

Annual Report & Financial Statements

Omnis Portfolio Investments ICVC
(formerly FP Omnis Portfolio
Investments ICVC)

For the year ended 30 September 2015

| | Page |
|---|------|
| Omnis Portfolio Investments ICVC | |
| Directory* | 3 |
| Authorised Corporate Director's ("ACD") Report* | 4 |
| Certification of Financial Statements by Directors of the ACD* | 5 |
| Statement of the ACD's Responsibilities | 6 |
| Statement of the Depositary's Responsibilities | 7 |
| Report of the Depositary | 7 |
| Independent Auditor's Report | 8 |
| Aggregated Statement of Total Return | 10 |
| Aggregated Statement of Change in Net Assets Attributable to Shareholders | 10 |
| Aggregated Balance Sheet | 11 |
| Notes to the Aggregated Financial Statements | 12 |
| Individual Funds Investment Commentary and Financial Statements* | |
| Omnis Alternative Strategies Fund (formerly FP Omnis Alternative Strategies Fund) | 23 |
| Omnis Developed Markets (ex-UK, ex-US) Equity Fund (formerly FP Omnis Developed Markets (ex-UK, ex-US) Equity Fund) | 38 |
| Omnis Emerging Markets Equity Fund (formerly FP Omnis Emerging Markets Equity Fund) | 54 |
| Omnis Global Bond Fund (formerly FP Omnis Global Bond Fund) | 72 |
| Omnis UK Bond Fund (formerly FP Omnis UK Bond Fund) | 98 |
| Omnis UK Equity Fund (formerly FP Omnis UK Equity Fund) | 115 |
| Omnis US Equity Fund (formerly FP Omnis US Equity Fund) | 131 |
| General Information* | 148 |

* Collectively, these comprise the Authorised Corporate Director's Report.

Directory

The Company and Head Office

Omnis Portfolio Investments ICVC
Washington House
Lydiard Fields
Swindon SN5 8UB
Incorporated in England and Wales
under registration number IC000982
Website address: www.omnisinvestments.com
(Authorised and regulated by the FCA)

Directors and Secretary of the ACD

Gerry Aherne (Chairman)
Simon Clifford (resigned 5 December 2014)
Peter Davis
Philip Martin
Mary-Anne McIntyre (resigned 17 March 2015)
Dominic Sheridan
Judith Worthy (appointed 16 March 2015)

Andy Whipp (Secretary)

Registrar

International Financial Data Services (UK) Limited
Head Office:
IFDS House
St Nicholas Lane
Basildon
Essex SS15 5FS

Auditor

Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2DB

Customer Service Centre

Omnis Portfolio Investments ICVC
PO BOX 10191
Chelmsford CM99 2AP
Telephone: 0345 140 0070*

Depository

State Street Trustees Limited
20 Churchill Place
London E14 5HJ
(Authorised and regulated by the FCA)

Authorised Corporate Director ("ACD")

Omnis Investments Limited
Washington House
Lydiard Fields
Swindon SN5 8UB
(Authorised and regulated by the FCA)

Investment Managers

BNY Mellon Investment Management EMEA Limited
160 Queen Victoria Street
London EC4V 4LA
(Authorised and regulated by the FCA)

Jupiter Asset Management Limited
1 Grosvenor Place
London SW1X 7JJ
(Authorised and regulated by the FCA)

Octopus Investments Limited
33 Holborn
London EC1N 2HT
(Authorised and regulated by the FCA)

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA
(Authorised and regulated by the FCA)

Thomas White International Ltd
One Financial Place
Suite 3900
440 South LaSalle Street
Chicago
Illinois 60605
(Authorised and regulated by the SEC)

Threadneedle Asset Management Limited
Cannon Place, 78 Cannon Street
London EC4N 6AG
(Authorised and regulated by the FCA)

* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors instructions.

Authorised Corporate Director's Report

We are pleased to present the Annual Report & Accounts for Omnis Portfolio Investments Funds for the year ended 30 September 2015. With effect from 16 February 2015 the ACD of the Company changed from Fund Partners Limited to Omnis Investments Limited.

Authorised Status

Omnis Portfolio Investments ICVC ("the Company") is an investment company with variable capital incorporated in England and Wales under registered number IC000982 and authorised by the Financial Conduct Authority ("FCA") with effect from 3 September 2013. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

Head office: From 16 February 2015, the Head Office of the Company is at: Washington House, Lydiard Fields, Swindon, SN5 8UB

The Head Office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

Structure of the Company

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class.

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

In the future there may be other Funds of the Company.

Base Currency:

The base currency of the Company is Pounds Sterling. Each Fund and class is designated in Pounds Sterling.

Share Capital:

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

Certification of Financial Statements by Directors of the ACD
For the year ended 30 September 2015

Director's Certification

This report has been prepared in accordance with the requirements of COLL, as issued and amended by the FCA. We hereby certify the report on behalf of the Directors of Omnis Investments Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Funds consist predominately of securities that are readily realisable and, accordingly, the Funds have adequate resources to continue in operational existence for the foreseeable future.

Dominic Sheridan

Philip Martin

Omnis Investments Limited

7 January 2016

Statement of the ACD's Responsibilities

For the year ended 30 September 2015

The Authorised Corporate Director ("ACD") of Omnis Portfolio Investments ICVC ("Company") is responsible for preparing the Annual Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations") as amended, the FCA'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") and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association ("IMA SORP") in October 2010; and
- give a true and fair view of the financial position of the Company and the sub funds as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company and the 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IMA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- 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 enable them to ensure that the Financial Statements comply with the applicable IMA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited Financial Statements were approved by the board of directors of the ACD of the Company and authorised for issue on 7 January 2016.

Omnis Investments Limited

7 January 2016

Statement of the Depositary's Responsibilities

For the year ended 30 September 2015

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the FCA's Collective Investment Schemes Sourcebook ("COLL"), the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers and restrictions applicable to the Company.

Report of the Depositary

For the year ended 30 September 2015

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 ACD:

- (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 revenue in accordance with COLL and, where applicable, the OEIC Regulations and the Instrument of Incorporation and Prospectus of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

Depositary
London

7 January 2016

**Independent Auditor's Report to the Shareholders of
Omnis Portfolio Investment ICVC
For the year ended 30 September 2015**

We have audited the Financial Statements of Omnis Portfolio Investments ICVC ("the Company") for the period ended 30 September 2015 which comprise the Aggregated Statement of Total Return, the Aggregated Statement of Change in Net Assets Attributable to Shareholders, the Aggregated Balance Sheet, the related notes 1 to 15 and for each sub-fund: the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes, and the distribution table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association in October 2010, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

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.

Respective Responsibilities of the Depositary, the Authorised Corporate Director (ACD) and the Auditor

As explained more fully in the Depositary's Responsibilities Statement and the ACD's Responsibilities Statement, the Depositary is responsible for safeguarding the property of the company and the ACD is responsible for the preparation of the Financial Statements. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with the requirements of the Collective Investment Schemes Sourcebook, applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the financial position of the Company and the sub funds as at 30 September 2015 and of the net revenue and the net capital losses on the property of the company and the sub funds for the year ended 30 September 2015; and

**Independent Auditor's Report to the Shareholders of
Omnis Portfolio Investment ICVC (continued)
For the year ended 30 September 2015**

Opinion on Financial Statements (continued)

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice "Financial Statements of Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and the 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 30 September 2015 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the Financial Statements.

Deloitte LLP

Chartered Accountants and Statutory Auditor
Edinburgh, United Kingdom

7 January 2016

Aggregated Statement of Total Return

For the year ended 30 September 2015

| | Note | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|------|----------------------|---------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (55,832,211) | | 3,830,757 |
| Revenue | 3 | 33,498,468 | | 7,437,073 | |
| Expenses | 4 | (8,568,120) | | (1,721,272) | |
| Finance costs: Interest | 6 | (3,328) | | (1,194) | |
| Net revenue before taxation | | 24,927,020 | | 5,714,607 | |
| Taxation | 5 | (1,121,643) | | (231,652) | |
| Net revenue after taxation | | | 23,805,377 | | 5,482,955 |
| Total return before distributions | | | (32,026,834) | | 9,313,712 |
| Finance costs: Distributions | 6 | | (23,935,393) | | (5,514,024) |
| Change in net assets attributable to shareholders from investment activities | | | (55,962,227) | | 3,799,688 |

Aggregated Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2015

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|----------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 785,825,210 | | – |
| Amounts received on issue of shares | 984,721,185 | | 781,879,643 | |
| Less: Amounts paid on cancellation of shares | (8,662,754) | | – | |
| | | 976,058,431 | | 781,879,643 |
| Dilution adjustment charged | | – | | 148,176 |
| Stamp duty reserve tax* | | – | | (2,297) |
| Change in net assets attributable to shareholders from investment activities (see above) | | (55,962,227) | | 3,799,688 |
| Closing net assets attributable to shareholders | | 1,705,921,414 | | 785,825,210 |

* Abolished from 30 March 2014 for OEICs.

Aggregated Balance Sheet

As at 30 September 2015

| | Note | 30/09/15 | | 30/09/14 | |
|--|------|--------------|----------------------|--------------|--------------------|
| | | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 1,648,986,537 | | 748,993,586 |
| Debtors | 7 | 29,458,228 | | 31,737,560 | |
| Cash and bank balances | 8 | 63,355,515 | | 31,218,943 | |
| Total other assets | | | 92,813,743 | | 62,956,503 |
| Total assets | | | 1,741,800,280 | | 811,950,089 |
| Liabilities | | | | | |
| Investment liabilities | | | (1,182,884) | | (129,337) |
| Creditors | 9 | (16,223,430) | | (16,927,423) | |
| Bank overdrafts | | (297,298) | | – | |
| Distribution payable on income shares | | (18,175,655) | | (9,068,119) | |
| Total other liabilities | | | (34,696,383) | (37,066,313) | (25,995,542) |
| Total liabilities | | | (35,878,866) | (38,249,197) | (26,124,879) |
| Net assets attributable to shareholders | | | 1,705,921,414 | | 785,825,210 |

Notes to the Aggregated Financial Statements

For the year ended 30 September 2015

1. Accounting Basis And Policies

(a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Management Association in October 2010.

As described in the Certification of Financial Statements by Directors of the ACD on page 5, the ACD continues to adopt the going concern basis in the preparation of the aggregated Financial Statements and the Financial Statements of the Funds.

(b) Basis of aggregation

The aggregated Financial Statements represent the sum of the relevant items from the Financial Statements of the individual Funds within the umbrella Company.

(c) Recognition of revenue

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend and are recognised net of attributable tax credits.

Rebates of annual management charges on underlying investments are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the charge on the underlying Fund.

Revenue from debt securities is accounted for on an effective yield basis. Accrued interest on purchase and sale contracts is recognised as revenue and transferred to revenue or capital as appropriate.

Distributions from Collective Investment Schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available.

Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

(d) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

Notes to the Aggregated Financial Statements (continued)

For the year ended 30 September 2015

1. Accounting Basis And Policies (continued)

(e) Treatment of expenses

Expenses of the Funds are charged against revenue except for Stamp Duty Reserve Tax ("SDRT") (Abolished from 30 March 2014 for OEICs) and costs associated with the purchase and sale of investments which are allocated to the capital of the Funds.

Rebates on the fees payable to the ACD are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the ACD fee on each fund. Rebates on the fees payable to the ACD are netted off against the expense to which they relate.

(f) Allocation of revenue and expenses to multiple share classes and Funds

Any revenue or expenses not directly attributable to a particular share class or fund will normally be allocated pro-rata to the net assets of the relevant share classes and funds.

(g) Taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Corporation tax is provided for on realised gains on non-reporting offshore funds less deductible expenses. Deferred tax is provided for on unrealised gains on non-reporting offshore funds less deductible expenses.

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

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Overseas capital gains tax is recognised when paid and no provision is made for these.

SDRT suffered on surrender of shares is deducted from capital. SDRT has been abolished on the 30 March 2014 for OEICs.

(h) Distribution policy

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to shareholders as dividend or interest distributions. Any revenue deficit is deducted from capital at year end.

In addition, portfolio transaction charges will be charged wholly to the capital of all Funds. Accordingly, the imposition of such charges may constrain the capital growth of every Fund.

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as a final distribution at the end of the annual accounting period.

Interim distributions may be made at the ACD's discretion.

Notes to the Aggregated Financial Statements (continued)
For the year ended 30 September 2015

1. Accounting Basis And Policies (continued)

(i) Basis of valuation of investments

Listed investments are valued at close of business bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period.

Market value is defined by the SORP as fair value which is the bid value of each security.

Collective Investment Schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period.

Unlisted or suspended investments are valued by the Investment Manager taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The fair value of derivative instruments is marked to market value. The forward currency contracts are valued at the prevailing forward exchange rates.

(j) Exchange rates

Transactions in foreign currencies are recorded in Sterling at the rates ruling at the dates of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing mid market exchange rates ruling on that date.

(k) Dilution adjustment

The ACD may require a dilution adjustment on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution adjustment.

(l) Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares.

After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for Capital Gains tax purposes.

(m) Derivatives

Some of the Funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Notes to the Aggregated Financial Statements (continued)

For the year ended 30 September 2015

1. Accounting Basis And Policies (continued)

(m) Derivatives (continued)

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the period end are included in the Balance Sheet at their mark to market value.

2. Net capital (losses)/gains

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| The net capital (losses)/gains during the year/period | | |
| Currency (losses) | (259,807) | (71,506) |
| Derivative contracts | (401,444) | – |
| Forward currency contracts | 524,244 | 413,036 |
| Non-derivative securities | (55,586,896) | 3,622,353 |
| Transaction charges | (108,308) | (133,126) |
| Net capital (losses)/gains | (55,832,211) | 3,830,757 |

3. Revenue

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Bank interest | 78,553 | 22,800 |
| Franked dividends from Collective Investment Schemes | 33,598 | 3,914 |
| Interest from debt securities | 8,829,026 | 1,782,899 |
| Interest income from Collective Investment Schemes | 555,015 | 277,972 |
| Offshore funds dividends | 462,365 | 97,719 |
| Overseas dividends | 10,438,576 | 2,582,099 |
| Rebates received from underlying funds | 115,380 | 20,456 |
| Scrip dividends | 587,981 | – |
| Swap income | 2,896 | – |
| UK dividends | 12,277,864 | 2,626,038 |
| Unfranked dividends from Collective Investment Schemes | 117,214 | 23,176 |
| Total revenue | 33,498,468 | 7,437,073 |

Notes to the Aggregated Financial Statements (continued)

For the year ended 30 September 2015

4. Expenses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fee | 7,932,080 | 1,660,991 |
| AMC fee rebate | (48,452) | (12,493) |
| ACD subsidy | – | (128,141) |
| Printing, postage, stationery and typesetting costs | – | 3,011 |
| | 7,883,628 | 1,523,368 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them | | |
| ADR charges | – | 3,572 |
| Depositary fees | 353,991 | 112,815 |
| Safe custody fees | 190,530 | 36,493 |
| | 544,521 | 152,880 |
| Other expenses | | |
| Audit fees | 61,531 | 43,421 |
| Out of pocket expenses | 5,873 | – |
| Professional fees | 40,688 | 1,603 |
| Publication fees | 30,653 | – |
| Regulatory fees | 1,226 | – |
| | 139,971 | 45,024 |
| Total expenses | 8,568,120 | 1,721,272 |

In the prior period the ACD subsidised some of the expenses incurred by the Funds to partly cover the minimum costs charged by third parties.

Audit fees are £51,450 ex VAT (2014: £36,015).

5. Taxation

(a) Analysis of the tax charge in the year/period

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Corporation tax | 63,080 | 7,219 |
| Overseas capital gains tax | 122,494 | – |
| Overseas tax | 936,067 | 224,447 |
| Tax on fixed interest stock | 2 | (14) |
| Total current tax charge (Note 5 (b)) | 1,121,643 | 231,652 |
| Deferred tax (Note 5 (c)) | – | – |
| Total taxation for the year/period | 1,121,643 | 231,652 |

Notes to the Aggregated Financial Statements (continued)

For the year ended 30 September 2015

5. Taxation (continued)

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

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2014: 20%) is applied to the net revenue before taxation.

The differences are explained below:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Net revenue before taxation | 24,927,020 | 5,714,607 |
| Net revenue for the year/period multiplied by the standard rate of corporation tax | 4,985,404 | 1,142,922 |
| Effects of: | | |
| Capital gains on offshore funds | 15,811 | 23,583 |
| Movement in excess management expenses | 1,184,054 | 224,072 |
| Overseas capital gains tax | 122,494 | – |
| Overseas tax | 936,068 | 224,447 |
| Overseas tax expensed | (4,439) | (288) |
| Relief for indexation on UK Gilts | – | (4,869) |
| Revenue not subject to corporation tax | (4,666,818) | (1,050,322) |
| Tax deductible interest expenses | (1,450,933) | (327,879) |
| Tax on fixed interest stock | 2 | (14) |
| Current tax charge for the year/period | 1,121,643 | 231,652 |

OEICs are exempt from tax on capital gains arising on their investments with the exception of offshore non-reporting funds. Realised gains on such investments are disclosed in the above reconciliation, the remainder of the capital return is not included.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year or prior period.

(d) Factors that may affect future tax charges

Factors affecting future tax charges are disclosed within the individual Funds' Financial Statements.

Notes to the Aggregated Financial Statements (continued)

For the year ended 30 September 2015

6. Finance costs

Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares and comprise:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Interim | 8,283,739 | – |
| Final | 18,175,644 | 9,068,119 |
| Add: Revenue paid on cancellation of shares | 38,000 | – |
| Deduct: Revenue received on creation of shares | (4,012,923) | (3,881,977) |
| Income tax withheld at source | 1,450,933 | 327,882 |
| Net distribution for the year/period | 23,935,393 | 5,514,024 |
| Interest | 3,328 | 1,194 |
| Total finance costs | 23,938,721 | 5,515,218 |
| Reconciliation of net revenue after taxation to distributions | | |
| Net revenue after taxation | 23,805,377 | 5,482,955 |
| Net movement in revenue account | (803) | – |
| Tax relief from capital | 130,819 | 31,069 |
| Net distribution for the year/period | 23,935,393 | 5,514,024 |

7. Debtors

| | 30/09/15 £ | 30/09/14 £ |
|---|-------------------|-------------------|
| Accrued bank interest | 1,820 | 5,318 |
| Accrued other revenue | 6,532,177 | 2,684,305 |
| Amounts due for rebates from underlying funds | 98,928 | 16,118 |
| Amounts receivable for creation of shares | 14,978,497 | 21,966,799 |
| Income tax recoverable | 51,894 | 7,624 |
| Overseas withholding tax recoverable | 210,649 | 35,578 |
| Sales awaiting settlement | 7,577,337 | 7,021,818 |
| Prepaid expenses | 6,926 | – |
| Total debtors | 29,458,228 | 31,737,560 |

Notes to the Aggregated Financial Statements (continued)

For the year ended 30 September 2015

8. Cash and bank balances

| | 30/09/15 | 30/09/14 |
|---|-------------------|-------------------|
| | £ | £ |
| Cash and bank balances | 62,654,057 | 31,218,943 |
| Amounts held at futures clearing houses and brokers | 701,458 | – |
| Total cash and bank balances | 63,355,515 | 31,218,943 |

9. Creditors

| | 30/09/15 | 30/09/14 |
|---|-------------------|-------------------|
| | £ | £ |
| Amounts payable for cancellation of shares | 4,582,018 | 400,000 |
| Corporation tax payable | 66,853 | 7,219 |
| Income tax payable | 863,194 | 327,883 |
| Interest income payable | 34 | – |
| Purchases awaiting settlement | 9,542,235 | 15,760,785 |
| | 15,054,334 | 16,495,887 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fee | 840,918 | 377,580 |
| AMC fee rebate | – | (12,493) |
| ACD subsidy | – | (128,140) |
| Printing, postage, stationery and typesetting costs | – | 2,702 |
| | 840,918 | 239,649 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 33,467 | 64,085 |
| Safe custody fees | 140,690 | 23,474 |
| Transaction charges | 75,528 | 60,907 |
| | 249,685 | 148,466 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 61,739 | 43,421 |
| Professional fees | 3,906 | – |
| Publication fees | 12,847 | – |
| Regulatory fees | 1 | – |
| | 78,493 | 43,421 |
| Total creditors | 16,223,430 | 16,927,423 |

10. Related party transactions

Management fees paid to the ACD (to 15 February 2015, Fund Partners Limited, (£2,247,287) from 16 February 2015 Omnis Investments Limited (£5,636,341)) and Registration fees paid to International Financial Data Services Limited, are disclosed in note 4 and amounts due at the year/period end are disclosed in note 9.

The aggregate monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Aggregated Statement of Change in Shareholders' Net Assets and amounts due at the year/period end are disclosed in notes 7 and 9.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no shareholdings in the Company at the year/period end.

All other amounts received or paid by the related parties together with the outstanding balances are disclosed within the individual Funds' Financial Statements.

Notes to the Aggregated Financial Statements (continued)

For the year ended 30 September 2015

10. Related party transactions (continued)

Significant shareholdings

At the balance sheet date, the following had significant shareholdings within the Fund.

| Shareholders | 30/09/15 (%) |
|--|--------------|
| Sterling ISA Managers (Nominees) Limited | 58.5% |
| FundsDirect Nominees Limited | 41.5% |

11. Share classes

The share class and ACD's Annual Management Charges applicable to each Fund are as follows:

| | % |
|---|------|
| Omnis Alternative Strategies Fund | |
| Share Class A Income | 0.75 |
| Omnis Developed Markets (ex-UK, ex-US) Equity Fund | |
| Share Class A Income | 0.65 |
| Omnis Emerging Markets Equity Fund | |
| Share Class A Income | 0.75 |
| Omnis Global Bond Fund | |
| Share Class A Income | 0.45 |
| Omnis UK Bond Fund | |
| Share Class A Income | 0.45 |
| Omnis UK Equity Fund | |
| Share Class A Income | 0.65 |
| Omnis US Equity Fund | |
| Share Class A Income | 0.65 |

Each Share Class has equal rights in the event of the wind up of any fund.

12. Capital commitments and contingent liabilities

Capital commitments and contingent liabilities are disclosed within the individual Funds' Financial Statements.

13. Derivatives and other financial instruments

In pursuing the investment objectives a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

Notes to the Aggregated Financial Statements (continued)
For the year ended 30 September 2015**13. Derivatives and other financial instruments (continued)**

The main risks from the Funds of the Company holding financial instruments, together with the ACD's policy for managing these risks, are disclosed below:

(a) Foreign currency risk

A significant portion of the Funds of the Company's assets or the underlying assets of the Collective Investment Schemes in which the Funds of the Company invests may be denominated in a currency other than the base currency of the Funds of the Company or Class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares of the relevant Fund are valued and priced.

The Funds of the Company are not required to hedge their foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Funds of the Company do not hedge their foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Funds of the Company's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Funds of the Company in circumstances where no such hedging transactions are undertaken.

(b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Funds of the Company's investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Funds of the Company's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed. The Funds of the Company did not have any long term financial liabilities at the balance sheet date.

(c) Credit risk

The Funds of the Company may find that companies in which they invest fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

(d) Liquidity risk

Subject to the Regulations, the Funds of the Company may invest up to and including 10% of the Scheme Property of the Funds of the Company in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Funds of the Company's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent that Funds of the Company invest in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

Notes to the Aggregated Financial Statements (continued)
For the year ended 30 September 2015**13. Derivatives and other financial instruments (continued)****(d) Liquidity risk (continued)**

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Funds of the Company's ability to purchase or sell such securities at a fair price may be delayed.

(e) Market price risk

The Funds of the Company invest primarily in equities, bonds, Collective Investment Schemes and derivatives. The values of these investments are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Manager seeks to minimise these risks by holding a diversified portfolio in line with the objectives of each Fund. In addition, the management of the Funds of the Company complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 10% of assets in any one Fund.

(f) Counterparty risk

Transactions in securities entered into by the Funds of the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

The manager monitors the Funds' exposure to individual counterparties and applies limits which may not be exceeded.

(g) Fair value of financial assets and financial liabilities

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

14. Portfolio transaction costs

Analysis of total trade costs are disclosed within the individual Funds' Financial Statements.

15. Post balance sheet events

Post balance sheet events are disclosed within the individual Funds' Financial Statements.

Investment Manager's Report

As at 30 September 2015

Investment Objective

To achieve a positive return above the rate for cash over the longer term. Cash is measured as GBP LIBOR over a three year rolling period.

Investment Policy

The Fund will be invested to exploit anomalies in markets including in the equity, fixed interest and property markets. The Fund intends to invest primarily in a range of collective investment schemes. The Fund will also invest in exchange traded products, money market instruments, cash and near cash, deposits, transferable securities, derivative instruments and warrants. Subject to the requirements of the Regulations, the Fund will normally remain fully invested. There will be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations, meaning that the fund manager has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purposes of hedging and efficient portfolio management.

Investment Review

Omnis Alternative Strategies posted a positive return in the twelve months from 1 October 2014 to 30 September 2015, with a 1.49% increase during the period (Source: Lipper. 01/10/14–30/09/15. £ returns, net income reinvested. A share class).

Markets experienced a turbulent start to the period under review that led to unpredictable returns from some portfolio holdings. However, good tactical timing of our investments provided a positive contribution to the portfolio's overall returns. This included adding to our index-tracking exchange-traded funds (ETFs), Vanguard FTSE 100 ETF and Vanguard S&P 500 ETF. The portfolio was bolstered at the start of 2015 by good performances from actively managed funds that aim to outperform market indices and which fared better than their index-tracking counterparts. The strength of European markets compared with the US and Asia supported the longer-term investment approaches of Morgan Stanley Diversified Alpha Plus and NGAM H20 MultiReturns. We sold our holding in Merrill Lynch Factor Index in February after its assets under management fell in size. This presented the opportunity to introduce Royal London Absolute Return Government Bond, which focuses on government bond markets in the G10 group of leading economies.

In April, we reduced Morgan Stanley Diversified Alpha Plus as we felt the fund managers were poorly positioned in an uncertain market environment. H20 MultiReturns fell as it was affected by the poor performance of Greek government bonds. There was relatively little activity in the portfolio in May as we waited to see how the market reacted to the ongoing negotiations between Greece and its creditors. Equities and government bonds performed poorly in June. However, Old Mutual Global Equity Absolute Return had been positioned by its fund manager to benefit from the expected volatility in the market and was a highlight for the portfolio.

With the prospect of short-term economic stability in Greece, we increased equities in the portfolio by adding to UK equities in Vanguard FTSE 100 ETF and introducing iShares MSCI Japan GBP Hedged ETF. The actively managed BlackRock European Absolute Alpha did well as its stock selections delivered good returns despite market uncertainty. We reduced equity holdings in August when the Chinese government allowed the yuan to be devalued. Later, we began rebuilding our holdings in equities, as we believed markets had overreacted to concerns about China. Good stock selections helped H20 MultiReturns and Melchior Selected Trust European Absolute Return to cope with global market fluctuations. We made no significant changes in September as we maintained our defensive strategy while markets remained fragile.

Investment Manager's Report (continued)

As at 30 September 2015

Market Overview

Interest rates were a key concern, particularly towards the end of the period under review, as investors kept a close eye on central banks for signs of potential interest rate rises. The US Federal Reserve (Fed) was expected to raise the interest rate in September, but felt global economic uncertainty and low inflation warranted delaying its decision.

Greece's short-term debt problems dominated events in Europe. A last-minute agreement reached with the country's creditors stalled after Greek Prime Minister Alexis Tsipras resigned. He called and won a general election that he hoped would give him a stronger mandate to implement austerity measures agreed with Greece's creditors. Market reaction both before and after the election was muted. In the UK, the surprise Conservative majority in the General Election removed the uncertainty for investors that setting up a coalition government would have caused.

Wage increases in Japan appeared to provide evidence that the government's programme to encourage growth was having an effect. Concerns about the sustainability of China's economic growth sent world stocks and commodity prices tumbling in August. The actions of the Chinese authorities to try to deal with the issue was interpreted badly by investors.

Outlook

With economic uncertainty still prevalent, and with global investment markets continuing to look fragile, we remain cautious in our positioning. We have been slowly looking to add to our equity investments in economically developed markets on the back of recent market falls, and will continue to exploit any opportunities we see in short-term market fluctuations. We have preferred to invest in developed rather than developing economies for some time, and will continue to do so. We believe Europe and Japan offer better value, given the positive actions being taken by central banks and governments to stimulate economic growth.

The Fed's decision to leave rates unchanged in September came as no surprise. Janet Yellen, chair of the Fed, noted improvements in the US labour market but also referenced the impact on inflation of a weak commodity market and a desire to monitor events abroad, particularly in China. The tone of her announcement led observers to consider the possibility of a delay in the rate rise until 2016. We could be facing months of uncertainty as investors study economic data for clues about the Fed's likely next move.

The second Greek general election held so far this year resulted in success for Prime Minister Alexis Tsipras and his Syriza party. Following the September election, Tsipras perhaps has a stronger mandate with which to implement the proposed austerity measures. The hope now is that he actually starts to act.

Concerns about China's economy have abated for now but the underlying problems have not gone away. What happens in China is going to have a significant impact on the prospects for global growth, so we will be monitoring news from the region closely. Despite the Fed's decision to keep interest rates on hold for a while longer, we believe rates are going to start rising. We are therefore still wary of the effect an interest rate rise will have on our bond portfolios and aim to reduce this risk. We continue to prefer alternative investments (ones that aren't classed equities, bonds or cash), rather than bonds, as a means to diversify equity risk in our portfolios.

Investment Manager

Octopus Investments Limited
26 October 2015

Performance Information

As at 30 September 2015

Ongoing Charge Figure (OCF)

| Date | AMC (%) | AMC rebate (%) | ACD subsidy (%) | Other expenses (%) | Synthetic expense ratio (%) | Rebates from underlying funds (%) | Transaction costs (%) | Total ongoing charge figure (%) |
|---------------|---------|----------------|-----------------|--------------------|-----------------------------|-----------------------------------|-----------------------|---------------------------------|
| 30/09/15 | | | | | | | | |
| Share Class A | | | | | | | | |
| Income | 0.75 | (0.07) | 0.00 | 0.05 | 0.74 | (0.14) | 0.01 | 1.34 |
| 30/09/14 | | | | | | | | |
| Share Class A | | | | | | | | |
| Income | 0.75 | (0.09) | (0.07) | 0.11 | 0.67 | (0.14) | 0.03 | 1.26 |

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take account of the ongoing charges incurred in the underlying CIUs and disclose as a Synthetic expense ratio.

