risk. The main risks it faces arising from its financial instruments are foreign currency risk and market risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement.

The level of leverage employed by the sub-fund during the year is not considered to be significant, hence no leverage analysis is disclosed.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

The sub-fund only buys and sells investments through brokers which are approved counterparties, therefore minimising the risk of default.

With regards to cash, the sub-fund's cash balances are held with The Bank of New York Mellon (International) Limited, which is the Global sub-custodian, appointed by the Custodian. As at 31 December 2018, the cash balance of the sub-fund was £8,598,519 (31 December 2017: £3,468,438).

The long-term credit rating for The Bank of New York Mellon (International) Limited is AA- (31 December 2017: AA-), with the outlook considered stable. In the event of insolvency of The Bank of New York Mellon (International) Limited, cash held on the sub-fund will be treated as a creditor in respect of cash held on its account.

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	£	£
<b>31 December 2018</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	316,693,763	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	-	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	133,597	-
<b>Total</b>	<b>316,827,360</b>	<b>-</b>
<b>31 December 2017</b>	<b>£</b>	<b>£</b>
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	526,542,855	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	-	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.	-	-
<b>Total</b>	<b>526,542,855</b>	<b>-</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk

A proportion of the sub-fund's investment portfolio and cash on deposit may be invested in overseas securities and the balance sheet may be affected by movements in foreign exchange rates.

The currency exposure risk as at 31 December 2018 was as follows:

Currency	Monetary exposures £	Net currency assets/(liabilities)	
		Non-monetary exposures £	Total £
Euro	-	56,693	56,693
<b>Total</b>	<b>-</b>	<b>56,693</b>	<b>56,693</b>

The currency exposure risk as at 31 December 2017 was as follows:

Currency	Monetary exposures £	Net currency assets/(liabilities)	
		Non-monetary exposures £	Total £
Euro	-	56,069	56,069
<b>Total</b>	<b>-</b>	<b>56,069</b>	<b>56,069</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk

##### Management of currency risk

Currency risk exposure is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% strengthening or weakening of its base currency against other currencies to which it is exposed to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Euro	56,693	6,299	(5,154)
<b>Total non base currency</b>	<b>56,693</b>	<b>6,299</b>	<b>(5,154)</b>
UK Sterling	326,189,184		
<b>Total net asset value</b>	<b>326,245,877</b>		

At 31 December 2017:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Euro	56,069	6,230	(5,097)
<b>Total non base currency</b>	<b>56,069</b>	<b>6,230</b>	<b>(5,097)</b>
UK Sterling	530,720,545		
<b>Total net asset value</b>	<b>530,776,614</b>		

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### d) Interest rate risk

Changes in the outlook for interest rates may affect stock market valuations of companies. There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates. Sterling denominated bank balances and overdrafts bear interest rates based on Bank of England base rate less 0.5% and plus 1.25% respectively. All overseas deposits and loans bear interest at rates determined by the relevant authority.

The interest rate risk profile of investment assets and liabilities as at 31 December 2018 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment assets	-	-	316,827,360	316,827,360

The interest rate risk profile of investment assets and liabilities as at 31 December 2017 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment assets	-	-	526,542,855	526,542,855

The sub-fund does not have significant interest rate risk, hence no sensitivity analysis is disclosed.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### e) Equities price risks

##### Management of equities price risk

Equities price risk is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% decrease/increase in the investments it holds as at 31 December 2018. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
UK	316,827,360	(31,682,736)	31,682,736
<b>Total</b>	<b>316,827,360</b>	<b>(31,682,736)</b>	<b>31,682,736</b>

At 31 December 2017:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
UK	514,745,717	(51,474,572)	51,474,572
<b>Total</b>	<b>514,745,717</b>	<b>(51,474,572)</b>	<b>51,474,572</b>

Liquidity Reserve Funds have been excluded from the above tables.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs

For the year 1 January 2018 to 31 December 2018

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	145,608,528	76,114	0.05	520,264	0.36
Collective investment schemes	2,702,801	295	0.01	3	0.00
<b>Total purchases</b>	<b>148,311,329</b>	<b>76,409</b>		<b>520,267</b>	
<b>Total purchases including transaction costs</b>	<b>148,908,005</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	235,357,086	144,576	0.06	971	0.00
Collective investment schemes	447,046	381	0.09	8	0.00
<b>Total sales</b>	<b>235,804,132</b>	<b>144,957</b>		<b>979</b>	
<b>Total sales net of transaction costs</b>	<b>235,658,196</b>				

<b>Total transaction costs</b>	<b>221,366</b>	<b>521,246</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.05%</b>	<b>0.11%</b>
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## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs (continued)

For the year 1 January 2017 to 31 December 2017

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	220,731,259	155,117	0.07	791,078	0.36
Collective investment schemes	364,195	327	-	7	-
<b>Total purchases</b>	<b>221,095,454</b>	<b>155,444</b>		<b>791,085</b>	
<b>Total purchases including transaction costs</b>	<b>222,041,983</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	226,839,072	179,735	0.08	784	-
<b>Total sales</b>	<b>226,839,072</b>	<b>179,735</b>		<b>784</b>	
<b>Total sales net of transaction costs</b>	<b>226,658,553</b>				

<b>Total transaction costs</b>	<b>335,179</b>	<b>791,869</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.07%</b>	<b>0.15%</b>
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The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Transactions in money market instruments to manage the sub-fund's daily liquidity position are excluded from the analysis.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dilution adjustment costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dilution adjustment (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 1.91% (2017: 1.39%).

The percentages on commissions and taxes shown in the tables above are the percentages per category.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 14 Related party transactions

Majedie Asset Management Limited, the ACD, is related to the individual sub-fund under FRS 102, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders. Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 9 and 11. Management charges paid to the ACD are shown in note 4.

The ACD held investments of £Nil (2017: £Nil) in Majedie UK Smaller Companies Fund.

### 15 Share movement

	A Accumulation shares	B Accumulation shares
Opening shares	158,902	145,586,051
Shares issued	13,635	4,958,683
Shares redeemed	(11,514)	(36,481,927)
<b>Closing shares</b>	<b>161,023</b>	<b>114,062,807</b>

### 16 Post-balance sheet events

There have been no post-balance sheet events which require adjustment in these financial statements. The table below shows the movement of the NAV per share as at 25 February 2019 since the year end.

	31 December 2018 (pence per share)	25 February 2019 (pence per share)	% change
A Accumulation	252.29	269.27	6.73
B Accumulation	285.67	305.36	6.89



## Distribution Tables

Final distribution for the period 1 July 2018 to 31 December 2018

### Share Class - A Accumulation Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	<b>Net Revenue</b> <b>pence per share</b>	<b>Equalisation</b> <b>pence per share*</b>	<b>Distribution</b> <b>payable 28.02.2019</b> <b>pence per share</b>	<b>Distribution</b> <b>paid 28.02.2018</b> <b>pence per share</b>
Group 1	2.0874	-	2.0874	1.1489
Group 2	1.0522	1.0352	2.0874	1.1489

### Share Class - B Accumulation Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	<b>Net Revenue</b> <b>pence per share</b>	<b>Equalisation</b> <b>pence per share*</b>	<b>Distribution</b> <b>payable 28.02.2019</b> <b>pence per share</b>	<b>Distribution</b> <b>paid 28.02.2018</b> <b>pence per share</b>
Group 1	3.6918	-	3.6918	3.0886
Group 2	2.9221	0.7697	3.6918	3.0886

For the accumulation/revenue payable on 28 February 2019

- i) 100% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018

### Share Class - A Accumulation Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue pence per share</b>	<b>Equalisation pence per share*</b>	<b>Distribution paid 31.08.2018 pence per share</b>	<b>Distribution paid 31.08.2017 pence per share</b>
Group 1	3.4253	-	3.4253	2.1534
Group 2	3.4253	0.0000	3.4253	2.1534

### Share Class - B Accumulation Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue pence per share</b>	<b>Equalisation pence per share*</b>	<b>Distribution paid 31.08.2018 pence per share</b>	<b>Distribution paid 31.08.2017 pence per share</b>
Group 1	4.5924	-	4.5924	4.0967
Group 2	3.4238	1.1686	4.5924	4.0967

For the accumulation/revenue paid on 31 August 2018

- i) 99.56% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.44% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

# Majedie UK Income Fund

## Investment report

### Sub-fund objectives and policy

The sub-fund aims to maintain an attractive yield, whilst outperforming the FTSE All-Share Index over the long term. At least 80% of the net asset value of the sub-fund will be invested in UK equities.

The Managers intend to pursue this objective by holding a high conviction portfolio of equity investments, selected by the Managers on the basis of detailed fundamental and macroeconomic analysis.

### Performance and Financial Review

The UK Income Fund returned -7.8% (Class X Income shares, net of fees) during 2018, outperforming the FTSE All-Share Index by 1.6%.

The two top contributors to performance were our holding in the education company Pearson and our avoidance of the Tobacco stock, British American Tobacco. Pearson, along with the wider education market, is currently navigating the transition from traditional print to a digital access (subscription) model. In October, Pearson updated the market on its key September courseware selling season, reiterating its full year guidance which was viewed positively by investors and the market. Having been a reliable compounder of growth over many years, the Tobacco sector has been derailed over the last 18 months by a combination of competitive and regulatory problems. In terms of new alternative nicotine products, it is becoming increasingly likely that they will not be as profitable as conventional cigarettes given the lower price point, multiple new entrants and a backlash from regulators on underage usage and the use of flavours. This comes at a time when the balance sheets of the main Tobacco companies are stretched.

On the negative side of the attribution table, the main detractor was our underweight position in AstraZeneca. Towards the end of the year, the shares benefited from a better than expected drug launch; Ophir Energy suffered from a setback to its project in Equatorial Guinea and Kenmare Resources surprised investors with a greater capex spend than expected.

During the second half of the year we exited some of our long-standing holdings, such as Direct Line and Ashmore, and the proceeds were recycled into GlaxoSmithKline and Lloyds Banking, as well as building on some existing holdings. At GlaxoSmithKline, a new CEO came on board with a transformative strategy that we believe the market has yet to appreciate. It also pays a dividend yield of 5.2%. Lloyds Banking is the leading consumer facing domestic Bank with a 25% market share of current accounts and a 20% share of mortgages. Lloyds Banking is also lowest cost with a 47.5% cost income ratio and is executing a strategy to reduce this into the low 40s by 2020. We believe the combination of these factors will support consistent generation in a time of low revenue growth and rising funding costs. We also established a new position in Travis Perkins, the general merchandiser, who are now focusing on their core business after taking the decision to sell their plumbing business and Wickes, which had proved to be an expensive distraction.

The sub-fund favours cheap companies with strong managements that have an element of self help. Our biggest sector positions remain Financials (25%) and Oil & Gas (20%). Chris Reid left Majedie at the end of Q2 and Mark Wharrier took over the management of the sub-fund in November; in the intervening period Yuri Khodjamirian managed the sub-fund. The team are building a pipeline of new ideas to ensure we take advantage of stock market volatility.

## Comparative Tables

For the year ended:	31.12.18† pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>A Income Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	171.85	163.11	161.12
Return before operating charges*	9.43	19.48	12.24
Operating charges	(1.06)	(2.57)	(2.38)
Return after operating charges	8.37	16.91	9.86
Net asset value per share before distributions	180.22	180.02	170.98
Distributions	(5.21)	(8.17)	(7.87)
<b>Closing net asset value per share</b>	<b>175.01</b>	<b>171.85</b>	<b>163.11</b>
*After direct transaction costs of	(0.18)	(0.49)	(0.84)
<b>Performance</b>			
Return after charges	4.87%	10.37%	6.12%
<b>Other information</b>			
Closing net asset value (£)	-	827,176	729,497
Closing number of shares	-	481,347	447,238
Operating charges**	1.53%	1.52%	1.52%
Direct transaction costs	0.43%	0.29%	0.54%
<b>Prices</b>			
Highest share price	190.53	175.66	166.23
Lowest share price	160.27	160.20	138.54

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

† The above table shows performance information to 1 August 2018, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.18† pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>B Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	231.46	208.42	194.73
Return before operating charges*	12.98	25.28	15.66
Operating charges	(0.97)	(2.24)	(1.97)
Return after operating charges	12.01	23.04	13.69
Distributions	(7.03)	(10.58)	(9.65)
Retained distributions on accumulation shares	7.03	10.58	9.65
<b>Closing net asset value per share</b>	<b>243.47</b>	<b>231.46</b>	<b>208.42</b>
*After direct transaction costs of	(0.24)	(0.64)	(1.04)
<b>Performance</b>			
Return after charges	5.19%	11.05%	7.03%
<b>Other information</b>			
Closing net asset value (£)	-	2,243,477	2,236,086
Closing number of shares	-	969,271	1,072,896
Operating charges**	1.03%	1.02%	1.02%
Direct transaction costs	0.43%	0.29%	0.54%
<b>Prices</b>			
Highest share price	257.14	232.25	208.13
Lowest share price	215.98	204.75	167.58

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

† The above table shows performance information to 1 August 2018, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>X Income Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	160.88	151.55	148.55
Return before operating charges*	(10.75)	18.15	11.40
Operating charges	(1.24)	(1.21)	(1.12)
Return after operating charges	(11.99)	16.94	10.28
Net asset value per share before distributions	148.89	168.49	158.83
Distributions	(8.02)	(7.61)	(7.28)
<b>Closing net asset value per share</b>	<b>140.87</b>	<b>160.88</b>	<b>151.55</b>
*After direct transaction costs of	(0.41)	(0.46)	(0.78)
<b>Performance</b>			
Return after charges	(7.45%)	11.18%	6.92%
<b>Other information</b>			
Closing net asset value (£)	626,432,856	849,500,530	846,238,420
Closing number of shares	444,695,574	528,046,778	558,396,148
Operating charges**	0.77%	0.77%	0.77%
Direct transaction costs	0.25%	0.29%	0.54%
<b>Prices</b>			
Highest share price	178.90	164.43	154.43
Lowest share price	141.66	148.93	127.84

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>X Accumulation Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	203.60	182.87	170.44
Return before operating charges*	(14.37)	22.22	13.73
Operating charges	(1.59)	(1.49)	(1.30)
Return after operating charges	(15.96)	20.73	12.43
Distributions	(10.27)	(9.29)	(8.46)
Retained distributions on accumulation shares	10.27	9.29	8.46
<b>Closing net asset value per share</b>	<b>187.64</b>	<b>203.60</b>	<b>182.87</b>
*After direct transaction costs of	(0.53)	(0.56)	(0.91)
<b>Performance</b>			
Return after charges	(7.84%)	11.34%	7.29%
<b>Other information</b>			
Closing net asset value (£)	75,410,274	115,839,910	114,500,173
Closing number of shares	40,188,522	56,896,858	62,612,327
Operating charges**	0.77%	0.77%	0.77%
Direct transaction costs	0.25%	0.29%	0.54%
<b>Prices</b>			
Highest share price	226.41	204.29	182.62
Lowest share price	184.59	179.70	146.72

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Risk and Reward Profile

The sub-fund invests in equities, which can provide higher returns over the medium to long term. However, such returns may be subject to greater rises and falls in the short term than investing in lower risk assets. The sub-fund's Synthetic Risk and Reward Indicator is 5 on a scale of 1 (lower) to 7 (higher).

It should be noted that past performance is not a guide to future performance and the value of your investment may go down as well as up meaning you may not get back your initial investment.

## Summary of Material Portfolio Changes

The table below shows the top ten purchases and sales for the year:

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
BAE Systems	30,821,408	BP	41,247,930
GlaxoSmithKline	29,932,576	Pearson	39,580,635
Tesco	25,234,013	Direct Line	38,718,227
Vodafone	18,003,676	Ashmore	37,671,334
ITV	17,909,514	Phoenix	32,415,545
Lloyds Banking	16,138,159	Royal Dutch Shell class 'B' shares	25,813,722
Tate & Lyle	15,978,257	Centamin	24,785,661
Mondi	15,225,753	Genel Energy	23,311,600
Barclays	14,874,073	Lundin Mining	23,070,972
British Land	14,197,596	Eni	19,223,876



## Portfolio Statement

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
<b>EQUITIES (97.54%; 2017 98.54%)</b>			
<b>Aerospace &amp; Defence (3.64%; 2017 1.56%)</b>			
4,202,397	BAE Systems	19,297,407	2.75
30,304	Lockheed Martin	6,230,213	0.89
<b>Banks (8.46%; 2017 6.86%)</b>			
8,556,048	Barclays	12,876,852	1.84
4,051,462	HSBC	26,204,856	3.73
28,500,042	Lloyds Banking	14,754,472	2.10
154,086	Wells Fargo	5,576,181	0.79
<b>Construction &amp; Materials (1.17%; 2017 0.60%)</b>			
2,297,526	Balfour Beatty	5,723,137	0.82
1,515,977	Melrose Industries	2,483,928	0.35
<b>Electricity (2.39%; 2017 2.22%)</b>			
1,551,877	SSE	16,768,031	2.39
<b>Financial Services (0.00%; 2017 4.97%)</b>			
<b>Food and Drug Retailers (3.08%; 2017 0.00%)</b>			
11,367,271	Tesco	21,609,182	3.08
<b>Food Producers (4.32%; 2017 1.94%)</b>			
1,046,961	Marine Harvest	17,330,129	2.47
1,968,420	Tate & Lyle	12,991,572	1.85
<b>Forestry &amp; Paper (1.78%; 2017 0.00%)</b>			
764,393	Mondi	12,486,360	1.78
<b>Gas, Water &amp; Multiutilities (5.19%; 2017 3.94%)</b>			
27,021,236	Centrica	36,451,647	5.19
<b>General Retailers (0.00%; 2017 0.99%)</b>			
<b>Industrial Metals &amp; Mining (0.00%; 2017 2.41%)</b>			
<b>Leisure Goods (0.00%; 2017 0.19%)</b>			
<b>Life Insurance (14.67%; 2017 17.22%)</b>			
8,072,083	Aviva	30,310,672	4.32
25,235,353	Legal & General	58,293,665	8.31
2,548,506	Phoenix	14,348,089	2.04

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>Media (7.57%; 2017 6.73%)</b>		
1,493,529	Daily Mail & General Trust class 'A' shares	8,587,792	1.22
12,747,024	ITV	15,914,659	2.27
3,049,398	Pearson	28,597,254	4.08
	<b>Mining (3.75%; 2017 7.51%)</b>		
650,877	BHP Billiton	10,738,169	1.53
3,340,552	Central Asia Metals	7,265,701	1.04
4,483,764	Kenmare Resources	8,294,963	1.18
	<b>Mobile Telecommunications (4.20%; 2017 3.58%)</b>		
19,293,734	Vodafone	29,500,119	4.20
	<b>Non-Life Insurance (0.00%; 2017 3.12%)</b>		
	<b>Oil &amp; Gas Producers (21.09%; 2017 25.97%)</b>		
10,020,463	BP	49,696,486	7.08
5,047,502	Cairn Energy	7,571,253	1.08
347,177	Eni	4,279,803	0.61
17,048,738	EnQuest	3,733,674	0.53
5,014,268	Genel Energy	8,885,283	1.27
2,943,263	Royal Dutch Shell class 'B' shares	68,784,056	9.80
7,467,332	SOCO International	5,077,786	0.72
	<b>Oil Equipment, Services &amp; Distribution (0.00%; 2017 0.99%)</b>		
	<b>Pharmaceuticals &amp; Biotechnology (7.17%; 2017 1.50%)</b>		
144,167	Gilead Sciences	7,084,966	1.01
1,918,638	GlaxoSmithKline	28,610,730	4.07
75,590	Roche Holding	14,651,395	2.09
	<b>Real Estate Investment &amp; Services (0.00%; 2017 0.22%)</b>		
	<b>Real Estate Investment Trusts (3.14%; 2017 2.26%)</b>		
3,104,461	British Land	16,552,986	2.36
1,667,883	Hammerson	5,494,007	0.78
	<b>Support Services (3.61%; 2017 1.26%)</b>		
1,680,860	Essentra	5,728,371	0.81
6,855,902	Hays	9,598,263	1.37
938,398	Travis Perkins	10,040,859	1.43

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>Travel &amp; Leisure (2.31%; 2017 2.50%)</b>		
4,781,450	888.com	8,367,537	1.19
813,605	Ryanair	7,813,997	1.12
	<b>NON-EQUITY INVESTMENT INSTRUMENTS (4.26%; 2017 2.97%)</b>		
39	Goldman Sachs Euro Liquidity Reserve Fund	35	-
29,896,446	Goldman Sachs Sterling Liquidity Reserve Fund	29,896,446	4.26
	<b>Portfolio of investments</b>	<b>714,502,983</b>	<b>101.80</b>
	<b>Net current liabilities</b>	<b>(12,659,853)</b>	<b>(1.80)</b>
	<b>Total net assets</b>	<b>701,843,130</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

Comparative figures show percentages for each sector category at 31 December 2017.

