

# **Annual Report & Financial Statements**

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

For the year ended 30 September 2015

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\* 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](http://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)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(55,962,227)</b>		<b>3,799,688</b>

## 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	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		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
<b>Closing net assets attributable to shareholders</b>		<b>1,705,921,414</b>		<b>785,825,210</b>

\* Abolished from 30 March 2014 for OEICs.

## Aggregated Balance Sheet

As at 30 September 2015

	Note	30/09/15		30/09/14	
		£	£	£	£
<b>Assets</b>					
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
<b>Liabilities</b>					
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)
<b>Net assets attributable to shareholders</b>			<b>1,705,921,414</b>		<b>785,825,210</b>

## 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)
<b>Net capital (losses)/gains</b>	<b>(55,832,211)</b>	<b>3,830,757</b>

### 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
<b>Total revenue</b>	<b>33,498,468</b>	<b>7,437,073</b>

## 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 £
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
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
	<b>7,883,628</b>	<b>1,523,368</b>
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them</b>		
ADR charges	–	3,572
Depositary fees	353,991	112,815
Safe custody fees	190,530	36,493
	<b>544,521</b>	<b>152,880</b>
<b>Other expenses</b>		
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	–
	<b>139,971</b>	<b>45,024</b>
<b>Total expenses</b>	<b>8,568,120</b>	<b>1,721,272</b>

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)
<b>Total current tax charge (Note 5 (b))</b>	<b>1,121,643</b>	<b>231,652</b>
Deferred tax (Note 5 (c))	–	–
<b>Total taxation for the year/period</b>	<b>1,121,643</b>	<b>231,652</b>



## 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
<b>Effects of:</b>		
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)
<b>Current tax charge for the year/period</b>	<b>1,121,643</b>	<b>231,652</b>

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
<b>Net distribution for the year/period</b>	<b>23,935,393</b>	<b>5,514,024</b>
Interest	3,328	1,194
<b>Total finance costs</b>	<b>23,938,721</b>	<b>5,515,218</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	23,805,377	5,482,955
Net movement in revenue account	(803)	–
Tax relief from capital	130,819	31,069
<b>Net distribution for the year/period</b>	<b>23,935,393</b>	<b>5,514,024</b>

### 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	–
<b>Total debtors</b>	<b>29,458,228</b>	<b>31,737,560</b>

## 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	–
<b>Total cash and bank balances</b>	<b>63,355,515</b>	<b>31,218,943</b>

### 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
	<b>15,054,334</b>	<b>16,495,887</b>
<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
	<b>840,918</b>	<b>239,649</b>
<i>Depositary and Agents</i>		
Depositary fees	33,467	64,085
Safe custody fees	140,690	23,474
Transaction charges	75,528	60,907
	<b>249,685</b>	<b>148,466</b>
<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
<b>Total creditors</b>	<b>16,223,430</b>	<b>16,927,423</b>

### 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:

	%
<b>Omnis Alternative Strategies Fund</b>	
Share Class A Income	0.75
<b>Omnis Developed Markets (ex-UK, ex-US) Equity Fund</b>	
Share Class A Income	0.65
<b>Omnis Emerging Markets Equity Fund</b>	
Share Class A Income	0.75
<b>Omnis Global Bond Fund</b>	
Share Class A Income	0.45
<b>Omnis UK Bond Fund</b>	
Share Class A Income	0.45
<b>Omnis UK Equity Fund</b>	
Share Class A Income	0.65
<b>Omnis US Equity Fund</b>	
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 <sup>1</sup>	102.53	98.98	0.2223
2015 <sup>2</sup>	104.91	102.07	0.5473 <sup>†</sup>

<sup>1</sup> From 3 March to 31 December 2014.

<sup>2</sup> From 1 January to 30 September 2015.

<sup>†</sup> 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
<b>Collective Investment Schemes 82.16% [73.27%*]</b>			
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
		<b>81,827,635</b>	<b>82.16</b>
<b>Exchange Traded Funds 7.30% [8.80%*]</b>			
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
		<b>7,270,891</b>	<b>7.30</b>
<b>Portfolio of investments</b>		<b>89,098,526</b>	<b>89.46</b>
Net other assets		10,496,093	10.54
<b>Net assets</b>		<b>99,594,619</b>	<b>100.00</b>

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)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>120,558</b>		<b>603,583</b>

**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	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		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
<b>Closing net assets attributable to shareholders</b>		<b>99,594,619</b>		<b>43,554,811</b>

\* Abolished from 30 March 2014 for OEICs.

## Balance Sheet

As at 30 September 2015

	Note	30/09/15		30/09/14	
		£	£	£	£
<b>Assets</b>					
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
<b>Liabilities</b>					
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)
<b>Net assets attributable to shareholders</b>			<b>99,594,619</b>		<b>43,554,811</b>

## 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)
<b>Net capital gains</b>	<b>120,530</b>	<b>603,583</b>

#### 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
<b>Total revenue</b>	<b>1,050,838</b>	<b>185,208</b>

## 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 £
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
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
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	21,652	8,211
Safe custody fees	3,365	818
	25,017	9,029
<b>Other expenses</b>		
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
<b>Total expenses</b>	<b>532,717</b>	<b>101,999</b>

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
<b>Total current tax charge (Note 5 (b))</b>	<b>63,080</b>	<b>7,219</b>
Deferred tax (Note 5 (c))	–	–
<b>Total taxation for the year/period</b>	<b>63,080</b>	<b>7,219</b>

## 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
<b>Effects of:</b>		
Revenue not subject to corporation tax	(40,544)	(9,420)
<b>Current tax charge for the year/period</b>	<b>63,080</b>	<b>7,219</b>

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)
<b>Net distribution for the year/period</b>	<b>455,013</b>	<b>75,974</b>
Interest	–	16
<b>Total finance costs</b>	<b>455,013</b>	<b>75,990</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	455,041	75,974
Net movement in revenue account	(28)	–
<b>Net distribution for the year/period</b>	<b>455,013</b>	<b>75,974</b>

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	–
<b>Total debtors</b>	<b>1,218,869</b>	<b>4,100,323</b>

### 8. Cash and bank balances

	30/09/15	30/09/14
	£	£
Cash and bank balances	11,132,555	4,226,765
<b>Total cash and bank balances</b>	<b>11,132,555</b>	<b>4,226,765</b>