Risk and Reward Profile

As at 30 September 2015

| | Typically lower rewards | | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|---|--------------------------|---|---|--|
| | ← | | | | → | | | |
| | Lower risk | | | | Higher risk | | | |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the higher the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "3" on the scale. This is because the Fund invests in a diverse mixture of investments.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Net Asset Value per Share and Comparative Table

As at 30 September 2015

Net Asset Value

| Date | Net Asset Value of Share Class (£) | Shares in issue | Net Asset Value per Share (p) |
|----------------------|------------------------------------|-----------------|-------------------------------|
| Share Class A Income | | | |
| 30/09/14 | 43,554,811 | 43,003,554 | 101.28 |
| 31/09/15 | 99,594,619 | 97,345,563 | 102.31 |

Price and Revenue History

| Calendar Year | Highest Published Share price (p) | Lowest Published Share price (p) | Net Revenue per Share (p) |
|----------------------|-----------------------------------|----------------------------------|---------------------------|
| Share Class A Income | | | |
| 2014 ¹ | 102.53 | 98.98 | 0.2223 |
| 2015 ² | 104.91 | 102.07 | 0.5473 [†] |

¹ From 3 March to 31 December 2014.

² From 1 January to 30 September 2015.

[†] Includes the distributions paid 31 May and payable 30 November 2015.

Share Class A Income was launched 3 February 2014.

Distribution

The distribution for Share Class A Income is 0.4431p per share, payable 30 November 2015.

Portfolio Statement

As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---|---|-------------------|--------------------------|
| Collective Investment Schemes 82.16% [73.27%*] | | | |
| 2,120,199 | Absolute Insight Credit | 2,705,374 | 2.72 |
| 991 | Amundi Absolute Volatility Euro Equities | 986,973 | 0.99 |
| 2,954,817 | BlackRock Corporate Bond Tracker | 3,980,138 | 4.00 |
| 4,522,976 | BlackRock European Absolute Alpha | 5,956,759 | 5.98 |
| 3,666,834 | BlackRock Overseas Corporate Bond Tracker | 4,242,526 | 4.26 |
| 5,083,051 | BNY Mellon Absolute Return Equity | 6,097,120 | 6.12 |
| 3,933,242 | Henderson UK Absolute Return | 6,013,927 | 6.05 |
| 28,308 | JPMorgan Global Convertibles | 2,828,552 | 2.84 |
| 37,653 | JPMorgan Global Merger Arbitrage | 2,404,490 | 2.41 |
| 5,121,960 | Legal & General Dynamic Bond | 5,460,009 | 5.48 |
| 1,166,574 | Legal & General International Index | 980,389 | 0.98 |
| 6,248,034 | Legal & General Short Dated Sterling Corporate Bond Index C Acc | 3,193,995 | 3.21 |
| 7,265 | Legal & General Short Dated Sterling Corporate Bond Index I Acc | 3,712 | 0.00 |
| 41,068 | Melchior European Absolute Return | 4,900,052 | 4.92 |
| 150,352 | Morgan Stanley Diversified Alpha Plus | 4,533,118 | 4.55 |
| 42,285 | Muzinich Long Short Credit Yield | 5,278,450 | 5.30 |
| 1,699,642 | NGAM H2O MultiReturns | 2,305,395 | 2.31 |
| 58,200 | NN (L) Alternative Beta | 5,544,745 | 5.57 |
| 3,556,686 | Old Mutual Global Equity Absolute Return | 5,500,415 | 5.52 |
| 4,997,109 | Royal London – Absolute Return Government Bond | 4,996,609 | 5.02 |
| 4,751,076 | Standard Life Global Absolute Return Strategies | 3,914,887 | 3.93 |
| | | 81,827,635 | 82.16 |
| Exchange Traded Funds 7.30% [8.80%*] | | | |
| 18,670 | db x-trackers EURO STOXX 50 | 445,840 | 0.45 |
| 83,375 | iShares Core FTSE 100 | 506,003 | 0.51 |
| 118,612 | iShares Core UK Gilts | 1,482,057 | 1.49 |
| 61,889 | iShares Global Infrastructure | 909,768 | 0.91 |
| 7,787 | iShares MSCI Japan GBP Hedged | 379,305 | 0.38 |
| 283,602 | iShares UK Property | 1,910,768 | 1.92 |
| 8,900 | iShares USD Treasury Bond 7-10yr | 1,176,758 | 1.18 |
| 19,175 | Vanguard S&P 500 | 460,392 | 0.46 |
| | | 7,270,891 | 7.30 |
| Portfolio of investments | | 89,098,526 | 89.46 |
| Net other assets | | 10,496,093 | 10.54 |
| Net assets | | 99,594,619 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements.

All investments are Collective Investment Schemes unless otherwise stated.

Comparative figures shown above in square brackets relate to 30 September 2014.

* Since the previous report classification headings have been updated by data providers. Comparative figures have been updated where appropriate.

Gross purchases for the period: £118,786,639 [2014: £51,382,060] (See Note 14).

Total sales net of transaction costs for the period: £66,198,465 [2014: £16,310,838] (See Note 14).

Statement of Total Return
For the year ended 30 September 2015

| | Note | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|------|----------------------|----------------|----------------------|----------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains | 2 | | 120,530 | | 603,583 |
| Revenue | 3 | 1,050,838 | | 185,208 | |
| Expenses | 4 | (532,717) | | (101,999) | |
| Finance costs: Interest | 6 | – | | (16) | |
| Net revenue before taxation | | 518,121 | | 83,193 | |
| Taxation | 5 | (63,080) | | (7,219) | |
| Net revenue after taxation | | | 455,041 | | 75,974 |
| Total return before distributions | | | 575,571 | | 679,557 |
| Finance costs: Distributions | 6 | | (455,013) | | (75,974) |
| Change in net assets attributable to shareholders from investment activities | | | 120,558 | | 603,583 |

Statement of Change in Net Assets Attributable to Shareholders
For the year ended 30 September 2015

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 43,554,811 | | – |
| Amounts received on issue of shares | 56,657,083 | | 42,951,405 | |
| Less: Amounts paid on cancellation of shares | (737,833) | | – | |
| | | 55,919,250 | | 42,951,405 |
| Stamp duty reserve tax* | | – | | (177) |
| Change in net assets attributable to shareholders from investment activities (see above) | | 120,558 | | 603,583 |
| Closing net assets attributable to shareholders | | 99,594,619 | | 43,554,811 |

* Abolished from 30 March 2014 for OEICs.

Balance Sheet

As at 30 September 2015

| | Note | 30/09/15 | | 30/09/14 | |
|--|------|-------------|-------------------|-----------|-------------------|
| | | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 89,098,526 | | 35,745,094 |
| Debtors | 7 | 1,218,869 | | 4,100,323 | |
| Cash and bank balances | 8 | 11,132,555 | | 4,226,765 | |
| Total other assets | | | 12,351,424 | | 8,327,088 |
| Total assets | | | 101,449,950 | | 44,072,182 |
| Liabilities | | | | | |
| Investment liabilities | | | – | | – |
| Creditors | 9 | (1,423,993) | | (421,759) | |
| Distribution payable on income shares | | (431,338) | | (95,612) | |
| Total other liabilities | | | (1,855,331) | | (517,371) |
| Total liabilities | | | (1,855,331) | | (517,371) |
| Net assets attributable to shareholders | | | 99,594,619 | | 43,554,811 |

Notes to the Financial Statements

For the year ended 30 September 2015

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements, details of which can be found on pages 12, 13, 14 and 15.

2. Net capital gains

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| The net capital gains during the year/period comprise: | | |
| Currency gains | 21,282 | 4,565 |
| Non-derivative securities | 104,298 | 602,962 |
| Transaction charges | (5,050) | (3,944) |
| Net capital gains | 120,530 | 603,583 |

3. Revenue

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Bank interest | 18,800 | 3,449 |
| Franked dividends from Collective Investment Schemes | 33,598 | 3,914 |
| Interest income from Collective Investment Schemes | 320,705 | 46,690 |
| Offshore funds dividends | 462,365 | 87,523 |
| Rebates received from underlying funds | 98,156 | 20,456 |
| Unfranked dividends from Collective Investment Schemes | 117,214 | 23,176 |
| Total revenue | 1,050,838 | 185,208 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

4. Expenses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fee | 541,213 | 110,074 |
| AMC fee rebate | (48,452) | (12,493) |
| ACD subsidy | – | (11,399) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 492,761 | 86,568 |
| Payable to the Depositary, associates of the Depositary and agents of either of them | | |
| Depositary fees | 21,652 | 8,211 |
| Safe custody fees | 3,365 | 818 |
| | 25,017 | 9,029 |
| Other expenses | | |
| Audit fees | 8,791 | 6,203 |
| Professional fees | 2,426 | 199 |
| Publication fees | 3,433 | – |
| Registrar fees | 114 | – |
| Regulatory fees | 175 | – |
| | 14,939 | 6,402 |
| Total expenses | 532,717 | 101,999 |

In the prior period the ACD subsidised some of the expenses incurred by the Funds to partly cover the minimum costs charged by third parties.

Audit fees are £7,350 ex VAT (2014: £5,145).

5. Taxation

(a) Analysis of the tax charge in the year/period

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Corporation tax | 63,080 | 7,219 |
| Total current tax charge (Note 5 (b)) | 63,080 | 7,219 |
| Deferred tax (Note 5 (c)) | – | – |
| Total taxation for the year/period | 63,080 | 7,219 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

5. Taxation (continued)

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

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2014: 20%) is applied to the net revenue before taxation. The differences are explained below:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Net revenue before taxation | 518,121 | 83,193 |
| Net revenue for the year/period multiplied by the standard rate of corporation tax | 103,624 | 16,639 |
| Effects of: | | |
| Revenue not subject to corporation tax | (40,544) | (9,420) |
| Current tax charge for the year/period | 63,080 | 7,219 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year or prior period.

6. Finance costs

Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Interim | 72,637 | – |
| Final | 431,338 | 95,612 |
| Add: Revenue paid on cancellation of shares | 3,071 | – |
| Deduct: Revenue received on creation of shares | (52,033) | (19,638) |
| Net distribution for the year/period | 455,013 | 75,974 |
| Interest | – | 16 |
| Total finance costs | 455,013 | 75,990 |
| Reconciliation of net revenue after taxation to distributions | | |
| Net revenue after taxation | 455,041 | 75,974 |
| Net movement in revenue account | (28) | – |
| Net distribution for the year/period | 455,013 | 75,974 |

Details of the distributions per share are set out in the distribution tables on page 37.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

7. Debtors

| | 30/09/15 | 30/09/14 |
|---|------------------|------------------|
| | £ | £ |
| Accrued bank interest | 340 | 959 |
| Accrued other revenue | – | 27,561 |
| Amounts due for rebates from underlying funds | 81,704 | 16,118 |
| Amounts receivable for creation of shares | 488,423 | 1,242,761 |
| Income tax recoverable | 51,894 | 7,624 |
| Sales awaiting settlement | 596,108 | 2,805,300 |
| Prepaid expenses | 400 | – |
| Total debtors | 1,218,869 | 4,100,323 |

8. Cash and bank balances

| | 30/09/15 | 30/09/14 |
|-------------------------------------|-------------------|------------------|
| | £ | £ |
| Cash and bank balances | 11,132,555 | 4,226,765 |
| Total cash and bank balances | 11,132,555 | 4,226,765 |

9. Creditors

| | 30/09/15 | 30/09/14 |
|--|------------------|----------------|
| | £ | £ |
| Amounts payable for cancellation of shares | 677,544 | 400,000 |
| Corporation tax payable | 66,853 | 7,219 |
| Purchases awaiting settlement | 600,279 | – |
| | 1,344,676 | 407,219 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fee | 60,896 | 25,138 |
| AMC fee rebate | – | (12,493) |
| ACD subsidy | – | (11,399) |
| | 60,896 | 1,246 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 1,949 | 4,293 |
| Safe custody fees | 2,489 | 453 |
| Transaction charges | 2,762 | 1,959 |
| | 7,200 | 6,705 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 8,820 | 6,203 |
| Professional fees | 558 | – |
| Publication fees | 1,843 | 386 |
| | 11,221 | 6,589 |
| Total creditors | 1,423,993 | 421,759 |

Notes to the Financial Statements (continued)
For the year ended 30 September 2015

10. Related party transactions

Related party transactions in the Fund are disclosed in note 10 of the Notes to the Aggregated Financial Statements on pages 19 and 20.

Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund

| Shareholders | 30/09/15 (%) |
|--|---------------------|
| Sterling ISA Managers (Nominees) Limited | 59.6% |
| FundsDirect Nominees Limited | 40.4% |

11. Share classes

Details relating to the Fund are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 20.

12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2014: nil).

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 13 of the Notes to the Aggregated Financial Statements on pages 20, 21 and 22.

(a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2015 therefore a currency table has not been disclosed.

Notes to the Financial Statements (continued)
For the year ended 30 September 2015

13. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| | Floating rate financial assets £ | Fixed rate financial assets £ | Financial assets not carrying interest £ | Total £ |
|-----------------|--|-------------------------------------|---|--------------------|
| Currency | | | | |
| 30/09/15 | | | | |
| Euro | 872 | – | – | 872 |
| Sterling | 11,107,442 | – | 90,317,395 | 101,424,837 |
| US Dollar | 24,241 | – | – | 24,241 |
| Total | 11,132,555 | – | 90,317,395 | 101,449,950 |
| 30/09/14 | | | | |
| Sterling | 4,063,518 | – | 39,845,417 | 43,908,935 |
| US Dollar | 163,247 | – | – | 163,247 |
| Total | 4,226,765 | – | 39,845,417 | 44,072,182 |

| | Floating rate financial liabilities £ | Financial liabilities not carrying interest £ | Total £ |
|-----------------|--|--|------------------|
| Currency | | | |
| 30/09/15 | | | |
| Sterling | – | 1,855,331 | 1,855,331 |
| Total | – | 1,855,331 | 1,855,331 |
| 30/09/14 | | | |
| Sterling | – | 517,371 | 517,371 |
| Total | – | 517,371 | 517,371 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

14. Portfolio transaction costs

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in the year/period before transaction costs | | 118,765,188 | | 51,375,170 |
| Commissions | 21,451 | | 6,890 | |
| Total purchase costs | | 21,451 | | 6,890 |
| Gross purchase total | | 118,786,639 | | 51,382,060 |
| Analysis of total sale costs | | | | |
| Gross sales in the year/period before transaction costs | | 66,218,405 | | 16,315,674 |
| Commissions | (19,940) | | (4,836) | |
| Total sale costs | | (19,940) | | (4,836) |
| Total sales net of transaction costs | | 66,198,465 | | 16,310,838 |

15. Post balance sheet events

Subsequent to the year end, the Net Asset Value per share of the Fund has increased using the share prices at the year end date compared to 31 December 2015.

A Income shares have increased from 102.72p to 103.15p. This takes into account routine transactions but also reflects the market movements.

There are no post balance sheet events which require adjustments at the year end.

Distribution Table

As at 30 September 2015

Interim Distribution in pence per share

- Group 1 Shares purchased prior to 1 October 2014
 Group 2 Shares purchased on or after 1 October 2014 to 31 March 2015

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/05/15 (p) | Distribution paid 31/05/14 (p) |
|----------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.1042 | – | 0.1042 | n/a |
| Group 2 | 0.0768 | 0.0274 | 0.1042 | n/a |

Final Distribution in pence per share

- Group 1 Shares purchased prior to 1 April 2015
 Group 2 Shares purchased on or after 1 April to 30 September 2015

| | Net revenue (p) | Equalisation (p) | Distribution payable 30/11/15 (p) | Distribution paid 30/11/14 (p) |
|----------------------|-----------------------|---------------------|--|---|
| Share Class A Income | | | | |
| Group 1 | 0.4431 | – | 0.4431 | 0.2223 |
| Group 2 | 0.2802 | 0.1629 | 0.4431 | 0.2223 |

Investment Manager's Report For the year ended 30 September 2015

Investment Objective

The aim is to achieve capital growth.

Investment Policy

The Fund intends to invest primarily in companies incorporated in, or significantly exposed to, developed markets, excluding the United Kingdom and the United States of America. The Fund may also invest in other transferable securities (for example, other international equities which, for the avoidance of doubt, may include equities in the UK and US), units in collective investment schemes, money market instruments, warrants and deposits as detailed in the Prospectus. No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purposes of hedging and efficient portfolio management.

Investment Review

The review period was marked by the sharp selloff in prices of energy and industrial commodities, as well as renewed concerns about global economic growth, especially in China. While most developed economies, led by the U.S., saw healthy economic growth trends, the outlook for emerging economies that are dependent on commodity exports deteriorated.

Strong stock selection effect in sectors such as consumer discretionary, industrials, and healthcare helped the Fund's performance during the period. On the negative side, stock selection was weak in materials, technology and utilities sectors. Allocation effect was also negative during the one year period ended September 30, 2015. From a regional perspective, positive stock selection in Europe helped offset weak selection in Japan and rest of Asia/Pacific.

Additions during the period were discount airline Ryanair Holdings, which could see higher margins due to lower fuel costs and healthier air travel demand; French aircraft and rocket engine manufacturer Safran SA, as airlines continue to renew their fleets with more fuel efficient airplanes; beer maker Heineken NV, and; Societe BIC SA, a manufacturer of pens and disposable consumer products, which should get a boost from healthier consumer spending in the eurozone and other developed markets. We increased the portfolio's exposure to European banking and financial services by adding insurer Ageas SA/NV and Italian banking group Intesa Sanpaolo. Additions to the technology holdings included French technology services provider Atos SE and Cap Gemini, a global technology and consulting service provider.

During the period we exited from positions in Norwegian energy group Statoil ASA, Austrian oil producer OMV AG as well as Australian energy producer Woodside Petroleum, as we substantially reduced the portfolio exposure to the energy sector. French construction group Technip SA; Japanese engineering and construction group JGC Corp; as well as deep sea construction services specialist Subsea 7 SA were also sold, as low oil prices could restrict demand for oil field construction and services. We also sold Australia and New Zealand Banking Group, as the credit growth outlook for its home market is uncertain, and Canadian National Railway which could see lower freight demand for transporting crude oil.

Market Overview

International developed market equities corrected during the review period on increased concerns that further growth slowdown in China and other emerging markets could imperil global economic outlook. The U.S. Fed's decision not to hike interest rates was also seen as reflective of weaker global economic prospects. Prices of energy and most industrial commodities declined substantially on renewed fears about weaker demand in the future. Accordingly, energy and materials sectors were among the biggest detractors from returns for the period. The prospect of lower investments

Investment Manager's Report (continued)
For the year ended 30 September 2015

Market Overview (continued)

in oil fields and mines negatively affected select capital goods manufacturers as well as industrial service providers.

Business and investor sentiment in the Eurozone improved during the second half of the review period as fears of Greece exiting the euro receded. Countries that faced severe fiscal stress in recent years are now seeing an economic rebound, most notably in Spain. The labour markets in the eurozone continued to heal during the period, though unemployment levels remain high in select countries.

The Japanese economy unexpectedly contracted during the second quarter of this year as domestic demand did not recover as forecast. In addition, despite the yen being relatively cheap, exports were also subdued on lacklustre overseas demand.

Outlook

The eurozone economy has sustained the moderate pace of growth in recent months as domestic demand showed signs of improvement. The ECB's bond purchases, started in March, have boosted consumer and business sentiment in the region. Low borrowing costs for an extended period should help strengthen the ongoing recovery in credit demand. Exporters in Europe should gain from healthy U.S. demand, as the euro remains relatively cheap when compared to last year. Domestic demand in the eurozone has seen sustained growth over the last several months, and further gains are likely as the unemployment rate declines and wages rise.

In Japan, the central bank's continuing monetary measures and improved global demand could facilitate moderately paced expansion during the second half of this year. Improved global demand should help exports, as the yen remains close to its lowest level in nearly two years. Businesses have positively responded to the government's call to lift wages, and larger corporations are also announcing more share buybacks. These changes should help domestic demand in Japan grow faster in the coming quarters.

Lower energy and commodity prices could hurt the economic prospects of select countries such as Australia, Norway and Canada. Central banks in all three countries have lowered interest rates this year to boost domestic demand, and their currencies have also weakened. Until there is a meaningful recovery in global demand for oil and industrial commodities, aggregate growth in these economies is likely to be restrained.

Investor unease about a steep fall in global liquidity after the U.S. Fed's initial rate hike, widely expected later this year, appears to be exaggerated. Inflation remains well contained and is unlikely to rise significantly when prices of energy and industrial inputs remain well below the levels seen in recent years. This should allow the Fed to limit the size of future rate hikes and spread the increases over a longer period. Inflation remains well below target in the eurozone and Japan, and should allow the continuation of quantitative easing programs. If inflation does not rise meaningfully, the ECB is likely to increase the size of its bond purchases and possibly extend the program beyond the current schedule.

We remain focused on identifying attractively valued companies that have superior competitive advantages as well as stronger balance sheets. We believe that well managed companies with lower financial leverage are better positioned to survive short term challenges in their operating environment.

Investment Manager

Thomas White International Ltd
13 October 2015

Performance Information

As at 30 September 2015

Ongoing Charge Figure

| | AMC (%) | ACD subsidy (%) | Other expenses (%) | Transaction costs (%) | Total ongoing charge figure (%) |
|----------------------|---------|-----------------|--------------------|-----------------------|---------------------------------|
| 30/09/15 | | | | | |
| Share Class A Income | 0.65 | 0.00 | 0.06 | 0.00 | 0.71 |
| 30/09/14 | | | | | |
| Share Class A Income | 0.65 | (0.07) | 0.08 | 0.06 | 0.72 |

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk and Reward Profile

As at 30 September 2015

| | Typically lower rewards | | | | Typically higher rewards | | |
|---------------|-------------------------|---|---|---|--------------------------|---|---|
| | ← | | | | → | | |
| | Lower risk | | | | Higher risk | | |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | | | | | 5 | | |

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'
- The Fund appears as a "5" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Net Asset Value per Share and Comparative Table

As at 30 September 2015

Net Asset Value

| Date | Net Asset Value of Share Class (£) | Shares in issue | Net Asset Value per Share (p) |
|----------------------|------------------------------------|-----------------|-------------------------------|
| Share Class A Income | | | |
| 30/09/14 | 117,519,845 | 121,889,276 | 96.42 |
| 30/09/15 | 253,108,728 | 270,195,676 | 93.68 |

Price and Revenue History

| Calendar Year | Highest Published Share price (p) | Lowest Published Share price (p) | Net Revenue per Share (p) |
|----------------------|-----------------------------------|----------------------------------|---------------------------|
| Share Class A Income | | | |
| 2014 ¹ | 102.82 | 89.91 | 1.4502 |
| 2015 ² | 108.01 | 93.31 | 1.5830 [†] |

¹ From 3 March to 31 December 2014.

² From 1 January to 30 September 2015.

[†] Includes the distributions paid 31 May and payable 30 November 2015.

Share Class A Income was launched 3 February 2014.

Distribution

The distribution for Share Class A Income is 1.0015p per share, payable 30 November 2015.

Portfolio Statement
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|--|-------------------|--------------------------|
| Australia 0.00% [8.29%] | | | |
| Austria 0.00% [1.29%] | | | |
| Belgium 2.86% [2.01%] | | | |
| 95,700 | Ageas | 2,587,498 | 1.02 |
| 90,500 | UCB | 4,657,718 | 1.84 |
| | | 7,245,216 | 2.86 |
| Canada 2.78% [7.79%] | | | |
| 63,800 | Magna International | 2,009,983 | 0.79 |
| 51,600 | Royal Bank of Canada | 1,873,107 | 0.74 |
| 27,100 | Valeant Pharmaceuticals | 3,175,950 | 1.25 |
| | | 7,059,040 | 2.78 |
| Denmark 1.80% [1.04%] | | | |
| 59,300 | Pandora | 4,557,279 | 1.80 |
| | | 4,557,279 | 1.80 |
| Finland 2.10% [1.64%] | | | |
| 76,000 | Sampo | 2,422,256 | 0.96 |
| 110,800 | Wartsila | 2,895,335 | 1.14 |
| | | 5,317,591 | 2.10 |
| France 16.12% [12.32%] | | | |
| 91,150 | Airbus | 3,553,307 | 1.40 |
| 35,500 | Arkema | 1,512,348 | 0.60 |
| 78,100 | Atos | 3,944,714 | 1.56 |
| 86,800 | BNP Paribas | 3,354,947 | 1.33 |
| 56,200 | Cap Gemini | 3,292,899 | 1.30 |
| 30,900 | Christian Dior | 3,799,313 | 1.50 |
| 34,200 | Cie Generale des Etablissements Michelin | 2,050,993 | 0.81 |
| 54,000 | Eiffage | 2,200,193 | 0.87 |
| 69,800 | Electricite de France | 809,104 | 0.32 |
| 67,700 | Safran | 3,355,567 | 1.33 |
| 23,800 | Societe BIC | 2,432,617 | 0.96 |
| 113,000 | Societe Generale | 3,317,972 | 1.31 |
| 44,675 | Sodexo | 2,429,966 | 0.96 |
| 65,900 | Total | 1,948,592 | 0.77 |
| 31,200 | Valeo | 2,771,674 | 1.10 |
| | | 40,774,206 | 16.12 |
| Germany 12.70% [15.75%] | | | |
| 45,450 | Bayer | 3,831,601 | 1.51 |
| 68,050 | Brenntag | 2,416,854 | 0.95 |
| 24,100 | Continental | 3,377,909 | 1.33 |
| 73,050 | Fresenius | 3,230,997 | 1.28 |
| 96,500 | Fresenius Medical Care | 4,961,539 | 1.96 |
| 68,900 | Henkel Preference | 4,669,158 | 1.84 |
| 37,000 | Hochtief | 2,032,411 | 0.80 |
| 15,600 | Muenchener Rueckversicherungs-Gesellschaft | 1,919,249 | 0.76 |
| 99,000 | ProSiebenSat.1 Media | 3,189,961 | 1.26 |
| 59,800 | SAP | 2,556,815 | 1.01 |
| | | 32,186,494 | 12.70 |

Portfolio Statement (continued)
As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|-------------------------------------|-------------------|--------------------------|
| Hong Kong 9.19% [5.68%] | | | |
| 1,559,000 | AIA | 5,312,031 | 2.10 |
| 795,000 | BOC Hong Kong | 1,537,261 | 0.61 |
| 900,774 | CK Hutchison | 7,711,457 | 3.05 |
| 3,585,000 | Techtronic Industries | 8,688,122 | 3.43 |
| | | 23,248,871 | 9.19 |
| Ireland 2.27% [0.95%] | | | |
| 105,000 | CRH | 1,822,219 | 0.72 |
| 406,200 | Ryanair | 3,916,824 | 1.55 |
| | | 5,739,043 | 2.27 |
| Israel 0.81% [0.00%] | | | |
| 794,000 | Bezeq The Israeli Telecommunication | 1,001,107 | 0.40 |
| 21,400 | Elbit Systems | 1,041,700 | 0.41 |
| | | 2,042,807 | 0.81 |
| Italy 2.76% [0.00%] | | | |
| 1,386,900 | Intesa Sanpaolo | 3,223,495 | 1.27 |
| 917,800 | UniCredit | 3,763,861 | 1.49 |
| | | 6,987,356 | 2.76 |
| Japan 25.27% [23.89%] | | | |
| 422,000 | Asahi Kasei | 1,950,262 | 0.77 |
| 425,600 | Astellas Pharma | 3,614,036 | 1.43 |
| 137,300 | Canon | 2,608,801 | 1.03 |
| 870,000 | Hitachi | 2,874,518 | 1.14 |
| 133,200 | Honda Motor | 2,588,168 | 1.02 |
| 536,200 | Itochu | 3,706,410 | 1.46 |
| 177,600 | Japan Tobacco | 3,602,632 | 1.42 |
| 259,000 | Kansai Paint | 2,312,831 | 0.91 |
| 178,400 | Komatsu | 1,717,975 | 0.68 |
| 4,691,000 | Mizuho Financial | 5,753,399 | 2.27 |
| 223,100 | Nippon Telegraph & Telephone | 5,119,589 | 2.02 |
| 452,300 | Nissan Motor | 2,720,073 | 1.07 |
| 1,234,800 | Nomura | 4,681,531 | 1.85 |
| 380,200 | Orix | 3,204,415 | 1.27 |
| 241,200 | Sekisui House | 2,471,643 | 0.98 |
| 96,700 | SoftBank | 2,914,635 | 1.16 |
| 80,100 | Sundrug | 2,772,818 | 1.10 |
| 64,400 | TDK | 2,381,977 | 0.94 |
| 182,000 | Tokio Marine | 4,440,296 | 1.76 |
| 61,000 | West Japan Railway | 2,508,742 | 0.99 |
| | | 63,944,751 | 25.27 |

Portfolio Statement (continued)
As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|----------------------------------|---------------------------------|--------------------|--------------------------|
| Netherlands 6.01% [1.70%] | | | |
| 97,800 | Heineken | 5,205,673 | 2.06 |
| 306,600 | ING | 2,857,007 | 1.13 |
| 226,700 | Koninklijke Ahold | 2,907,675 | 1.15 |
| 78,300 | Randstad | 3,066,223 | 1.21 |
| 109,351 | RELX | 1,174,093 | 0.46 |
| | | 15,210,671 | 6.01 |
| Norway 0.72% [4.28%] | | | |
| 148,100 | Telenor | 1,817,893 | 0.72 |
| | | 1,817,893 | 0.72 |
| Singapore 1.34% [2.16%] | | | |
| 394,400 | United Overseas Bank | 3,394,975 | 1.34 |
| | | 3,394,975 | 1.34 |
| Spain 2.30% [3.44%] | | | |
| 764,400 | CaixaBank | 1,938,884 | 0.77 |
| 142,600 | Grifols | 3,877,104 | 1.53 |
| | | 5,815,988 | 2.30 |
| Sweden 1.34% [1.47%] | | | |
| 154,600 | Boliden | 1,591,721 | 0.63 |
| 419,300 | Husqvarna | 1,807,003 | 0.71 |
| | | 3,398,724 | 1.34 |
| Switzerland 8.05% [5.60%] | | | |
| 243,000 | Clariant | 2,694,231 | 1.06 |
| 70,000 | Julius Baer | 2,091,399 | 0.83 |
| 24,725 | Roche | 4,289,942 | 1.69 |
| 20,100 | Schindler | 1,936,581 | 0.77 |
| 12,600 | Swiss Life | 1,849,909 | 0.73 |
| 59,400 | Swiss Re | 3,355,156 | 1.33 |
| 342,300 | UBS | 4,162,933 | 1.64 |
| | | 20,380,151 | 8.05 |
| | Portfolio of investments | 249,121,056 | 98.42 |
| | Net other assets | 3,987,672 | 1.58 |
| | Net assets | 253,108,728 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 30 September 2014.

