

Aberdeen Standard Capital Offshore Strategy Fund Limited

Interim Report and Unaudited Financial Statements
for the six months ended 30 June 2019

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Management and Administration

Directors of the Company

Martin Paul Magee (Chairman)

Finance Director of:
Jersey Electricity plc, The Powerhouse
Queens Road, St Helier, Jersey, JE4 8NY

Martin Magee joined the Board of Jersey Electricity plc, an LSE listed company, as Finance Director in May 2002. He moved from Scottish Power plc, after nine years in a variety of senior financial roles. He previously worked for nine years with Stakis plc (now part of the Hilton Hotels Group).

In addition he is a Director of the Channel Islands Electricity Grid Limited. He was also a member of the Jersey Public Accounts Committee from 2006 to 2011.

Martin is a member of the Institute of Chartered Accountants of Scotland having qualified in 1984.

Appointed to the Board on 18 May 2011.

Timothy Coote

Tim Coote is the Operations Director for Aberdeen Private Wealth Management in Jersey, which has a license to conduct Investment and Fund Service business. He joined Aberdeen in 2005.

He has thirty-nine years experience in Corporate Banking, Investment and Fund Management. Prior to joining Aberdeen, Tim spent seven years as Operations Director for Insinger de Beaufort International Limited, formerly Matheson Investment International Limited. Previous to this, Tim held a senior position with Citibank in Jersey and latterly supporting the business in Dublin.

Appointed to the Board on 11 September 2018.

Lynn Scott

Lynn Scott is the Investment Director, Head of Product Management of Aberdeen Standard Investments, and was previously Head of Product Development for non UCITS structures and Head of Product Management and Investment Director (Technical) for Standard Life Investments. She joined Standard Life Investments in 2006. Prior to being employed by Standard Life Investments, she was employed by Standard Life Assurance Limited in various actuarial roles between 1994 and 2006.

She has a BSc (Hons) in Actuarial Mathematics and Statistics and has been a Fellow of the Faculty of Actuaries (FFA) since 1997.

Lynn is also a Director of Standard Life Investments (Mutual Funds) Limited, SLTM Limited and of the Manager, Aberdeen Standard Capital (CI) Limited.

Appointed to the Board on 26 January 2015.

Andrew Curtin

(Senior Independent Director)

Andrew Curtin is an independent director of a range of Irish and Jersey regulated financial service providers including other fund companies sponsored by Aberdeen Standard Investments. He has over 25 years' experience as a corporate banker and capital markets professional in both developed and emerging markets. From 2009 to 2012 he was Managing Director of ANP International Finance, a specialist proprietary liquidity and asset manager. He has also held various senior positions with Citibank, Anglo Irish Bank and the Saudi Industrial Development Fund.

Andrew graduated from University College Dublin with a BA (Hons) in Economics and a Masters in International Development. He is also a Chartered Director.

Appointed to the Board on 10 May 2016.

Management and Administration (cont.)

Registered Office of the Company

IFC 1
The Esplanade
St Helier, Jersey, JE1 4BP

Aberdeen Standard Capital
Offshore Strategy Fund Limited
is regulated by the Jersey
Financial Services Commission.

Manager

Aberdeen Standard Capital (CI) Limited
IFC 1
The Esplanade
St Helier, Jersey, JE1 4BP
Telephone Jersey (01534) 709130

Investment Helpline
Jersey (01534) 709130

Fax Jersey (01534) 709189

Registered in Jersey No. 5769
Regulated by the Jersey
Financial Services Commission.

Investor contact details

Aberdeen Standard Capital (CI) Limited
BNP Paribas Fund Services Dublin Limited
2 Grand Canal Plaza
Upper Grand Canal Street
Dublin 4, Ireland

Administrator, Secretary and Registrar

BNP Paribas Securities Services S.C.A.,
Jersey Branch
IFC 1
The Esplanade
St Helier, Jersey, JE1 4BP
Regulated by the Jersey
Financial Services Commission.

Directors of the Manager

Kevin Charles Mundy (Chairman)
Andrew Ian Wignall
Gary Clark
Lynn Scott

Custodian

BNP Paribas Depositary
Services (Jersey) Limited
IFC 1
The Esplanade
St Helier, Jersey, JE1 4BP
Regulated by the Jersey
Financial Services Commission.

Compliance Officer and Money Laundering Compliance Officer

Philip Gartside
(Mr Gartside is an employee of BNP Paribas).

Money Laundering Reporting Officer

Ann-Marie Pereira
(Miss Pereira is an employee of BNP Paribas).

Investment Manager

Aberdeen Standard Capital Limited
1 George Street
Edinburgh, EH2 2LL
Registered in Scotland No.SC317950
Registered office as address above.
Authorised and regulated by the
Financial Conduct Authority.

Principal Bankers to the Company

BNP Paribas Securities
Services S.C.A., Jersey Branch
IFC 1
The Esplanade
St Helier, Jersey, JE1 4BP
Regulated by the Jersey
Financial Services Commission.

Legal Advisers

Mourant Ozannes
22 Grenville Street
St Helier, Jersey, JE4 8PX

Auditor

KPMG Channel Islands Limited
37 Esplanade, St Helier
Jersey, JE4 8WQ

Fund Accountants

BNY Mellon Fund Services (Ireland) Designated Activity
Company
One Dockland Central
Guild Street
IFSC
Dublin 1, Ireland
D01 E4X0

Chairman's Statement

Global Overview

Global equities regained their momentum during the first half of this year, recovering from the sharp falls in the last quarter of 2018. This was notwithstanding a pullback in May 2019, when an escalation in the US-China trade dispute dashed hopes of an imminent resolution. This re-kindled fears for global growth, prompting a sharp sell-off in global equities. However, central banks responded with supportive rhetoric and pledges of fresh stimulus to revive economic growth. In particular, the US Federal Reserve ("Fed") and European Central Bank ("ECB") indicated they would cut interest rates. The ECB also said it could restart quantitative easing. This engendered a more positive mood.

The trade quarrel with China and the dovish language from the Fed influenced Wall Street. Better-than-expected company profits pushed US shares higher in April 2019. However, the resumption of tit-for-tat tariff hikes between Washington and Beijing meant they plunged in May 2019. Later, hints that the Fed is considering an interest rate cut in the near future helped to push prices back up. Investor confidence received another boost when, at end of June 2019, presidents Trump and Xi agreed a truce in their trade war.

UK stocks were positive over the same period, thanks partly to the 'ceasefire' in the US-China trade war. The prospect of easier monetary policy around the world was also positive. However, Brexit uncertainty continued to affect investor sentiment. This came amid Theresa May's resignation as Prime Minister and the ensuing Conservative leadership battle. Her successor, Boris Johnson, during campaigning, committed to a "do or die" exit from the European Union ("EU") on 31 October 2019. This greatly increased the likelihood of a 'no-deal' Brexit. The Pound Sterling ("Sterling") consequently fell against the Euro. There were also further woes for the UK materials sectors, as British Steel collapsed in May 2019.

Global corporate bonds continued to rally in the second quarter, although the path was not smooth reflecting the influence of the Trump-Xi trade dispute, tariff increases and subsequent truce announced at the G20 summit. While credit spreads tightened modestly, the more important driver was a sharp reduction in Treasury yields. In particular, the 10-year US Treasury yield fell by more than 40 basis points to 2%. This was in line with the futures market pricing in as many as three US interest rates cuts in the next 12 months.

Outlook

We have downgraded our global growth forecasts amid subdued activity data and rising political and policy uncertainty. As a result, our projections no longer incorporate a re-acceleration in global growth. Instead, we expect global GDP growth to be flat, and below the post-financial crisis average, out to 2021. Moreover, even that outlook is dependent on several major central banks easing monetary policy this year and the US-China trade war not escalating further.

On the positive side, global financial conditions have remained relatively loose. The European industrial cycle appears to be bottoming. Meanwhile, advanced economy labour markets have remained resilient, supporting solid consumer demand. On the negative side, trade tensions have re-escalated. Political developments in the UK, Italy, Argentina, Turkey and Iran have also taken a less positive direction. There has been little evidence of spill-over from Chinese stimulus to the rest of the world so far. The fluid trade-policy environment is a particularly important – and difficult to forecast – driver of the outlook.

Britain's withdrawal from the EU continues to dominate the news and provides added uncertainty to those investments made in companies who may be impacted by a change in the relationship with Europe. The Investment Manager is continuously reviewing the potential outcomes to understand if any alterations need to be made to portfolios.

Rather than focus on short-term market noise, we continue to concentrate on long-term structural growth. Specific areas of focus are the beneficiaries of 5G roll-out, digitalisation of payments, decarbonisation of energy, electrification of transport and healthcare applications that are driving longevity. We seek to identify companies that will benefit from shifting trends, while avoiding those where change will be detrimental.

Chairman's Statement (cont.)

Fund reports

The Fund Reports, included in the Individual Financial Statements, provide information on the performance of each Fund Class and portfolio activity during the six month period.

Other Matters

On 21 January 2019 Standard Life Wealth (CI) Limited, the Management Company of the Fund, changed its name to Aberdeen Standard Capital (CI) Limited. Following an Extraordinary General Meeting on 1st March 2019, Shareholders of the Fund approved a name change to Aberdeen Standard Capital Offshore Strategy Fund Limited.

I hope that you find this report informative and I thank you for investing with us.

M.P. Magee

Chairman

12 August 2019

Report of the Directors

The Directors submit their Interim Report and Unaudited Financial Statements for Aberdeen Standard Capital Offshore Strategy Fund Limited (the "Company") for the six months ended 30 June 2019. The Company was incorporated in Jersey on 4 April 1996 with registration number 64833. On 2 July 1996 the Company obtained Recognized Fund status under the Collective Investment Funds (Jersey) Law 1988 and under the United Kingdom Financial Services Act 1986.

The Company is an open-ended investment company whose shares are divided into a number of Fund Classes. The Company is a recognized fund in the category of an umbrella fund as defined in the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003.

As at 30 June 2019, the Company has six Fund Classes all constituting Securities Funds in which investors may subscribe for shares, as follows:

Class	Inception date
Bridge	18 October 1999
Global Equity	6 April 1998
Global Fixed Interest	22 April 2004
Income	9 March 2015
Sterling Fixed Interest	4 February 2000
UK Equity	29 May 1997

Each Fund Class has two classes of shares in issue; these being Z and Retail Participating Shares. The Z Participating Shares are only available to those investors who are clients of the Investment Manager or other relevant Group entities. The principal difference between Z Shares and Retail Shares is that the Z Shares are not subject to the periodic charge of the Manager under the relevant Fund Class rules because the clients have already agreed to pay a fee pursuant to their specific fee arrangements with the Investment Manager or other relevant Group entity.

The Directors may create additional Fund Classes by adopting fund rules approved by the Custodian and specifying the name, investment objective, base currency, initial price, and other relevant provisions for a Fund Class not contained in the Articles of Association of the Company.

Each Fund Class owns a pool of assets to which the proceeds of issue of shares of the Fund Class and the revenue arising from the investment of those proceeds together with related expenses are applied.

Accordingly, separate accounting records are maintained and separate Statements of Financial Position, Statements of Total Return and Statements of Movements in Shareholders' Funds have been prepared for each Fund Class.

The Company is a recognised scheme in the United Kingdom for the purposes of the Financial Services and Markets Act 2000 (FSMA) by virtue of s270 of FSMA.

Holdings in other Fund Classes of the Company

As at 30 June 2019, no Fund Class held shares in any other Fund Class of the Company.

Alternative Investment Fund Managers ('AIFM') Directive

On 17 July 2014 an amended and restated Management Agreement was signed by the Company in anticipation of the potential impact of Directive 2011/61/EU (AIFMD) on the marketing of Participating Shares in the Company to professional investors in the European Economic Area and in contemplation of the Manager having primary responsibility for the portfolio management and risk management activities of the Company as a non-EU AIFM.

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Aberdeen Standard Capital (CI) Limited, is required to be made available to investors and is provided in the Annual Report of the Company each year.

Report of the Directors (cont.)

Investment Objective and Strategy

Aberdeen Standard Capital (Offshore) Bridge Class ("Bridge Class"):

to provide investors with capital growth with an element of income. This Fund Class is primarily invested in a portfolio of international equities and fixed interest securities. Although this Fund Class will normally be invested in securities, the Investment Manager may elect to hold cash or near cash from time to time. There will be no limits on the proportion of the Fund Class invested in bonds or equities or in any one geographic region.

Aberdeen Standard Capital (Offshore) Global Equity Class ("Global Equity Class"):

to provide investors with long-term capital growth together with an element of income. The Fund Class is primarily invested in a diversified portfolio of global equities.

Aberdeen Standard Capital (Offshore) Global Fixed Interest Class ("Global Fixed Interest Class"):

to provide investors with a return from both income and capital growth. The Fund Class is primarily invested in global fixed interest securities. The Investment Manager may also elect to hold cash or near cash from time to time.

Aberdeen Standard Capital (Offshore) Income Class ("Income Class"):

to provide investors with income and the potential for growth in the underlying invested capital. The Fund Class is invested primarily in a portfolio of international equities (including United Kingdom equities) and fixed interest securities. The Fund Class may also hold other assets including cash, derivatives (for efficient portfolio management purposes), collective investment scheme investments, warrants, deposits and money market instruments as deemed appropriate to meet the investment objective.

Aberdeen Standard Capital (Offshore) Sterling Fixed Interest Class ("Sterling Fixed Interest Class"):

to provide investors with a return of both capital growth and income. The Fund Class is primarily invested in a portfolio of Sterling denominated fixed interest securities. The Investment Manager may also elect to hold cash from time to time and up to a maximum of 20% of the Fund Class may also consist of euro and dollar denominated fixed interest securities. All non-Sterling assets will be hedged back to Sterling.

Aberdeen Standard Capital (Offshore) UK Equity Class ("UK Equity Class"):

to provide investors with long-term capital growth together with an element of income. The Fund Class is invested primarily in a diversified range of United Kingdom equity investments.

Reporting Fund Status

The Company received confirmation from HMRC of its entry into the Reporting Fund Regime with effect from 1 January 2010.

A Word of Warning

Investors should remember that the value of shares can fluctuate and is not guaranteed. Past performance is not a guide to the future and you may not get back the full amount invested. Shares in the Company should be regarded as long-term investments and may not be suitable for money you may need at short notice. The value of overseas securities will be influenced by the rate of exchange, which is used to convert these into Sterling. In the event of the Company being unable to meet liabilities attributable to any particular Fund Class out of the assets attributable to such Fund Class, the excess liabilities may have to be met out of the assets attributable to the other Fund Classes.

Distribution Policy

The amount of revenue available for distribution will be determined by the Company. For the Bridge, Global Equity and UK Equity Classes, dividends will normally be paid six monthly on 28 February and 31 August in Sterling to Shareholders who are on the register at 31 December and 30 June immediately prior to the distribution.

For the Sterling Fixed Interest, Global Fixed Interest and Income Classes, dividends will be paid quarterly. In addition to the dividend dates stated above, dividends will also be paid on 31 May and 30 November in Sterling to Shareholders who are on the register at 31 March and 30 September immediately prior to the distribution.

Included in the issue and cancellation prices of Participating Shares and therefore reflected as a capital sum in those prices, is a revenue equalisation figure representing any revenue attributable to the Participating Shares accrued since the last record date for dividends. An amount representing an average equalisation will be included in the amount of the first dividend paid after the initial investment.

At present all net revenue earned is paid out as a distribution to Shareholders of each Share Class.

Shares in Issue

The total number of Shares in issue and Net Asset Value History over the last 3 years (or since launch if shorter) of each Share Class is disclosed in the Net Asset Value History table in the Statistics section for each Share Class. These are disclosed under the heading "Statistics" just before the portfolio statements and not in this Report of the Director's Report as required by Part 3 of Schedule 3 of the Fund Rules, as the Directors believe the information presented within each set of Fund Class results is a more informative presentation and will aid the understanding of the figures contained therein.

Each Fund Class has two classes of shares in issue; these being Z and Retail participating shares.

Report of the Directors (cont.)

Market value per share

The bid-market value per share of each Share Class is disclosed in the Net Asset Value History table in the Statistics for each Share Class.

Corporate governance report

Jersey law does not contain a mandatory code of corporate governance but does impose general fiduciary duties and duties of care, diligence and skill on the Directors who are also under a statutory obligation to act in good faith and in the best interest of the Company. Save to the extent agreed with the Jersey Financial Services Commission ("JFSC"), when considering corporate governance matters the Company will use the UK Corporate Governance Code, the corporate governance code adopted by the UK Financial Conduct Authority, as a reference document.

Management structure

The management structure is a one-tier Board of Directors.

Bank facilities and gearing

At 30 June 2019, the Company had £35k short term overdrafts (31 December 2018: £7k) and held cash of £16.1m (31 December 2018: £14.3m) which meant the Company was ungeared.

Directors' Interests

The Directors at the date of this report are listed on page 3 and no Director has a service contract with the Company.

The Directors of the Company and their families had no interests in the Share Capital of the Company on 12 August 2019.

There have been no changes in the interests of the Directors from the period end to the date of signing this report.

Related party transactions

The contracts with Aberdeen Standard Capital (CI) Limited and Aberdeen Standard Capital Limited are the only related party arrangements currently in place. Mrs Scott is a Director of the Manager, Aberdeen Standard Capital (CI) Limited. Other than fees payable in the ordinary course of business, there have been no material transactions with these related parties which have affected the financial position or performance of the Company in the financial period.

Substantial share interests

At 30 June 2019, 490,012,184 (75.87%) shares were held by nominee company Platform Securities Nominees Limited and 137,138,950 (21.23%) shares by nominee company BNP Paribas Nominees Limited representing holdings on behalf of Aberdeen Standard Capital's clients. Other corporate nominee holdings represented 2.35% of shares. The remaining 0.55% of shares were held by 85 individual Shareholders.

Relations with Shareholders are given high priority by both the Board and the Manager. The prime medium by which the Company communicates with Shareholders is through the Half Year and Annual Reports.

It is the intention of the Board that the year end items and Notice of the AGM be issued to Shareholders so as to provide at least twenty one days' notice of the AGM.

Shareholders wishing to contact the Company are invited to do so by writing to the Company Secretary at the registered office address on page 4. The Chairman can also be contacted at his address on page 4 of this report.

Other Information

At the reporting date, the Manager, Aberdeen Standard Capital (CI) Limited, was a subsidiary of Standard Life Aberdeen plc.

Responsible Investment

The Board has delegated all responsible investment activities for the Fund Classes to the Investment Manager. It is believed that the Investment Manager is best placed to undertake such activities and to ensure that these activities are integrated within the investment process. The Investment Manager has a well established approach to responsible investment. This approach encapsulates the exercise of voting rights, engaging with investee companies and influencing the debate on certain environmental, social and governance (ESG) matters.

Website

The Prospectus, Financial Statements, quarterly factsheets and daily fund prices are available on the website of the Investment Manager.

www.aberdeenstandardcapital.com

Notice of annual general meetings and results of all Shareholders' meetings are available on request.

Helpline no. (01534) 709130

By Order of the Board

Aberdeen Standard Capital (CI) Limited Manager and Company Secretary

12 August 2019

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Interim Report and the Financial Statements in accordance with applicable Law, regulations and United Kingdom Accounting Standards including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102").

Companies (Jersey) Law 1991, Alternative Investment Funds (Jersey) Regulations 2012 and Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (together the "Laws") requires the Directors to prepare Financial Statements for each financial period in accordance with any generally accepted accounting principles. The Financial Statements of the Company are required by the Laws to give a true and fair view of the financial position of the Company at the period end and of the net revenue and the net gains of the Company for that period. In preparing these Financial Statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- specify which generally accepted accounting principles have been adopted in their preparation;
- assess the Company's ability to continue as a going concern to disclosing as applicable, matters related to going concern; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm they have complied with all the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping accounting records which are sufficient to show and explain the Company's transactions and are to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements prepared by the Company comply with the Laws. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Investment Manager's website. Legislation in Jersey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

M.P. Magee
Chairman

12 August 2019

Aggregated Financial Statements

for the six months ended 30 June 2019

Aggregated Statement of Total Return (unaudited)

	Notes	30 June 2019 £000's	30 June 2018 £000's
Income			
Net capital gains/(losses)			
Net capital gains/(losses) on investments	3	30,481	(5,162)
Other losses	3	(41)	(85)
		30,440	(5,247)
Revenue	4	6,512	5,395
Expenses	5	(199)	(226)
Interest payable and similar charges	6	(3)	(7)
Net revenue before taxation		6,310	5,162
Taxation		(272)	(259)
Net revenue after taxation		6,038	4,903
Total return before distributions		36,478	(344)
Distributions	7	(6,193)	(5,069)
Net increase/(decrease) in Shareholders' funds from Investment activities		30,285	(5,413)

Aggregated Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2019 £000's	30 June 2018 £000's
Opening net assets attributable to Shareholders	332,606	280,526
Amounts receivable on issue of shares	21,228	27,520
Amounts payable on cancellation of shares	(21,098)	(15,313)
	130	12,207
Dilution levy	0	10
Net increase/(decrease) in Shareholders' funds from investment activities (see above)	30,285	(5,413)
Closing net assets attributable to Shareholders	363,021	287,330

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Aggregated Financial Statements (cont.)

for the six months ended 30 June 2019

Aggregated Statement of Financial Position (unaudited)

	Notes	30 June 2019 £000's	31 December 2018 £000's
Assets			
Fixed assets			
Investment assets at fair value through profit or loss*		348,379	318,296
Current assets			
Debtors	9	5,881	3,920
Cash and bank balances		16,119	14,312
Total current assets		22,000	18,232
Total assets		370,379	336,528
Liabilities			
Investment liabilities at fair value through profit or loss*		(728)	(450)
Creditors			
Amounts due to future clearing houses and brokers		(17)	(79)
Bank overdrafts		(35)	(7)
Distribution payable	10	(3,656)	(3,114)
Other creditors	10	(2,922)	(272)
Total other liabilities		(6,630)	(3,472)
Total liabilities		(7,358)	(3,922)
Net assets attributable to Shareholders		363,021	332,606

The notes on pages 13 to 17 form part of the Financial Statements.

*The net investment assets and investment liabilities equal the total net aggregated value of the portfolio statements within each Fund Class.

The Financial Statements were approved by the Board of Directors on 12 August 2019 and signed on their behalf by:

Martin Paul Magee

Notes to the Aggregated Financial Statements

for the period ended 30 June 2019

1 Accounting policies

a) Accounting Convention

Notes specific to individual Fund Classes are shown following the Financial Statements for each Fund Class.

b) Accounting Principles

The Financial Statements have been prepared on a going concern basis in accordance with the Companies (Jersey) Law 1991, Alternative Investment Funds (Jersey) Regulations 2012, the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003, and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

The Directors have also chosen to prepare the Financial Statements in compliance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the IMA (now known as the Investment Association) in May 2014 (the "SORP"). The comparative table has been prepared in accordance with Jersey Law.

These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss.

The preparation of Financial Statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. In the opinion of the Directors there are no areas involving a high degree of judgement or complexity.

c) Financial Assets

Basic financial assets, including cash and bank balances and other receivables, are initially recognised at transaction price. Such assets are subsequently carried at costs and at the end of each reporting period assessed for objective evidence of impairment. The impairment loss is recognised in the Aggregated Statement of Total Return.

Other financial assets, including investments in securities, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Aggregated Statement of Total Return. Securities listed on a Stock Exchange or actively traded on any other regulated market are valued on the last business day of the year at bid market value on such exchange or market.

Collective Investment Scheme investments held by the Company are valued at the last sales price available at the valuation point. Certain of these Collective Investment

Schemes have limited dealing frequencies and thus are not as liquid as securities listed on a Stock Exchange. No liquidity discount is applied to the valuation prices; accordingly, the carrying value based on the latest available price may not represent the proceeds which would be realised upon sale in due course.

Securities not listed on any Stock Exchange or traded on any regulated market are valued at their last available market price. Securities for which no listed price is available, or for which the price referred to in the previous paragraphs is not considered to represent fair value, will be valued prudently and in good faith by the Directors based on the most recent available information at the year end. The recorded fair value may not represent the proceeds which would be realised upon sale in due course.

Financial assets are derecognised when

- (i) the contractual rights to the cash flows from the asset expire or are settled, or
- (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or
- (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

d) Financial Liabilities

Basic financial liabilities, including bank overdrafts and other payables, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rates of interest. Debt instruments are subsequently carried at cost.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

e) Bank Deposit Interest and Investment Revenue

Dividends on equities, and revenue from shares held in underlying funds are recognised when the security is quoted ex-dividend. Interest on deposits is accounted for on an accruals basis. Revenue on debt securities is recognised on the effective interest rate basis. Accrued interest purchased or sold is excluded from the cost of the security and is dealt with as revenue. Distributions from Offshore Collective Investment Schemes are recorded on an ex-dividend date and additional revenue is recorded when reported.

Notes to the Aggregated Financial Statements (cont.)

1 Accounting policies continued

f) Foreign Exchange

All transactions in foreign currencies are translated into Sterling at the rates of exchange rulings at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at close of business on the last business day of the period.

Foreign exchange gains and losses arising from translation are included in the Aggregated Statement of Total Return and are included in net capital gains/(losses) on investments.

g) Derivatives

The Company also enters into derivative transactions in the form of forward foreign currency contracts, futures and option contracts.

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

Exchange traded products have been valued at the bid price at close of business on the last business day of the period.

Both realised and unrealised gains/(losses) on derivatives are taken to the Aggregated Statement of Total Return and are included in net capital gains/(losses) on investments.

h) Tax

The tax charge relates to irrecoverable withholding tax on interest on debt securities and overseas dividends.

i) Special dividends

Special dividends are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature.

j) Underwriting commission

Underwriting and sub-underwriting contracts and placings may also be entered into. Commissions earned on these transactions are accounted for when the issue underwritten takes place and, to the extent that the shares are taken up, a proportion of the commission is accounted for as capital, otherwise the commission is treated as revenue.

k) Functional and presentation currency

The Company's base and functional currency is Pound Sterling ("Sterling") which is the currency of the primary economic environment in which it operates.

The Financial Statements are presented in Sterling, which is the currency in which the Company's performance is evaluated and its liquidity managed. Therefore Sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The figures in the Financial Statements have been rounded to the nearest thousand.

l) Offsetting

Financial assets and liabilities are offset and the net amounts are presented in the Financial Statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Distribution policies

a) Basis of distribution

If, at the end of each accounting period, revenue exceeds expenses, the net revenue of the Share Class is available to be distributed to Shareholders of the Share Class.

b) Special Dividends

Amounts recognised as revenue form part of the relevant Share Class distribution.

c) Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital.

d) Expenses

For all Fund Classes, except the Sterling Fixed Interest, Global Fixed Interest and Income, the following fees and expenses solely for the purpose of calculating the amount that is distributable are charged to capital rather than revenue in line with the Manager's expectation of the split between capital and revenue growth:

Manager's periodic charge	75%
Custody charges	100%

For the Sterling Fixed Interest, Global Fixed Interest and Income Fund Classes, all fees and expenses are charged to capital, (with the exception of collection charges) for the purpose of calculating the amount to be distributed.