### 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	–
	<b>1,344,676</b>	<b>407,219</b>
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fee	60,896	25,138
AMC fee rebate	–	(12,493)
ACD subsidy	–	(11,399)
	<b>60,896</b>	<b>1,246</b>
<i>Depositary and Agents</i>		
Depositary fees	1,949	4,293
Safe custody fees	2,489	453
Transaction charges	2,762	1,959
	<b>7,200</b>	<b>6,705</b>
<i>Other accrued expenses</i>		
Audit fees	8,820	6,203
Professional fees	558	–
Publication fees	1,843	386
	<b>11,221</b>	<b>6,589</b>
<b>Total creditors</b>	<b>1,423,993</b>	<b>421,759</b>

**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

<b>Shareholders</b>	<b>30/09/15 (%)</b>
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 £
<b>Currency</b>				
<b>30/09/15</b>				
Euro	872	–	–	872
Sterling	11,107,442	–	90,317,395	101,424,837
US Dollar	24,241	–	–	24,241
<b>Total</b>	<b>11,132,555</b>	<b>–</b>	<b>90,317,395</b>	<b>101,449,950</b>
<b>30/09/14</b>				
Sterling	4,063,518	–	39,845,417	43,908,935
US Dollar	163,247	–	–	163,247
<b>Total</b>	<b>4,226,765</b>	<b>–</b>	<b>39,845,417</b>	<b>44,072,182</b>

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

## 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	
	£	£	£	£
<b>Analysis of total purchase costs</b>				
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
<b>Gross purchase total</b>		<b>118,786,639</b>		<b>51,382,060</b>
<b>Analysis of total sale costs</b>				
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)
<b>Total sales net of transaction costs</b>		<b>66,198,465</b>		<b>16,310,838</b>

### 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

- 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 <sup>1</sup>	102.82	89.91	1.4502
2015 <sup>2</sup>	108.01	93.31	1.5830 <sup>†</sup>

<sup>1</sup> From 3 March to 31 December 2014.

<sup>2</sup> From 1 January to 30 September 2015.

<sup>†</sup> 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
<b>Australia 0.00% [8.29%]</b>			
<b>Austria 0.00% [1.29%]</b>			
<b>Belgium 2.86% [2.01%]</b>			
95,700	Ageas	2,587,498	1.02
90,500	UCB	4,657,718	1.84
		<b>7,245,216</b>	<b>2.86</b>
<b>Canada 2.78% [7.79%]</b>			
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
		<b>7,059,040</b>	<b>2.78</b>
<b>Denmark 1.80% [1.04%]</b>			
59,300	Pandora	4,557,279	1.80
		<b>4,557,279</b>	<b>1.80</b>
<b>Finland 2.10% [1.64%]</b>			
76,000	Sampo	2,422,256	0.96
110,800	Wartsila	2,895,335	1.14
		<b>5,317,591</b>	<b>2.10</b>
<b>France 16.12% [12.32%]</b>			
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
		<b>40,774,206</b>	<b>16.12</b>
<b>Germany 12.70% [15.75%]</b>			
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
		<b>32,186,494</b>	<b>12.70</b>

**Portfolio Statement (continued)**  
As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Hong Kong 9.19% [5.68%]</b>			
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
		<b>23,248,871</b>	<b>9.19</b>
<b>Ireland 2.27% [0.95%]</b>			
105,000	CRH	1,822,219	0.72
406,200	Ryanair	3,916,824	1.55
		<b>5,739,043</b>	<b>2.27</b>
<b>Israel 0.81% [0.00%]</b>			
794,000	Bezeq The Israeli Telecommunication	1,001,107	0.40
21,400	Elbit Systems	1,041,700	0.41
		<b>2,042,807</b>	<b>0.81</b>
<b>Italy 2.76% [0.00%]</b>			
1,386,900	Intesa Sanpaolo	3,223,495	1.27
917,800	UniCredit	3,763,861	1.49
		<b>6,987,356</b>	<b>2.76</b>
<b>Japan 25.27% [23.89%]</b>			
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
		<b>63,944,751</b>	<b>25.27</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Netherlands 6.01% [1.70%]</b>			
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
		<b>15,210,671</b>	<b>6.01</b>
<b>Norway 0.72% [4.28%]</b>			
148,100	Telenor	1,817,893	0.72
		<b>1,817,893</b>	<b>0.72</b>
<b>Singapore 1.34% [2.16%]</b>			
394,400	United Overseas Bank	3,394,975	1.34
		<b>3,394,975</b>	<b>1.34</b>
<b>Spain 2.30% [3.44%]</b>			
764,400	CaixaBank	1,938,884	0.77
142,600	Grifols	3,877,104	1.53
		<b>5,815,988</b>	<b>2.30</b>
<b>Sweden 1.34% [1.47%]</b>			
154,600	Boliden	1,591,721	0.63
419,300	Husqvarna	1,807,003	0.71
		<b>3,398,724</b>	<b>1.34</b>
<b>Switzerland 8.05% [5.60%]</b>			
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
		<b>20,380,151</b>	<b>8.05</b>
	<b>Portfolio of investments</b>	<b>249,121,056</b>	<b>98.42</b>
	Net other assets	3,987,672	1.58
	<b>Net assets</b>	<b>253,108,728</b>	<b>100.00</b>

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)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(11,899,871)</b>		<b>(3,077,728)</b>

**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	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		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)
<b>Closing net assets attributable to shareholders</b>		<b>253,108,728</b>		<b>117,519,845</b>

**Balance Sheet**  
 As at 30 September 2015

	Note	30/09/15		30/09/14	
		£	£	£	£
<b>Assets</b>					
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
<b>Liabilities</b>					
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)
<b>Net assets attributable to shareholders</b>			<b>253,108,728</b>		<b>117,519,845</b>

**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)
<b>Net capital losses</b>	<b>(11,900,086)</b>	<b>(3,077,728)</b>

**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
<b>Total revenue</b>	<b>5,131,885</b>	<b>1,240,428</b>

**4. Expenses**

	01/10/14 to 30/09/15 £	03/03/14 to 30/09/14 £
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fee	1,286,809	270,074
ACD subsidy	–	(27,880)
Printing, postage, stationery and typesetting costs	–	386
	1,286,809	242,580
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	53,865	17,478
Safe custody fees	44,222	8,787
	98,087	26,265
<b>Other expenses</b>		
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
<b>Total expenses</b>	<b>1,402,799</b>	<b>275,255</b>