Gross purchases for the year: £221,544,908 [2014: £129,101,508] (See Note 14).

Total sales net of transaction costs for the year: £77,417,213 [2014: £9,241,681] (See Note 14).

Statement of Total Return
For the year ended 30 September 2015

| | Note | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|------|----------------------|---------------------|----------------------|--------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital losses | 2 | | (11,900,086) | | (3,077,728) |
| Revenue | 3 | 5,131,885 | | 1,240,428 | |
| Expenses | 4 | (1,402,799) | | (275,255) | |
| Finance costs: Interest | 6 | (1,142) | | (604) | |
| Net revenue before taxation | | 3,727,944 | | 964,569 | |
| Taxation | 5 | (361,546) | | (94,659) | |
| Net revenue after taxation | | 3,366,398 | | 869,910 | |
| Total return before distributions | | (8,533,688) | | (2,207,818) | |
| Finance costs: Distributions | 6 | (3,366,183) | | (869,910) | |
| Change in net assets attributable to shareholders from investment activities | | | (11,899,871) | | (3,077,728) |

Statement of Change in Net Assets Attributable to Shareholders
For the year ended 30 September 2015

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 117,519,845 | | – |
| Amounts received on issue of shares | 147,982,993 | | 120,576,941 | |
| Less: Amounts paid on cancellation of shares | (494,239) | | – | |
| | | 147,488,754 | | 120,576,941 |
| Dilution adjustment charged | | – | | 20,632 |
| Change in net assets attributable to shareholders from investment activities (see above) | | (11,899,871) | | (3,077,728) |
| Closing net assets attributable to shareholders | | 253,108,728 | | 117,519,845 |

Balance Sheet
 As at 30 September 2015

| | Note | 30/09/15 | | 30/09/14 | |
|--|------|-------------|--------------------|-------------|--------------------|
| | | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 249,121,056 | | 116,696,904 |
| Debtors | 7 | 2,942,347 | | 4,286,835 | |
| Cash and bank balances | 8 | 5,990,023 | | 4,147,644 | |
| Total other assets | | | 8,932,370 | | 8,434,479 |
| Total assets | | | 258,053,426 | | 125,131,383 |
| Liabilities | | | | | |
| Investment liabilities | | | – | | – |
| Creditors | 9 | (2,238,688) | | (5,843,798) | |
| Distribution payable on income shares | | (2,706,010) | | (1,767,740) | |
| Total other liabilities | | | (4,944,698) | | (7,611,538) |
| Total liabilities | | | (4,944,698) | | (7,611,538) |
| Net assets attributable to shareholders | | | 253,108,728 | | 117,519,845 |

Notes to the Financial Statements
For the year ended 30 September 2015

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements, details of which can be found on pages 12, 13, 14 and 15.

2. Net capital losses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| The net capital losses during the year/period comprise: | | |
| Currency losses | (310,149) | (4,634) |
| Non-derivative securities | (11,583,985) | (3,048,520) |
| Transaction charges | (5,952) | (24,574) |
| Net capital losses | (11,900,086) | (3,077,728) |

3. Revenue

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|----------------------|------------------------------|------------------------------|
| Bank interest | 8,068 | 3,083 |
| Overseas dividends | 5,123,817 | 1,237,345 |
| Total revenue | 5,131,885 | 1,240,428 |

4. Expenses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fee | 1,286,809 | 270,074 |
| ACD subsidy | – | (27,880) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 1,286,809 | 242,580 |
| Payable to the Depositary, associates of the Depositary and agents of either of them | | |
| Depositary fees | 53,865 | 17,478 |
| Safe custody fees | 44,222 | 8,787 |
| | 98,087 | 26,265 |
| Other expenses | | |
| Audit fees | 8,790 | 6,203 |
| Out of pocket expenses | 285 | – |
| Professional fees | 4,208 | 207 |
| Publication fees | 4,445 | – |
| Regulatory fees | 175 | – |
| | 17,903 | 6,410 |
| Total expenses | 1,402,799 | 275,255 |

In the prior period the ACD subsidised some of the expenses incurred by the Fund to partly cover the minimum costs charged by third parties.

Audit fees are £7,350 ex VAT (2014: £5,145).

Notes to the Financial Statements (continued)
For the year ended 30 September 2015

5. Taxation

(a) Analysis of the tax charge in the year/period

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Overseas tax | 361,546 | 94,659 |
| Total current tax charge (Note 5 (b)) | 361,546 | 94,659 |
| Deferred tax (Note 5 (c)) | – | – |
| Total taxation for the year/period | 361,546 | 94,659 |

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

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2014: 20%) is applied to the net revenue before taxation. The differences are explained below:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Net revenue before taxation | 3,727,944 | 964,569 |
| Net revenue for the year/period multiplied by the standard rate of corporation tax | 745,589 | 192,914 |
| Effects of: | | |
| Movement in excess management expenses | 282,188 | 55,847 |
| Overseas tax | 361,546 | 94,659 |
| Revenue not subject to corporation tax | (1,027,777) | (248,761) |
| Current tax charge for the year/period | 361,546 | 94,659 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year or prior period.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £338,035 (2014: £55,847) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements (continued)
 For the year ended 30 September 2015

6. Finance costs

Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Interim | 1,151,468 | – |
| Final | 2,706,010 | 1,767,740 |
| Add: Revenue paid on cancellation of shares | 1,192 | – |
| Deduct: Revenue received on creation of shares | (492,487) | (897,830) |
| Net distribution for the year/period | 3,366,183 | 869,910 |
| Interest | 1,142 | 604 |
| Total finance costs | 3,367,325 | 870,514 |
| Reconciliation of net revenue after taxation to distributions | | |
| Net revenue after taxation | 3,366,398 | 869,910 |
| Net movement in revenue account | (215) | – |
| Net distribution for the year/period | 3,366,183 | 869,910 |

Details of the distributions per share are set out in the distribution tables on page 53.

7. Debtors

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Accrued bank interest | 132 | 656 |
| Accrued other revenue | 742,444 | 227,344 |
| Amounts receivable for creation of shares | 1,987,980 | 3,998,967 |
| Overseas withholding tax recoverable | 210,649 | 35,578 |
| Sales awaiting settlement | – | 24,290 |
| Prepaid expenses | 1,142 | – |
| Total debtors | 2,942,347 | 4,286,835 |

8. Cash and bank balances

| | 30/09/15 £ | 30/09/14 £ |
|-------------------------------------|------------------|------------------|
| Cash and bank balances | 5,990,023 | 4,147,644 |
| Total cash and bank balances | 5,990,023 | 4,147,644 |

Notes to the Financial Statements (continued)
 For the year ended 30 September 2015

9. Creditors

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Interest income payable | 30 | – |
| Purchases awaiting settlement | 2,050,595 | 5,777,361 |
| | 2,050,625 | 5,777,361 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fee | 135,591 | 60,733 |
| ACD subsidy | – | (27,879) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 135,591 | 33,240 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 5,006 | 10,107 |
| Safe custody fees | 32,274 | 5,883 |
| Transaction charges | 3,971 | 11,004 |
| | 41,251 | 26,994 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 8,820 | 6,203 |
| Professional fees | 558 | – |
| Publication fees | 1,843 | – |
| | 11,221 | 6,203 |
| Total creditors | 2,238,688 | 5,843,798 |

10. Related party transactions

Related party transactions in the Fund are disclosed in note 10 of the Notes to the Aggregated Financial Statements on pages 19 and 20.

Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund.

| Shareholders | 30/09/15 (%) |
|--|--------------|
| Sterling ISA Managers (Nominees) Limited | 57.9 |
| FundsDirect Nominees Limited | 42.1 |

11. Share classes

Details relating to the Fund are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 20.

12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2014: nil).

Notes to the Financial Statements (continued)
For the year ended 30 September 2015

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 13 of the Notes to the Aggregated Financial Statements on pages 20, 21 and 22.

(a) Foreign currency risk

The table below shows the interest rate risk profile at the balance sheet date:

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|-----------------------------|--------------------|
| | Monetary exposures £ | Non-monetary exposures £ | Total £ |
| 30/09/15 | | | |
| Canadian Dollar | – | 7,059,040 | 7,059,040 |
| Danish Krone | 16,327 | 4,557,279 | 4,573,606 |
| Euro | 231,864 | 119,276,565 | 119,508,429 |
| Hong Kong Dollar | 139,318 | 23,248,870 | 23,388,188 |
| Israeli Shekel | (2,048,232) | 2,042,807 | (5,425) |
| Japanese Yen | 652,063 | 63,944,751 | 64,596,814 |
| Norwegian Krone | – | 1,817,893 | 1,817,893 |
| Singapore Dollar | – | 3,394,976 | 3,394,976 |
| Swedish Krona | – | 3,398,724 | 3,398,724 |
| Swiss Franc | 24,618 | 20,380,151 | 20,404,769 |
| Total foreign currency exposure | (984,042) | 249,121,056 | 248,137,014 |
| Sterling | 4,971,714 | – | 4,971,714 |
| Total net assets | 3,987,672 | 249,121,056 | 253,108,728 |

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|-----------------------------|--------------------|
| | Monetary exposures £ | Non-monetary exposures £ | Total £ |
| 30/09/14 | | | |
| Australian Dollar | (1,017,866) | 9,739,240 | 8,721,374 |
| Canadian Dollar | 8,825 | 9,157,274 | 9,166,099 |
| Danish Krone | – | 1,226,268 | 1,226,268 |
| Euro | (2,037,358) | 45,962,622 | 43,925,264 |
| Hong Kong Dollar | 6,683 | 6,677,577 | 6,684,260 |
| Japanese Yen | (1,542,203) | 28,073,208 | 26,531,005 |
| Norwegian Krone | – | 5,026,708 | 5,026,708 |
| Singapore Dollar | (295,159) | 2,533,395 | 2,238,236 |
| Swedish Krona | – | 1,722,791 | 1,722,791 |
| Swiss Franc | (582,608) | 6,577,821 | 5,995,213 |
| US Dollar | 3,159 | – | 3,159 |
| Total foreign currency exposure | (5,456,527) | 116,696,904 | 111,240,377 |
| Sterling | 6,279,468 | – | 6,279,468 |
| Total net assets | 822,941 | 116,696,904 | 117,519,845 |

Notes to the Financial Statements (continued)
 For the year ended 30 September 2015

13. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2015, 2.37% (30 September 2014: 3.53%) of the Fund's assets were interest bearing.

14. Portfolio transaction costs

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in the year/period | | | | |
| before transaction costs | | 221,079,238 | | 128,858,475 |
| Commissions | 312,289 | | 190,595 | |
| Fees | 153,381 | | 52,438 | |
| Total purchase costs | | 465,670 | | 243,033 |
| Gross purchase total | | 221,544,908 | | 129,101,508 |
| Analysis of total sale costs | | | | |
| Gross sales in the year/period | | | | |
| before transaction costs | | 77,531,328 | | 9,255,987 |
| Commissions | (108,573) | | (13,884) | |
| Fees | (5,542) | | (422) | |
| Total sale costs | | (114,115) | | (14,306) |
| Total sales net of transaction costs | | 77,417,213 | | 9,241,681 |

15. Post balance sheet events

Subsequent to the year end, the Net Asset Value per share of the Fund has increased using the share prices at the year end date compared to 31 December 2015.

A Income shares have increased from 94.50p to 103.64p. This takes into account routine transactions but also reflects the market movements.

There are no post balance sheet events which require adjustments at the year end.

Distribution Table
 As at 30 September 2015

Interim Distribution in pence per share

- Group 1 Shares purchased prior to 1 October 2014
 Group 2 Shares purchased on or after 1 October 2014 to 31 March 2015

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/05/15 (p) | Distribution paid 31/05/14 (p) |
|----------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.5815 | – | 0.5815 | n/a |
| Group 2 | 0.4009 | 0.1806 | 0.5815 | n/a |

Final Distribution in pence per share

- Group 1 Shares purchased prior to 1 April 2015
 Group 2 Shares purchased on or after 1 April to 30 September 2015

| | Net revenue (p) | Equalisation (p) | Distribution payable 30/11/15 (p) | Distribution paid 30/11/14 (p) |
|----------------------|-----------------------|---------------------|--|---|
| Share Class A Income | | | | |
| Group 1 | 1.0015 | – | 1.0015 | 1.4502 |
| Group 2 | 0.4260 | 0.5755 | 1.0015 | 1.4502 |

Investment Manager's Report For the year ended 30 September 2015

Investment Objective

The aim is to achieve capital growth.

Investment Policy

The Fund intends to invest primarily in companies incorporated in, or significantly exposed to, emerging markets. The Fund may also invest in other transferable securities (for example, other international equities), units in collective investment schemes, money market instruments, warrants and deposits as detailed in the Prospectus. No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purposes of hedging and efficient portfolio management.

Investment Review

Despite a period of heightened volatility, the fund outperformed broad measures of global emerging equity markets over the year under review. It is always worth repeating that our country, stock and sector allocations are a function of where the team identifies compelling businesses that are attractively valued, and that we do not shape the portfolio based on any top-down views.

The biggest single-stock driver of positive returns was Indian oil refiner and distributor Hindustan Petroleum (HPCL), a holding we initiated towards the start of the period. Against a singularly negative backdrop for global oil, HPCL continued to post positive performance as investors re-assessed the positive implications for the company of changing dynamics within the Indian energy subsidy environment, in line with our view. Elsewhere in India, large cap HDFC Bank also outperformed for the fund. The company provides mortgage financing and was seen to be among the beneficiaries of a series of interest rate cuts from the Reserve Bank of India. This tied in with our view of structurally lower Indian inflation necessitating rate cuts.

In China, our holding in Chinese stock broker, CITIC Securities, saw its share price rise strongly in the early part of the period on an improved outlook for the domestic Chinese A-share market and an expectation that a slew of new IPOs would boost earnings in 2015. We trimmed the position on that basis once we felt that much of this positive change was reflected in the price.

On the negative side, our Brazilian holdings were hurt by a prolonged, broad-based sell-off in Brazilian stocks, driven by deteriorating economic data which, together with lower commodity prices, hurt sentiment in a country that is a net exporter of energy and materials. This impacted our holding in construction equipment rental company Mills, which, alongside educational company Ser Educacional, reached valuation levels at which we felt the cash-generative potential of the businesses was significantly undervalued. We added to these positions late in the year, together with other selected names across the emerging markets universe in instances where we similarly felt that broad market sell-offs had produced individual company valuations that were excessively pessimistic given the underlying strengths of the businesses.

Investment Manager's Report (continued)

For the year ended 30 September 2015

Market Overview

The year to end September 2015 was a mixed period for emerging markets. The first half of the period was characterised by an improvement in the investment environment as political tensions generally eased and monetary policy assuaged investor concerns. Fears surrounding the impact of possible US monetary tightening and a strengthening dollar brought heightened volatility across global markets. The slump in oil prices which started in the first half of 2014 saw Brent Crude dropping to multi-year lows. Markets interpreted slowing economic data from China as signs that its transition from an industrialising nation towards a domestic demand-driven economy would be problematic. The associated commodity price falls were positive for energy importing markets like India but compounded problems for energy-exporters like Russia and Brazil.

There was a resurgence of investor confidence in early 2015, combined with a sharp rally in domestic Chinese A-share equities (which we do not own in the fund) that ended with a sharp sell-off across global markets late summer.

Outlook

The final months of the year under review were a difficult period for emerging markets, as the market focused more on immediate macro-economic challenges than company fundamentals. Investors were concerned about the potential impact of higher US interest rates, levels of debt and growth in China, and the impact of weaker commodity prices on commodity exporting countries.

While these concerns are reasonable, one should also remember that a Federal Reserve interest rate hike has been widely anticipated for some time, which means it should already be largely reflected in emerging market equity prices. As for China, while the level of corporate borrowing has risen significantly in recent years, most of this is local currency debt from state owned companies, so the risk to the economy is less than headline numbers might suggest. Finally, lower commodity prices do represent a challenge for some countries but they are having a positive impact on others, like India, where a lower oil price has given the government breathing room to improve its finances and reduce fuel subsidies.

At times like this, when valuations are depressed, strong long term returns are often available to investors willing to look beyond short term headwinds. In many cases, we believe recent declines have created opportunities to add to stocks which we believe have been oversold. We continue to find and invest in a number of businesses that are experiencing positive change that doesn't appear to be reflected in the share price. And with emerging market stocks having lagged those in developed markets, we also find businesses with potentially better growth prospects than their developed market peers but which are significantly cheaper.

Investment Manager

Jupiter Asset Management Limited
14 October 2015

Performance Information
As at 30 September 2015

Ongoing Charge Figure

| | AMC (%) | ACD subsidy (%) | Other expenses (%) | Transaction costs (%) | Total ongoing charge figure (%) |
|----------------------------------|---------|-----------------|--------------------|-----------------------|---------------------------------|
| 30/09/15 Share Class A Income | 0.75 | 0.00 | 0.13 | 0.04 | 0.92 |
| 30/09/14 Share Class A Income | 0.75 | (0.06) | 0.15 | 0.07 | 0.91 |

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk and Reward Profile
As at 30 September 2015

| | Typically lower rewards | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|--------------------------|---|---|---|
| | ←-----→ | | | | | | |
| | Lower risk | | | Higher risk | | | |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | | | | | | 6 | |

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Net Asset Value per Share and Comparative Table

As at 30 September 2015

Net Asset Value

| Date | Net Asset Value of Share Class (£) | Shares in issue | Net Asset Value per Share (p) |
|----------------------|------------------------------------|-----------------|-------------------------------|
| Share Class A Income | | | |
| 30/09/14 | 64,712,486 | 63,065,761 | 102.61 |
| 30/09/15 | 129,358,458 | 145,193,717 | 89.09 |

Price and Revenue History

| Calendar Year | Highest Published Share price (p) | Lowest Published Share price (p) | Net Revenue per Share (p) |
|----------------------|-----------------------------------|----------------------------------|---------------------------|
| Share Class A Income | | | |
| 2014 ¹ | 113.73 | 98.32 | 1.0368 |
| 2015 ² | 122.98 | 84.45 | 1.1728 [†] |

¹ From 3 March to 31 December 2014.

² From 1 January to 30 September 2015.

[†] Includes the distributions paid 31 May and payable 30 November 2015.

Share Class A Income was launched 3 February 2014.

Distribution

The distribution for Share Class A Income is 1.0388p per share, payable 30 November 2015.

Portfolio Statement

As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|--|-------------------|--------------------------|
| Brazil 5.72% [12.36%] | | | |
| 133,000 | Cia Brasileira de Distribuicao Preference Shares | 1,119,920 | 0.87 |
| 524,890 | Itau Unibanco Preference Shares | 2,333,660 | 1.80 |
| 1,659,700 | Mills Estruturas e Servicos de Engenharia | 1,257,787 | 0.97 |
| 2,656,100 | Randon Implementos e Participacoes Preference Shares | 1,297,202 | 1.00 |
| 976,500 | Ser Educacional | 1,392,903 | 1.08 |
| | | 7,401,472 | 5.72 |
| Canada 0.75% [0.00%] | | | |
| 397,400 | First Quantum Minerals | 974,971 | 0.75 |
| | | 974,971 | 0.75 |
| China 20.31% [11.39%] | | | |
| 25,900 | Baidu ADR* | 2,344,773 | 1.82 |
| 7,271,000 | Bank of China | 2,052,305 | 1.59 |
| 1,488,000 | Boer Power | 1,642,053 | 1.27 |
| 217,700 | China Distance Education ADR* | 1,821,698 | 1.41 |
| 859,000 | China Life Insurance | 1,953,559 | 1.51 |
| 5,362,000 | China Petroleum & Chemical | 2,151,679 | 1.66 |
| 2,435,000 | Geely Automobile | 759,756 | 0.59 |
| 233,559 | Hollysys Automation Technologies | 2,688,461 | 2.09 |
| 79,800 | Homeinns Hotel ADR* | 1,511,137 | 1.17 |
| 2,372,000 | Lenovo | 1,312,819 | 1.01 |
| 2,681,500 | Longfor Properties | 2,227,316 | 1.72 |
| 143,200 | New Oriental Education & Technology ADR* | 1,903,107 | 1.47 |
| 4,848,000 | Shandong Weigao Medical Polymer | 2,003,126 | 1.55 |
| 169,500 | Vipshop ADR* | 1,876,261 | 1.45 |
| | | 26,248,050 | 20.31 |
| Egypt 1.80% [0.00%] | | | |
| 577,893 | Commercial International Bank Egypt GDR** | 2,334,114 | 1.80 |
| | | 2,334,114 | 1.80 |
| Germany 0.00% [1.64%] | | | |
| Greece 0.00% [0.59%] | | | |
| Hong Kong 3.69% [12.22%] | | | |
| 4,226,000 | Beijing Enterprises Water | 1,929,359 | 1.49 |
| 3,426,000 | China Unicom Hong Kong | 2,851,542 | 2.20 |
| | | 4,780,901 | 3.69 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|----------------------------------|-------------------------------|-------------------|--------------------------|
| India 8.04% [6.98%] | | | |
| 41,200 | HDFC Bank ADR* | 1,659,185 | 1.28 |
| 335,232 | Hindustan Petroleum | 2,603,592 | 2.01 |
| 1,007,700 | Oriental Bank of Commerce | 1,330,066 | 1.03 |
| 117,309 | Syngene International | 381,172 | 0.29 |
| 155,000 | Tata Motors ADR* | 2,296,865 | 1.78 |
| 378,826 | Tech Mahindra | 2,138,628 | 1.65 |
| | | 10,409,508 | 8.04 |
| Indonesia 3.58% [2.55%] | | | |
| 6,802,400 | Bank Negara Indonesia Persero | 1,273,953 | 0.98 |
| 32,437,600 | Bumi Serpong Damai | 2,064,296 | 1.60 |
| 1,769,500 | Matahari Department Store | 1,290,985 | 1.00 |
| | | 4,629,234 | 3.58 |
| Malaysia 1.19% [0.00%] | | | |
| 8,301,000 | UEM Sunrise | 1,535,677 | 1.19 |
| | | 1,535,677 | 1.19 |
| Mexico 6.76% [5.00%] | | | |
| 2,434,600 | Gentera | 2,654,676 | 2.05 |
| 1,633,400 | Fibra Uno Administracion*** | 2,251,140 | 1.74 |
| 376,100 | Fomento Economico Mexicano | 2,241,433 | 1.73 |
| 995,500 | Grupo Mexico | 1,607,011 | 1.24 |
| | | 8,754,260 | 6.76 |
| Nigeria 1.33% [0.00%] | | | |
| 103,284,025 | Access Bank | 1,719,679 | 1.33 |
| | | 1,719,679 | 1.33 |
| Panama 0.92% [1.16%] | | | |
| 42,864 | Copa | 1,184,218 | 0.92 |
| | | 1,184,218 | 0.92 |
| Peru 1.48% [1.43%] | | | |
| 27,312 | Credicorp | 1,914,018 | 1.48 |
| | | 1,914,018 | 1.48 |
| Phillipines 0.00% [1.82%] | | | |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|------------------------------------|---|-------------------|--------------------------|
| Russia 5.70% [1.35%] | | | |
| 20,254 | Magnit | 2,371,407 | 1.83 |
| 116,997 | Mail.Ru GDR** | 1,341,338 | 1.04 |
| 212,617 | MMC Norilsk Nickel ADR* | 2,007,513 | 1.55 |
| 27,219 | Novatek OAO GDR** | 1,658,034 | 1.28 |
| | | 7,378,292 | 5.70 |
| South Africa 4.87% [6.04%] | | | |
| 202,567 | MTN | 1,743,435 | 1.35 |
| 35,149 | Naspers | 2,940,876 | 2.27 |
| 110,153 | Tiger Brands | 1,619,097 | 1.25 |
| | | 6,303,408 | 4.87 |
| South Korea 15.94% [12.99%] | | | |
| 40,765 | Hyundai Motor Preference Shares | 2,566,034 | 1.99 |
| 29,187 | LG Chem Preference Shares | 3,092,130 | 2.39 |
| 3,148 | LG Household & Health Care | 1,510,948 | 1.17 |
| 418,897 | LG Uplus | 2,836,947 | 2.19 |
| 9,254 | Samsung Electronics GDR** | 2,881,015 | 2.23 |
| 6,960 | Samsung Electronics Preference Shares | 3,563,564 | 2.75 |
| 8,155 | Samsung Fire & Marine Insurance | 1,281,040 | 0.99 |
| 153,309 | SK Hynix | 2,886,486 | 2.23 |
| | | 20,618,164 | 15.94 |
| Taiwan 9.09% [10.09%] | | | |
| 4,255,000 | AcBel Polytech | 1,650,046 | 1.28 |
| 2,649,000 | Advanced Semiconductor Engineering | 1,870,883 | 1.45 |
| 366,000 | Ginko International | 2,434,158 | 1.89 |
| 23,000 | Largan Precision | 1,183,062 | 0.91 |
| 402,000 | MediaTek | 1,966,820 | 1.52 |
| 193,100 | Taiwan Semiconductor Manufacturing ADR* | 2,640,065 | 2.04 |
| | | 11,745,034 | 9.09 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---|---------------------------------|--------------------|--------------------------|
| Thailand 0.00% [2.56%] | | | |
| Turkey 1.58% [0.73%] | | | |
| 486,070 | Ulker Biskuvi Sanayi | 2,047,500 | 1.58 |
| | | 2,047,500 | 1.58 |
| United Arab Emirates 1.27% [0.63%****] | | | |
| 197,489 | Al Noor Hospitals | 1,642,121 | 1.27 |
| | | 1,642,121 | 1.27 |
| United Kingdom 0.00% [1.94%****] | | | |
| United States 2.24% [1.59%] | | | |
| 504,000 | Bizlink | 1,437,999 | 1.11 |
| 81,593 | Eros International | 1,461,761 | 1.13 |
| | | 2,899,760 | 2.24 |
| | Portfolio of investments | 124,520,381 | 96.26 |
| | Net other assets | 4,838,077 | 3.74 |
| | Net assets | 129,358,458 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 30 September 2014.

* American Depositary Receipt.

** Global Depositary Receipt.

*** Real Estate Investment Trust.

**** Since the previous report the classification headings have been updated by data providers. Comparative figures have been updated where appropriate.

Gross purchases for the year: £163,979,164 [2014: £70,807,403] (See Note 14).

Total sales net of transaction costs for the year: £80,488,221 [2014: £9,473,004] (See Note 14).

Statement of Total Return
 For the year ended 30 September 2015

| | Note | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|------|----------------------|---------------------|----------------------|---------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital (losses)/gains | 2 | | (20,664,907) | | 77,575 |
| Revenue | 3 | 2,544,323 | | 697,135 | |
| Expenses | 4 | (923,286) | | (198,285) | |
| Finance costs: Interest | 6 | (608) | | (499) | |
| Net revenue before taxation | | 1,620,429 | | 498,351 | |
| Taxation | 5 | (406,126) | | (63,938) | |
| Net revenue after taxation | | | 1,214,303 | | 434,413 |
| Total return before distributions | | | (19,450,604) | | 511,988 |
| Finance costs: Distributions | 6 | | (1,345,044) | | (465,482) |
| Change in net assets attributable to shareholders from investment activities | | | (20,795,648) | | 46,506 |

Statement of Change in Net Assets Attributable to Shareholders
 For the year ended 30 September 2015

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 64,712,486 | | – |
| Amounts received on issue of shares | 85,746,709 | | 64,654,597 | |
| Less: Amounts paid on cancellation of shares | (305,089) | | – | |
| | | 85,441,620 | | 64,654,597 |
| Dilution adjustment charged | | – | | 11,400 |
| Stamp duty reserve tax* | | – | | (17) |
| Change in net assets attributable to shareholders from investment activities (see above) | | (20,795,648) | | 46,506 |
| Closing net assets attributable to shareholders | | 129,358,458 | | 64,712,486 |

* Abolished from 30 March 2014 for OEICs.

Balance Sheet

As at 30 September 2015

| | Note | 30/09/15 | | 30/09/14 | |
|--|------|-------------|--------------------|-------------|-------------------|
| | | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 124,520,381 | | 61,514,916 |
| Debtors | 7 | 5,132,382 | | 1,553,563 | |
| Cash and bank balances | 8 | 2,574,037 | | 4,766,495 | |
| Total other assets | | | 7,706,419 | | 6,320,058 |
| Total assets | | | 132,226,800 | | 67,834,974 |
| Liabilities | | | | | |
| Creditors | 9 | (1,360,070) | | (2,468,615) | |
| Distribution payable on income shares | | (1,508,272) | | (653,873) | |
| Total other liabilities | | | (2,868,342) | | (3,122,488) |
| Total liabilities | | | (2,868,342) | | (3,122,488) |
| Net assets attributable to shareholders | | | 129,358,458 | | 64,712,486 |

Notes to the Financial Statements

For the year ended 30 September 2015

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements, details of which can be found on pages 12, 13, 14 and 15.