Notes to the Aggregated Financial Statements (cont.)

3 Net capital gains/(losses)

The net capital gains/(losses) on investments during the period comprise:

	30 June 2019 £000's	30 June 2018 £000's
Non-derivative securities	30,939	(3,053)
Derivative securities	234	(52)
Forward currency contracts	(662)	(2,027)
Other losses – currency losses	(41)	(85)
Custodial transaction fees	(30)	(30)
Net capital gains/(losses)	30,440	(5,247)

4 Revenue

	30 June 2019 £000's	30 June 2018 £000's
Bank interest	8	6
Interest on debt securities	3,885	3,071
Franked distributions from authorised funds	6	0
Collateral interest	1	0
Interest on balances held at futures clearing houses and brokers	1	0
Money market deposit	58	15
Overseas dividends	1,179	1,213
UK dividends	1,319	1,025
UK REIT dividends	10	42
US REIT dividends	45	23
Total revenue	6,512	5,395

5 Expenses

	30 June 2019 £000's	30 June 2018 £000's
Payable to the Manager or Associate of the Manager:		
Manager's periodic charge	68	79
Registrar's fees	1	1
	69	80
Other expenses:		
Audit fees	32	25
Custodian fees	43	38
Directors' fees	17	28
Other expenses	38	55
	130	146
Total expenses	199	226

Notes to the Aggregated Financial Statements (cont.)

6 Interest payable and similar charges

	30 June 2019 £000's	30 June 2018 £000's
Interest payable	3	7
Total interest payable and similar charges	3	7

7 Distributions

The distributions take account of equalisation amounts added on the issue of shares and equalisation amounts deducted on the cancellation of shares. They comprise:

	30 June 2019 £000's	30 June 2018 £000's
Interim distribution 31 March	2,566	2,000
Interim distribution 30 June	3,656	3,144
	6,222	5,144
Amounts added on issue of shares	(124)	(152)
Amounts deducted on cancellation of shares	95	77
Gross distributions for the period	6,193	5,069

8 Net movement between revenue after taxation and distributions

	30 June 2019 £000's	30 June 2018 £000's
Net revenue after taxation	6,038	4,903
Expenses paid from capital	155	166
Gross distributions for the period	6,193	5,069

9 Debtors

	30 June 2019 £000's	31 December 2018 £000's
Accrued revenue	3,344	3,400
Amounts receivable for issue of shares	114	515
Amounts receivable from counterparties in respect of collateral on derivatives	489	0
Foreign currency contracts receivable	761	0
Income tax recoverable	3	2
Prepaid expenses	1	3
Sales awaiting settlement	1,169	0
Total debtors	5,881	3,920

Notes to the Aggregated Financial Statements (cont.)

10 Creditors

	30 June 2019 £000's	31 December 2018 £000's
a) Distribution payable		
Gross distribution payable	3,656	3,144
Total distribution payable	3,656	3,144
b) Other creditors		
Accrued expenses	85	99
Amounts payable for cancellation of shares	59	173
Foreign currency contracts payable	760	0
Purchases awaiting settlement	2,018	0
Total creditors	2,922	272

Fund Report

Environment

Global stock markets moved higher over the first half of the year. This was despite a pullback in May, when the US-China trade dispute escalated. Fears about global growth consequently resurfaced, prompting a sharp sell-off in global equities. However, central banks responded with supportive rhetoric and pledges of fresh stimulus to revive economic growth. In Europe, there was a growing expectation not only of an imminent interest rate cut but also the initiation of a new bond-buying programme by the European Central Bank. In the case of the US Federal Reserve, the market-implied probability of an interest rate cut at its end-July meeting moved to 100%. This created a more positive mood in the markets. Investor confidence received a further boost at the end of June when presidents Trump and Xi agreed a truce in their trade war at the G20 summit in Japan.

Global government bond yields fell sharply (prices rose) towards the end of the review period. Concerns about global economic growth and trade saw central banks pivot towards a more 'dovish' stance, which means they are likely to cut interest rates and/or buy government bonds. Indeed, many government bond yields turned negative, including across parts of Europe. Corporate bond markets also rallied during the period, driven by the same expectations of increasing monetary support from leading global central banks.

Performance

The Fund outperformed its benchmark, returning 15.6% versus the benchmark return of 12.6%. The Fund was also ahead of the Asset Risk Consultants (ARC) Steady Growth peer group performance of 10.1%.

The Fund's outperformance was driven by positive equity stock selection within healthcare, financials and consumer services. The only notable underperformance came from the oil & gas sector.

Large pharmaceutical stocks benefited from relatively heavy newsflow, which outlined pipeline opportunities that will offset large drugs going off patent and drive upgrades to 2019 growth expectations. The sector sold off temporarily in April, after Bernie Sanders' 'Medicare for all' comment reignited the US pricing debate. We continued to diversify our exposure away from this risk. Higher-growth, small/mid-cap companies like Abcam and Dechra that continue to execute their strategy well, were rewarded accordingly in the risk-on environment. Despite strong execution and the higher growth of medtech companies, returns were more mixed over the period. Medtronic's cautious line on the impact of tax spooked investors, despite upgrading its outlook in its full-year results. Boston Scientific, meanwhile, remained strong. Despite slightly missing on earnings expectations, the company pointed to a number of product drivers in the second half that will drive growth. This led the stock higher.

Swedbank's money laundering issue weighed on our bank holdings. However, this disappointment was not enough to overwhelm the material returns generated by our real estate holdings, American Tower and Equinix or our recent additions in global payment networks; namely Mastercard and Visa

Within consumer services, Amazon benefited from the rebound in technology stocks, reflecting the fact that much long-term structural growth is driven by technology and Amazon continues to execute successfully. RELX was particularly strong in the second half of the period, as some of the previous headwinds it faced subsided. In particular, Plan S, an initiative for free academic publications lost some momentum and uncertainty over academic agreements diminished. The holding in Kering continued its strong run after fears over Chinese-import restrictions fell away. Comcast benefited from US analysts starting to appreciate the value in the Sky business. The end of its various bidding wars against Disney was also material.

With a volatile oil price, the performance of our oil & gas holdings was similarly turbulent. Oil services companies were particularly challenging and our holdings in Haliburton and Schlumberger were costly for the Fund's performance.

Bond holdings, meanwhile, added to performance. During the period, yields fell sharply. The UK 10-year government bond ended the quarter at just 0.83%, having started at 1.3%. A combination of divisive political policies (trade wars and Brexit) added to a general slowing of global growth. This led investors to expect central banks to replace tightening monetary policy with loosening. Interest rate cuts are now much more likely than rises.

Activity

At the start of the period, we maintained a relatively neutral allocation to global equities and took advantage of the strong rally in global equities during the first quarter of 2019 to sell lower-conviction holdings. These included Ryanair and ResortTrust. We also sold Swedbank, which was drawn into the anti-money laundering scandals that beset Danske Bank in 2018. New additions to the Fund included packaging firm DS Smith and Abcam in the healthcare sector. DS Smith supplies all Amazon's packaging in the UK. It differentiates itself by being at the forefront of technology and utilising recycled material to add value as a supply-chain partner. It is extremely well placed to benefit from changing consumer habits over the long term. Meanwhile, Abcam's protein research tools and biotechnological products are market leading because of the quality of the accompanying efficacy data. Its revenue growth is twice the market rate and it is supported over the next five years by the significant opportunity in higher-value antibodies, immuno assays and growth in China. We also added Mastercard to the Fund, as it is well positioned to profit from increased payment volumes, as transactions become increasingly electronic – another beneficiary of changing consumer habits.

Fund Report (cont.)

Activity continued

We continue to believe that volatility will be a more frequent market feature. Given this view, we took action to ensure that the portfolio consists of our highest-conviction structural growth investments. As a result, we sold Vodafone, as the sustainability of its dividend was under question and it seemed likely that its management would cut the payment in order to reduce debt. We also reduced the Fund's banking exposure, as we believe the returns generated by the banks will be largely driven by the macro environment. We instead favour financial stocks that are less dependent on the economic backdrop to succeed. Reflecting this, we sold US bank Citigroup after a strong run, and increased exposure to the global payments networks by initiating a position in Visa. This complements our existing holding in Mastercard, and the global growth in cashless payments creates opportunities across both companies.

Elsewhere, we added Ørsted to the Fund. It is the largest offshore wind developer globally, with 30% of the total capacity in operation or under construction. Wind power generation is set to grow rapidly, as demand for sustainable energy sources becomes increasingly pronounced. We also added NextEra Energy, which is another leading player in renewables, through NextEra Resources. It runs the Florida Power and Lighting (FPL) utility company and the recently acquired Gulf Power. FPL is a well-managed utility, as evidenced by its ability to deliver energy bills 30% cheaper than the US average. It has also been able to generate a regulated return of 10% for its Shareholders.

We sold Facebook. The success of its soon-to-be launched cryptocurrency, Libra, will become apparent in time. It represents an interesting opportunity, given the company's huge numbers of monthly average users – estimated at roughly 2.4 billion, and growing. However, the regulatory scrutiny Libra faces should not be underestimated. Indeed, with the US election fast approaching, we expect the debate over greater regulation of the internet giants to increase. News of an investigation by the US Federal Trade Commission into antitrust issues at Facebook knocked its shares this quarter. They soon recovered, however, over the excitement of Libra. We took advantage of this, by selling our remaining holdings in Facebook, in light of its strong share-price performance this year.

Outlook

We have downgraded our global growth forecasts amid subdued activity data and rising political and policy uncertainty. As a result, our projections no longer incorporate a re-acceleration in global growth. Instead, we expect global GDP growth to be flat, and below the post-financial crisis average, out to 2021. Moreover, even that outlook is dependent on several major central banks easing monetary policy this year and the US-China trade war not escalating further.

On the positive side, global financial conditions have remained relatively loose. The European industrial cycle appears to be bottoming. Meanwhile, advanced economy labour markets have remained resilient, supporting solid consumer demand. On the negative side, trade tensions have re-escalated. Political developments in the UK, Italy, Argentina, Turkey and Iran have also taken a less positive direction. There has been little evidence of spill-over from Chinese stimulus to the rest of the world so far. The fluid trade-policy environment is a particularly important – and difficult to forecast – driver of the outlook.

Rather than focus on short-term market noise, we continue to concentrate on long-term structural growth. Specific areas of focus are the beneficiaries of 5G roll-outs, digitalisation of payments, decarbonisation of energy, electrification of transport and healthcare applications that are driving longevity. We seek to identify companies that will benefit from shifting trends, while avoiding those where change will be detrimental.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	10,284,368	179.28	5,736,579
31 December 2017	9,274,459	189.12	4,904,118
31 December 2018	6,574,344	169.93	3,868,908
30 June 2019	7,572,537	193.93	3,904,856

Z Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	19,664,769	55.57	35,386,758
31 December 2017	21,050,030	59.07	35,638,559
31 December 2018	32,274,133	53.51	60,310,444
30 June 2019	37,439,216	61.30	61,071,971

Distribution Information by Share Class

For the period ended 30 June 2019

Interim Distribution (In pence per share)	01/01/19 to 30/06/19	01/01/18 to 30/06/18
Retail Shares		
Payable 31 August 2019	2.1790	2.1849
Z Shares		
Payable 31 August 2019	0.7603	0.7565

Top Ten Purchases and Sales

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's	Sales	£000's
MasterCard 'A'	713	Citigroup	750
DS Smith	627	Facebook	614
Schlumberger	602	BHP	525
Visa	581	Swedbank 'A'	496
NextEra Energy	578	Samsung Electronics	480
Ubisoft Entertainment	569	Electronic Arts	450
Ørsted	546	Anheuser-Busch InBev	437
Abcam	453	UK Treasury 1.625% 22/10/2028	423
Medtronic	317	Murata Manufacturing	403
Activision Blizzard	256	Vodafone	401

Portfolio Statement (unaudited)

as at 30 June 2019

Investments	Holding	Market Value £000's	Total Net Assets %
UK Government Stocks 3.66% (5.46%)			
UK Treasury 1.5% 22/7/2047	GBP 1,081,000	1,085	2.41
UK Treasury 3.25% 22/1/2044	GBP 412,736	563	1.25
Overseas Government Bonds 0.37% (0.40%)			
Saudi Arabia 4% 17/4/2025	USD 200,000	167	0.37
Sterling Denominated Corporate Bonds 6.90% (7.73%)			
America Movil 5% 27/10/2026	GBP 200,000	242	0.54
Anglian Water 4.125% 28/7/2020	GBP 109,000	198	0.44
AT&T 4.375% 14/9/2029	GBP 134,000	154	0.34
Aviva 6.125% FRN 14/11/2036	GBP 140,000	161	0.36
Barclays 3.25% 17/1/2033	GBP 170,000	166	0.37
Centrica 7% 19/9/2033	GBP 100,000	148	0.33
Close Brothers 2.75% 26/4/2023	GBP 100,000	103	0.23
Eastern Power Networks 5.75% 08/3/2024	GBP 154,000	181	0.40
GlaxoSmithKline Capital 5.25% 19/12/2033	GBP 152,000	209	0.47
Heathrow Funding 2.75% 09/8/2051	GBP 100,000	98	0.22
Heathrow Funding 5.225% 15/2/2023	GBP 100,000	114	0.25
HSBC 5.75% 20/12/2027	GBP 109,000	132	0.29
Legal & General 5.375% 27/10/2045	GBP 100,000	111	0.25
Lloyds Banking 2.25% 16/10/2024	GBP 100,000	100	0.22
Metropolitan Life Global Funding I 1.125% 15/12/2021	GBP 200,000	199	0.44
Nationwide Building Society 3.25% 20/1/2028	GBP 200,000	217	0.48
NatWest Markets 5.125% 13/1/2024	GBP 200,000	235	0.52
Pennon 2.875% Perpetual	GBP 110,000	110	0.25
Pinnacle Bidco 6.375% 15/2/2025	GBP 108,000	114	0.25
RL Finance Bonds No 3 6.125% 13/11/2028	GBP 100,000	114	0.25
Non-Sterling Denominated Corporate Bonds 2.29% (3.09%)			
ABN AMRO Bank 2.875% 18/1/2028	EUR 200,000	193	0.43
Activision Blizzard 3.4% 15/9/2026	USD 290,000	231	0.51
Charter Communications 4.464% 23/7/2022	USD 258,000	213	0.47
Equinix 5.375% 01/4/2023	USD 150,000	120	0.27
Standard Chartered 6.409% FRN Perpetual	USD 100,000	66	0.15
Unitymedia Hessen 4% 15/1/2025	EUR 100,000	93	0.21
WMG Acquisition 3.625% 15/10/2026	EUR 122,000	115	0.25
United Kingdom 21.15% (19.88%)			
Abcam	38,407	566	1.26
Aviva	139,605	581	1.29
Beazley	116,982	645	1.43
BP	152,120	834	1.85
British American Tobacco	18,199	500	1.11

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
United Kingdom (cont.)			
Close Brothers	30,727	434	0.97
Countryside Properties	132,977	397	0.88
Dechra Pharmaceuticals	27,415	752	1.67
DS Smith	180,386	654	1.45
Fever-Tree Drinks	23,464	544	1.21
GlaxoSmithKline	44,745	705	1.57
HSBC (UK Regd.)	89,995	591	1.31
Prudential	56,529	970	2.15
Reckitt Benckiser	7,189	447	1.00
RELX	47,034	898	2.00
Investment Trusts 4.77% (4.78%)			
BB Biotech	4,196	223	0.50
BBGI	299,665	454	1.01
Greencoat UK Wind	424,999	599	1.33
International Public Partnership	304,605	454	1.01
Sequoia Economic Infrastructure Income Fund	366,326	415	0.92
Bermuda 0.08% (0.22%)			
Catco Reinsurance Opportunities Fund	266,479	38	0.08
China 0.00% (0.59%)			
United States of America 33.41% (28.07%)			
Accenture	6,299	914	2.03
Activision Blizzard	16,768	622	1.38
Allegion	6,370	553	1.23
Alphabet 'A'	969	824	1.83
Amazon	588	873	1.94
American Tower	4,937	793	1.76
Boston Scientific	27,071	914	2.03
Comcast 'A'	28,360	942	2.09
EOG Resources	8,207	601	1.34
Equinix	1,789	708	1.57
Estee Lauder 'A'	6,761	972	2.16
First Republic Bank	11,134	853	1.90
Intuit	2,905	596	1.32
MasterCard 'A'	4,407	916	2.04
Medtronic	11,029	844	1.88
Microsoft	12,472	1,312	2.91
NextEra Energy	3,546	571	1.27
Schlumberger	18,798	587	1.30
Visa	4,745	644	1.43

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Australia 2.80% (2.54%)			
Rio Tinto (UK Regd.)	12,008	586	1.30
Treasury Wine Estates	82,239	676	1.50
Italy 2.02% (1.84%)			
Enel	165,218	908	2.02
Japan 0.00% (1.52%)			
Jersey 0.89% (0.84%)			
3i Infrastructure	134,268	399	0.89
Taiwan 1.56% (1.75%)			
Taiwan Semiconductor Manufacturing ADS	22,839	703	1.56
Belgium 0.00% (0.86%)			
Denmark 1.41% (0.00%)			
Ørsted	9,330	636	1.41
France 2.83% (1.33%)			
Kering	1,483	690	1.53
Ubisoft Entertainment	9,472	583	1.30
Germany 0.76% (0.78%)			
Covestro	8,561	343	0.76
Guernsey 0.60% (0.90%)			
Bluefield Solar Income Fund	200,523	271	0.60
Ireland 1.10% (1.74%)			
CRH	19,305	495	1.10
Netherlands 4.73% (4.21%)			
ASML	5,137	844	1.88
Royal Dutch Shell 'B' (UK Regd.)	49,756	1,284	2.85
South Korea 0.00% (1.19%)			
Sweden 0.00% (1.49%)			
Switzerland 5.17% (4.27%)			
Nestlé (Regd.)	11,082	902	2.00
Novartis (Regd.)	9,810	705	1.57
Roche Holding	3,255	720	1.60

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Derivatives 0.02% (-0.11%)			
EUR Forward Foreign Currency Contracts 0.00% (-0.03%)			
Forward Currency Contracts 13/9/2019	EUR (443,964)	(398)	(0.88)
Forward Currency Contracts 13/9/2019	GBP 396,827	397	0.88
USD Forward Foreign Currency Contracts 0.02% (-0.08%)			
Forward Currency Contracts 13/9/2019	USD (999,714)	(783)	(1.74)
Forward Currency Contracts 13/9/2019	GBP 791,379	791	1.76
Portfolio of investments		43,444	96.52
Net current assets		1,568	3.48
Total net assets		45,012	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2018.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Portfolio Statement by asset class

	Market value June 2019 £000's	Percentage of total net assets June 2019 %	Market value December 2018 £000's	Percentage of total net assets December 2018 %
Bonds	5,952	13.22	6,480	16.68
Equities	37,485	83.28	30,611	78.80
Derivatives	7	0.02	(40)	(0.11)
Portfolio of investments	43,444	96.52	37,051	95.37
Net current assets	1,568	3.48	1,797	4.63
Total net assets	45,012	100.00	38,848	100.00

Financial Statements

for the six months ended 30 June 2019

Statement of Total Return (unaudited)

	Notes	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Income					
Net capital gains					
Net capital gains on investments	1	5,712		254	
Other (losses)/gains	1	(8)		6	
			5,704		260
Revenue	2	633		466	
Expenses	3	(54)		(65)	
Interest payable and similar charges	4	0		0	
Net revenue before taxation		579		401	
Taxation		(60)		(46)	
Net revenue after taxation			519		355
Total return before distributions			6,223		615
Distributions	5		(546)		(387)
Net increase in Shareholders' funds from Investment activities			5,677		228

Statement of Movement in Shareholders' Funds (unaudited)

	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Opening net assets attributable to Shareholders		38,848		30,324
Amounts receivable on issue of shares	1,910		4,427	
Amounts payable on cancellation of shares	(1,423)		(2,238)	
		487		2,189
Dilution levy		0		10
Net increase in Shareholders' funds from investment activities (see above)		5,677		228
Closing net assets attributable to Shareholders		45,012		32,751

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements (cont.)

for the six months ended 30 June 2019

Statement of Financial Position (unaudited)

	Notes	30 June 2019 £000's	31 December 2018 £000's
Assets			
Fixed assets			
Investment assets at fair value through profit or loss		43,445	37,091
Current assets			
Debtors	7	155	153
Cash and bank balances		1,996	2,078
Total current assets		2,151	2,231
Total assets		45,596	39,322
Liabilities			
Investment liabilities at fair value through profit or loss		(1)	(40)
Creditors			
Bank overdrafts		(14)	0
Distribution payable	8	(549)	(413)
Other creditors	8	(20)	(21)
Total other liabilities		(583)	(434)
Total liabilities		(584)	(474)
Net assets attributable to Shareholders		45,012	38,848

All liabilities are current.

The notes on pages 13 to 17 and pages 27 to 28 form part of the Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2019

1 Net capital gains

The net capital gains on investments during the period comprise:

	30 June 2019 £000's	30 June 2018 £000's
Non-derivative securities*	5,716	275
Forward currency contracts*	0	(16)
Other (losses)/gains - currency (losses)/gains*	(8)	6
Custodial transaction fees	(4)	(5)
Net capital gains	5,704	260

*Net gains (excluding custodial transaction fees) listed above of £5,708,046 comprise net realised losses of £(140,083) and net unrealised gains of £5,848,129 (2018: £264,245 comprising net realised gains of £57,023 and net unrealised gains of £207,222). £(723,824) of the net realised losses in the current period had been shown as net unrealised gains in previous periods (2018: £383,287 net realised gains).

2 Revenue

	30 June 2019 £000's	30 June 2018 £000's
Bank interest	1	0
Franked distributions from authorised funds	6	0
Interest on debt securities	86	64
Money market deposit	8	1
Overseas dividends	268	219
UK dividends	249	164
UK REIT dividends	0	9
US REIT dividends	15	9
Total revenue	633	466

3 Expenses

	30 June 2019 £000's	30 June 2018 £000's
Payable to the Manager or Associate of the Manager:		
Manager's periodic charge	36	43
Registrar's fees	1	1
	37	44
Other expenses:		
Audit fees	5	2
Custodian fees	5	4
Directors' fees	2	3
Other expenses	5	12
	17	21
Total expenses	54	65

Notes to the Financial Statements (cont.)

4 Interest payable and similar charges

	30 June 2019 £000's	30 June 2018 £000's
Interest payable	0	0
Total interest payable and similar charges	0	0

5 Distributions

The distributions take account of equalisation amounts added on the issue of shares and equalisation amounts deducted on the cancellation of shares. They comprise:

	30 June 2019 £000's	30 June 2018 £000's
Interim distribution 30 June	549	408
	549	408
Amounts added on issue of shares	(14)	(38)
Amounts deducted on cancellation of shares	11	17
Gross distributions for the period	546	387

6 Net movement between revenue after taxation and distributions

	30 June 2019 £000's	30 June 2018 £000's
Net revenue after taxation	519	355
Expenses paid from capital	27	32
Gross distributions for the period	546	387

7 Debtors

	30 June 2019 £000's	31 December 2018 £000's
Accrued revenue	155	153
Total debtors	155	153

8 Creditors

	30 June 2019 £000's	31 December 2018 £000's
a) Distribution payable		
Gross distribution payable	549	413
Total distribution payable	549	413
b) Other creditors		
Accrued expenses	16	17
Amounts payable for cancellation of shares	4	4
Total creditors	20	21

Fund Report

Environment

Global stock markets moved higher over the first half of the year. This was despite a pullback in May, when the US-China trade dispute escalated. Fears about global growth consequently resurfaced, prompting a sharp sell-off in global equities. However, central banks responded with supportive rhetoric and pledges of fresh stimulus to revive economic growth. In Europe, there was a growing expectation not only of an imminent interest rate cut but also the initiation of a new bond-buying programme by the European Central Bank. In the case of the US Federal Reserve, the market-implied probability of an interest rate cut at its end-July meeting moved to 100%. This created a more positive mood in the markets. Investor confidence received a further boost at the end of June when presidents Trump and Xi agreed a truce in their trade war at the G20 summit in Japan.

Global government bond yields fell sharply (prices rose) towards the end of the review period. Concerns about global economic growth and trade saw central banks pivot towards a more 'dovish' stance, which means they are likely to cut interest rates and/or buy government bonds. Indeed, many government bond yields turned negative, including across parts of Europe. Corporate bond markets also rallied during the period, driven by the same expectations of increasing monetary support from leading global central banks.

Performance

The Global Equity Fund returned 20.33% (net of fees) over the six-month period. This was 3.62% ahead of the benchmark return of 16.71% and also ahead of the estimate for the ARC Equity Risk PCI, which returned 12.17%.

The consumer goods sector was the largest contributor to the Fund's outperformance, driven by the holdings in Nestle, Anheuser-Busch Inbev and Estée Lauder. The financial sector also outperformed, led by traditional banking stocks such as Citigroup and, pleasingly, also by the decision to diversify the banking exposure to Mastercard and Visa. Finally, the healthcare sector was a strong performer despite the political rhetoric in the US. Our strategic decision to diversify portfolio exposure from pure pharmaceuticals stocks to niche areas continues to support performance. Holdings in Abcam (distributor of molecules) and Dechra Pharmaceutical (veterinary), as well as medtech exposure in Boston Scientific and Medtronic were all beneficial for the Fund's performance.

Oil & gas was the biggest relative detractor, driven by the underperforming holding in Schlumberger. The company continues to struggle given that large oil & gas companies have yet to ramp up expenditure in existing oil and gas fields, while delaying future exploration projects. The Fund's basic materials exposure also detracted due to the competitive pricing pressure of key commodities for Covestro.

Regionally, the Fund benefited from positive stock selection in all regions except Japan. North America, the UK and Europe were key contributors to the outperformance over the reporting period.

Activity

Over the past six-to-nine months, we have diversified our exposure from traditional banks to less cyclical financial services. Following our continued review of the global payments industry, we added Visa to the Fund. We believe Visa's profitability will be driven by its European business, where we think there is room for both pricing and margin improvements. Longer-term, the company will benefit from increased payment volumes, as digital and card payments continue to win share from cash and cheques. It also has a robust balance sheet, consistently strong levels of profitability and a dominant market position in an industry that has high barriers to entry. This position complements our existing holding in Mastercard. Both companies dominate the global payments system and their networks provide the infrastructure and trust to connect consumers and banks on a global basis.

We sold Citigroup to reduce US banking exposure for several reasons. The rate cycle has likely passed the point of supporting the banks' net income margin expansion, credit quality cannot improve from the ultra-low default regime, loan growth is subject to high levels of competition and trading remains an unpredictable business linked to market volatility. Citigroup has made good progress reducing its cost base – its efficiency ratio is down to 57%. However, its share price will likely be primarily driven by the economic environment, which looks to be less conducive to the banking sector.