## Statement of Total Return

for the year ended 31 December 2018

	Note	31 December 2018		31 December 2017	
		£	£	£	£
Income					
Net capital (losses)/gains	2		(85,725,543)		63,280,245
Revenue	3	46,034,884		44,718,513	
Expenses	4	(6,871,822)		(7,152,417)	
Interest payable and similar charges	6	(1,275)		(5,820)	
<b>Net revenue before taxation</b>		<b>39,161,787</b>		<b>37,560,276</b>	
Taxation	5	(142,812)		(10,324)	
<b>Net revenue after taxation</b>			<b>39,018,975</b>		<b>37,549,952</b>
<b>Total return before distributions</b>			<b>(46,706,568)</b>		<b>100,830,197</b>
Distributions	7		(45,630,558)		(44,634,975)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(92,337,126)</b>		<b>56,195,222</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2018

	Note	31 December 2018		31 December 2017	
		£	£	£	£
<b>Opening net assets attributable to shareholders</b>			<b>968,411,093</b>		<b>963,704,176</b>
Amounts received on issue of shares		88,619,105		100,164,983	
Amounts paid on cancellation of shares		(268,675,144)		(157,555,571)	
			<b>(180,056,039)</b>		<b>(57,390,588)</b>
Dilution adjustment	8		759,374		646,176
Change in net assets attributable to shareholders from investment activities			(92,337,126)		56,195,222
Retained distribution on accumulation share			5,065,828		5,256,107
<b>Closing net assets attributable to shareholders</b>			<b>701,843,130</b>		<b>968,411,093</b>

There have been no recognised gains or losses in the year other than those shown in the statement above.

The notes on pages 110 to 122 form an integral part of these financial statements.

## Balance Sheet

as at 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
<b>Assets</b>					
Fixed assets					
Investments			714,502,983		982,992,944
Current assets					
Debtors	9	2,350,093		2,451,207	
<b>Total other assets</b>			<b>2,350,093</b>		<b>2,451,207</b>
<b>Total assets</b>			<b>716,853,076</b>		<b>985,444,151</b>
<b>Liabilities</b>					
Creditors					
Distribution payable	10	(13,939,945)		(15,842,663)	
Other creditors	10	(1,070,001)		(1,190,395)	
<b>Total other liabilities</b>			<b>(15,009,946)</b>		<b>(17,033,058)</b>
<b>Total liabilities</b>			<b>(15,009,946)</b>		<b>(17,033,058)</b>
<b>Net assets attributable to shareholders</b>			<b>701,843,130</b>		<b>968,411,093</b>

The notes on pages 110 to 122 form an integral part of these financial statements.

## Notes to the Financial Statements

for the year ended 31 December 2018

### 1 Accounting policies

The sub-fund's accounting and distribution policies are set out on pages 9 and 10.

### 2 Net capital (losses)/gains on investments during the year

	31 December 2018	31 December 2017
	£	£
<b>The net (losses)/gains on investments during the year comprise:</b>		
(Losses)/gains on non-derivative securities	(85,561,943)	63,515,797
Currency losses	(149,589)	(229,213)
Loan between Capital/Income account	-	(2,790)
Tax on Greek securities	-	(3,549)
Custodian transaction fees	(14,011)	-
	<u>(85,725,543)</u>	<u>63,280,245</u>
<b>Net (losses)/gains on investments</b>	<b>(85,725,543)</b>	<b>63,280,245</b>

### 3 Revenue

	31 December 2018	31 December 2017
	£	£
Dividends from UK companies	36,069,097	25,737,913
Loan between Capital/Income account	-	2,790
Interest from UK bank deposits	-	9,004
Non-taxable overseas dividends	7,425,539	10,064,864
Stock dividends	1,387,688	8,807,298
Taxable overseas dividends	132,813	40,327
UK REIT PID dividends	1,019,747	56,317
	<u>46,034,884</u>	<u>44,718,513</u>
<b>Total revenue</b>	<b>46,034,884</b>	<b>44,718,513</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 4 Expenses

	31 December 2018 £	31 December 2017 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	6,709,243	6,965,621
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fee	151,945	169,234
<b>Other expenses:</b>		
Audit fee*	10,634	10,143
Other expenses	-	7,419
<b>Total expenses</b>	<b>6,871,822</b>	<b>7,152,417</b>

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

\*The audit fee for the year, excluding VAT, was £9,000 (2017: £8,670).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 5 Taxation

#### (a) Analysis of tax charge for the year

	31 December 2018 £	31 December 2017 £
Overseas tax suffered	142,812	10,324
<b>Total tax charge for the year (see note 5(b))</b>	<b>142,812</b>	<b>10,324</b>

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

	31 December 2018 £	31 December 2017 £
The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	39,161,787	37,560,276
Corporation tax at 20% (31 December 2017: 20%)	7,832,357	7,512,055
Effects of:		
Excess management expenses for which no tax relief taken	1,114,123	1,363,089
Franked investment revenue at 20% (31 December 2017: 20%)	(7,213,819)	(5,147,582)
Non-taxable overseas dividends	(1,485,108)	(2,012,973)
Non-taxable stock dividends	(247,553)	(1,714,589)
Overseas tax suffered	142,812	10,324
<b>Total current tax charge for the year (see note 5(a))</b>	<b>142,812</b>	<b>10,324</b>

Open-ended investment companies are not liable to corporation tax on capital gains, therefore, no capital items are included in the above reconciliation.

As at 31 December 2018 the sub-fund had surplus management expenses of £33,213,476 (31 December 2017: £27,642,862). As at 31 December 2018 there is a potential deferred tax asset of £6,642,695 (31 December 2017: £5,528,572). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses, therefore, no deferred tax asset has been recognised.

### 6 Interest payable and similar charges

	31 December 2018 £	31 December 2017 £
Interest	1,275	5,820
<b>Total interest payable and similar charges</b>	<b>1,275</b>	<b>5,820</b>



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 7 Distributions

	31 December 2018 £	31 December 2017 £
Interim	26,471,360	26,259,261
Final	15,581,513	18,002,383
	<u>42,052,873</u>	<u>44,261,644</u>
Add: Revenue deducted on cancellation of shares	4,847,507	1,527,954
Less: Revenue received on issue of shares	<u>(1,269,822)</u>	<u>(1,154,623)</u>
	<b><u>45,630,558</u></b>	<b><u>44,634,975</u></b>
<b>Reconciliation of distributions:</b>		
Net revenue after taxation	39,018,975	37,549,952
Capitalised expenses	6,871,822	7,152,417
Tax relief on capitalised expenses taken to capital	(260,241)	(67,393)
Equalisation on conversions	<u>2</u>	<u>(1)</u>
<b>Net distributions for the year</b>	<b><u>45,630,558</u></b>	<b><u>44,634,975</u></b>

The distribution per share is set out in the tables on pages 123 to 124.

### 8 Dilution adjustment

The Instrument of Incorporation allows the cost of dilution to be met directly from the sub-fund's assets or to be recovered from investors on the purchase or redemption of shares in a sub-fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment on the purchase or redemption of shares in a sub-fund. A dilution adjustment is an adjustment to the share price.

The ACD's policy for Majedie UK Income Fund is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total asset of the sub-fund.

As dilution is directly related to the inflows and outflows of monies from the sub-fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment.

If there are net inflows into the sub-fund, the dilution adjustment will increase the price and if there are net outflows, the price will be decreased.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 9 Debtors

	31 December 2018	31 December 2017
	£	£
Accrued revenue	1,584,044	772,457
Amounts receivable for issue of shares	75,039	1,279,784
Overseas withholding tax	691,010	398,966
	<u>2,350,093</u>	<u>2,451,207</u>
<b>Total debtors</b>	<b>2,350,093</b>	<b>2,451,207</b>

### 10 Creditors

	31 December 2018	31 December 2017
	£	£
<b>a) Distribution payable</b>		
Net distribution payable	<u>13,939,945</u>	<u>15,842,663</u>
<b>Total distribution payable</b>	<b>13,939,945</b>	<b>15,842,663</b>
<b>b) Other creditors</b>		
Accrued ACD's periodic charge	935,347	603,882
Accrued audit fee	10,403	10,172
Accrued Depositary's fee	22,718	20,220
Amounts payable for cancellation of shares	<u>101,533</u>	<u>556,121</u>
<b>Total other creditors</b>	<b>1,070,001</b>	<b>1,190,395</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 11 Financial instruments

The sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for cancellations.

For the purpose of efficient portfolio management, the sub-fund may enter into derivative transactions in the form of warrants and futures. When used, this type of financial instrument is included in the "Statement of Total Return" and held at market value. Any unlisted warrants are held at an estimated value calculated by the Fund Manager, which is based on the available market data of the underlying security and the terms of the warrants.

The sub-fund does not hold any derivatives that could significantly impact the sub-fund.

The sub-fund has little exposure to credit, interest rate or cash flow risk. There are no material borrowings or unlisted securities and so little exposure to liquidity risk. The main risks it faces arising from its financial instruments are foreign currency risk and market risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement.

The level of leverage employed by the sub-fund during the year is not considered to be significant, hence no leverage analysis is disclosed.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

The sub-fund only buys and sells investments through brokers which are approved counterparties, therefore minimising the risk of default.

With regards to cash, the sub-fund's cash balances are held with The Bank of New York Mellon (International) Limited, which is the Global sub-custodian, appointed by the Custodian. As at 31 December 2018, the cash balance of the sub-fund was £Nil (31 December 2017: £Nil).

The long-term credit rating for The Bank of New York Mellon (International) Limited is AA- (31 December 2017: AA-), with the outlook considered stable. In the event of insolvency of The Bank of New York Mellon (International) Limited, cash held on the sub-fund will be treated as a creditor in respect of cash held on its account.

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	£	£
<b>31 December 2018</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	684,606,502	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	29,896,481	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>714,502,983</b>	<b>-</b>
<b>31 December 2017</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	954,203,399	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	28,789,545	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>982,992,944</b>	<b>-</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 11 Financial instruments (continued)

#### c) Currency exposure risk

A proportion of the sub-fund's investment portfolio and cash on deposit may be invested in overseas securities and the balance sheet may be affected by movements in foreign exchange rates.

The currency exposure risk as at 31 December 2018 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	£	£	£
Canadian dollar	-	2,541	2,541
Euro	-	13,028,393	13,028,393
Norwegian krone	-	17,553,477	17,553,477
Swiss franc	-	14,908,190	14,908,190
US dollar	-	18,891,359	18,891,359
<b>Total</b>	<b>-</b>	<b>64,383,960</b>	<b>64,383,960</b>

The currency exposure risk as at 31 December 2017 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	£	£	£
Canadian dollar	-	23,369,271	23,369,271
Euro	-	19,736,042	19,736,042
Norwegian krone	-	18,755,260	18,755,260
Swiss franc	-	14,692,584	14,692,584
US dollar	-	686	686
<b>Total</b>	<b>-</b>	<b>76,553,843</b>	<b>76,553,843</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 11 Financial instruments (continued)

#### c) Currency exposure risk

##### Management of currency risk

Currency risk exposure is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% strengthening or weakening of its base currency against other currencies to which it is exposed to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Canadian dollar	2,541	282	(231)
Euro	13,028,393	1,447,599	(1,184,399)
Norwegian krone	17,553,477	1,950,386	(1,595,771)
Swiss franc	14,908,190	1,656,466	(1,355,290)
US dollar	18,891,359	2,099,040	(1,717,396)
<b>Total non base currency</b>	<b>64,383,960</b>	<b>7,153,773</b>	<b>(5,853,087)</b>
UK sterling	637,459,170		
<b>Total net asset value</b>	<b>701,843,130</b>		

At 31 December 2017:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Canadian dollar	23,369,271	2,596,586	(2,124,479)
Euro	19,736,042	2,192,894	(1,794,186)
Norwegian krone	18,755,260	2,083,918	(1,705,024)
Swiss franc	14,692,584	1,632,509	(1,335,689)
US dollar	686	76	(62)
<b>Total non base currency</b>	<b>76,553,843</b>	<b>8,505,983</b>	<b>(6,959,440)</b>
UK sterling	891,857,250		
<b>Total net asset value</b>	<b>968,411,093</b>		

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 11 Financial instruments (continued)

#### d) Interest rate risk

Changes in the outlook for interest rates may affect stock market valuations of companies. There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates. Sterling denominated bank balances and overdrafts bear interest rates based on Bank of England base rate less 0.5% and plus 1.25% respectively. All overseas deposits and loans bear interest at rates determined by the relevant authority.

The interest rate risk profile of investment assets and liabilities as at 31 December 2018 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment assets	-	-	714,502,983	714,502,983

The interest rate risk profile of investment assets and liabilities as at 31 December 2017 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment assets	-	-	982,992,944	982,992,944

The sub-fund does not have significant interest rate risk, hence no sensitivity analysis is disclosed.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 11 Financial instruments (continued)

#### e) Equities price risk

##### Management of equities price risk

Equities price risk is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% decrease/increase in the investments it holds as at 31 December 2018. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
Ireland	7,813,997	(781,400)	781,400
Italy	4,279,803	(427,980)	427,980
Norway	17,330,129	(1,733,013)	1,733,013
Switzerland	14,651,395	(1,465,139)	1,465,139
UK	621,639,818	(62,163,982)	62,163,982
US	18,891,360	(1,889,136)	1,889,136
<b>Total</b>	<b>684,606,502</b>	<b>(68,460,650)</b>	<b>68,460,650</b>

At 31 December 2017:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
Canada	23,369,271	(2,336,927)	2,336,927
Greece	7,515,423	(751,542)	751,542
Italy	11,605,194	(1,160,519)	1,160,519
Norway	18,740,189	(1,874,019)	1,874,019
Switzerland	14,515,954	(1,451,596)	1,451,596
UK	878,457,369	(87,845,737)	87,845,737
<b>Total</b>	<b>954,203,400</b>	<b>(95,420,340)</b>	<b>95,420,340</b>

Liquidity Reserve Funds have been excluded from the above tables.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Portfolio transaction costs

For the year 1 January 2018 to 31 December 2018

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	405,062,289	169,820	0.04	1,791,201	0.44
<b>Total purchases</b>	<b>405,062,289</b>	<b>169,820</b>		<b>1,791,201</b>	
<b>Total purchases including transaction costs</b>	<b>407,023,310</b>				

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	592,746,791	305,288	0.05	2,832	-
<b>Total sales</b>	<b>592,746,791</b>	<b>305,288</b>		<b>2,832</b>	
<b>Total sales net of transaction costs</b>	<b>592,438,671</b>				

<b>Total transaction costs</b>	<b>475,108</b>	<b>1,794,033</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.05%</b>	<b>0.20%</b>
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## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Portfolio transaction costs (continued)

For the year 1 January 2017 to 31 December 2017

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	494,133,114	303,091	0.06	1,987,162	0.40
<b>Total purchases</b>	<b>494,133,114</b>	<b>303,091</b>		<b>1,987,162</b>	
<b>Total purchases including transaction costs</b>	<b>496,423,367</b>				

	Transaction Value £	Commissions £	%	Taxes £	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	566,925,358	406,511	0.07	1,169	-
<b>Total sales</b>	<b>566,925,358</b>	<b>406,511</b>		<b>1,169</b>	
<b>Total sales net of transaction costs</b>	<b>566,517,678</b>				

<b>Total transaction costs</b>		<b>709,602</b>		<b>1,988,331</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.08%</b>		<b>0.21%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Transactions in money market instruments to manage the sub-fund's daily liquidity position are excluded from the analysis.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dilution adjustment costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dilution adjustment (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.28% (2017: 0.28%).

The percentages on commissions and taxes shown in the tables above are the percentages per category.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Related party transactions

Majedie Asset Management Limited, the ACD, is related to the individual sub-fund under FRS 102, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders. Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 9 and 11. Management charges paid to the ACD are shown in note 4.

The ACD held investments of £47,252 (2017: £51,343) in Majedie UK Income Fund.

Clearstream Banking Luxembourg Designation 23473 owned 33.71% of the total Net Assets of the sub-fund as at 31 December 2018 (2017: 31.11%).

### 14 Share movement

	<b>A Income shares</b>	<b>B Accumulation shares</b>	<b>X Income shares</b>	<b>X Accumulation shares</b>
Opening shares	481,347	969,271	528,046,778	56,896,858
Shares issued	20,748	-	46,802,384	7,400,821
Shares redeemed	(223,801)	-	(130,180,713)	(25,420,492)
Shares converted	(278,294)	(969,271)	27,125	1,311,335
<b>Closing shares</b>	<b>-</b>	<b>-</b>	<b>444,695,574</b>	<b>40,188,522</b>

### 15 Post-balance sheet events

There have been no post-balance sheet events which require adjustment in these financial statements. The table below shows the movement of the NAV per share as at 25 February 2019 since the year end.

	<b>31 December 2018 (pence per share)</b>	<b>25 February 2019 (pence per share)</b>	<b>% change</b>
X Income	140.87	151.71	7.70
X Accumulation	187.64	202.10	7.71

## Distribution Tables

Final distribution for the period 1 July 2018 to 31 December 2018

### Share Class - A Income Shares†

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	N/A	-	N/A	3.2085
Group 2	N/A	N/A	N/A	3.2085

### Share Class - B Accumulation Shares†

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	N/A	-	N/A	4.2361
Group 2	N/A	N/A	N/A	4.2361

### Share Class - X Income Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	3.1347	-	3.1347	2.9973
Group 2	0.8993	2.2354	3.1347	2.9973

### Share Class - X Accumulation Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	4.0847	-	4.0847	3.7237
Group 2	2.0001	2.0846	4.0847	3.7237

For the accumulation/revenue payable on 28 February 2019

- i) 100% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

† As these share classes closed in August 2018, there are no distributions payable on 28 February 2019.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018

### Share Class - A Income Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	5.2085	-	5.2085	4.9646
Group 2	5.2085	0.0000	5.2085	4.9646

### Share Class - B Accumulation Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	7.0290	-	7.0290	6.3448
Group 2	7.0290	0.0000	7.0290	6.3448

### Share Class - X Income Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	4.8892	-	4.8892	4.6172
Group 2	2.8032	2.0860	4.8892	4.6172

### Share Class - X Accumulation Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	6.1873	-	6.1873	5.5710
Group 2	2.9591	3.2282	6.1873	5.5710

For the accumulation/revenue paid on 31 August 2018

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

## Majedie Tortoise Fund

### Investment report

#### Sub-fund objectives and policy

The sub-fund aims to achieve positive absolute returns in all market conditions over rolling three year periods with less volatility than a conventional long-only equity fund. An absolute return is not guaranteed and the sub-fund may experience periods of negative return. The sub-fund can offer no guarantee of a return of capital originally invested.

The sub-fund will primarily seek to achieve its objective by investment in a concentrated portfolio of long positions in equities and using derivatives to take synthetic short positions. The sub-fund will invest primarily in equity securities listed on eligible markets located in EEA Member States, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States of America. However, the sub-fund may invest in equity securities of companies incorporated anywhere in the world

#### Performance and Financial Review

The sub-fund returned -2.8% in 2018 (Class C Accumulation shares, gross of fees, GBP). The short book performed well during the year, particularly US Industrials and Cyclical, but our success in this area, unfortunately, was offset by weakness in our long book, most notably longs in Oil Services towards the end of the year. Our hedging of non-sterling assets also detracted from performance, but we remain of the view that the value of sterling is likely to rise, particularly against the US dollar.

Our view is that the oil oversupply is temporary – largely due to the US giving a last-minute waiver to importers of Iranian oil. The Telecommunications sector was disappointing over the year as a whole, but towards the end of the period it turned investors' attention, as EU regulation softened towards mergers and its defensive qualities became more attractive in volatile markets. UK Food Retail produced slightly disappointing trading statements going into the year end, giving back gains of earlier in 2018, but we are confident that restructuring is firmly on track and we feel that the sector will be resilient through tough trading conditions for the high street generally.

Positive performance came via our holding in the Gold Miner, Barrick Gold. The operational turnaround in these Miners has taken longer than we initially envisaged, but they have now started to gain traction and we are seeing this reflected in prices. The 'acqui-hire' of the Randgold management team by Barrick Gold was well received by the market, combining Randgold's proven management team with Barrick's best in class resources.

Overall, we are disappointed not to have made our clients money in 2018, but the sub-fund remains positioned for what we see as a late cycle environment. Our long book is focused on companies and industries that have been through restructuring – and in some cases are still doing so – and which we think will gain market share through a downturn; our shorts are centred on companies trading at, or near to, the top of their historic ranges and which we consider may be vulnerable to a slowdown in global growth.

## Comparative Tables

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>A Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	209.54	237.52	191.00
Return before operating charges*	(2.63)	(22.32)	52.14
Operating charges	(5.25)	(5.66)	(5.62)
Return after operating charges	(7.88)	(27.98)	46.52
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>201.66</b>	<b>209.54</b>	<b>237.52</b>
*After direct transaction costs of	(0.32)	(0.53)	(0.39)
<b>Performance</b>			
Return after charges	(3.76%)	(11.78%)	24.36%
<b>Other information</b>			
Closing net asset value (£)	876,589	910,824	1,032,477
Closing number of shares	434,685	434,685	434,685
Operating charges**	2.54%	2.54%	2.56%
Direct transaction costs	0.15%	0.24%	0.18%
<b>Prices</b>			
Highest share price	213.07	244.81	245.47
Lowest share price	198.25	206.82	194.00

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>B Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	247.72	273.87	214.79
Return before operating charges*	(3.17)	(26.05)	59.23
Operating charges	(0.10)	(0.10)	(0.15)
Return after operating charges	(3.27)	(26.15)	59.08
Distributions	(3.28)	(0.24)	-
Retained distributions on accumulation shares	3.28	0.24	-
<b>Closing net asset value per share</b>	<b>244.45</b>	<b>247.72</b>	<b>273.87</b>
*After direct transaction costs of	(0.38)	(0.62)	(0.45)
<b>Performance</b>			
Return after charges	(1.32%)	(9.55%)	27.51%
<b>Other information</b>			
Closing net asset value (£)	6,405,096	6,449,900	7,057,656
Closing number of shares	2,620,222	2,603,665	2,576,979
Operating charges**	0.04%	0.04%	0.06%
Direct transaction costs	0.15%	0.24%	0.18%
<b>Prices</b>			
Highest share price	255.21	282.52	281.87
Lowest share price	238.54	243.84	218.34

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>C Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	176.58	197.84	157.77
Return before operating charges*	(2.23)	(18.38)	42.91
Operating charges	(2.70)	(2.88)	(2.84)
Return after operating charges	(4.93)	(21.26)	40.07
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>171.65</b>	<b>176.58</b>	<b>197.84</b>
*After direct transaction costs of	(0.27)	(0.44)	(0.33)
<b>Performance</b>			
Return after charges	(2.79%)	(10.75%)	25.40%
<b>Other information</b>			
Closing net asset value (£)	62,211,731	66,881,370	52,269,019
Closing number of shares	36,243,335	37,875,993	26,420,161
Operating charges**	1.54%	1.54%	1.56%
Direct transaction costs	0.15%	0.24%	0.18%
Performance fee	-	0.15%	(0.22%)
<b>Prices</b>			
Highest share price	180.24	203.37	203.32
Lowest share price	168.25	174.13	160.30

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period - it does not include performance fees. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.