2. Net capital (losses)/gains

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| The net capital (losses)/gains during the year/period comprise: | | |
| Currency losses | (132,734) | (82,515) |
| Forward currency contracts | (354) | (4,611) |
| Non-derivative securities | (20,487,867) | 180,537 |
| Transaction charges | (43,952) | (15,836) |
| Net capital (losses)/gains | (20,664,907) | 77,575 |

3. Revenue

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--------------------------|------------------------------|------------------------------|
| Bank interest | 4,925 | 2,428 |
| Offshore funds dividends | – | 10,196 |
| Overseas dividends | 2,515,804 | 657,936 |
| UK dividends | 23,594 | 26,575 |
| Total revenue | 2,544,323 | 697,135 |

4. Expenses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fee | 786,986 | 176,877 |
| ACD subsidy | – | (14,901) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 786,986 | 162,362 |
| Payable to the Depositary, associates of the Depositary and agents of either of them | | |
| Depositary fees | 30,755 | 11,259 |
| Safe custody fees | 80,358 | 14,479 |
| ADR charges | – | 3,572 |
| | 111,113 | 29,310 |
| Other expenses | | |
| Audit fees | 8,790 | 6,203 |
| Out of pocket expenses | 4,760 | – |
| Professional fees | 7,328 | 410 |
| Publication fees | 4,133 | – |
| Regulatory fees | 176 | – |
| | 25,187 | 6,613 |
| Total expenses | 923,286 | 198,285 |

In the prior period the ACD subsidised some of the expenses incurred by the Fund to partly cover the minimum costs charged by third parties.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

5. Taxation

(a) Analysis of the tax charge in the year/period

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Overseas tax | 283,632 | 63,938 |
| Overseas capital gains tax | 122,494 | – |
| Total current tax charge (Note 5 (b)) | 406,126 | 63,938 |
| Deferred tax (Note 5 (c)) | – | – |
| Total taxation for the year/period | 406,126 | 63,938 |

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

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2014: 20%) is applied to the net revenue before taxation. The differences are explained below:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Net revenue before taxation | 1,620,429 | 498,351 |
| Net revenue for the year/period multiplied by the standard rate of corporation tax | 324,086 | 99,670 |
| Effects of: | | |
| Capital gains on offshore funds | 15,811 | 23,583 |
| Movement in excess management expenses | 148,578 | 14,150 |
| Overseas capital gains tax | 122,494 | – |
| Overseas tax | 283,632 | 63,938 |
| Overseas tax expensed | (4,439) | (288) |
| Revenue not subject to corporation tax | (484,036) | (137,115) |
| Current tax charge for the year/period | 406,126 | 63,938 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year or prior period.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £162,728 (2014: £6,662) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

6. Finance costs

Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Interim | 131,480 | – |
| Final | 1,508,272 | 653,873 |
| Add: Revenue paid on cancellation of shares | 99 | – |
| Deduct: Revenue received on creation of shares | (294,807) | (188,391) |
| Net distribution for the year/period | 1,345,044 | 465,482 |
| Interest | 608 | 499 |
| Total finance costs | 1,345,652 | 465,981 |
| Reconciliation of net revenue after taxation to distributions | | |
| Net revenue after taxation | 1,214,303 | 434,413 |
| Capital gains tax | 122,493 | – |
| Net movement in revenue account | (78) | – |
| Tax relief from capital* | 8,326 | 31,069 |
| Net distribution for the year/period | 1,345,044 | 465,482 |

* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on offshore capital gains.

Details of the distributions per share are set out in the distribution tables on page 71.

7. Debtors

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Accrued bank interest | 80 | 477 |
| Accrued other revenue | 116,520 | 59,288 |
| Amounts receivable for creation of shares | 3,386,514 | 1,360,335 |
| Sales awaiting settlement | 1,628,732 | 133,463 |
| Prepaid expenses | 536 | – |
| Total debtors | 5,132,382 | 1,553,563 |

8. Cash and bank balances

| | 30/09/15 £ | 30/09/14 £ |
|-------------------------------------|------------------|------------------|
| Cash and bank balances | 2,574,037 | 4,766,495 |
| Total cash and bank balances | 2,574,037 | 4,766,495 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

9. Creditors

| | 30/09/15 | 30/09/14 |
|---|------------------|------------------|
| | £ | £ |
| Interest income payable | 4 | – |
| Purchases awaiting settlement | 1,174,526 | 2,413,505 |
| | 1,174,530 | 2,413,505 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fee | 76,245 | 39,968 |
| ACD subsidy | – | (14,901) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 76,245 | 25,435 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 2,440 | 6,408 |
| Safe custody fees | 61,655 | 9,485 |
| Transaction charges | 33,996 | 7,561 |
| | 98,091 | 23,454 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 8,820 | 6,203 |
| Professional fees | 558 | – |
| Publication fees | 1,825 | – |
| Regulatory fees | 1 | – |
| | 11,204 | 6,203 |
| Total creditors | 1,360,070 | 2,468,615 |

10. Related party transactions

Related party transactions in the Fund are disclosed in note 10 of the Notes to the Aggregated Financial Statements on pages 19 and 20.

Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund

| Shareholders | 30/09/15 (%) |
|--|--------------|
| Sterling ISA Managers (Nominees) Limited | 57.1 |
| FundsDirect Nominees Limited | 42.8 |

11. Share classes

Details relating to the Fund are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 20.

12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2014: nil).

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 13 of the Notes to the Aggregated Financial Statements on pages 20, 21 and 22.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|-----------------------------|--------------------|
| | Monetary exposures £ | Non-monetary exposures £ | Total £ |
| 30/09/15 | | | |
| Brazilian Real | (100,775) | 7,401,472 | 7,300,697 |
| Canadian Dollar | – | 974,971 | 974,971 |
| Hong Kong Dollar | (241,814) | 18,883,514 | 18,641,700 |
| Indian Rupee | (21,900) | 6,453,458 | 6,431,558 |
| Indonesian Rupiah | (100,093) | 4,629,234 | 4,529,141 |
| Malaysian Ringgit | – | 1,535,677 | 1,535,677 |
| Mexican Peso | – | 8,754,260 | 8,754,260 |
| New Taiwan Dollar | 87,452 | 10,542,968 | 10,630,420 |
| Nigerian Naira | – | 1,719,679 | 1,719,679 |
| South African Rand | (1) | 6,303,408 | 6,303,407 |
| South Korean Won | 440,316 | 17,737,149 | 18,177,465 |
| Thai Baht | 1,183,173 | – | 1,183,173 |
| Turkish Lira | – | 2,047,500 | 2,047,500 |
| US Dollar | 472,878 | 35,894,970 | 36,367,848 |
| Total foreign currency exposure | 1,719,236 | 122,878,260 | 124,597,496 |
| Sterling | 3,118,841 | 1,642,121 | 4,760,962 |
| Total net assets | 4,838,077 | 124,520,381 | 129,358,458 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

13. Derivatives and other financial instruments (continued)

| Currency | Net foreign currency assets/(liabilities) | | Total £ |
|--|---|--------------------------------|-------------------|
| | Monetary exposures £ | Non-monetary exposures £ | |
| 30/09/14 | | | |
| Brazilian Real | (368,935) | 6,609,600 | 6,240,665 |
| Euro | – | 379,641 | 379,641 |
| Hong Kong Dollar | (305,631) | 13,823,200 | 13,517,569 |
| Indonesian Rupiah | (226,537) | 1,650,685 | 1,424,148 |
| Mexican Peso | – | 3,237,385 | 3,237,385 |
| New Taiwan Dollar | 98,310 | 4,253,894 | 4,352,204 |
| Philippine Peso | – | 1,175,540 | 1,175,540 |
| South African Rand | (274,618) | 3,909,690 | 3,635,072 |
| South Korean Won | (518,206) | 6,494,607 | 5,976,401 |
| Thai Baht | 1,162 | 1,656,762 | 1,657,924 |
| Turkish Lira | – | 470,354 | 470,354 |
| US Dollar | (31,915) | 16,189,153 | 16,157,238 |
| Total foreign currency exposure | (1,626,370) | 59,850,511 | 58,224,141 |
| Sterling | 4,823,940 | 1,664,405 | 6,488,345 |
| Total net assets | 3,197,570 | 61,514,916 | 64,712,486 |

(b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2015, 1.99% (30 September 2014: 7.37%) of the Fund's assets were interest bearing.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

14. Portfolio transaction costs

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in the year/period before transaction costs | | 163,697,247 | | 70,641,216 |
| Commissions | 206,703 | | 127,239 | |
| Fees | 75,214 | | 38,948 | |
| Total purchase costs | | 281,917 | | 166,187 |
| Gross purchase total | | 163,979,164 | | 70,807,403 |
| Analysis of total sale costs | | | | |
| Gross sales in the year/period before transaction costs | | 80,675,920 | | 9,488,047 |
| Commissions | (119,358) | | (12,612) | |
| Fees | (68,341) | | (2,431) | |
| Total sale costs | | (187,699) | | (15,043) |
| Total sales net of transaction costs | | 80,488,221 | | 9,473,004 |

15. Post balance sheet events

Subsequent to the year end, the Net Asset Value per share of the Fund has increased using the share prices at the year end date compared to 31 December 2015.

A Income shares have increased from 89.03p to 96.56p. This takes into account routine transactions but also reflects the market movements.

There are no post balance sheet events which require adjustments at the year end.

Distribution Table

As at 30 September 2015

Interim Distribution in pence per share

- Group 1 Shares purchased prior to 1 October 2014
 Group 2 Shares purchased on or after 1 October 2014 to 31 March 2015

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/05/15 (p) | Distribution paid 31/05/14 (p) |
|----------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.1340 | – | 0.1340 | n/a |
| Group 2 | 0.0980 | 0.0360 | 0.1340 | n/a |

Final Distribution in pence per share

- Group 1 Shares purchased prior to 1 April 2015
 Group 2 Shares purchased on or after 1 April to 30 September 2015

| | Net revenue (p) | Equalisation (p) | Distribution payable 30/11/15 (p) | Distribution paid 30/11/14 (p) |
|----------------------|-----------------------|---------------------|--|---|
| Share Class A Income | | | | |
| Group 1 | 1.0388 | – | 1.0388 | 1.0368 |
| Group 2 | 0.4532 | 0.5856 | 1.0388 | 1.0368 |

Investment Manager's Report

As at 30 September 2015

Investment Objective

To achieve a return of a combination of income and capital growth.

Investment Policy

The Fund intends to invest (directly or indirectly) primarily in non-Sterling denominated government and non-government fixed and variable interest rate securities. The Fund may also invest in other transferable securities (for example, Sterling denominated fixed and variable interest rate securities), units in collective investment schemes, money market instruments, deposits, derivative instruments and warrants as detailed in the Prospectus. No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purposes of hedging and efficient portfolio management.

Investment Review

While the investment themes in place in the portfolio correctly described the macroeconomic progress of developed economies, the implementation of these themes did not correctly capture the more bearish market sentiment arising from the slowdown in emerging growth. Central to this was a less bearish view on China and an altogether too rational approach to a fall in oil prices. This, coupled with an under appreciation of the sensitivity of central bankers to the cost of being early when normalising monetary policy, led to our being positioned far ahead of the market.

In Q4 2014, the portfolio held an underweight US duration position, which underperformed during an environment in which market demand for US duration increased as the price of oil continued to fall. The resulting pressure on short-term US inflation expectations drove the market to further delay its expectations of US interest rate normalization.

In 2015, markets witnessed progress on the economic front from developed economies, but with emerging economies, including China, underperforming overall. The US, UK and even Europe have seen improvements in employment and consumer confidence has remained on an upward trajectory. However, the inflation environment has remained relatively stagnant.

Given our expectation of higher interest rates and inflation in both the US and UK, short positions in duration in both countries underperformed. Overall duration trades underperformed, albeit partially offset by European duration exposure, with underweight positions at the longer end of the European curve particularly positive in Q2, before switching to overweight European duration at the end of that quarter. As an offset to the negative carry duration positions in US and UK the portfolio was long US credit, particularly the longer end of the investment grade credit curve.

As the low yield environment continues to extend ever further corporates are taking advantage of low interest costs to secure cheap funding for even longer periods. Accordingly USD credit issuance has moved progressively further along the curve leading to an increase in supply at longer dated maturities, causing a steepening of the USD credit curve and underperformance of active credit exposure.

During the most recent period of market volatility sparked by fears over Chinese growth and the further downturn in oil, both the Mexican Peso and Norwegian Krone underperformed, making a negative contribution to performance overall. Ultimately, positions designed to offset the negative duration stance coming from our view that central banks can increase interest rates ahead of market expectations became risk compounds in adverse market conditions.

Investment Manager's Report (continued)
As at 30 September 2015**Outlook**

Over the course of 2015, China's gradual but persistent economic deterioration, and the accompanying volatility, has become one of the more significant issues for bond markets. This sentiment has since been reflected by both Fed Chair Janet Yellen and BoE Governor Mark Carney. Although the US and the UK economies remain robust, with particularly encouraging data building in labour markets and wage growth, neither central bank has yet raised rates.

The dwindling tenure of extreme policy accommodation in the US remains a focal point for markets, but it is worth noting that we are still some distance away from putting quantitative easing behind us. The Bank of Japan has not made any change to its own quantitative easing scheme and the ECB's asset purchases have not abated. Indeed, the ECB may make use of the flexibility it left itself at the outset of the programme to extend support mechanisms further.

We do not anticipate altering our view on China in the near term, and prolonged weakness from the country will weigh on certain areas of the market. We are cautious on cyclical names, and remain underweight in issues reliant on emerging markets for growth. The effect of an orderly slowdown from China should be limited in the US and the eurozone, but countries with high levels of exposure to commodity prices such as Canada and Australia, may suffer if the softness in Chinese growth is protracted.

The good news is that the certain areas of the market are now more reflective of this backdrop than at the start of 2015. The corporate bond market has been more active in reflecting the changing environment than most other asset classes. Yield spreads have widened to an attractive extent in some areas. US issuance has been high, but primary markets in Europe and the UK have been less active and technical support remains robust for corporate bonds. Despite our optimism based on underlying demand and solid corporate fundamentals, we are cautious of advocating unilateral exposure to credit markets.

Energy exposure in US corporate bonds will continue to act as a headwind while the oil price languishes at this level. Furthermore, disinflationary pressures are detrimental to real earnings, with highly leveraged or capital intensive businesses particularly susceptible to this threat. Sovereign bonds are notably more expensive than corporate bond markets, but if the ongoing view is for a sustained period of low global growth or even bouts of deceleration, then government rates should remain well supported.

Investment Manager

Schroder Investment Management Limited

14 October 2015

Performance Information

As at 30 September 2015

Ongoing Charge Figure

| Date | AMC (%) | ACD subsidy (%) | Other expenses (%) | Transaction costs (%) | Total ongoing charge figure (%) |
|----------------------|---------|-----------------|--------------------|-----------------------|---------------------------------|
| 30/09/15 | | | | | |
| Share Class A Income | 0.45 | 0.00 | 0.07 | 0.02 | 0.54 |
| 30/09/14 | | | | | |
| Share Class A Income | 0.45 | (0.06) | 0.11 | 0.07 | 0.57 |

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk and Reward Profile

As at 30 September 2015

| | Typically lower rewards | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|--------------------------|---|---|---|
| | Lower risk | | | Higher risk | | | |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Net Asset Value per Share and Comparative Table

As at 30 September 2015

Net Asset Value

| Date | Net Asset Value of Share Class (£) | Shares in issue | Net Asset Value per Share (p) |
|----------------------|------------------------------------|-----------------|-------------------------------|
| Share Class A Income | | | |
| 30/09/14 | 52,794,569 | 51,976,642 | 101.57 |
| 31/09/15 | 124,355,146 | 121,415,397 | 102.42 |

Price and Revenue History

| Calendar Year | Highest Published Share price (p) | Lowest Published Share price (p) | Net Revenue per Share (p) |
|----------------------|-----------------------------------|----------------------------------|---------------------------|
| Share Class A Income | | | |
| 2014 ¹ | 105.00 | 99.17 | 0.5075 |
| 2015 ² | 108.22 | 98.89 | 1.0015 [†] |

¹ From 3 March to 31 December 2014.

² From 1 January to 30 September 2015.

[†] Includes the distributions paid 31 May and payable 30 November 2015.

Share Class A Income was launched 3 February 2014.

Distribution

The distribution for Share Class A Income is 0.4973p per share, payable 30 November 2015.

Portfolio Statement

As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------------|--|-------------------|--------------------------|
| Africa – General 0.28% [0.00%] | | | |
| EUR 750,000 | African Development Bank 2.75% 03/02/2020 | 347,629 | 0.28 |
| | | 347,629 | 0.28 |
| Australia 0.87% [1.83%] | | | |
| AUD 500,000 | Australia Government Bond 3.25% 21/04/2025 | 244,460 | 0.20 |
| AUD 850,000 | Australia Government Bond 6% 15/02/2017 | 415,610 | 0.33 |
| AUD 500,000 | New South Wales Treasury 6% 01/03/2022 | 278,438 | 0.22 |
| EUR 200,000 | Westpac Banking 1.5% 24/03/2021 | 154,075 | 0.12 |
| | | 1,092,583 | 0.87 |
| Belgium 2.21% [3.17%] | | | |
| EUR 500,000 | Anheuser-Busch InBev FRN 0.339% 29/03/2018 | 368,276 | 0.30 |
| EUR 1,200,000 | Belgium Government Bond 4% 28/03/2017 | 939,519 | 0.76 |
| EUR 850,000 | European Union 1.875% 04/04/2024 | 690,774 | 0.56 |
| USD 1,110,000 | Kingdom of Belgium 1.125% 05/03/2018 | 734,634 | 0.59 |
| | | 2,733,203 | 2.21 |
| Brazil 0.31% [0.50%] | | | |
| USD 600,000 | Brazilian Government International Bond 4.875% 22/01/2021 | 385,212 | 0.31 |
| | | 385,212 | 0.31 |
| Canada 5.94% [3.73%] | | | |
| GBP 1,000,000 | Bank of Montreal FRN 0.76906% 29/01/2019 | 998,690 | 0.80 |
| GBP 350,000 | Bank of Nova Scotia FRN 0.77531% 02/11/2017 | 349,661 | 0.28 |
| CAD 2,600,000 | Canada Housing Trust No 1 2.9% 15/06/2024 | 1,383,150 | 1.11 |
| CAD 2,400,000 | Canadian Government Bond 2.75% 01/06/2022 | 1,306,251 | 1.05 |
| GBP 230,000 | Canadian Imperial Bank of Commerce 0.375% 15/10/2019 | 169,697 | 0.14 |
| USD 300,000 | Province of Quebec Canada 2.875% 16/10/2024 | 202,509 | 0.16 |
| USD 1,000,000 | Royal Bank of Canada FRN 0.5806% 13/10/2017 | 657,092 | 0.53 |
| USD 750,000 | Royal Bank of Canada 1.875% 05/02/2021 | 494,710 | 0.40 |
| USD 300,000 | Toronto-Dominion Bank 2.25% 05/11/2019 | 199,758 | 0.16 |
| GBP 200,000 | Toronto-Dominion Bank FRN 0.5871% 06/01/2017 | 131,952 | 0.11 |
| USD 1,000,000 | Toronto-Dominion Bank FRN 0.78938% 16/04/2018 | 998,110 | 0.80 |
| USD 750,000 | Toronto-Dominion Bank FRN 0.793% 09/09/2016 | 496,354 | 0.40 |
| | | 7,387,934 | 5.94 |
| Denmark 0.44% [0.22%] | | | |
| DKK 188,000 | Denmark Government Bond 0.875% 20/03/2017 | 124,563 | 0.10 |
| USD 4,000,000 | Denmark Government Bond 1.5% 15/11/2023 | 422,109 | 0.34 |
| | | 546,672 | 0.44 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|---|-------------------|--------------------------|
| France 10.93% [11.24%] | | | |
| EUR 500,000 | BNP Paribas 2.375% 20/05/2024 | 388,247 | 0.31 |
| EUR 370,000 | BNP Paribas FRN 0.181% 19/01/2017 | 272,780 | 0.22 |
| EUR 300,000 | BPCE 1.375% 22/05/2019 | 225,935 | 0.18 |
| EUR 200,000 | BPCE 2.125% 17/03/2021 | 154,751 | 0.12 |
| USD 500,000 | BPCE 2.25% 27/01/2020 | 330,157 | 0.27 |
| GBP 300,000 | BPCE 5.25% 16/04/2029 | 310,378 | 0.25 |
| EUR 400,000 | Caisse Centrale du Credit Immobilier de France 0.5% 19/05/2017 | 297,115 | 0.24 |
| EUR 300,000 | Caisse Centrale du Credit Immobilier de France 1.125% 22/04/2019 | 228,483 | 0.18 |
| EUR 300,000 | Caisse Centrale du Credit Immobilier de France FRN 0% 01/03/2018 | 220,676 | 0.18 |
| USD 1,000,000 | Caisse d'Amortissement de la Dette Sociale 1.875% 28/07/2020 | 666,995 | 0.54 |
| USD 870,000 | Caisse d'Amortissement de la Dette Sociale 1.875% 12/02/2022 | 571,682 | 0.46 |
| USD 300,000 | Caisse d'Amortissement de la Dette Sociale 3.375% 20/03/2024 | 214,748 | 0.17 |
| GBP 600,000 | Caisse des Depots et Consignations 1.5% 12/06/2017 | 604,458 | 0.49 |
| EUR 400,000 | Cap Gemini 1.75% 01/07/2020 | 299,155 | 0.24 |
| EUR 100,000 | Cie de Financement Foncier 0.125% 18/02/2020 | 73,385 | 0.06 |
| USD 400,000 | Council Of Europe Development Bank 1.75% 14/11/2019 | 267,928 | 0.22 |
| EUR 940,000 | Council Of Europe Development Bank 1.75% 24/04/2024 | 757,634 | 0.61 |
| GBP 300,000 | Council Of Europe Development Bank 1.875% 22/12/2018 | 306,493 | 0.25 |
| EUR 200,000 | Dexia Credit Local 1.375% 18/09/2019 | 153,589 | 0.12 |
| EUR 6,220,000 | France Government Bond OAT 2.25% 25/05/2024 | 5,174,012 | 4.16 |
| EUR 360,000 | France Government Bond OAT 3.25% 25/05/2045 | 346,731 | 0.28 |
| EUR 450,000 | HSBC SFH France 0.375% 11/03/2022 | 328,978 | 0.26 |
| GBP 101,000 | Orange 5.875% Perpetual | 101,253 | 0.08 |
| EUR 300,000 | Pernod Ricard 2% 22/06/2020 | 227,420 | 0.18 |
| EUR 600,000 | Total 2.25% Perpetual | 407,278 | 0.33 |
| GBP 300,000 | Total Capital International 2.25% 17/12/2020 | 300,460 | 0.24 |
| EUR 500,000 | UNEDIC 0.625% 17/02/2025 | 357,406 | 0.29 |
| | | 13,588,127 | 10.93 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---------------------------------|--|-------------------|--------------------------|
| Germany 6.42% [4.89%] | | | |
| GBP 500,000 | BASF 1.375% 15/12/2017 | 501,262 | 0.40 |
| EUR 200,000 | Bayer 2.375% 02/04/2075 | 133,524 | 0.11 |
| EUR 1,696,000 | Bundesrepublik Deutschland 2.5% 04/01/2021 | 1,414,118 | 1.14 |
| EUR 836,000 | Bundesrepublik Deutschland 2.5% 04/07/2044 | 795,003 | 0.64 |
| EUR 925,000 | Bundesrepublik Deutschland 3.25% 04/07/2021 | 806,791 | 0.65 |
| EUR 100,000 | Commerzbank 7.75% 16/03/2021 | 86,772 | 0.07 |
| EUR 1,005,000 | KFW 0.875% 18/03/2019 | 763,815 | 0.61 |
| USD 300,000 | KFW 1.375% 14/05/2018 | 200,001 | 0.16 |
| USD 2,000,000 | KFW 2% 02/05/2025 | 1,289,150 | 1.04 |
| USD 750,000 | Landwirtschaftliche Rentenbank 2% 13/01/2025 | 484,758 | 0.39 |
| USD 800,000 | Landwirtschaftliche Rentenbank 2.375% 24/03/2021 | 546,989 | 0.44 |
| USD 700,000 | Landwirtschaftliche Rentenbank 2.375% 10/06/2025 | 466,845 | 0.38 |
| AUD 200,000 | Landwirtschaftliche Rentenbank 4.75% 06/05/2026 | 104,227 | 0.08 |
| USD 440,000 | LBBW 1.375% 05/03/2018 | 290,605 | 0.23 |
| GBP 100,000 | RWE 7% Perpetual | 97,155 | 0.08 |
| | | 7,981,015 | 6.42 |
| Ireland 0.41% [0.74%] | | | |
| EUR 191,000 | Bank of Ireland 1.25% 09/04/2020 | 139,188 | 0.11 |
| EUR 300,000 | Caterpillar International Finance FRN 0.29% 27/09/2017 | 220,769 | 0.18 |
| EUR 200,000 | RELX Finance via Aquarius + Investments FRN 0.472% 20/05/2017 | 147,760 | 0.12 |
| | | 507,717 | 0.41 |
| Italy 7.29% [7.73%] | | | |
| EUR 300,000 | Banco Popolare 2.75% 27/07/2020 | 219,097 | 0.18 |
| EUR 188,000 | Intesa Sanpaolo 2% 18/06/2021 | 139,125 | 0.11 |
| EUR 1,000,000 | Italy Buoni Poliennali Del Tesoro 1.15% 15/05/2017 | 748,994 | 0.60 |
| EUR 1,600,000 | Italy Buoni Poliennali Del Tesoro 3.5% 01/12/2018 | 1,294,767 | 1.04 |
| EUR 810,000 | Italy Buoni Poliennali Del Tesoro 3.75% 01/03/2021 | 685,149 | 0.55 |
| EUR 2,770,000 | Italy Buoni Poliennali Del Tesoro 3.75% 01/05/2021 | 2,345,030 | 1.89 |
| EUR 2,600,000 | Italy Buoni Poliennali Del Tesoro 4.5% 01/03/2024 | 2,350,846 | 1.89 |
| EUR 1,250,000 | Italy Buoni Poliennali Del Tesoro 4.75% 01/09/2044 | 1,276,597 | 1.03 |
| | | 9,059,605 | 7.29 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|----------------------------------|---|-------------------|--------------------------|
| Japan 13.62% [11.32%] | | | |
| USD 500,000 | Development Bank of Japan FRN 0.5336% 28/01/2020 | 329,685 | 0.27 |
| JPY 696,000,000 | Japan Government Ten Year Bond 1.2% 20/12/2020 | 4,062,691 | 3.27 |
| JPY 524,600,000 | Japan Government Thirty Year Bond 1.9% 20/09/2042 | 3,258,222 | 2.62 |
| JPY 1,423,000,000 | Japan Government Twenty Year Bond 2.1% 20/09/2024 | 9,115,425 | 7.33 |
| USD 250,000 | Japan International Cooperation Agency 1.875% 13/11/2019 | 166,531 | 0.13 |
| | | 16,932,554 | 13.62 |
| Luxembourg 0.68% [1.30%] | | | |
| EUR 590,000 | European Stability Mechanism 0.875% 17/10/2017 | 435,619 | 0.35 |
| EUR 243,000 | European Stability Mechanism 0.875% 15/10/2019 | 184,692 | 0.15 |
| EUR 300,000 | Nestle Finance International 0.75% 08/11/2021 | 222,140 | 0.18 |
| | | 842,451 | 0.68 |
| Mexico 1.32% [1.52%] | | | |
| USD 200,000 | Cementos de Chihuahua SAB de CV 8.125% 08/02/2020 | 138,345 | 0.11 |
| MXN 22,500,000 | Mexican Bonos 8% 11/06/2020 | 977,892 | 0.79 |
| EUR 900,000 | Petroleos Mexicanos 2.75% 21/04/2027 | 523,121 | 0.42 |
| | | 1,639,358 | 1.32 |
| Netherlands 3.28% [4.30%] | | | |
| USD 800,000 | ABN AMRO Bank FRN 0.742% 06/06/2016 | 528,219 | 0.42 |
| USD 500,000 | Bank Nederlandse Gemeenten 0.5% 28/07/2016 | 330,074 | 0.27 |
| GBP 250,000 | Bank Nederlandse Gemeenten 1% 19/03/2019 | 190,400 | 0.15 |
| EUR 1,000,000 | Bank Nederlandse Gemeenten 1.75% 24/03/2020 | 666,579 | 0.54 |
| USD 200,000 | Bank Nederlandse Gemeenten FRN 0.76063% 03/04/2018 | 200,250 | 0.16 |
| GBP 480,000 | ING Bank FRN 0.98688% 27/11/2017 | 479,016 | 0.39 |
| GBP 1,300,000 | Nederlandse Waterschapsbank 1.25% 18/09/2017 | 863,866 | 0.69 |
| USD 400,000 | Nederlandse Waterschapsbank 1.25% 16/01/2018 | 265,456 | 0.21 |
| USD 500,000 | Shell International Finance 2.125% 11/05/2020 | 330,513 | 0.27 |
| EUR 100,000 | Telefonica Europe 5.875% Perpetual | 73,784 | 0.06 |
| CHF 200,000 | UPC 6.75% 15/03/2023 | 144,589 | 0.12 |
| | | 4,072,746 | 3.28 |
| New Zealand 0.77% [0.95%] | | | |
| NZD 1,000,000 | New Zealand Government Bond 5% 15/03/2019 | 454,896 | 0.37 |
| NZD 1,000,000 | New Zealand Government Bond 5.5% 15/04/2023 | 493,013 | 0.40 |
| | | 947,909 | 0.77 |
| Norway 0.97% [0.71%] | | | |
| NOK 6,700,000 | Norway Government Bond 3% 14/03/2024 | 584,813 | 0.47 |
| NOK 7,000,000 | Norway Government Bond 4.5% 22/05/2019 | 615,674 | 0.50 |
| | | 1,200,487 | 0.97 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|----------------------------------|---|-------------------|--------------------------|
| Philippines 0.57% [0.45%] | | | |
| EUR 300,000 | Asian Development Bank 0.375% 03/04/2017 | 222,719 | 0.18 |
| USD 750,000 | Asian Development Bank 2% 22/01/2025 | 487,061 | 0.39 |
| | | 709,780 | 0.57 |
| Poland 0.73% [1.11%] | | | |
| PLN 4,800,000 | Poland Government Bond 4% 25/10/2023 | 907,055 | 0.73 |
| | | 907,055 | 0.73 |
| Spain 3.58% [2.98%] | | | |
| EUR 100,000 | Bankia 4% 22/05/2024 | 70,929 | 0.06 |
| EUR 300,000 | Enagas Financiaciones 2.5% 11/04/2022 | 234,836 | 0.19 |
| EUR 550,000 | Spain Government Bond 1.95% 30/07/2030 | 382,094 | 0.31 |
| EUR 2,770,000 | Spain Government Bond 3.8% 30/04/2024 | 2,372,489 | 1.91 |
| EUR 1,100,000 | Spain Government Bond 4.6% 30/07/2019 | 932,746 | 0.75 |
| EUR 400,000 | Spain Government Bond 4.85% 31/10/2020 | 351,832 | 0.28 |
| EUR 100,000 | Spain Government Bond 5.15% 31/10/2028 | 97,303 | 0.08 |
| | | 4,442,229 | 3.58 |
| Sweden 2.64% [2.82%] | | | |
| USD 400,000 | Nordea Bank 2.375% 04/04/2019 | 267,329 | 0.21 |
| GBP 950,000 | Nordea Bank 2.375% 02/06/2022 | 936,177 | 0.75 |
| USD 300,000 | Skandinaviska Enskilda Banken 2.375% 25/03/2019 | 200,388 | 0.16 |
| EUR 300,000 | Stadshypotek 1% 01/04/2019 | 227,067 | 0.18 |
| USD 500,000 | Svenska Handelsbanken 2.25% 17/06/2019 | 333,246 | 0.27 |
| GBP 400,000 | Swedbank Hypotek 1.125% 21/05/2021 | 304,456 | 0.24 |
| EUR 500,000 | Swedbank Hypotek FRN 0.78438% 02/04/2018 | 499,620 | 0.40 |
| USD 300,000 | Sweden Government International Bond 0.75% 12/04/2017 | 198,365 | 0.16 |
| USD 500,000 | Sweden Government International Bond 0.875% 23/01/2018 | 329,969 | 0.27 |
| | | 3,296,617 | 2.64 |
| Switzerland 0.72% [1.42%] | | | |
| EUR 200,000 | Credit Suisse 1% 12/03/2019 | 150,962 | 0.12 |
| CHF 840,000 | Switzerland Government Bond 4% 11/02/2023 | 752,279 | 0.60 |
| | | 903,241 | 0.72 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--------------------------------------|--|-------------------|--------------------------|
| United Kingdom 8.83% [12.42%] | | | |
| EUR 400,000 | Abbey National Treasury Services 0.875% 13/01/2020 | 290,943 | 0.23 |
| GBP 480,000 | Abbey National Treasury Services 3.875% 15/10/2029 | 498,298 | 0.40 |
| EUR 300,000 | AstraZeneca 0.875% 24/11/2021 | 219,836 | 0.18 |
| GBP 700,000 | Aviva 5.125% 04/06/2050 | 649,166 | 0.52 |
| GBP 700,000 | Barclays Bank FRN 0.78125% 12/02/2018 | 699,398 | 0.56 |
| USD 300,000 | BP Capital Markets 2.518% 16/01/2020 | 200,528 | 0.16 |
| USD 500,000 | Credit Agricole 2.5% 15/04/2019 | 334,012 | 0.27 |
| EUR 100,000 | Credit Suisse 1.375% 29/11/2019 | 75,006 | 0.06 |
| GBP 200,000 | Credit Suisse FRN 0.401% 16/10/2019 | 146,901 | 0.12 |
| EUR 200,000 | Credit Suisse FRN 0.97938% 15/07/2016 | 199,882 | 0.16 |
| USD 400,000 | EnSCO 5.75% 01/10/2044 | 199,241 | 0.16 |
| USD 500,000 | European Bank for Reconstruction & Development 1.75% 14/06/2019 | 335,329 | 0.27 |
| GBP 600,000 | FCE Bank 2.759% 13/11/2019 | 599,764 | 0.48 |
| GBP 200,000 | Friends Life 8.25% 21/04/2022 | 236,253 | 0.19 |
| GBP 200,000 | HSBC Bank FRN 0.98563% 16/05/2016 | 200,276 | 0.16 |
| GBP 750,000 | INEOS Grangemouth 0.75% 30/07/2019 | 559,847 | 0.45 |
| GBP 450,000 | Intu SGS Finance 4.25% 17/09/2035 | 459,528 | 0.37 |
| USD 200,000 | Jaguar Land Rover Automotive 4.125% 15/12/2018 | 130,015 | 0.10 |
| GBP 200,000 | Lloyds Bank 1.375% 16/04/2021 | 154,164 | 0.12 |
| EUR 500,000 | Lloyds Bank FRN 0.77406% 19/01/2018 | 499,585 | 0.40 |
| GBP 300,000 | Manchester Airport Funding 4.125% 02/04/2024 | 317,174 | 0.26 |
| EUR 500,000 | Nationwide Building Society 0.75% 25/06/2019 | 375,092 | 0.30 |
| GBP 800,000 | Nationwide Building Society 1.25% 03/03/2025 | 557,110 | 0.45 |
| EUR 300,000 | Nationwide Building Society 1.625% 03/04/2019 | 227,923 | 0.18 |
| EUR 810,000 | Nationwide Building Society FRN 0.781% 27/04/2018 | 809,425 | 0.65 |
| GBP 200,000 | Northern Powergrid Yorkshire 2.5% 01/04/2025 | 192,354 | 0.15 |
| GBP 300,000 | Porterbrook Rail Finance 4.625% 04/04/2029 | 327,833 | 0.26 |
| GBP 400,000 | Reed Elsevier Investments 2.75% 01/08/2019 | 407,292 | 0.33 |
| EUR 100,000 | Royal Mail 2.375% 29/07/2024 | 76,139 | 0.06 |
| GBP 100,000 | Southern Gas Networks 2.5% 03/02/2025 | 95,059 | 0.08 |
| USD 540,000 | Tesco 6.15% 15/11/2037 | 334,449 | 0.26 |
| EUR 400,000 | UBS 1.25% 03/09/2021 | 296,219 | 0.24 |
| GBP 237,000 | Unique Pub Finance 7.395% 28/03/2024 | 238,185 | 0.19 |
| EUR 100,000 | Wellcome Trust 1.125% 21/01/2027 | 69,309 | 0.06 |
| | | 11,011,535 | 8.83 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--------------------------------------|--|-------------------|--------------------------|
| United States 24.96% [19.10%] | | | |
| USD 416,000 | 21st Century Fox America 5.4% 01/10/2043 | 289,760 | 0.23 |
| USD 1,150,000 | Apple 4.45% 06/05/2044 | 760,143 | 0.61 |
| EUR 600,000 | AT&T 2.4% 15/03/2024 | 449,825 | 0.36 |
| USD 160,000 | AT&T 4.5% 15/05/2035 | 97,046 | 0.08 |
| USD 150,000 | AT&T 4.75% 15/05/2046 | 90,515 | 0.07 |
| USD 600,000 | Bank of America 4.875% 01/04/2044 | 411,517 | 0.33 |
| GBP 350,000 | BMW US Capital 2% 20/11/2019 | 339,896 | 0.27 |
| GBP 300,000 | BMW US Capital FRN 0.84% 06/02/2017 | 299,502 | 0.24 |
| USD 300,000 | CCO Safari II 6.484% 23/10/2045 | 199,035 | 0.16 |
| USD 1,000,000 | Citigroup 2.5% 29/07/2019 | 663,007 | 0.53 |
| USD 980,000 | Citigroup 5.3% 06/05/2044 | 673,756 | 0.54 |
| USD 580,000 | Citigroup FRN 0.9851% 27/04/2018 | 380,876 | 0.31 |
| EUR 800,000 | Coca-Cola 1.125% 09/03/2027 | 540,557 | 0.43 |
| USD 600,000 | Comcast 4.75% 01/03/2044 | 411,779 | 0.33 |
| USD 1,000,000 | Credit Suisse FRN 0.9841% 29/01/2018 | 657,779 | 0.53 |
| USD 250,000 | Dexia Credit Local 1.5% 07/10/2017 | 166,036 | 0.13 |
| GBP 400,000 | Digital Stout 4.75% 13/10/2023 | 421,787 | 0.34 |
| USD 600,000 | Exxon Mobil 0.921% 15/03/2017 | 396,549 | 0.32 |
| USD 200,000 | Goldman Sachs 2.875% 03/06/2026 | 154,008 | 0.12 |
| EUR 1,130,000 | Goldman Sachs FRN 0.9991% 22/05/2017 | 745,110 | 0.60 |
| USD 940,000 | HSBC 1.7% 05/03/2018 | 617,927 | 0.50 |
| USD 300,000 | Inter-American Development Bank FRN 0.2343% 26/11/2018 | 197,866 | 0.16 |
| CAD 1,000,000 | International Bank for Reconstruction & Development 1.125% 11/03/2020 | 491,066 | 0.39 |
| USD 750,000 | International Paper 4.8% 15/06/2044 | 456,476 | 0.37 |
| USD 200,000 | JP Morgan Chase 1.5% 27/01/2025 | 143,027 | 0.12 |
| EUR 1,000,000 | JP Morgan Chase 3.625% 13/05/2024 | 666,546 | 0.54 |
| USD 376,000 | JP Morgan Chase FRN 0.77445% 18/11/2016 | 248,117 | 0.20 |
| USD 700,000 | Kinder Morgan 5.55% 01/06/2045 | 389,209 | 0.31 |
| USD 200,000 | McGraw Hill Financial 3.3% 14/08/2020 | 133,909 | 0.11 |
| USD 200,000 | McGraw Hill Financial 4% 15/06/2025 | 131,721 | 0.11 |
| USD 1,280,000 | Medtronic 4.625% 15/03/2045 | 872,259 | 0.70 |
| USD 300,000 | Merck 2.75% 10/02/2025 | 192,998 | 0.16 |
| USD 400,000 | Microsoft 4% 12/02/2055 | 240,055 | 0.19 |
| USD 400,000 | Monsanto 4.7% 15/07/2064 | 225,331 | 0.18 |
| EUR 700,000 | Morgan Stanley 3.875% 29/04/2024 | 472,086 | 0.38 |
| USD 700,000 | Morgan Stanley 5% 24/11/2025 | 490,903 | 0.39 |
| USD 460,000 | Morgan Stanley FRN 0.673% 19/11/2019 | 338,729 | 0.27 |
| USD 700,000 | Nestle 2% 30/09/2019 | 466,980 | 0.38 |
| USD 1,000,000 | Nestle 2.125% 14/01/2020 | 668,698 | 0.54 |
| USD 200,000 | Nordstrom 5% 15/01/2044 | 140,158 | 0.11 |
| USD 1,300,000 | Prudential Financial 4.6% 15/05/2044 | 857,901 | 0.69 |
| USD 376,000 | Reynolds American 5.85% 15/08/2045 | 275,630 | 0.22 |
| USD 200,000 | SES Global Americas 2.5% 25/03/2019 | 132,184 | 0.11 |
| USD 400,000 | Tyson Foods 5.15% 15/08/2044 | 274,232 | 0.22 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|--|-------------------|--------------------------|
| United States 24.96% [19.10%] (continued) | | | |
| USD 8,000,000 | US Treasury 1.5% 30/11/2019 | 5,339,165 | 4.29 |
| USD 10,550,000 | US Treasury 2.125% 15/05/2025 | 7,014,906 | 5.64 |
| USD 300,000 | Verizon Communications 3.5% 01/11/2021 | 202,293 | 0.16 |
| USD 535,000 | Verizon Communications 4.672% 15/03/2055 | 302,443 | 0.24 |
| USD 25,000 | Verizon Communications 6.55% 15/09/2043 | 19,450 | 0.02 |
| EUR 300,000 | Wells Fargo 1.125% 29/10/2021 | 219,382 | 0.18 |
| EUR 400,000 | Wells Fargo 2.125% 22/04/2022 | 387,231 | 0.31 |
| GBP 200,000 | Wells Fargo 5.625% 11/12/2017 | 143,488 | 0.12 |
| USD 200,000 | Wells Fargo FRN 0.431% 24/04/2019 | 147,501 | 0.12 |
| | | 31,048,350 | 24.96 |
| Swaps (0.28%) [0.00%] | | | |
| EUR 740,000 | Barclays Interest Rate Swap 1.6110% 07/09/2045 | 11,882 | 0.01 |
| EUR 740,000 | Barclays Interest Rate Swap 1.612% 07/09/2045 | 11,741 | 0.01 |
| USD 7,800,000 | Barclays Interest Rate Swap 1.7915% 21/07/2020 | (119,685) | (0.10) |
| GBP 700,000 | Barclays Interest Rate Swap 1.9200% 13/08/2045 | 6,742 | 0.01 |
| USD 6,500,000 | Barclays Interest Rate Swap 2.0350% 30/03/2025 | (25,885) | (0.02) |
| USD 6,900,000 | Barclays Interest Rate Swap 2.2790% 18/09/2025 | (117,812) | (0.09) |
| USD 950,000 | Barclays Interest Rate Swap 2.6920% 08/09/2045 | (23,923) | (0.02) |
| USD 950,000 | Barclays Interest Rate Swap 2.7040% 08/09/2045 | (25,553) | (0.02) |
| EUR 4,180,000 | Citibank Interest Rate Swap 1.767% 24/07/2025 | 30,383 | 0.02 |
| EUR 3,300,000 | Citibank Interest Rate Swap 1.7995% 21/07/2025 | 27,976 | 0.02 |
| GBP 1,400,000 | Citibank Interest Rate Swap 1.9420% 13/08/2045 | 11,501 | 0.01 |
| USD 5,956,000 | Citibank Interest Rate Swap 2.5150% 29/06/2025 | (210,522) | (0.17) |
| GBP 3,160,000 | Citibank Interest Rate Swap 2.6367% 22/07/2025 | (53,831) | (0.04) |
| GBP 2,480,000 | Citibank Interest Rate Swap 2.6805% 17/07/2025 | (47,144) | (0.04) |
| USD 2,593,000 | Citibank Interest Rate Swap 2.9720% 29/06/2045 | 176,315 | 0.14 |
| | | (347,815) | (0.28) |
| Futures 0.06% [0.00%] | | | |
| (43) | Canada Government Bond Futures December 2015 | 50,837 | 0.04 |
| (3) | German Euro BOBL Futures December 2015 | (1,693) | 0.00 |
| (22) | German Euro Bund Futures December 2015 | (45,212) | (0.04) |
| 6 | UK Long Gilt Bond Futures December 2015 | (3,630) | 0.00 |
| 6 | US Treasury Note 2 Year Futures December 2015 | 709 | 0.00 |
| 18 | US Treasury Note 5 Year Futures December 2015 | 7,160 | 0.01 |
| 116 | US Treasury Note 10 Year Futures December 2015 | 65,136 | 0.05 |
| 3 | US Treasury Ultra Bond Futures December 2015 | (631) | 0.00 |
| | | 72,676 | 0.06 |