Similarly, we have continued to shift the utilities exposure of the Fund towards beneficiaries of long-term structural growth. Namely, companies that we expect to outperform regulated utilities over the long term and that are less susceptible to political risk. In line with this, we added Ørsted to the Fund. It is the largest offshore wind developer globally, with 30% of the total capacity in operation or under construction. Wind power generation is set to grow rapidly, as demand for sustainable energy sources becomes increasingly pronounced. The market is pricing in much of the near-term capacity growth. However, we believe Ørsted's long-term opportunity for growth-extending, value-accretive, pipeline additions is overlooked.

A position was initiated in Walt Disney, following its long-awaited investor day to review direct-to-consumer streaming initiatives – Disney+, ESPN+ and Hulu. It announced competitive pricing on Disney+ and increased original content line-up, with a view to leveraging the assets globally – targeting 90 million Disney+ subscribers and 60 million Hulu subscriber. While the costs of doing so will be high over the next two years, the increased visibility on expected returns should be rewarded by the market.

Fund Report (cont.)

Activity (cont.)

We also initiated a position in Abcam, a distributor of molecules and antibodies to the global pharmaceutical industry. DNA sequencing has radically changed the healthcare landscape, opening up a vast pool of opportunities to use antibodies to identify, diagnose and to create treatments. In addition, an aging population supports increased healthcare spending on non-communicable diseases that are increasingly treated with biological drugs (e.g. immune-oncology). Abcam's products lead the market because of the quality of the accompanying efficacy data. Revenue growth is twice the market rate and is supported over the next five years by the significant opportunity in higher-value antibodies, immuno assays and China. Longer term, custom products and licensing should propel growth further as the company starts to benefit from the increasing therapeutic opportunity for biologicals (including diagnostics). The company valuation had de-rated on increased investment in its long-term growth, providing an opportunity to start a position.

Outlook

We have downgraded our global growth forecasts amid subdued activity data and rising political and policy uncertainty. As a result, our projections no longer incorporate a re-acceleration in global growth. Instead, we expect global GDP growth to be flat, and below the post-financial crisis average, out to 2021. Moreover, even that outlook is dependent on several major central banks easing monetary policy this year and the US-China trade war not escalating further.

On the positive side, global financial conditions have remained relatively loose. The European industrial cycle appears to be bottoming. Meanwhile, advanced economy labour markets have remained resilient, supporting solid consumer demand. On the negative side, trade tensions have re-escalated. Political developments in the UK, Italy, Argentina, Turkey and Iran have also taken a less positive direction. There has been little evidence of spill-over from Chinese stimulus to the rest of the world so far. The fluid trade-policy environment is a particularly important – and difficult to forecast – driver of the outlook.

Rather than focus on short-term market noise, we continue to concentrate on long-term structural growth. Specific areas of focus are the beneficiaries of 5G roll-outs, digitalisation of payments, decarbonisation of energy, electrification of transport and healthcare applications that are driving longevity. We seek to identify companies that will benefit from shifting trends, while avoiding those where change will be detrimental.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	2,126,350	221.09	961,757
31 December 2017	2,131,251	238.06	895,246
31 December 2018	1,694,094	219.25	772,685
30 June 2019	1,957,499	261.08	749,782

Z Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	18,410,192	59.83	30,769,091
31 December 2017	18,935,249	64.91	29,169,758
31 December 2018	16,720,176	60.23	27,760,806
30 June 2019	19,396,649	71.99	26,941,794

Distribution Information by Share Class

For the period ended 30 June 2019

Interim Distribution (In pence per share)	01/01/19 to 30/06/19	01/01/18 to 30/06/18
Retail Shares		
Payable 31 August 2019	1.9297	1.8439
Z Shares		
Payable 31 August 2019	0.6145	0.5841

Top Ten Purchases and Sales

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's	Sales	£000's
Visa	337	Citigroup	565
Disney (Walt)	323	Murata Manufacturing	381
DS Smith	323	Resorttrust	266
Schlumberger	318	Fortune Brands Home & Security	197
MasterCard 'A'	278	Halliburton	192
Ørsted	216	Ctrip.com International ADS	187
Abcam	212	Ryanair ADR	180
Nestlé (Regd.)	106	Swedbank 'A'	175
Activision Blizzard	94	Challenger	172
Taiwan Semiconductor Manufacturing ADS	86	American Tower	165

Portfolio Statement (unaudited)

as at 30 June 2019

Investments	Holding	Market Value £000's	Total Net Assets %
United Kingdom 12.29% (10.48%)			
Abcam	18,000	265	1.24
Beazley	47,951	264	1.24
BHP	14,818	299	1.40
Biotech Growth Trust	29,633	224	1.05
Dechra Pharmaceuticals	12,678	348	1.63
DS Smith	91,217	331	1.55
Fever-Tree Drinks	8,331	193	0.90
GlaxoSmithKline	16,478	260	1.22
RELX	23,072	440	2.06
United States of America 53.60% (49.57%)			
Accenture	4,672	678	3.18
Activision Blizzard	7,603	282	1.32
Allegion	4,383	381	1.78
Alphabet 'A'	639	543	2.54
Amazon	474	704	3.30
American Tower	3,651	586	2.74
Apple	2,865	446	2.09
Boston Scientific	17,966	606	2.84
Charles Schwab	8,840	279	1.31
Comcast 'A'	12,504	415	1.94
Disney (Walt)	3,000	329	1.54
Electronic Arts	2,638	210	0.98
Eli Lilly	4,004	348	1.63
EOG Resources	3,758	275	1.29
Equinix	1,185	469	2.20
Estée Lauder 'A'	5,035	724	3.39
Facebook	3,151	478	2.24
First Republic Bank	7,031	538	2.52
FLIR Systems	7,716	328	1.54
Intuit	2,074	426	1.99
MasterCard 'A'	1,727	359	1.68
Merck & Co	5,847	385	1.80
Microsoft	7,790	820	3.84
Philip Morris International	3,385	209	0.98
Schlumberger	9,266	289	1.35
Visa	2,500	339	1.59

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Australia 1.30% (2.48%)			
Treasury Wine Estates	33,848	278	1.30
China 0.00% (1.63%)			
Hong Kong 3.10% (2.77%)			
AIA	78,320	663	3.10
Japan 0.00% (4.24%)			
South Korea 1.46% (1.44%)			
Samsung Electronics	9,761	312	1.46
Taiwan 3.83% (3.51%)			
Taiwan Semiconductor Manufacturing ADS	16,267	501	2.35
Voltronic Power Technology	18,595	317	1.48
Belgium 1.36% (1.17%)			
Anheuser-Busch InBev	4,167	290	1.36
Denmark 1.04% (0.00%)			
Ørsted	3,250	222	1.04
France 3.21% (3.11%)			
Kering	838	390	1.83
Total	6,697	295	1.38
Germany 0.96% (1.07%)			
Covestro	5,105	205	0.96
Ireland 3.04% (3.80%)			
CRH	13,282	340	1.59
Medtronic	4,043	309	1.45
Italy 2.23% (2.13%)			
Enel	86,729	476	2.23
Netherlands 3.56% (3.22%)			
ASML	2,090	344	1.61
Royal Dutch Shell 'B' (UK Regd.)	16,121	416	1.95

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Sweden 0.00% (1.22%)			
Switzerland 5.99% (5.35%)			
Nestlé (Regd.)	7,071	576	2.70
Novartis (Regd.)	4,541	326	1.53
Roche Holding	1,698	376	1.76
Portfolio of investments		20,706	96.97
Net current assets		648	3.03
Total net assets		21,354	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2018.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Financial Statements

for the six months ended 30 June 2019

Statement of Total Return (unaudited)

	Notes	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Income					
Net capital gains					
Net capital gains on investments	1	3,561		579	
Other (losses)/gains	1	(8)		4	
			3,553		583
Revenue	2	237		254	
Expenses	3	(17)		(29)	
Interest payable and similar charges	4	0		(1)	
Net revenue before taxation		220		224	
Taxation		(44)		(48)	
Net revenue after taxation			176		176
Total return before distributions			3,729		759
Distributions	5		(183)		(185)
Net increase in Shareholders' funds from Investment activities			3,546		574

Statement of Movement in Shareholders' Funds (unaudited)

	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Opening net assets attributable to Shareholders		18,414		21,067
Amounts receivable on issue of shares	286		61	
Amounts payable on cancellation of shares	(892)		(436)	
		(606)		(375)
Net increase in Shareholders' funds from investment activities (see above)		3,546		574
Closing net assets attributable to Shareholders		21,354		21,266

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements (cont.)

for the six months ended 30 June 2019

Statement of Financial Position (unaudited)

	Notes	30 June 2019 £000's	31 December 2018 £000's
Assets			
Fixed assets			
Investment assets at fair value through profit or loss		20,706	17,897
Current assets			
Debtors	7	31	50
Cash and bank balances		811	590
Total current assets		842	640
Total assets		21,548	18,537
Liabilities			
Creditors			
Bank overdrafts		(6)	0
Distribution payable	8	(180)	(114)
Other creditors	8	(8)	(9)
Total other liabilities		(194)	(123)
Total liabilities		(194)	(123)
Net assets attributable to Shareholders		21,354	18,414

All liabilities are current.

The notes on pages 13 to 17 and pages 37 to 38 form part of the Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2019

1 Net capital gains

The net capital gains on investments during the period comprise:

	30 June 2019 £000's	30 June 2018 £000's
Non-derivative securities*	3,563	581
Other (losses)/gains – currency (losses)/gains*	(8)	4
Custodial transaction fees	(2)	(2)
Net capital gains	3,553	583

*Net gains (excluding custodial transaction fees) listed above of £3,554,679 comprise net realised losses of £(2,695) and net unrealised gains of £3,557,374 (2018: £584,394 comprising net realised gains of £220,617 and net unrealised gains of £363,777). £(304,380) of the net realised losses in the current period had been shown as net unrealised gains in previous periods (2018: £539,261 net realised gains).

2 Revenue

	30 June 2019 £000's	30 June 2018 £000's
Money market deposit	3	1
Overseas dividends	179	210
UK dividends	44	43
US REIT dividends	11	0
Total revenue	237	254

3 Expenses

	30 June 2019 £000's	30 June 2018 £000's
Payable to the Manager or Associate of the Manager:		
Manager's periodic charge	9	9
	9	9
Other expenses:		
Audit fees	1	1
Custodian fees	3	3
Directors' fees	1	2
Other expenses	3	14
	8	20
Total expenses	17	29

4 Interest payable and similar charges

	30 June 2019 £000's	30 June 2018 £000's
Interest payable	0	1
Total interest payable and similar charges	0	1

Notes to the Financial Statements (cont.)

5 Distributions

The distributions take account of equalisation amounts added on the issue of shares and equalisation amounts deducted on the cancellation of shares. They comprise:

	30 June 2019 £000's	30 June 2018 £000's
Interim distribution 30 June	180	184
	180	184
Amounts added on issue of shares	(1)	0
Amounts deducted on cancellation of shares	4	1
Gross distributions for the period	183	185

6 Net movement between revenue after taxation and distributions

	30 June 2019 £000's	30 June 2018 £000's
Net revenue after taxation	176	176
Expenses paid from capital	7	9
Gross distributions for the period	183	185

7 Debtors

	30 June 2019 £000's	31 December 2018 £000's
Accrued revenue	31	17
Amounts receivable on issue of shares	0	33
Total debtors	31	50

8 Creditors

	30 June 2019 £000's	31 December 2018 £000's
a) Distribution payable		
Gross distribution payable	180	114
Total distribution payable	180	114
b) Other creditors		
Accrued expenses	8	9
Total other creditors	8	9

Fund Report

Environment

The global investment-grade corporate bond market bounced back strongly in the first quarter of 2019, following a very tough closing quarter of 2018. A key driver of this rally was more accommodative central banks. In the case of the US Federal Reserve (Fed), in its March policy meeting, it firmly ruled out any interest rate rises in 2019. Amid poor economic data, the European Central Bank (ECB) also pushed back the likely date for interest rate rises to 2020. German bund yields declined sharply, entering negative territory for the first time since 2016. The first quarter's rally was sustained in the second quarter, with credit spreads tightening further. However, by far the biggest positive driver was sharply declining US Treasury yields, with the 10-year US Treasury yield falling by over 40 basis points to 2.0%. Amid continuing disappointing European economic data and trade worries, leading global central banks were expected to pursue increasingly accommodative monetary policies.

Turning to the global high-yield market, just three months into the year it had produced a total return that exceeded most investors' full-year target for 2019. The rally was helped by a combination of positive technical factors and supported by an increasingly dovish Fed that buoyed risk assets across the globe. Indeed, US high yield-bonds had their strongest first quarter in over 25 years. The global high yield market subsequently experienced a volatile yet positive second quarter. The market continued to be driven by sentiment around central bank actions and US-China trade relations, and was also supported by a dramatic rally in rates markets.

Emerging market (EM) debt rallied strongly in the first quarter of 2019. The biggest driver of this was the unexpected switch by the US Fed to a dovish tone, which sent US government bonds yield lower, making risk assets more attractive. After a mixed start to the second quarter, EM debt performed well in June, enjoying its best monthly return since January. Increasingly dovish tilts from the Fed and the ECB drove strong performance. Lower interest rates reduces the chances of a stronger US dollar, which generally has a negative impact on EM debt.

Performance

The investment-grade credit portfolio benefited from underweight exposure to AA and A rated credits and an overweight in higher-yielding issues. Stock selection was also a positive contributor. In terms of individual securities, the portfolio's overweight exposure to British American Tobacco added to returns. As well as some easing in pessimism, this partly reflected a favourable court decision which granted the company's Canadian subsidiary creditor protection that should limit exposure to class action lawsuits. Overweight exposure to Anheuser-Busch InBev was also positive amid expectations for an initial public offering (IPO) in Asia. Money raised from an IPO could help the Belgian brewer reduce some of its debt, thereby improving its credit standing. On the negative side, positioning in General Electric Co was a negative contributor, with spreads recovering on the back of its restructuring efforts. The US retail pharmacy and healthcare company CVS Health also detracted after it issued disappointing earnings guidance.

For the high-yield portfolio, positive performance came from overweight positions in US homebuilder MDC, private equity firm Sycamore Partners and hospital operator HCA (which saw its bonds upgraded to investment grade in January). A large underweight to index constituent Weatherford International was another significant contributor to relative returns. This highly indebted oilfield services company had been widely expected to file for bankruptcy protection, which indeed was confirmed in early July. On the negative side, the holding in Caribbean wireless operator Digicel detracted from returns. The bonds reacted negatively to the company's recent results that showed cashflow was weaker than expected.

In emerging markets, an overweight exposure (versus the benchmark) to Saudi Arabia, Indonesia, El Salvador, Egypt, Uruguay and Costa Rica made the most significant contribution to performance during the period. This was offset by a lack of exposure to China, Sri Lanka, Russia, the Philippines, Peru and Chile. In most of these cases, these underweight positions largely reflected the relatively high-quality and low-spread characteristics of these credits, rather than any country-specific positive news. This was why underweight exposure was detrimental in the risk-off conditions.

Fund Report (cont.)

Activity

Trading activity for the investment grade portfolio included participation in some attractively priced new issues. These included bonds from Medtronic, which is the world's largest medical device company. We also participated in a new deal from global payments provider Fiserv. The bonds should help Fiserv's US\$22 billion acquisition of competitor First Data. We also bought the 2029 bonds of Fidelity National Information Services. In the secondary market, we continued to add to Verizon, where we think the credit trajectory remains positive. The portfolio's exposure to BMW was reduced, due to concerns about trade tensions. We looked to diversify away from companies with Chinese exposure in favour of more domestic-orientated companies. For example, we sold global chemical products company Huntsman and bought the bonds of the US education and media company Graham. In addition, owing to the increased risk of heavy settlements related to its Roundup (weed killer) product, we trimmed some exposure to Bayer. Finally, we sold the UK defence contractor Babcock International after it issued disappointing annual results.

For high yield, we participated in new issues from hospital operator Tenet Healthcare, cable company Altice, environmental services company Clean Harbors and car rental company Avis Budget Car Rental. In secondary trading, we exited positions where we felt valuations did not accurately reflect inherent risks. This included the transportation company XPO Logistics, the oilfield service operator Weatherford International and oil producer Sanchez. Proceeds were reinvested into higher-quality issuers with improving credit profiles, such as the technology company Dell and investment-grade rated Delta Air Lines.

In emerging markets, we added some exposure to Colombia. We believe the country offers good value given our expectations for improved growth, coupled with its underperformance compared to other investment-grade Latin American credits. We added to our overweight position in Indonesia. Our constructive outlook on the country was subsequently endorsed by S&P upgrading its credit rating to BBB from BBB-, with a stable outlook. We also added to our overweight exposure to Qatar, where the economy has proved impressively resilient to the ongoing trade embargo imposed by some regional countries. On the sell side, given the continued strength in oil prices and the less favourable outlook for global growth, we sold some of our Petroleos Mexicanos holdings. This effectively reduced our exposure to Mexico.

Outlook

The latest quarter was generally good for investment-grade credit markets. Markets are now pricing in an increased likelihood of ECB monetary policy easing, including a relaunch of its bond buying programme, which is also known as quantitative easing (QE). We share this view and think a potential relaunch of QE would be supportive for European credit risk, even after the strong spread tightening that has occurred year-to-date. With European government bonds achieving record low negative yields, investors are encouraged to seek yield in corporate debt. In the case of the US Fed, its increasingly dovish tone has again been inherently supportive for credit. In terms of positioning, in the current late-cycle environment, we think that selectivity will become increasingly important. We will continue to look for attractive opportunities to trade up in quality, with a preference for credits benefiting from predictable and secure fundamentals.

For high-yield bonds, following June's rally, we are content to focus on higher-quality names, and are not tempted to chase the lower-quality portion of the high-yield market, despite the latter lagging of late. With growth unlikely to be strong enough for more indebted companies to contemplate deleveraging, moving down the quality spectrum is not attractive in terms of risk-reward.

Several significant risks to EM debt have diminished recently. Major central banks turned more dovish, Mexico avoided the imposition of tariffs and trade talks resumed between the US and China. EM central banks will use the latest manoeuvres in the developed world to begin a cutting cycle in order to boost growth. The key risks for EM debt are still continued dollar strength, the persistence of US protectionism, a deeper economic slowdown in China and a further escalation in trade wars.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	2,687,150	99.31	2,705,924
31 December 2017	1,962,367	101.06	1,941,755
31 December 2018	1,662,599	91.39	1,819,175
30 June 2019	1,501,097	96.88	1,549,444

Z Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	64,428,156	48.24	133,561,892
31 December 2017	78,634,959	49.59	158,570,071
31 December 2018	78,675,542	45.30	173,679,937
30 June 2019	85,232,352	48.26	176,616,100

Distribution Information by Share Class

For the period ended 30 June 2019

Interim Distribution (In pence per share)	01/01/19 to 30/06/19	01/01/18 to 30/06/18
Retail Shares		
Paid 31 May 2019	1.0601	0.9295
Payable 31 August 2019	1.1000	1.1400
	2.1601	2.0695
Z Shares		
Paid 31 May 2019	0.5261	0.4567
Payable 31 August 2019	0.5472	0.5615
	1.0733	1.0182

Top Ten Purchases and Sales

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's	Sales	£000's
Ziggo Bond Finance 4.625% 15/1/2025	579	Peru 8.75% 21/11/2033	815
Kenya 7.25% 28/2/2028	425	Banque Centrale de Tunisie 5.75% 30/1/2025	632
Colombia 5.625% 26/2/2044	403	Kenya 6.875% 24/6/2024	475
Angola 8.25% 09/5/2028	400	Lembaga Pembiayaan Ekspor Indonesia 3.875% 06/4/2024	454
Saudi Arabian Oil 4.25% 16/4/2039	379	Turkey 6.125% 24/10/2028	432
Romania 4.625% 03/4/2049	379	Romania 4.625% 03/4/2049	423
Paraguay 5.4% 30/3/2050	343	Oman 6.75% 17/1/2048	414
Indonesia 5.25% 17/1/2042	329	Vietnam 6.75% 29/1/2020	414
Paraguay 4.625% 25/1/2023	325	Lebanon 6.65% 22/4/2024	396
Qatar 3.875% 23/4/2023	325	Ecuador 8.75% 02/6/2023	393

Portfolio Statement (unaudited)

as at 30 June 2019

Investments	Holding	Market Value £000's	Total Net Assets %
Overseas Government Bonds 29.32% (32.51%)			
Angola 8.25% 09/5/2028	USD 500,000	421	0.48
Angola 9.5% 12/11/2025	USD 200,000	180	0.21
Argentina 4.625% 11/1/2023	USD 284,000	179	0.21
Argentina 5.375% 20/1/2023	EUR 230,000	156	0.18
Argentina 6.875% 22/4/2021	USD 188,000	129	0.15
Argentina 6.875% 26/1/2027	USD 1,087,000	677	0.78
Armenia 7.15% 26/3/2025	USD 209,000	189	0.22
Azerbaijan 3.5% 01/9/2032	USD 405,000	300	0.35
Bahamas 6% 21/11/2028	USD 686,000	574	0.66
Banque Centrale de Tunisie 5.75% 30/1/2025	USD 257,000	188	0.22
Belize 4.9375% 20/2/2034	USD 340,400	162	0.19
Brazil 5% 27/1/2045	USD 225,000	175	0.20
Colombia 5.625% 26/2/2044	USD 496,000	461	0.53
Costa Rica 4.25% 26/1/2023	USD 200,000	155	0.18
Costa Rica 7.158% 12/3/2045	USD 218,000	171	0.20
Croatia 5.5% 04/4/2023	USD 720,000	626	0.72
Dominican Republic 5.5% 27/1/2025	USD 1,012,000	844	0.97
Dominican Republic 7.45% 30/4/2044	USD 362,000	331	0.38
Ecuador 7.95% 20/6/2024	USD 680,000	560	0.65
Ecuador 10.75% 28/3/2022	USD 202,000	178	0.20
Ecuador 10.75% 31/1/2029	USD 250,000	219	0.25
Egypt 5.625% 16/4/2030	EUR 164,000	143	0.16
Egypt 6.125% 31/1/2022	USD 875,000	708	0.82
Egypt 6.2004% 01/3/2024	USD 200,000	164	0.19
Egypt 8.5% 31/1/2047	USD 505,000	419	0.48
Egypt 8.7002% 01/3/2049	USD 350,000	296	0.34
El Salvador 5.875% 30/1/2025	USD 1,200,000	935	1.08
El Salvador 8.25% 10/4/2032	USD 56,000	49	0.06
El Salvador 8.625% 28/2/2029	USD 104,000	93	0.11
Gabon 6.375% 12/12/2024	USD 600,000	466	0.54
Georgia 6.875% 12/4/2021	USD 574,000	475	0.55
Ghana 8.627% 16/6/2049	USD 586,000	463	0.53
Hungary 5.375% 21/2/2023	USD 310,000	268	0.31
Indonesia 4.125% 15/1/2025	USD 200,000	165	0.19
Indonesia 5.25% 17/1/2042	USD 849,000	760	0.88
Iraq 6.752% 09/3/2023	USD 230,000	185	0.21
Ivory Coast 5.375% 23/7/2024	USD 500,000	396	0.46
Ivory Coast 6.125% 15/6/2033	USD 405,000	296	0.34
Kenya 7.25% 28/2/2028	USD 542,000	441	0.51
Lebanon 6% 27/1/2023	USD 450,000	296	0.34

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Overseas Government Bonds (cont.)			
Lembaga Pembiayaan Ekspor Indonesia 3.875% 06/4/2024	USD 200,000	162	0.19
Mexico 3.75% 11/1/2028	USD 592,000	473	0.54
Mongolia 5.625% 01/5/2023	USD 455,000	363	0.42
Morocco 4.25% 11/12/2022	USD 650,000	533	0.61
Namibia 5.5% 03/11/2021	USD 222,000	181	0.21
Nigeria 7.143% 23/2/2030	USD 600,000	474	0.55
Nigeria 7.625% 28/11/2047	USD 431,000	337	0.39
Panama 3.875% 17/3/2028	USD 555,000	466	0.54
Papua New Guinea 8.375% 04/10/2028	USD 400,000	335	0.39
Paraguay 4.625% 25/1/2023	USD 400,000	330	0.38
Paraguay 5.4% 30/3/2050	USD 440,000	372	0.43
Perusahaan Penerbit SBSN Indonesia III 4.55% 29/3/2026	USD 1,103,000	926	1.07
Qatar 3.875% 23/4/2023	USD 600,000	495	0.57
Qatar 5.103% 23/4/2048	USD 400,000	374	0.43
Saudi Arabia 3.625% 04/3/2028	USD 200,000	161	0.19
Saudi Arabia 4.5% 17/4/2030	USD 200,000	171	0.20
Saudi Arabia 4.625% 04/10/2047	USD 560,000	455	0.52
Saudi Arabia 5% 17/4/2049	USD 200,000	172	0.20
Senegal 4.75% 13/3/2028	EUR 355,000	318	0.37
Senegal 6.25% 23/5/2033	USD 195,000	147	0.17
Serbia 7.25% 28/9/2021	USD 345,000	297	0.34
South Africa 4.3% 12/10/2028	USD 511,000	394	0.45
Sri Lanka 7.55% 28/3/2030	USD 400,000	315	0.36
Turkey 6.125% 24/10/2028	USD 451,000	334	0.38
Turkey 7.625% 26/4/2029	USD 280,000	225	0.26
Ukraine 7.375% 25/9/2032	USD 600,000	463	0.53
Ukraine 7.75% 01/9/2023	USD 234,000	193	0.22
Ukraine 7.75% 01/9/2026	USD 407,000	330	0.38
Uruguay 4.125% 20/11/2045	USD 400,000	320	0.37
Uruguay 4.375% 23/1/2031	USD 89,000	76	0.09
Uruguay 8% 18/11/2022	USD 323,000	286	0.33
US Treasury 2.25% 15/2/2027	USD 48,400	39	0.04
US Treasury 2.5% 15/2/2045	USD 169,500	133	0.15
US Treasury 2.875% 15/11/2046	USD 144,000	121	0.14
Uzbekistan 5.375% 20/2/2029	USD 200,000	167	0.19
Venezuela 0% 21/10/2026	USD 672,300	148	0.17
Vietnam 4.8% 19/11/2024	USD 200,000	167	0.19
Vietnam 6.75% 29/1/2020	USD 356,000	286	0.33