## Comparative Tables (continued)

For the year ended:	31.12.17† cents per share	31.12.16 cents per share
<b>H Accumulation (US Dollar) Shares</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	241.66	230.90
Return before operating charges*	(4.01)	14.55
Operating charges	(2.05)	(3.79)
Return after operating charges	(6.06)	10.76
Distributions	-	-
Retained distributions on accumulation shares	-	-
<b>Closing net asset value per share</b>	<b>235.60†</b>	<b>241.66</b>
*After direct transaction costs of	(0.40)	(0.44)
<b>Performance</b>		
Return after charges	(2.51%)	4.66%
<b>Other information</b>		
Closing net asset value (\$)	N/A†	11,614
Closing number of shares	N/A†	4,806
Operating charges**	1.54%	1.56%
Direct transaction costs	0.43%	0.18%
Performance fee	-	(0.47%)
<b>Prices</b>		
Highest share price	244.90†	291.54
Lowest share price	229.07†	194.96

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period - it does not include performance fees. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

† The above table shows performance information to 21 July 2017, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.17† cents per share	31.12.16 cents per share
<b>I Accumulation (Euro) Shares</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	227.57	211.13
Return before operating charges*	(23.31)	19.87
Operating charges	(1.80)	(3.43)
Return after operating charges	(25.11)	16.44
Distributions	-	-
Retained distributions on accumulation shares	-	-
<b>Closing net asset value per share</b>	<b>202.46†</b>	<b>227.57</b>
*After direct transaction costs of	(0.32)	(0.39)
<b>Performance</b>		
Return after charges	(11.03%)	7.79%
<b>Other information</b>		
Closing net asset value (€)	N/A†	13,777
Closing number of shares	N/A†	6,054
Operating charges**	1.54%	1.56%
Direct transaction costs	0.45%	0.18%
Performance fee	-	(0.47%)
<b>Prices</b>		
Highest share price	232.43†	266.12
Lowest share price	202.09†	175.11

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period - it does not include performance fees. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

† The above table shows performance information to 13 July 2017, the date the share class closed.

## Risk and Reward Profile

The sub-fund invests in a combination of equities, over the counter contracts for difference (OTC CFDs) and exchange traded options. Equities can provide higher returns over the medium to long term. However, such returns may be subject to greater rises and falls in the short term than investing in lower risk assets. OTC CFDs involve both leverage and counterparty risk and as such higher overall risk. Exchange traded options involve leverage and as such higher overall risk. In addition leverage can be applied to the overall portfolio; this may magnify the gains or losses on the underlying portfolio.

The sub-fund's Synthetic Risk and Reward Indicator is 4 on a scale of 1 (lower) to 7 (higher).

It should be noted that past performance is not a guide to future performance and the value of your investment may go down as well as up meaning you may not get back your initial investment.

## Summary of Material Portfolio Changes

The table below shows the top ten purchases and sales for the year:

<b>Purchases</b>	<b>£</b>	<b>Sales</b>	<b>£</b>
Novartis ADR	2,483,507	GlaxoSmithKline	2,655,495
GlaxoSmithKline	2,302,350	Novartis	2,480,369
Exxon Mobil	2,286,694	Vodafone	1,489,443
Barclays	2,160,149	Pearson	1,358,734
GlaxoSmithKline ADR	2,147,195	BP	1,270,942
Novartis	2,133,772	Barclays	1,135,236
Sanofi	2,112,997	Sibanye Gold	855,681
Vodafone	1,862,858	Oceaneering International	824,784
Deutsche Telekom	1,740,570	American Eagle Outfitters	804,217
Goldcorp	1,716,424	Evolution Mining	803,589

## Portfolio Statement

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
	<b>EQUITIES (67.93%; 2017 42.89%)</b>		
	<b>Apparel Accessories &amp; Luxury Goods (0.00%; 2017 0.87%)</b>		
	<b>Apparel Retail (1.64%; 2017 2.70%)</b>		
70,000	Guess	1,141,567	1.64
	<b>Automobile Manufacturers (0.00%; 2017 0.65%)</b>		
	<b>Coal &amp; Consumable Fuels (1.71%; 2017 0.00%)</b>		
133,500	Cameco Corp	1,188,670	1.71
	<b>Communications Equipment (0.00%; 2017 0.55%)</b>		
	<b>Computer &amp; Electronics Retail (0.00%; 2017 1.03%)</b>		
	<b>Department Stores (2.10%; 2017 1.07%)</b>		
590,948	Marks and Spencer	1,460,233	2.10
	<b>Diversified Banks (2.98%; 2017 0.57%)</b>		
652,000	Barclays	981,260	1.41
504,000	Royal Bank of Scotland	1,089,648	1.57
	<b>Fertilizers &amp; Agricultural Chemicals (2.38%; 2017 1.14%)</b>		
72,052	Mosaic	1,651,946	2.38
	<b>Food Retail (8.13%; 2017 6.06%)</b>		
732,041	J Sainsbury	1,939,909	2.79
1,147,612	Tesco	2,181,610	3.14
716,728	Wm Morrison Supermarkets	1,528,422	2.20
	<b>Gold (11.50%; 2017 9.10%)</b>		
184,580	Acacia Mining	338,335	0.49
233,374	Barrick Gold	2,477,400	3.56
636,590	Gold Fields	1,759,420	2.53
334,585	Goldcorp	2,571,912	3.70
380,999	Sibanye Gold	846,598	1.22
	<b>Home Improvement Retail (0.83%; 2017 1.12%)</b>		
277,330	Kingfisher	575,182	0.83
	<b>Industrial &amp; Office REITs (0.50%; 2017 0.00%)</b>		
43,400	Land Securities	349,110	0.50
	<b>Integrated Oil &amp; Gas (3.20%; 2017 1.36%)</b>		
41,460	Exxon Mobil	2,220,467	3.20
	<b>Integrated Telecommunication Services (14.63%; 2017 6.20%)</b>		
900,230	BT	2,142,997	3.08
147,400	Deutsche Telekom	1,961,408	2.82

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value £	Percentage of total net assets %
<b>Integrated Telecommunication Services (continued)</b>			
183,428	Orange	2,330,512	3.35
934,435	Royal KPN	2,143,807	3.09
3,666,694	Telecom Italia	1,590,294	2.29
<b>Internet Software &amp; Services (0.00%; 2017 1.16%)</b>			
<b>Movies &amp; Entertainment (1.55%; 2017 0.00%)</b>			
53,396	Viacom class 'B' non-voting shares	1,077,060	1.55
<b>Multi-Utilities (1.89%; 2017 0.82%)</b>			
972,770	Centrica	1,312,267	1.89
<b>Oil &amp; Gas Drilling (1.53%; 2017 2.46%)</b>			
54,642	Diamond Offshore Drilling	404,581	0.58
235,883	Ensco	657,494	0.95
<b>Oil &amp; Gas Equipment &amp; Services (0.58%; 2017 1.46%)</b>			
42,554	Oceaneering International	403,956	0.58
<b>Oil &amp; Gas Exploration &amp; Production (2.11%; 2017 2.28%)</b>			
817,538	Tullow Oil	1,464,211	2.11
<b>Pharmaceuticals (10.14%; 2017 0.48%)</b>			
70,600	GlaxoSmithKline ADR	2,117,556	3.05
36,540	Novartis ADR	2,461,917	3.54
36,450	Sanofi	2,469,806	3.55
<b>Restaurants (0.22%; 2017 0.00%)</b>			
29,332	Greene King	154,521	0.22
<b>Trucking (0.31%; 2017 0.38%)</b>			
259,079	FirstGroup	216,072	0.31
<b>Wireless Telecommunication Services (0.00%; 2017 1.43%)</b>			
<b>BONDS (23.01%; 2017 43.54%)</b>			
<b>UK Sterling Denominated Government Bonds (23.01%; 2017 43.54%)</b>			
£1,750,000	Treasury 0% Bonds 7/1/2019	1,749,772	2.52
£3,000,000	Treasury 0% Bonds 14/1/2019	2,999,250	4.31
£4,250,000	Treasury 0% Bonds 21/1/2019	4,248,428	6.11
£1,000,000	Treasury 0% Bonds 28/1/2019	999,510	1.44
£2,000,000	Treasury 0% Bonds 4/2/2019	1,998,740	2.88
£2,000,000	Treasury 0% Bonds 11/2/2019	1,998,540	2.88
£2,000,000	Treasury 0% Bonds 25/2/2019	1,997,904	2.87
<b>DERIVATIVES (3.86%; 2017 (0.96)%)</b>			

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Notional value £	Market value £	Percentage of total net assets %
<b>CONTRACTS FOR DIFFERENCES (CFDs) Short (3.27%; 2017 (0.98)%)</b>				
<b>Advertising (0.00%; 2017 (0.04)%)</b>				
<b>Aerospace &amp; Defence (0.08%; 2017 (0.05)%)</b>				
(3,625)	Boeing	(902,744)	52,424	0.08
<b>Air Freight &amp; Logistics (0.46%; 2017 0.00%)</b>				
(5,330)	FedEx	(931,826)	321,791	0.46
<b>Airlines (0.04%; 2017 (0.07)%)</b>				
(13,707)	Delta Air Lines	(525,046)	10,682	0.02
(126,900)	International Consolidated Airline	(800,010)	15,768	0.02
<b>Apparel Accessories &amp; Luxury Goods (0.00%; 2017 0.00%)</b>				
<b>Apparel Retail (0.15%; 2017 0.01%)</b>				
(15,786)	Industria de Diseno Textil	(419,105)	104,924	0.15
<b>Asset Management &amp; Custody Banks (0.29%; 2017 (0.05)%)</b>				
(2,113)	BlackRock	(771,271)	168,017	0.24
(17,400)	BrookField	(514,137)	35,760	0.05
<b>Automobile Manufacturers (0.17%; 2017 (0.01)%)</b>				
(13,050)	Bayerische Motoren Werke	(936,405)	120,776	0.17
<b>Automotive Retail (0.10%; 2017 0.06%)</b>				
(15,551)	CarMax	(782,023)	68,093	0.10
<b>Brewers (0.25%; 2017 0.04%)</b>				
(7,660)	Anheuser-Busch InBev	(536,982)	174,686	0.25
<b>Building Products ((0.10)%; 2017 0.00%)</b>				
(4,930)	Lennox International	(729,810)	(71,792)	(0.10)
<b>Diversified Banks (0.46%; 2017 0.03%)</b>				
(17,472)	Bank of Nova Scotia	(827,454)	127,303	0.18
(17,498)	Commonwealth Bank of Australia	(778,289)	56,056	0.08
(40,906)	Westpac Banking	(721,148)	134,517	0.20
<b>Drug Retail (0.00%; 2017 (0.01)%)</b>				
<b>Food Retail ((0.17)%; 2017 0.00%)</b>				
(26,000)	Alimentation Couch	(880,550)	(117,698)	(0.17)
<b>Footwear (0.00%; 2017 (0.06)%)</b>				
<b>Health Care Equipment ((0.01)%; 2017 (0.00)%)</b>				
(17,400)	William Demat	(373,606)	(7,587)	(0.01)

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Notional value £	Market value £	Percentage of total net assets %
	<b>Health Care Facilities (0.00%; 2017 (0.08)%)</b>			
	<b>Home Improvement Retail (0.04%; 2017 (0.08)%)</b>			
(7,559)	Home Depot	(1,009,494)	29,842	0.04
	<b>Homebuilding (0.37%; 2017 (0.17)%)</b>			
(9,862)	Berkeley	(379,512)	35,711	0.05
(14,415)	Persimmon	(388,312)	110,103	0.16
(192,688)	Taylor Wimpey	(373,093)	110,556	0.16
	<b>Hotels Resorts &amp; Cruise Lines (0.53%; 2017 (0.05)%)</b>			
(9,100)	Marriot International	(892,287)	191,644	0.28
(9,000)	Royal Caribbean Cruises	(804,391)	173,739	0.25
	<b>Industrial Conglomerates (0.00%; 2017 (0.03)%)</b>			
	<b>Internet &amp; Direct Marketing Retail (0.03%; 2017 0.00%)</b>			
(270)	Amazon	(338,721)	23,173	0.03
	<b>Life &amp; Health Insurance (0.00%; 2017 (0.01)%)</b>			
	<b>Managed Health Care (0.00%; 2017 (0.04)%)</b>			
	<b>Movies &amp; Entertainment ((0.04)%; 2017 (0.03)%)</b>			
(10,306)	Walt Disney	(834,672)	(27,873)	(0.04)
	<b>Packaged Foods &amp; Meats (0.00%; 2017 (0.07)%)</b>			
	<b>Paper Packaging (0.30%; 2017 0.00%)</b>			
(114,000)	DS Smith	(546,374)	205,514	0.30
	<b>Personal Products (0.03%; 2017 0.02%)</b>			
(27,633)	Unilever	(1,155,514)	20,212	0.03
	<b>Publishing (0.00%; 2017 0.00%)</b>			
(83,000)	Rightmove	(356,698)	(2,069)	-
	<b>Railroads ((0.14)%; 2017 (0.10)%)</b>			
(7,297)	Union Pacific Corporation	(661,153)	(100,205)	(0.14)
	<b>Real Estate Development (0.13%; 2017 0.00%)</b>			
(159,000)	Sunac China	(455,207)	93,256	0.13
	<b>Research &amp; Consulting Services ((0.01)%; 2017 0.00%)</b>			
(19,000)	Experian	(354,623)	(7,232)	(0.01)
	<b>Restaurants ((0.29)%; 2017 0.00%)</b>			
(73,200)	Compass	(1,150,203)	(53,937)	(0.08)
(21,429)	Starbucks	(895,292)	(147,908)	(0.21)

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Notional value £	Market value £	Percentage of total net assets %
	<b>Retail REITs ((0.06)%; 2017 (0.05)%)</b>			
(5,580)	Simon Property Group	(656,508)	(43,626)	(0.06)
	<b>Semiconductor Equipment (0.00%; 2017 0.07%)</b>			
	<b>Semiconductors (0.63%; 2017 0.12%)</b>			
(12,547)	Analog Devices	(853,744)	57,943	0.08
(3,238)	Broadcom	(571,227)	(25,665)	(0.04)
(36,362)	Infineon Technologies	(755,315)	193,600	0.28
(11,745)	Microchip Technology	(730,394)	108,832	0.16
(9,940)	Texas Instrument	(798,637)	102,346	0.15
	<b>Specialized Consumer Services ((0.08)%; 2017 0.00%)</b>			
(25,100)	Service Corporation International	(680,562)	(53,016)	(0.08)
	<b>Specialized REITs ((0.01)%; 2017 0.00%)</b>			
(10,583)	Crown Castle International	(850,059)	(6,873)	(0.01)
	<b>Specialty Chemicals ((0.01)%; 2017 (0.04)%)</b>			
(2,284)	Sherwin-Williams	(672,685)	2,309	-
(7,400)	Sika	(717,496)	(10,237)	(0.01)
	<b>Technology Hardware Storage &amp; Peripherals (0.00%; 2017 0.01%)</b>			
	<b>Trading Companies &amp; Distributors (0.13%; 2017 (0.30)%)</b>			
(15,974)	Fastenal	(599,580)	(26,683)	(0.04)
(11,600)	Ferguson	(657,447)	76,287	0.11
(87,390)	Howden Joinery	(396,314)	15,643	0.02
(5,902)	United Rentals	(668,915)	228,963	0.33
(3,027)	WW Grainger	(455,386)	(199,312)	(0.29)
	<b>FORWARD FOREIGN CURRENCY POSITIONS (0.59%; 2017 0.02%)</b>			
5,400,000	Buy GBP 5,400,000 : Sell EUR 5,966,238		43,258	0.06
5,000,000	Buy GBP 5,000,000 : Sell EUR 5,501,325		60,854	0.09
10,500,000	Buy GBP 10,500,000 : Sell USD 13,177,364		157,800	0.23
10,000,000	Buy GBP 10,000,000 : Sell USD 12,555,340		145,474	0.21
	<b>Portfolio of investments</b>		<b>65,878,435</b>	<b>94.80</b>
	<b>Net current assets</b>		<b>3,614,981</b>	<b>5.20</b>
	<b>Total net assets</b>		<b>69,493,416</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

Comparative figures show percentages for each sector category at 31 December 2017.



## Statement of Total Return

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
Income					
Net capital losses	2		(1,958,701)		(7,187,530)
Revenue	3	1,979,629		1,035,269	
Expenses	4	(1,059,660)		(864,573)	
Interest payable and similar charges	6	(921,023)		(888,091)	
<b>Net expense before taxation</b>		<b>(1,054)</b>		<b>(717,395)</b>	
Taxation	5	(38,890)		(26,150)	
<b>Net expense after taxation</b>			<b>(39,944)</b>		<b>(743,545)</b>
<b>Total return before distributions</b>			<b>(1,998,645)</b>		<b>(7,931,075)</b>
Distributions	7		(81,826)		(186,452)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(2,080,471)</b>		<b>(8,117,527)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
<b>Opening net assets attributable to shareholders</b>			<b>74,242,094</b>		<b>60,380,311</b>
Amounts received on issue of shares		5,938,521		29,106,344	
Amounts paid on cancellation of shares		(8,699,814)		(7,152,936)	
			<b>(2,761,293)</b>		<b>21,953,408</b>
Dilution adjustment	8		7,073		19,712
Change in net assets attributable to shareholders from investment activities			(2,080,471)		(8,117,527)
Retained distribution on accumulation shares			86,013		6,190
<b>Closing net assets attributable to shareholders</b>			<b>69,493,416</b>		<b>74,242,094</b>

There have been no recognised gains or losses in the year other than those shown in the statement above.

The notes on pages 139 to 150 form an integral part of these financial statements.

## Balance Sheet

as at 31 December 2018

		31 December 2018		31 December 2017	
	Note	£	£	£	£
<b>Assets</b>					
Fixed assets					
Investments			66,780,148		64,637,562
Current assets					
Debtors	9	155,184		115,248	
Cash and bank balances	10	3,721,621		11,302,532	
<b>Total other assets</b>			<b>3,876,805</b>		<b>11,417,780</b>
<b>Total assets</b>			<b>70,656,953</b>		<b>76,055,342</b>
<b>Liabilities</b>					
Investment liabilities			(901,713)		(1,184,568)
Creditors					
Bank overdrafts		(20,831)		-	
Other creditors	11	(240,993)		(628,680)	
<b>Total other liabilities</b>			<b>(261,824)</b>		<b>(628,680)</b>
<b>Total liabilities</b>			<b>(1,163,537)</b>		<b>(1,813,248)</b>
<b>Net assets attributable to shareholders</b>			<b>69,493,416</b>		<b>74,242,094</b>

The notes on pages 139 to 150 form an integral part of these financial statements.

# Notes to the Financial Statements

for the year ended 31 December 2018

## 1 Accounting policies

The sub-fund's accounting and distribution policies are set out on pages 9 and 10.

## 2 Net capital losses on investments during the year

	31 December 2018	31 December 2017
	£	£
<b>The net losses on investments during the year comprise:</b>		
Losses on non-derivative securities	(3,672,089)	(681,118)
Losses on derivative contracts	2,881,922	(7,109,510)
Forward currency contracts	(621,927)	656,880
Currency Losses	(545,758)	(53,782)
Custodian transaction fees	(849)	-
	<u>(1,958,701)</u>	<u>(7,187,530)</u>
<b>Net Losses on investments</b>	<b>(1,958,701)</b>	<b>(7,187,530)</b>

## 3 Revenue

	31 December 2018	31 December 2017
	£	£
Dividends from UK companies	870,807	303,664
Interest from UK bank deposits	412,683	190,726
Interest from UK bonds	90,170	22,252
Non-taxable overseas dividends	603,439	449,621
Stock dividends	16,837	17,606
Taxable overseas dividends	(14,307)	51,400
	<u>1,979,629</u>	<u>1,035,269</u>
<b>Total revenue</b>	<b>1,979,629</b>	<b>1,035,269</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 4 Expenses

	31 December 2018 £	31 December 2017 £
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	1,031,115	928,238
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fee	17,911	16,323
<b>Other expenses:</b>		
Audit fee*	10,634	10,143
Performance fee	-	(90,131)
<b>Total expenses</b>	<b>1,059,660</b>	<b>864,573</b>

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

\*The audit fee for the year, excluding VAT, was £9,000 (2017: £8,670).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 5 Taxation

#### (a) Analysis of tax charge for the year

	31 December 2018 £	31 December 2017 £
Overseas tax suffered	38,890	26,150
<b>Total tax charge for the year (see note 5(b))</b>	<b>38,890</b>	<b>26,150</b>

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

	31 December 2018 £	31 December 2017 £
The tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net expenses before taxation	(1,054)	(717,395)
Corporation tax at 20% (31 December 2017: 20%)	(211)	(143,479)
Effects of:		
Excess management expenses for which no tax relief taken	305,627	293,277
Franked investment revenue at 20% (31 December 2017: 20%)	(174,161)	(60,733)
Non-taxable overseas dividends	(120,688)	(89,940)
Non-taxable stock dividends	(3,367)	3,521
Overseas tax suffered	38,890	26,150
Prior year adjustment for excess management expenses	(7,513)	-
Relief on overseas tax expense	313	(2,646)
<b>Total current tax charge for the year (see note 5(a))</b>	<b>38,890</b>	<b>26,150</b>

Open-ended investment companies are not liable to corporation tax on capital gains, therefore, no capital items are included in the above reconciliation.