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
<b>Total current tax charge (Note 5 (b))</b>	<b>361,546</b>	<b>94,659</b>
Deferred tax (Note 5 (c))	–	–
<b>Total taxation for the year/period</b>	<b>361,546</b>	<b>94,659</b>

**(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
<b>Effects of:</b>		
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)
<b>Current tax charge for the year/period</b>	<b>361,546</b>	<b>94,659</b>

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)
<b>Net distribution for the year/period</b>	<b>3,366,183</b>	<b>869,910</b>
Interest	1,142	604
<b>Total finance costs</b>	<b>3,367,325</b>	<b>870,514</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	3,366,398	869,910
Net movement in revenue account	(215)	–
<b>Net distribution for the year/period</b>	<b>3,366,183</b>	<b>869,910</b>

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	–
<b>Total debtors</b>	<b>2,942,347</b>	<b>4,286,835</b>

**8. Cash and bank balances**

	30/09/15 £	30/09/14 £
Cash and bank balances	5,990,023	4,147,644
<b>Total cash and bank balances</b>	<b>5,990,023</b>	<b>4,147,644</b>

**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
<b>Total creditors</b>	<b>2,238,688</b>	<b>5,843,798</b>

**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 £
<b>30/09/15</b>			
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
<b>Total foreign currency exposure</b>	<b>(984,042)</b>	<b>249,121,056</b>	<b>248,137,014</b>
Sterling	4,971,714	–	4,971,714
<b>Total net assets</b>	<b>3,987,672</b>	<b>249,121,056</b>	<b>253,108,728</b>

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures £	Non-monetary exposures £	Total £
<b>30/09/14</b>			
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
<b>Total foreign currency exposure</b>	<b>(5,456,527)</b>	<b>116,696,904</b>	<b>111,240,377</b>
Sterling	6,279,468	–	6,279,468
<b>Total net assets</b>	<b>822,941</b>	<b>116,696,904</b>	<b>117,519,845</b>

**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	
	£	£	£	£
<b>Analysis of total purchase costs</b>				
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
<b>Gross purchase total</b>		<b>221,544,908</b>		<b>129,101,508</b>
<b>Analysis of total sale costs</b>				
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)
<b>Total sales net of transaction costs</b>		<b>77,417,213</b>		<b>9,241,681</b>

**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 <sup>1</sup>	113.73	98.32	1.0368
2015 <sup>2</sup>	122.98	84.45	1.1728 <sup>†</sup>

<sup>1</sup> From 3 March to 31 December 2014.

<sup>2</sup> From 1 January to 30 September 2015.

<sup>†</sup> 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
<b>Brazil 5.72% [12.36%]</b>			
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
		<b>7,401,472</b>	<b>5.72</b>
<b>Canada 0.75% [0.00%]</b>			
397,400	First Quantum Minerals	974,971	0.75
		<b>974,971</b>	<b>0.75</b>
<b>China 20.31% [11.39%]</b>			
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
		<b>26,248,050</b>	<b>20.31</b>
<b>Egypt 1.80% [0.00%]</b>			
577,893	Commercial International Bank Egypt GDR**	2,334,114	1.80
		<b>2,334,114</b>	<b>1.80</b>
<b>Germany 0.00% [1.64%]</b>			
<b>Greece 0.00% [0.59%]</b>			
<b>Hong Kong 3.69% [12.22%]</b>			
4,226,000	Beijing Enterprises Water	1,929,359	1.49
3,426,000	China Unicom Hong Kong	2,851,542	2.20
		<b>4,780,901</b>	<b>3.69</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>India 8.04% [6.98%]</b>			
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
		<b>10,409,508</b>	<b>8.04</b>
<b>Indonesia 3.58% [2.55%]</b>			
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
		<b>4,629,234</b>	<b>3.58</b>
<b>Malaysia 1.19% [0.00%]</b>			
8,301,000	UEM Sunrise	1,535,677	1.19
		<b>1,535,677</b>	<b>1.19</b>
<b>Mexico 6.76% [5.00%]</b>			
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
		<b>8,754,260</b>	<b>6.76</b>
<b>Nigeria 1.33% [0.00%]</b>			
103,284,025	Access Bank	1,719,679	1.33
		<b>1,719,679</b>	<b>1.33</b>
<b>Panama 0.92% [1.16%]</b>			
42,864	Copa	1,184,218	0.92
		<b>1,184,218</b>	<b>0.92</b>
<b>Peru 1.48% [1.43%]</b>			
27,312	Credicorp	1,914,018	1.48
		<b>1,914,018</b>	<b>1.48</b>
<b>Phillipines 0.00% [1.82%]</b>			

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Russia 5.70% [1.35%]</b>			
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
		<b>7,378,292</b>	<b>5.70</b>
<b>South Africa 4.87% [6.04%]</b>			
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
		<b>6,303,408</b>	<b>4.87</b>
<b>South Korea 15.94% [12.99%]</b>			
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
		<b>20,618,164</b>	<b>15.94</b>
<b>Taiwan 9.09% [10.09%]</b>			
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
		<b>11,745,034</b>	<b>9.09</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

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

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)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(20,795,648)</b>		<b>46,506</b>

**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	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		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
<b>Closing net assets attributable to shareholders</b>		<b>129,358,458</b>		<b>64,712,486</b>

\* Abolished from 30 March 2014 for OEICs.

## Balance Sheet

As at 30 September 2015

	Note	30/09/15		30/09/14	
		£	£	£	£
<b>Assets</b>					
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
<b>Liabilities</b>					
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)
<b>Net assets attributable to shareholders</b>			<b>129,358,458</b>		<b>64,712,486</b>

## 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)
<b>Net capital (losses)/gains</b>	<b>(20,664,907)</b>	<b>77,575</b>

#### 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
<b>Total revenue</b>	<b>2,544,323</b>	<b>697,135</b>

#### 4. Expenses

	01/10/14 to 30/09/15 £	03/03/14 to 30/09/14 £
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fee	786,986	176,877
ACD subsidy	–	(14,901)
Printing, postage, stationery and typesetting costs	–	386
	786,986	162,362
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	30,755	11,259
Safe custody fees	80,358	14,479
ADR charges	–	3,572
	111,113	29,310
<b>Other expenses</b>		
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
<b>Total expenses</b>	<b>923,286</b>	<b>198,285</b>