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Floating Rate Notes 1.97% (2.50%)			
Bank of America FRN 25/6/2022	USD 150,000	118	0.14
Deutsche Annington Finance 4% Perpetual	EUR 100,000	96	0.11
Électricité de France 6% Perpetual	GBP 100,000	107	0.12
Express Scripts 3.2738% FRN 30/11/2020	USD 160,000	126	0.15
Hellas Telecommunications Finance 0% FRN 15/7/2015*	EUR 512,999	0	0.00
JPMorgan Mortgage Trust 2018-6 3.5% 25/12/2048	USD 176,834	141	0.16
JPMorgan Mortgage Trust 2018-9 4% 25/09/2049	USD 26,217	21	0.03
Pernod Ricard 4.45% 15/1/2022	USD 200,000	165	0.19
Petroleos Mexicanos 6.1006% FRN 11/3/2022	USD 380,000	299	0.35
Rogers Communications 6.11% 25/8/2040	CAD 200,000	159	0.18
Sempra Energy 3.0967% FRN 15/1/2021	USD 60,000	47	0.05
Sequoia CMO 25/7/2048	USD 141,030	113	0.13
Société Générale 6.75% FRN Perpetual	EUR 100,000	95	0.11
Teva Pharmaceuticals 2.25% 18/3/2020	USD 170,000	132	0.15
Wind Tre 2.75% FRN 20/1/2024	EUR 100,000	88	0.10
Sterling Denominated Corporate Bonds 5.35% (5.08%)			
AA Bond 2.875% 31/7/2043	GBP 105,000	100	0.11
ABP Finance 6.25% 14/12/2026	GBP 120,000	147	0.17
AIG 5% 26/4/2023	GBP 100,000	112	0.13
Arqiva Broadcast Finance 6.75% 30/9/2023	GBP 110,000	118	0.14
Asciano Finance 5% 19/9/2023	GBP 100,000	110	0.13
Bank of America 5.5% 22/11/2021	GBP 200,000	218	0.25
Bank of Ireland 3.125% 19/9/2027	GBP 100,000	98	0.11
BHP Billiton Finance 6.5% 22/10/2077	GBP 100,000	113	0.13
Citigroup 2.75% 24/1/2024	GBP 100,000	104	0.12
CYBG 5% 09/2/2026	GBP 200,000	200	0.23
E.ON International Finance 6.75% 27/1/2039	GBP 100,000	157	0.18
Eversholt Funding 3.529% 07/8/2042	GBP 100,000	100	0.12
FCA Bank 1.625% 29/9/2021	GBP 117,000	116	0.13
Fidelity National Information Services 3.36% 21/5/2031	GBP 100,000	106	0.12
Greene King Finance 5.702% 15/12/2034	GBP 250,000	204	0.23
HSBC 3% 29/5/2030	GBP 106,000	109	0.13
Intu Metrocentre Finance 4.125% 06/12/2028	GBP 100,000	101	0.12
Land Securities Capital Markets 2.375% 29/3/2029	GBP 200,000	208	0.24
Lloyds Banking 2.25% 16/10/2024	GBP 200,000	200	0.23
London & Quadrant Housing Trust 2.625% 28/2/2028	GBP 100,000	103	0.12
Mitchells & Butlers Finance 5.965% 15/12/2025	GBP 50,612	54	0.06
National Westminster Bank 6.5% 07/9/2021	GBP 100,000	110	0.13
Notting Hill Housing Trust 3.25% 12/10/2048	GBP 130,000	132	0.15
Pinnacle Bidco 6.375% 15/2/2025	GBP 100,000	106	0.12

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds (cont.)			
RMPA Services 5.337% 30/9/2038	GBP 42,551	55	0.06
SLM Student Loan 1.339% 15/12/2039	GBP 467,704	441	0.51
TalkTalk Telecom 5.375% 15/1/2022	GBP 100,000	101	0.12
Tesco Corporate Treasury Services 2.5% 02/5/2025	GBP 100,000	102	0.12
Tesco Property Finance 2 6.0517% 13/10/2039	GBP 93,559	123	0.14
Tesco Property Finance 4 5.8006% 13/10/2040	GBP 97,638	129	0.15
Thames Water Utilities Cayman Finance 2.375% 03/5/2023	GBP 100,000	99	0.11
Virgin Media Secured Finance 6% 15/1/2025	GBP 150,000	168	0.19
Vodafone 3.375% 08/8/2049	GBP 100,000	96	0.11
Vodafone 4.875% 03/10/2078	GBP 100,000	102	0.12
Volkswagen Financial Services 1.875% 07/9/2021	GBP 100,000	101	0.12
Non-Sterling Denominated Corporate Bonds 56.72% (55.46%)			
Abbott Ireland Financing DAC 0.875% 27/9/2023	EUR 100,000	93	0.11
Abbott Laboratories 3.75% 30/11/2026	USD 34,000	29	0.03
AbbVie 3.2% 14/5/2026	USD 136,000	108	0.12
AbbVie 4.45% 14/5/2046	USD 60,000	46	0.05
Abertis Infraestructuras 2.375% 27/9/2027	EUR 100,000	96	0.11
Abu Dhabi National EnergyPJSC 4.875% 23/4/2030	USD 200,000	173	0.20
ACI Worldwide 5.75% 15/8/2026	USD 226,000	185	0.21
Activision Blizzard 2.6% 15/6/2022	USD 48,000	38	0.04
Activision Blizzard 3.4% 15/9/2026	USD 116,000	92	0.11
Activision Blizzard 3.4% 15/6/2027	USD 53,000	42	0.05
Aeroports de Paris 1.125% 18/6/2034	EUR 100,000	91	0.11
AIG 6.9% 15/3/2032	USD 175,000	189	0.22
Air Liquide Finance 2.25% 27/9/2023	USD 200,000	156	0.18
Alfa SAB de CV 6.875% 25/3/2044	USD 200,000	175	0.20
Alliance Data Systems 5.375% 01/8/2022	USD 165,000	131	0.15
Alliance Data Systems 5.875% 01/11/2021	USD 81,000	66	0.08
Ally Financial 3.875% 21/5/2024	USD 38,000	31	0.04
Ally Financial 7.5% 15/9/2020	USD 108,000	89	0.10
Altice 7.25% 15/5/2022	EUR 21,446	20	0.02
Altice 7.75% 15/5/2022	USD 44,000	35	0.04
Altice Finco 8.125% 15/1/2024	USD 200,000	162	0.19
Altice Luxembourg 8% 15/5/2027	EUR 100,000	91	0.11
Altria 4.4% 14/2/2026	USD 179,000	151	0.17
America Movil 6.375% 01/3/2035	USD 122,000	125	0.14
America Movil SAB de CV 0.75% 26/6/2027	EUR 101,000	91	0.11
American Tower 3.95% 15/3/2029	USD 259,000	213	0.25
American Tower Trust 1 3.652% 15/3/2048	USD 31,000	25	0.03

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Amphenol Technologies 2% 08/10/2028	EUR 100,000	98	0.11
Anadarko Petroleum 6.45% 15/9/2036	USD 31,000	30	0.03
Anheuser-Busch Finance 4.32% 15/5/2047	CAD 208,000	132	0.15
Anheuser-Busch InBev Worldwide 4.7% 01/2/2036	USD 90,000	78	0.09
Anheuser-Busch InBev Worldwide 4.9% 01/2/2046	USD 169,000	148	0.17
Anheuser-Busch InBev Worldwide 5.45% 23/1/2039	USD 48,000	45	0.05
Ardagh Packaging Finance 6.75% 15/5/2024	EUR 100,000	96	0.11
Arion Banki HF 1% 20/3/2023	EUR 147,000	131	0.15
Ascend Learning 6.875% 01/8/2025	USD 51,000	41	0.05
AT&T 4.3% 15/2/2030	USD 63,000	53	0.06
AT&T 4.5% 09/3/2048	USD 150,000	121	0.14
Athene 4.125% 12/1/2028	USD 74,000	59	0.07
Autoroutes du Sud de la France 1.375% 21/2/2031	EUR 100,000	96	0.11
Avantor 4.75% 01/10/2024	EUR 200,000	192	0.22
Avis Budget Car Rental 5.5% 01/4/2023	USD 111,000	89	0.10
Avis Budget Car Rental 5.75% 15/7/2027	USD 55,000	44	0.05
AXA 3.941% Perpetual	EUR 148,000	148	0.17
Baker Hughes 5.125% 15/9/2040	USD 110,000	95	0.11
Baker Hughes a GE / Baker Hughes Co-Obligor 4.08% 15/12/2047	USD 60,000	46	0.05
Ball 4.375% 15/12/2020	USD 93,000	75	0.09
Banco de Sabadell 1.75% 10/5/2024	EUR 100,000	91	0.11
Banff Merger 8.375% 01/9/2026	EUR 101,000	75	0.09
Banff Merger 9.75% 01/9/2026	USD 110,000	75	0.09
Bank of America 6.3% Perpetual	USD 138,000	121	0.14
Bank of America 7.75% 14/5/2038	USD 250,000	290	0.33
Banque Federative du Credit Mutuel 1.875% 18/6/2029	EUR 100,000	93	0.11
Barclays 3.25% 12/1/2021	USD 270,000	214	0.25
Barclays 3.932% 07/5/2025	USD 200,000	160	0.18
BAT Capital 4.39% 15/8/2037	USD 36,000	27	0.03
Bausch Health 5.5% 01/11/2025	USD 90,000	74	0.09
Bausch Health Americas 8.5% 31/1/2027	USD 257,000	222	0.26
Bayer US Finance II 4.375% 15/12/2028	USD 200,000	166	0.19
BB&T 3.05% 20/6/2022	USD 223,000	179	0.21
Bell Canada 4.35% 18/12/2045	CAD 99,000	64	0.07
Berry Global 4.5% 15/2/2026	USD 31,000	24	0.03
Berry Global Escrow 4.875% 15/7/2026	USD 127,000	102	0.12
Blitz F18-674 6% 30/7/2026	EUR 114,000	108	0.12
Bombardier 7.5% 01/12/2024	USD 58,000	46	0.05
Bombardier 7.5% 15/3/2025	USD 54,000	43	0.05

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Bombardier 8.75% 01/12/2021	USD 40,000	34	0.04
Boston Properties 3.8% 01/2/2024	USD 225,000	185	0.21
BP Capital Markets 0.831% 08/11/2027	EUR 100,000	92	0.11
BP Capital Markets 1.231% 08/5/2031	EUR 100,000	93	0.11
BPCE 3% 22/5/2022	USD 250,000	198	0.23
BPCE 5.7% 22/10/2023	USD 200,000	172	0.20
Braskem Finance 7% 07/5/2020	USD 300,000	243	0.28
Bristol-Myers Squibb 2.9% 26/7/2024	USD 174,000	140	0.16
Bristol-Myers Squibb 4.25% 26/10/2049	USD 57,000	50	0.06
Broadridge 3.4% 27/6/2026	USD 94,000	75	0.09
Bruin E&P Partners 8.875% 01/8/2023	USD 111,000	73	0.08
Builders FirstSource 5.625% 01/9/2024	USD 113,000	92	0.11
Builders FirstSource 6.75% 01/6/2027	USD 13,000	11	0.01
Burlington Northern Santa 4.15% 15/12/2048	USD 73,000	65	0.07
C&W Senior Financing DAC 6.875% 15/9/2027	USD 200,000	162	0.19
CaixaBank 1.75% 24/10/2023	EUR 200,000	187	0.22
Calfrac s LP 8.5% 15/6/2026	USD 93,000	51	0.06
California Resources 4.6% 01/4/2038	USD 100,000	86	0.10
Calpine 5.25% 01/6/2026	USD 122,000	98	0.11
Casino Guichard Perrachon 4.561% 25/1/2023	EUR 100,000	78	0.09
CCM Merger 6% 15/3/2022	USD 177,000	143	0.16
CCO 5.875% 01/4/2024	USD 82,000	67	0.08
CCO 5.875% 01/5/2027	USD 225,000	187	0.22
CCO Capital 5.5% 01/5/2026	USD 121,000	100	0.12
CCO Holdings 5.375% 01/6/2029	USD 57,000	46	0.05
Cedar Fair 5.25% 15/7/2029	USD 115,000	92	0.11
Cemex 7.75% 16/4/2026	USD 200,000	173	0.20
Cemex Finance 6% 01/4/2024	USD 200,000	162	0.19
Cenovus Energy 5.25% 15/6/2037	USD 64,000	53	0.06
Centene 4.75% 15/1/2025	USD 114,000	92	0.11
Century Communities 5.875% 15/7/2025	USD 131,000	103	0.12
Century Communities 6.75% 01/6/2027	USD 96,000	76	0.09
CenturyLink 5.625% 01/4/2020	USD 134,000	106	0.12
Change Healthcare 5.75% 01/3/2025	USD 187,000	149	0.17
Channel Link Enterprises Finance 1.761% 30/6/2050	EUR 100,000	90	0.10
Charter Communications Operating 4.464% 23/7/2022	USD 130,000	107	0.12
Charter Communications Operating 4.908% 23/7/2025	USD 146,000	125	0.14
Charter Communications Operating 6.384% 23/10/2035	USD 100,000	92	0.11
Cheniere Corpus Christi 5.875% 31/3/2025	USD 64,000	56	0.06
Cheniere Corpus Christi 7% 30/6/2024	USD 275,000	249	0.29

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Cheniere Energy Partners 5.25% 01/10/2025	USD 154,000	125	0.14
Chesapeake Energy 8% 15/1/2025	USD 74,000	54	0.06
Cheung Kong Infrastructure Finance BVI 1% 12/12/2024	EUR 100,000	91	0.11
China Overseas Finance Cayman II 5.5% 10/11/2020	USD 100,000	81	0.09
Cigna 4.9% 15/12/2048	USD 81,000	69	0.08
Cimpres 7% 15/6/2026	USD 140,000	112	0.13
Citigroup 3.2% 21/10/2026	USD 104,000	83	0.10
Citigroup 3.39% 18/11/2021	CAD 143,000	88	0.10
Citigroup 3.887% 10/1/2028	USD 181,000	150	0.17
Citigroup 4.45% 29/9/2027	USD 175,000	148	0.17
Citigroup 8.125% 15/7/2039	USD 117,000	147	0.17
Citizens Financial 4.3% 03/12/2025	USD 72,000	60	0.07
CK Hutchison Finance 16 1.25% 06/4/2023	EUR 129,000	120	0.14
Clean Harbors 4.875% 15/7/2027	USD 117,000	93	0.11
Clean Harbors 5.125% 15/7/2029	USD 16,000	13	0.02
Clearwater Seafoods 6.875% 01/5/2025	USD 163,000	128	0.15
CNAC HK Finbridge 1.75% 14/6/2022	EUR 111,000	102	0.12
Coentreprise de Transport d'Electricite 1.5% 29/7/2028	EUR 100,000	95	0.11
Coentreprise de Transport d'Electricite 2.125% 29/7/2032	EUR 100,000	100	0.12
Colfax 6% 15/2/2024	USD 43,000	36	0.04
Colfax 6.375% 15/2/2026	USD 83,000	70	0.08
Comcast 3.15% 15/2/2028	USD 98,000	79	0.09
Comcast 3.999% 01/11/2049	USD 152,000	126	0.15
Comcast 4.6% 15/10/2038	USD 89,000	80	0.09
Comcast 4.65% 15/7/2042	USD 47,000	42	0.05
Comcast 6.4% 15/5/2038	USD 33,000	35	0.04
Commercial Metals 5.75% 15/4/2026	USD 137,000	107	0.12
Commonwealth Bank of Australia 1.936% 03/10/2029	EUR 100,000	91	0.11
CommScope 6% 01/3/2026	USD 172,000	139	0.16
CommScope 8.25% 01/3/2027	USD 42,000	34	0.04
Consolidated Communications 6.5% 01/10/2022	USD 253,000	185	0.21
Continental Resources 4.375% 15/1/2028	USD 39,000	32	0.04
Continental Resources 4.5% 15/4/2023	USD 140,000	116	0.13
Corporate Office 3.6% 15/5/2023	USD 150,000	119	0.14
Credit Agricole 2% 25/3/2029	EUR 100,000	94	0.11
Credit Agricole 6.5% Perpetual	EUR 300,000	293	0.34
Credit Suisse 3.574% 09/1/2023	USD 250,000	201	0.23
Credit Suisse 6.25% Perpetual	USD 200,000	163	0.19
Crestwood Midstream Partners 6.25% 01/4/2023	USD 124,000	99	0.11
CRH America Finance 4.4% 09/5/2047	USD 200,000	150	0.17

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Crown Castle International 2.25% 01/9/2021	USD 105,000	82	0.09
Crown Castle International 3.8% 15/2/2028	USD 74,000	60	0.07
Crown Euro Holdings 3.375% 15/5/2025	EUR 100,000	99	0.11
CSC 10.875% 15/10/2025	USD 400,000	360	0.42
Cumulus Media News 6.75% 01/7/2026	USD 114,000	89	0.10
CVS Health 4.78% 25/3/2038	USD 52,000	43	0.05
CVS Health 5.05% 25/3/2048	USD 107,000	90	0.10
CVS Health 5.125% 20/7/2045	USD 35,000	29	0.03
CVS Health 5.3% 05/12/2043	USD 69,000	59	0.07
CVS Pass-Through Trust 6.036% 10/12/2028	USD 176,866	156	0.18
CyrusOne LP / CyrusOne Finance 5.375% 15/3/2027	USD 142,000	117	0.13
Daimler Canada Finance 2.23% 16/12/2021	CAD 100,000	60	0.07
Danske Bank 0.875% 22/5/2023	EUR 126,000	113	0.13
Danske Bank A/S 1.375% 24/5/2022	EUR 100,000	92	0.11
Dartmouth-Hitchcock Health-Anleihe 4.178% 01/8/2048	USD 42,000	36	0.04
DaVita HealthCare Partners 5% 01/5/2025	USD 73,000	57	0.07
DaVita HealthCare Partners 5.125% 15/7/2024	USD 116,000	91	0.11
Delta Air Lines 4.375% 19/4/2028	USD 153,000	123	0.14
Deutsche Annington Finance 5% 02/10/2023	USD 100,000	83	0.10
Deutsche Telekom International Finance 8.75% 15/6/2030	USD 110,000	124	0.14
Diamond 1 Finance 5.875% 15/6/2021	USD 73,000	58	0.07
Diamond 1 Finance 6.02% 15/6/2026	USD 111,000	96	0.11
Diamondback Energy 5.375% 31/5/2025	USD 256,000	211	0.24
Digicel One 8.25% 30/12/2022	USD 122,892	53	0.06
Digicel Two 8.25% 30/9/2022	USD 98,000	17	0.02
DISH DBS 5% 15/3/2023	USD 92,000	70	0.08
DISH DBS 6.75% 01/6/2021	USD 199,000	164	0.19
DKT Finance ApS 9.375% 17/6/2023	USD 200,000	170	0.20
Dominion 2% 15/8/2024	USD 93,000	74	0.09
Dominion Gas 3.6% 15/12/2024	USD 50,000	41	0.05
DowDuPont 5.419% 15/11/2048	USD 66,000	63	0.07
DTE Electric 4.05% 15/5/2048	USD 100,000	87	0.10
Dufry Finance 4.5% 01/8/2023	EUR 100,000	92	0.11
Duke Energy Carolinas 3.7% 01/12/2047	USD 54,000	43	0.05
DuPont de Nemours 4.725% 15/11/2028	USD 59,000	52	0.06
Electronic Arts 3.7% 01/3/2021	USD 101,000	81	0.09
Electronic Arts 4.8% 01/3/2026	USD 4,000	3	0.00
EMC 5.3% 01/10/2029	USD 410,000	339	0.39
Emirates Telecommunications 2.75% 18/6/2026	EUR 100,000	101	0.12
Energizer Gamma Acquisition BV 4.625% 15/7/2026	EUR 100,000	94	0.11

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Energy Transfer Operating LP 5.875% 15/1/2024	USD 66,000	58	0.07
Energy Transfer Operating LP 7.5% 15/10/2020	USD 122,000	102	0.12
Energy Transfer Partners 6.125% 15/12/2045	USD 102,000	91	0.11
Energy Transfer Partners 6.5% 01/2/2042	USD 92,000	85	0.10
Entergy Texas 4% 30/3/2029	USD 100,000	85	0.10
Enterprise Products 4.8% 01/2/2049	USD 70,000	61	0.07
Enterprise Products Operating 4.9% 15/5/2046	USD 48,000	42	0.05
EOG Resources 2.625% 15/3/2023	USD 36,000	29	0.03
EOG Resources 4.15% 15/1/2026	USD 100,000	86	0.10
EPR Properties 5.75% 15/8/2022	USD 110,000	93	0.11
ESH Hospitality 5.25% 01/5/2025	USD 136,000	109	0.13
FCA Bank SpA Ireland 1% 21/2/2022	EUR 100,000	91	0.11
First Data 5.75% 15/1/2024	USD 145,000	117	0.13
First Quantum Minerals 7.5% 01/4/2025	USD 400,000	299	0.34
Fiserv 3.2% 01/7/2026	USD 115,000	92	0.11
Florida Power & Light 4.125% 01/6/2048	USD 60,000	53	0.06
GCI 6.625% 15/6/2024	USD 88,000	72	0.08
GCI 6.875% 15/4/2025	USD 85,000	70	0.08
GE Capital 3.1% 09/1/2023	USD 200,000	159	0.18
GE Capital 5.875% 14/1/2038	USD 72,000	64	0.07
General Motors 6.25% 02/10/2043	USD 33,000	28	0.03
General Motors Financial 3.85% 21/2/2023	AUD 210,000	120	0.14
General Motors Financial 4.2% 06/11/2021	USD 72,000	58	0.07
General Motors Financial 4.375% 25/9/2021	USD 228,000	185	0.21
General Motors Financial 5.1% 17/1/2024	USD 87,000	73	0.08
General Motors Financial 5.75% Perpetual	USD 152,000	111	0.13
George Washington 4.126% 15/9/2048	USD 100,000	88	0.10
Getty Images 9.75% 01/3/2027	USD 145,000	117	0.13
Global Switch 1.5% 31/1/2024	EUR 100,000	92	0.11
GLP Capital 5.375% 15/4/2026	USD 110,000	93	0.11
Goodyear Tire & Rubber 5% 31/5/2026	USD 126,000	98	0.11
Graham s 5.75% 01/6/2026	USD 186,000	155	0.18
Gray Escrow 7% 15/5/2027	USD 125,000	107	0.12
Halliburton 5% 15/11/2045	USD 87,000	75	0.09
Harland Clarke 6.875% 01/3/2020	USD 114,000	88	0.10
Harland Clarke 8.375% 15/8/2022	USD 22,000	15	0.02
Harley-Davidson Financial Services 3.35% 15/2/2023	USD 77,000	61	0.07
HCA 5.25% 15/6/2026	USD 211,000	184	0.21
HCA 5.625% 01/9/2028	USD 100,000	85	0.10
HCA 5.875% 01/2/2029	USD 96,000	83	0.10

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
HCA 7.5% 15/11/2095	USD 170,000	141	0.16
Healthsouth 5.75% 01/11/2024	USD 202,000	162	0.19
HeidelbergCement Finance Luxembourg 1.125% 01/12/2027	EUR 64,000	57	0.07
Hewlett Packard Enterprise 4.4% 15/10/2022	USD 159,000	132	0.15
Holcim Finance Australia 3.75% 19/3/2020	AUD 50,000	28	0.03
HSBC 3.973% 22/5/2030	USD 233,000	191	0.22
HSBC 5.625% Perpetual	USD 200,000	158	0.18
ICD Sukuk 5% 01/2/2027	USD 200,000	163	0.19
ICICI Bank /Dubai 4% 18/3/2026	USD 200,000	160	0.18
Industrial & Commercial Bank of China/Singapore 0.25% 25/4/2022	EUR 100,000	90	0.10
Ingersoll-Rand Luxembourg Finance 3.5% 21/3/2026	USD 58,000	47	0.05
Ingersoll-Rand Luxembourg Finance 4.5% 21/3/2049	USD 49,000	42	0.05
International Game Technology 3.5% 15/7/2024	EUR 100,000	95	0.11
International Game Technology 3.5% 15/6/2026	EUR 100,000	93	0.11
InterXion 4.75% 15/6/2025	EUR 125,000	122	0.14
Intesa Sanpaolo 3.125% 14/7/2022	USD 200,000	156	0.18
Investor AB 1.5% 20/6/2039	EUR 100,000	92	0.11
Iron Mountain 5.25% 15/3/2028	USD 150,000	118	0.14
Islandsbanki HF 1.125% 19/1/2024	EUR 145,000	129	0.15
j2 Cloud Services 6% 15/7/2025	USD 206,000	170	0.20
JAB 1.25% 22/5/2024	EUR 100,000	93	0.11
JAB 2.5% 25/6/2029	EUR 100,000	98	0.11
Jaguar Land Rover Automotive 2.2% 15/1/2024	EUR 100,000	76	0.09
Jersey Central Power & Light 4.3% 15/1/2026	USD 83,000	70	0.08
JPMorgan Chase 3.559% 23/4/2024	USD 100,000	81	0.09
JPMorgan Chase 3.797% 23/7/2024	USD 127,000	105	0.12
JPMorgan Chase 4.203% 23/7/2029	USD 215,000	185	0.21
JPMorgan Chase 6.4% 15/5/2038	USD 100,000	108	0.12
Kazakhstan Temir Zholy NationalJSC 4.85% 17/11/2027	USD 560,000	469	0.54
KCA Deutag UK Finance 9.625% 01/4/2023	USD 200,000	114	0.13
Kilroy Realty 3.45% 15/12/2024	USD 93,000	75	0.09
Kilroy Realty 4.25% 15/8/2029	USD 120,000	100	0.12
Kraft Heinz Foods 3.5% 06/6/2022	USD 105,000	85	0.10
Kroger 4.45% 01/2/2047	USD 29,000	22	0.03
Kroger 4.65% 15/1/2048	USD 37,000	29	0.03
Landsbankinn 1.375% 14/3/2022	EUR 100,000	91	0.11
Lennar 2.95% 29/11/2020	USD 110,000	86	0.10
Lennar 4.75% 29/11/2027	USD 421,000	348	0.40