As at 31 December 2018 the sub-fund had surplus management expenses of £7,398,745 (31 December 2017: £5,870,610). As at 31 December 2018 there is a potential deferred tax asset of £1,479,749 (31 December 2017: £1,174,122). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses, therefore, no deferred tax asset has been recognised.

### 6 Interest payable and similar charges

	31 December 2018 £	31 December 2017 £
Contracts for difference	888,930	860,898
Interest	32,093	27,193
<b>Total interest payable and similar charges</b>	<b>921,023</b>	<b>888,091</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 7 Distributions

	31 December 2018	31 December 2017
	£	£
Interim	47,936	-
Final	38,077	6,190
	<hr/>	<hr/>
	86,013	6,190
Add: Revenue deducted on cancellation of shares	(9,483)	(62,379)
Less: Revenue received on issue of shares	5,296	242,641
	<hr/>	<hr/>
	<b>81,826</b>	<b>186,452</b>
	<hr/>	<hr/>
<b>Reconciliation of distributions:</b>		
Net expense after taxation	(39,944)	(743,545)
Capitalised expenses	-	(90,130)
Shortfall of revenue taken to capital	121,770	1,020,127
	<hr/>	<hr/>
<b>Net distributions for the year</b>	<b>81,826</b>	<b>186,452</b>
	<hr/>	<hr/>

The distribution per share is set out in the tables on pages 151 to 152.

### 8 Dilution adjustment

The Instrument of Incorporation allows the cost of dilution to be met directly from the sub-fund's assets or to be recovered from investors on the purchase or redemption of shares in a sub-fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment on the purchase or redemption of shares in a sub-fund. A dilution adjustment is an adjustment to the share price.

The ACD's policy for Majedie Tortoise Fund is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the sub-fund.

As dilution is directly related to the inflows and outflows of monies from the sub-fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment.

If there are net inflows into the sub-fund, the dilution adjustment will increase the price and if there are net outflows, the price will be decreased.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 9 Debtors

	31 December 2018 £	31 December 2017 £
Accrued revenue	132,050	89,109
Overseas tax recoverable	23,134	26,139
<b>Total debtors</b>	<b>155,184</b>	<b>115,248</b>

### 10 Cash and bank balances

	31 December 2018 £	31 December 2017 £
Amounts held at futures clearing houses and brokers	188,515	3,410,791
Cash and bank balances	3,533,106	7,891,741
<b>Total cash and bank balances</b>	<b>3,721,621</b>	<b>11,302,532</b>

### 11 Creditors

	31 December 2018 £	31 December 2017 £
<b>Other creditors</b>		
Accrued ACD's periodic charge	169,730	92,676
Accrued audit fee	10,403	10,173
Accrued depositary's fee	2,981	1,629
Accrued performance fee	-	41
Amounts due to futures clearing houses and brokers	8,774	5,797
Amounts payable on cancellation of shares	46,766	518,362
Contracts for difference interest payable	2,339	-
Bank interest payable	-	2
<b>Total other creditors</b>	<b>240,993</b>	<b>628,680</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments

The sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for cancellations.

For the purpose of efficient portfolio management, the sub-fund may enter into derivative transactions in the form of warrants and futures. When used, this type of financial instrument is included in the "Statement of Total Return" and held at market value. Any unlisted warrants are held at an estimated value calculated by the Fund Manager, which is based on the available market data of the underlying security and the terms of the warrants.

The sub-fund is exposed to derivatives through Contracts For Difference and Forward Foreign Currency Positions as disclosed in the Portfolio statement on pages 134 to 136.

The sub-fund has little exposure to credit, interest rate or cash flow risk. There are no material borrowings or unlisted securities and so little exposure to liquidity risk. The main risks it faces arising from its financial instruments are foreign currency risk and market risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement.

The level of leverage employed by the sub-fund during the year is not considered to be significant, hence no leverage analysis is disclosed.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

The sub-fund only buys and sells investments through brokers which are approved counterparties, therefore minimising the risk of default.

The sub-fund enters into contracts for difference that may result in credit exposure in the event that the counterparty to the transaction is unable to fulfil its contractual obligations. The counterparty must have a minimum credit rating of A2/P2 or equivalent, or must be deemed by the ACD to have an implied rating of A2/P2.

As at 31 December 2018 the positions of the sub-fund exposed to credit risk were as follows:

	As at 31 December 2018	As at 31 December 2017
Counterparty	£	£
Bank of New York SA/NV	3,512,275	7,891,741
HSBC Bank plc (restricted cash)	184,825	2,632,471
Transferrable securities pledged to Goldman Sachs International	9,246,367	10,542,036
Cash due from Goldman Sachs International	3,690	778,320
Cash due to Goldman Sachs International	(8,774)	(5,797)
	<b>12,938,383</b>	<b>21,838,771</b>

The sub-fund, Bank of New York SA/NV and Goldman Sachs International have entered into a deed of charge whereby Goldman Sachs International has a charge over certain predetermined assets of the sub-fund. At 31 December 2018, a cash collateral of £Nil (31 December 2017: £10,498) and transferrable securities of £9,246,367 (31 December 2017: £10,531,537) of the sub-fund were pledged to Goldman Sachs International. The sub-fund also has open positions with Goldman Sachs International equating to profits of £2,112,129 (31 December 2017: £164,973) and losses of £738,703 (31 December 2017: £573,338).

The restricted cash position of £184,825 (31 December 2017: £2,632,471) held with HSBC Bank plc represents the margin required by HSBC Bank plc in relation to the contracts for difference that the sub-fund holds with HSBC Bank plc.

The long-term credit rating for Goldman Sachs International is A, with the outlook considered stable. The long-term credit rating for HSBC Bank plc is AA-, with the outlook considered stable. The long-term credit rating for Bank of New York SA/NV is AA-, with the outlook considered stable. In the event of insolvency of the Bank of New York SA/NV, cash held on the sub-fund will be treated as a creditor in respect of cash held on its account.



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### a) Credit risk (continued)

	As at 31 December 2018	As at 31 December 2017
Credit Quality	£	£
Investment grade	15,992,144	32,323,131
Below investment grade	-	-
Not rated	-	-
Other	49,886,291	31,129,863
<b>Total Investments</b>	<b>65,878,435</b>	<b>63,452,994</b>

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	£	£
<b>31 December 2018</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	50,380,618	(901,713)
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	16,399,530	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>66,780,148</b>	<b>(901,713)</b>

	£	£
<b>31 December 2017</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	32,138,076	(1,026,128)
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	32,499,486	(158,440)
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.	-	-
<b>Total</b>	<b>64,637,562</b>	<b>(1,184,568)</b>

#### c) Calculation method of the Risk Exposure

The sub-fund's portfolio risk exposure is assessed using Absolute Value at Risk (VaR) analysis. This adopts the 99% confidence interval based on the daily price movements of all the sub-funds holdings throughout a three year historic period. The following internal action trigger points have been set based on VaR analysis output.

Internal notification trigger points have been set based on VaR analysis output, below a hard limit of 5%.

This approach incorporates the movement of each underlying position over a one day period, where as the standard VaR approach incorporates a monthly period. The ACD believes this approach to be more appropriate for the specifics of the sub-fund. It is considered more appropriate as the sub-fund is dealt daily and invests only in highly liquid holdings that can be amended without undue delay.

At 31 December 2018, the sub-fund's VaR was 0.93% (31 December 2017: 0.72%).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### d) Currency exposure risk

##### Management of currency risk

Currency risk exposure is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% strengthening or weakening of its base currency against other currencies to which it is exposed to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Australian dollar	170,899	18,989	(15,536)
Canadian dollar	11,811	1,312	(1,074)
Danish kroner	(7,445)	(827)	677
Euro	629,579	69,953	(57,234)
Hong Kong dollar	93,386	10,376	(8,490)
South African rand	1,711	190	(156)
Swiss franc	(10,850)	(1,205)	987
US dollar	2,261,520	251,280	(205,593)
<b>Total non base currency</b>	<b>3,150,611</b>	<b>350,068</b>	<b>(286,419)</b>
UK sterling	66,342,805		
<b>Total net asset value</b>	<b>69,493,416</b>		

At 31 December 2017:

##### Currency Risk

Currency	Total Exposure £	Impact of a 10% weakening of base currency £	Impact of a 10% strengthening of base currency £
Australian dollar	41,874	4,652	(3,807)
Canadian dollar	16,789	1,865	(1,526)
Danish kroner	438	49	(40)
Euro	227,234	25,248	(20,658)
Hong Kong dollar	65,464	7,274	(5,951)
Japanese yen	39,662	4,407	(3,606)
South African rand	(61,761)	(6,862)	5,615
US dollar	110,615	12,291	(10,056)
<b>Total non base currency</b>	<b>440,315</b>	<b>48,924</b>	<b>(40,029)</b>
UK sterling	73,801,779		
<b>Total net asset value</b>	<b>74,242,094</b>		

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### e) Equities price risks

##### Management of equities price risk

Equities price risk is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% decrease/increase in the investments it holds as at 31 December 2018. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
Australia	(1,265,518)	126,552	(126,552)
Canada	4,543,824	(454,382)	454,382
Denmark	(386,969)	38,697	(38,697)
France	4,800,318	(480,032)	480,032
Germany	564,175	(56,417)	56,417
Hong Kong	(405,814)	40,581	(40,581)
Italy	1,590,294	(159,029)	159,029
Netherlands	2,143,807	(214,381)	214,381
South Africa	2,606,018	(260,602)	260,602
Spain	(316,684)	31,668	(31,668)
Switzerland	1,728,106	(172,811)	172,811
UK	12,477,985	(1,247,798)	1,247,798
US	(11,815,107)	1,181,511	(1,181,511)
<b>Total</b>	<b>16,264,435</b>	<b>(1,626,443)</b>	<b>1,626,443</b>

At 31 December 2017:

##### Equities price risk

Country of listing	Total Exposure £	Impact of a 10% fall in market prices £	Impact of a 10% rise in market prices £
Australia	846,559	10,222	(10,222)
Belgium	30,071	(2,034)	2,034
Canada	17,794	5,447	(5,447)
France	1,292,942	(7,949)	7,949
Germany	22,906	104,571	(104,571)
Greece	423,353	(7,004)	7,004
Hong Kong	1,129,607	(13,468)	13,468
Italy	1,280,778	(15,605)	15,605
Japan	854,510	(13,058)	13,058
Netherlands	1,114,492	(20,407)	20,407
South Africa	1,360,831	(12,613)	12,613
Spain	10,160	105,615	(105,615)
UK	10,592,929	89,437	(89,437)
US	12,147,974	218,621	(86,048)
<b>Total</b>	<b>31,124,906</b>	<b>441,775</b>	<b>(309,202)</b>

Liquidity Reserve Funds have been excluded from the above tables.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs

For the year 1 January 2018 to 31 December 2018

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	44,054,145	11,908	0.03	94,852	0.22
Debt instruments (direct)	90,515,559	-	-	39	0.00
<b>Total purchases</b>	<b>134,569,704</b>	<b>11,908</b>		<b>94,891</b>	
<b>Total purchases including transaction costs</b>	<b>134,676,503</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	25,063,051	7,032	0.03	1,256	0.01
Debt instruments (direct)	106,936,000	-	-	-	-
<b>Total sales</b>	<b>131,999,051</b>	<b>7,032</b>		<b>1,256</b>	
<b>Total sales net of transaction costs</b>	<b>131,990,763</b>				

<b>Total transaction costs</b>	<b>18,940</b>	<b>96,147</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.02%</b>	<b>0.13%</b>
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## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs (continued)

For the year 1 January 2017 to 31 December 2017

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	46,255,165	31,526	0.07	92,549	0.20
Debt instruments (direct)	109,863,561	-	-	24	-
Corporate actions	734,771	-	-	-	-
<b>Total purchases</b>	<b>156,853,497</b>	<b>31,526</b>		<b>92,573</b>	
<b>Total purchases including transaction costs</b>	<b>156,977,596</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	£	£	%	£	%
Equity instruments (direct)	55,497,482	31,362	0.06	5,724	0.01
Debt instruments (direct)	85,062,825	-	-	2	-
<b>Total sales</b>	<b>140,560,307</b>	<b>31,362</b>		<b>5,726</b>	
<b>Total sales net of transaction costs</b>	<b>140,523,219</b>				

<b>Total transaction costs</b>	<b>62,888</b>	<b>98,299</b>
<b>Total transaction costs as a % of average net assets</b>	<b>0.09%</b>	<b>0.15%</b>

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Transactions in money market instruments to manage the sub-fund's daily liquidity position are excluded from the analysis.

Dilution adjustment costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dilution adjustment (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (2017: 0.09%).

The percentages on commissions and taxes shown in the tables above are the percentages per category.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 14 Related party transactions

Majedie Asset Management Limited, the ACD, is related to the individual sub-fund under FRS 102, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders. Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 9 and 11. Management charges paid to the ACD are shown in note 4.

The ACD held investments of £44,817 (2017: £Nil) in Majedie Tortoise Fund.

R C Greig Nominees Limited owned 37.41% of the total Net Assets of the sub-fund as at 31 December 2018 (2017: 0.20%) and Zeban Nominees Limited owned 29.06% of the total Net Assets of the sub-fund as at 31 December 2018 (2017: 70.66%).

### 15 Share movement

	<b>A Accumulation (Sterling) shares</b>	<b>B Accumulation (Sterling) shares</b>	<b>C Accumulation (Sterling) shares</b>
Opening shares	434,685	2,603,665	37,875,993
Shares issued	-	18,334	3,330,088
Shares redeemed	-	(1,777)	(4,962,746)
<b>Closing shares</b>	<b>434,685</b>	<b>2,620,222</b>	<b>36,243,335</b>

### 16 Post-balance sheet events

There have been no post-balance sheet events which require adjustment in these financial statements. The table below shows the movement of the NAV per share as at 25 February 2019 since the year end.

	<b>31 December 2018 (pence per share)</b>	<b>25 February 2019 (pence per share)</b>	<b>% change</b>
A Accumulation (Sterling)	201.66	200.44	(0.60)
B Accumulation (Sterling)	244.45	243.90	(0.22)
C Accumulation (Sterling)	171.65	170.87	(0.45)

## Distribution Tables

Final distribution for the period 1 July 2018 to 31 December 2018

### Share Class - A Accumulation (Sterling) Shares†

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

### Share Class - B Accumulation (Sterling) Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	1.4532	-	1.4532	0.2377
Group 2	1.4532	0.0000	1.4532	0.2377

### Share Class - C Accumulation (Sterling) Shares†

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

For the accumulation payable on 28 February 2019

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

†As income of these share classes are in shortfall, due to expenses exceeding the revenue, there is no distribution payable on 28 February 2019.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018

### Share Class - A Accumulation (Sterling) Shares†

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> paid 31.08.2018 pence per share	<b>Distribution</b> paid 31.08.2017 pence per share
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

### Share Class - B Accumulation (Sterling) Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> paid 31.08.2018 pence per share	<b>Distribution</b> paid 31.08.2017 pence per share
Group 1	1.8282	-	1.8282	0.0000
Group 2	1.7971	0.0311	1.8282	0.0000

### Share Class - C Accumulation (Sterling) Shares†

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	<b>Net Revenue</b> pence per share	<b>Equalisation</b> pence per share*	<b>Distribution</b> paid 31.08.2018 pence per share	<b>Distribution</b> paid 31.08.2017 pence per share
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

For the accumulation paid on 31 August 2018.

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

†As the income of the sub-fund was in shortfall, due to expenses exceeding revenue, there was no distribution paid on 31 August 2018.



# Majedie Global Equity Fund

## Investment report

### Sub-fund objectives and policy

The sub-fund aims to produce a total return in excess of the MSCI All Country World Index over the long term through investment in a diversified portfolio of primarily global equity securities.

The sub-fund will invest in equity securities of companies which are listed or traded on one or more eligible markets. It may also invest in other transferable securities, money market instruments, cash and near cash.

### Performance and Financial Review

The year ultimately proved a difficult one for equities. Markets went into reverse in the final three months of the year, more than wiping out the gains over the year to September. This leaves the global equities in the red for a calendar year for only the second time since the Financial Crisis of 2008. The falls have not been confined to equities. The year as a whole has also been notable for the fall in value of a wide range of asset classes, including many government bond markets (US long dated bonds now yield 3.0%), corporate bonds and commodities (especially those such as base metals and materials dependent on further strong Chinese economic growth). Even the gold price edged lower, from \$1,297 at the start of the year to finish at \$1,279 per troy ounce.

What caused the fall? There are many candidates: from trade wars between the US and China, to Brexit worries, to President Trump questioning the actions of the US Federal Reserve, to liquidity coming out of the financial system as a result of Quantitative Tightening, to the historically high valuations of equity markets generally. Perhaps, though, the answer is simpler: a small but subtle change in the level of future growth expectations. We have moved from an environment of synchronised global growth (as described by the International Monetary Fund a year ago), to one where growth is still there – but at a lower level. The downward adjustment in expectations is unsettling the market.

The statistical evidence of slower global growth is broadening. China's reducing growth rate has been noted through a range of economic statistics, including recent retail and automotive sales numbers. The ongoing US interest rate rises are likely to slow this important component of the global economy. For example, the key 30-year fixed mortgage rate has now risen to 5%, which is likely to further slow the US housing market. This has been the US's second longest economic expansion since World War II and – despite Donald Trump's protestation to the contrary – market participants clearly sense the end of it.

The sub-fund fell 3.7% over the year (Class X Accumulation (Sterling) shares, net of fees), compared to a fall of 3.8% for the MSCI All Country World Index. Clearly these are short periods over which to judge investment performance but, given the market weakness, we believe the Fund's diversified holdings have helped offset some of the falls. Indeed, we think that our investment approach is as relevant as ever in these volatile markets: diversification via the three fund managers' sub portfolios is designed to produce an 'all-weather' Fund.

Unsurprisingly, it was the sub-fund's more defensive positions that helped contribute to the returns. Stocks such as Dollar General (discount retailing) and Kao (cosmetics and consumer disposables) performed well. The sub-fund's underrepresentation in Financials also helped performance.

On the negative side of the ledger, the China-exposed stocks such as education provider New Oriental, Naspers and Baidu were weak after strong previous performance. There was also weakness in some commodity holdings, such as SQM and Parsley Energy.

We believe markets are now beginning to offer attractive value. For example, one simple measure of the US market, the forward-looking Price Earnings ratio, is now back to 14x for the S&P 500 Index. While earnings for this broad group of stocks are expected to grow by an average of mid-single digits in 2019, our investment process has identified attractively valued individual stocks with above average prospects. Recent new purchases have included Alaska Air and Booking Holdings – both appear well placed to capitalise on growth in travel and tourism. Funding for these purchases has come from the proceeds of both reducing a number of holdings, including SoftBank and Oracle (Software), and a complete sale of TJX (General Retail).

Elsewhere valuations are also beginning to look attractive. UK politicians continue to struggle to find a way out of the Brexit maze, and sentiment towards the UK market is very poor. Nonetheless, we retain holdings of internationally exposed stocks in this market which, helped by this backdrop, we think now offer outstanding value: Tesco in the Food Retail arena, and the Commodity groups BP, Royal Dutch Shell, Tullow Oil and Anglo American.

While the Technology sector enters the year on the back foot, at least in stock market terms, we remain happy with our holdings. Positions of note include SoftBank, Microsoft, Alphabet, Facebook and Naspers (which gives the Fund exposure to Chinese Technology group Tencent). Together, these represent 12% of the sub-fund.

## **Investment report (continued)**

### **Performance and Financial Review (continued)**

Markets continue to face challenges. We see major questions revolve around the US economy, where investors debate whether fiscal expansion will trump monetary tightening or not, and the Chinese economy where the central planners are juggling trade wars and debt deleveraging. This may mean equity returns, and Fund returns, are unexciting in the short term. However, we think the sub-fund enters this period well-positioned. A significant portion of the portfolio is in stocks not directly exposed to the global economic cycle. We categorise these stocks as 'defensive' – for example the holdings in the Telecoms and Pharmaceutical sectors – and they currently represent 30% of the sub-fund.