Portfolio Statement (continued)
 As at 30 September 2015

| Investments | Market value £ | % of Total Net Assets |
|---|-------------------|--------------------------|
| Forward Currency Contracts 0.15% [0.17%] | | |
| Bought AUD166,733 for GBP76,290 | | |
| Settlement 15/10/2015 | 958 | 0.00 |
| Bought CAD244,863 for GBP120,643 | | |
| Settlement 15/10/2015 | (70) | 0.00 |
| Sold CAD468,100 for GBP229,282 | | |
| Settlement 15/10/2015 | (1,215) | 0.00 |
| Sold CHF29,762 for GBP19,799 | | |
| Settlement 15/10/2015 | (320) | 0.00 |
| Bought CZK2,820,000 for GBP76,322 | | |
| Settlement 15/10/2015 | 170 | 0.00 |
| Sold DKK440,173 for GBP43,315 | | |
| Settlement 15/10/2015 | (180) | 0.00 |
| Bought EUR4,461,731 for NOK42,337,900 | | |
| Settlement 15/10/2015 | 12,555 | 0.01 |
| Bought EUR580,000 for GBP424,775 | | |
| Settlement 15/10/2015 | 2,748 | 0.00 |
| Sold EUR29,397,828 for GBP21,518,832 | | |
| Settlement 15/10/2015 | (150,571) | (0.12) |
| Bought ILS830,000 for GBP137,933 | | |
| Settlement 15/10/2015 | 1,694 | 0.00 |
| Bought JPY881,102,039 for GBP4,748,778 | | |
| Settlement 15/10/2015 | 109,116 | 0.09 |
| Sold JPY240,217,512 for GBP1,316,924 | | |
| Settlement 15/10/2015 | (7,499) | (0.01) |
| Bought KRW2,533,700,000 for USD2,115,259 | | |
| Settlement 15/10/2015 | 14,026 | 0.01 |
| Bought MXN21,604,806 for GBP831,957 | | |
| Settlement 15/10/2015 | 8,842 | 0.01 |
| Sold MXN10,504,262 for GBP403,576 | | |
| Settlement 15/10/2015 | (5,220) | 0.00 |
| Bought MYR2,090,000 for USD484,914 | | |
| Settlement 15/10/2015 | (6,531) | (0.01) |
| Bought NOK84,819,900 for GBP6,728,525 | | |
| Settlement 15/10/2015 | (164,920) | (0.13) |
| Sold NOK12,466,082 for GBP989,658 | | |
| Settlement 15/10/2015 | 24,997 | 0.02 |
| Sold NZD1,902,882 for GBP777,620 | | |
| Settlement 15/10/2015 | (25,285) | (0.02) |
| Sold PLN4,299,975 for GBP749,061 | | |
| Settlement 15/10/2015 | 2,787 | 0.00 |
| Bought RUB4,800,000 for USD69,615 | | |
| Settlement 15/10/2015 | 2,145 | 0.00 |
| Bought SEK7,190,000 for GBP565,827 | | |
| Settlement 15/10/2015 | 318 | 0.00 |
| Bought SGD340,000 for GBP156,948 | | |
| Settlement 15/10/2015 | 866 | 0.00 |

Portfolio Statement (continued)

As at 30 September 2015

| Investments | Market value £ | % of Total Net Assets |
|---|--------------------|--------------------------|
| Forward Currency Contracts 0.15% [0.17%] (continued) | | |
| Bought THB16,400,000 for GBP294,784 Settlement 15/10/2015 | 3,394 | 0.00 |
| Bought TRY690,000 for GBP144,907 Settlement 15/10/2015 | 4,928 | 0.00 |
| Bought USD33,179,609 for GBP21,473,511 Settlement 15/10/2015 | 432,284 | 0.35 |
| Sold USD4,842,196 for GBP3,129,186 Settlement 15/10/2015 | (67,722) | (0.05) |
| Bought ZAR4,560,000 for GBP217,624 Settlement 15/10/2015 | (374) | 0.00 |
| | 191,921 | 0.15 |
| Portfolio of investments | 121,500,791 | 97.70 |
| Net other assets | 2,854,355 | 2.30 |
| Net assets | 124,355,146 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements.

Derivative contracts were traded on an eligible derivatives exchange.

All investments are bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 30 September 2014.

Gross purchases for the year: £140,906,646 [2014: £50,772,240].

Total sales net of transaction costs for the year: £68,420,896 [2014: £1,049,354].

Credit Rating as at 30 September 2015

| | % of Total Net Assets |
|---------------------|--------------------------|
| Bonds Rating | |
| AAA | 30.76% |
| AA | 17.94% |
| A | 29.14% |
| BBB | 19.15% |
| BB | 0.80% |
| B | 0.37% |
| Bonds | 98.16 |
| Uninvested Cash | 1.98 |
| IRS & Forwards | (0.14) |
| Net Assets | 100.00 |

The above information has been supplied by the Investment Manager. Bonds not rated are of investment grade, but rating not sought by issuer.

Statement of Total Return

For the year ended 30 September 2015

| | Note | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|------|----------------------|---------------|----------------------|----------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains | 2 | | 13,893 | | 597,797 |
| Revenue | 3 | 1,535,565 | | 302,365 | |
| Expenses | 4 | (458,175) | | (89,320) | |
| Finance costs: Interest | 6 | (190) | | – | |
| Net revenue before taxation | | 1,077,200 | | 213,045 | |
| Taxation | 5 | (2) | | 14 | |
| Net revenue after taxation | | | 1,077,198 | | 213,059 |
| Total return before distributions | | | 1,091,091 | | 810,856 |
| Finance costs: Distributions | 6 | | (1,077,156) | | (213,059) |
| Change in net assets attributable to shareholders from investment activities | | | 13,935 | | 597,797 |

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2015

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|-------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 52,794,569 | | – |
| Amounts received on issue of shares | 72,019,338 | | 52,189,014 | |
| Less: Amounts paid on cancellation of shares | (472,696) | | – | |
| | | 71,546,642 | | 52,189,014 |
| Dilution adjustment charged | | – | | 7,758 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 13,935 | | 597,797 |
| Closing net assets attributable to shareholders | | 124,355,146 | | 52,794,569 |

Balance Sheet

As at 30 September 2015

| | Note | 30/09/15 | | 30/09/14 | |
|--|------|-------------|--------------------|-------------|-------------------|
| | | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 122,606,219 | | 50,084,407 |
| Debtors | 7 | 1,507,497 | | 1,895,899 | |
| Cash and bank balances | 8 | 3,370,246 | | 2,774,639 | |
| Total other assets | | | 4,877,743 | | 4,670,538 |
| Total assets | | | 127,483,962 | | 54,754,945 |
| Liabilities | | | | | |
| Investment liabilities | | | (1,105,428) | | (129,337) |
| Creditors | 9 | (1,122,291) | | (1,567,236) | |
| Bank overdrafts | 10 | (297,298) | | – | |
| Distribution payable on income shares | | (603,799) | | (263,803) | |
| Total other liabilities | | | (2,023,388) | | (1,831,039) |
| Total liabilities | | | (3,128,816) | | (1,960,376) |
| Net assets attributable to shareholders | | | 124,355,146 | | 52,794,569 |

Notes to the Financial Statements

For the year ended 30 September 2015

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements, details of which can be found on pages 12, 13, 14 and 15.

2. Net capital gains

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| The net capital gains during the year/period comprise: | | |
| Currency gains/(losses) | (29,234) | (17,313) |
| Derivative contracts | (401,444) | – |
| Forward currency contracts | 532,308 | 417,647 |
| Non-derivative securities | (72,708) | 209,100 |
| Transaction charges | (15,029) | (11,637) |
| Net capital gains | 13,893 | 597,797 |

3. Revenue

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|-------------------------------|------------------------------|------------------------------|
| Bank interest | 3,659 | 3,484 |
| Interest from debt securities | 1,529,010 | 298,881 |
| Swap income | 2,896 | – |
| Total revenue | 1,535,565 | 302,365 |

4. Expenses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fee | 396,140 | 80,510 |
| ACD subsidy | – | (10,555) |
| Printing, postage, stationery and typesetting costs | – | 489 |
| | 396,140 | 70,444 |
| Payable to the Depositary, associates of the Depositary and agents of either of them | | |
| Depositary fees | 25,967 | 9,266 |
| Safe custody fees | 12,846 | 3,119 |
| | 38,813 | 12,385 |
| Other expenses | | |
| Audit fees | 8,790 | 6,203 |
| Out of pocket expenses | 486 | – |
| Professional fees | 10,219 | 279 |
| Publication fees | 3,552 | – |
| Regulatory fees | 175 | – |
| Set up costs | – | 9 |
| | 23,222 | 6,491 |
| Total expenses | 458,175 | 89,320 |

In the prior period the ACD subsidised some of the expenses incurred by the Fund to partly cover the minimum costs charged by third parties.

Audit fees are £7,350 ex VAT (2014: £5,145).

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

5. Taxation

(a) Analysis of the tax charge in the year/period

| | 01/10/14 to 30/09/15 | 03/03/14 to 30/09/14 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Tax on fixed interest stock | 2 | (14) |
| Total current tax charge (Note 5 (b)) | 2 | (14) |
| Deferred tax (Note 5 (c)) | – | – |
| Total taxation for the year/period | 2 | (14) |

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

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2014: 20%) is applied to the net revenue before taxation. The differences are explained below:

| | 01/10/14 to 30/09/15 | 03/03/14 to 30/09/14 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Net revenue before taxation | 1,077,200 | 213,045 |
| Net revenue for the year/period multiplied by the standard rate of corporation tax | 215,440 | 42,609 |
| Effects of: | | |
| Tax deductible interest distributions | (215,440) | (42,609) |
| Tax on fixed interest stock | 2 | (14) |
| Current tax charge for the year/period | 2 | (14) |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year or prior period.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

6. Finance costs

Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Interim | 421,363 | – |
| Final | 603,788 | 263,803 |
| Add: Revenue paid on cancellation of shares | 2,126 | – |
| Deduct: Revenue received on creation of shares | (165,561) | (93,356) |
| Income tax withheld at source | 215,440 | 42,612 |
| Net distribution for the year/period | 1,077,156 | 213,059 |
| Interest | 190 | – |
| Total finance costs | 1,077,346 | 213,059 |
| Reconciliation of net revenue after taxation to distributions | | |
| Net revenue after taxation | 1,077,198 | 213,059 |
| Net movement in revenue account | (42) | – |
| Net distribution for the year/period | 1,077,156 | 213,059 |

Details of the distributions per share are set out in the distribution tables on page 97.

7. Debtors

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Accrued bank interest | 133 | 445 |
| Accrued other revenue | 906,749 | 344,984 |
| Amounts receivable for creation of shares | 600,122 | 1,550,470 |
| Prepaid expenses | 493 | – |
| Total debtors | 1,507,497 | 1,895,899 |

8. Cash and bank balances

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Cash and bank balances | 2,668,788 | 2,774,639 |
| Amounts held at futures clearing houses and brokers | 701,458 | – |
| Total cash and bank balances | 3,370,246 | 2,774,639 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

9. Creditors

| | 30/09/15 | 30/09/14 |
|---|------------------|------------------|
| | £ | £ |
| Amounts payable for cancellation of shares | 440,195 | – |
| Income tax payable | 130,431 | 42,613 |
| Purchases awaiting settlement | 475,002 | 1,496,307 |
| | 1,045,628 | 1,538,920 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fee | 44,910 | 18,402 |
| ACD subsidy | – | (10,555) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 44,910 | 8,233 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 2,395 | 5,105 |
| Safe custody fees | 8,920 | 1,830 |
| Transaction charges | 9,216 | 6,945 |
| | 20,531 | 13,880 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 8,820 | 6,203 |
| Publication fees | 1,844 | – |
| Professional fees | 558 | – |
| | 11,222 | 6,203 |
| Total creditors | 1,122,291 | 1,567,236 |

10. Bank overdrafts

| | 30/09/15 | 30/09/14 |
|--|----------------|----------|
| | £ | £ |
| Amounts overdrawn at futures clearing houses and brokers | 297,298 | – |
| Total bank overdrafts | 297,298 | – |

11. Related party transactions

Related party transactions in the Fund are disclosed in note 10 of the Notes to the Aggregated Financial Statements on pages 19 and 20.

Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund

| Shareholders | 30/09/15 (%) |
|--|--------------|
| Sterling ISA Managers (Nominees) Limited | 59.9 |
| FundsDirect Nominees Limited | 40.1 |

12. Share classes

Details relating to the Fund are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 20.

13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2014: nil).