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Lennar 4.875% 15/12/2023	USD 17,000	14	0.02
Lincoln Financing 3.625% 01/4/2024	EUR 127,000	117	0.13
Magnolia Oil Gas 6% 01/8/2026	USD 83,000	67	0.08
Matterhorn Telecom 3.875% 01/5/2022	EUR 100,000	90	0.10
MDC 6% 15/1/2043	USD 181,000	133	0.15
Medtronic 0.25% 02/7/2025	EUR 100,000	89	0.10
Medtronic 1.5% 02/7/2039	EUR 100,000	88	0.10
Medtronic 4.375% 15/3/2035	USD 51,000	46	0.05
Meredith 6.875% 01/2/2026	USD 253,000	211	0.24
Meritage Homes 6% 01/6/2025	USD 127,000	107	0.12
Mexico 6.5% 13/3/2027	USD 200,000	155	0.18
MGM Resorts International 5.5% 15/4/2027	USD 115,000	95	0.11
MGM Resorts International 6% 15/3/2023	USD 80,000	68	0.08
MGM Resorts International 6.625% 15/12/2021	USD 80,000	68	0.08
Microsoft 2% 08/8/2023	USD 82,000	64	0.07
Microsoft 3.125% 03/11/2025	USD 99,000	82	0.09
Microsoft 3.3% 06/2/2027	USD 64,000	53	0.06
Microsoft 4.1% 06/2/2037	USD 51,000	46	0.05
Mineral Resources 8.125% 01/5/2027	USD 103,000	84	0.10
Mississippi Power 3.95% 30/3/2028	USD 94,000	78	0.09
Molson Coors 2.25% 15/3/2020	USD 72,000	56	0.06
Molson Coors International LP 2.84% 15/7/2023	CAD 191,000	116	0.13
Mondi Finance 1.625% 27/4/2026	EUR 100,000	94	0.11
Moody's 2.75% 15/12/2021	USD 90,000	71	0.08
Moody's 3.25% 07/6/2021	USD 32,000	26	0.03
Moody's 4.875% 17/12/2048	USD 87,000	80	0.09
Morgan Stanley 0.637% 26/7/2024	EUR 166,000	150	0.17
Morgan Stanley 4% 23/7/2025	USD 130,000	109	0.13
Morgan Stanley 5.75% 25/1/2021	USD 150,000	124	0.14
Moss Creek Resources 7.5% 15/1/2026	USD 159,000	107	0.12
Moss Creek Resources 10.5% 15/5/2027	USD 21,000	16	0.02
Motors 0% Bonds 15/7/2015*	USD 950,000	0	0.00
MPT Operating Partnership 4% 19/8/2022	EUR 100,000	98	0.11
Mylan 3.75% 15/12/2020	USD 61,000	48	0.06
Nassa Topco 2.875% 06/4/2024	EUR 100,000	92	0.11
National Rural Utilities Cooperative Finance 4.3% 15/3/2049	USD 32,000	28	0.03
National Rural Utilities Cooperative Finance 4.4% 01/11/2048	USD 63,000	57	0.07
NatWest Markets 2% 08/3/2023	EUR 100,000	92	0.11
Navient 6.625% 26/7/2021	USD 74,000	62	0.07

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
NBC Universal Media 4.45% 15/1/2043	USD 73,000	63	0.07
NBM US 7% 14/5/2026	USD 200,000	165	0.19
NE Property 2.625% 22/5/2023	EUR 100,000	91	0.11
Nestle 3.5% 24/9/2025	USD 150,000	125	0.14
Netflix 5.375% 01/2/2021	USD 111,000	90	0.10
Netflix 5.875% 15/11/2028	USD 153,000	133	0.15
Netflix 6.375% 15/5/2029	USD 137,000	122	0.14
New Enterprise Stone & Lime 6.25% 15/3/2026	USD 131,000	104	0.12
New Enterprise Stone & Lime 10.125% 01/4/2022	USD 49,000	39	0.05
Nexstar Escrow 5.625% 15/7/2027	USD 25,000	20	0.02
Niagara Mohawk Power 3.508% 01/10/2024	USD 100,000	82	0.09
Nidda Healthcare 3.5% 30/9/2024	EUR 100,000	92	0.11
Nine Energy Service 8.75% 01/11/2023	USD 26,000	20	0.02
Noble Energy 3.85% 15/1/2028	USD 14,000	11	0.01
Nomad Foods 3.25% 15/5/2024	EUR 100,000	93	0.11
Nordea Bank 1.875% 10/11/2025	EUR 100,000	91	0.11
Novelis 5.875% 30/9/2026	USD 58,000	46	0.05
Novelis 6.25% 15/8/2024	USD 179,000	147	0.17
NRG Energy 5.25% 15/6/2029	USD 59,000	49	0.06
NRG Energy 6.625% 15/1/2027	USD 57,000	49	0.06
NRG Energy 7.25% 15/5/2026	USD 80,000	69	0.08
Oasis Petroleum 6.875% 15/3/2022	USD 245,000	192	0.22
Oasis Petroleum 6.875% 15/1/2023	USD 22,000	17	0.02
OCI 5% 15/4/2023	EUR 100,000	95	0.11
OI European BV 4% 15/3/2023	USD 150,000	118	0.14
Oil and Gas 7.625% 07/11/2024	USD 600,000	510	0.59
Oklahoma Gas & Electric 3.3% 15/3/2030	USD 108,000	86	0.10
Oncor Electric Delivery 3.75% 01/4/2045	USD 100,000	82	0.09
Oracle 6.5% 15/4/2038	USD 81,000	90	0.10
Orlando Health Obligated 4.089% 01/10/2048	USD 64,000	53	0.06
PacifiCorp 3.5% 15/6/2029	USD 77,000	65	0.07
Parsley Energy 5.375% 15/1/2025	USD 119,000	96	0.11
Parsley Finance 5.625% 15/10/2027	USD 100,000	82	0.09
Perrigo Finance 3.9% 15/12/2024	USD 200,000	156	0.18
Perrigo Finance 4.375% 15/3/2026	USD 200,000	157	0.18
Petroleos de Venezuela 5.5% 12/4/2037	USD 764,200	93	0.11
Petroleos Mexicanos 6.5% 13/3/2027	USD 839,000	651	0.75
Philip Morris International 6.375% 16/5/2038	USD 150,000	156	0.18
Phillips 66 Partners 3.75% 01/3/2028	USD 117,000	94	0.11
Pitney Bowes 3.875% 01/10/2021	USD 64,000	49	0.06

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Post 5% 15/8/2026	USD 209,000	166	0.19
Post 5.75% 01/3/2027	USD 26,000	21	0.02
Principal Financial 3.7% 15/5/2029	USD 25,000	21	0.02
Progressive Corp 4.2% 15/3/2048	USD 80,000	71	0.08
Qwest Capital Funding 6.875% 15/7/2028	USD 130,000	94	0.11
Qwest Capital Funding 7.75% 15/2/2031	USD 130,000	95	0.11
Radiate Finance 6.875% 15/2/2023	USD 9,000	7	0.01
Radiate Holdco 6.625% 15/2/2025	USD 82,000	62	0.07
Regency Energy Partners 5% 01/10/2022	USD 59,000	49	0.06
RELX Capital 4% 18/3/2029	USD 68,000	57	0.07
Republic Services 3.2% 15/3/2025	USD 160,000	130	0.15
Reynolds American 5.85% 15/8/2045	USD 85,000	72	0.08
Reynolds Issuer 5.125% 15/7/2023	USD 144,000	115	0.13
Rite Aid 6.125% 01/4/2023	USD 115,000	76	0.09
Rivers Pittsburgh Finance 6.125% 15/8/2021	USD 117,000	93	0.11
Royal Bank of Scotland 1.75% 02/3/2026	EUR 100,000	92	0.11
Royal Bank of Scotland 8.625% Perpetual	USD 200,000	169	0.19
Royal Schiphol 1.5% 05/11/2030	EUR 100,000	97	0.11
Sabine Pass Liquefaction 5% 15/3/2027	USD 152,000	131	0.15
Sabine Pass Liquefaction 6.25% 15/3/2022	USD 200,000	171	0.20
Santander Issuances 2.5% 18/3/2025	EUR 200,000	193	0.22
Santos Finance 4.125% 14/9/2027	USD 400,000	310	0.36
Sappi Papier 4% 01/4/2023	EUR 100,000	92	0.11
Saudi Arabian Oil 2.875% 16/4/2024	USD 200,000	158	0.18
Saudi Arabian Oil 4.25% 16/4/2039	USD 500,000	398	0.46
SBA Tower Trust 3.168% 09/4/2047	USD 80,000	63	0.07
Schaeffler 1.125% 26/3/2022	EUR 31,000	28	0.03
Schaeffler 1.875% 26/3/2024	EUR 23,000	21	0.02
Schlumberger s 3.9% 17/5/2028	USD 112,000	92	0.11
Selp Finance 1.25% 25/10/2023	EUR 200,000	184	0.21
SELP Finance Sarl 1.5% 20/12/2026	EUR 100,000	91	0.10
Sharjah Sukuk Program 3.854% 03/4/2026	USD 400,000	322	0.37
Siemens Financieringsmaatschappij 1.75% 28/2/2039	EUR 137,000	135	0.16
Siemens Financieringsmaatschappij 6.125% 17/8/2026	USD 100,000	95	0.11
Sirius XM Radio 5.375% 15/4/2025	USD 58,000	47	0.05
Sirius XM Radio 6% 15/7/2024	USD 134,000	108	0.12
Six Flags Entertainment 4.875% 31/7/2024	USD 147,000	117	0.13
SM Energy 6.75% 15/9/2026	USD 239,000	176	0.20
Smurfit Kappa 2.75% 01/2/2025	EUR 100,000	97	0.11
Société Générale 1.125% 23/1/2025	EUR 100,000	91	0.10

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Société Générale 7.375% Perpetual	USD 200,000	165	0.19
Southern 2.35% 01/7/2021	USD 109,000	86	0.10
Southern California Gas 3.75% 15/9/2042	USD 12,000	9	0.01
Southwestern Electric Power 3.85% 01/2/2048	USD 63,000	49	0.06
Sprint 7.875% 15/9/2023	USD 217,000	185	0.21
Sprint Capital 6.875% 15/11/2028	USD 241,000	195	0.22
Staples 7.5% 15/4/2026	USD 182,000	142	0.16
Staples 10.75% 15/4/2027	USD 90,000	70	0.08
Steel Dynamics 5% 15/12/2026	USD 204,000	167	0.19
Surgery Center 6.75% 01/7/2025	USD 115,000	78	0.09
Suzano Austria 6% 15/1/2029	USD 200,000	171	0.20
Symantec 4.2% 15/9/2020	USD 115,000	92	0.11
Takeda Pharmaceutical 1.125% 21/11/2022	EUR 114,000	105	0.12
Targa Resources Partners Finance 6.5% 15/7/2027	USD 22,000	19	0.02
Teck Resources 4.75% 15/1/2022	USD 141,000	115	0.13
Tecnoglass 8.2% 31/1/2022	USD 200,000	166	0.19
Tele Columbus 3.875% 02/5/2025	EUR 100,000	83	0.10
Telecom Italia 5.303% 30/5/2024	USD 200,000	163	0.19
Telecom Italia Finance 7.75% 24/1/2033	EUR 44,000	54	0.06
Telefonica Europe BV 3% Perpetual	EUR 200,000	183	0.21
Tenet Healthcare 4.5% 01/4/2021	USD 86,000	69	0.08
Tenet Healthcare 4.625% 15/7/2024	USD 127,000	101	0.12
Tenet Healthcare 5.125% 01/5/2025	USD 89,000	70	0.08
Tenet Healthcare 6.25% 01/2/2027	USD 30,000	24	0.03
Tenet Healthcare 8.125% 01/4/2022	USD 43,000	35	0.04
Tenant 5.625% 01/5/2025	USD 191,000	155	0.18
Tesco 6.15% 15/11/2037	USD 100,000	91	0.10
Teva Pharmaceutical 3.65% 10/11/2021	USD 81,000	61	0.07
Teva Pharmaceutical Finance Netherlands II 3.25% 15/4/2022	EUR 100,000	88	0.10
Teva Pharmaceutical Finance Netherlands III 3.15% 01/10/2026	USD 227,000	138	0.16
Teva Pharmaceutical Finance Netherlands III 6% 15/4/2024	USD 84,000	62	0.07
Teva Pharmaceutical Finance Netherlands III 6.75% 01/3/2028	USD 55,000	40	0.05
Texas Instruments 3.875% 15/3/2039	USD 101,000	87	0.10
Thermo Fisher Scientific 0.75% 12/9/2024	EUR 100,000	91	0.10
Thermo Fisher Scientific 1.4% 23/1/2026	EUR 100,000	95	0.11
Thermo Fisher Scientific 2.875% 24/7/2037	EUR 100,000	106	0.12
T-Mobile USA 6.5% 15/1/2026	USD 134,000	114	0.13

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
TOTAL 1.75% Perpetual	EUR 117,000	106	0.12
Trans-Canada Pipelines 8.05% 17/2/2039	CAD 248,000	231	0.27
TransDigm 6% 15/7/2022	USD 142,000	113	0.13
Turk Telekomunikasyon 4.875% 19/6/2024	USD 200,000	149	0.17
UniCredit 1.625% 03/7/2025	EUR 250,000	223	0.26
UniCredit 6.95% 31/10/2022	EUR 100,000	105	0.12
Union Pacific 4.3% 01/3/2049	USD 90,000	79	0.09
Union Pacific 4.375% 10/9/2038	USD 35,000	30	0.03
United Technologies 1.15% 18/5/2024	EUR 127,000	118	0.14
United Technologies 3.95% 16/8/2025	USD 84,000	71	0.08
United Technologies 4.45% 16/11/2038	USD 36,000	32	0.04
UnitedHealth 3.5% 15/2/2024	USD 30,000	25	0.03
UnitedHealth 6.625% 15/11/2037	USD 52,000	58	0.07
Unitymedia Hessen 4% 15/1/2025	EUR 150,000	139	0.16
UPCB Finance VII 3.625% 15/6/2029	EUR 200,000	189	0.22
USA Compression Finance 6.875% 01/9/2027	USD 118,000	97	0.11
Valeant Pharmaceuticals International 7% 15/3/2024	USD 85,000	71	0.08
Vedanta Resources 6.375% 30/7/2022	USD 200,000	155	0.18
Ventas Realty LP 4.875% 15/4/2049	USD 69,000	60	0.07
Verizon Communications 0.875% 08/4/2027	EUR 138,000	126	0.15
Verizon Communications 4.329% 21/9/2028	USD 35,000	30	0.03
Verizon Communications 4.522% 15/9/2048	USD 30,000	26	0.03
Verizon Communications 5.012% 15/4/2049	USD 11,000	10	0.01
Verizon Communications 5.25% 16/3/2037	USD 122,000	115	0.13
Verizon Communications 5.5% 16/3/2047	USD 133,000	131	0.15
Versum Materials 5.5% 30/9/2024	USD 137,000	115	0.13
Vesteda Finance 1.5% 24/5/2027	EUR 100,000	93	0.11
Vesteda Finance 2% 10/7/2026	EUR 100,000	97	0.11
Vier Gas Transport 1.5% 25/9/2028	EUR 100,000	97	0.11
Viking Cruises 6.25% 15/5/2025	USD 175,000	142	0.16
Virgin Media Finance 6% 15/10/2024	USD 170,000	138	0.16
Virginia Electric & Power 4.6% 01/12/2048	USD 22,000	20	0.02
Vistra Operations 5.625% 15/2/2027	USD 57,000	47	0.05
Volkswagen Financial Services 1.375% 16/10/2023	EUR 82,000	75	0.09
Volkswagen Leasing 0.5% 20/6/2022	EUR 121,000	109	0.13
Volkswagen Leasing 1% 16/2/2023	EUR 83,000	75	0.09
Volkswagen Leasing 1.375% 20/1/2025	EUR 140,000	128	0.15
Vulcan Materials 4.5% 15/6/2047	USD 200,000	151	0.17
Vulcan Materials 4.7% 01/3/2048	USD 22,000	17	0.02
Walmart 3.55% 26/6/2025	USD 72,000	60	0.07

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds (cont.)			
Walmart 4.05% 29/6/2048	USD 71,000	64	0.07
Waste Management 4.15% 15/7/2049	USD 48,000	41	0.05
Welltower 4.25% 01/4/2026	USD 40,000	33	0.04
Western Gas Partners 4.65% 01/7/2026	USD 13,000	10	0.01
Westvaco 8.2% 15/1/2030	USD 56,000	59	0.07
WildHorse Resource Development 6.875% 01/2/2025	USD 114,000	84	0.10
Williams Partners 5.1% 15/9/2045	USD 55,000	47	0.05
Williams Partners 5.25% 15/3/2020	USD 63,000	50	0.06
WMG Acquisition 3.625% 15/10/2026	EUR 100,000	94	0.11
WMG Acquisition 5.5% 15/4/2026	USD 57,000	46	0.05
WPX Energy 5.75% 01/6/2026	USD 17,000	14	0.02
WPX Energy 6% 15/1/2022	USD 74,000	61	0.07
WPX Energy 8.25% 01/8/2023	USD 170,000	152	0.18
Wyndham Worldwide 5.75% 01/4/2027	USD 32,000	26	0.03
Wyndham Worldwide 6.35% 01/10/2025	USD 222,000	190	0.22
XLIT 3.25% 29/6/2047	EUR 100,000	97	0.11
ZF North America Capital 4% 29/4/2020	USD 284,000	224	0.26
ZF North America Capital 4.75% 29/4/2025	USD 120,000	97	0.11
Ziggo Bond 7.125% 15/5/2024	EUR 41,582	39	0.05
Ziggo Bond Finance 4.625% 15/1/2025	EUR 325,000	300	0.35
Kazakhstan 0.00% (0.00%)			
Fortebank*	112	0	0.00
Fortebank JSC GDR*	2	0	0.00
Derivatives -0.53% (-0.02%)			
AUD Forward Foreign Currency Contracts 0.00% (0.01%)			
Forward Foreign Currency Contracts 15/7/2019	AUD (265,857)	(146)	(0.17)
Forward Foreign Currency Contracts 15/7/2019	GBP 146,070	146	0.17
Forward Foreign Currency Contracts 15/7/2019	AUD (4,106)	(2)	(0.00)
Forward Foreign Currency Contracts 15/7/2019	GBP 2,257	2	(0.00)
CAD Forward Foreign Currency Contracts -0.02% (0.02%)			
Forward Foreign Currency Contracts 15/7/2019	CAD (1,386,222)	(833)	(0.96)
Forward Foreign Currency Contracts 15/7/2019	GBP 813,769	814	0.94
Forward Foreign Currency Contracts 15/7/2019	CAD (22,716)	(14)	(0.02)
Forward Foreign Currency Contracts 15/7/2019	GBP 13,478	13	0.02

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
EUR Forward Foreign Currency Contracts -0.12% (-0.04%)			
Forward Foreign Currency Contracts 1/7/2019	EUR 63,441	57	0.07
Forward Foreign Currency Contracts 1/7/2019	GBP (56,585)	(57)	(0.07)
Forward Foreign Currency Contracts 15/7/2019	EUR 220,522	197	0.23
Forward Foreign Currency Contracts 15/7/2019	GBP (196,471)	(196)	(0.23)
Forward Foreign Currency Contracts 15/7/2019	EUR 345,643	309	0.36
Forward Foreign Currency Contracts 15/7/2019	GBP (307,603)	(308)	(0.36)
Forward Foreign Currency Contracts 15/7/2019	EUR 204,020	183	0.21
Forward Foreign Currency Contracts 15/7/2019	GBP (181,995)	(182)	(0.21)
Forward Foreign Currency Contracts 15/7/2019	EUR 141,322	127	0.15
Forward Foreign Currency Contracts 15/7/2019	GBP (126,594)	(127)	(0.15)
Forward Foreign Currency Contracts 15/7/2019	EUR 110,226	99	0.11
Forward Foreign Currency Contracts 15/7/2019	GBP (98,996)	(99)	(0.11)
Forward Foreign Currency Contracts 15/7/2019	EUR (99,684)	(89)	(0.10)
Forward Foreign Currency Contracts 15/7/2019	GBP 88,366	88	0.10
Forward Foreign Currency Contracts 15/7/2019	EUR (7,814,401)	(6,995)	(8.06)
Forward Foreign Currency Contracts 15/7/2019	GBP 6,927,802	6,928	7.99
Forward Foreign Currency Contracts 15/7/2019	EUR (109,724)	(98)	(0.11)
Forward Foreign Currency Contracts 15/7/2019	GBP 97,763	98	0.11
Forward Foreign Currency Contracts 15/7/2019	EUR (98,556)	(88)	(0.10)
Forward Foreign Currency Contracts 15/7/2019	GBP 87,717	88	0.10
Forward Foreign Currency Contracts 15/7/2019	EUR (120,648)	(108)	(0.12)
Forward Foreign Currency Contracts 15/7/2019	GBP 107,640	108	0.12
Forward Foreign Currency Contracts 15/7/2019	EUR (99,863)	(89)	(0.10)
Forward Foreign Currency Contracts 15/7/2019	GBP 89,069	89	0.10
Forward Foreign Currency Contracts 15/7/2019	EUR (63,441)	(57)	(0.07)
Forward Foreign Currency Contracts 15/7/2019	GBP 56,612	57	0.07
Forward Foreign Currency Contracts 15/7/2019	EUR (100,742)	(90)	(0.10)
Forward Foreign Currency Contracts 15/7/2019	GBP 89,897	90	0.10
Forward Foreign Currency Contracts 15/7/2019	EUR (137,262)	(123)	(0.14)
Forward Foreign Currency Contracts 15/7/2019	GBP 122,815	123	0.14
Forward Foreign Currency Contracts 15/7/2019	EUR (198,501)	(178)	(0.21)
Forward Foreign Currency Contracts 15/7/2019	GBP 177,749	178	0.21
Forward Foreign Currency Contracts 15/7/2019	EUR (249,298)	(223)	(0.26)
Forward Foreign Currency Contracts 15/7/2019	GBP 223,289	223	0.26
Forward Foreign Currency Contracts 21/8/2019	EUR 19,338	17	0.02
Forward Foreign Currency Contracts 21/8/2019	GBP (16,976)	(17)	(0.02)
Forward Foreign Currency Contracts 21/8/2019	EUR 127,670	114	0.13
Forward Foreign Currency Contracts 21/8/2019	GBP (112,798)	(113)	(0.13)
Forward Foreign Currency Contracts 21/8/2019	EUR 255,052	229	0.26
Forward Foreign Currency Contracts 21/8/2019	GBP (225,644)	(226)	(0.26)

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
EUR Forward Foreign Currency Contracts (cont.)			
Forward Foreign Currency Contracts 21/8/2019	EUR 99,675	89	0.10
Forward Foreign Currency Contracts 21/8/2019	GBP (88,378)	(88)	(0.10)
Forward Foreign Currency Contracts 21/8/2019	EUR (388,450)	(348)	(0.40)
Forward Foreign Currency Contracts 21/8/2019	GBP 338,370	338	0.39
Forward Foreign Currency Contracts 21/8/2019	EUR (19,133)	(17)	(0.02)
Forward Foreign Currency Contracts 21/8/2019	GBP 17,076	17	0.02
Forward Foreign Currency Contracts 21/8/2019	EUR (11,803)	(10)	(0.01)
Forward Foreign Currency Contracts 21/8/2019	GBP 10,573	11	0.01
Forward Foreign Currency Contracts 3/9/2019	EUR 189,701	170	0.20
Forward Foreign Currency Contracts 3/9/2019	GBP (168,538)	(169)	(0.19)
Forward Foreign Currency Contracts 3/9/2019	EUR 81,437	73	0.08
Forward Foreign Currency Contracts 3/9/2019	GBP (72,745)	(73)	(0.08)
Forward Foreign Currency Contracts 3/9/2019	EUR 85,683	77	0.09
Forward Foreign Currency Contracts 3/9/2019	GBP (76,636)	(77)	(0.09)
Forward Foreign Currency Contracts 3/9/2019	EUR (4,269,353)	(3,829)	(4.42)
Forward Foreign Currency Contracts 3/9/2019	GBP 3,791,701	3,792	4.37
Forward Foreign Currency Contracts 3/9/2019	EUR (100,021)	(90)	(0.10)
Forward Foreign Currency Contracts 3/9/2019	GBP 89,393	89	0.10
USD Forward Foreign Currency Contracts -0.51% (-0.22%)			
Forward Foreign Currency Contracts 2/7/2019	USD 40,000	31	0.04
Forward Foreign Currency Contracts 2/7/2019	GBP (31,814)	(32)	(0.04)
Forward Foreign Currency Contracts 2/7/2019	USD 94,575	74	0.09
Forward Foreign Currency Contracts 2/7/2019	GBP (74,545)	(75)	(0.09)
Forward Foreign Currency Contracts 3/7/2019	USD 80,000	63	0.07
Forward Foreign Currency Contracts 3/7/2019	GBP (63,076)	(63)	(0.07)
Forward Foreign Currency Contracts 10/7/2019	USD 58,540	46	0.05
Forward Foreign Currency Contracts 10/7/2019	GBP (46,152)	(46)	(0.05)
Forward Foreign Currency Contracts 15/7/2019	USD (22,859,120)	(17,949)	(20.69)
Forward Foreign Currency Contracts 15/7/2019	GBP 17,977,424	17,977	20.73
Forward Foreign Currency Contracts 15/7/2019	USD (115,135)	(90)	(0.10)
Forward Foreign Currency Contracts 15/7/2019	GBP 90,384	90	0.10
Forward Foreign Currency Contracts 15/7/2019	USD (46,803)	(37)	(0.04)
Forward Foreign Currency Contracts 15/7/2019	GBP 36,683	37	0.04
Forward Foreign Currency Contracts 15/7/2019	USD (203,887)	(160)	(0.18)
Forward Foreign Currency Contracts 15/7/2019	GBP 160,679	161	0.19
Forward Foreign Currency Contracts 15/7/2019	USD (401,401)	(315)	(0.36)
Forward Foreign Currency Contracts 15/7/2019	GBP 318,413	318	0.37
Forward Foreign Currency Contracts 15/7/2019	USD (93,023)	(73)	(0.08)
Forward Foreign Currency Contracts 15/7/2019	GBP 72,871	73	0.08

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
USD Forward Foreign Currency Contracts (cont.)			
Forward Foreign Currency Contracts 15/7/2019	USD (59,387)	(47)	(0.05)
Forward Foreign Currency Contracts 15/7/2019	GBP 46,734	47	0.05
Forward Foreign Currency Contracts 15/7/2019	USD 100,887	79	0.09
Forward Foreign Currency Contracts 15/7/2019	GBP (79,169)	(79)	(0.09)
Forward Foreign Currency Contracts 15/7/2019	USD 129,904	102	0.12
Forward Foreign Currency Contracts 15/7/2019	GBP (101,935)	(102)	(0.12)
Forward Foreign Currency Contracts 15/7/2019	USD 23,684	19	0.02
Forward Foreign Currency Contracts 15/7/2019	GBP (18,860)	(19)	(0.02)
Forward Foreign Currency Contracts 15/7/2019	USD 100,920	79	0.09
Forward Foreign Currency Contracts 15/7/2019	GBP (80,071)	(80)	(0.09)
Forward Foreign Currency Contracts 15/7/2019	USD 134,237	105	0.12
Forward Foreign Currency Contracts 15/7/2019	GBP (106,700)	(107)	(0.12)
Forward Foreign Currency Contracts 15/7/2019	USD 27,863	22	0.03
Forward Foreign Currency Contracts 15/7/2019	GBP (21,956)	(22)	(0.03)
Forward Foreign Currency Contracts 15/7/2019	USD 302,121	237	0.27
Forward Foreign Currency Contracts 15/7/2019	GBP (237,895)	(238)	(0.27)
Forward Foreign Currency Contracts 15/7/2019	USD 8,495	7	0.01
Forward Foreign Currency Contracts 15/7/2019	GBP (6,694)	(7)	(0.01)
Forward Foreign Currency Contracts 15/7/2019	USD 116,382	91	0.10
Forward Foreign Currency Contracts 15/7/2019	GBP (91,697)	(92)	(0.11)
Forward Foreign Currency Contracts 15/7/2019	USD 214,497	168	0.19
Forward Foreign Currency Contracts 15/7/2019	GBP (169,002)	(169)	(0.19)
Forward Foreign Currency Contracts 21/8/2019	USD (32,674,281)	(25,611)	(29.53)
Forward Foreign Currency Contracts 21/8/2019	GBP 25,120,304	25,120	28.96
Forward Foreign Currency Contracts 21/8/2019	USD (1,213,859)	(951)	(1.10)
Forward Foreign Currency Contracts 21/8/2019	GBP 941,262	941	1.08
Forward Foreign Currency Contracts 21/8/2019	USD (378,406)	(297)	(0.34)
Forward Foreign Currency Contracts 21/8/2019	GBP 295,112	295	0.34
Forward Foreign Currency Contracts 21/8/2019	USD (199,676)	(157)	(0.18)
Forward Foreign Currency Contracts 21/8/2019	GBP 156,594	157	0.18
Forward Foreign Currency Contracts 21/8/2019	USD (126,737)	(99)	(0.11)
Forward Foreign Currency Contracts 21/8/2019	GBP 99,529	100	0.12
Forward Foreign Currency Contracts 21/8/2019	USD (594,304)	(466)	(0.54)
Forward Foreign Currency Contracts 21/8/2019	GBP 465,843	466	0.54
Forward Foreign Currency Contracts 21/8/2019	USD (78,024)	(61)	(0.07)
Forward Foreign Currency Contracts 21/8/2019	GBP 61,740	62	0.07
Forward Foreign Currency Contracts 21/8/2019	USD (50,989)	(40)	(0.05)
Forward Foreign Currency Contracts 21/8/2019	GBP 40,039	40	0.05
Forward Foreign Currency Contracts 21/8/2019	USD (575,025)	(451)	(0.52)