Other parts of the portfolio have the potential to perform well regardless of the global economy – this includes our 'independent drivers' (including Gold exposure) and other Commodity stocks (mainly Oil & Gas) which together represent another 23% of the sub-fund. While geopolitics may have helped shift the oil price lower in recent months, our view of the longer-term supply/demand backdrop suggests a higher oil price – and we retain the sub-fund's Energy holdings. More broadly, global economic growth is forecast by the International Monetary Fund and the World Bank to be about 2.9% in 2019. The sub-fund retains exposure to this progress through a range of Consumer Cyclical and Financial holdings, but remains lightly exposed to Industrial stocks. This diversified set of holdings, combined with opportunities to invest in strong businesses at lower equity valuations, means we are upbeat about the opportunity to add value for clients in the years ahead.

## Comparative Tables

For the year ended:	31.12.18† pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>A Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	157.89	140.75	114.19
Return before operating charges*	4.38	19.46	28.46
Operating charges	(0.90)	(2.32)	(1.90)
Return after operating charges	3.48	17.14	26.56
Distributions	-	(0.06)	(0.08)
Retained distributions on accumulation shares	-	0.06	0.08
<b>Closing net asset value per share</b>	<b>161.37</b>	<b>157.89</b>	<b>140.75</b>
*After direct transaction costs of	(0.02)	(0.10)	(0.18)
<b>Performance</b>			
Return after charges	2.20%	12.18%	23.26%
<b>Other information</b>			
Closing net asset value (£)	-	15,789	14,075
Closing number of shares	-	10,000	10,000
Operating charges**	1.54%	1.54%	1.56%
Direct transaction costs	0.08%	0.07%	0.15%
<b>Prices</b>			
Highest share price	163.78	159.60	139.99
Lowest share price	147.64	141.32	98.88

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

†The above table shows performance information to 17 May 2018, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.18† cents per share	31.12.17 cents per share	31.12.16 cents per share
<b>A Accumulation (US Dollars) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	125.37	102.08	98.80
Return before operating charges*	3.27	25.06	4.79
Operating charges	(0.74)	(1.77)	(1.51)
Return after operating charges	2.53	23.29	3.28
Distributions	-	(0.05)	(0.05)
Retained distributions on accumulation shares	-	0.05	0.05
<b>Closing net asset value per share</b>	<b>127.90</b>	<b>125.37</b>	<b>102.08</b>
*After direct transaction costs of	(0.01)	(0.08)	(0.14)
<b>Performance</b>			
Return after charges	2.02%	22.82%	3.32%
<b>Other information</b>			
Closing net asset value (\$)	-	12,537	10,208
Closing number of shares	-	10,000	10,000
Operating charges**	1.55%	1.55%	1.56%
Direct transaction costs	0.08%	0.07%	0.15%
<b>Prices</b>			
Highest share price	134.68	125.63	104.22
Lowest share price	120.81	102.25	83.99

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

†The above table shows performance information to 17 May 2018, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>B Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	166.39	146.11	116.79
Return before operating charges*	(4.90)	20.36	29.40
Operating charges	(0.07)	(0.08)	(0.08)
Return after operating charges	(4.97)	20.28	29.32
Distributions	(2.56)	(2.10)	(1.73)
Retained distributions on accumulation shares	2.56	2.10	1.73
<b>Closing net asset value per share</b>	<b>161.42</b>	<b>166.39</b>	<b>146.11</b>
*After direct transaction costs of	(0.05)	(0.11)	(0.18)
<b>Performance</b>			
Return after charges	(2.99%)	13.88%	25.10%
<b>Other information</b>			
Closing net asset value (£)	15,202,907	15,626,208	14,123,538
Closing number of shares	9,418,436	9,391,314	9,666,070
Operating charges**	0.04%	0.05%	0.06%
Direct transaction costs	0.03%	0.07%	0.15%
<b>Prices</b>			
Highest share price	181.79	167.82	144.71
Lowest share price	156.13	147.17	101.65

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 cents per share	31.12.17 cents per share	31.12.16 cents per share
<b>B Accumulation (US Dollar) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	132.13	105.98	101.05
Return before operating charges*	(11.38)	26.21	4.99
Operating charges	(0.07)	(0.06)	(0.06)
Return after operating charges	(11.45)	26.15	4.93
Distributions	(1.95)	(1.63)	(1.31)
Retained distributions on accumulation shares	1.95	1.63	1.31
<b>Closing net asset value per share</b>	<b>120.68</b>	<b>132.13</b>	<b>105.98</b>
*After direct transaction costs of	(0.04)	(0.08)	(0.15)
<b>Performance</b>			
Return after charges	(8.67%)	24.67%	4.88%
<b>Other information</b>			
Closing net asset value (\$)	12,068	13,213	10,598
Closing number of shares	10,000	10,000	10,000
Operating charges**	0.05%	0.05%	0.06%
Direct transaction costs	0.03%	0.07%	0.15%
<b>Prices</b>			
Highest share price	142.10	132.39	108.13
Lowest share price	116.96	106.17	86.06

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>X Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	162.08	143.41	115.49
Return before operating charges*	(4.72)	19.90	28.92
Operating charges	(1.30)	(1.23)	(1.00)
Return after operating charges	(6.02)	18.67	27.92
Distributions	(1.21)	(0.93)	(0.72)
Retained distributions on accumulation shares	1.21	0.93	0.72
<b>Closing net asset value per share</b>	<b>156.06</b>	<b>162.08</b>	<b>143.41</b>
*After direct transaction costs of	(0.05)	(0.11)	(0.18)
<b>Performance</b>			
Return after charges	(3.71%)	13.02%	24.18%
<b>Other information</b>			
Closing net asset value (£)	28,104,770	33,588,182	30,464,139
Closing number of shares	18,008,350	20,722,376	21,243,298
Operating charges**	0.79%	0.80%	0.81%
Direct transaction costs	0.03%	0.07%	0.15%
<b>Prices</b>			
Highest share price	176.28	163.66	142.35
Lowest share price	151.83	144.31	100.26

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 cents per share	31.12.17 cents per share	31.12.16 cents per share
<b>X Accumulation (US Dollar) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	128.71	104.01	99.92
Return before operating charges*	(11.01)	25.63	4.88
Operating charges	(1.03)	(0.93)	(0.79)
Return after operating charges	(12.04)	24.70	4.09
Distributions	(0.92)	(0.72)	(0.55)
Retained distributions on accumulation shares	0.92	0.72	0.55
<b>Closing net asset value per share</b>	<b>116.67</b>	<b>128.71</b>	<b>104.01</b>
*After direct transaction costs of	(0.04)	(0.08)	(0.14)
<b>Performance</b>			
Return after charges	(9.35%)	23.75%	4.09%
<b>Other information</b>			
Closing net asset value (\$)	11,667	12,871	10,401
Closing number of shares	10,000	10,000	10,000
Operating charges**	0.80%	0.80%	0.81%
Direct transaction costs	0.03%	0.07%	0.15%
<b>Prices</b>			
Highest share price	138.34	128.97	106.16
Lowest share price	113.10	104.19	85.02

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.



## Risk and Reward Profile

The sub-fund invests in equities, which can provide higher returns over the medium to long term. However, such returns may be subject to greater rises and falls in the short term than investing in lower risk assets. The sub-fund's Synthetic Risk and Reward Indicator is 5 on a scale of 1 (lower) to 7 (higher).

It should be noted that past performance is not a guide to future performance and the value of your investment may go down as well as up meaning you may not get back your initial investment.

## Summary of Material Portfolio Changes

The table below shows the top ten purchases and sales for the year:

<b>Purchases</b>	<b>\$</b>	<b>Sales</b>	<b>\$</b>
Novartis	854,076	PepsiCo	1,023,597
Wells Fargo	815,526	TJX	757,900
Lockheed Martin	801,900	Sohu.com	686,473
Kao	789,659	KAZ Minerals	666,130
Frontdoor	652,429	ServiceMaster	631,155
Everest	623,395	CNH Industrial	625,937
Chubb	584,994	Softbank	600,091
TJX	567,912	Laboratory Corporation of America	585,359
Amazon	486,628	Standard Chartered	543,730
Alaska Air	462,348	CACI International	530,657

## Portfolio Statement

as at 31 December 2018

Holding or nominal value	Stock description	Market value \$	Percentage of total net assets %
	<b>EQUITIES (99.23%; 2017 98.64%)</b>		
	<b>Argentina (0.27%; 2017 0.59%)</b>		
3,408	Banco Macro ADR	150,327	0.27
	<b>Canada (2.17%; 2017 1.85%)</b>		
69,891	Barrick Gold	944,926	1.71
25,686	Goldcorp	251,466	0.46
	<b>Chile (1.21%; 2017 1.29%)</b>		
17,444	Sociedad Quimica y Minera de Chile ADR	667,233	1.21
	<b>China (3.82%; 2017 5.70%)</b>		
110,500	BAIC Motor	58,148	0.10
3,539	Baidu ADR	562,099	1.02
14,600	Ctrip.com International ADS	395,222	0.72
11,862	New Oriental Education & Technology ADR	650,038	1.18
3,336	TAL Education	88,971	0.16
8,800	Tencent	352,704	0.64
	<b>Denmark (1.17%; 2017 2.01%)</b>		
14,139	Novo Nordisk class 'B' shares	644,035	1.17
	<b>France (4.71%; 2017 3.91%)</b>		
9,763	Criteo	221,815	0.40
1,479	Kering	695,571	1.26
103,884	Orange	1,680,999	3.05
	<b>Hong Kong (1.17%; 2017 0.89%)</b>		
77,800	AIA	645,904	1.17
	<b>India (0.40%; 2017 0.00%)</b>		
9,000	Makemytrip	218,790	0.40
	<b>Indonesia (0.83%; 2017 0.73%)</b>		
798,800	PT Astra	456,894	0.83
	<b>Italy (0.00%; 2017 1.52%)</b>		
	<b>Japan (6.33%; 2017 6.25%)</b>		
16,600	Kao	1,231,893	2.23
31,400	M3	421,567	0.77
1,100	Nintendo	293,360	0.53
55,200	Rakuten	369,794	0.67
17,700	Softbank	1,177,849	2.13
	<b>Netherlands (2.68%; 2017 2.57%)</b>		
506,721	Royal KPN	1,480,603	2.68

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value \$	Percentage of total net assets %
	<b>Panama (0.75%; 2017 1.10%)</b>		
5,274	Copa class 'A' shares	415,117	0.75
	<b>Peru (2.41%; 2017 1.82%)</b>		
3,553	Credicorp	788,162	1.43
33,500	Minas Buenaventura sponsored ADR	542,700	0.98
	<b>Russia (0.54%; 2017 1.10%)</b>		
27,284	Sberbank of Russia ADR	299,033	0.54
	<b>South Africa (2.19%; 2017 2.34%)</b>		
6,032	Naspers class 'N' shares	1,207,657	2.19
	<b>South Korea (3.38%; 2017 3.29%)</b>		
2,900	AmorePacific	188,950	0.34
4,175	NAVER	454,618	0.82
14,599	Samsung Electronics	505,692	0.92
3,658	Samsung SDI	717,962	1.30
	<b>Spain (0.74%; 2017 0.76%)</b>		
15,735	Grifols	410,839	0.74
	<b>Switzerland (2.00%; 2017 0.44%)</b>		
10,041	Novartis	855,807	1.55
2,270	Vifor Pharma	246,046	0.45
	<b>Taiwan (1.65%; 2017 1.51%)</b>		
24,654	Taiwan Semiconductor Manufacturing ADS	909,486	1.65
	<b>United Kingdom (9.32%; 2017 11.04%)</b>		
32,732	Anglo American	728,280	1.32
80,240	BP	506,829	0.92
66,443	Royal Dutch Shell class 'B' shares	1,977,612	3.58
335,949	Tesco	813,371	1.47
489,951	Tullow Oil	1,117,587	2.03
	<b>United States (51.49%; 2017 47.93%)</b>		
14,675	Abercrombie & Fitch	294,234	0.53
7,239	Alaska Air	440,348	0.80
1,424	Alphabet class 'A' shares	1,489,048	2.70
672	Amazon	1,010,224	1.83
6,757	Amdocs	395,690	0.72
10,704	American Electric Power	799,910	1.45
2,962	Anthem	777,881	1.41
181	Booking	311,836	0.56
10,030	Booz Allen Hamilton class 'A' shares	451,852	0.82
1,816	CACI International	261,504	0.47
3,365	Cboe	329,063	0.60
5,270	Celgene	338,123	0.61
5,662	Chevron	616,082	1.12

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value \$	Percentage of total net assets %
	<b>United States (continued)</b>		
3,937	Chubb	508,660	0.92
9,431	Cognizant Technology Solutions	598,774	1.08
17,426	Diamond Offshore Drilling	164,327	0.30
10,403	Dollar General	1,124,564	2.04
15,490	eBay	434,959	0.79
2,496	Everest Re	543,429	0.98
9,631	Facebook	1,264,550	2.29
7,357	First Republic Bank	639,618	1.16
19,471	Frontdoor	518,318	0.94
7,061	Gilead Sciences	441,948	0.80
15,505	Guess	322,039	0.58
7,190	Hologic	295,365	0.54
1,989	Illumina	596,700	1.08
8,123	Intercontinental Exchange	611,743	1.11
17,281	Ionis Pharmaceuticals	934,384	1.69
9,068	JP Morgan Chase	886,125	1.61
4,133	Kroger	113,616	0.21
16,206	LKQ	384,406	0.70
2,246	Lockheed Martin	588,093	1.07
5,960	Marsh & McLennan	475,131	0.86
12,786	Marvell Technology	206,878	0.37
2,163	Mercadolibre	633,326	1.15
13,963	Microsoft	1,419,479	2.57
33,035	Mosaic	964,622	1.75
4,828	Nasdaq	393,675	0.71
12,987	New York Times class 'A' shares	289,350	0.52
2,400	Oracle	108,360	0.20
22,136	Parsley Energy	353,291	0.64
1,700	PepsiCo	187,765	0.34
23,478	Pfizer	1,024,580	1.86
4,700	Seattle Genetics	266,161	0.48
5,645	Take-Two Interactive Software	581,435	1.05
11,816	T-Mobile	751,970	1.36
21,490	US Foods	678,869	1.23
12,869	Viacom class 'B' non-voting shares	330,605	0.60
14,214	Wells Fargo	655,123	1.19
3,981	Willis Towers Watson	604,276	1.10

## Portfolio statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value \$	Percentage of total net assets %
	<b>Non-Equity Investment Instrument (1.48%; 2017 0.96%)</b>		
49,976	Goldman Sachs Sterling Liquidity Reserve Fund	63,650	0.12
752,957	Goldman Sachs US Dollar Liquidity Reserve Fund	752,957	1.36
	<b>Portfolio of investments</b>	<b>55,574,872</b>	<b>100.71</b>
	<b>Net current liabilities</b>	<b>(394,479)</b>	<b>(0.71)</b>
	<b>Total net assets</b>	<b>55,180,393</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

Comparative figures show percentages for each sector category at 31 December 2017.

## Statement of Total Return

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	\$	\$	\$	\$
Income					
Net capital (losses)/gains	2		(6,214,468)		12,755,238
Revenue	3	1,085,495		961,212	
Expenses	4	(356,594)		(347,429)	
Interest payable and similar charges	6	(249)		(544)	
<b>Net revenue before taxation</b>		<b>728,652</b>		<b>613,239</b>	
Taxation	5	(99,502)		(84,548)	
<b>Net revenue after taxation</b>			<b>629,150</b>		<b>528,691</b>
<b>Total return before distributions</b>			<b>(5,585,318)</b>		<b>13,283,929</b>
Distributions	7		(629,150)		(528,746)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(6,214,468)</b>		<b>12,755,183</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	\$	\$	\$	\$
<b>Opening net assets attributable to shareholders</b>			<b>66,634,744</b>		<b>55,143,360</b>
Amounts received on issue of shares		885,578		1,190,046	
Amounts paid on cancellation of shares		(6,752,783)		(2,981,108)	
			<b>(5,867,205)</b>		<b>(1,791,062)</b>
Dilution adjustment	8		5,934		2,340
Change in net assets attributable to shareholders from investment activities			(6,214,468)		12,755,183
Retained distribution on accumulation shares			621,388		524,923
<b>Closing net assets attributable to shareholders</b>			<b>55,180,393</b>		<b>66,634,744</b>

There have been no recognised gains or losses in the year other than those shown in the statement above.

The notes on pages 168 to 180 form an integral part of these financial statements.

## Balance Sheet

as at 31 December 2018

		31 December 2018		31 December 2017	
	Note	\$	\$	\$	\$
<b>Assets</b>					
Fixed assets					
Investments			55,574,872		66,370,870
Current assets					
Debtors	9	309,819		60,427	
Cash and bank balances	10	<u>319</u>		<u>255,815</u>	
<b>Total other assets</b>			<b>310,138</b>		<b>316,242</b>
<b>Total assets</b>			<b>55,885,010</b>		<b>66,687,112</b>
<b>Liabilities</b>					
Creditors					
Other creditors	11	<u>(704,617)</u>		<u>(52,368)</u>	
<b>Total other liabilities</b>			<b>(704,617)</b>		<b>(52,368)</b>
<b>Total liabilities</b>			<b>(704,617)</b>		<b>(52,368)</b>
<b>Net assets attributable to shareholders</b>			<b>55,180,393</b>		<b>66,634,744</b>

The notes on pages 168 to 180 form an integral part of these financial statements.

## Notes to the Financial Statements

for the year ended 31 December 2018

### 1 Accounting policies

The sub-fund's accounting and distribution policies are set out on pages 9 and 10.

### 2 Net capital (losses)/gains on investments during the year

	31 December 2018	31 December 2017
	\$	\$
<b>The net (losses)/gains on investments during the year comprise:</b>		
(Losses)/gains on non-derivative securities	(6,191,523)	12,742,909
Currency (losses)/gains	(22,945)	12,329
	<u>(6,214,468)</u>	<u>12,755,238</u>
<b>Net capital (losses)/gains on investments</b>	<b>(6,214,468)</b>	<b>12,755,238</b>

### 3 Revenue

	31 December 2018	31 December 2017
	\$	\$
Dividends from UK companies	221,930	206,237
Interest from UK bank deposits	1,029	1,362
Non-taxable overseas dividends	843,573	722,451
Taxable overseas dividends	18,963	31,162
	<u>1,085,495</u>	<u>961,212</u>
<b>Total revenue</b>	<b>1,085,495</b>	<b>961,212</b>



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 4 Expenses

	31 December 2018	31 December 2017
	\$	\$
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	328,244	317,702
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fee	14,488	16,003
<b>Other expenses:</b>		
Audit fee*	13,862	13,724
<b>Total expenses</b>	<b>356,594</b>	<b>347,429</b>

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

\*The audit fee for the year, excluding VAT, was \$12,015 (2017: \$11,178).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 5 Taxation

#### (a) Analysis of tax charge for the year

	31 December 2018	31 December 2017
	\$	\$
Overseas tax suffered	99,502	84,548
<b>Total tax charge for the year (see note 5(b))</b>	<b>99,502</b>	<b>84,548</b>

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

	31 December 2018	31 December 2017
	\$	\$
The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	728,652	613,239
Corporation tax at 20% (31 December 2017: 20%)	145,730	122,648
Effects of:		
Excess management expenses for which no tax relief taken	67,314	63,692
Franked investment revenue at 20% (31 December 2017: 20%)	(44,327)	(41,248)
Non-taxable overseas dividends	(168,714)	(144,500)
Overseas tax suffered	99,502	84,548
Relief on overseas tax expensed	(3)	(592)
<b>Total current tax charge for the year (see note 5(a))</b>	<b>99,502</b>	<b>84,548</b>

Open-ended investment companies are not liable to corporation tax on capital gains, therefore, no capital items are included in the above reconciliation.

As at 31 December 2018 the sub-fund had surplus management expenses of \$1,198,416 (31 December 2017: \$861,848). As at 31 December 2018 there is a potential deferred tax asset of \$239,684 (31 December 2017: \$172,370). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses, therefore, no deferred tax asset has been recognised.

### 6 Interest payable and similar charges

	31 December 2018	31 December 2017
	\$	\$
Interest	249	544
<b>Total interest payable and similar charges</b>	<b>249</b>	<b>544</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 7 Distributions

	31 December 2018	31 December 2017
	\$	\$
Interim	381,744	317,111
Final	239,644	207,812
	<u>621,388</u>	<u>524,923</u>
Add: Revenue deducted on cancellation of shares	8,241	4,625
Less: Revenue received on issue of shares	<u>(479)</u>	<u>(802)</u>
	<u>629,150</u>	<u>528,746</u>
<b>Reconciliation of distributions:</b>		
Net revenue after taxation	629,150	528,691
Shortfall of revenue taken to capital	<u>-</u>	<u>55</u>
<b>Net distributions for the year</b>	<u>629,150</u>	<u>528,746</u>

The distribution per share is set out in the tables on pages 181 to 184.

### 8 Dilution adjustment

The Instrument of Incorporation allows the cost of dilution to be met directly from the sub-fund's assets or to be recovered from investors on the purchase or redemption of shares in a sub-fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment on the purchase or redemption of shares in a sub-fund. A dilution adjustment is an adjustment to the share price.

The ACD's policy for Majedie Global Equity Fund is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the sub-fund.

As dilution is directly related to the inflows and outflows of monies from the sub-fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment.