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	–
<b>Total current tax charge (Note 5 (b))</b>	<b>406,126</b>	<b>63,938</b>
Deferred tax (Note 5 (c))	–	–
<b>Total taxation for the year/period</b>	<b>406,126</b>	<b>63,938</b>

#### (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
<b>Effects of:</b>		
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)
<b>Current tax charge for the year/period</b>	<b>406,126</b>	<b>63,938</b>

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)
<b>Net distribution for the year/period</b>	<b>1,345,044</b>	<b>465,482</b>
Interest	608	499
<b>Total finance costs</b>	<b>1,345,652</b>	<b>465,981</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
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
<b>Net distribution for the year/period</b>	<b>1,345,044</b>	<b>465,482</b>

\* 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	–
<b>Total debtors</b>	<b>5,132,382</b>	<b>1,553,563</b>

### 8. Cash and bank balances

	30/09/15 £	30/09/14 £
Cash and bank balances	2,574,037	4,766,495
<b>Total cash and bank balances</b>	<b>2,574,037</b>	<b>4,766,495</b>

## 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
<b>Total creditors</b>	<b>1,360,070</b>	<b>2,468,615</b>

### 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 £
<b>30/09/15</b>			
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
<b>Total foreign currency exposure</b>	<b>1,719,236</b>	<b>122,878,260</b>	<b>124,597,496</b>
Sterling	3,118,841	1,642,121	4,760,962
<b>Total net assets</b>	<b>4,838,077</b>	<b>124,520,381</b>	<b>129,358,458</b>

## 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 £	
<b>30/09/14</b>			
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
<b>Total foreign currency exposure</b>	<b>(1,626,370)</b>	<b>59,850,511</b>	<b>58,224,141</b>
Sterling	4,823,940	1,664,405	6,488,345
<b>Total net assets</b>	<b>3,197,570</b>	<b>61,514,916</b>	<b>64,712,486</b>

#### (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	
	£	£	£	£
<b>Analysis of total purchase costs</b>				
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
<b>Gross purchase total</b>		<b>163,979,164</b>		<b>70,807,403</b>
<b>Analysis of total sale costs</b>				
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)
<b>Total sales net of transaction costs</b>		<b>80,488,221</b>		<b>9,473,004</b>

### 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 steeping 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 <sup>1</sup>	105.00	99.17	0.5075
2015 <sup>2</sup>	108.22	98.89	1.0015 <sup>†</sup>

<sup>1</sup> From 3 March to 31 December 2014.

<sup>2</sup> From 1 January to 30 September 2015.

<sup>†</sup> 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
<b>Africa – General 0.28% [0.00%]</b>			
EUR 750,000	African Development Bank 2.75% 03/02/2020	347,629	0.28
		<b>347,629</b>	<b>0.28</b>
<b>Australia 0.87% [1.83%]</b>			
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
		<b>1,092,583</b>	<b>0.87</b>
<b>Belgium 2.21% [3.17%]</b>			
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
		<b>2,733,203</b>	<b>2.21</b>
<b>Brazil 0.31% [0.50%]</b>			
USD 600,000	Brazilian Government International Bond 4.875% 22/01/2021	385,212	0.31
		<b>385,212</b>	<b>0.31</b>
<b>Canada 5.94% [3.73%]</b>			
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
		<b>7,387,934</b>	<b>5.94</b>
<b>Denmark 0.44% [0.22%]</b>			
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
		<b>546,672</b>	<b>0.44</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>France 10.93% [11.24%]</b>			
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
		<b>13,588,127</b>	<b>10.93</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Germany 6.42% [4.89%]</b>			
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
		<b>7,981,015</b>	<b>6.42</b>
<b>Ireland 0.41% [0.74%]</b>			
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
		<b>507,717</b>	<b>0.41</b>
<b>Italy 7.29% [7.73%]</b>			
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
		<b>9,059,605</b>	<b>7.29</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Japan 13.62% [11.32%]</b>			
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
		<b>16,932,554</b>	<b>13.62</b>
<b>Luxembourg 0.68% [1.30%]</b>			
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
		<b>842,451</b>	<b>0.68</b>
<b>Mexico 1.32% [1.52%]</b>			
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
		<b>1,639,358</b>	<b>1.32</b>
<b>Netherlands 3.28% [4.30%]</b>			
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
		<b>4,072,746</b>	<b>3.28</b>
<b>New Zealand 0.77% [0.95%]</b>			
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
		<b>947,909</b>	<b>0.77</b>
<b>Norway 0.97% [0.71%]</b>			
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
		<b>1,200,487</b>	<b>0.97</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Philippines 0.57% [0.45%]</b>			
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
		<b>709,780</b>	<b>0.57</b>
<b>Poland 0.73% [1.11%]</b>			
PLN 4,800,000	Poland Government Bond 4% 25/10/2023	907,055	0.73
		<b>907,055</b>	<b>0.73</b>
<b>Spain 3.58% [2.98%]</b>			
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
		<b>4,442,229</b>	<b>3.58</b>
<b>Sweden 2.64% [2.82%]</b>			
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
		<b>3,296,617</b>	<b>2.64</b>
<b>Switzerland 0.72% [1.42%]</b>			
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
		<b>903,241</b>	<b>0.72</b>



**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>United Kingdom 8.83% [12.42%]</b>			
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
		<b>11,011,535</b>	<b>8.83</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>United States 24.96% [19.10%]</b>			
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
<b>United States 24.96% [19.10%] (continued)</b>			
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
		<b>31,048,350</b>	<b>24.96</b>
<b>Swaps (0.28%) [0.00%]</b>			
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
		<b>(347,815)</b>	<b>(0.28)</b>
<b>Futures 0.06% [0.00%]</b>			
(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
		<b>72,676</b>	<b>0.06</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Investments	Market value £	% of Total Net Assets
<b>Forward Currency Contracts 0.15% [0.17%]</b>		
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
<b>Forward Currency Contracts 0.15% [0.17%] (continued)</b>		
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
	<b>191,921</b>	<b>0.15</b>
<b>Portfolio of investments</b>	<b>121,500,791</b>	<b>97.70</b>
Net other assets	2,854,355	2.30
<b>Net assets</b>	<b>124,355,146</b>	<b>100.00</b>

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
<b>Bonds Rating</b>	
AAA	30.76%
AA	17.94%
A	29.14%
BBB	19.15%
BB	0.80%
B	0.37%
<b>Bonds</b>	<b>98.16</b>
Uninvested Cash	1.98
IRS & Forwards	(0.14)
<b>Net Assets</b>	<b>100.00</b>