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
USD Forward Foreign Currency Contracts (cont.)			
Forward Foreign Currency Contracts 21/8/2019	GBP 452,174	452	0.52
Forward Foreign Currency Contracts 21/8/2019	USD (399,840)	(313)	(0.36)
Forward Foreign Currency Contracts 21/8/2019	GBP 314,641	315	0.36
Forward Foreign Currency Contracts 21/8/2019	USD (642,488)	(504)	(0.58)
Forward Foreign Currency Contracts 21/8/2019	GBP 505,584	506	0.58
Forward Foreign Currency Contracts 21/8/2019	USD (30,400)	(24)	(0.03)
Forward Foreign Currency Contracts 21/8/2019	GBP 23,911	24	0.03
Forward Foreign Currency Contracts 21/8/2019	USD 461,863	362	0.42
Forward Foreign Currency Contracts 21/8/2019	GBP (362,696)	(363)	(0.42)
Forward Foreign Currency Contracts 21/8/2019	USD 332,710	261	0.30
Forward Foreign Currency Contracts 21/8/2019	GBP (262,159)	(262)	(0.30)
Forward Foreign Currency Contracts 21/8/2019	USD 320,306	251	0.29
Forward Foreign Currency Contracts 21/8/2019	GBP (251,621)	(252)	(0.29)
Forward Foreign Currency Contracts 21/8/2019	USD 890,372	698	0.80
Forward Foreign Currency Contracts 21/8/2019	EUR (785,863)	(704)	(0.81)
Forward Foreign Currency Contracts 3/9/2019	USD (23,525,447)	(18,430)	(21.25)
Forward Foreign Currency Contracts 3/9/2019	GBP 18,460,520	18,461	21.28
Forward Foreign Currency Contracts 3/9/2019	USD (102,353)	(80)	(0.09)
Forward Foreign Currency Contracts 3/9/2019	GBP 80,148	80	0.09
Forward Foreign Currency Contracts 3/9/2019	USD (42,057)	(33)	(0.04)
Forward Foreign Currency Contracts 3/9/2019	GBP 33,074	33	0.04
Forward Foreign Currency Contracts 3/9/2019	USD (21,260)	(17)	(0.02)
Forward Foreign Currency Contracts 3/9/2019	GBP 16,893	17	0.02
Forward Foreign Currency Contracts 3/9/2019	USD (156,059)	(122)	(0.14)
Forward Foreign Currency Contracts 3/9/2019	GBP 124,009	124	0.14
Forward Foreign Currency Contracts 3/9/2019	USD (40,000)	(31)	(0.04)
Forward Foreign Currency Contracts 3/9/2019	GBP 31,726	32	0.04
Forward Foreign Currency Contracts 3/9/2019	USD (115,820)	(91)	(0.10)
Forward Foreign Currency Contracts 3/9/2019	GBP 91,865	92	0.11
Forward Foreign Currency Contracts 3/9/2019	USD (21,211)	(17)	(0.02)
Forward Foreign Currency Contracts 3/9/2019	GBP 16,679	17	0.02
Forward Foreign Currency Contracts 3/9/2019	USD (80,000)	(63)	(0.07)
Forward Foreign Currency Contracts 3/9/2019	GBP 62,906	63	0.07
Forward Foreign Currency Contracts 3/9/2019	USD (374,802)	(294)	(0.34)
Forward Foreign Currency Contracts 3/9/2019	GBP 294,591	295	0.34
Forward Foreign Currency Contracts 3/9/2019	USD (94,575)	(74)	(0.09)
Forward Foreign Currency Contracts 3/9/2019	GBP 74,335	74	0.09
Forward Foreign Currency Contracts 3/9/2019	USD (58,540)	(46)	(0.05)
Forward Foreign Currency Contracts 3/9/2019	GBP 46,041	46	0.05
Forward Foreign Currency Contracts 3/9/2019	USD 400,201	314	0.36

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
USD Forward Foreign Currency Contracts (cont.)			
Forward Foreign Currency Contracts 3/9/2019	GBP (314,589)	(315)	(0.36)
Forward Foreign Currency Contracts 3/9/2019	USD 225,064	176	0.20
Forward Foreign Currency Contracts 3/9/2019	GBP (178,834)	(179)	(0.21)
Forward Foreign Currency Contracts 3/9/2019	USD 68,448	54	0.06
Forward Foreign Currency Contracts 3/9/2019	GBP (53,780)	(54)	(0.06)
Forward Foreign Currency Contracts 3/9/2019	USD 167,374	131	0.15
Forward Foreign Currency Contracts 3/9/2019	GBP (131,514)	(132)	(0.15)
Forward Foreign Currency Contracts 3/9/2019	USD 100,165	78	0.09
Forward Foreign Currency Contracts 3/9/2019	GBP (78,329)	(78)	(0.09)
Forward Foreign Currency Contracts 3/9/2019	USD 58,057	46	0.05
Forward Foreign Currency Contracts 3/9/2019	GBP (45,383)	(45)	(0.05)
Forward Foreign Currency Contracts 3/9/2019	USD 42,145	33	0.04
Forward Foreign Currency Contracts 3/9/2019	GBP (33,146)	(33)	(0.04)
Forward Foreign Currency Contracts 3/9/2019	USD 104,342	82	0.09
Forward Foreign Currency Contracts 3/9/2019	GBP (81,920)	(82)	(0.09)
Forward Foreign Currency Contracts 16/9/2019	USD (1,149,503)	(900)	(1.04)
Forward Foreign Currency Contracts 16/9/2019	GBP 901,518	902	1.04
Forward Foreign Currency Contracts 16/9/2019	USD (218,222)	(171)	(0.20)
Forward Foreign Currency Contracts 16/9/2019	GBP 172,993	173	0.20
Futures 0.12% (0.21%)			
Can 10 Year Bond September 2019 Futures	(2)	(2)	0.00
Euro-Bobl September 2019 Futures	(9)	(4)	0.00
Euro-Bund September 2019 Futures	(5)	(7)	(0.01)
Long Gilt September 2019 Futures	(6)	(5)	(0.01)
US 5 Year Notes September 2019 Futures	(17)	(15)	(0.02)
US Long Bond September 2019 Futures	28	111	0.13
US Ultra Bond September 2019 Futures	5	28	0.03
Portfolio of investments		80,517	92.83
Net current assets		6,216	7.17
Total net assets		86,733	100.00

*In default.

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2018.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Financial Statements

for the six months ended 30 June 2019

Statement of Total Return (unaudited)

	Notes	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Income					
Net capital gains/(losses)					
Net capital gains/(losses) on investments	1	5,291		(4,351)	
Other losses	1	(16)		(83)	
			5,275		(4,434)
Revenue	2	1,906		1,706	
Expenses	3	(37)		(46)	
Interest payable and similar charges	4	(2)		(3)	
Net revenue before taxation		1,867		1,657	
Taxation		(2)		(6)	
Net revenue after taxation			1,865		1,651
Total return before distributions			7,140		(2,783)
Distributions	5		(1,902)		(1,697)
Net increase/(decrease) in Shareholders' funds from Investment activities			5,238		(4,480)

Statement of Movement in Shareholders' Funds (unaudited)

	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Opening net assets attributable to Shareholders		80,338		80,597
Amounts receivable on issue of shares	4,756		8,124	
Amounts payable on cancellation of shares	(3,599)		(4,177)	
		1,157		3,947
Net increase/(decrease) in Shareholders' funds from investment activities (see above)		5,238		(4,480)
Closing net assets attributable to Shareholders		86,733		80,064

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements (cont.)

for the six months ended 30 June 2019

Statement of Financial Position (unaudited)

	Notes	30 June 2019 £000's	31 December 2018 £000's
Assets			
Fixed assets			
Investment assets at fair value through profit or loss		81,211	76,984
Current assets			
Debtors	7	2,725	1,180
Cash and bank balances		5,954	3,531
Total current assets		8,679	4,711
Total assets		89,890	81,695
Liabilities			
Investment liabilities at fair value through profit or loss		(694)	(241)
Creditors			
Amount due to futures clearing houses and brokers		(17)	(77)
Bank overdrafts		(1)	0
Distribution payable	8	(984)	(1,015)
Other creditors	8	(1,461)	(24)
Total other liabilities		(2,463)	(1,116)
Total liabilities		(3,157)	(1,357)
Net assets attributable to Shareholders		86,733	80,338

All liabilities are current.

The notes on pages 13 to 17 and pages 65 to 66 form part of the Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2019

1 Net capital gains/(losses)

The net capital gains/(losses) on investments during the period comprise:

	30 June 2019 £000's	30 June 2018 £000's
Non-derivative securities*	5,730	(2,391)
Derivative securities*	199	(48)
Forward currency contracts*	(629)	(1,901)
Other losses – currency losses*	(16)	(83)
Custodial transaction fees	(9)	(11)
Net capital gains/(losses)	5,275	(4,434)

*Net gains (excluding custodial transaction fees) listed above of £5,284,206 comprise net realised gains of £380,427 and net unrealised gains of £4,903,779. (2018: £(4,423,384) comprise net realised gains of £2,915,965 and net unrealised losses of £(7,339,349)). £(407,980) of the net realised losses in the current period had been shown as net unrealised losses in previous periods (2018: £905,415 net realised gains).

2 Revenue

	30 June 2019 £000's	30 June 2018 £000's
Bank interest	4	5
Collateral interest	1	0
Interest on balances held at futures clearing houses and brokers	1	0
Interest on debt securities	1,880	1,696
Money market deposit	20	5
Total revenue	1,906	1,706

3 Expenses

	30 June 2019 £000's	30 June 2018 £000's
Payable to the Manager or Associate of the Manager:		
Manager's periodic charge	8	9
	8	9
Other expenses:		
Audit fees	6	8
Custodian fees	10	11
Directors' fees	4	8
Other expenses	9	10
	29	37
Total expenses	37	46

4 Interest payable and similar charges

	30 June 2019 £000's	30 June 2018 £000's
Interest payable	2	3
Total interest payable and similar charges	2	3

Notes to the Financial Statements (cont.)

5 Distributions

The distributions take account of equalisation amounts added on the issue of shares and equalisation amounts deducted on the cancellation of shares. They comprise:

	30 June 2019 £000's	30 June 2018 £000's
Interim distribution 31 March	937	759
Interim distribution 30 June	984	958
	1,921	1,717
Amounts added on issue of shares	(34)	(41)
Amounts deducted on cancellation of shares	15	21
Gross distributions for the period	1,902	1,697

6 Net movement between revenue after taxation and distributions

	30 June 2019 £000's	30 June 2018 £000's
Net revenue after taxation	1,865	1,651
Expenses paid from capital	37	46
Gross distributions for the period	1,902	1,697

7 Debtors

	30 June 2019 £000's	31 December 2018 £000's
Accrued revenue	1,093	1,144
Amounts receivable from counterparties in respect of collateral on derivatives	489	0
Amounts receivable on issue of shares	11	35
Foreign currency contracts receivable	761	0
Prepaid expenses	0	1
Sales awaiting settlement	371	0
Total debtors	2,725	1,180

8 Creditors

	30 June 2019 £000's	31 December 2018 £000's
a) Distribution payable		
Gross distribution payable	984	1,015
Total distribution payable	984	1,015
b) Other creditors		
Accrued expenses	17	24
Foreign currency contracts payable	760	0
Purchases awaiting settlement	684	0
Total creditors	1,461	24

Fund Report

Environment

Global stock markets moved higher over the year-to-date. This was despite a pullback in May, when the US-China trade dispute escalated. Fears about global growth consequently resurfaced, prompting a sharp sell-off in global equities. However, central banks responded with supportive rhetoric and pledges of fresh stimulus to revive economic growth. In Europe, there was a growing expectation not only of an imminent interest rate cut but also the initiation of a new bond-buying programme by the European Central Bank. In the case of the US Federal Reserve, the market-implied probability of an interest rate cut at its end-July meeting moved to 100%. This created a more positive mood in the markets. Investor confidence received a further boost at the end of June when presidents Trump and Xi agreed a truce in their trade war at the G20 summit in Japan.

Global government bond yields fell sharply (prices rose) towards the end of the review period. Concerns about global economic growth and trade saw central banks pivot towards a more 'dovish' stance, which means they are likely to cut interest rates and/or buy government bonds. Indeed, many government bond yields turned negative, including across parts of Europe. Corporate bond markets also rallied during the period, driven by the same expectations of increasing monetary support from leading global central banks.

Performance

The Fund returned 13.3% over the six-month period, which was 1.5% ahead of the benchmark return of 11.8%.

The Fund's outperformance was driven by consistently positive stock selection in equities and the underweight equity allocation. Positive stock selection within gilts and corporate bonds was also beneficial.

Within equities, holdings in the consumer goods sector were the biggest drivers of outperformance, specifically personal goods and food producers. Estée Lauder was the single biggest contributor to relative performance over the period. Nestlé remained strong, as evidence of its management's strategy to reboot growth continued to come through. Unilever also outperformed the sector. Beverages and housebuilders rebounded strongly in the first half of the period, but were broadly weaker in the second. The exception was Anheuser-Busch Inbev which rallied +36% over the period). The main negative in this sector was the void in Diageo, which rallied 22% over the period.

Within utilities, diversification away from UK utilities to include greater exposure to renewable energy generation added to the Fund's return. We increased exposure to wind generation during the period with the addition of Ørsted. It was positive to see both Enel and Ørsted remain relatively strong performers through the market volatility in May. National Grid, meanwhile, outperformed the sector, despite being caught up in the sell-off triggered by labour Leader Jeremy Corbyn's nationalisation

talk. The majority of National Grid's revenues come from the US in any case. Pennon also outperformed, but we continue to reduce exposure to regulated UK utilities.

Large pharmaceutical stocks benefited from relatively heavy newsflow, which outlined pipeline opportunities that should offset large drugs going off patent and drive upgrades to 2019 growth expectations. The sector sold off temporarily in April after Bernie Sanders' 'Medicare for all' comment reignited the US pricing debate. We continue to diversify our exposure away from this risk. Higher growth, small/mid-cap companies like Dechra continued to execute their strategy well, and were rewarded accordingly in the risk-on environment. Despite strong execution and the higher growth of medical technology companies, returns were more mixed over the period. Medtronic's cautious line on the impact of tax spooked investors, despite upgrading its outlook in its full-year results.

Iron ore reached a six-year high towards the end of the period, on supply dynamics. This led to strong returns from mining companies, specifically Rio Tinto. Anticipated growth from Chinese stimulus drove returns in the broader sector, but this was subject to volatility on trade concerns, especially in May. Johnson Matthey materially outperformed the chemicals sector. Management was confident about the outlook at its full-year results. It expects to be able to grow revenues in a declining auto market through emission legislation (particularly in China) and the increasing electrification of transport.

Amazon, meanwhile, benefited from the sharp rebound in technology stocks, reflecting the long-term structural growth opportunity. The holding in RELX was particularly strong in the second half of the period, as some of the previous headwinds it faced subsided. In particular, the Plan S initiative for free academic publications lost momentum and uncertainty over academic agreements diminished.

Financials also added to the Fund's performance; driven largely by strong returns from our holdings in listed real estate (American Tower, PHP), financial services (Mastercard), non-life (Zurich) and life (Prudential) insurers. It was interesting that bank holdings were broadly resilient in the face of easing monetary policy – that is to say, we would expect the prospect of falling interest rates to negatively impact their profitability. The major exception to the banks' relative strength over the period was Swedbank. The impact of its reported involvement in the Estonia money laundering scandal was a detractor from relative and absolute performance. However, it only partially offset the strong performance of the holdings in broader financials.

Detractors included the underweight allocation to industrials, which was a relatively robust sector. The overweight allocation to alternatives, which is a lower-beta asset class, understandably underperformed the strong equity market. Similarly, the overweight allocation to cash and high-yielding stocks was also negative, as these underperformed the broader market.

Fund Report (cont.)

Activity

At the start of the period, we used the market correction experienced in the fourth quarter of 2018 to add to equity holdings. We made two new additions to the Fund early on, namely packaging firm DS Smith and Mastercard. DS Smith supplies all Amazon's packaging in the UK. It differentiates itself by being at the forefront of technology and utilising recycled material to add value as a supply-chain partner. It also benefits from changing consumer habits, which is driving structural growth in this market. Mastercard, meanwhile, is well positioned to profit from increased payment volumes, as transactions become increasingly electronic – another benefit of changing consumer habits. Sales included Apple. Although the company has appealing quality characteristics, its growth will be driven by cyclical refreshes to its products, as opposed to secular drivers, given the maturity of the smartphone market. Elsewhere, we took profits in the mining sector by reducing Rio Tinto.

As the period progressed, our focus was to reduce the cyclical risk in the portfolio further and to diversify the equity risk more. Over the past six-to-nine months, we have reduced exposure to banks and during the second half of the period, we reinvested some of the proceeds back into less cyclical financial services companies. For example, we added Visa to the Fund, complementing our holding in Mastercard. We believe Visa's profitability will be driven by its European business, where we think there is room for both pricing and margin improvements. Like Mastercard, Visa will benefit from increased payment volumes, as digital and card payments continue to win share from cash and cheques.

Similarly, we continued to shift the utilities exposure of the Fund towards beneficiaries of long-term structural growth. Namely, companies that we expect to outperform regulated utilities over the long term and that are less susceptible to political risk. In line with this, we added Ørsted to the Fund. It is the largest offshore wind developer globally, with 30% of the total capacity in operation or under construction. Wind power generation is set to grow rapidly, as demand for sustainable energy sources becomes increasingly pronounced. Another area of focus during the period was the roll-out of 5G and the developing opportunities it presents. For now, the opportunity is in the initial roll-out of 5G in the US. Verizon is set to benefit from this network upgrade cycle and we have added it to the Fund. The company is competitive, with strong national positioning that should temper capital expenditure, which is always a risk for telecoms. To fund its purchase, we sold the holding in Vodafone. The sustainability of its dividend was in question and we believed its marginal cost of debt to be too high for such a low-growth industry. It transpired, after we sold it, that Vodafone's management cut the dividend more than the market expected.

Outlook

We have downgraded our global growth forecasts amid subdued activity data and rising political and policy uncertainty. As a result, our projections no longer incorporate a re-acceleration in global growth. Instead, we expect global GDP growth to be flat, and below the post-financial crisis average, out to 2021. Moreover, even that outlook is dependent on several major central banks easing monetary policy this year and the US-China trade war not escalating further.

On the positive side, global financial conditions have remained relatively loose. The European industrial cycle appears to be bottoming. Meanwhile, advanced economy labour markets have remained resilient, supporting solid consumer demand. On the negative side, trade tensions have re-escalated. Political developments in the UK, Italy, Argentina, Turkey and Iran have also taken a less positive direction. There has been little evidence of spill-over from Chinese stimulus to the rest of the world so far. The fluid trade-policy environment is a particularly important – and difficult to forecast – driver of the outlook.

Rather than focus on short-term market noise, we continue to concentrate on long-term structural growth. Specific areas of focus are the beneficiaries of 5G roll-out, digitalisation of payments, decarbonisation of energy, electrification of transport and healthcare applications that are driving longevity. We seek to identify companies that will benefit from shifting trends, while avoiding those where change will be detrimental.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	158,716	54.10	293,358
31 December 2017	82,916	57.17	145,024
31 December 2018	247,574	53.15	465,782
30 June 2019	273,271	59.02	463,012

Z Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	48,094,278	54.80	87,758,803
31 December 2017	65,438,465	58.50	111,855,481
31 December 2018	74,193,770	54.94	135,046,957
30 June 2019	86,682,900	61.31	141,388,930

Distribution Information by Share Class

For the period ended 30 June 2019

Interim Distribution (In pence per share)	01/01/19 to 30/06/19	01/01/18 to 30/06/18
Retail Shares		
Paid 31 May 2019	0.5268	0.5292
Payable 31 August 2019	0.5235	0.5706
	1.0503	1.0998
Z Shares		
Paid 31 May 2019	0.5453	0.5423
Payable 31 August 2019	0.5429	0.5859
	1.0882	1.1282

Top Ten Purchases and Sales

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's	Sales	£000's
DS Smith	1,268	Swedbank 'A'	1,042
Verizon Communications	1,059	Vodafone	1,000
Ørsted	821	Apple	969
MasterCard 'A'	807	Murata Manufacturing	536
Activision Blizzard 3.4% 15/9/2026	409	UK Treasury 4.25% 7/6/2032	530
Prudential	333	Anheuser-Busch Co 3.65% 1/2/2026	187
Sequoia Economic Infrastructure Income Fund	313	Nokia OYJ 6.75% 4/2/2019	138
Zurich Insurance	284	Alcon	135
Johnson Matthey	231	G4S 7.75% 13/5/2019	135
Ferguson	219	Hilton Worldwide Finance 4.625% 1/4/2025	121

Portfolio Statement (unaudited)

as at 30 June 2019

Investments	Holding	Market Value £000's	Total Net Assets %
UK Government Stocks 3.27% (4.25%)			
UK Treasury 1.5% 22/7/2047	GBP 1,908,000	1,915	2.20
UK Treasury 3.25% 22/1/2044	GBP 679,000	927	1.07
Overseas Government Bonds 0.47% (0.51%)			
Saudi Arabia 4% 17/4/2025	USD 490,000	410	0.47
Sterling Denominated Corporate Bonds 6.58% (6.13%)			
Admiral 5.5% 25/7/2024	GBP 153,000	169	0.19
Anheuser-Busch InBev 2.25% 24/5/2029	GBP 168,000	167	0.19
Arqiva Financing 4.882% 31/12/2032	GBP 180,001	204	0.23
AT&T 4.25% 1/6/2043	GBP 100,000	111	0.13
Aviva 6.125% FRN 14/11/2036	GBP 120,000	138	0.16
Bank of America 7% 31/7/2028	GBP 100,000	141	0.16
Barclays 3.25% 17/1/2033	GBP 180,000	175	0.20
BG Energy Capital 5.125% 1/12/2025	GBP 61,000	75	0.09
Centrica 7% 19/9/2033	GBP 100,000	147	0.17
Citigroup 2.75% 24/1/2024	GBP 159,000	165	0.19
Close Brothers 2.75% 26/4/2023	GBP 160,000	165	0.19
Coventry Building Society 5.875% 28/9/2022	GBP 128,000	146	0.17
Crédit Agricole 7.5% Perpetual	GBP 146,000	165	0.19
Credit Suisse Funding Guernsey 2.75% 8/8/2025	GBP 142,000	146	0.17
Eastern Power Networks 5.75% 8/3/2024	GBP 141,000	166	0.19
Électricité de France 5.875% 18/7/2031	GBP 144,000	199	0.23
Électricité de France 6% Perpetual	GBP 100,000	107	0.12
Fidelity National Information Services 2.602% 21/5/2025	GBP 118,000	121	0.14
FirstGroup 6.875% 18/9/2024	GBP 127,000	148	0.17
GlaxoSmithKline Capital 5.25% 19/12/2033	GBP 160,000	220	0.25
HSBC 5.75% 20/12/2027	GBP 135,000	163	0.19
John Lewis 6.125% 21/1/2025	GBP 124,000	139	0.16
Legal & General 5.375% 27/10/2045	GBP 300,000	332	0.38
Lloyds Bank 7.625% 22/4/2025	GBP 131,000	167	0.19
Nationwide Building Society 3.25% 20/1/2028	GBP 135,000	147	0.17
NGG Finance 5.625% 18/6/2073	GBP 173,000	187	0.22
Ørsted 5.75% 9/4/2040	GBP 120,000	181	0.21
QBE Capital Funding 7.5% 24/5/2041	GBP 100,000	106	0.12
RL Finance Bonds No 3 6.125% 13/11/2028	GBP 100,000	114	0.13
Santander UK 3.625% 14/1/2026	GBP 156,000	167	0.19
Severn Trent Water Utilities 6.25% 7/6/2029	GBP 62,000	85	0.10
Tesco Property Finance 3 5.744% 13/4/2040	GBP 167,564	218	0.25
UBS AG/London 1.25% 10/12/2020	GBP 200,000	200	0.23
Virgin Money 7.875% Perpetual	GBP 200,000	201	0.23
Vodafone 3% 12/8/2056	GBP 166,000	147	0.17
Yorkshire Building Society 3.375% 13/9/2028	GBP 100,000	96	0.11