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

14. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 14 of the Notes to the Aggregated Financial Statements on pages 20, 21 and 22.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|-----------------------------|--------------------|
| | Monetary exposures £ | Non-monetary exposures £ | Total £ |
| 30/09/15 | | | |
| Australian Dollar | 111,613 | 1,390,364 | 1,501,977 |
| Canadian Dollar | (56,188) | 3,180,467 | 3,124,279 |
| Czech Koruna | 76,493 | – | 76,493 |
| Danish Krone | (38,292) | 422,109 | 383,817 |
| Euro | (16,933,708) | 37,821,968 | 20,888,260 |
| Israeli Shekel | 139,627 | – | 139,627 |
| Japanese Yen | 3,191,914 | 16,436,338 | 19,628,252 |
| Malaysian Ringgit | 313,618 | – | 313,618 |
| Mexican Peso | 487,108 | 977,892 | 1,465,000 |
| New Russian Ruble | 48,106 | – | 48,106 |
| New Zealand Dollar | (780,757) | 947,909 | 167,152 |
| Norwegian Krone | 2,364,549 | 1,200,487 | 3,565,036 |
| Polish Zloty | (694,908) | 907,055 | 212,147 |
| Singapore Dollar | 157,814 | – | 157,814 |
| South African Rand | 217,251 | – | 217,251 |
| South Korean Won | 1,410,560 | – | 1,410,560 |
| Swedish Krona | 566,145 | – | 566,145 |
| Swiss Franc | (5,201) | 896,868 | 891,667 |
| Thai Baht | 298,179 | – | 298,179 |
| Turkish Lira | 149,835 | – | 149,835 |
| US Dollar | 16,842,096 | 42,841,680 | 59,683,776 |
| Total foreign currency exposure | 7,865,854 | 107,023,137 | 114,888,991 |
| Sterling | (5,094,716) | 14,560,871 | 9,466,155 |
| Total net assets | 2,771,138 | 121,584,008 | 124,355,146 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

14. Derivatives and other financial instruments (continued)

| Currency | Monetary exposures £ | Non- monetary exposures £ | Total £ |
|--|----------------------------|------------------------------------|-------------------|
| 30/09/14 | | | |
| Australian Dollar | (220,669) | 917,829 | 697,160 |
| Canadian Dollar | (38,728) | 1,503,331 | 1,464,603 |
| Czech Koruna | 79,908 | – | 79,908 |
| Danish Krone | 195,264 | – | 195,264 |
| Euro | (5,394,946) | 19,439,171 | 14,044,225 |
| Israeli Shekel | 80,377 | – | 80,377 |
| Japanese Yen | 2,483,972 | 5,975,481 | 8,459,453 |
| Malaysian Ringgit | 69,515 | – | 69,515 |
| Mexican Peso | (624,287) | 801,146 | 176,859 |
| New Russian Ruble | 47,730 | – | 47,730 |
| New Zealand Dollar | (438,955) | 500,561 | 61,606 |
| Norwegian Krone | (296,137) | 377,258 | 81,121 |
| Polish Zloty | (402,901) | 584,073 | 181,172 |
| Singapore Dollar | 67,722 | – | 67,722 |
| South African Rand | 112,770 | – | 112,770 |
| South Korean Won | 624,469 | – | 624,469 |
| Swedish Krona | 286,688 | – | 286,688 |
| Swiss Franc | 393,892 | – | 393,892 |
| Thai Baht | 110,088 | – | 110,088 |
| Turkish Lira | 45,813 | – | 45,813 |
| US Dollar | 7,718,210 | 13,766,820 | 21,485,030 |
| Total foreign currency exposure | 4,899,795 | 43,865,670 | 48,765,465 |
| Sterling | (1,971,304) | 6,000,408 | 4,029,104 |
| Total net assets | 2,928,491 | 49,866,078 | 52,794,569 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

14. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency | Floating rate | Fixed rate | Financial assets | Total |
|--------------------|-------------------|--------------------|------------------|--------------------|
| | financial assets | financial assets | not carrying | |
| | £ | £ | interest | £ |
| Assets | | | | |
| 30/09/15 | | | | |
| Australian Dollar | 23,557 | 1,390,364 | 11,766 | 1,425,687 |
| Canadian Dollar | 58,870 | 3,180,467 | 72,878 | 3,312,215 |
| Czech Koruna | – | – | 171 | 171 |
| Danish Krone | – | 422,109 | 5,203 | 427,312 |
| Euro | 2,545,598 | 35,958,576 | 399,393 | 38,903,567 |
| Israeli Shekel | – | – | 1,694 | 1,694 |
| Japanese Yen | 115,270 | 16,436,338 | 128,677 | 16,680,285 |
| Mexican Peso | 35,450 | 977,892 | 28,498 | 1,041,840 |
| New Russian Ruble | – | – | 2,145 | 2,145 |
| New Zealand Dollar | 10,558 | 947,909 | 11,591 | 970,058 |
| Norwegian Krone | 24,379 | 1,200,487 | 42,450 | 1,267,316 |
| Polish Zloty | 20,139 | 907,055 | 34,014 | 961,208 |
| Singapore Dollar | – | – | 866 | 866 |
| South Korean Won | – | – | 14,026 | 14,026 |
| Sterling | 8,563,292 | 8,327,456 | 752,672 | 17,643,420 |
| Swedish Krona | – | – | 318 | 318 |
| Swiss Franc | – | 896,868 | 14,918 | 911,786 |
| Thai Baht | – | – | 3,394 | 3,394 |
| Turkish Lira | – | – | 4,928 | 4,928 |
| US Dollar | 4,444,377 | 38,468,631 | 1,000,107 | 43,913,115 |
| Total | 15,841,490 | 109,114,152 | 2,529,709 | 127,485,351 |
| 30/09/14 | | | | |
| Australian Dollar | 21,861 | 917,829 | 18,224 | 957,914 |
| Canadian Dollar | 8,348 | 1,503,331 | 15,119 | 1,526,798 |
| Euro | 1,257,874 | 18,267,367 | 282,048 | 19,807,289 |
| Japanese Yen | 38,628 | 5,975,481 | 9,534 | 6,023,643 |
| Mexican Peso | 29,722 | 801,146 | 24,775 | 855,643 |
| New Zealand Dollar | 12,020 | 500,561 | 22,526 | 535,107 |
| Norwegian Krone | – | 377,258 | 7,778 | 385,036 |
| Polish Zloty | – | 584,073 | 28,268 | 612,341 |
| Sterling | 3,319,707 | 5,199,172 | 1,594,187 | 10,113,066 |
| US Dollar | 1,203,161 | 12,623,178 | 111,769 | 13,938,108 |
| Total | 5,891,321 | 46,749,396 | 2,114,228 | 54,754,945 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

14. Derivatives and other financial instruments (continued)

| Currency | Floating rate financial liabilities £ | Financial liabilities not carrying interest £ | Total £ |
|--------------------|--|--|------------------|
| Liabilities | | | |
| 30/09/15 | | | |
| Canadian Dollar | 78,012 | 1,285 | 79,297 |
| Danish Krone | – | 180 | 180 |
| Euro | – | 197,477 | 197,477 |
| Japanese Yen | – | 483,888 | 483,888 |
| Malaysian Ringgit | – | 6,531 | 6,531 |
| Mexican Peso | – | 5,220 | 5,220 |
| New Zealand Dollar | – | 25,285 | 25,285 |
| Norwegian Krone | – | 164,920 | 164,920 |
| South African Rand | – | 374 | 374 |
| Sterling | – | 1,355,693 | 1,355,693 |
| Swiss Franc | – | 319 | 319 |
| US Dollar | 219,286 | 591,732 | 811,018 |
| Total | 297,298 | 2,832,904 | 3,130,202 |
| 30/09/14 | | | |
| Australian Dollar | – | 2,222 | 2,222 |
| Canadian Dollar | – | 526 | 526 |
| Czech Koruna | – | 1,677 | 1,677 |
| Danish Krone | – | 4,189 | 4,189 |
| Euro | – | 235,660 | 235,660 |
| Israeli Shekel | – | 1,210 | 1,210 |
| Japanese Yen | – | 304,282 | 304,282 |
| Malaysian Ringgit | – | 1,293 | 1,293 |
| Mexican Peso | – | 81,104 | 81,104 |
| New Russian Ruble | – | 3,232 | 3,232 |
| Singapore Dollar | – | 639 | 639 |
| South African Rand | – | 3,201 | 3,201 |
| South Korean Won | – | 13,689 | 13,689 |
| Sterling | – | 334,733 | 334,733 |
| Swedish Krona | – | 2,846 | 2,846 |
| Swiss Franc | – | 8,466 | 8,466 |
| Thai Baht | – | 653 | 653 |
| Turkish Lira | – | 1,571 | 1,571 |
| US Dollar | – | 959,183 | 959,183 |
| Total | – | 1,960,376 | 1,960,376 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

14. Derivatives and other financial instruments (continued)

| Currency | Fixed rate financial assets | |
|--------------------|--------------------------------|---|
| | Weighted average interest rate | Weighted average period for which rate is fixed |
| 30/09/15 | | |
| Australian Dollar | 2.44% | 5.20 years |
| Canadian Dollar | 1.45% | 7.19 years |
| Danish krone | 0.55% | 8.13 years |
| Euro | 0.89% | 7.99 years |
| Japanese Yen | 0.37% | 11.57 years |
| Mexican Peso | 5.00% | 4.70 years |
| New Zealand Dollar | 2.83% | 5.50 years |
| Norwegian Krone | 1.16% | 6.00 years |
| Polish Zloty | 2.56% | 8.07 years |
| Sterling | 3.14% | 9.81 years |
| Swiss Franc | 0.58% | 7.39 years |
| US Dollar | 2.52% | 10.84 years |
| 30/09/14 | | |
| Australian Dollar | 3.12% | 5.19 years |
| Canadian Dollar | 2.07% | 8.30 years |
| Euro | 1.01% | 7.02 years |
| Japanese Yen | 0.52% | 10.83 years |
| Mexican Peso | 5.34% | 5.70 years |
| New Zealand Dollar | 3.93% | 4.45 years |
| Norwegian Krone | 2.25% | 9.46 years |
| Polish Zloty | 2.92% | 9.07 years |
| Sterling | 1.92% | 6.40 years |
| US Dollar | 2.39% | 8.74 years |

15. Portfolio transaction costs

There were no broker transaction costs incurred during the year to 30 September 2015 (30/09/14: £nil).

16. Post balance sheet events

Subsequent to the year end, the Net Asset Value per share of the Fund has increased using the share prices at the year end date compared to 31 December 2015.

A Income shares have increased from 102.68p to 103.94p. This takes into account routine transactions but also reflects the market movements.

There are no post balance sheet events which require adjustments at the year end.

Distribution Table

As at 30 September 2015

Interim Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2014

Group 2 Shares purchased on or after 1 October 2014 to 31 March 2015

| | Gross revenue (p) | Income tax (p) | Net revenue (p) | Equalisation (p) | Distribution paid 31/05/15 (p) | Distribution paid 31/05/14 (p) |
|----------------------|----------------------|-------------------|--------------------|---------------------|--------------------------------------|--------------------------------------|
| Share Class A Income | | | | | | |
| Group 1 | 0.7879 | 0.1576 | 0.6303 | – | 0.6303 | n/a |
| Group 2 | 0.3013 | 0.0603 | 0.2410 | 0.3893 | 0.6303 | n/a |

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 April 2015

Group 2 Shares purchased on or after 1 April to 30 September 2015

| | Gross revenue (p) | Income tax (p) | Net revenue (p) | Equalisation (p) | Distribution payable 30/11/15 (p) | Distribution paid 30/11/14 (p) |
|----------------------|----------------------|-------------------|--------------------|---------------------|---|--------------------------------------|
| Share Class A Income | | | | | | |
| Group 1 | 0.6216 | 0.1243 | 0.4973 | – | 0.4973 | 0.5075 |
| Group 2 | 0.3566 | 0.0713 | 0.2853 | 0.2120 | 0.4973 | 0.5075 |

Investment Manager's Report

For the year ended 30 September 2015

Investment Objective

To achieve a return of a combination of income and capital growth.

Investment Policy

The Fund intends to invest primarily in Sterling denominated government and non-government fixed and variable interest rate securities. The Fund may also invest in other transferable securities (for example, foreign currency fixed and variable interest rate securities), units in collective investment schemes, money market instruments deposits, derivatives and warrants as detailed in the Prospectus. No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purposes of hedging and efficient portfolio management.

Investment Review

Net of fees the fund delivered a positive return of 6.77% (Source: Financial Express, 01/10/14–30/09/15, £ returns, net income reinvested) for the year under review.

The last quarter of 2014 saw the portfolio rise strongly in absolute terms, but lag the broader sterling bond market. During this part of the period, the underweight in gilts was costly as non-government bonds – especially corporate bonds – underperformed. While we continued to favour corporate debt over gilts, we tactically reduced the portfolio's underweight in duration to a more neutral position as we felt gilt yields compared very favourably to those available in European markets at the time and we expected flows into UK sovereign debt from European investors.

Absolute returns in the first quarter of 2015 were slightly more muted, but the fund's performance relative to the broader sterling bond market improved. During this period, the overweight to corporate bonds was beneficial as spreads tightened; a neutral-to-long duration position also helped.

The second quarter of 2015 was a more challenging period for fixed-income investments, and the fund's performance fell back in line with the market. We reduced credit risk in the portfolio, moving it closer to a neutral position versus the market. This helped performance as credit spreads over gilts widened, but the portfolio's moderately long duration position detracted.

The final quarter of the year in review saw the fund produce a positive return slightly ahead of the market. As UK bonds appeared range-bound and volatile, with no major trends evident, we adopted a flexible approach to duration positioning. The portfolio was modestly long duration during the Greek troubles and neutral for China's currency devaluation, before moving slightly short as the accounting year drew to a close. This tactical positioning aided relative performance, as did an underweight in the automobile sector.

Aside from long-dated gilts, which outperformed strongly over the year, positive contributors to the fund's total return included issues from BNG Bank in the Netherlands (maturing in 2019) and the European Investment Bank (2018), both of which were among the largest additions to the portfolio in the period. Biomedical research charity Wellcome Trust (maturing in 2036) also helped returns. Detractors included commodity-trading groups Noble (2045) and Glencore (2019), pressured by falling commodity prices, and Brazilian oil company Petrobras (2026), which we sold, reflecting our concerns on Brazil. Aside from the BNG Bank and European Investment Bank purchases mentioned above, notable additions included new issues from HJ Heinz (4.125%, 2027) and Virgin Money (2.25%, 2020), both added in the second quarter of 2015.

Investment Manager's Report (continued)
For the year ended 30 September 2015

Outlook

We perceive three key headwinds for the UK economy going forward: the "Brexit" referendum; delivering the second wave of fiscal austerity; and the (eventual) tightening of monetary policy.

In our view, the UK economy has been performing well, and interest-rate rises are on the horizon, but we expect the US to lead the way in hiking. We feel less confident that the Federal Reserve will raise rates before the end of 2015, and therefore action by the Bank of England's monetary policy committee could also be delayed. We expect UK GDP growth to moderate into the calendar year end, with around 0.5% quarter-on-quarter growth in each of the third and fourth quarters of 2015, down from 0.7% in the second.

For corporate credit, corporate fundamentals show signs of modest deterioration, as companies undertake M&A and adopt more shareholder-friendly policies, such as share buybacks. Notwithstanding this, valuations have become more attractive, and sterling supply is muted, aiding the technical backdrop. Accordingly, we believe the case for adding to credit risk within the portfolio is slowly growing.

Investment Manager

Threadneedle Asset Management Limited
16 October 2015

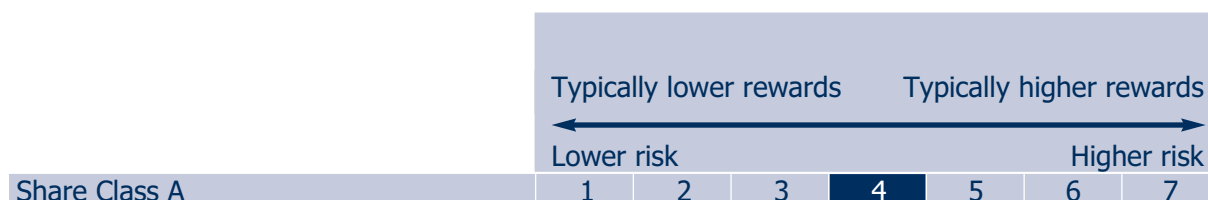
Performance Information
As at 30 September 2015

Ongoing Charge Figure

| Date | AMC (%) | Other expenses (%) | Synthetic expense ratio (%) | Transaction costs (%) | Total ongoing charge figure (%) |
|----------------------|---------|--------------------|-----------------------------|-----------------------|---------------------------------|
| 30/09/15 | | | | | |
| Share Class A Income | 0.45 | 0.04 | 0.01 | 0.00 | 0.50 |
| 30/09/14 | | | | | |
| Share Class A Income | 0.45 | 0.06 | 0.00 | 0.01 | 0.52 |

The Ongoing Charge Figure (OCF) is the ratio of the Fund’s total discloseable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take into account of the ongoing charges incurred in the underlying CIUs and disclose as a synthetic expense ratio.

Risk and Reward Profile
As at 30 September 2015



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Net Asset Value per Share and Comparative Table

As at 30 September 2015

Net Asset Value

| Date | Net Asset Value of share class (£) | Shares in issue | Net Asset Value per share (p) |
|----------------------|------------------------------------|-----------------|-------------------------------|
| Share Class A Income | | | |
| 30/09/14 | 169,449,296 | 165,496,381 | 102.39 |
| 30/09/15 | 390,710,279 | 363,525,675 | 107.48 |

Price and Revenue History

| Calendar Year | Highest Published share price (p) | Lowest Published share price (p) | Net Revenue per share (p) |
|----------------------|-----------------------------------|----------------------------------|---------------------------|
| Share Class A Income | | | |
| 2014 ¹ | 108.64 | 99.18 | 1.1954 |
| 2015 ² | 113.46 | 104.86 | 1.8700 [†] |

¹ From 3 March to 31 December 2014.

² From 1 January to 30 September 2015.

[†] Includes the distributions paid 31 May and payable 30 November 2015.

Share Class A Income was launched 3 February 2014.

Distribution

The distribution for Share Class A Income is 0.9300p per share, payable 30 November 2015.

Portfolio Statement

As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|--|-------------------|--------------------------|
| Collective Investment Schemes 1.50% [5.14%] | | | |
| 5,727,138 | Threadneedle UK Corporate Bond | 5,870,316 | 1.50 |
| | | 5,870,316 | 1.50 |
| Corporate Bonds 37.06% [31.10%] | | | |
| £1,545,000 | America Movil SAB de CV 6.375% 06/09/2073 | 1,602,938 | 0.41 |
| £1,000,000 | American International 5% 26/04/2023 | 1,129,518 | 0.29 |
| £1,060,000 | Amgen 5.5% 07/12/2026 | 1,248,652 | 0.32 |
| £2,535,000 | Anheuser-Busch InBev 4% 24/09/2025 | 2,621,956 | 0.67 |
| £1,200,000 | APT Pipelines 3.5% 22/03/2030 | 1,103,243 | 0.28 |
| £1,000,000 | AT&T 4.25% 01/06/2043 | 903,420 | 0.23 |
| £2,050,000 | AT&T 5.5% 15/03/2027 | 2,372,740 | 0.61 |
| £1,130,000 | Aviva 6.625% 03/06/2041 | 1,219,858 | 0.31 |
| £9,400,000 | Bank Nederlandse Gemeenten 5.75% 18/01/2019 | 10,740,863 | 2.75 |
| £1,650,000 | Bank of America 6.125% 15/09/2021 | 1,933,548 | 0.49 |
| £950,000 | Bank of America 7% 31/07/2028 | 1,281,603 | 0.34 |
| £1,350,000 | Barclays Bank 10% 21/05/2021 | 1,728,436 | 0.44 |
| £375,000 | Barclays Bank 14% Perpetual | 483,165 | 0.12 |
| £1,720,000 | BG Energy Capital 6.5% 30/11/2072 | 1,801,815 | 0.46 |
| £1,259,000 | BHP Billiton Finance 3.25% 25/09/2024 | 1,240,982 | 0.32 |
| £1,200,000 | BPCE 5.25% 16/04/2029 | 1,241,511 | 0.32 |
| £2,166,000 | BUPA Finance 3.375% 17/06/2021 | 2,218,587 | 0.57 |
| £975,000 | BUPA Finance 5% 25/04/2023 | 993,964 | 0.25 |
| £1,185,000 | Citigroup 5.125% 12/12/2018 | 1,275,774 | 0.33 |
| £2,232,000 | Clydesdale Bank 4.625% 08/06/2026 | 2,630,739 | 0.67 |
| £1,820,000 | Eastern Power Networks 4.75% 30/09/2021 | 2,027,910 | 0.52 |
| £2,020,000 | Emirates NBD 3.25% 19/11/2019 | 1,347,582 | 0.35 |
| £10,410,000 | European Investment Bank 1.375% 15/01/2018 | 10,493,384 | 2.69 |
| £1,005,000 | Eversholt Funding 6.359% 02/12/2025 | 1,249,970 | 0.32 |
| £550,000 | First Hydro Finance 9% 31/07/2021 | 726,066 | 0.19 |
| £950,000 | G4S 7.75% 13/05/2019 | 1,108,094 | 0.28 |
| £1,079,000 | GE Capital UK Funding 5.125% 24/05/2023 | 1,246,217 | 0.32 |
| £1,525,000 | GKN 6.75% 28/10/2019 | 1,725,902 | 0.44 |
| £1,200,000 | Glencore Finance Europe 6.5% 27/02/2019 | 1,091,723 | 0.28 |
| £1,410,000 | Global Switch 4.375% 13/12/2022 | 1,482,261 | 0.38 |
| £990,000 | Greene King Finance 5.106% 15/03/2034 | 1,133,649 | 0.29 |
| £900,000 | Heathrow Funding 5.225% 15/02/2023 | 1,022,215 | 0.26 |
| £760,000 | Imperial Tobacco Finance 5.5% 28/09/2026 | 876,973 | 0.22 |
| £1,095,000 | Imperial Tobacco Finance 7.75% 24/06/2019 | 1,293,833 | 0.33 |
| £1,220,000 | ING Bank 6.875% 29/05/2023 | 1,334,914 | 0.34 |
| £1,700,000 | InterContinental Hotels 3.875% 28/11/2022 | 1,736,038 | 0.44 |
| £921,000 | JPMorgan Chase 1.875% 10/02/2020 | 899,025 | 0.23 |
| £989,793 | Juturna European Loan Conduit No 16 5.0636% 10/08/2033 | 1,146,011 | 0.29 |
| £8,700,000 | KFW 1% 07/12/2017 | 8,710,571 | 2.23 |
| £3,410,000 | Kraft Heinz Foods 4.125% 01/07/2027 | 3,525,240 | 0.90 |
| £1,023,000 | Legal & General 5.5% 27/06/2064 | 975,477 | 0.25 |
| £735,000 | Legal & General 10% 23/07/2041 | 950,675 | 0.24 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|------------------------------------|--|--------------------|--------------------------|
| Corporate Bonds (continued) | | | |
| £3,325,000 | Linde Finance 8.125% 14/07/2066 | 3,472,264 | 0.89 |
| £2,937,000 | Lloyds Bank 2.5% 01/06/2022 | 2,880,610 | 0.74 |
| £905,000 | Lloyds Bank 7.625% 22/04/2025 | 1,139,177 | 0.29 |
| £1,484,000 | London Power Networks 6.125% 07/06/2027 | 1,863,382 | 0.48 |
| £680,000 | Mondelez International 3.875% 06/03/2045 | 603,984 | 0.16 |
| £1,961,000 | Motability Operations 4.375% 08/02/2027 | 2,184,956 | 0.56 |
| £1,708,000 | National Express 6.25% 13/01/2017 | 1,795,091 | 0.46 |
| £617,000 | National Grid Electricity Transmission 5.875% 02/02/2024 | 757,440 | 0.19 |
| £1,340,000 | National Grid Electricity Transmission 7.375% 13/01/2031 | 1,958,363 | 0.50 |
| £296,000 | National Grid Gas 6% 13/05/2038 | 394,848 | 0.10 |
| £1,140,000 | NGG Finance 5.625% 18/06/2073 | 1,190,350 | 0.30 |
| £1,410,000 | Noble International 6.95% 01/04/2045 | 642,843 | 0.16 |
| £2,030,000 | Northern Gas Networks Finance 4.875% 30/06/2027 | 2,300,952 | 0.59 |
| £1,090,000 | Northern Powergrid Yorkshire 2.5% 01/04/2025 | 1,048,329 | 0.27 |
| £1,445,000 | Pennon 6.75% Perpetual | 1,488,032 | 0.38 |
| £990,000 | Porterbrook Rail Finance 4.625% 04/04/2029 | 1,081,850 | 0.28 |
| £580,000 | PostNL 7.5% 14/08/2018 | 663,547 | 0.17 |
| £950,000 | RSA Insurance 9.375% 20/05/2039 | 1,105,026 | 0.28 |
| £2,206,000 | Scentre 2.375% 08/04/2022 | 2,148,070 | 0.55 |
| £1,695,000 | SGSP Australia Assets 5.125% 11/02/2021 | 1,875,709 | 0.48 |
| £2,430,000 | Siemens Financieringsmaatschappij 6.125% 14/09/2066 | 2,487,753 | 0.64 |
| £630,000 | South East Water Finance 5.5834% 29/03/2029 | 745,773 | 0.19 |
| £457,000 | Southern Gas Networks 2.5% 03/02/2025 | 434,417 | 0.11 |
| £1,060,000 | Stagecoach 4% 29/09/2025 | 1,057,297 | 0.27 |
| £2,850,000 | Telereal Securitisation 4.0902% 10/12/2033 | 2,939,234 | 0.75 |
| £2,700,000 | Temasek Financial 4.625% 26/07/2022 | 3,108,112 | 0.80 |
| £545,000 | Tesco 5.5% 13/12/2019 | 583,679 | 0.15 |
| £346,204 | Tesco Property Finance 7.6227% 13/07/2039 | 378,882 | 0.10 |
| £2,745,000 | Thames Water Utilities Cayman Finance 5.375% 21/07/2025 | 2,865,669 | 0.73 |
| £1,725,000 | Transport for London 2.125% 24/04/2025 | 1,696,904 | 0.43 |
| £2,370,000 | Verizon Communications 4.75% 17/02/2034 | 2,484,830 | 0.64 |
| £3,150,000 | Virgin Money 2.25% 21/04/2020 | 3,078,117 | 0.79 |
| £1,400,000 | Vonovia Finance 4% Perpetual | 986,139 | 0.25 |
| £1,735,000 | Western Power Distribution South West 5.875% 25/03/2027 | 2,120,854 | 0.54 |
| £750,000 | Western Power Distribution West Midlands 6% 09/05/2025 | 922,005 | 0.24 |
| £1,520,000 | WM Morrison Supermarkets 4.625% 08/12/2023 | 1,533,209 | 0.39 |
| £880,000 | Yorkshire Water Services Bradford Finance 6% 24/04/2025 | 926,026 | 0.24 |
| | | 144,820,765 | 37.06 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---|--|--------------------|--------------------------|
| Government Bonds 54.32% [55.61%] | | | |
| £9,500,000 | UK Treasury 1.25% 22/07/2018 | 9,627,538 | 2.46 |
| £3,858,000 | UK Treasury 1.5% 22/01/2021 | 3,895,384 | 1.00 |
| £30,355,000 | UK Treasury 2% 22/07/2020 | 31,486,128 | 8.06 |
| £3,000,000 | UK Treasury 2% 07/09/2025 | 3,062,514 | 0.78 |
| £13,653,000 | UK Treasury 2.75% 07/09/2024 | 14,878,734 | 3.81 |
| £6,423,000 | UK Treasury 3.25% 22/01/2044 | 7,431,539 | 1.90 |
| £23,847,000 | UK Treasury 3.5% 22/01/2045 | 28,880,694 | 7.39 |
| £3,209,000 | UK Treasury 3.5% 22/07/2068 | 4,276,410 | 1.10 |
| £5,897,000 | UK Treasury 3.75% 22/07/2052 | 7,816,356 | 2.00 |
| £8,210,000 | UK Treasury 4% 22/01/2060 | 11,833,653 | 3.03 |
| £2,544,000 | UK Treasury 4.25% 07/12/2027 | 3,193,910 | 0.82 |
| £10,464,000 | UK Treasury 4.25% 07/06/2032 | 13,409,157 | 3.43 |
| £13,320,000 | UK Treasury 4.25% 07/03/2036 | 17,348,531 | 4.44 |
| £7,680,000 | UK Treasury 4.25% 07/09/2039 | 10,190,108 | 2.61 |
| £5,957,000 | UK Treasury 4.25% 07/12/2040 | 7,971,975 | 2.04 |
| £4,525,000 | UK Treasury 4.25% 07/12/2049 | 6,456,072 | 1.65 |
| £7,971,000 | UK Treasury 4.5% 07/09/2034 | 10,623,571 | 2.72 |
| £12,969,000 | UK Treasury 4.75% 07/12/2030 | 17,394,714 | 4.45 |
| £2,620,000 | United Mexican States Treasury 5.625% 19/03/2114 | 2,475,900 | 0.63 |
| | | 212,252,888 | 54.32 |
| Municipal Bonds 0.53% [0.00%] | | | |
| £1,993,000 | University of Liverpool 3.375% 25/06/2055 | 2,051,712 | 0.53 |
| | | 2,051,712 | 0.53 |
| Forward Currency Contracts (0.01%) [0.00%] | | | |
| | Bought EUR39,900 for GBP29,443 Settlement 18/12/2015 | 8 | 0.00 |
| | Bought USD88,900 for GBP58,461 Settlement 18/12/2015 | (18,565) | 0.00 |
| | Sold EUR1,426,900 for GBP1,042,552 Settlement 18/12/2015 | (10,666) | 0.00 |
| | Sold USD3,256,900 for GBP2,102,953 Settlement 18/12/2015 | (47,824) | (0.01) |
| | | (77,047) | (0.01) |
| | Portfolio of investments | 364,918,634 | 93.40 |
| | Net other assets | 25,791,645 | 6.60 |
| | Net assets | 390,710,279 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements.

All investments are bonds unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 30 September 2014.

Gross purchases for the year: £497,388,242 [2014: £240,162,227].

Total sales net of transaction costs for the year: £295,526,737 [2014: £87,726,855].

Portfolio Statement (continued)
As at 30 September 2015

Associated Bond Ratings as at 30 September 2015

| | % of Total Net Assets |
|--------------------|--------------------------|
| Bond Rating | |
| AAA | 6.44 |
| AA | 57.60 |
| A | 6.19 |
| BBB | 21.93 |
| BB | 0.53 |
| B | 0.02 |
| NR | 0.62 |
| Bonds | 93.33 |
| Uninvested Cash | 6.67 |
| Forwards | |
| Net Assets | 100.00 |

The above information has been supplied by the Investment Manager. Bonds not rated are deemed by the Investment Manager to be of investment grade, but rating not sought by issuer.

Statement of Total Return

For the year ended 30 September 2015

| | Note | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|------|----------------------|------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains | 2 | | 9,168,118 | | 3,304,493 |
| Revenue | 3 | 7,573,570 | | 1,719,795 | |
| Expenses | 4 | (1,395,022) | | (293,373) | |
| Finance costs: Interest | 6 | (1,081) | | (74) | |
| Net revenue before taxation | | 6,177,467 | | 1,426,348 | |
| Taxation | 5 | – | | – | |
| Net revenue after taxation | | 6,177,467 | | 1,426,348 | |
| Total return before distributions | | 15,345,585 | | 4,730,841 | |
| Finance costs: Distributions | 6 | (6,177,202) | | (1,426,348) | |
| Change in net assets attributable to shareholders from investment activities | | | 9,168,383 | | 3,304,493 |

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2015

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 169,449,296 | | – |
| Amounts received on issue of shares | 215,009,762 | | 166,108,931 | |
| Less: Amounts paid on cancellation of shares | (2,917,162) | | – | |
| | | 212,092,600 | | 166,108,931 |
| Dilution adjustment charged | | – | | 35,872 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 9,168,383 | | 3,304,493 |
| Closing net assets attributable to shareholders | | 390,710,279 | | 169,449,296 |

Balance Sheet
 As at 30 September 2015

| | Note | 30/09/15 | | 30/09/14 | |
|--|------|-------------|--------------------|-------------|--------------------|
| | | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 364,995,689 | | 155,630,777 |
| Debtors | 7 | 10,158,948 | | 7,480,778 | |
| Cash and bank balances | 8 | 27,301,616 | | 13,381,087 | |
| Total other assets | | | 37,460,564 | | 20,861,865 |
| Total assets | | | 402,456,253 | | 176,492,642 |
| Liabilities | | | | | |
| Investment liabilities | | | (77,055) | | – |
| Creditors | 9 | (8,288,130) | | (5,064,905) | |
| Distribution payable on income shares | | (3,380,789) | | (1,978,441) | |
| Total other liabilities | | | (11,668,919) | | (7,043,346) |
| Total liabilities | | | (11,745,974) | | (7,043,346) |
| Net assets attributable to shareholders | | | 390,710,279 | | 169,449,296 |

Notes to the Financial Statements

For the year ended 30 September 2015

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements, details of which can be found on pages 12, 13, 14 and 15.

2. Net capital gains

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| The net capital gains during the year/period comprise: | | |
| Currency gains | 89,020 | 1,697 |
| Forward currency contracts | (7,710) | – |
| Non-derivative securities | 9,095,288 | 3,310,157 |
| Transaction charges | (8,480) | (7,361) |
| Net capital gains | 9,168,118 | 3,304,493 |

3. Revenue

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Bank interest | 22,020 | 4,495 |
| Interest from debt securities | 7,300,016 | 1,484,018 |
| Interest income from Collective Investment Schemes | 234,310 | 231,282 |
| Rebates received from underlying funds | 17,224 | – |
| Total revenue | 7,573,570 | 1,719,795 |

4. Expenses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fee | 1,279,771 | 261,135 |
| ACD subsidy | – | (191) |
| Printing, postage, stationery and typesetting costs | – | 489 |
| | 1,279,771 | 261,433 |
| Payable to the Depositary, associates of the Depositary and agents of either of them | | |
| Depositary fees | 74,606 | 22,336 |
| Safe custody fees | 21,053 | 3,202 |
| | 95,659 | 25,538 |
| Other expenses | | |
| Audit fees | 8,790 | 6,203 |
| Out of pocket expenses | 114 | – |
| Professional fees | 5,435 | 199 |
| Publication fees | 5,078 | – |
| Regulatory fees | 175 | – |
| | 19,592 | 6,402 |
| Total expenses | 1,395,022 | 293,373 |

In the prior period the ACD subsidised some of the expenses incurred by the Fund to partly cover the minimum costs charged by third parties.