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)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>13,935</b>		<b>597,797</b>

**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	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		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
<b>Closing net assets attributable to shareholders</b>		<b>124,355,146</b>		<b>52,794,569</b>

## Balance Sheet

As at 30 September 2015

	Note	30/09/15		30/09/14	
		£	£	£	£
<b>Assets</b>					
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
<b>Liabilities</b>					
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)
<b>Net assets attributable to shareholders</b>			<b>124,355,146</b>		<b>52,794,569</b>

## 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)
<b>Net capital gains</b>	<b>13,893</b>	<b>597,797</b>

#### 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	–
<b>Total revenue</b>	<b>1,535,565</b>	<b>302,365</b>

#### 4. Expenses

	01/10/14 to 30/09/15 £	03/03/14 to 30/09/14 £
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fee	396,140	80,510
ACD subsidy	–	(10,555)
Printing, postage, stationery and typesetting costs	–	489
	396,140	70,444
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	25,967	9,266
Safe custody fees	12,846	3,119
	38,813	12,385
<b>Other expenses</b>		
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
<b>Total expenses</b>	<b>458,175</b>	<b>89,320</b>

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)
<b>Total current tax charge (Note 5 (b))</b>	<b>2</b>	<b>(14)</b>
Deferred tax (Note 5 (c))	–	–
<b>Total taxation for the year/period</b>	<b>2</b>	<b>(14)</b>

#### (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
<b>Effects of:</b>		
Tax deductible interest distributions	(215,440)	(42,609)
Tax on fixed interest stock	2	(14)
<b>Current tax charge for the year/period</b>	<b>2</b>	<b>(14)</b>

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
<b>Net distribution for the year/period</b>	<b>1,077,156</b>	<b>213,059</b>
Interest	190	–
<b>Total finance costs</b>	<b>1,077,346</b>	<b>213,059</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	1,077,198	213,059
Net movement in revenue account	(42)	–
<b>Net distribution for the year/period</b>	<b>1,077,156</b>	<b>213,059</b>

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	–
<b>Total debtors</b>	<b>1,507,497</b>	<b>1,895,899</b>

### 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	–
<b>Total cash and bank balances</b>	<b>3,370,246</b>	<b>2,774,639</b>

## 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
<b>Total creditors</b>	<b>1,122,291</b>	<b>1,567,236</b>

### 10. Bank overdrafts

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

### 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 £
<b>30/09/15</b>			
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
<b>Total foreign currency exposure</b>	<b>7,865,854</b>	<b>107,023,137</b>	<b>114,888,991</b>
Sterling	(5,094,716)	14,560,871	9,466,155
<b>Total net assets</b>	<b>2,771,138</b>	<b>121,584,008</b>	<b>124,355,146</b>

## 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 £
<b>30/09/14</b>			
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
<b>Total foreign currency exposure</b>	<b>4,899,795</b>	<b>43,865,670</b>	<b>48,765,465</b>
Sterling	(1,971,304)	6,000,408	4,029,104
<b>Total net assets</b>	<b>2,928,491</b>	<b>49,866,078</b>	<b>52,794,569</b>

## 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	£
<b>Assets</b>				
<b>30/09/15</b>				
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
<b>Total</b>	<b>15,841,490</b>	<b>109,114,152</b>	<b>2,529,709</b>	<b>127,485,351</b>
<b>30/09/14</b>				
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
<b>Total</b>	<b>5,891,321</b>	<b>46,749,396</b>	<b>2,114,228</b>	<b>54,754,945</b>

## 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 £
<b>Liabilities</b>			
<b>30/09/15</b>			
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
<b>Total</b>	<b>297,298</b>	<b>2,832,904</b>	<b>3,130,202</b>
<b>30/09/14</b>			
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
<b>Total</b>	<b>–</b>	<b>1,960,376</b>	<b>1,960,376</b>

## 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
<b>30/09/15</b>		
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
<b>30/09/14</b>		
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

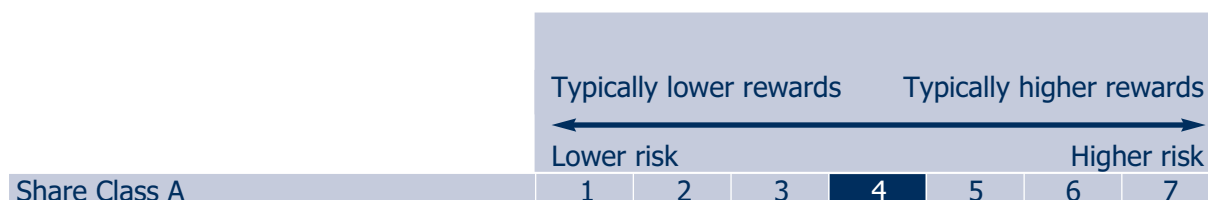
**Performance Information**  
As at 30 September 2015

**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 <sup>1</sup>	108.64	99.18	1.1954
2015 <sup>2</sup>	113.46	104.86	1.8700 <sup>†</sup>

<sup>1</sup> From 3 March to 31 December 2014.

<sup>2</sup> From 1 January to 30 September 2015.

<sup>†</sup> 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
<b>Collective Investment Schemes 1.50% [5.14%]</b>			
5,727,138	Threadneedle UK Corporate Bond	5,870,316	1.50
		<b>5,870,316</b>	<b>1.50</b>
<b>Corporate Bonds 37.06% [31.10%]</b>			
£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
<b>Corporate Bonds (continued)</b>			
£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
		<b>144,820,765</b>	<b>37.06</b>

## Portfolio Statement (continued)

As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Government Bonds 54.32% [55.61%]</b>			
£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
		<b>212,252,888</b>	<b>54.32</b>
<b>Municipal Bonds 0.53% [0.00%]</b>			
£1,993,000	University of Liverpool 3.375% 25/06/2055	2,051,712	0.53
		<b>2,051,712</b>	<b>0.53</b>
<b>Forward Currency Contracts (0.01%) [0.00%]</b>			
	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)
		<b>(77,047)</b>	<b>(0.01)</b>
	<b>Portfolio of investments</b>	<b>364,918,634</b>	<b>93.40</b>
	Net other assets	25,791,645	6.60
	<b>Net assets</b>	<b>390,710,279</b>	<b>100.00</b>