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Non-Sterling Denominated Corporate Bonds 2.45% (1.72%)			
ABN AMRO Bank 2.875% 18/1/2028	EUR 200,000	193	0.22
Activision Blizzard 3.4% 15/9/2026	USD 556,000	443	0.51
AstraZeneca 4% 17/1/2029	USD 209,000	179	0.21
Charter Communications Operating 3.75% 15/2/2028	USD 226,000	179	0.21
Cigna 3.05% 15/10/2027	USD 227,000	177	0.20
Country Garden 8% 27/1/2024	USD 200,000	170	0.19
Equinix 5.375% 1/4/2023	USD 184,000	147	0.17
Morgan Stanley 4.431% 23/1/2030	USD 205,000	178	0.20
Symantec 5% 15/4/2025	USD 182,000	147	0.17
Unitymedia Hessen 4% 15/1/2025	EUR 175,000	162	0.19
Wells Fargo 2.25% 3/9/2020	EUR 166,000	153	0.18
United Kingdom 30.76% (29.27%)			
AstraZeneca	26,792	1,724	1.98
Aviva	193,040	804	0.92
BP	479,813	2,632	3.03
Dechra Pharmaceuticals	54,638	1,498	1.72
DS Smith	373,159	1,352	1.55
Empiric Student Property	199,337	181	0.21
Fever-Tree Drinks	34,790	806	0.93
GlaxoSmithKline	102,256	1,612	1.85
Greencoat UK Wind	566,534	799	0.92
HSBC (UK Regd.)	394,901	2,594	2.98
Johnson Matthey	39,613	1,318	1.52
National Grid	157,149	1,314	1.51
Pennon	79,029	585	0.67
Persimmon	40,371	806	0.93
Primary Health Properties	631,512	841	0.97
Prudential	108,504	1,862	2.14
Reckitt Benckiser	9,472	588	0.68
RELX	75,454	1,441	1.66
Renewables Infrastructure	385,901	495	0.57
Rio Tinto (UK Regd.)	37,874	1,849	2.13
Unilever	33,674	1,648	1.89
Investment Trusts 6.30% (7.16%)			
3i Infrastructure	339,513	1,008	1.16
Apax Global Alpha Fund	400,694	587	0.68
BB Biotech	20,489	1,091	1.26
BBGI	525,634	796	0.92
Bluefield Solar Income Fund	356,237	481	0.55

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Investment Trusts (cont.)			
Fair Oaks Income	289,035	186	0.21
International Public Partnership	403,649	602	0.69
Sequoia Economic Infrastructure Income Fund	639,120	725	0.83
United States of America 20.26% (17.21%)			
Accenture	10,112	1,468	1.69
Activision Blizzard	12,326	457	0.52
Alphabet 'A'	1,390	1,182	1.36
Amazon	964	1,431	1.65
American Tower	13,033	2,093	2.41
Eli Lilly	17,468	1,520	1.75
Estee Lauder 'A'	11,443	1,645	1.89
Ferguson	15,142	848	0.97
MasterCard 'A'	5,149	1,070	1.23
Medtronic	17,724	1,356	1.56
Microsoft	21,725	2,286	2.63
Taiwan Semiconductor Manufacturing ADS	38,131	1,173	1.35
Verizon Communications	24,200	1,086	1.25
Belgium 1.13% (0.74%)			
Anheuser-Busch InBev	14,131	984	1.13
Bermuda 1.30% (1.50%)			
Catco Reinsurance Opportunities Fund	464,343	66	0.08
Hiscox	63,001	1,065	1.22
Chile 1.02% (0.96%)			
Antofagasta	95,562	888	1.02
Denmark 1.10% (0.00%)			
Ørsted	13,991	954	1.10
France 2.15% (2.26%)			
Total	42,330	1,866	2.15
Germany 0.96% (1.09%)			
Covestro	20,931	838	0.96
Guernsey 0.19% (0.26%)			
Amedeo Air Four Plus	183,149	167	0.19
Ireland 1.06% (0.89%)			
CRH	36,116	925	1.06
Italy 1.67% (1.54%)			
Enel	263,868	1,450	1.67

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Japan 0.00% (0.68%)			
Netherlands 5.89% (5.73%)			
ASML	6,355	1,045	1.20
KPN	453,000	1,094	1.26
Royal Dutch Shell 'B' (UK Regd.)	115,588	2,983	3.43
Spain 1.15% (0.92%)			
Inditex	42,222	999	1.15
Sweden 0.00% (1.81%)			
Switzerland 6.85% (6.26%)			
Nestlé (Regd.)	20,362	1,658	1.90
Novartis (Regd.)	15,952	1,146	1.32
Roche Holding	6,982	1,545	1.78
Zurich Insurance	5,875	1,609	1.85
Derivatives 0.00% (-0.02%)			
EUR Forward Foreign Currency Contracts -0.01% (-0.01%)			
Forward Foreign Currency Contracts 21/8/2019	EUR (576,951)	(517)	(0.60)
Forward Foreign Currency Contracts 21/8/2019	GBP 511,481	512	0.59
USD Forward Foreign Currency Contracts 0.01% (-0.01%)			
Forward Foreign Currency Contracts 21/8/2019	USD (2,487,543)	(1,950)	(2.24)
Forward Foreign Currency Contracts 21/8/2019	GBP 1,957,334	1,957	2.25
Forward Foreign Currency Contracts 21/8/2019	USD (78,931)	(62)	(0.07)
Forward Foreign Currency Contracts 21/8/2019	GBP 61,991	62	0.07
Portfolio of investments		82,229	94.56
Net current assets		4,727	5.44
Total net assets		86,956	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2018.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Portfolio Statement (unaudited) (cont.)

Portfolio Statement by asset class

	Market value June 2019 £000's	Percentage of total net assets June 2019 %	Market value December 2018 £000's	Percentage of total net assets December 2018 %
Bonds	11,105	12.77	9,386	12.61
Equities	71,122	81.79	58,274	78.28
Derivatives	2	0.00	(12)	(0.02)
Portfolio of investments	82,229	94.56	67,648	90.87
Net current assets	4,727	5.44	6,793	9.13
Total net assets	86,956	100.00	74,441	100.00

Financial Statements

for the six months ended 30 June 2019

Statement of Total Return (unaudited)

	Notes	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Income					
Net capital gains					
Net capital gains on investments	1	8,804		645	
Other losses	1	(8)		(15)	
			8,796		630
Revenue	2	1,672		1,533	
Expenses	3	(31)		(35)	
Interest payable and similar charges	4	0		(2)	
Net revenue before taxation		1,641		1,496	
Taxation		(160)		(154)	
Net revenue after taxation			1,481		1,342
Total return before distributions			10,277		1,972
Distributions	5		(1,512)		(1,377)
Net increase in Shareholders' funds from Investment activities			8,765		595

Statement of Movement in Shareholders' Funds (unaudited)

	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Opening net assets attributable to Shareholders		74,441		65,521
Amounts receivable on issue of shares	7,123		11,324	
Amounts payable on cancellation of shares	(3,373)		(3,303)	
		3,750		8,021
Net increase in Shareholders' funds from investment activities (see above)		8,765		595
Closing net assets attributable to Shareholders		86,956		74,137

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements (cont.)

for the six months ended 30 June 2019

Statement of Financial Position (unaudited)

	Notes	£000's	30 June 2019 £000's	31 December 2018 £000's
Assets				
Fixed assets				
Investment assets at fair value through profit or loss			82,234	67,660
Current assets				
Debtors	7	379		593
Cash and bank balances		5,155		6,670
Total current assets			5,534	7,263
Total assets			87,768	74,923
Liabilities				
Investment liabilities at fair value through profit or loss			(5)	(12)
Creditors				
Bank overdrafts		0		(7)
Distribution payable	8	(770)		(437)
Other creditors	8	(37)		(26)
Total other liabilities			(807)	(470)
Total liabilities			(812)	(482)
Net assets attributable to Shareholders			86,956	74,441

All liabilities are current.

The notes on pages 13 to 17 and pages 77 to 78 form part of the Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2019

1 Net capital gains

The net capital gains on investments during the period comprise:

	30 June 2019 £000's	30 June 2018 £000's
Non-derivative securities*	8,861	694
Forward currency contracts*	(52)	(44)
Other losses – currency losses*	(8)	(15)
Custodial transaction fees	(5)	(5)
Net capital gains	8,796	630

*Net gains (excluding custodial transaction fees) listed above of £8,801,350 comprise net realised losses of £(575,870) and net unrealised gains of £9,377,220 (2018: £634,835 comprise net realised gains of £529,300 and net unrealised gains of £105,535). £(213,364) of the net realised losses in the current period had been shown as net unrealised gains in previous periods (2018: £400,956 net realised gains).

2 Revenue

	30 June 2019 £000's	30 June 2018 £000's
Bank interest	1	1
Interest on debt securities	153	115
Money market deposit	23	8
Overseas dividends	730	778
UK dividends	736	584
UK REIT dividends	10	33
US REIT dividends	19	14
Total revenue	1,672	1,533

3 Expenses

	30 June 2019 £000's	30 June 2018 £000's
Payable to the Manager or Associate of the Manager:		
Manager's periodic charge	1	1
	1	1
Other expenses:		
Audit fees	7	9
Custodian fees	10	9
Directors' fees	4	7
Other expenses	9	9
	30	34
Total expenses	31	35

Notes to the Financial Statements (cont.)

4 Interest payable and similar charges

	30 June 2019 £000's	30 June 2018 £000's
Interest payable	0	2
Total interest payable and similar charges	0	2

5 Distributions

The distributions take account of equalisation amounts added on the issue of shares and equalisation amounts deducted on the cancellation of shares. They comprise:

	30 June 2019 £000's	30 June 2018 £000's
Interim distribution 31 March	762	675
Interim distribution 30 June	770	740
	1,532	1,415
Amounts added on issue of shares	(30)	(56)
Amounts deducted on cancellation of shares	10	18
Gross distributions for the period	1,512	1,377

6 Net movement between revenue after taxation and distributions

	30 June 2019 £000's	30 June 2018 £000's
Net revenue after taxation	1,481	1,342
Expenses paid from capital	31	35
Gross distributions for the period	1,512	1,377

7 Debtors

	30 June 2019 £000's	31 December 2018 £000's
Accrued revenue	369	253
Amounts receivable on issue of shares	0	337
Income tax recoverable	3	2
Prepaid expenses	0	1
Sales awaiting settlement	7	0
Total debtors	379	593

8 Creditors

	30 June 2019 £000's	31 December 2018 £000's
a) Distribution payable		
Gross distribution payable	770	437
Total distribution payable	770	437
b) Other creditors		
Accrued expenses	17	21
Amounts payable for cancellation of shares	20	5
Total creditors	37	26

Fund Report

Environment

Concerns over the macro environment and the prospects for economic growth filtered into a wave of central bank caution on interest rates. Both the US Federal Reserve (Fed) and the European Central Bank (ECB) indicated early in the period that rates would not rise in 2019. While the primary focus remained on the slowing Chinese economy, the lack of resolution in trade talks between China and the US, and more signs of a downturn in Europe were additional worries. Following the tough final quarter of 2018, credit markets rallied strongly. Risk assets, in general, performed well, aided by the improved interest rates outlook.

The first quarter's rally in the corporate bond market was sustained in the second quarter. Credit spreads tightened, but by far the biggest positive contributor was sharply declining government bond yields and increased dovishness from leading central banks. The market-implied probability of an interest rate cut at the end-July meeting of the Fed's Open Market Committee moved to 100%. There was a growing expectation not only of an imminent interest rate cut from the ECB but also the initiation of a new bond-buying programme.

Performance

Sterling corporate bonds delivered strongly positive total returns over the six months. Credit spreads tightened by 31 basis points and returns were further supplemented by dramatic falls in government bond yields. The Fund's overweight positioning in financial issuers added to performance although this was offset somewhat by an off-benchmark holding in gilts. Stock selection was a positive contributor.

Turning to individual securities, Tesco has been a consistent performer for some time. It was among the top performers again, as Moody's upgraded it back to investment grade. Bank and insurance credits recovered strongly after a weak fourth quarter in 2018. The Fund's holdings in bonds from Aviva, Banco Santander, Direct Line Insurance, Assicurazioni Generali and Clydesdale Bank & Yorkshire Building Society added to returns. New issues from Berkshire Hathaway Finance, which were well subscribed, also performed well. A large underweight position in Dutch telco KPN benefited performance, after its spreads widened dramatically on prospects of a potential private-equity-led buyout.

On the downside, off-benchmark exposure to the funeral services business Dignity Finance detracted from performance. The UK funeral industry remains in the spotlight due to increased competition and a Competition and Markets Authority review of the industry. The underweight position in General Electric's bonds was also a negative contributor. After benefiting significantly from underweight exposure to the troubled General Electric Co last year, there was a partial recovery in its spreads which weighed on relative returns

Activity

In the primary market, there were debut Sterling deals from Berkshire Hathaway Finance, and we participated in both the 20-year and 40-year deals. Housing associations remained active in the primary market, issuing debt at attractive spread levels relative to underlying ratings. We were, therefore, comfortable to reduce our underweight position in the sector through names such as Incommunities Treasury and Notting Hill Genesis.

In the secondary market, buying activity was relatively limited. We looked to add higher-quality names that were signalling moves to improve their balance sheet positions. Examples of this included Verizon, which is aiming to be rated as a single-A credit again. We also used market weakness in May to add to holdings in Clydesdale Bank & Yorkshire Building Society's senior bonds.

For sales, we exited two higher-risk positions in corporate hybrid debt from Telefonica and Vodafone. These had both rallied strongly, fuelled by positive sentiment from dovish central banks and strong demand for corporate hybrids. We also trimmed the Fund's bond holdings in Bayer Capital, Anheuser-Busch InBev and Land Securities Capital Markets.

Outlook

We are in a strange environment, where investors perceive poorer economic data as good for credit markets. This is in the belief that it will lead central banks to take aggressive action towards even easier monetary policy. In Europe, it might even lead to the re-instatement of corporate quantitative easing. This is the case despite most investors being sceptical on the ability of easier monetary policy to extend the economic cycle much longer. For now, it feels like credit spreads can grind a little tighter. This will certainly be the case if there is a more concrete announcement from the US-China trade negotiations.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	2,015,542	87.27	2,309,620
31 December 2017	1,858,201	88.17	2,107,468
31 December 2018	1,099,341	82.50	1,332,493
30 June 2019	945,442	86.75	1,089,810

Z Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	71,583,685	50.66	141,291,522
31 December 2017	68,812,615	51.72	133,038,154
31 December 2018	106,534,578	48.88	217,941,490
30 June 2019	108,448,619	51.66	209,938,045

Distribution Information by Share Class

For the period ended 30 June 2019

Interim Distribution (In pence per share)	01/01/19 to 30/06/19	01/01/18 to 30/06/18
Retail Shares		
Paid 31 May 2019	0.6910	0.7055
Payable 31 August 2019	0.7081	0.7841
	1.3991	1.4896
Z Shares		
Paid 31 May 2019	0.4099	0.4143
Payable 31 August 2019	0.4211	0.4616
	0.8310	0.8759

Top Ten Purchases and Sales

The table below shows the top ten purchases and sales (excluding any derivative transactions) for the period:

Purchases	£000's	Sales	£000's
Comcast 5.5% 23/11/2029	562	UK Treasury 4.75% 07/12/2038	778
Banque Federative du Credit Mutuel 1.75% 19/12/2024	400	Heathrow Funding 5.225% 15/2/2023	693
Abertis Infraestructuras 3.375% 27/11/2026	398	Bank of Scotland 9.375% 15/5/2021	543
Westfield America Management 2.125% 30/3/2025	397	Heathrow Funding 6% 20/3/2020	523
Motability Operations 2.375% 03/7/2039	393	Yorkshire Building Society 4.125% 20/11/2024	508
Morhomes 3.4% 19/2/2038	390	Morgan Stanley 2.625% 09/3/2027	494
HSBC 3% 29/5/2030	382	London Stock Exchange 4.75% 02/11/2021	473
CYBG 8% Perpetual	380	Heathrow Funding 6.75% 03/12/2028	462
Circle Anglia Social Housing 7.25% 12/11/2038	380	Virgin Media Secured Finance 5.5% 15/1/2025	435
Gatwick Funding 2.875% 05/7/2051	359	UK Treasury 4.5% 07/12/2042	430

Portfolio Statement (unaudited)

as at 30 June 2019

Investments	Holding	Market Value £000's	Total Net Assets %
UK Government Stocks 1.50% (1.69%)			
UK Treasury 1.5% 22/7/2047	GBP 218,000	219	0.20
UK Treasury 4.25% 07/12/2055	GBP 120,000	216	0.20
UK Treasury 4.5% 07/12/2042	GBP 750,000	1,206	1.10
Sterling Denominated Corporate Bonds 94.38% (93.84%)			
AA Bond 2.75% 31/7/2043	GBP 120,000	109	0.10
AA Bond 2.875% 31/7/2043	GBP 200,000	190	0.17
AA Bond 6.269% 02/7/2043	GBP 100,000	103	0.09
Abertis Infraestructuras 3.375% 27/11/2026	GBP 400,000	409	0.37
ABP Finance 6.25% 14/12/2026	GBP 510,000	624	0.57
America Movil 5% 27/10/2026	GBP 255,000	308	0.28
Anheuser-Busch InBev 2.25% 24/5/2029	GBP 1,100,000	1,093	1.00
Anheuser-Busch InBev 9.75% 30/7/2024	GBP 210,000	291	0.27
Annington Funding 2.646% 12/7/2025	GBP 500,000	505	0.46
Annington Funding 3.184% 12/7/2029	GBP 180,000	186	0.17
Annington Funding 3.685% 12/7/2034	GBP 240,000	254	0.23
AP Moeller-Maersk 4% 04/4/2025	GBP 100,000	106	0.10
APT Pipelines 3.5% 22/3/2030	GBP 550,000	594	0.54
Aroundtown 3.25% 18/7/2027	GBP 362,000	364	0.33
Arqiva Financing 4.882% 31/12/2032	GBP 459,002	520	0.48
Arqiva Financing 5.34% 30/12/2037	GBP 110,000	132	0.12
Aspire Defence Finance B 4.674% 31/3/2040	GBP 452,635	577	0.53
Assicurazioni Generali 6.269% Perpetual	GBP 300,000	315	0.29
Assicurazioni Generali 6.416% Perpetual	GBP 200,000	210	0.19
Assura Financing 3% 19/7/2028	GBP 300,000	319	0.29
Aster Treasury 4.5% 18/12/2043	GBP 100,000	131	0.12
AT&T 4.25% 01/6/2043	GBP 100,000	111	0.10
AT&T 4.375% 14/9/2029	GBP 200,000	230	0.21
AT&T 4.875% 01/6/2044	GBP 914,000	1,103	1.01
Aviva 5.125% 04/6/2050	GBP 510,000	554	0.51
Aviva 6.125% FRN 14/11/2036	GBP 300,000	346	0.32
Aviva 6.125% Perpetual	GBP 650,000	702	0.64
Aviva 6.625% 03/6/2041	GBP 600,000	652	0.60
AXA 5.625% FRN 16/1/2054	GBP 200,000	233	0.21
AXA 6.772% FRN Perpetual	GBP 200,000	202	0.18
Banco Santander 2.75% 12/9/2023	GBP 500,000	517	0.47
Bank of America 5.5% 22/11/2021	GBP 425,000	463	0.42
Bank of America 7% 31/7/2028	GBP 550,000	773	0.71
Bank of Ireland 3.125% 19/9/2027	GBP 200,000	196	0.18
Bank of Scotland 4.875% 20/12/2024	GBP 850,000	1,007	0.92
Bank of Scotland 7.281% Perpetual	GBP 200,000	244	0.22

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds (cont.)			
Banque Federative du Credit Mutuel 1.75% 19/12/2024	GBP 400,000	401	0.37
Barclays 3.125% 17/1/2024	GBP 630,000	648	0.59
Barclays 3.25% 12/2/2027	GBP 300,000	306	0.28
Barclays 3.25% 17/1/2033	GBP 789,000	768	0.70
Barclays 9.5% 07/8/2021	GBP 250,000	288	0.26
BAT International Finance 2.25% 09/9/2052	GBP 630,000	448	0.41
BAT International Finance 6% 29/6/2022	GBP 600,000	674	0.62
BAT International Finance 6% 24/11/2034	GBP 125,000	161	0.15
BAT International Finance 7.25% 12/3/2024	GBP 340,000	418	0.38
Bazalgette Finance 2.375% 29/11/2027	GBP 415,000	432	0.39
Berkshire Hathaway Finance 2.375% 19/6/2039	GBP 150,000	153	0.14
Berkshire Hathaway Finance 2.625% 19/6/2059	GBP 177,000	186	0.17
Blend Funding 3.459% 21/9/2049	GBP 353,000	394	0.36
BMW International Investment 1.875% 11/9/2023	GBP 482,000	487	0.45
BP Capital Markets 2.03% 14/2/2025	GBP 430,000	441	0.40
BPCE 5.25% 16/4/2029	GBP 200,000	238	0.22
Broadgate Financing 4.821% 05/7/2036	GBP 340,000	451	0.41
Broadgate Financing 5.098% 05/4/2035	GBP 396,667	467	0.43
Bromford Housing 3.125% 03/5/2048	GBP 338,000	366	0.33
Canary Wharf Finance II 6.455% 22/10/2033	GBP 26,272	33	0.03
Channel Link Enterprises Finance 3.043% 30/6/2050	GBP 250,000	257	0.23
Channel Link Enterprises Finance 6.341% 30/6/2046	GBP 204,116	301	0.28
Circle Anglia Social Housing 7.25% 12/11/2038	GBP 220,000	374	0.34
Citigroup 2.75% 24/1/2024	GBP 172,000	179	0.16
Citigroup 5.875% 01/7/2024	GBP 360,000	422	0.39
Citigroup 6.8% 25/6/2038	GBP 420,000	678	0.62
Clydesdale Bank 4.625% 08/6/2026	GBP 330,000	401	0.37
Comcast 5.5% 23/11/2029	GBP 495,000	658	0.60
Connect Plus M25 Issuer 2.607% 31/3/2039	GBP 324,724	348	0.32
Co-Operative Bank 4.75% 11/11/2021	GBP 700,000	743	0.68
Coventry Building Society 5.875% 28/9/2022	GBP 505,000	574	0.52
CPUK Finance 3.588% 28/2/2042	GBP 310,000	331	0.30
CPUK Finance 4.25% 28/2/2047	GBP 225,000	225	0.21
Credit Suisse 3% 27/5/2022	GBP 620,000	646	0.59
CRH Finance 4.125% 02/12/2029	GBP 200,000	233	0.21
CYBG 4% 25/9/2026	GBP 300,000	301	0.28
CYBG 5% 09/2/2026	GBP 1,130,000	1,130	1.03
CYBG 8% Perpetual	GBP 400,000	389	0.36
Daimler 1.5% 13/1/2022	GBP 600,000	602	0.55

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds (cont.)			
Deutsche Bank 1.875% 28/2/2020	GBP 500,000	500	0.46
Digital Stout 3.3% 19/7/2029	GBP 440,000	456	0.42
Digital Stout 3.75% 17/10/2030	GBP 188,000	201	0.18
Digital Stout 4.75% 13/10/2023	GBP 255,000	284	0.26
Dignity Finance 4.6956% 31/12/2049	GBP 450,000	362	0.33
Direct Line Insurance 4.75% Perpetual	GBP 650,000	553	0.51
Direct Line Insurance 9.25% 27/4/2042	GBP 500,000	592	0.54
E.ON International Finance 5.875% 30/10/2037	GBP 250,000	357	0.33
E.ON International Finance 6.375% 07/6/2032	GBP 1,250,000	1,770	1.62
Eastern Power Networks 5.75% 08/3/2024	GBP 595,000	700	0.64
Électricité de France 5.5% 27/3/2037	GBP 100,000	138	0.13
Électricité de France 5.5% 17/10/2041	GBP 900,000	1,291	1.18
Électricité de France 5.875% Perpetual	GBP 600,000	633	0.58
Électricité de France 6% 23/1/2114	GBP 400,000	624	0.57
Enel Finance International 5.75% 14/9/2040	GBP 520,000	707	0.65
ENGIE 5% 01/10/2060	GBP 300,000	479	0.44
ENGIE 7% 30/10/2028	GBP 400,000	578	0.53
Eversholt Funding 3.529% 07/8/2042	GBP 306,000	306	0.28
Eversholt Funding 6.359% 02/12/2025	GBP 340,000	417	0.38
Eversholt Funding 6.697% 22/2/2035	GBP 255,000	329	0.30
Experian Finance 2.125% 27/9/2024	GBP 276,000	282	0.26
FCE Bank 2.727% 03/6/2022	GBP 130,000	131	0.12
Fidelity National Information Services 2.602% 21/5/2025	GBP 182,000	187	0.17
Fidelity National Information Services 3.36% 21/5/2031	GBP 323,000	341	0.31
First Hydro Finance 9% 31/7/2021	GBP 500,000	573	0.52
FirstGroup 6.875% 18/9/2024	GBP 200,000	234	0.21
Fiserv 2.25% 01/7/2025	GBP 100,000	100	0.09
Fiserv 3% 01/7/2031	GBP 100,000	101	0.09
Friends Life 8.25% 21/4/2022	GBP 600,000	708	0.65
Gatwick Funding 2.875% 05/7/2051	GBP 366,000	357	0.33
Gatwick Funding 4.625% 27/3/2036	GBP 500,000	618	0.57
Gatwick Funding 6.125% 02/3/2028	GBP 600,000	750	0.69
GE Capital 5.375% 18/12/2040	GBP 110,000	132	0.12
GE Capital UK Funding 6.25% 05/5/2038	GBP 76,000	100	0.09
GlaxoSmithKline Capital 4.25% 18/12/2045	GBP 230,000	301	0.28
GlaxoSmithKline Capital 5.25% 10/4/2042	GBP 200,000	292	0.27
GlaxoSmithKline Capital 6.375% 09/3/2039	GBP 336,000	536	0.49
Glencore Finance Europe 6% 03/4/2022	GBP 200,000	221	0.20
Global Switch 4.375% 13/12/2022	GBP 425,000	460	0.42

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds (cont.)			
Go-Ahead 2.5% 06/7/2024	GBP 470,000	466	0.43
Great Rolling Stock 6.875% 27/7/2035	GBP 151,100	191	0.17
Greene King Finance 3.28613% FRN 15/12/2033	GBP 390,495	389	0.36
Hammerson 3.5% 27/10/2025	GBP 250,000	256	0.23
Heathrow Funding 2.75% 09/8/2051	GBP 250,000	245	0.22
Heathrow Funding 5.875% 13/5/2043	GBP 250,000	375	0.34
Heathrow Funding 6.45% 10/12/2031	GBP 1,000,000	1,449	1.32
Heathrow Funding 7.125% 14/2/2024	GBP 250,000	303	0.28
High Speed Rail Finance 1 4.375% 01/11/2038	GBP 207,000	260	0.24
HSBC 2.256% 13/11/2026	GBP 595,000	594	0.54
HSBC 2.625% 16/8/2028	GBP 400,000	408	0.37
HSBC 3% 29/5/2030	GBP 384,000	395	0.36
HSBC 5.375% 04/11/2030	GBP 310,000	359	0.33
HSBC 5.375% 22/8/2033	GBP 900,000	1,121	1.02
HSBC 5.875% Perpetual	GBP 390,000	409	0.37
HSBC 6% 29/3/2040	GBP 450,000	590	0.54
Imperial Brands Finance 8.125% 15/3/2024	GBP 400,000	508	0.46
Income Contingent Student Loans 2 2007-2009 2.5% 24/07/2058	GBP 341,000	316	0.29
Incommunities Treasury 3.25% 21/3/2049	GBP 100,000	109	0.10
Innogy Finance 4.75% 31/1/2034	GBP 700,000	869	0.79
Innogy Finance 5.5% 06/7/2022	GBP 300,000	336	0.31
Intesa Sanpaolo 5.25% 28/1/2022	GBP 200,000	214	0.20
Intu Debenture 5.562% 31/12/2027	GBP 144,364	148	0.14
Intu Metrocentre Finance 4.125% 06/12/2028	GBP 780,000	787	0.72
John Lewis 4.25% 18/12/2034	GBP 250,000	231	0.21
Land Securities Capital Markets 2.399% 08/2/2031	GBP 750,000	782	0.71
Land Securities Capital Markets 2.625% 22/9/2039	GBP 550,000	563	0.51
Legal & General 5.5% 27/6/2064	GBP 210,000	236	0.22
Lend Lease Europe Finance 6.125% 12/10/2021	GBP 320,000	347	0.32
Lloyds Bank 5.75% 09/7/2025	GBP 441,000	459	0.42
Lloyds Bank 6.5% 17/9/2040	GBP 5,000	8	0.01
Lloyds Bank 7.625% 22/4/2025	GBP 200,000	256	0.23
Lloyds Banking 2.25% 16/10/2024	GBP 1,090,000	1,092	1.00
London & Quadrant 2.25% 20/7/2029	GBP 460,000	458	0.42
London & Quadrant Housing Trust 2.625% 05/5/2026	GBP 220,000	228	0.21
London & Quadrant Housing Trust 3.75% 27/10/2049	GBP 200,000	225	0.21
Marstons Issuer 5.641% FRN 15/7/2035	GBP 100,000	81	0.07
McDonald's 2.95% 15/3/2034	GBP 200,000	211	0.19