Audit fees are £7,350 ex VAT (2014: £5,145).

Notes to the Financial Statements (continued)
For the year ended 30 September 2015

5. Taxation

(a) Analysis of the tax charge in the year/period

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Corporation tax | — | — |
| Total current tax charge (Note 5 (b)) | — | — |
| Deferred tax (Note 5 (c)) | — | — |
| Total taxation for the year/period | — | — |

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

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2014: 20%) is applied to the net revenue before taxation. The differences are explained below:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Net revenue before taxation | 6,177,467 | 1,426,348 |
| Net revenue for the year/period multiplied by the standard rate of corporation tax | 1,235,493 | 285,270 |
| Effects of: | | |
| Movement in excess management expenses | — | 4,869 |
| Tax deductible interest distributions | (1,235,493) | (285,270) |
| Relief for indexation on UK Gilts | — | (4,869) |
| Current tax charge for the year/period | — | — |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year or prior period.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2014: £4,869) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

6. Finance costs

Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Interim | 2,439,091 | – |
| Final | 3,380,789 | 1,978,441 |
| Add: Revenue paid on cancellation of shares | 23,690 | – |
| Deduct: Revenue received on creation of shares | (901,861) | (837,363) |
| Income tax withheld at source | 1,235,493 | 285,270 |
| Net distribution for the year/period | 6,177,202 | 1,426,348 |
| Interest | 1,081 | 74 |
| Total finance costs | 6,178,283 | 1,426,422 |
| Reconciliation of net revenue after taxation to distributions | | |
| Net revenue after taxation | 6,177,467 | 1,426,348 |
| Net movement in revenue account | (265) | – |
| Net distribution for the year/period | 6,177,202 | 1,426,348 |

Details of the distributions per share are set out in the distribution tables on page 114.

7. Debtors

| | 30/09/15 £ | 30/09/14 £ |
|---|-------------------|------------------|
| Accrued bank interest | 640 | 1,506 |
| Accrued other revenue | 3,792,662 | 1,461,363 |
| Amounts due for rebates from underlying funds | 17,224 | – |
| Amounts receivable for creation of shares | 1,908,661 | 4,295,688 |
| Sales awaiting settlement | 4,438,175 | 1,722,221 |
| Prepaid expenses | 1,586 | – |
| Total debtors | 10,158,948 | 7,480,778 |

8. Cash and bank balances

| | 30/09/15 £ | 30/09/14 £ |
|-------------------------------------|-------------------|-------------------|
| Cash and bank balances | 27,301,616 | 13,381,087 |
| Total cash and bank balances | 27,301,616 | 13,381,087 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

9. Creditors

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Amounts payable for cancellation of shares | 2,604,238 | – |
| Income tax payable | 732,763 | 285,270 |
| Purchases awaiting settlement | 4,769,634 | 4,695,624 |
| | 8,106,635 | 4,980,894 |
| <i>Accrued expenses</i> | | |
| Manager and Agents | | |
| AMC fee | 143,561 | 59,367 |
| ACD subsidy | – | (191) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 143,561 | 59,562 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 7,657 | 12,757 |
| Safe custody fees | 14,635 | 2,005 |
| Transaction charges | 4,421 | 3,484 |
| | 26,713 | 18,246 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 8,820 | 6,203 |
| Professional fees | 558 | – |
| Publication fees | 1,843 | – |
| | 11,221 | 6,203 |
| Total creditors | 8,288,130 | 5,064,905 |

10. Related party transactions

Related party transactions in the Fund are disclosed in note 10 of the Notes to the Aggregated Financial Statements on pages 19 and 20.

Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund

| Shareholders | 30/09/15 (%) |
|--|--------------|
| Sterling ISA Managers (Nominees) Limited | 59.5 |
| FundsDirect Nominees Limited | 40.5 |

11. Share classes

Details relating to the Fund are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 20.

12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2014: nil).

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 13 of the Notes to the Aggregated Financial Statements on pages 20, 21 and 22.

(a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2015 therefore a currency table has not been disclosed.

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

| Currency | Financial assets | | | Total £ |
|-----------------|--|-------------------------------------|---|--------------------|
| | Floating rate financial assets £ | Fixed rate financial assets £ | Financial assets not carrying interest £ | |
| Assets | | | | |
| 30/09/15 | | | | |
| Euro | 10 | 986,139 | 32,606 | 1,018,755 |
| Sterling | 27,251,526 | 356,148,801 | 18,984,686 | 402,385,013 |
| US Dollar | 50,080 | 1,990,425 | 50,762 | 2,091,267 |
| Total | 27,301,616 | 359,125,365 | 19,068,054 | 405,495,035 |
| 30/09/14 | | | | |
| Sterling | 13,381,086 | 145,990,977 | 16,185,577 | 175,557,640 |
| US Dollar | 1 | 924,344 | 10,657 | 935,002 |
| Total | 13,381,087 | 146,915,321 | 16,196,234 | 176,492,642 |

| Currency | Financial liabilities | | Total £ |
|--------------------|--|--|-------------------|
| | Floating rate financial liabilities £ | Financial liabilities not carrying interest £ | |
| Liabilities | | | |
| 30/09/15 | | | |
| Euro | – | 1,023,767 | 1,023,767 |
| Sterling | – | 11,668,919 | 11,668,919 |
| US Dollar | – | 2,092,070 | 2,092,070 |
| Total | – | 14,784,756 | 14,784,756 |
| 30/09/14 | | | |
| Sterling | – | 7,043,346 | 7,043,346 |
| Total | – | 7,043,346 | 7,043,346 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

13. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities (continued)

| Currency | Fixed rate financial assets | |
|-----------------|--------------------------------|---|
| | Weighted average interest rate | Weighted average period for which rate is fixed |
| 30/09/15 | | |
| Euro | 3.86% | 0.00 years |
| Sterling | 2.64% | 16.94 years |
| US Dollar | 5.71% | 14.57 years |
| 30/09/14 | | |
| Sterling | 2.95% | 15.48 years |
| US Dollar | 3.12% | 28.64 years |

14. Portfolio transaction costs

There were no broker transaction costs incurred during the year to 30 September 2015 (30/09/14: £nil).

15. Post balance sheet events

Subsequent to the year end, the Net Asset Value per share of the Fund has decreased using the share prices at the year end date compared to 31 December 2015.

A Income shares have decreased from 108.41p to 106.67p. This takes into account routine transactions but also reflects the market movements.

There are no post balance sheet events which require adjustments at the year end.

Distribution Table

As at 30 September 2015

Interim Distribution in pence per share

- Group 1 Shares purchased prior to 1 October 2014
 Group 2 Shares purchased on or after 1 October 2014 to 31 March 2015

| | Gross revenue (p) | Income tax (p) | Net revenue (p) | Equalisation (p) | Distribution paid 31/05/15 (p) | Distribution paid 31/05/14 (p) |
|----------------------|----------------------|-------------------|--------------------|---------------------|--------------------------------------|--------------------------------------|
| Share Class A Income | | | | | | |
| Group 1 | 1.1750 | 0.2350 | 0.9400 | – | 0.9400 | n/a |
| Group 2 | 0.2454 | 0.0491 | 0.1963 | 0.7437 | 0.9400 | n/a |

Final Distribution in pence per share

- Group 1 Shares purchased prior to 1 April 2015
 Group 2 Shares purchased on or after 1 April to 30 September 2015

| | Gross revenue (p) | Income tax (p) | Net revenue (p) | Equalisation (p) | Distribution payable 30/11/15 (p) | Distribution paid 30/11/14 (p) |
|----------------------|----------------------|-------------------|--------------------|---------------------|---|--------------------------------------|
| Share Class A Income | | | | | | |
| Group 1 | 1.1625 | 0.2325 | 0.9300 | – | 0.9300 | 1.1954 |
| Group 2 | 0.6121 | 0.1224 | 0.4897 | 0.4403 | 0.9300 | 1.1954 |

Investment Manager's Report

For the year ended 30 September 2015

Investment Objective

The aim is to achieve capital growth.

Investment Policy

The Fund intends to invest primarily in companies incorporated in, or significantly exposed to, the United Kingdom. The Fund may also invest in other transferable securities (for example, international equities), units in collective investment schemes, money market instruments, warrants and deposits as detailed in the Prospectus. No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purpose of hedging and efficient portfolio management.

Investment Review

Over the twelve month period performance lagged that of the broad UK equity market.

The largest detractor from returns was Premier Oil, whose share price has essentially followed the oil price. Premier is well financed and has delivered returns to investors over the long term by finding oil, rather than gearing up the balance sheet to pay higher and higher dividends. Our overweight positions in industrials groups (Rolls Royce and Weir Group) detracted from performance due to earnings downgrades as a result of cut-backs in capital expenditure in commodity-related sectors and Rolls Royce's issues in moving to a new product platform. Overall our positioning and stock selection in the mining and oil and gas sectors were positive. Electricity generation business Drax Group underperformed after losing out in the UK Budget as renewable energy suppliers will no longer receive revenue from the climate change levy. This unexpected policy change results in a one-off downward adjustment to the company's future profitability. It was further impacted by falling energy prices.

On the positive side, cruise operator Carnival saw its shares climb in a falling market on the back of better-than-expected results, which included further evidence of robust bookings, and sentiment towards the group was also helped by the lower oil price. Not owning Glencore, the diversified natural resources company, also helped performance. We sold out of our holding in January due to concerns about the company's balance sheet in a weak commodity price environment. Overall our positioning in the mining and oil and gas sectors was beneficial over the year.

Aviation services specialist Dart Group has benefited from increased consumer confidence and higher consumer spending and performed well operationally, particularly through the summer. Imperial Tobacco was another strong performer, as the market reacted well to the completion of its acquisition of five US cigarette brands and an overweight position helped fund performance. London and South East-focused housebuilder Redrow performed well as its turnover, profits and completions were up strongly.

Market Overview

The UK equity market recorded a slight gain in the final quarter of 2014 as the positive influence of merger and acquisition activity overcame worries about Chinese growth and a sharp retreat in the oil price. The market enjoyed a solid start to 2015 and continued to rise, setting new all-time highs in March before giving back some of the gains towards the end of the first quarter.

The UK general election was in the spotlight during the early part of the second quarter and the decisive result was generally welcomed by the market, although this was later offset by the negative

Investment Manager's Report (continued)

For the year ended 30 September 2015

Market Overview (continued)

sentiment created by the Greece bailout saga. The UK equity market subsequently continued to fall in the third quarter, fuelled by fears about global growth and the outlook for the Chinese economy. These concerns were acknowledged by the US Federal Reserve in September when it deferred a much-anticipated increase in base lending rates.

Outlook

There is currently a dichotomy between developed markets and many developing markets. In both the US and UK, domestic economic data look reasonably robust. However, deflationary pressures arising from weak commodity prices and currency movements, along with weakness in developing economies, are causing policymakers to defer the normalisation of interest rates.

Markets are questioning whether the Chinese authorities can manage slower growth without a destabilising "hard landing" as the economy shifts from an export-led industrial manufacturing base to one more reliant on consumer demand. Slower Chinese growth will naturally dampen the global economy, although this should be balanced by the prospect of sustained growth in the US and UK, and improving economic activity in the euro area.

In the US, September's much anticipated Federal Reserve interest rate decision failed to deliver the greater clarity that had been expected by markets. "Lift off" has been pushed out to the end of this year or beyond. The Fed's judgement looks increasingly likely to be heavily dependent upon external factors, especially China, as much as continued strength in the labour market.

Over the course of 2015 markets have debated the possible timing of future interest rate rises in the US and UK. Increased expectations of higher US interest rates earlier this year fuelled a rise in the dollar, which put pressure on a range of emerging markets. This was manifested by capital outflows, further currency devaluations, issues over deficits and concerns over the scale of borrowings denominated in US dollars.

In the UK, consumer spending remains the main driver of growth, thanks to rising real incomes. Real household disposable incomes grew at the fastest rate since 2010 as employee pay growth accelerated. The introduction of the national living wage, together with benefit cuts as a result of tightening austerity and possible UK interest rate rises, could lead to pressure on a range of UK companies with significant domestic operations. Those particularly vulnerable are in the retail, food retail, leisure and support services sectors.

With earnings growth vulnerable to further downgrades as a result of the slower pace of global growth, and weakness in certain currencies, we expect dividend growth to moderate. We expect the recent increase in merger and acquisition (M&A) activity to continue, partly due to the continuing availability of cheap finance and partly due to the desire of companies to deliver earnings growth.

We remain committed to our investment process, which is based on fundamentals and a long-term, valuation-based approach and hence we continue to balance our existing holdings against potential new opportunities.

Investment Manager

Schroder Investment Management Limited
14 October 2015

Performance Information

As at 30 September 2015

Ongoing Charge Figure

| Date | AMC (%) | ACD subsidy (%) | Other expenses (%) | Transaction costs (%) | Total Ongoing charge figure (%) |
|----------------------------------|---------|-----------------|--------------------|-----------------------|---------------------------------|
| 30/09/15 Share Class A Income | 0.65 | 0.00 | 0.04 | 0.00 | 0.69 |
| 30/09/14 Share Class A Income | 0.65 | (0.04) | 0.05 | 0.05 | 0.71 |

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk and Reward Profile

As at 30 September 2015

| | Typically lower rewards | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|--------------------------|---|---|---|
| | ←—————→ | | | | | | |
| | Lower risk | | | Higher risk | | | |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | | | | | 5 | | |

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "5" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Net Asset Value per Share and Comparative Table

As at 30 September 2015

Net Asset Value

| Date | Net Asset Value of share class (£) | Shares in issue | Net Asset Value per share (p) |
|----------------------|------------------------------------|-----------------|-------------------------------|
| Share Class A Income | | | |
| 30/09/14 | 224,291,774 | 230,336,333 | 97.38 |
| 30/09/15 | 470,014,050 | 519,267,453 | 90.51 |

Price and Revenue History

| Calendar Year | Highest Published share price (p) | Lowest Published share price (p) | Net Revenue per share (p) |
|----------------------|-----------------------------------|----------------------------------|---------------------------|
| Share Class A Income | | | |
| 2014 ¹ | 103.05 | 89.83 | 1.7436 |
| 2015 ² | 106.97 | 90.67 | 2.7640 [†] |

¹ From 3 March to 31 December 2014.

² From 1 January to 30 September 2015.

[†] Includes the distributions paid 31 May and payable 30 November 2015.

Share Class A Income was launched 3 February 2014.

Distribution

The distribution for Share Class A Income is 1.7689p per share, payable 30 November 2015.

Portfolio Statement
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|--------------------------------|-------------------|--------------------------|
| Aerospace & Defence 2.74% [4.40%] | | | |
| 1,197,881 | QinetiQ | 2,698,826 | 0.57 |
| 1,509,226 | Rolls-Royce | 10,217,460 | 2.17 |
| | | 12,916,286 | 2.74 |
| Banks 10.24% [11.19%] | | | |
| 6,579,532 | Barclays | 16,063,927 | 3.42 |
| 3,952,628 | HSBC | 19,711,756 | 4.19 |
| 9,221,770 | Lloyds Banking | 6,931,082 | 1.47 |
| 850,512 | Standard Chartered | 5,449,230 | 1.16 |
| | | 48,155,995 | 10.24 |
| Electricity 0.00% [0.70%] | | | |
| Financial Services 5.03% [4.80%] | | | |
| 2,151,857 | ICAP | 9,818,923 | 2.09 |
| 946,093 | International Personal Finance | 3,653,811 | 0.78 |
| 803,849 | Investec | 4,063,457 | 0.86 |
| 1,305,054 | SVG Capital | 6,094,602 | 1.30 |
| | | 23,630,793 | 5.03 |
| Fixed Line Telecommunications 2.75% [1.72%] | | | |
| 3,077,684 | BT | 12,913,962 | 2.75 |
| | | 12,913,962 | 2.75 |
| Food & Drug Retailers 2.91% [0.00%] | | | |
| 341,268 | Greggs | 3,695,932 | 0.79 |
| 5,434,958 | Tesco | 9,954,126 | 2.12 |
| | | 13,650,058 | 2.91 |
| Gas, Water & Multi-utilities 1.83% [0.00%] | | | |
| 3,743,944 | Centrica | 8,581,120 | 1.83 |
| | | 8,581,120 | 1.83 |
| General Retailers 2.74% [3.34%] | | | |
| 523,577 | Halfords | 2,417,355 | 0.51 |
| 4,012,615 | Home Retail | 5,453,144 | 1.16 |
| 1,833,004 | Pets at Home | 5,033,429 | 1.07 |
| | | 12,903,928 | 2.74 |
| Household Goods & Home Construction 2.00% [0.99%] | | | |
| 432,086 | Bovis Homes | 4,346,785 | 0.92 |
| 1,112,647 | Redrow | 5,075,896 | 1.08 |
| | | 9,422,681 | 2.00 |
| Industrial Engineering 1.45% [3.19%] | | | |
| 168,567 | Spirax-Sarco Engineering | 4,719,876 | 1.00 |
| 181,095 | Weir | 2,117,001 | 0.45 |
| | | 6,836,877 | 1.45 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---|--------------------------------------|-------------------|--------------------------|
| Industrial Metals & Mining 0.06% [0.00%] | | | |
| 421,620 | South32 | 266,675 | 0.06 |
| | | 266,675 | 0.06 |
| Industrial Transportation 0.76% [0.94%] | | | |
| 384,319 | James Fisher & Sons | 3,578,010 | 0.76 |
| | | 3,578,010 | 0.76 |
| Leisure Goods 0.81% [0.83%] | | | |
| 2,447,278 | Photo-Me | 3,823,872 | 0.81 |
| | | 3,823,872 | 0.81 |
| Life Insurance 11.06% [9.28%] | | | |
| 2,965,424 | Aviva | 13,403,716 | 2.85 |
| 2,851,350 | Just Retirement | 4,639,146 | 0.99 |
| 361,642 | Just Retirement Subscription Shares* | – | 0.00 |
| 5,426,265 | Legal & General | 12,914,511 | 2.75 |
| 1,507,505 | Prudential | 20,999,545 | 4.47 |
| | | 51,956,918 | 11.06 |
| Media 7.63% [7.85%] | | | |
| 930,166 | Daily Mail & General Trust | 7,008,801 | 1.49 |
| 3,165,868 | ITV | 7,788,035 | 1.66 |
| 791,272 | Pearson | 8,909,723 | 1.90 |
| 1,072,808 | RELX | 12,133,458 | 2.58 |
| | | 35,840,017 | 7.63 |
| Mining 4.91% [7.03%] | | | |
| 1,039,992 | BHP Billiton | 10,446,720 | 2.22 |
| 572,216 | Rio Tinto | 12,643,113 | 2.69 |
| | | 23,089,833 | 4.91 |
| Mobile Telecommunications 4.21% [3.86%] | | | |
| 9,483,442 | Vodafone | 19,768,235 | 4.21 |
| | | 19,768,235 | 4.21 |
| Non-life Insurance 0.00% [0.85%] | | | |
| Oil & Gas Producers 9.78% [12.38%] | | | |
| 2,024,966 | BG | 19,257,427 | 4.10 |
| 3,063,499 | BP | 10,232,087 | 2.18 |
| 2,568,845 | Premier Oil | 1,712,135 | 0.36 |
| 944,083 | Royal Dutch Shell | 14,746,576 | 3.14 |
| | | 45,948,225 | 9.78 |
| Oil Equipment, Services & Distribution 0.85% [1.58%] | | | |
| 651,567 | Wood (John) | 4,003,879 | 0.85 |
| | | 4,003,879 | 0.85 |
| Personal Goods 2.27% [2.04%]** | | | |
| 397,135 | Unilever | 10,659,103 | 2.27 |
| | | 10,659,103 | 2.27 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|---------------------------------|--------------------|--------------------------|
| Pharmaceuticals & Biotechnology 8.88% [7.88%] | | | |
| 414,277 | AstraZeneca | 17,322,993 | 3.69 |
| 1,591,140 | GlaxoSmithKline | 20,127,921 | 4.28 |
| 94,491 | Shire | 4,254,930 | 0.91 |
| | | 41,705,844 | 8.88 |
| Real Estate Investment & Services 1.06% [0.84%] | | | |
| 2,098,724 | Grainger | 4,994,963 | 1.06 |
| | | 4,994,963 | 1.06 |
| Support Services 2.11% [2.57%] | | | |
| 1,714,684 | G4S | 3,954,061 | 0.84 |
| 4,077,605 | Rentokil Initial | 5,990,002 | 1.27 |
| | | 9,944,063 | 2.11 |
| Technology Hardware & Equipment 0.00% [0.95%] | | | |
| Tobacco 6.54% [3.63%] | | | |
| 331,718 | British American Tobacco | 12,084,487 | 2.57 |
| 547,557 | Imperial Tobacco | 18,649,791 | 3.97 |
| | | 30,734,278 | 6.54 |
| Travel and Leisure 6.24% [5.18%] | | | |
| 358,833 | Carnival | 12,275,677 | 2.62 |
| 1,102,960 | Dart | 5,310,752 | 1.13 |
| 4,962,176 | Firstgroup | 4,848,046 | 1.03 |
| 301,576 | InterContinental Hotels | 6,881,964 | 1.46 |
| | | 29,316,439 | 6.24 |
| | Portfolio of investments | 464,642,054 | 98.86 |
| | Net other assets | 5,371,996 | 1.14 |
| | Net assets | 470,014,050 | 100.00 |

* Delisted.

** Since the previous report the classification headings have been updated by data providers. Comparative figures have been updated where appropriate.

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements.

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 30 September 2014.

Gross purchases for the year: £326,224,520 [2014: £230,697,664] (See Note 14).

Total sales net of transaction costs for the year: £41,035,369 [2014: £7,537,264] (See Note 14).

Statement of Total Return

For the year ended 30 September 2015

| | Note | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|------|----------------------|---------------------|----------------------|--------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital losses | 2 | | (40,414,416) | | (3,070,274) |
| Revenue | 3 | 13,458,492 | | 2,787,924 | |
| Expenses | 4 | (2,571,635) | | (527,090) | |
| Finance costs: Interest | 6 | (279) | | – | |
| Net revenue before taxation | | 10,886,578 | | 2,260,834 | |
| Taxation | 5 | – | | (1,168) | |
| Net revenue after taxation | | 10,886,578 | | 2,259,666 | |
| Total return before distributions | | | (29,527,838) | | (810,608) |
| Finance costs: Distributions | 6 | | (10,886,544) | | (2,259,666) |
| Change in net assets attributable to shareholders from investment activities | | | (40,414,382) | | (3,070,274) |

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2015

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 224,291,774 | | – |
| Amounts received on issue of shares | 286,904,170 | | 227,314,886 | |
| Less: Amounts paid on cancellation of shares | (767,512) | | – | |
| | | 286,136,658 | | 227,314,886 |
| Dilution adjustment charged | | – | | 49,265 |
| Stamp duty reserve tax* | | – | | (2,103) |
| Change in net assets attributable to shareholders from investment activities (see above) | | (40,414,382) | | (3,070,274) |
| Closing net assets attributable to shareholders | | 470,014,050 | | 224,291,774 |

* Abolished from 30 March 2014 for OEICs.

Balance Sheet

As at 30 September 2015

| | Note | 30/09/15 | | 30/09/14 | |
|--|------|-------------|--------------------|-------------|--------------------|
| | | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 464,642,054 | | 219,858,144 |
| Debtors | 7 | 6,360,885 | | 7,496,386 | |
| Cash and bank balances | 8 | 8,492,799 | | 1,108,233 | |
| Total other assets | | | 14,853,684 | | 8,604,619 |
| Total assets | | | 479,495,738 | | 228,462,763 |
| Liabilities | | | | | |
| Investment liabilities | | | – | | – |
| Creditors | 9 | (296,366) | | (154,820) | |
| Distribution payable on income shares | | (9,185,322) | | (4,016,169) | |
| Total other liabilities | | | (9,481,688) | | (4,170,989) |
| Total liabilities | | | (9,481,688) | | (4,170,989) |
| Net assets attributable to shareholders | | | 470,014,050 | | 224,291,774 |

Notes to the Interim Financial Statements

For the period ended 30 September 2015

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements, details of which can be found on pages 12, 13, 14 and 15.

2. Net capital losses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| The net capital losses during the year/period comprise: | | |
| Currency gains | 3,062 | 1,485 |
| Non-derivative securities | (40,405,232) | (3,033,858) |
| Transaction charges | (12,246) | (37,901) |
| Net capital losses | (40,414,416) | (3,070,274) |

3. Revenue

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|----------------------|------------------------------|------------------------------|
| Bank interest | 15,325 | 4,431 |
| Overseas dividends | 600,916 | 184,030 |
| Scrip dividends | 587,981 | – |
| UK dividends | 12,254,270 | 2,599,463 |
| Total revenue | 13,458,492 | 2,787,924 |

4. Expenses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fee | 2,434,433 | 516,412 |
| ACD subsidy | – | (28,599) |
| Printing, postage, stationery and typesetting costs | – | 489 |
| | 2,434,433 | 488,302 |
| Payable to the Depositary, associates of the Depositary and agents of either of them | | |
| Depositary fees | 96,238 | 28,048 |
| Safe custody fees | 19,160 | 4,328 |
| | 115,398 | 32,376 |
| Other expenses | | |
| Audit fees | 8,790 | 6,203 |
| Out of pocket expenses | 114 | – |
| Professional fees | 6,925 | 209 |
| Publication fees | 5,800 | – |
| Regulatory fees | 175 | – |
| | 21,804 | 6,412 |
| Total expenses | 2,571,635 | 527,090 |

In the prior period the ACD subsidised some of the expenses incurred by the Fund to partly cover the minimum costs charged by third parties.

Audit fees are £7,350 ex VAT (2014: £5,145).

Notes to the Interim Financial Statements (continued)

For the period ended 30 September 2015

5. Taxation

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| (a) Analysis of the tax charge in the year/period | | |
| Overseas tax | – | 1,168 |
| Total current tax charge (Note 5 (b)) | – | 1,168 |
| Deferred tax (Note 5 (c)) | – | – |
| Total taxation for the year/period | – | 1,168 |

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

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (2014: 20%) is applied to the net revenue before taxation. The differences are explained below:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Net revenue before taxation | 10,886,578 | 2,260,834 |
| Net revenue for the year/period multiplied by the standard rate of corporation tax | 2,177,316 | 452,167 |
| Effects of: | | |
| Movement in excess management expenses | 510,812 | 104,431 |
| Overseas tax | – | 1,168 |
| Revenue not subject to corporation tax | (2,688,128) | (556,598) |
| Current tax charge for the year/period | – | 1,168 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year or prior period.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £615,242 (2014: £104,430) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the period.

Notes to the Interim Financial Statements (continued)

For the period ended 30 September 2015

6. Finance costs

Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Interim | 3,725,829 | – |
| Final | 9,185,322 | 4,016,169 |
| Add: Revenue paid on cancellation of shares | 3,953 | – |
| Deduct: Revenue received on creation of shares | (2,028,560) | (1,756,503) |
| Net distribution for the year/period | 10,886,544 | 2,259,666 |
| Interest | 279 | – |
| Total finance costs | 10,886,823 | 2,259,666 |
| Reconciliation of net revenue after taxation to distributions | | |
| Net revenue after taxation | 10,886,578 | 2,259,666 |
| Net movement in revenue account | (34) | – |
| Net distribution for the year/period | 10,886,544 | 2,259,666 |

Details of the distributions per share are set out in the distribution tables on page 130.

7. Debtors

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Accrued bank interest | 348 | 920 |
| Accrued other revenue | 883,079 | 485,960 |
| Amounts receivable for creation of shares | 5,475,620 | 6,915,273 |
| Sales awaiting settlement | – | 94,233 |
| Prepaid expenses | 1,838 | – |
| Total debtors | 6,360,885 | 7,496,386 |

8. Cash and bank balances

| | 30/09/15 £ | 30/09/14 £ |
|-------------------------------------|------------------|------------------|
| Cash and bank balances | 8,492,799 | 1,108,233 |
| Total cash and bank balances | 8,492,799 | 1,108,233 |

Notes to the Interim Financial Statements (continued)

For the period ended 30 September 2015

9. Creditors

| | 30/09/15 £ | 30/09/14 £ |
|---|----------------|----------------|
| Purchases awaiting settlement | – | 25,688 |
| | – | 25,688 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fee | 252,968 | 116,608 |
| ACD subsidy | – | (28,599) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 252,968 | 88,395 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 9,340 | 15,856 |
| Safe custody fees | 13,900 | 2,587 |
| Transaction charges | 8,956 | 16,091 |
| | 32,196 | 34,534 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 8,820 | 6,203 |
| Professional fees | 558 | – |
| Publication fees | 1,824 | – |
| | 11,202 | 6,203 |
| Total creditors | 296,366 | 154,820 |

10. Related party transactions

Related party transactions in the Fund are disclosed in note 10 of the Notes to the Aggregated Financial Statements on pages 19 and 20.

Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund

| Shareholders | 30/09/15 (%) |
|--|--------------|
| Sterling ISA Managers (Nominees) Limited | 58.0 |
| FundsDirect Nominees Limited | 42.0 |

11. Share classes

Details relating to the Fund are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 20.

12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2014: nil).

Notes to the Interim Financial Statements (continued)

For the period ended 30 September 2015

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 13 of the Notes to the Aggregated Financial Statements on pages 20, 21 and 22.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|-----------------------------|--------------------|
| | Monetary exposures £ | Non-monetary exposures £ | Total £ |
| 30/09/15 | | | |
| US Dollar | 161,500 | – | 161,500 |
| Total foreign currency exposure | 161,500 | – | 161,500 |
| Sterling | 5,210,496 | 464,642,054 | 469,852,550 |
| Total net assets | 5,371,996 | 464,642,054 | 470,014,050 |

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|-----------------------------|--------------------|
| | Monetary exposures £ | Non-monetary exposures £ | Total £ |
| 30/09/14 | | | |
| US Dollar | 166,593 | – | 166,593 |
| Total foreign currency exposure | 166,593 | – | 166,593 |
| Sterling | 4,267,037 | 219,858,144 | 224,125,181 |
| Total net assets | 4,433,630 | 219,858,144 | 224,291,774 |

(b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2015, 1.81% (30 September 2014: 0.49%) of the Fund's assets were interest bearing.