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
<b>Bond Rating</b>	
AAA	6.44
AA	57.60
A	6.19
BBB	21.93
BB	0.53
B	0.02
NR	0.62
<b>Bonds</b>	<b>93.33</b>
Uninvested Cash	6.67
Forwards	
<b>Net Assets</b>	<b>100.00</b>

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)	
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>9,168,383</b>		<b>3,304,493</b>

## 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	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		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
<b>Closing net assets attributable to shareholders</b>		<b>390,710,279</b>		<b>169,449,296</b>

## Balance Sheet

As at 30 September 2015

	Note	30/09/15		30/09/14	
		£	£	£	£
<b>Assets</b>					
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
<b>Liabilities</b>					
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)
<b>Net assets attributable to shareholders</b>			<b>390,710,279</b>		<b>169,449,296</b>

## 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)
<b>Net capital gains</b>	<b>9,168,118</b>	<b>3,304,493</b>

#### 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	–
<b>Total revenue</b>	<b>7,573,570</b>	<b>1,719,795</b>

#### 4. Expenses

	01/10/14 to 30/09/15 £	03/03/14 to 30/09/14 £
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fee	1,279,771	261,135
ACD subsidy	–	(191)
Printing, postage, stationery and typesetting costs	–	489
	1,279,771	261,433
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	74,606	22,336
Safe custody fees	21,053	3,202
	95,659	25,538
<b>Other expenses</b>		
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
<b>Total expenses</b>	<b>1,395,022</b>	<b>293,373</b>

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	—	—
<b>Total current tax charge (Note 5 (b))</b>	—	—
Deferred tax (Note 5 (c))	—	—
<b>Total taxation for the year/period</b>	—	—

#### (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
<b>Effects of:</b>		
Movement in excess management expenses	—	4,869
Tax deductible interest distributions	(1,235,493)	(285,270)
Relief for indexation on UK Gilts	—	(4,869)
<b>Current tax charge for the year/period</b>	—	—

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
<b>Net distribution for the year/period</b>	<b>6,177,202</b>	<b>1,426,348</b>
Interest	1,081	74
<b>Total finance costs</b>	<b>6,178,283</b>	<b>1,426,422</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	6,177,467	1,426,348
Net movement in revenue account	(265)	–
<b>Net distribution for the year/period</b>	<b>6,177,202</b>	<b>1,426,348</b>

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	–
<b>Total debtors</b>	<b>10,158,948</b>	<b>7,480,778</b>

### 8. Cash and bank balances

	30/09/15 £	30/09/14 £
Cash and bank balances	27,301,616	13,381,087
<b>Total cash and bank balances</b>	<b>27,301,616</b>	<b>13,381,087</b>

## 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
<b>Total creditors</b>	<b>8,288,130</b>	<b>5,064,905</b>

### 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 £	
<b>Assets</b>				
<b>30/09/15</b>				
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
<b>Total</b>	<b>27,301,616</b>	<b>359,125,365</b>	<b>19,068,054</b>	<b>405,495,035</b>
<b>30/09/14</b>				
Sterling	13,381,086	145,990,977	16,185,577	175,557,640
US Dollar	1	924,344	10,657	935,002
<b>Total</b>	<b>13,381,087</b>	<b>146,915,321</b>	<b>16,196,234</b>	<b>176,492,642</b>

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



## 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
<b>30/09/15</b>		
Euro	3.86%	0.00 years
Sterling	2.64%	16.94 years
US Dollar	5.71%	14.57 years
<b>30/09/14</b>		
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 <sup>1</sup>	103.05	89.83	1.7436
2015 <sup>2</sup>	106.97	90.67	2.7640 <sup>†</sup>

<sup>1</sup> From 3 March to 31 December 2014.

<sup>2</sup> From 1 January to 30 September 2015.

<sup>†</sup> 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
<b>Aerospace &amp; Defence 2.74% [4.40%]</b>			
1,197,881	QinetiQ	2,698,826	0.57
1,509,226	Rolls-Royce	10,217,460	2.17
		<b>12,916,286</b>	<b>2.74</b>
<b>Banks 10.24% [11.19%]</b>			
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
		<b>48,155,995</b>	<b>10.24</b>
<b>Electricity 0.00% [0.70%]</b>			
<b>Financial Services 5.03% [4.80%]</b>			
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
		<b>23,630,793</b>	<b>5.03</b>
<b>Fixed Line Telecommunications 2.75% [1.72%]</b>			
3,077,684	BT	12,913,962	2.75
		<b>12,913,962</b>	<b>2.75</b>
<b>Food &amp; Drug Retailers 2.91% [0.00%]</b>			
341,268	Greggs	3,695,932	0.79
5,434,958	Tesco	9,954,126	2.12
		<b>13,650,058</b>	<b>2.91</b>
<b>Gas, Water &amp; Multi-utilities 1.83% [0.00%]</b>			
3,743,944	Centrica	8,581,120	1.83
		<b>8,581,120</b>	<b>1.83</b>
<b>General Retailers 2.74% [3.34%]</b>			
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
		<b>12,903,928</b>	<b>2.74</b>
<b>Household Goods &amp; Home Construction 2.00% [0.99%]</b>			
432,086	Bovis Homes	4,346,785	0.92
1,112,647	Redrow	5,075,896	1.08
		<b>9,422,681</b>	<b>2.00</b>
<b>Industrial Engineering 1.45% [3.19%]</b>			
168,567	Spirax-Sarco Engineering	4,719,876	1.00
181,095	Weir	2,117,001	0.45
		<b>6,836,877</b>	<b>1.45</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Industrial Metals &amp; Mining 0.06% [0.00%]</b>			
421,620	South32	266,675	0.06
		<b>266,675</b>	<b>0.06</b>
<b>Industrial Transportation 0.76% [0.94%]</b>			
384,319	James Fisher & Sons	3,578,010	0.76
		<b>3,578,010</b>	<b>0.76</b>
<b>Leisure Goods 0.81% [0.83%]</b>			
2,447,278	Photo-Me	3,823,872	0.81
		<b>3,823,872</b>	<b>0.81</b>
<b>Life Insurance 11.06% [9.28%]</b>			
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
		<b>51,956,918</b>	<b>11.06</b>
<b>Media 7.63% [7.85%]</b>			
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
		<b>35,840,017</b>	<b>7.63</b>
<b>Mining 4.91% [7.03%]</b>			
1,039,992	BHP Billiton	10,446,720	2.22
572,216	Rio Tinto	12,643,113	2.69
		<b>23,089,833</b>	<b>4.91</b>
<b>Mobile Telecommunications 4.21% [3.86%]</b>			
9,483,442	Vodafone	19,768,235	4.21
		<b>19,768,235</b>	<b>4.21</b>
<b>Non-life Insurance 0.00% [0.85%]</b>			
<b>Oil &amp; Gas Producers 9.78% [12.38%]</b>			
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
		<b>45,948,225</b>	<b>9.78</b>
<b>Oil Equipment, Services &amp; Distribution 0.85% [1.58%]</b>			
651,567	Wood (John)	4,003,879	0.85
		<b>4,003,879</b>	<b>0.85</b>
<b>Personal Goods 2.27% [2.04%]**</b>			
397,135	Unilever	10,659,103	2.27
		<b>10,659,103</b>	<b>2.27</b>