If there are net inflows into the sub-fund, the dilution adjustment will increase the price and if there are net outflows, the price will be decreased.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 9 Debtors

	31 December 2018	31 December 2017
	\$	\$
Accrued revenue	37,509	29,717
Amounts receivable for issue of shares	128	-
Foreign currency contracts awaiting settlement	72,195	-
Overseas recoverable tax	32,853	30,710
Sales awaiting settlement	167,134	-
	<u>309,819</u>	<u>60,427</u>
<b>Total debtors</b>	<b>309,819</b>	<b>60,427</b>

### 10 Cash and bank balances

	31 December 2018	31 December 2017
	\$	\$
Cash and bank balances	319	255,815
	<u>319</u>	<u>255,815</u>
<b>Total cash and bank balances</b>	<b>319</b>	<b>255,815</b>

### 11 Creditors

	31 December 2018	31 December 2017
	\$	\$
<b>Other creditors</b>		
Accrued ACD's periodic charge	47,754	28,542
Accrued audit fee	13,248	13,761
Accrued Depositary's fee	2,335	2,470
Amounts payable on cancellation of shares	51	7,541
Foreign currency contracts awaiting settlement	72,984	54
Purchases awaiting settlement	568,245	-
	<u>704,617</u>	<u>52,368</u>
<b>Total other creditors</b>	<b>704,617</b>	<b>52,368</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments

The sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for cancellations.

For the purpose of efficient portfolio management, the sub-fund may enter into derivative transactions in the form of warrants and futures. When used, this type of financial instrument is included in the "Statement of Total Return" and held at market value. Any unlisted warrants are held at an estimated value calculated by the Fund Manager, which is based on the available market data of the underlying security and the terms of the warrants.

The sub-fund does not hold any derivatives that could significantly impact the sub-fund.

The sub-fund has little exposure to credit, interest rate or cash flow risk. There are no material borrowings or unlisted securities and so little exposure to liquidity risk. The main risks it faces arising from its financial instruments are foreign currency risk and market risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement.

The level of leverage employed by the sub-fund during the year is not considered to be significant, hence no leverage analysis is disclosed.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

The sub-fund only buys and sells investments through brokers which are approved counterparties, therefore minimising the risk of default.

With regards to cash, the sub-fund's cash balances are held with The Bank of New York Mellon (International) Limited, which is the Global sub-custodian, appointed by the Custodian. As at 31 December 2018, the cash balance of the sub-fund was \$319 (31 December 2017: \$255,815).

The long-term credit rating for The Bank of New York Mellon (International) Limited is AA- (31 December 2017: AA- ), with the outlook considered stable. In the event of insolvency of the The Bank of New York Mellon (International) Limited, cash held on the sub-fund will be treated as a creditor in respect of cash held on its account.

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	\$	\$
<b>31 December 2018</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	54,758,265	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	816,607	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>55,574,872</b>	<b>-</b>
<b>31 December 2017</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	65,728,836	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	642,034	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.	-	-
<b>Total</b>	<b>66,370,870</b>	<b>-</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk

A proportion of the sub-fund's investment portfolio and cash on deposit may be invested in overseas securities and the balance sheet may be affected by movements in foreign exchange rates.

The currency exposure risk as at 31 December 2018 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	\$	\$	\$
Danish krone	-	652,866	652,866
Euro	-	4,287,701	4,287,701
Hong Kong dollar	-	1,056,785	1,056,785
Indonesian rupiah	-	456,894	456,894
Japanese yen	-	3,504,647	3,504,647
Korean won	-	1,874,965	1,874,965
South African rand	1	1,207,657	1,207,658
Swiss franc	-	1,105,197	1,105,197
UK sterling	54	5,194,123	5,194,177
<b>Total</b>	<b>55</b>	<b>19,340,835</b>	<b>19,340,890</b>

The currency exposure risk as at 31 December 2017 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	\$	\$	\$
Danish krone	-	1,342,231	1,342,231
Euro	-	5,857,429	5,857,429
Hong Kong dollar	-	1,032,633	1,032,633
Indonesian rupiah	-	488,671	488,671
Japanese yen	-	4,172,815	4,172,815
Korean won	-	2,193,089	2,193,089
South African rand	1	1,558,459	1,558,460
Swiss franc	-	293,405	293,405
UK sterling	306	7,399,214	7,399,520
<b>Total</b>	<b>307</b>	<b>24,337,946</b>	<b>24,338,253</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk (continued)

##### Management of currency risk

Currency risk exposure is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% strengthening or weakening of its base currency against other currencies to which it is exposed to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Currency Risk

Currency	Total Exposure \$	Impact of a 10% weakening of base currency \$	Impact of a 10% strengthening of base currency \$
Danish krone	652,866	72,541	(59,352)
Euro	4,287,701	476,411	(389,791)
Hong Kong dollar	1,056,785	117,421	(96,071)
Indonesian rupiah	456,894	50,766	(41,536)
Japanese yen	3,504,647	389,405	(318,604)
Korean won	1,874,965	208,329	(170,451)
South African rand	1,207,658	134,184	(109,787)
Swiss franc	1,105,197	122,800	(100,473)
UK sterling	5,194,177	577,131	(472,198)
<b>Total non base currency</b>	<b>19,340,890</b>	<b>2,148,988</b>	<b>(1,758,263)</b>
US dollar	35,839,503		
<b>Total net asset value</b>	<b>55,180,393</b>		

At 31 December 2017:

##### Currency Risk

Currency	Total Exposure \$	Impact of a 10% weakening of base currency \$	Impact of a 10% strengthening of base currency \$
Danish krone	1,342,231	149,137	(122,021)
Euro	5,857,429	650,825	(532,493)
Hong Kong dollar	1,032,633	114,737	(93,876)
Indonesian rupiah	488,671	54,297	(44,424)
Japanese yen	4,172,815	463,646	(379,347)
Korean won	2,193,089	243,676	(199,372)
South African rand	1,558,460	173,162	(141,678)
Swiss franc	293,405	32,601	(26,673)
UK sterling	7,399,520	822,169	(672,684)
<b>Total non base currency</b>	<b>24,338,253</b>	<b>2,704,250</b>	<b>(2,212,568)</b>
US dollar	42,296,491		
<b>Total net asset value</b>	<b>66,634,744</b>		

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### d) Interest rate risk

Changes in the outlook for interest rates may affect stock market valuations of companies. There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates. US Dollar denominated bank balances and overdrafts bear interest rates based on Federal Reserve Funds target rate less 0.75% and plus 1.25% respectively. All overseas deposits and loans bear interest at rates determined by the relevant authority.

The interest rate risk profile of investment assets and liabilities as at 31 December 2018 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Investment assets	-	-	55,574,872	55,574,872

The interest rate risk profile of investment assets and liabilities as at 31 December 2017 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Investment assets	-	-	66,370,870	66,370,870

The sub-fund does not have significant interest rate risk, hence no sensitivity analysis is disclosed.



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### e) Equities price risks

##### Management of equities price risk

Equities price risk is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% decrease/increase in the investments it holds as at 31 December 2018. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Equities price risk

Country of listing	Total Exposure \$	Impact of a 10% fall in market prices \$	Impact of a 10% rise in market prices \$
Denmark	644,035	(64,404)	64,404
France	2,598,385	(259,839)	259,839
Hong Kong	1,056,756	(105,676)	105,676
Indonesia	456,894	(45,689)	45,689
Japan	3,494,463	(349,446)	349,446
Netherlands	1,480,603	(148,060)	148,060
South Africa	1,207,657	(120,766)	120,766
South Korea	1,867,222	(186,722)	186,722
Spain	410,839	(41,084)	41,084
Switzerland	1,101,853	(110,185)	110,185
UK	5,143,679	(514,368)	514,368
US	35,295,879	(3,529,588)	3,529,588
<b>Total</b>	<b>54,758,265</b>	<b>(5,475,827)</b>	<b>5,475,827</b>

At 31 December 2017:

##### Equities price risk

Country of listing	Total Exposure \$	Impact of a 10% fall in market prices \$	Impact of a 10% rise in market prices \$
Denmark	1,336,106	(133,611)	133,611
France	2,605,450	(260,545)	260,545
Hong Kong	1,032,633	(103,263)	103,263
Indonesia	488,671	(48,867)	48,867
Italy	344,402	(34,440)	34,440
Japan	4,166,685	(416,669)	416,669
Netherlands	2,380,065	(238,006)	238,006
South Africa	1,558,142	(155,814)	155,814
South Korea	2,188,015	(218,802)	218,802
Spain	507,126	(50,713)	50,713
Switzerland	290,954	(29,095)	29,095
UK	7,357,611	(735,761)	735,761
US	41,472,976	(4,147,298)	4,147,298
<b>Total</b>	<b>65,728,836</b>	<b>(6,572,884)</b>	<b>6,572,884</b>

Liquidity Reserve Funds have been excluded from the above tables.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs

For the year 1 January 2018 to 31 December 2018

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	\$	\$	%	\$	%
Equity instruments (direct)	15,358,922	6,084	0.04	3,842	0.03
<b>Total purchases</b>	<b>15,358,922</b>	<b>6,084</b>		<b>3,842</b>	
<b>Total purchases including transaction costs</b>	<b>15,368,848</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	\$	\$	%	\$	%
Equity instruments (direct)	20,149,919	7,650	0.04	635	0.00
<b>Total sales</b>	<b>20,149,919</b>	<b>7,650</b>		<b>635</b>	
<b>Total sales net of transaction costs</b>	<b>20,141,634</b>				

<b>Total transaction costs</b>	<b>13,734</b>	<b>4,477</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.02%</b>	<b>0.01%</b>
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## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs (continued)

For the year 1 January 2017 to 31 December 2017

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	\$	\$	%	\$	%
Equity instruments (direct)	20,503,885	16,118	0.08	8,676	0.04
<b>Total purchases</b>	<b>20,503,885</b>	<b>16,118</b>		<b>8,676</b>	
<b>Total purchases including transaction costs</b>	<b>20,528,679</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	\$	\$	%	\$	%
Equity instruments (direct)	20,597,326	17,155	0.08	1,100	0.01
<b>Total sales</b>	<b>20,597,326</b>	<b>17,155</b>		<b>1,100</b>	
<b>Total sales net of transaction costs</b>	<b>20,579,071</b>				

<b>Total transaction costs</b>		<b>33,273</b>		<b>9,776</b>	
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<b>Total transaction costs</b>					
<b>as a % of average net assets</b>		<b>0.05%</b>		<b>0.02%</b>	

The above analysis covers any direct transaction costs suffered by the sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Transactions in money market instruments to manage the sub-fund's daily liquidity position are excluded from the analysis.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dilution adjustment costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dilution adjustment (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.08% (2017: 0.08%).

The percentages on commissions and taxes shown in the tables above are the percentages per category.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 14 Related party transactions

Majedie Asset Management Limited, the ACD, is related to the individual sub-fund under FRS 102, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders. Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 9 and 11. Management charges paid to the ACD are shown in note 4.

The ACD held investments of \$8,222,291 (2017: \$11,332,898) in Majedie Global Equity Fund.

BNY (OCS) Nominees Limited owned 30.86% of the total Net Assets of the sub-fund as at 31 December 2018 (2017: 28.09%) and Fuller Smith & Turner Pension Plan owned 21.99% of the total Net Assets of the sub-fund as at 31 December 2018 (2017: 22.04%).

### 15 Share movement

	A Accumulation (Sterling) shares	A Accumulation (US Dollar) shares	B Accumulation (Sterling) shares	B Accumulation (US Dollar) shares	X Accumulation (Sterling) shares	X Accumulation (US Dollar) shares
Opening shares	10,000	10,000	9,391,314	10,000	20,722,376	10,000
Shares issued	-	-	27,122	-	371,674	-
Shares redeemed	(10,000)	(10,000)	-	-	(3,085,700)	-
Shares converted	-	-	-	-	-	-
<b>Closing shares</b>	<b>-</b>	<b>-</b>	<b>9,418,436</b>	<b>10,000</b>	<b>18,008,350</b>	<b>10,000</b>

### 16 Post-balance sheet events

There have been no post-balance sheet events which require adjustment in these financial statements. The table below shows the movement of the NAV per share as at 25 February 2019 since the year end.

	31 December 2018 (pence/cents per share)	25 February 2019 (pence/cents per share)	% change
B Accumulation (Sterling)	161.42	175.90	8.97
B Accumulation (US Dollar)	120.68	134.92	11.80
X Accumulation (Sterling)	156.06	169.88	8.86
X Accumulation (US Dollar)	116.67	130.29	11.67

## Distribution Tables

Final distribution for the period 1 July 2018 to 31 December 2018

### A Accumulation (Sterling) Shares†

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	N/A	-	N/A	0.0000
Group 2	N/A	N/A	N/A	0.0000

### A Accumulation (US Dollar) Shares†

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution payable 28.02.2019 cents per share	Distribution paid 28.02.2018 cents per share
Group 1	N/A	-	N/A	0.0000
Group 2	N/A	N/A	N/A	0.0000

### B Accumulation (Sterling) Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	1.1315	-	1.1315	0.9261
Group 2	1.1315	0.0000	1.1315	0.9261

For the accumulation/revenue payable on 28 February 2019

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

† As these share classes closed in May 2018, there are no distributions payable on 28 February 2019.

## Distribution Tables (continued)

Final distribution for the period 1 July 2018 to 31 December 2018 (continued)

### B Accumulation (US Dollar) Shares

Group 1 Shares purchased prior to 1 July 2018  
Group 2 Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution payable 28.02.2019 cents per share	Distribution paid 28.02.2018 cents per share
Group 1	0.8448	-	0.8448	0.7354
Group 2	0.8448	0.0000	0.8448	0.7354

### X Accumulation (Sterling) Shares

Group 1 Shares purchased prior to 1 July 2018  
Group 2 Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	0.4526	-	0.4526	0.3213
Group 2	0.4075	0.0451	0.4526	0.3213

### X Accumulation (US Dollar) Shares

Group 1 Shares purchased prior to 1 July 2018  
Group 2 Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution payable 28.02.2019 cents per share	Distribution paid 28.02.2018 cents per share
Group 1	0.3380	-	0.3380	0.2565
Group 2	0.3380	0.0000	0.3380	0.2565

For the accumulation/revenue payable on 28 February 2019

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018

### A Accumulation (Sterling) Shares†

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	N/A	-	N/A	0.0646
Group 2	N/A	N/A	N/A	0.0646

### A Accumulation (US Dollar) Shares†

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution paid 31.08.2018 cents per share	Distribution paid 31.08.2017 cents per share
Group 1	N/A	-	N/A	0.0498
Group 2	N/A	N/A	N/A	0.0498

### B Accumulation (Sterling) Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	1.4296	-	1.4296	1.1701
Group 2	1.3896	0.0400	1.4296	1.1701

For the accumulation/revenue paid on 31 August 2018

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

† As these share classes closed in May 2018, there were no distributions paid on 31 August 2018.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018 (continued)

### B Accumulation (US Dollar) Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution paid 31.08.2018 cents per share	Distribution paid 31.08.2017 cents per share
Group 1	1.1061	-	1.1061	0.8940
Group 2	1.1061	0.0000	1.1061	0.8940

### X Accumulation (Sterling) Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	0.7603	-	0.7603	0.6070
Group 2	0.6098	0.1505	0.7603	0.6070

### X Accumulation (US Dollar) Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution paid 31.08.2018 cents per share	Distribution paid 31.08.2017 cents per share
Group 1	0.5867	-	0.5867	0.4639
Group 2	0.5867	0.0000	0.5867	0.4639

For the accumulation/revenue paid on 31 August 2018

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.



# Majedie Global Focus Fund

## Investment report

### Sub-fund objectives and policy

The sub-fund aims to maximise total return and to outperform the MSCI All Country World Index over the long term through investment in a concentrated portfolio of primarily global equity securities.

The sub-fund will invest in equity securities of companies which are listed or traded on one or more eligible markets. It may also invest in other transferable securities, money market instruments, cash and near cash.

### Performance and Financial Review

The year ultimately proved a difficult one for equities. Markets went into reverse in the final three months of the year, more than wiping out the gains over the year to September. This leaves the global equities in the red for a calendar year for only the second time since the Financial Crisis of 2008. The falls have not been confined to equities. The year as a whole has also been notable for the fall in value of a wide range of asset classes, including many government bond markets (US long dated bonds now yield 3.0%), corporate bonds and commodities (especially those such as base metals and materials dependent on further strong Chinese economic growth). Even the gold price edged lower, from \$1,297 at the start of the year to finish at \$1,279 per troy ounce.

What caused the fall? There are many candidates: from trade wars between the US and China, to Brexit worries, to President Trump questioning the actions of the US Federal Reserve, to liquidity coming out of the financial system as a result of Quantitative Tightening, to the historically high valuations of equity markets generally. Perhaps, though, the answer is simpler: a small but subtle change in the level of future growth expectations. We have moved from an environment of synchronised global growth (as described by the International Monetary Fund a year ago), to one where growth is still there – but at a lower level. The downward adjustment in expectations is unsettling the market.

The statistical evidence of slower global growth is broadening. China's reducing growth rate has been noted through a range of economic statistics, including recent retail and automotive sales numbers. The ongoing US interest rate rises are likely to slow this important component of the global economy. For example, the key 30-year fixed mortgage rate has now risen to 5%, which is likely to further slow the US housing market. This has been the US's second longest economic expansion since World War II and – despite Donald Trump's protestation to the contrary – market participants clearly sense the end of it.

The sub-fund fell 4.1% over the year (Class X Accumulation (Sterling) shares, net of fees), compared to a fall of 3.8% for the MSCI All Country World Index. Clearly these are short periods over which to judge investment performance but. Nonetheless, we think that our investment approach is as relevant as ever in these volatile markets: diversification via the three fund managers' sub portfolios is designed to produce an 'all-weather' Fund.

In terms of negative contributors to relative performance, the sub-fund's large holding in Softbank gave back previous gains reflecting their significant exposure to the out of favour Technology sector. Stocks exposed to the slowing Chinese economy, such as New Oriental and Naspers, also underperformed. The Oil & Gas holdings Parsley Energy and Diamond Offshore Drilling were also weak, reflecting the fall in the oil price.

In terms of positive contributors, holdings with relatively stable and recurring revenues, such as Booz Allen Hamilton and Anthem, outperformed. Kao, the Japanese cosmetics group, also outperformed.

We believe markets are now beginning to offer attractive value. For example, one simple measure of the US market, the forward-looking Price Earnings ratio, is now back to 14x for the S&P 500 Index. While earnings for this broad group of stocks are expected to grow by an average of mid-single digits in 2019, our investment process has identified attractively valued individual stocks with above average prospects. Recent new purchases have included US Foods (food distribution) and Frontdoor (the largest provider of home service plans in the US). Funding for these purchases has in part come from the proceeds of reducing holdings including Softbank and complete sales of TJX (General Retail) and Abercrombie & Fitch (Clothes Retail).

Elsewhere valuations are also beginning to look attractive. UK politicians continue to struggle to find a way out of the Brexit maze, and sentiment towards the UK market is very poor. Nonetheless, we retain holdings of internationally exposed stocks in this market which, helped by this backdrop, we think now offer outstanding value: Tesco in the Food Retail arena, and the Commodity groups BP, Royal Dutch Shell, Tullow Oil and Anglo American.

## Investment report (continued)

### Performance and Financial Review (continued)

While the Technology sector enters the year on the back foot, at least in stock market terms, we remain happy with our holdings. Positions of note include Naspers (which gives the Fund exposure to Chinese Technology group Tencent), Softbank, Facebook, Alphabet, Samsung Electronics and TSMC. Together, these represent 16% of the sub-fund. Markets continue to face challenges. We see major questions revolve around the US economy, where investors debate whether fiscal expansion will trump monetary tightening or not, and the Chinese economy where the central planners are juggling trade wars and debt deleveraging. This may mean equity returns, and Fund returns, are unexciting in the short term. However, we think the sub-fund enters this period well-positioned. A significant portion of the portfolio is in stocks not directly exposed to the global economic cycle. We categorise these stocks as 'defensive' – for example the holdings in the Telecoms and Pharmaceutical sectors – and they currently represent 41% of the sub-fund.

Other parts of the portfolio have the potential to perform well regardless of the global economy – this includes our 'independent drivers' (including Gold exposure) and other Commodity stocks (mainly Oil & Gas) which together represent another 26% of the sub-fund. While geopolitics may have helped shift the oil price lower in recent months, our view of the longer-term supply/demand backdrop suggests a higher oil price – and we retain the sub-fund's Energy holdings. More broadly, global economic growth is forecast by the International Monetary Fund and the World Bank to be about 2.9% in 2019. The sub-fund retains exposure to this progress through a range of Consumer Cyclical and Financial holdings, but remains lightly exposed to Industrial stocks. This diversified set of holdings, combined with opportunities to invest in strong businesses at lower equity valuations, means we are upbeat about the opportunity to add value for clients in the years ahead.