Notes to the Interim Financial Statements (continued)
For the period ended 30 September 2015

14. Portfolio transaction costs

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in the year/period before transaction costs | | 324,479,870 | | 229,489,390 |
| Commissions | 180,928 | | 134,423 | |
| Fees | 1,563,722 | | 1,073,851 | |
| Total purchase costs | | 1,744,650 | | 1,208,274 |
| Gross purchase total | | 326,224,520 | | 230,697,664 |
| Analysis of total sale costs | | | | |
| Gross sales in the year/period before transaction costs | | 41,066,746 | | 7,544,095 |
| Commissions | (31,207) | | (6,789) | |
| Fees | (170) | | (42) | |
| Total sale costs | | (31,377) | | (6,831) |
| Total sales net of transaction costs | | 41,035,369 | | 7,537,264 |

15. Post balance sheet events

Subsequent to the year end, the Net Asset Value per share of the Fund has increased using the share prices at the year end date compared to 31 December 2015.

A Income shares have increased from 92.11p to 93.10p. This takes into account routine transactions but also reflects the market movements.

There are no post balance sheet events which require adjustments at the year end.

Distribution Table

As at 30 September 2015

Interim Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2014

Group 2 Shares purchased on or after 1 October 2014 to 31 March 2015

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/05/15 (p) | Distribution paid 31/05/14 (p) |
|----------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.9951 | – | 0.9951 | n/a |
| Group 2 | 0.4254 | 0.5697 | 0.9951 | n/a |

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 April 2015

Group 2 Shares purchased on or after 1 April to 30 September 2015

| | Net revenue (p) | Equalisation (p) | Distribution payable 30/11/15 (p) | Distribution paid 30/11/14 (p) |
|----------------------|-----------------------|---------------------|--|---|
| Share Class A Income | | | | |
| Group 1 | 1.7689 | – | 1.7689 | 1.7436 |
| Group 2 | 0.7599 | 1.0090 | 1.7689 | 1.7436 |

Investment Manager's Report

For the year ended 30 September 2015

Investment Objective

The aim is to achieve capital growth.

Investment Policy

The Fund intends to invest primarily in companies incorporated in, or significantly exposed to, the United States of America. The Fund may also invest in other transferable securities (for example, other international equities), units in collective investment schemes, money market instruments, warrants and deposits as detailed in the Prospectus. No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purposes of hedging and efficient portfolio management.

Investment Review

The Fund underperformed various growth-focused US equity indices over the period. On a sector basis, the strongest relative performers were Information Technology, Materials and Consumer Staples, while Consumer Discretionary, Health Care and Industrials were the weakest.

Within those sectors, the portfolio benefited from investments in IT services, beverages and food products, while relative weakness in retail and clothing (due to foreign exchange fluctuations), media (because of concerns about changing consumption habits) and biotechnology (amid drug-pricing concerns and high valuations) detracted from relative results. The decline in energy prices has pressured capital expenditure budgets and the stock prices of many Industrials holdings.

Positions Initiated

- Amazon.com Inc.: The company's cloud-services business (AWS) and North American retail are seeing strong growth, and better and more transparent reporting should provide more insight into the firm's profitability.
- McDonald's Corp.: We believe the fast-food chain could deliver better-than-expected profitability and sales, as its new chief executive reduces costs and begins a national rollout of all-day breakfast and a simplified menu.
- Cisco Systems Inc.: The technology company's recent announcement of its CEO transition is a positive, and its supply chain is strengthening as recent foreign-exchange headwinds are beginning to reverse.
- Citrix Systems Inc.: The software company is poised to benefit from solid margins and growth momentum in its Desktop Solutions segment. It is in the early stages of management restructuring, which will be advantageous in the long term.
- Molson Coors Brewing Co.: The alcoholic-beverage company is positioned to benefit from ongoing consolidation in the industry.

Positions Eliminated

- Perrigo Co.: The pharmaceutical firm's stock surged on news of a bid from Mylan, which made this defensive move to avoid a takeover by Teva. We decided to exit the position, given limited further upside.
- Cummins Inc.: The maker of engines and power-generation products continues to face headwinds in China and Brazil. Additionally, the company's valuation is unlikely to be rewarded for better earnings as the U.S. truck market has probably peaked.

Investment Manager's Report (continued)
For the year ended 30 September 2015

Investment Review (continued)

Positions Eliminated (continued)

- Tyco International Plc: The stock was sold because of increased growth headwinds. Despite the stock's defensive characteristics, Tyco has experienced higher-than-expected profit exposure to oil and gas markets and derivative exposure to a decelerating China via Australia's mining markets.
- McKesson Corp.: The stock was sold as the pharmaceutical distributor has faced mounting headwinds, particularly the loss of three major contracts.
- Coca-Cola Enterprises Inc.: We sold our position as it hit our price target; we reallocated the capital to better risk/reward candidates.

Market Overview

The reporting period began in the midst of a market downturn in September and early October 2014, but U.S. employment gains, better consumer confidence and improved business sentiment prompted a quick market recovery. Consequently, some broad equity market indexes climbed to record highs through the end of February 2015. In March, investors responded negatively to sluggish economic growth, stemming from severe winter weather, the West Coast port closures and an appreciating U.S. dollar. However, the U.S. economy regained traction in the spring, and stocks resumed their advance until the summer, when uncertainty about Greece's debt crisis and China's slowing economic growth again pressured U.S. stock prices and sparked more volatility. By September, the Federal Reserve decided to hold off on raising short-term interest rates, citing China's struggles, a low U.S. inflation rate and the sharp drop in commodity prices, which threaten to stifle global economic growth and demand for U.S. goods and services.

Outlook

As the year draws to a close, volatility will likely continue to impact equities as they attempt to find more solid footing. Above all, it is important to remember that fundamentals for both U.S. companies and the overall U.S. economy remain solid. However, investors continue to grapple with concerns about global growth, especially regarding China and Europe, escalating geopolitical risks (such as Syria, Ukraine and Iran) and the highly anticipated but yet-to-materialize interest rate hike from the Federal Reserve. The lack of clarity on those fronts continues to keep the markets off-balance.

Despite this, our research-driven process has led us to a number of areas in the market that are well positioned to experience tailwinds ahead. While volatility is likely to persist throughout the rest of the year, we believe equities should be supported by positive seasonal influences, relatively healthier economic conditions, and solid corporate underpinnings.

Investment Manager

BNY Mellon Investment Management EMEA Limited
19 October 2015

Performance Information

As at 30 September 2015

Ongoing Charge Figure (OCF)

| Date | AMC (%) | ACD subsidy (%) | Other expenses (%) | Transaction costs (%) | Total ongoing charge figure (%) |
|----------------------------------|---------|-----------------|--------------------|-----------------------|---------------------------------|
| 30/09/15 Share Class A Income | 0.65 | 0.00 | 0.04 | 0.01 | 0.70 |
| 30/09/14 Share Class A Income | 0.65 | (0.09) | 0.07 | 0.08 | 0.71 |

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total discloseable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk and Reward Profile

As at 30 September 2015

| | Typically lower rewards | | | Typically higher rewards | | | |
|---------------|-------------------------|---|---|--------------------------|---|---|---|
| | Lower risk | | | Higher risk | | | |
| Share Class A | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because the Fund invests in the shares of companies whose values tend to vary more widely than other asset classes.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a Fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Net Asset Value per Share and Comparative Table

As at 30 September 2015

Net Asset Value

| Date | Net Asset Value of Share Class (£) | Shares in issue | Net Asset Value per Share (p) |
|----------------------|------------------------------------|-----------------|-------------------------------|
| Share Class A Income | | | |
| 30/09/14 | 113,502,429 | 110,612,491 | 102.61 |
| 31/09/15 | 238,780,134 | 214,871,637 | 111.13 |

Price and Revenue History

| Calendar Year | Highest Published Share price (p) | Lowest Published Share price (p) | Net Revenue per Share (p) |
|----------------------|-----------------------------------|----------------------------------|---------------------------|
| Share Class A Income | | | |
| 2014 ¹ | 112.52 | 92.23 | 0.2644 |
| 2015 ² | 122.64 | 105.01 | 0.3801 [†] |

¹ From 3 March to 31 December 2014.

² From 1 January to 30 September 2015.

[†] Includes the distributions paid 31 May and payable 30 November 2015.

Share Class A Income was launched 3 February 2014.

Distribution

The distribution for Share Class A Income is 0.1676p per share, payable 30 November 2015.

Portfolio Statement

As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|---------------------------|-------------------|--------------------------|
| Aerospace & Defence 2.77% [2.49%] | | | |
| 53,670 | Raytheon | 3,870,901 | 1.62 |
| 46,748 | United Technologies | 2,744,545 | 1.15 |
| | | 6,615,446 | 2.77 |
| Automobile & Parts 1.82% [0.67%] | | | |
| 40,556 | Delphi Automotive | 2,035,096 | 0.85 |
| 14,199 | Tesla Motors | 2,327,146 | 0.97 |
| | | 4,362,242 | 1.82 |
| Beverages 3.83% [4.03%] | | | |
| 42,036 | Molson Coors Brewing | 2,303,620 | 0.96 |
| 109,750 | PepsiCo | 6,828,084 | 2.87 |
| | | 9,131,704 | 3.83 |
| Chemicals 0.91% [2.87%] | | | |
| 77,782 | Dow Chemical | 2,178,769 | 0.91 |
| | | 2,178,769 | 0.91 |
| Construction and Materials 1.35% [1.87%] | | | |
| 32,207 | Martin Marietta Materials | 3,229,737 | 1.35 |
| | | 3,229,737 | 1.35 |
| Financial Services 6.21% [7.86%] | | | |
| 28,308 | Ameriprise Financial | 2,039,073 | 0.85 |
| 12,471 | BlackRock | 2,447,025 | 1.02 |
| 21,842 | Intercontinental Exchange | 3,386,574 | 1.42 |
| 152,131 | Visa | 6,966,038 | 2.92 |
| | | 14,838,710 | 6.21 |
| Fixed Line Telecommunications 2.07% [0.00%] | | | |
| 172,545 | Verizon Communications | 4,952,802 | 2.07 |
| | | 4,952,802 | 2.07 |
| Food and Drug Retailers 3.10% [2.65%] | | | |
| 57,438 | Cardinal Health | 2,912,948 | 1.22 |
| 70,556 | CVS Health | 4,493,972 | 1.88 |
| | | 7,406,920 | 3.10 |
| Food Producers 3.96% [1.10%] | | | |
| 79,714 | Archer-Daniels-Midland | 2,180,788 | 0.91 |
| 121,058 | ConAgra Foods | 3,236,738 | 1.36 |
| 145,982 | Mondelez | 4,030,347 | 1.69 |
| | | 9,447,873 | 3.96 |
| General Industrials 3.78% [3.00%] | | | |
| 66,105 | Danaher | 3,716,893 | 1.56 |
| 84,664 | Honeywell | 5,291,396 | 2.22 |
| | | 9,008,289 | 3.78 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---|----------------------------------|-------------------|--------------------------|
| General Retailers 7.19% [6.40%] | | | |
| 20,580 | Amazon.com | 6,949,444 | 2.91 |
| 65,758 | Dollar Tree | 2,892,961 | 1.21 |
| 55,885 | Home Depot | 4,257,185 | 1.78 |
| 28,662 | Ulta Salon Cosmetics & Fragrance | 3,090,331 | 1.29 |
| | | 17,189,921 | 7.19 |
| Health Care Equipment & Services 2.99% [1.03%] | | | |
| 220,552 | Boston Scientific | 2,387,888 | 1.00 |
| 61,966 | UnitedHealth | 4,745,375 | 1.99 |
| | | 7,133,263 | 2.99 |
| Industrial Engineering 0.00% [1.18%] | | | |
| Industrial Transportation 1.34% [1.06%] | | | |
| 33,575 | FedEx | 3,190,484 | 1.34 |
| | | 3,190,484 | 1.34 |
| Media 4.87% [4.65%] | | | |
| 47,047 | AMC Networks | 2,272,605 | 0.95 |
| 80,306 | CBS | 2,114,809 | 0.89 |
| 118,064 | Comcast | 4,429,495 | 1.86 |
| 222,245 | Interpublic | 2,805,297 | 1.17 |
| | | 11,622,206 | 4.87 |
| Non-life Insurance 1.23% [0.00%] | | | |
| 85,101 | Marsh & McLennan | 2,933,239 | 1.23 |
| | | 2,933,239 | 1.23 |
| Oil & Gas Producers 0.00% [1.60%] | | | |
| Oil Equipment, Services & Distribution 1.00% [4.01%] | | | |
| 52,571 | Schlumberger | 2,391,247 | 1.00 |
| | | 2,391,247 | 1.00 |
| Personal Goods 6.31% [6.20%] | | | |
| 67,946 | Estee Lauder | 3,618,105 | 1.52 |
| 168,711 | Hanesbrands | 3,222,188 | 1.35 |
| 47,332 | lululemon athletica | 1,582,368 | 0.66 |
| 58,697 | Nike | 4,763,961 | 2.00 |
| 29,291 | Under Armour | 1,870,486 | 0.78 |
| | | 15,057,108 | 6.31 |

Portfolio Statement (continued)
 As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|--|--------------------------------|-------------------|--------------------------|
| Pharmaceuticals & Biotechnology 10.77% [13.43%] | | | |
| 103,868 | AbbVie | 3,728,894 | 1.56 |
| 25,830 | Alexion Pharmaceuticals | 2,666,642 | 1.12 |
| 20,682 | Allergan | 3,707,400 | 1.55 |
| 22,957 | Biogen Idec | 4,412,261 | 1.85 |
| 92,119 | Bristol-Myers Squibb | 3,598,403 | 1.51 |
| 20,636 | Illumina | 2,393,081 | 1.00 |
| 8,747 | Regeneron Pharmaceuticals | 2,677,428 | 1.12 |
| 36,961 | Vertex Pharmaceuticals | 2,538,896 | 1.06 |
| | | 25,723,005 | 10.77 |
| Software & Computer Services 18.93% [15.21%] | | | |
| 52,747 | Adobe Systems | 2,862,041 | 1.20 |
| 61,828 | Akamai Technologies | 2,816,802 | 1.18 |
| 12,703 | Alphabet 'A' Shares | 5,341,256 | 2.24 |
| 14,499 | Alphabet 'C' Shares | 5,809,364 | 2.43 |
| 61,244 | Cerner | 2,423,884 | 1.02 |
| 39,213 | Citrix Systems | 1,793,223 | 0.75 |
| 71,148 | Cognizant Technology Solutions | 2,939,860 | 1.23 |
| 130,857 | Facebook | 7,764,600 | 3.25 |
| 55,337 | Fortinet | 1,551,884 | 0.65 |
| 44,992 | Intuit | 2,634,620 | 1.10 |
| 181,067 | Oracle | 4,315,246 | 1.81 |
| 76,547 | salesforce.com | 3,507,088 | 1.47 |
| 39,344 | Splunk | 1,437,397 | 0.60 |
| | | 45,197,265 | 18.93 |
| Support Services 0.87% [2.97%] | | | |
| 16,479 | LinkedIn | 2,067,450 | 0.87 |
| | | 2,067,450 | 0.87 |
| Technology Hardware & Equipment 9.04% [9.81%] | | | |
| 218,054 | Apple | 15,875,225 | 6.65 |
| 31,113 | Avago Technologies | 2,566,476 | 1.07 |
| 181,566 | Cisco Systems | 3,144,068 | 1.32 |
| | | 21,585,769 | 9.04 |

Portfolio Statement (continued)

As at 30 September 2015

| Holdings or Nominal Value | Investments | Market value £ | % of Total Net Assets |
|---|---------------------------------|--------------------|--------------------------|
| Travel and Leisure 3.66% [2.35%] | | | |
| 66,021 | McDonald's | 4,294,035 | 1.80 |
| 5,450 | Priceline | 4,445,128 | 1.86 |
| | | 8,739,163 | 3.66 |
| | Portfolio of investments | 234,002,612 | 98.00 |
| | Net other assets | 4,777,522 | 2.00 |
| | Net assets | 238,780,134 | 100.00 |

The investments have been valued in accordance with note 1(i) of the Notes to the Aggregated Financial Statements. All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings. Comparative figures shown above in square brackets relate to 30 September 2014.

Gross purchases for the year: £194,979,837 [2014: £122,142,563] (See Note 14).

Total sales net of transaction costs for the year: £78,203,880 [2014: £17,900,404] (See Note 14).

Statement of Total Return

For the year ended 30 September 2015

| | Note | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|---|------|----------------------|------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Income | | | | | |
| Net capital gains | 2 | | 7,844,658 | | 5,395,311 |
| Revenue | 3 | 2,203,795 | | 504,218 | |
| Expenses | 4 | (1,284,486) | | (235,950) | |
| Finance costs: Interest | 6 | (28) | | (1) | |
| Net revenue before taxation | | 919,281 | | 268,267 | |
| Taxation | 5 | (290,889) | | (64,682) | |
| Net revenue after taxation | | | 628,392 | | 203,585 |
| Total return before distributions | | | 8,473,050 | | 5,598,896 |
| Finance costs: Distributions | 6 | | (628,252) | | (203,585) |
| Change in net assets attributable to shareholders from investment activities | | | 7,844,798 | | 5,395,311 |

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2015

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Opening net assets attributable to shareholders | | 113,502,429 | | – |
| Amounts received on issue of shares | 120,401,130 | | 108,083,869 | |
| Less: Amounts paid on cancellation of shares | (2,968,223) | | – | |
| | | 117,432,907 | | 108,083,869 |
| Dilution adjustment charged | | – | | 23,249 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 7,844,798 | | 5,395,311 |
| Closing net assets attributable to shareholders | | 238,780,134 | | 113,502,429 |

Balance Sheet
As at 30 September 2015

| | Note | 30/09/15 | | 30/09/14 | |
|--|------|-------------|--------------------|-------------|--------------------|
| | | £ | £ | £ | £ |
| Assets | | | | | |
| Investment assets | | | 234,002,612 | | 109,463,344 |
| Debtors | 7 | 2,137,300 | | 4,923,776 | |
| Cash and bank balances | 8 | 4,494,239 | | 814,080 | |
| Total other assets | | | 6,631,539 | | 5,737,856 |
| Total assets | | | 240,634,151 | | 115,201,200 |
| Liabilities | | | | | |
| Investment liabilities | | | – | | – |
| Creditors | 9 | (1,493,892) | | (1,406,290) | |
| Distribution payable on income shares | | (360,125) | | (292,481) | |
| Total other liabilities | | | (1,854,017) | | (1,698,771) |
| Total liabilities | | | (1,854,017) | | (1,698,771) |
| Net assets attributable to shareholders | | | 238,780,134 | | 113,502,429 |

Notes to the Financial Statements

For the year ended 30 September 2015

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the same basis as the Aggregated Financial Statements, details of which can be found on pages 12, 13, 14 and 15.

2. Net capital gains

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| The net capital gains during the year/period comprise: | | |
| Currency gains | 98,946 | 25,209 |
| Non-derivative securities | 7,763,311 | 5,401,975 |
| Transaction charges | (17,599) | (31,873) |
| Net capital gains | 7,844,658 | 5,395,311 |

3. Revenue

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|----------------------|------------------------------|------------------------------|
| Bank interest | 5,756 | 1,430 |
| Overseas dividends | 2,198,039 | 502,788 |
| Total revenue | 2,203,795 | 504,218 |

4. Expenses

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|---|------------------------------|------------------------------|
| Payable to the ACD, associates of the ACD, and agents of either of them | | |
| AMC fee | 1,206,728 | 245,909 |
| ACD subsidy | – | (34,616) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 1,206,728 | 211,679 |
| Payable to the Depositary, associates of the Depositary and agents of either of them | | |
| Depositary fees | 50,908 | 16,217 |
| Safe custody fees | 9,526 | 1,760 |
| | 60,434 | 17,977 |
| Other expenses | | |
| Audit fees | 8,790 | 6,203 |
| Professional fees | 4,147 | 91 |
| Publication fees | 4,212 | – |
| Regulatory fees | 175 | – |
| | 17,324 | 6,294 |
| Total expenses | 1,284,486 | 235,950 |

In the prior period the ACD subsidised some of the expenses incurred by the Fund to partly cover the minimum costs charged by third parties.

Audit fees are £7,350 ex VAT (2014: £5,145).

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

5. Taxation

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| (a) Analysis of the tax charge in the year/period | | |
| Overseas tax | 290,889 | 64,682 |
| Total current tax charge (Note 5 (b)) | 290,889 | 64,682 |
| Deferred tax (Note 5 (c)) | – | – |
| Total taxation for the year/period | 290,889 | 64,682 |

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

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% is applied to the net revenue before taxation. The differences are explained below:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Net revenue before taxation | 919,281 | 268,267 |
| Net revenue for the year/period multiplied by the standard rate of corporation tax | 183,856 | 53,653 |
| Effects of: | | |
| Movement in excess management expenses | 242,476 | 44,775 |
| Overseas tax | 290,889 | 64,682 |
| Revenue not subject to corporation tax | (426,332) | (98,428) |
| Current tax charge for the year/period | 290,889 | 64,682 |

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year or prior period.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £287,251 (2014: £44,775) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

6. Finance costs

Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01/10/14 to 30/09/15 £ | 03/03/14 to 30/09/14 £ |
|--|------------------------------|------------------------------|
| Interim | 341,871 | – |
| Final | 360,125 | 292,481 |
| Add: Revenue paid on cancellation of shares | 3,869 | – |
| Deduct: Revenue received on creation of shares | (77,613) | (88,896) |
| Net distribution for the year/period | 628,252 | 203,585 |
| Interest | 28 | 1 |
| Total finance costs | 628,280 | 203,586 |
| Reconciliation of net revenue after taxation to distributions | | |
| Net revenue after taxation | 628,392 | 203,585 |
| Net movement in revenue account | (140) | – |
| Net distribution for the year/period | 628,252 | 203,585 |

Details of the distributions per share are set out in the distribution tables on page 147.

7. Debtors

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Accrued bank interest | 147 | 355 |
| Accrued other revenue | 90,723 | 77,805 |
| Amounts receivable for creation of shares | 1,131,177 | 2,603,305 |
| Sales awaiting settlement | 914,322 | 2,242,311 |
| Prepaid expenses | 931 | – |
| Total debtors | 2,137,300 | 4,923,776 |

8. Cash and bank balances

| | 30/09/15 £ | 30/09/14 £ |
|-------------------------------------|------------------|----------------|
| Cash and bank balances | 4,494,239 | 814,080 |
| Total cash and bank balances | 4,494,239 | 814,080 |

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

9. Creditors

| | 30/09/15 £ | 30/09/14 £ |
|---|------------------|------------------|
| Amounts payable for cancellation of shares | 860,041 | – |
| Purchases awaiting settlement | 472,199 | 1,352,300 |
| | 1,332,240 | 1,352,300 |
| <i>Accrued expenses</i> | | |
| <i>Manager and Agents</i> | | |
| AMC fee | 126,747 | 57,364 |
| ACD subsidy | – | (34,616) |
| Printing, postage, stationery and typesetting costs | – | 386 |
| | 126,747 | 23,134 |
| <i>Depositary and Agents</i> | | |
| Depositary fees | 4,680 | 9,559 |
| Safe custody fees | 6,817 | 1,231 |
| Transaction charges | 12,206 | 13,863 |
| | 23,703 | 24,653 |
| <i>Other accrued expenses</i> | | |
| Audit fees | 8,819 | 6,203 |
| Professional fees | 558 | – |
| Publication fees | 1,825 | – |
| | 11,202 | 6,203 |
| Total creditors | 1,493,892 | 1,406,290 |

10. Related party transactions

Related party transactions in the Fund are disclosed in note 10 of the Notes to the Aggregated Financial Statements on pages 19 and 20.

Significant shareholdings

As at the balance sheet date, the following had significant shareholdings within the Fund

| Shareholders | 30/09/15 (%) |
|--|--------------|
| Sterling ISA Managers (Nominees) Limited | 58.3 |
| FundsDirect Nominees Limited | 41.7 |

11. Share classes

Details relating to the Fund are disclosed in note 11 of the Notes to the Aggregated Financial Statements on page 20.

12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2014: nil).

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 13 of the Notes to the Aggregated Financial Statements on pages 20, 21 and 22.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|-----------------------------|--------------------|
| | Monetary exposures £ | Non-monetary exposures £ | Total £ |
| 30/09/15 | | | |
| US Dollar | 3,043,976 | 234,002,612 | 237,046,588 |
| Total foreign currency exposure | 3,043,976 | 234,002,612 | 237,046,588 |
| Sterling | 1,733,546 | – | 1,733,546 |
| Total net assets | 4,777,522 | 234,002,612 | 238,780,134 |

| Currency | Net foreign currency assets/(liabilities) | | |
|--|---|-----------------------------|--------------------|
| | Monetary exposures £ | Non-monetary exposures £ | Total £ |
| 30/09/14 | | | |
| US Dollar | 1,283,302 | 109,463,344 | 110,746,646 |
| Total foreign currency exposure | 1,283,302 | 109,463,344 | 110,746,646 |
| Sterling | 2,755,783 | – | 2,755,783 |
| Total net assets | 4,039,085 | 109,463,344 | 113,502,429 |

(b) Interest rate risk profile of financial assets and liabilities

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2015, 1.88% (30 September 2014: 0.72%) of the Fund's assets were interest bearing.

Notes to the Financial Statements (continued)

For the year ended 30 September 2015

14. Portfolio transaction costs

| | 01/10/14 to 30/09/15 | | 03/03/14 to 30/09/14 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | £ | £ | £ | £ |
| Analysis of total purchase costs | | | | |
| Purchases in the year/period before transaction costs | | 194,929,304 | | 122,123,416 |
| Commissions | 50,533 | | 19,147 | |
| Total purchase costs | | 50,533 | | 19,147 |
| Gross purchase total | | 194,979,837 | | 122,142,563 |
| Analysis of total sale costs | | | | |
| Gross sales in the year/period before transaction costs | | 78,239,181 | | 17,908,401 |
| Commissions | (33,763) | | (7,997) | |
| Fees | (1,538) | | – | |
| Total sale costs | | (35,302) | | (7,997) |
| Total sales net of transaction costs | | 78,203,880 | | 17,900,404 |

15. Post balance sheet events

Subsequent to the year end, the Net Asset Value per share of the Fund has increased using the share prices at the year end date compared to 31 December 2015.

A Income shares have increased from 108.59p to 123.39p. This takes into account routine transactions but also reflects the market movements.

There are no post balance sheet events which require adjustments at the year end.

Distribution Table

As at 30 September 2015

Interim Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2014

Group 2 Shares purchased on or after 1 October 2014 to 31 March 2015

| | Net revenue (p) | Equalisation (p) | Distribution paid 31/05/15 (p) | Distribution paid 31/05/14 (p) |
|----------------------|-----------------------|---------------------|---|---|
| Share Class A Income | | | | |
| Group 1 | 0.2125 | – | 0.2125 | n/a |
| Group 2 | 0.0523 | 0.1602 | 0.2125 | n/a |

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 April 2015

Group 2 Shares purchased on or after 1 April to 30 September 2015

| | Net revenue (p) | Equalisation (p) | Distribution payable 30/11/15 (p) | Distribution paid 30/11/14 (p) |
|----------------------|-----------------------|---------------------|--|---|
| Share Class A Income | | | | |
| Group 1 | 0.1676 | - | 0.1676 | 0.2644 |
| Group 2 | 0.1016 | 0.0660 | 0.1676 | 0.2644 |

General Information

Classes of Shares

The Company can issue different classes of shares in respect of any Fund. Holders of Income shares are entitled to be paid the revenue attributable to such shares, in respect of each annual or interim accounting period. Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Valuation Point

The valuation point for each Fund is 12 noon on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 9:00 am and 5:00 pm. Instructions to buy or sell shares may be either in writing to: PO Box 10191, Chelmsford, CM99 2AP or by telephoning 0345 140 0070*. A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Prices

The prices of shares for each class in each Fund will be posted on www.fundlistings.com and can also be obtained by telephoning the Administrator on 0345 140 0070* during the ACD's normal business hours.

Significant Information

With effect from 16 February 2015 the ACD of the Company changed from Fund Partners Limited to Omnis Investments Limited. At this point the Fund names changed as follows:

| Previous Name | New Name |
|--|---|
| FP Omnis UK Equity Fund | Omnis UK Equity Fund |
| FP Omnis US Equity Fund | Omnis US Equity Fund |
| FP Omnis Developed Markets (ex-UK, ex-US) Equity Fund | Omnis Developed Markets (ex-UK, ex-US) Equity Fund |
| FP Omnis Emerging Markets Equity Fund | Omnis Emerging Markets Equity Fund |
| FP Omnis Alternative Strategies Fund | Omnis Alternative Strategies Fund |
| FP Omnis Global Bond Fund | Omnis Global Bond Fund |
| FP Omnis UK Bond Fund | Omnis UK Bond Fund |

Other Information

The Instrument of Incorporation, Prospectus and the most recent interim and annual reports may be obtained, free of charge, upon application to Omnis Investments Limited, PO Box 10191, Chelmsford, CM99 2AP.

Shareholders who have any complaints about the operation of the Company should contact the ACD in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors decisions.

General Information (continued)

Report

The annual report of the Company will be published within four months of each annual accounting period and the interim report will be published within two months of each interim accounting period.

| | |
|-------------------------------|--------------|
| Interim accounts period ended | 31 March |
| Annual accounts period ended | 30 September |

Distribution Payment Dates

| | |
|---------|-------------|
| Interim | 31 May |
| Final | 30 November |

Data Protection

The details you have provided will be held on computer by the Funds' Registrar but will not be used for any purpose except to fulfil its obligations to shareholders.

Effects of Personal Taxation

Investors should be aware that unless their shares are held within an ISA, or switched between Funds in this OEIC, selling shares is treated as a disposal for the purpose of Capital Gains tax.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Protected Cell Regime

Please note, on 21 December 2011, the Open Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the Regulations") were amended to introduce a Protected Cell Regime ("PCR") for OEICs. Under the PCR each Fund represents a segregated portfolio of assets and accordingly, the assets of a Fund belong exclusively to that 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 Fund and shall not be available for any such purpose.