**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Pharmaceuticals &amp; Biotechnology 8.88% [7.88%]</b>			
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
		<b>41,705,844</b>	<b>8.88</b>
<b>Real Estate Investment &amp; Services 1.06% [0.84%]</b>			
2,098,724	Grainger	4,994,963	1.06
		<b>4,994,963</b>	<b>1.06</b>
<b>Support Services 2.11% [2.57%]</b>			
1,714,684	G4S	3,954,061	0.84
4,077,605	Rentokil Initial	5,990,002	1.27
		<b>9,944,063</b>	<b>2.11</b>
<b>Technology Hardware &amp; Equipment 0.00% [0.95%]</b>			
<b>Tobacco 6.54% [3.63%]</b>			
331,718	British American Tobacco	12,084,487	2.57
547,557	Imperial Tobacco	18,649,791	3.97
		<b>30,734,278</b>	<b>6.54</b>
<b>Travel and Leisure 6.24% [5.18%]</b>			
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
		<b>29,316,439</b>	<b>6.24</b>
	<b>Portfolio of investments</b>	<b>464,642,054</b>	<b>98.86</b>
	Net other assets	5,371,996	1.14
	<b>Net assets</b>	<b>470,014,050</b>	<b>100.00</b>

\* 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)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(40,414,382)</b>		<b>(3,070,274)</b>

## 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	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		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)
<b>Closing net assets attributable to shareholders</b>		<b>470,014,050</b>		<b>224,291,774</b>

\* Abolished from 30 March 2014 for OEICs.

## Balance Sheet

As at 30 September 2015

	Note	30/09/15		30/09/14	
		£	£	£	£
<b>Assets</b>					
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
<b>Liabilities</b>					
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)
<b>Net assets attributable to shareholders</b>			<b>470,014,050</b>		<b>224,291,774</b>

## 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)
<b>Net capital losses</b>	<b>(40,414,416)</b>	<b>(3,070,274)</b>

#### 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
<b>Total revenue</b>	<b>13,458,492</b>	<b>2,787,924</b>

#### 4. Expenses

	01/10/14 to 30/09/15 £	03/03/14 to 30/09/14 £
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fee	2,434,433	516,412
ACD subsidy	–	(28,599)
Printing, postage, stationery and typesetting costs	–	489
	2,434,433	488,302
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	96,238	28,048
Safe custody fees	19,160	4,328
	115,398	32,376
<b>Other expenses</b>		
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
<b>Total expenses</b>	<b>2,571,635</b>	<b>527,090</b>

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 £
<b>(a) Analysis of the tax charge in the year/period</b>		
Overseas tax	–	1,168
<b>Total current tax charge (Note 5 (b))</b>	<b>–</b>	<b>1,168</b>
Deferred tax (Note 5 (c))	–	–
<b>Total taxation for the year/period</b>	<b>–</b>	<b>1,168</b>

#### (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
<b>Effects of:</b>		
Movement in excess management expenses	510,812	104,431
Overseas tax	–	1,168
Revenue not subject to corporation tax	(2,688,128)	(556,598)
<b>Current tax charge for the year/period</b>	<b>–</b>	<b>1,168</b>

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)
<b>Net distribution for the year/period</b>	<b>10,886,544</b>	<b>2,259,666</b>
Interest	279	–
<b>Total finance costs</b>	<b>10,886,823</b>	<b>2,259,666</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	10,886,578	2,259,666
Net movement in revenue account	(34)	–
<b>Net distribution for the year/period</b>	<b>10,886,544</b>	<b>2,259,666</b>

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	–
<b>Total debtors</b>	<b>6,360,885</b>	<b>7,496,386</b>

### 8. Cash and bank balances

	30/09/15 £	30/09/14 £
Cash and bank balances	8,492,799	1,108,233
<b>Total cash and bank balances</b>	<b>8,492,799</b>	<b>1,108,233</b>

## 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
<b>Total creditors</b>	<b>296,366</b>	<b>154,820</b>

### 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 £
<b>30/09/15</b>			
US Dollar	161,500	–	161,500
<b>Total foreign currency exposure</b>	<b>161,500</b>	<b>–</b>	<b>161,500</b>
Sterling	5,210,496	464,642,054	469,852,550
<b>Total net assets</b>	<b>5,371,996</b>	<b>464,642,054</b>	<b>470,014,050</b>

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

#### (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	
	£	£	£	£
<b>Analysis of total purchase costs</b>				
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
<b>Gross purchase total</b>		<b>326,224,520</b>		<b>230,697,664</b>
<b>Analysis of total sale costs</b>				
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)
<b>Total sales net of transaction costs</b>		<b>41,035,369</b>		<b>7,537,264</b>

### 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 <sup>1</sup>	112.52	92.23	0.2644
2015 <sup>2</sup>	122.64	105.01	0.3801 <sup>†</sup>

<sup>1</sup> From 3 March to 31 December 2014.

<sup>2</sup> From 1 January to 30 September 2015.