## Comparative Tables

For the year ended:	31.12.18† pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>A Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	155.52	138.22	116.58
Return before operating charges*	2.22	19.93	23.84
Operating charges	(1.01)	(2.63)	(2.20)
Return after operating charges	1.21	17.30	21.64
Distributions	-	(0.10)	(0.12)
Retained distributions on accumulation shares	-	0.10	0.12
<b>Closing net asset value per share</b>	<b>156.73</b>	<b>155.52</b>	<b>138.22</b>
*After direct transaction costs of	(0.03)	(0.12)	(0.76)
<b>Performance</b>			
Return after charges	0.78%	12.52%	18.56%
<b>Other information</b>			
Closing net asset value (£)	-	15,552	13,822
Closing number of shares	-	10,000	10,000
Operating charges**	1.77%	1.78%	1.82%
Direct transaction costs	0.14%	0.08%	0.62%
<b>Prices</b>			
Highest share price	160.31	156.67	137.63
Lowest share price	143.36	137.81	100.95

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

†The above table shows performance information to 17 May 2018, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.18† cents per share	31.12.17 cents per share	31.12.16 cents per share
<b>A Accumulation (US Dollars) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	123.46	100.23	100.84
Return before operating charges*	1.56	25.22	1.15
Operating charges	(0.83)	(1.99)	(1.76)
Return after operating charges	0.73	23.23	(0.61)
Distributions	-	(0.07)	(0.09)
Retained distributions on accumulation shares	-	0.07	0.09
<b>Closing net asset value per share</b>	<b>124.19</b>	<b>123.46</b>	<b>100.23</b>
*After direct transaction costs of	(0.02)	(0.09)	(0.60)
<b>Performance</b>			
Return after charges	0.59%	23.18%	(0.60%)
<b>Other information</b>			
Closing net asset value (\$)	-	12,346	10,023
Closing number of shares	-	10,000	10,000
Operating charges**	1.78%	1.78%	1.83%
Direct transaction costs	0.14%	0.08%	0.62%
<b>Prices</b>			
Highest share price	131.80	123.50	102.71
Lowest share price	118.24	100.45	85.86

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

†The above table shows performance information to 17 May 2018, the date the share class closed.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>B Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	165.31	144.37	119.66
Return before operating charges*	(5.19)	20.99	24.77
Operating charges	(0.05)	(0.05)	(0.06)
Return after operating charges	(5.24)	20.94	24.71
Distributions	(3.21)	(2.50)	(1.94)
Retained distributions on accumulation shares	3.21	2.50	1.94
<b>Closing net asset value per share</b>	<b>160.07</b>	<b>165.31</b>	<b>144.37</b>
*After direct transaction costs of	(0.09)	(0.13)	(0.78)
<b>Performance</b>			
Return after charges	(3.17%)	14.50%	20.65%
<b>Other information</b>			
Closing net asset value (£)	144,631,958	149,317,846	137,725,000
Closing number of shares	90,355,702	90,328,385	95,394,457
Operating charges**	0.03%	0.03%	0.05%
Direct transaction costs	0.05%	0.08%	0.62%
<b>Prices</b>			
Highest share price	177.36	166.12	143.92
Lowest share price	153.00	144.69	103.72

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 cents per share	31.12.17 cents per share	31.12.16 cents per share
<b>B Accumulation (US Dollar) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	131.26	104.72	103.53
Return before operating charges*	(11.56)	26.58	1.27
Operating charges	(0.04)	(0.04)	(0.08)
Return after operating charges	(11.60)	26.54	1.19
Distributions	(2.45)	(1.94)	(1.47)
Retained distributions on accumulation shares	2.45	1.94	1.47
<b>Closing net asset value per share</b>	<b>119.66</b>	<b>131.26</b>	<b>104.72</b>
*After direct transaction costs of	(0.07)	(0.10)	(0.62)
<b>Performance</b>			
Return after charges	(8.84%)	25.34%	1.15%
<b>Other information</b>			
Closing net asset value (\$)	11,966	13,126	10,472
Closing number of shares	10,000	10,000	10,000
Operating charges**	0.03%	0.03%	0.08%
Direct transaction costs	0.05%	0.08%	0.62%
<b>Prices</b>			
Highest share price	140.32	131.29	107.23
Lowest share price	116.81	104.97	88.33

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 pence per share	31.12.17 pence per share	31.12.16 pence per share
<b>X Accumulation (Sterling) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	159.63	140.82	117.89
Return before operating charges*	(4.94)	20.36	24.25
Operating charges	(1.65)	(1.55)	(1.32)
Return after operating charges	(6.59)	18.81	22.93
Distributions	(1.43)	(0.96)	(0.60)
Retained distributions on accumulation shares	1.43	0.96	0.60
<b>Closing net asset value per share</b>	<b>153.04</b>	<b>159.63</b>	<b>140.82</b>
*After direct transaction costs of	(0.09)	(0.12)	(0.77)
<b>Performance</b>			
Return after charges	(4.13%)	13.36%	19.45%
<b>Other information</b>			
Closing net asset value (£)	42,206,353	24,128,457	13,857,932
Closing number of shares	27,579,288	15,114,860	9,841,016
Operating charges**	1.03%	1.03%	1.07%
Direct transaction costs	0.05%	0.08%	0.62%
<b>Prices</b>			
Highest share price	170.25	160.64	139.99
Lowest share price	147.41	140.71	102.34

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.

## Comparative Tables (continued)

For the year ended:	31.12.18 cents per share	31.12.17 cents per share	31.12.16 cents per share
<b>X Accumulation (US Dollar) Shares</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	126.74	102.13	101.98
Return before operating charges*	(10.99)	25.80	1.20
Operating charges	(1.29)	(1.19)	(1.05)
Return after operating charges	(12.28)	24.61	0.15
Distributions	(1.16)	(0.74)	(0.47)
Retained distributions on accumulation shares	1.16	0.74	0.47
<b>Closing net asset value per share</b>	<b>114.46</b>	<b>126.74</b>	<b>102.13</b>
*After direct transaction costs of	(0.07)	(0.09)	(0.61)
<b>Performance</b>			
Return after charges	(9.69%)	24.10%	0.15%
<b>Other information</b>			
Closing net asset value (\$)	11,446	12,674	2,565,688
Closing number of shares	10,000	10,000	2,512,165
Operating charges**	1.03%	1.04%	1.07%
Direct transaction costs	0.05%	0.08%	0.62%
<b>Prices</b>			
Highest share price	135.39	126.78	104.63
Lowest share price	111.75	102.37	86.91

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dilution adjustments and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the sub-fund and share class returns before operating charges.

\*\*The Operating Charges figure represents the annual operating expenses of the sub-fund expressed as a percentage of average net assets for the period. The Operating Charges figure includes the Manager's periodic charge and all charges which are deducted directly from the sub-fund. The Operating Charges figure is expressed as an annual percentage rate.



## Risk and Reward Profile

The sub-fund invests in equities, which can provide higher returns over the medium to long term. However, such returns may be subject to greater rises and falls in the short term than investing in lower risk assets. The portfolio of the sub-fund will be highly concentrated in relatively few holdings, which may increase the possibility of significant rises and falls in value. The sub-fund's Synthetic Risk and Reward Indicator is 5 on a scale of 1 (lower) to 7 (higher).

It should be noted that past performance is not a guide to future performance and the value of your investment may go down as well as up meaning you may not get back your initial investment.

## Summary of Material Portfolio Changes

The table below shows the top ten purchases and sales for the year:

<b>Purchases</b>	<b>\$</b>	<b>Sales</b>	<b>\$</b>
Novartis	8,108,112	PepsiCo	5,905,069
Kao	6,450,005	Take-Two Interactive Software	5,087,270
T-Mobile	5,399,679	Standard Chartered	4,671,973
eBay	5,148,815	CNH Industrial	4,522,864
Lockheed Martin	4,778,307	Laboratory Corporation of America	4,480,279
Everest Re	4,503,452	TJX	3,824,779
Orange	3,930,683	Softbank	3,758,791
US Foods	3,641,942	AP Moeller-Maersk series 'B' shares	3,391,036
Tesco	3,149,191	Booz Allen Hamilton class 'A' shares	2,880,418
TJX	2,914,906	AmerisourceBergen	2,645,696

## Portfolio Statement

as at 31 December 2018

Holding or nominal value	Stock description	Market value \$	Percentage of total net assets %
	<b>EQUITIES (98.34%; 2017 96.44%)</b>		
	<b>Canada (3.05%; 2017 2.11%)</b>		
536,919	Barrick Gold	7,259,145	3.05
	<b>Chile (0.92%; 2017 0.00%)</b>		
57,000	Sociedad Quimica y Minera de Chile ADR	2,180,250	0.92
	<b>China (2.42%; 2017 3.80%)</b>		
16,721	Baidu ADR	2,655,796	1.12
56,547	New Oriental Education and Technology ADR	3,098,776	1.30
	<b>Denmark (2.08%; 2017 3.78%)</b>		
108,824	Novo Nordisk class 'B' shares	4,956,963	2.08
	<b>France (5.01%; 2017 3.84%)</b>		
737,464	Orange	11,933,273	5.01
	<b>Italy (0.00%; 2017 2.48%)</b>		
	<b>Japan (8.46%; 2017 8.41%)</b>		
157,548	Kao	11,691,707	4.91
127,000	Softbank	8,451,231	3.55
	<b>Netherlands (4.82%; 2017 4.73%)</b>		
3,924,547	Royal KPN	11,467,249	4.82
	<b>Peru (1.81%; 2017 1.54%)</b>		
19,403	Credicorp	4,304,168	1.81
	<b>South Africa (3.41%; 2017 4.00%)</b>		
40,541	Naspers class 'N' shares	8,116,649	3.41
	<b>South Korea (2.14%; 2017 2.84%)</b>		
147,028	Samsung Electronics	5,092,877	2.14
	<b>Switzerland (3.51%; 2017 0.00%)</b>		
97,997	Novartis	8,352,410	3.51
	<b>Taiwan (2.99%; 2017 3.26%)</b>		
193,136	Taiwan Semiconductor Manufacturing ADS	7,124,787	2.99
	<b>United Kingdom (16.16%; 2017 17.32%)</b>		
161,426	Anglo American	3,591,695	1.51
881,743	BP	5,569,458	2.34
494,835	Royal Dutch Shell class 'B' shares	14,728,285	6.19
3,433,942	Tesco	8,313,964	3.50
2,736,727	Tullow Oil	6,242,522	2.62

## Portfolio Statement (continued)

as at 31 December 2018

Holding or nominal value	Stock description	Market value \$	Percentage of total net assets %
<b>United States (41.56%; 2017 38.33%)</b>			
4,751	Alphabet class 'A' shares	4,968,026	2.09
59,034	Amdocs	3,457,031	1.45
64,128	American Electric Power	4,792,285	2.01
20,500	Anthem	5,383,710	2.26
74,079	Booz Allen Hamilton class 'A' shares	3,337,259	1.40
36,873	Chevron	4,012,151	1.69
63,307	Cognizant Technology Solutions	4,019,361	1.69
155,242	Diamond Offshore Drilling	1,463,932	0.62
39,050	Dollar General	4,221,305	1.77
79,652	eBay	2,236,628	0.94
19,311	Everest Re	4,204,391	1.77
32,753	Facebook	4,300,469	1.81
120,258	Frontdoor	3,201,268	1.35
67,379	Intercontinental Exchange	5,074,312	2.13
65,225	Ionis Pharmaceuticals	3,526,716	1.48
54,149	JP Morgan Chase	5,291,440	2.22
132,463	LKQ	3,142,022	1.32
13,306	Lockheed Martin	3,484,043	1.46
7,850	MercadoLibre	2,298,480	0.97
208,510	Mosaic	6,088,492	2.56
107,300	Parsley Energy	1,712,508	0.72
49,448	Take-Two Interactive Software	5,093,144	2.14
84,312	T-Mobile	5,365,616	2.25
118,769	US Foods	3,751,913	1.58
29,465	Willis Towers Watson	4,472,492	1.88
<b>Non-Equity Investment Instruments (1.36%; 2017 3.10%)</b>			
53,648	Goldman Sachs Sterling Liquidity Reserve Fund	68,326	0.03
3,167,967	Goldman Sachs US Dollar Liquidity Reserve Fund	3,167,967	1.33
<b>Portfolio of investments</b>		<b>237,266,492</b>	<b>99.70</b>
<b>Net current assets</b>		<b>714,187</b>	<b>0.30</b>
<b>Total net assets</b>		<b>237,980,679</b>	<b>100.00</b>

Unless otherwise stated, all investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market.

All investments are in ordinary shares unless otherwise stated.

Comparative figures show percentages for each sector category at 31 December 2017.

## Statement of Total Return

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	\$	\$	\$	\$
Income					
Net capital (losses)/gains	2		(28,605,574)		44,088,191
Revenue	3	5,608,114		3,821,614	
Expenses	4	(752,736)		(346,851)	
Interest payable and similar charges	6	(1,889)		(2,858)	
<b>Net revenue before taxation</b>		<b>4,853,489</b>		<b>3,471,905</b>	
Taxation	5	(418,272)		(289,732)	
<b>Net revenue after taxation</b>		<b>4,435,217</b>		<b>3,182,173</b>	
<b>Total return before distributions</b>		<b>(24,170,357)</b>		<b>47,270,364</b>	
Distributions	7	(4,435,217)		(3,182,223)	
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(28,605,574)</b>		<b>44,088,141</b>	

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31 December 2018

		31 December 2018		31 December 2017	
	Note	\$	\$	\$	\$
<b>Opening net assets attributable to shareholders</b>		<b>234,688,670</b>		<b>189,906,701</b>	
Amounts received on issue of shares		43,150,196		10,711,720	
Amounts paid on cancellation of shares		(15,699,257)		(13,228,774)	
		<b>27,450,939</b>		<b>(2,517,054)</b>	
Dilution adjustment	8	76,587		27,380	
Change in net assets attributable to shareholders from investment activities		(28,605,574)		44,088,141	
Retained distribution on accumulation shares		4,370,057		3,183,502	
<b>Closing net assets attributable to shareholders</b>		<b>237,980,679</b>		<b>234,688,670</b>	

There have been no recognised gains or losses in the year other than those shown in the statement above.

The notes on pages 198 to 210 form an integral part of these financial statements.

## Balance Sheet

as at 31 December 2018

		31 December 2018		31 December 2017	
	Note	\$	\$	\$	\$
<b>Assets</b>					
Fixed assets					
Investments			237,266,492		233,601,516
Current assets					
Debtors	9	1,415,352		180,625	
Cash and bank balances	10	594		956,462	
<b>Total other assets</b>			<b>1,415,946</b>		<b>1,137,087</b>
<b>Total assets</b>			<b>238,682,438</b>		<b>234,738,603</b>
<b>Liabilities</b>					
Creditors					
Bank overdrafts			-	(1,880)	
Other creditors	11	(701,759)		(48,053)	
<b>Total other liabilities</b>			<b>(701,759)</b>		<b>(49,933)</b>
<b>Total liabilities</b>			<b>(701,759)</b>		<b>(49,933)</b>
<b>Net assets attributable to shareholders</b>			<b>237,980,679</b>		<b>234,688,670</b>

The notes on pages 198 to 210 form an integral part of these financial statements.

## Notes to the Financial Statements

for the year ended 31 December 2018

### 1 Accounting policies

The sub-fund's accounting and distribution policies are set out on pages 9 to 10.

### 2 Net capital (losses)/gains on investments during the year

	31 December 2018	31 December 2017
	\$	\$
<b>The net (losses)/gains on investments during the year comprise:</b>		
(Losses)/gains on non-derivative securities	(28,586,360)	44,112,726
Forward currency contracts	-	1,203
Currency losses	(19,214)	(25,738)
	<u>(28,605,574)</u>	<u>44,088,191</u>
<b>Net (losses)/gains on investments</b>	<b>(28,605,574)</b>	<b>44,088,191</b>

### 3 Revenue

	31 December 2018	31 December 2017
	\$	\$
Dividends from UK companies	1,738,527	1,227,987
Interest from UK bank deposits	2,733	323
Non-taxable overseas dividends	3,707,361	2,504,800
Taxable overseas dividends	159,493	88,504
	<u>5,608,114</u>	<u>3,821,614</u>
<b>Total revenue</b>	<b>5,608,114</b>	<b>3,821,614</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 4 Expenses

	31 December 2018	31 December 2017
	\$	\$
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's periodic charge	681,749	284,138
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fee	57,125	48,989
<b>Other expenses:</b>		
Audit fee*	13,862	13,724
<b>Total expenses</b>	<b>752,736</b>	<b>346,851</b>

All expenditure stated above is inclusive of irrecoverable VAT where applicable.

\*The audit fee for the year, excluding VAT, was \$12,015 (2017: \$11,178).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 5 Taxation

#### (a) Analysis of tax charge for the year

	31 December 2018 \$	31 December 2017 \$
Overseas tax suffered	418,272	289,732
<b>Total tax charge for the year (see note 5(b))</b>	<b>418,272</b>	<b>289,732</b>

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

	31 December 2018 \$	31 December 2017 \$
The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	4,853,489	3,471,905
Corporation tax at 20% (31 December 2017: 20%)	970,698	694,381
Effects of:		
Excess management expenses for which no tax relief taken	121,126	52,171
Franked investment revenue at 20% (31 December 2017: 20%)	(347,705)	(245,597)
Non-taxable overseas dividends	(741,486)	(500,955)
Overseas tax	418,272	289,732
Prior year adjustment for excess management expenses	(2,633)	-
<b>Total current tax charge for the year (see note 5(a))</b>	<b>418,272</b>	<b>289,732</b>

Open-ended investment companies are not liable to corporation tax on capital gains, therefore, no capital items are included in the above reconciliation.

As at 31 December 2018 the sub-fund had surplus management expenses of \$1,226,500 (31 December 2017: \$620,870). As at 31 December 2018 there is a potential deferred tax asset of \$245,300 (31 December 2017: \$124,174). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses, therefore, no deferred tax asset has been recognised.

### 6 Interest payable and similar charges

	31 December 2018 \$	31 December 2017 \$
Interest	1,889	2,858
<b>Total interest payable and similar charges</b>	<b>1,889</b>	<b>2,858</b>



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 7 Distributions

	31 December 2018	31 December 2017
	\$	\$
Interim	2,570,444	1,730,742
Final	1,799,601	1,452,760
	<u>4,370,045</u>	<u>3,183,502</u>
Add: Revenue deducted on cancellation of shares	34,939	4,812
Less: Revenue received on issue of shares	<u>30,233</u>	<u>(6,091)</u>
	<u><b>4,435,217</b></u>	<u><b>3,182,223</b></u>
<b>Reconciliation of distributions:</b>		
Net revenue after taxation	4,435,217	3,182,173
Shortfall of revenue taken to capital	<u>-</u>	<u>50</u>
<b>Net distributions for the year</b>	<u><b>4,435,217</b></u>	<u><b>3,182,223</b></u>

The distribution per share is set out in the tables on pages 211 to 214.

### 8 Dilution adjustment

The Instrument of Incorporation allows the cost of dilution to be met directly from the sub-fund's assets or to be recovered from investors on the purchase or redemption of shares in a sub-fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment on the purchase or redemption of shares in a sub-fund. A dilution adjustment is an adjustment to the share price.

The ACD's policy for Majedie Global Focus Fund is to apply a dilution adjustment whenever there are net inflows or net outflows of £250,000 or more. On the occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the sub-fund.

As dilution is directly related to the inflows and outflows of monies from the sub-fund, it is not possible to predict accurately whether dilution will occur at any future point in time. Consequently, it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment.

If there are net inflows into the sub-fund, the dilution adjustment will increase the price and if there are net outflows, the price will be decreased.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 9 Debtors

	31 December 2018	31 December 2017
	\$	\$
Accrued revenue	183,150	124,797
Amounts receivable for issue of shares	211	171
Foreign currency contracts awaiting settlement	570,999	172
Overseas tax recoverable	83,947	55,485
Sales awaiting settlement	577,045	-
	<u>1,415,352</u>	<u>180,625</u>
<b>Total debtors</b>		

### 10 Cash and bank balances

	31 December 2018	31 December 2017
	\$	\$
Cash and bank balances	594	956,462
	<u>594</u>	<u>956,462</u>
<b>Total cash and bank balances</b>		

### 11 Creditors

	31 December 2018	31 December 2017
	\$	\$
<b>Other creditors</b>		
Accrued ACD's periodic charge	101,843	27,332
Accrued audit fee	13,249	13,761
Accrued Depositary's fee	9,344	6,789
Amounts payable on cancellation of shares	89	-
Foreign currency contracts awaiting settlement	577,234	171
	<u>701,759</u>	<u>48,053</u>
<b>Total other creditors</b>		

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments

The sub-fund's financial instruments comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for cancellations.

For the purpose of efficient portfolio management, the sub-fund may enter into derivative transactions in the form of warrants and futures. When used, this type of financial instrument is included in the "Statement of Total Return" and held at market value. Any unlisted warrants are held at an estimated value calculated by the Fund Manager, which is based on the available market data of the underlying security and the terms of the warrants.

The sub-fund does not hold any derivatives that could significantly impact the sub-fund.

The sub-fund has little exposure to credit, interest rate or cash flow risk. There are no material borrowings or unlisted securities and so little exposure to liquidity risk. The main risks it faces arising from its financial instruments are foreign currency risk and market risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement.

The level of leverage employed by the sub-fund during the year is not considered to be significant, hence no leverage analysis is disclosed.

#### a) Credit risk

Certain transactions in securities that the sub-fund enters into expose it to risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibility.

The sub-fund only buys and sells investments through brokers which are approved counterparties, therefore minimising the risk of default.

With regards to cash, the sub-fund's cash balances are held with The Bank of New York Mellon (International) Limited, which is the Global sub-custodian, appointed by the Custodian. As at 31 December 2018, the cash balance of the sub-fund was \$594 (31 December 2017: \$956,462).

The long-term credit rating for The Bank of New York Mellon (International) Limited is AA- (31 December 2017: AA- ), with the outlook considered stable. In the event of insolvency of the The Bank of New York Mellon (International) Limited, cash held on the sub-fund will be treated as a creditor in respect of cash held on its account.

#### b) Valuation of financial investments

The categorisation of financial investments in the tables below reflects the methodology used to measure their fair value.

	Assets	Liabilities
	\$	\$
<b>31 December 2018</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	234,030,199	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	3,236,293	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>237,266,492</b>	<b>-</b>
<b>31 December 2017</b>		
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	226,320,686	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	7,280,830	-
Level 3: Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability	-	-
<b>Total</b>	<b>233,601,516</b>	<b>-</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk

A proportion of the sub-fund's investment portfolio and cash on deposit may be invested in overseas securities and the balance sheet may be affected by movements in foreign exchange rates.

The currency exposure risk as at 31 December 2018 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	\$	\$	\$
Danish krone	-	5,004,505	5,004,505
Euro	-	23,430,859	23,430,859
Japanese yen	-	20,220,292	20,220,292
Korean won	-	5,129,261	5,129,261
South African rand	-	8,116,649	8,116,649
Swiss franc	-	8,352,410	8,352,410
UK sterling	594	38,501,066	38,501,660
<b>Total</b>	<b>594</b>	<b>108,755,042</b>	<b>108,755,636</b>

The currency exposure risk as at 31 December 2017 was as follows:

Currency	Net currency assets/(liabilities)		
	Monetary exposures	Non-monetary exposures	Total
	\$	\$	\$
Danish krone	-	8,903,552	8,903,552
Euro	-	25,968,071	25,968,071
Japanese yen	-	19,783,105	19,783,105
Korean won	-	6,678,518	6,678,518
South African rand	-	9,378,560	9,378,560
UK sterling	(1,880)	40,746,130	40,744,250
<b>Total</b>	<b>(1,880)</b>	<b>111,457,936</b>	<b>111,456,056</b>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### c) Currency exposure risk (continued)

##### Management of currency risk

Currency risk exposure is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% strengthening or weakening of its base currency against other currencies to which it is exposed to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Currency Risk

Currency	Total Exposure \$	Impact of a 10% weakening of base currency \$	Impact of a 10% strengthening of base currency \$
Danish krone	5,004,505	556,056	(454,955)
Euro	23,430,859	2,603,429	(2,130,078)
Japanese yen	20,220,292	2,246,699	(1,838,208)
Korean won	5,129,261	569,918	(466,297)
South African rand	8,116,649	901,850	(737,877)
Swiss franc	8,352,410	928,045	(759,310)
UK sterling	38,501,660	4,277,962	(3,500,151)
<b>Total non base currency</b>	<b>108,755,636</b>	<b>12,083,959</b>	<b>(9,886,876)</b>
US Dollar	129,225,043		
<b>Total net asset value</b>	<b>237,980,679</b>		

At 31 December 2017:

##### Currency Risk

Currency	Total Exposure \$	Impact of a 10% weakening of base currency \$	Impact of a 10% strengthening of base currency \$
Danish krone	8,903,552	989,284	(809,414)
Euro	25,968,071	2,885,341	(2,360,734)
Japanese yen	19,783,105	2,198,123	(1,798,464)
Korean won	6,678,518	742,058	(607,138)
South African rand	9,378,560	1,042,062	(852,596)
UK sterling	40,744,250	4,527,139	(3,704,023)
<b>Total non base currency</b>	<b>111,456,056</b>	<b>12,384,007</b>	<b>(10,132,369)</b>
US Dollar	123,232,614		
<b>Total net asset value</b>	<b>234,688,670</b>		

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### d) Interest rate risk

Changes in the outlook for interest rates may affect stock market valuations of companies. There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates. US Dollar denominated bank balances and overdrafts bear interest rates based on Federal Reserves Funds target rate less 0.75% and plus 1.25% respectively. All overseas deposits and loans bear interest at rates determined by the relevant authority.

The interest rate risk profile of investment assets and liabilities as at 31 December 2018 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Investment assets	-	-	237,266,492	237,266,492

The interest rate risk profile of investment assets and liabilities as at 31 December 2017 was as follows:

	<b>Floating Rate Investments</b>	<b>Fixed Rate Investments</b>	<b>Non-interest Bearing Investments</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Investment assets	-	-	233,601,516	233,601,516

The sub-fund does not have significant interest rate risk, hence no sensitivity analysis is disclosed.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 12 Financial instruments (continued)

#### e) Equities price risks

##### Management of equities price risk

Equities price risk is managed as an integral part of the Investment Management decision-making process. This risk is monitored by the ACD's Performance and Risk team on an ongoing basis and are formally reviewed during regular meetings of the ACD's Investment Oversight Committee.

The following table illustrates the sensitivity of the return and net assets of the sub-fund to a 10% decrease/increase in the investments it holds as at 31 December 2018. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

At 31 December 2018:

##### Equities price risk

Country of listing	Total Exposure \$	Impact of a 10% fall in market prices \$	Impact of a 10% rise in market prices \$
Denmark	4,956,963	(495,696)	495,696
France	11,933,273	(1,193,327)	1,193,327
Japan	20,142,938	(2,014,294)	2,014,294
Netherlands	11,467,249	(1,146,725)	1,146,725
South Africa	8,116,649	(811,665)	811,665
South Korea	5,092,877	(509,288)	509,288
Switzerland	8,352,410	(835,241)	835,241
UK	38,445,924	(3,844,592)	3,844,592
US	125,521,916	(12,552,192)	12,552,192
<b>Total</b>	<b>234,030,199</b>	<b>(23,403,020)</b>	<b>23,403,020</b>

At 31 December 2017:

##### Equities price risk

Country of listing	Total Exposure \$	Impact of a 10% fall in market prices \$	Impact of a 10% rise in market prices \$
Denmark	8,877,928	(887,793)	887,793
France	9,020,166	(902,017)	902,017
Italy	957,966	(95,797)	95,797
Japan	19,736,940	(1,973,694)	1,973,694
Netherlands	15,963,364	(1,596,336)	1,596,336
South Africa	9,376,726	(937,673)	937,673
South Korea	6,664,238	(666,424)	666,424
UK	40,640,672	(4,064,067)	4,064,067
US	115,082,686	(11,508,269)	11,508,269
<b>Total</b>	<b>226,320,686</b>	<b>(22,632,070)</b>	<b>22,632,070</b>

Liquidity Reserve Funds have been excluded from the above tables.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs

For the year 1 January 2018 to 31 December 2018

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	\$	\$	%	\$	%
Equity instruments (direct)	105,337,734	36,497	0.03	75,050	0.07
<b>Total purchases</b>	<b>105,337,734</b>	<b>36,497</b>		<b>75,050</b>	
<b>Total purchases including transaction costs</b>	<b>105,449,281</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	\$	\$	%	\$	%
Equity instruments (direct)	69,178,012	30,557	0.04	1,723	0.00
<b>Total sales</b>	<b>69,178,012</b>	<b>30,557</b>		<b>1,723</b>	
<b>Total sales net of transaction costs</b>	<b>69,145,732</b>				

<b>Total transaction costs</b>		<b>67,054</b>		<b>76,773</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.02%</b>		<b>0.03%</b>	



## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 13 Portfolio transaction costs (continued)

For the year 1 January 2017 to 31 December 2017

	Transaction Value	Commissions		Taxes	
Purchases (excluding derivatives)	\$	\$	%	\$	%
Equity instruments (direct)	63,044,160	51,347	0.08	62,635	0.10
<b>Total purchases</b>	<b>63,044,160</b>	<b>51,347</b>		<b>62,635</b>	
<b>Total purchases including transaction costs</b>	<b>63,158,142</b>				

	Transaction Value	Commissions		Taxes	
Sales (excluding derivatives)	\$	\$	%	\$	%
Equity instruments (direct)	62,328,189	52,758	0.08	7,353	0.01
<b>Total sales</b>	<b>62,328,189</b>	<b>52,758</b>		<b>7,353</b>	
<b>Total sales net of transaction costs</b>	<b>62,268,078</b>				

<b>Total transaction costs</b>	<b>104,105</b>	<b>69,988</b>
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<b>Total transaction costs as a % of average net assets</b>	<b>0.05%</b>	<b>0.03%</b>
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The above analysis covers any direct transaction costs suffered by the sub-fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments.

However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Transactions in money market instruments to manage the sub-fund's daily liquidity position are excluded from the analysis.

For the sub-fund's investment in collective investment scheme holdings there will potentially be a dilution adjustment cost applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dilution adjustment costs suffered by the sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dilution adjustment (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.09% (2017: 0.08%).

The percentages on commissions and taxes shown in the tables above are the percentages per category.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2018

### 14 Related party transactions

Majedie Asset Management Limited, the ACD, is related to the individual sub-fund under FRS 102, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through creation and cancellation of shares are disclosed in the Statement of change in net assets attributable to shareholders. Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 9 and 11. Management charges paid to the ACD are shown in note 4.

The ACD held investments of \$183,791 (2017: \$209,947) in Majedie Global Focus Fund.

Berkeley Square Common Investment Fund owned 75.53% of the total Net Assets of the sub-fund as at 31 December 2018 (2017: 84.46%).

### 15 Share movement

	<b>A Accumulation</b> <b>(Sterling)</b> <b>shares</b>	<b>A Accumulation</b> <b>(US Dollar)</b> <b>shares</b>	<b>B Accumulation</b> <b>(Sterling)</b> <b>shares</b>	<b>B Accumulation</b> <b>(US Dollar)</b> <b>shares</b>	<b>X Accumulation</b> <b>(Sterling)</b> <b>shares</b>	<b>X Accumulation</b> <b>(US Dollar)</b> <b>shares</b>
Opening shares	10,000	10,000	90,328,385	10,000	15,114,860	10,000
Shares issued	-	-	27,317	-	20,137,925	-
Shares redeemed	(10,000)	(10,000)	-	-	(7,673,497)	-
Shares converted	-	-	-	-	-	-
<b>Closing shares</b>	<b>-</b>	<b>-</b>	<b>90,355,702</b>	<b>10,000</b>	<b>27,579,288</b>	<b>10,000</b>

### 16 Post-balance sheet events

There have been no post-balance sheet events which require adjustment in these financial statements. The table below shows the movement of the NAV per share as at 25 February 2019 since the year end.

	<b>31 December 2018</b> <b>(pence/cents per share)</b>	<b>25 February 2019</b> <b>(pence/cents per share)</b>	<b>% change</b>
B Accumulation (Sterling)	160.07	173.39	8.32
B Accumulation (US Dollar)	119.66	132.98	11.13
X Accumulation (Sterling)	153.04	165.52	8.15
X Accumulation (US Dollar)	114.46	127.00	10.96

## Distribution Tables

Final distribution for the period 1 July 2018 to 31 December 2018

### A Accumulation (Sterling) Shares†

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	N/A	-	N/A	0.0000
Group 2	N/A	N/A	N/A	0.0000

### A Accumulation (US Dollar) Shares†

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution payable 28.02.2019 cents per share	Distribution paid 28.02.2018 cents per share
Group 1	N/A	-	N/A	0.0000
Group 2	N/A	N/A	N/A	0.0000

### B Accumulation (Sterling) Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	1.4077	-	1.4077	1.1328
Group 2	1.4077	0.0000	1.4077	1.1328

For the accumulation/revenue payable on 28 February 2019

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

† As these share classes closed in May 2018, there are no distributions payable on 28 February 2019.

## Distribution Tables (continued)

Final distribution for the period 1 July 2018 to 31 December 2018 (continued)

### B Accumulation (US Dollar) Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution payable 28.02.2019 cents per share	Distribution paid 28.02.2018 cents per share
Group 1	1.0519	-	1.0519	0.9000
Group 2	1.0519	0.0000	1.0519	0.9000

### X Accumulation (Sterling) Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.2019 pence per share	Distribution paid 28.02.2018 pence per share
Group 1	0.5111	-	0.5111	0.3346
Group 2	0.4833	0.0278	0.5111	0.3346

### X Accumulation (US Dollar) Shares

Group 1	Shares purchased prior to 1 July 2018
Group 2	Shares purchased on or after 1 July 2018 to 31 December 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution payable 28.02.2019 cents per share	Distribution paid 28.02.2018 cents per share
Group 1	0.3858	-	0.3858	0.2658
Group 2	0.3858	0.0000	0.3858	0.2658

For the accumulation/revenue payable on 28 February 2019

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018

### A Accumulation (Sterling) Shares†

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	N/A	-	N/A	0.0968
Group 2	N/A	N/A	N/A	0.0968

### A Accumulation (US Dollar) Shares†

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution paid 31.08.2018 cents per share	Distribution paid 31.08.2017 cents per share
Group 1	N/A	-	N/A	0.0725
Group 2	N/A	N/A	N/A	0.0725

### B Accumulation (Sterling) Shares

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	1.8003	-	1.8003	1.3655
Group 2	1.7703	0.0300	1.8003	1.3655

For the accumulation/revenue paid on 31 August 2018

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

† As these share classes closed in May 2018, there were no distributions paid on 31 August 2018.

## Distribution Tables (continued)

Interim distribution for the period 1 January 2018 to 30 June 2018 (continued)

### B Accumulation (US Dollar) Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution paid 31.08.2018 cents per share	Distribution paid 31.08.2017 cents per share
Group 1	1.3948	-	1.3948	1.0394
Group 2	1.3948	0.0000	1.3948	1.0394

### X Accumulation (Sterling) Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.2018 pence per share	Distribution paid 31.08.2017 pence per share
Group 1	0.9177	-	0.9177	0.6280
Group 2	0.9177	0.0000	0.9177	0.6280

### X Accumulation (US Dollar) Shares

Group 1 Shares purchased prior to 1 January 2018  
Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue cents per share	Equalisation cents per share*	Distribution paid 31.08.2018 cents per share	Distribution paid 31.08.2017 cents per share
Group 1	0.7716	-	0.7716	0.4758
Group 2	0.7716	0.0000	0.7716	0.4758

For the accumulation/revenue paid on 31 August 2018

- i) 100.00% of the total distribution together with the tax is received as franked investment revenue.
- ii) 0.00% of the total distribution is received after deduction of tax at the lower rate and is liable to corporation tax. It is not franked investment revenue.

\*Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue 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.

## ACD's Remuneration Policy

Majedie Asset Management ("Majedie") is the Authorised Corporate Director ("ACD") of the Majedie Asset Management Investment Fund Company Limited (the "Company" or the "UCITS").

Majedie is subject to the UCITS V Remuneration Code (the "UCITS Code") contained in SYSC 19E of the FCA Handbook. Majedie has elected to apply the UCITS Code to its entire book of business (not just the UCITS funds under management) in a way and to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities. It has established a UCITS Remuneration Policy and list of UCITS Code Staff in line with FCA regulatory requirements. The Remuneration Committee, a sub-committee of the Board of Majedie, has been delegated the necessary authority, powers and duties for the implementation and periodical review (at least annually) of the Remuneration Policy, in compliance with the latest policies and procedures of the Remuneration Code. The policy is available at [www.majedie.com](http://www.majedie.com). In addition to the UCITS Code, the remuneration policy has been prepared taking into account the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive. The FCA has not issued and does not plan to issue guidance on how to apply the UCITS Code. However, it has previously issued guidance under the BIPRU and AIFMD Remuneration Codes and Majedie has regard to these.

Under the UCITS Code, a management company must establish and apply remuneration policies and practices that: (1) are consistent with and promote sound and effective risk management; (2) do not encourage risk taking which is inconsistent with the risk profiles or prospectus of the UCITS it manages ("the UCITS"); and (3) do not impair the management company's compliance with its duty to act in the best interests of the UCITS.

Majedie earns revenue through periodic management fees and, from some investors, performance fees on surpassing agreed investment objectives, normally when sustained over a prolonged period. The Remuneration Committee may award a proportion of profits as variable remuneration. Firm-wide levels of variable remuneration are determined directly by the profitability of the company. If Majedie is not profitable, variable payments are not made. The award of variable remuneration is predominantly discretionary and linked to individual performance through an annual appraisal process.

The Remuneration Committee is responsible for calculating the maximum bonus pool, utilising analysis of Majedie's full-year financial position, identified current and future risks and Majedie's prospects and then deciding how much of the maximum bonus pool may be distributed. The award of individual bonuses, the amount, the nature and the timing of any bonus and the terms upon which such bonus may be payable are at the discretion of the Remuneration Committee. In determining individual remuneration, the Remuneration Committee takes into account Majedie's full-year financial position, the evaluation of individual contributions through the annual appraisal process, for investment managers the contribution to investment returns over (where applicable) three year periods, and the performance of the UCITS and the other assets under management. Basic salary and other fixed remuneration is taken into account when allocating any variable component of remuneration. The deferred element of variable remuneration may take the form of interests in Majedie shares and/or relevant UCITS. The Remuneration Committee has determined Majedie shares (which are not publicly traded) to be a suitable instrument and at least as effective as shares of the UCITS in aligning the interests of Code Staff with the overall risk profile of the UCITS and other assets under management and the interests of investors in the UCITS and in avoiding conflicts of interest. Majedie considers that long-term employee ownership of Majedie shares provides an effective alignment of interest with the UCITS and other clients. A clawback/malus principle applies whereby any deferred element of variable remuneration may be forfeited in the event of serious misconduct by the recipient. Employees are not permitted to use personal hedging strategies which could undermine the risk alignment effects embedded in the remuneration arrangements.

### Code staff and control functions

The Remuneration Policy applies to those categories of staff whose professional activities have a material impact on the risk profiles of Majedie and as such on the risk profile of the Company ("Code Staff"). It comprises:

- (a) senior management;
- (b) risk takers;
- (c) staff engaged in control functions; and
- (d) any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

The identification of Code Staff is reviewed each calendar year, and each employee that has been identified has been informed that they have been so designated.

## ACD's Remuneration Policy (continued)

### Remuneration disclosure

In accordance with the UCITS Code, the Company is required to make certain disclosures with regards to remuneration. As remuneration is not paid by the Company itself, all disclosure within this report is with regard to remuneration paid by Majedie. It should be noted that Majedie awards remuneration based on roles and responsibilities across all of its business activities, not only those in relation to this Company. Furthermore, Majedie awards remuneration based on its own financial year which ends on 30 September each year, whereas the financial year of the Company ends on 31 December. The remuneration disclosures below have been based on the ratio of firm-wide revenue earned by Majedie in its 1 October 2017 to 30 September 2018 financial year that it awarded as fixed and variable remuneration to its Code Staff and Non-Code Staff, with those ratios then applied to the management charge paid by the Company to Majedie in the period 1 January to 31 December 2018. As a small firm which makes extensive use of outsourced services, Majedie has a very high percentage of Code Staff, as reflected in this figure.

	Headcount	Remuneration £'000 (in the year to 31 December 2018)
Fixed remuneration	62	2,544
Variable remuneration	62	12,081
<b>Total</b>		<b>14,625</b>
Code staff	29	13,242
Non-code staff	33	1,383
<b>Total</b>	<b>62</b>	<b>14,625</b>

Fixed remuneration includes salaries, pension contributions and other benefits in kind. Variable remuneration includes cash bonuses, deferred bonuses and equity incentives. All figures are exclusive of national insurance and apprenticeship levy contributions incurred by Majedie.



## Directory and General Information

### Important Company names and addresses

#### The Authorised Corporate Director

Majedie Asset Management Limited  
(Authorised and regulated by the Financial Conduct Authority)  
10 Old Bailey  
London  
EC4M 7NG

#### Depository

The Bank of New York Mellon (International) Limited  
(Authorised and regulated by the Financial Conduct Authority)  
One Canada Square, London  
E14 5AL

#### Administrator and Registrar

The Bank of New York Mellon (International) Limited  
(Authorised and regulated by the Financial Conduct Authority)  
One Canada Square, London  
E14 5AL

#### Auditor

Deloitte LLP  
Statutory Auditor  
110 Queen Street  
Glasgow  
G1 3BX

#### Fund Managers

Adrian Brass  
Chris Field  
Yuri Khodjamirian  
Tom Morris  
Tom Record  
Imran Sattar  
Matthew Smith  
James de Uphaug  
Mark Wharrier

### General Information

#### Valuation Point

The Valuation Point of the sub-funds is 12pm on each business day, except for Majedie Tortoise Fund which has a Valuation Point of 5pm EST.

#### Buying/Selling Shares

The ACD will accept orders to buy or sell Shares on any Business Day between 9.00 a.m. and 5.00 p.m.  
Subject to the terms set out in the Prospectus, orders may be placed by telephone call or sent in writing to:

#### Majedie Asset Management Limited

PO Box 370  
Darlington  
DL1 9RL  
0344 892 0974

#### Prices

The most recent prices for all classes of share in each of the sub-funds are published at [www.majedie.com](http://www.majedie.com).

#### Data Protection

Shareholder names may be added to the ACD mailing list. Any shareholders who do not want to receive such details should write to the ACD requesting removal from any such mailing list.

#### Authorised Corporate Director Change

Majedie Asset Management has entered a letter of intent with Link Fund Solutions ("Link") for Link to be appointed (subject to FCA approval) as the Authorised Corporate Director of the Company. Link will also be appointed as registrar and transfer agent in place of The Bank of New York Mellon (International) Limited. The Bank of New York Mellon (International) Limited will remain the depository and continue to provide fund accounting services, whilst Majedie will remain as the investment manager. An application will be made to the FCA for approval of the appointment of Link as the Authorised Corporate Director. We will write to investors with more details and giving formal notice of Link's appointment, which is expected to take effect during mid-2019.