<sup>†</sup> 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
<b>Aerospace &amp; Defence 2.77% [2.49%]</b>			
53,670	Raytheon	3,870,901	1.62
46,748	United Technologies	2,744,545	1.15
		<b>6,615,446</b>	<b>2.77</b>
<b>Automobile &amp; Parts 1.82% [0.67%]</b>			
40,556	Delphi Automotive	2,035,096	0.85
14,199	Tesla Motors	2,327,146	0.97
		<b>4,362,242</b>	<b>1.82</b>
<b>Beverages 3.83% [4.03%]</b>			
42,036	Molson Coors Brewing	2,303,620	0.96
109,750	PepsiCo	6,828,084	2.87
		<b>9,131,704</b>	<b>3.83</b>
<b>Chemicals 0.91% [2.87%]</b>			
77,782	Dow Chemical	2,178,769	0.91
		<b>2,178,769</b>	<b>0.91</b>
<b>Construction and Materials 1.35% [1.87%]</b>			
32,207	Martin Marietta Materials	3,229,737	1.35
		<b>3,229,737</b>	<b>1.35</b>
<b>Financial Services 6.21% [7.86%]</b>			
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
		<b>14,838,710</b>	<b>6.21</b>
<b>Fixed Line Telecommunications 2.07% [0.00%]</b>			
172,545	Verizon Communications	4,952,802	2.07
		<b>4,952,802</b>	<b>2.07</b>
<b>Food and Drug Retailers 3.10% [2.65%]</b>			
57,438	Cardinal Health	2,912,948	1.22
70,556	CVS Health	4,493,972	1.88
		<b>7,406,920</b>	<b>3.10</b>
<b>Food Producers 3.96% [1.10%]</b>			
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
		<b>9,447,873</b>	<b>3.96</b>
<b>General Industrials 3.78% [3.00%]</b>			
66,105	Danaher	3,716,893	1.56
84,664	Honeywell	5,291,396	2.22
		<b>9,008,289</b>	<b>3.78</b>

**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>General Retailers 7.19% [6.40%]</b>			
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
		<b>17,189,921</b>	<b>7.19</b>
<b>Health Care Equipment &amp; Services 2.99% [1.03%]</b>			
220,552	Boston Scientific	2,387,888	1.00
61,966	UnitedHealth	4,745,375	1.99
		<b>7,133,263</b>	<b>2.99</b>
<b>Industrial Engineering 0.00% [1.18%]</b>			
<b>Industrial Transportation 1.34% [1.06%]</b>			
33,575	FedEx	3,190,484	1.34
		<b>3,190,484</b>	<b>1.34</b>
<b>Media 4.87% [4.65%]</b>			
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
		<b>11,622,206</b>	<b>4.87</b>
<b>Non-life Insurance 1.23% [0.00%]</b>			
85,101	Marsh & McLennan	2,933,239	1.23
		<b>2,933,239</b>	<b>1.23</b>
<b>Oil &amp; Gas Producers 0.00% [1.60%]</b>			
<b>Oil Equipment, Services &amp; Distribution 1.00% [4.01%]</b>			
52,571	Schlumberger	2,391,247	1.00
		<b>2,391,247</b>	<b>1.00</b>
<b>Personal Goods 6.31% [6.20%]</b>			
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
		<b>15,057,108</b>	<b>6.31</b>



**Portfolio Statement (continued)**  
 As at 30 September 2015

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
<b>Pharmaceuticals &amp; Biotechnology 10.77% [13.43%]</b>			
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
		<b>25,723,005</b>	<b>10.77</b>
<b>Software &amp; Computer Services 18.93% [15.21%]</b>			
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
		<b>45,197,265</b>	<b>18.93</b>
<b>Support Services 0.87% [2.97%]</b>			
16,479	LinkedIn	2,067,450	0.87
		<b>2,067,450</b>	<b>0.87</b>
<b>Technology Hardware &amp; Equipment 9.04% [9.81%]</b>			
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
		<b>21,585,769</b>	<b>9.04</b>

## Portfolio Statement (continued)

As at 30 September 2015

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

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)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>7,844,798</b>		<b>5,395,311</b>

## 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	
	£	£	£	£
<b>Opening net assets attributable to shareholders</b>		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
<b>Closing net assets attributable to shareholders</b>		<b>238,780,134</b>		<b>113,502,429</b>

**Balance Sheet**  
**As at 30 September 2015**

	Note	30/09/15		30/09/14	
		£	£	£	£
<b>Assets</b>					
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
<b>Liabilities</b>					
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)
<b>Net assets attributable to shareholders</b>			<b>238,780,134</b>		<b>113,502,429</b>

## 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)
<b>Net capital gains</b>	<b>7,844,658</b>	<b>5,395,311</b>

#### 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
<b>Total revenue</b>	<b>2,203,795</b>	<b>504,218</b>

#### 4. Expenses

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

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 £
<b>(a) Analysis of the tax charge in the year/period</b>		
Overseas tax	290,889	64,682
<b>Total current tax charge (Note 5 (b))</b>	<b>290,889</b>	<b>64,682</b>
Deferred tax (Note 5 (c))	–	–
<b>Total taxation for the year/period</b>	<b>290,889</b>	<b>64,682</b>

#### **(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
<b>Effects of:</b>		
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)
<b>Current tax charge for the year/period</b>	<b>290,889</b>	<b>64,682</b>

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)
<b>Net distribution for the year/period</b>	<b>628,252</b>	<b>203,585</b>
Interest	28	1
<b>Total finance costs</b>	<b>628,280</b>	<b>203,586</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	628,392	203,585
Net movement in revenue account	(140)	–
<b>Net distribution for the year/period</b>	<b>628,252</b>	<b>203,585</b>

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	–
<b>Total debtors</b>	<b>2,137,300</b>	<b>4,923,776</b>

### 8. Cash and bank balances

	30/09/15 £	30/09/14 £
Cash and bank balances	4,494,239	814,080
<b>Total cash and bank balances</b>	<b>4,494,239</b>	<b>814,080</b>

## 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
<b>Total creditors</b>	<b>1,493,892</b>	<b>1,406,290</b>

### 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 £
<b>30/09/15</b>			
US Dollar	3,043,976	234,002,612	237,046,588
<b>Total foreign currency exposure</b>	<b>3,043,976</b>	<b>234,002,612</b>	<b>237,046,588</b>
Sterling	1,733,546	–	1,733,546
<b>Total net assets</b>	<b>4,777,522</b>	<b>234,002,612</b>	<b>238,780,134</b>

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

#### (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	
	£	£	£	£
<b>Analysis of total purchase costs</b>				
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
<b>Gross purchase total</b>		<b>194,979,837</b>		<b>122,142,563</b>
<b>Analysis of total sale costs</b>				
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)
<b>Total sales net of transaction costs</b>		<b>78,203,880</b>		<b>17,900,404</b>

### 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](http://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.