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds (cont.)			
Meadowhall Finance 4.986% 12/7/2037	GBP 505,919	619	0.57
Mitchells & Butlers Finance 5.965% 15/12/2025	GBP 50,612	54	0.05
Morhomes 3.4% 19/2/2038	GBP 394,000	408	0.37
Motability Operations 2.375% 03/7/2039	GBP 400,000	391	0.36
Munich Re 6.625% FRN 26/5/2042	GBP 200,000	227	0.21
National Australia Bank 3% 04/9/2026	GBP 510,000	568	0.52
National Grid Gas Finance 2.625% 22/9/2038	GBP 760,000	747	0.68
National Grid Gas Finance 2.75% 22/9/2046	GBP 100,000	97	0.09
National Westminster Bank 6.5% 07/9/2021	GBP 510,000	560	0.51
Nationwide Building Society 3.25% 20/1/2028	GBP 400,000	435	0.40
Nationwide Building Society 5.625% 28/1/2026	GBP 250,000	319	0.29
New York Life Global Funding 1.625% 15/12/2023	GBP 320,000	324	0.30
NewRiver REIT 3.5% 07/3/2028	GBP 239,000	239	0.22
NGG Finance 5.625% 18/6/2073	GBP 525,000	568	0.52
Northern Powergrid Yorkshire 2.5% 01/4/2025	GBP 200,000	209	0.19
Notting Hill Genesis 2.875% 31/1/2029	GBP 157,000	163	0.15
Notting Hill Housing Trust 4.375% 20/2/2054	GBP 200,000	251	0.23
Optivo Finance 3.283% 22/3/2048	GBP 425,000	457	0.42
Orange 3.25% 15/1/2032	GBP 100,000	109	0.10
Orange 5.625% 23/1/2034	GBP 804,000	1,104	1.01
Orange 5.75% Perpetual	GBP 200,000	221	0.20
Ørsted 2.5% 16/5/2033	GBP 344,000	357	0.33
Ørsted 4.875% 12/1/2032	GBP 650,000	838	0.77
Pacific National Finance 5% 19/9/2023	GBP 200,000	221	0.20
Paragon Treasury 3.625% 21/1/2047	GBP 680,000	757	0.69
Peabody Capital No 2 4.625% 12/12/2053	GBP 280,000	380	0.35
Peel Land and Property 8.375% 30/4/2040	GBP 240,358	351	0.32
Penarian Housing Finance 3.212% 07/6/2052	GBP 410,000	419	0.38
Pennon 2.875% Perpetual	GBP 570,000	572	0.52
Pension Insurance 5.625% 20/9/2030	GBP 492,000	500	0.46
Porterbrook Rail Finance 4.625% 04/4/2029	GBP 425,000	485	0.44
Prudential 5.56% 20/7/2055	GBP 340,000	362	0.33
Prudential 5.625% 20/10/2051	GBP 221,000	243	0.22
QBE Insurance 6.115% 24/5/2042	GBP 200,000	218	0.20
Quadgas Finance 3.375% 17/9/2029	GBP 400,000	406	0.37
Quadrant Housing Finance 7.93% 10/2/2033	GBP 105,976	149	0.14
Rabobank 4.625% 23/5/2029	GBP 425,000	492	0.45
RL Finance 6.125% 30/11/2043	GBP 160,000	180	0.16
RMPA Services 5.337% 30/9/2038	GBP 64,391	84	0.08

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds (cont.)			
Royal Bank of Scotland 2.875% 19/9/2026	GBP 426,000	431	0.39
Sanctuary Capital 5% 26/4/2047	GBP 200,000	287	0.26
Santander 3.875% 15/10/2029	GBP 240,000	281	0.26
Santander 5.25% 16/2/2029	GBP 350,000	462	0.42
Santander 7.375% Perpetual	GBP 200,000	212	0.19
Santander UK 3.625% 14/1/2026	GBP 400,000	428	0.39
Severn Trent Utilities Finance 2.75% 05/12/2031	GBP 420,000	448	0.41
Severn Trent Water Utilities 6.25% 07/6/2029	GBP 230,000	315	0.29
Shaftesbury Carnaby 2.487% 30/9/2031	GBP 400,000	393	0.36
Shaftesbury Chinatown 2.348% 30/9/2027	GBP 255,000	253	0.23
SNCF Réseau 5.25% 31/1/2035	GBP 350,000	505	0.46
SNCF Réseau 5.375% 18/3/2027	GBP 200,000	256	0.23
Society of Lloyd's 4.75% 30/10/2024	GBP 200,000	221	0.20
South Eastern Power Networks 5.625% 30/9/2030	GBP 168,000	223	0.20
Southern Gas Network 4.875% 21/3/2029	GBP 600,000	749	0.68
Southern Water Services Finance 6.192% 31/3/2029	GBP 150,000	205	0.19
Sovereign Housing Capital 5.705% 10/9/2039	GBP 200,000	295	0.27
SSE 3.625% 16/9/2077	GBP 200,000	201	0.18
SSE 3.875% Perpetual	GBP 370,000	375	0.34
Stagecoach 4% 29/9/2025	GBP 410,000	431	0.39
TC Dudgeon Ofto 3.158% 12/11/2038	GBP 248,077	269	0.25
Telefónica Emisiones 5.289% 09/12/2022	GBP 650,000	731	0.67
Telefónica Emisiones 5.375% 02/2/2026	GBP 140,000	167	0.15
Telereal Secured Finance 4.01% 10/12/2033	GBP 458,330	498	0.46
Telereal Securitisation 3.73563% FRN 10/12/2033	GBP 310,000	288	0.26
Telereal Securitisation 4.9741% 10/12/2033	GBP 93,000	106	0.10
Telereal Securitisation 5.5653% 10/12/2033	GBP 138,549	164	0.15
Tesco Property Finance 3 5.744% 13/4/2040	GBP 639,263	831	0.76
Tesco Property Finance 4 5.8006% 13/10/2040	GBP 97,638	129	0.12
Thames Water Utilities Cayman Finance 1.875% 24/1/2024	GBP 220,000	220	0.20
Thames Water Utilities Cayman Finance 3.5% 25/2/2028	GBP 330,000	359	0.33
Thames Water Utilities Cayman Finance 4.375% 03/7/2034	GBP 650,000	774	0.71
Thames Water Utilities Finance 5.125% 28/9/2037	GBP 300,000	390	0.36
Time Warner Cable 5.25% 15/7/2042	GBP 200,000	228	0.21
Time Warner Cable 5.75% 02/6/2031	GBP 325,000	393	0.36
Total Capital International 1.75% 07/7/2025	GBP 338,000	344	0.31
Tritax Big Box REIT 2.625% 14/12/2026	GBP 100,000	101	0.09
UNITE 3.5% 15/10/2028	GBP 360,000	377	0.34
University of Cambridge 2.35% 27/6/2078	GBP 221,000	236	0.22

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Sterling Denominated Corporate Bonds (cont.)			
Veolia Environnement 6.125% 29/10/2037	GBP 550,000	835	0.76
Verizon Communications 2.5% 08/4/2031	GBP 121,000	123	0.11
Verizon Communications 3.375% 27/10/2036	GBP 100,000	110	0.10
Verizon Communications 4.75% 17/2/2034	GBP 500,000	630	0.58
Vicinity Centres 3.375% 07/4/2026	GBP 230,000	244	0.22
Vinci 2.25% 15/3/2027	GBP 200,000	207	0.19
Vinci 2.75% 15/9/2034	GBP 200,000	212	0.19
Vodafone 3% 12/8/2056	GBP 540,000	477	0.44
Vodafone 4.875% 03/10/2078	GBP 316,000	323	0.30
Volkswagen Financial Services 1.75% 12/9/2022	GBP 720,000	720	0.66
Volkswagen Financial Services 2.125% 27/6/2024	GBP 300,000	298	0.27
Volkswagen Financial Services 2.75% 10/7/2023	GBP 200,000	205	0.19
Wal-Mart Stores 5.25% 28/9/2035	GBP 600,000	874	0.80
Wellcome Trust 2.517% 07/2/2118	GBP 245,000	252	0.23
Welltower 4.8% 20/11/2028	GBP 510,000	601	0.55
Western Power Distribution 3.625% 06/11/2023	GBP 306,000	323	0.30
Western Power Distribution 5.25% 17/1/2023	GBP 460,000	519	0.47
Western Power Distribution 5.75% 16/4/2032	GBP 450,000	612	0.56
Westfield America Management 2.125% 30/3/2025	GBP 400,000	402	0.37
Westpac Banking 2.625% 14/12/2022	GBP 260,000	272	0.25
Wheatley 4.375% 28/11/2044	GBP 250,000	304	0.28
Yorkshire Building Society 3.375% 13/9/2028	GBP 290,000	277	0.25
Yorkshire Water Services Bradford Finance 6.375% 19/8/2039	GBP 350,000	568	0.52
Non-Sterling Denominated Corporate Bonds 2.79% (3.50%)			
ABN AMRO 5.75% Perpetual	EUR 400,000	376	0.34
Bayer Capital BV 1.5% 26/6/2026	EUR 200,000	185	0.17
Bayer Capital BV 2.125% 15/12/2029	EUR 400,000	377	0.35
Breeze Finance 0% 19/4/2027	EUR 90,833	24	0.02
Channel Link Enterprises Finance 1.761% 30/6/2050	EUR 380,000	342	0.31
Charter Communications Operating 4.908% 23/7/2025	USD 400,000	341	0.31
Danske Bank 5.75% FRN Perpetual	EUR 450,000	411	0.38
HBOS Capital Funding 6.85% Perpetual	USD 154,000	123	0.11
Société Générale 7.375% Perpetual	USD 400,000	330	0.30
Standard Chartered 6.5% 02/10/2166	USD 450,000	358	0.33
Telefonica Europe BV 3% Perpetual	EUR 200,000	183	0.17

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Derivatives -0.01% (-0.12%)			
EUR Forward Foreign Currency Contracts -0.02% (-0.06%)			
Forward Foreign Currency Contracts 21/8/2019	EUR 201,126	180	0.16
Forward Foreign Currency Contracts 21/8/2019	GBP (178,591)	(178)	(0.16)
Forward Foreign Currency Contracts 21/8/2019	EUR (2,297,212)	(2,059)	(1.88)
Forward Foreign Currency Contracts 21/8/2019	GBP 2,036,535	2,037	1.86
Forward Foreign Currency Contracts 21/8/2019	EUR (51,870)	(46)	(0.04)
Forward Foreign Currency Contracts 21/8/2019	GBP 46,292	46	0.04
USD Forward Foreign Currency Contracts 0.00% (-0.05%)			
Forward Foreign Currency Contracts 21/8/2019	USD (1,464,677)	(1,148)	(1.05)
Forward Foreign Currency Contracts 21/8/2019	GBP 1,152,487	1,152	1.05
Forward Foreign Currency Contracts 21/8/2019	USD (32,869)	(26)	(0.02)
Forward Foreign Currency Contracts 21/8/2019	GBP 25,871	26	0.02
Forward Foreign Currency Contracts 21/8/2019	USD (21,946)	(17)	(0.02)
Forward Foreign Currency Contracts 21/8/2019	GBP 17,294	17	0.02
Forward Foreign Currency Contracts 21/8/2019	USD (462,756)	(363)	(0.33)
Forward Foreign Currency Contracts 21/8/2019	GBP 364,150	364	0.33
Forward Foreign Currency Contracts 21/8/2019	USD 440,139	345	0.32
Forward Foreign Currency Contracts 21/8/2019	GBP (345,425)	(345)	(0.32)
Forward Foreign Currency Contracts 21/8/2019	USD 47,664	37	0.03
Forward Foreign Currency Contracts 21/8/2019	GBP (37,753)	(38)	(0.03)
Futures 0.01% (-0.01%)			
Euro-Bund Future September 2019 Futures	(3)	(5)	0.00
Long Gilt Future September 2019 Futures	10	13	0.01
Portfolio of investments		107,931	98.66
Net current assets		1,463	1.34
Total net assets		109,394	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2018.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Financial Statements

for the six months ended 30 June 2019

Statement of Total Return (unaudited)

	Notes	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Income					
Net capital gains/(losses)					
Net capital gains/(losses) on investments	1	5,934		(2,394)	
Other (losses)/gains	1	(1)		3	
			5,933		(2,391)
Revenue	2	1,769		1,196	
Expenses	3	(46)		(37)	
Interest payable and similar charges	4	(1)		0	
Net revenue before taxation		1,722		1,159	
Taxation		(6)		(5)	
Net revenue after taxation			1,716		1,154
Total return before distributions			7,649		(1,237)
Distributions	5		(1,762)		(1,191)
Net increase/(decrease) in Shareholders' funds from Investment activities			5,887		(2,428)

Statement of Movement in Shareholders' Funds (unaudited)

	£000's	30 June 2019 £000's	£000's	30 June 2018 £000's
Opening net assets attributable to Shareholders		107,634		70,671
Amounts receivable on issue of shares	6,801		2,999	
Amounts payable on cancellation of shares	(10,928)		(4,308)	
		(4,127)		(1,309)
Net increase/(decrease) in Shareholders' funds from investment activities (see above)		5,887		(2,428)
Closing net assets attributable to Shareholders		109,394		66,934

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements (cont.)

for the six months ended 30 June 2019

Statement of Financial Position (unaudited)

	Notes	30 June 2019 £000's	31 December 2018 £000's
Assets			
Fixed assets			
Investment assets at fair value through profit or loss		107,959	106,616
Current assets			
Debtors	7	2,517	1,900
Cash and bank balances		1,229	370
Total current assets		3,746	2,270
Total assets		111,705	108,886
Liabilities			
Investment liabilities at fair value through profit or loss		(28)	(157)
Creditors			
Amounts due to future clearing houses and brokers		0	(2)
Distribution payable	8	(892)	(911)
Other creditors	8	(1,391)	(182)
Total other liabilities		(2,283)	(1,095)
Total liabilities		(2,311)	(1,252)
Net assets attributable to Shareholders		109,394	107,634

All liabilities are current.

The notes on pages 13 to 17 and pages 91 to 92 form part of the Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2019

1 Net capital gains/(losses)

The net capital gains/(losses) on investments during the period comprise:

	30 June 2019 £000's	30 June 2018 £000's
Non-derivative securities*	5,889	(2,318)
Derivative securities*	35	(4)
Forward currency contracts*	19	(66)
Other (losses)/gains – currency (losses)/gains*	(1)	3
Custodial transaction fees	(9)	(6)
Net capital gains/(losses)	5,933	(2,391)

*Net gains (excluding custodial transaction fees) listed above of £5,941,303 comprise net realised gains of £271,902 and net unrealised gains of £5,669,401 (2018: £(2,385,422) comprise net realised gains of £403,828 and net unrealised losses of £(2,789,250)). £(403,021) of the net realised losses in the current period had been shown as net unrealised losses in previous periods (2018: £447,105 net realised gains).

2 Revenue

	30 June 2019 £000's	30 June 2018 £000's
Bank interest	2	0
Interest on debt securities	1,766	1,196
Money market deposit	1	0
Total revenue	1,769	1,196

3 Expenses

	30 June 2019 £000's	30 June 2018 £000's
Payable to the Manager or Associate of the Manager:		
Manager's periodic charge	5	8
	5	8
Other expenses:		
Audit fees	12	4
Custodian fees	13	9
Directors' fees	5	7
Other expenses	11	9
	41	29
Total expenses	46	37

4 Interest payable and similar charges

	30 June 2019 £000's	30 June 2018 £000's
Interest payable	1	0
Total interest payable and similar charges	1	0

Notes to the Financial Statements (cont.)

5 Distributions

The distributions take account of equalisation amounts added on the issue of shares and equalisation amounts deducted on the cancellation of shares. They comprise:

	30 June 2019 £000's	30 June 2018 £000's
Interim distribution 31 March	867	566
Interim distribution 30 June	892	619
	1,759	1,185
Amounts added on issue of shares	(41)	(13)
Amounts deducted on cancellation of shares	44	19
Gross distributions for the period	1,762	1,191

6 Net movement between revenue after taxation and distributions

	30 June 2019 £000's	30 June 2018 £000's
Net revenue after taxation	1,716	1,154
Expenses paid from capital	46	37
Gross distributions for the period	1,762	1,191

7 Debtors

	30 June 2019 £000's	31 December 2018 £000's
Accrued revenue	1,622	1,789
Amounts receivable on issue of shares	103	110
Prepaid expenses	1	1
Sales awaiting settlement	791	0
Total debtors	2,517	1,900

8 Creditors

	30 June 2019 £000's	31 December 2018 £000's
a) Distribution payable		
Gross distribution payable	892	911
Total distribution payable	892	911
b) Other creditors		
Accrued expenses	22	23
Amounts payable for cancellation of shares	35	159
Purchases awaiting settlement	1,334	0
Total creditors	1,391	182

Fund Report

Environment

Global stock markets, including the UK, moved higher over the first half of the year. This was despite a pullback in May, when the US-China trade dispute escalated. Fears about global growth consequently resurfaced, prompting a sharp sell-off in global equities. However, central banks responded with supportive rhetoric and pledges of fresh stimulus to revive economic growth. In Europe, there was a growing expectation not only of an imminent interest rate cut but also the initiation of a new bond-buying programme by the European Central Bank. In the case of the US Federal Reserve, the market-implied probability of an interest rate cut at its end-July meeting moved to 100%. This created a more positive mood. Investor confidence received another boost at the end of June when presidents Trump and Xi agreed a 'truce' in their trade war.

While still delivering positive performance over the first half of 2019, UK equities trailed their US and European peers, as investors continued to grapple with Brexit-induced political and economic insecurity. This was reflected in the performance of companies whose earnings are derived largely from overseas trade versus the less stable returns from firms with a focus on the UK market.

Bucking the more dovish trend of other global central banks, the Bank of England (BoE) opted to maintain interest rates at 0.75%, as it keeps a watchful eye on the next phase of the Brexit saga. However, it also reduced its growth expectations for the second quarter of 2019 from 0.2% to zero. Inflation, meanwhile, fell to the BoE's 2% target in May, with cheaper air fares and cars helping to depress the Consumer Prices Index.

Performance

The Fund returned +11.18% for the six-month period. This lagged the comparative FTSE All-Share Index return of +12.97%.

Performance over the period was driven by positive stock selection in healthcare, utilities and basic materials. The holdings in Abcam and Dechra Pharmaceuticals were notable contributors to performance. This validated our decision to diversify traditional pharmaceutical exposure into niche areas, which insulated the Fund from the broader sector rotation as a result of US policy headwinds. The positive contribution from basic materials was driven by the overweight allocation and positive stock selection in mining, as holdings in Anglo American, BHP Group and Rio Tinto all performed strongly. The Fund benefited from an underweight position in HSBC and not holding Glencore or International Consolidated Airlines.

The most significant detractor from performance was the exposure to consumer services due to the Fund's holding in Saga. The company aggressively reset expectations around profitability and suggested that its margins were unsustainable, leading to substantial downgrades. This development broke our initial investment case, which was based on Saga being able to improve its performance, given its unique position within a growing segment of the market. The successful execution of its new strategy will determine the value in the business. The now reduced position has been retained but Saga has become a 'show me' investment case. Wood Group was punished during the period, based on concerns surrounding its cash generation and progress with regards to its Amec Foster Wheeler acquisition. We used the share price weakness as an opportunity to increase the holding in the stock, as the company has attractive exposure to infrastructure spending and growth in US shale markets. It is, therefore, well placed to deliver future cash flows and reduce its debt pile. Finally, the underweight exposure to London Stock Exchange and Experian was also negative for performance.

Activity

During the first half of the year, the Fund purchased a new position in RBS. The company has undergone a significant overhaul over the last decade and has emerged as a smaller, and stronger, UK-focused bank. As legacy issues have all but been resolved, it is a far higher quality (both financially and operationally) institution than it once was. For the first time in a decade, the company commenced the return of surplus capital to Shareholders. It is also geared to benefit from rate rises as the majority of deposits are held within current accounts. Positions in the following existing holdings were increased: Synthomer, Cineworld, Inchcape, Saga, Renishaw, AstraZeneca, Royal Dutch Shell, Wood Group, Fever-Tree Drinks, BP, Mondi, Melrose, Bodycote and Diageo.

In terms of sales, the holding in Sophos was sold as another profit warning brought with it more uncertainty and a weak outlook for growth. Its management's credibility has been called into question as they failed to communicate with the market and execute on revised guidance. There may be a fundamental valuation angle, but the stock lacks both operational quality and executional consistency. Without greater clarity, the reported issues can be interpreted as declining growth signals, justifying the sale of the holding. The holding in Phoenix was also sold. The scale of the business has materially increased following the SLAL acquisition, which will likely limit the ability to find further value-accretive deals. In addition, it is reliant on merger & acquisitions to stem the back-book run-off, which poses an uncomfortable risk.

Fund Report (cont.)

Activity continued

More recently, we sold holdings in Meggitt and British American Tobacco. Meggitt was sold on the basis that its valuation offered little protection for the risk associated with the company failing to achieve its medium-term guidance. Its self-help opportunity is widely recognised and, with returns the lowest in the sector and leverage above peers, there are more compelling investment opportunities elsewhere. British American Tobacco was sold as it operates in an industry in structural decline. Although barriers to entry are high in combustibles, next-generation product-growth markets are competitive and the constantly evolving regulatory environment is an ever-present risk. The cash generation, and arguably the valuation, are attractive; however, the headwinds faced by the sector are too strong to justify retaining the holding.

Holdings in BHP, Rio Tinto and Anglo American were reduced as a profit taking exercise, following short-term commodity price strength (notably iron ore). The active position in Vodafone was also reduced in anticipation of the dividend cut, and profits were banked in the holding in RELX.

Outlook

We have downgraded our global growth forecasts amid subdued activity data and rising political and policy uncertainty. As a result, our projections no longer incorporate a re-acceleration in global growth. Instead, we expect global GDP growth to be flat, and below the post-financial crisis average, out to 2021. Moreover, even that outlook is dependent on several major central banks easing monetary policy this year and the US-China trade war not escalating further.

On the positive side, global financial conditions have remained relatively loose. The European industrial cycle appears to be bottoming. Meanwhile, advanced economy labour markets have remained resilient, supporting solid consumer demand. On the negative side, trade tensions have re-escalated. Political developments in the UK, Italy, Argentina, Turkey and Iran have also taken a less positive direction. There has been little evidence of spill-over from Chinese stimulus to the rest of the world so far. The fluid trade-policy environment is a particularly important – and difficult to forecast – driver of the outlook.

Rather than focus on short-term market noise, we continue to concentrate on long-term structural growth. Specific areas of focus are the beneficiaries of 5G roll-outs, digitalisation of payments, decarbonisation of energy, electrification of transport and healthcare applications that are driving longevity. We seek to identify companies that will benefit from shifting trends, while avoiding those where change will be detrimental.

Statistics

Net Asset Value History by Share Class

Retail Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	2,335,945	200.84	1,163,088
31 December 2017	1,912,930	223.22	856,989
31 December 2018	1,681,507	197.39	851,869
30 June 2019	1,832,390	214.59	853,921

Z Shares as at	Net Asset Value (£)	Pence per share	Shares in issue
31 December 2016	9,267,134	50.64	18,301,718
31 December 2017	10,433,104	56.71	18,398,531
31 December 2018	11,249,174	50.52	22,266,916
30 June 2019	11,740,072	55.13	21,296,020

Distribution Information by Share Class

For the period ended 30 June 2019

Interim Distribution (In pence per share)	01/01/19 to 30/06/19	01/01/18 to 30/06/18
Retail Shares		
Payable 31 August 2019	4.2238	4.1135
Z Shares		
Payable 31 August 2019	1.1515	1.1176

Top Ten Purchases and Sales

The table below shows the top ten purchases and all of the sales (excluding any derivative transactions) for the period:

Purchases	£000's	Sales	£000's
Royal Bank of Scotland	242	British American Tobacco	290
Royal Dutch Shell 'B' (UK Regd.)	90	Meggitt	156
AstraZeneca	89	Anglo American	156
Cineworld	60	Phoenix	116
Synthomer	48	BHP	110
Mondi	33	Sophos	105
Inchcape	33	RELX	80
Fever-Tree Drinks	32	Rio Tinto (UK Regd.)	79
Saga	28	Vodafone	52
Melrose Industries	28		

Portfolio Statement (unaudited)

as at 30 June 2019

Investments	Holding	Market Value £000's	Total Net Assets %
United Kingdom 94.49% (93.17%)			
Oil & Gas Producers 11.62% (10.27%)			
BP	125,678	689	5.08
Royal Dutch Shell 'B' (UK Regd.)	34,398	888	6.54
Oil Equipment, Services & Distribution 1.64% (1.72%)			
Wood (John)	49,075	222	1.64
Chemicals 4.33% (3.61%)			
Johnson Matthey	12,823	427	3.14
Synthomer	43,188	161	1.19
Forestry & Paper 1.54% (1.23%)			
Mondi	11,712	209	1.54
Mining 5.33% (6.67%)			
Anglo American	8,978	201	1.48
BHP	11,637	234	1.73
Rio Tinto (UK Regd.)	5,910	288	2.12
Construction & Materials 1.69% (2.74%)			
Melrose Industries	126,955	230	1.69
Aerospace & Defence 0.00% (1.09%)			
Electronic & Electrical Equipment 1.36% (1.23%)			
Renishaw	4,324	184	1.36
Industrial Engineering 3.56% (3.09%)			
Bodycote	28,754	238	1.75
Weir	15,858	245	1.81
Industrial Transportation 1.85% (1.74%)			
James Fisher & Sons	13,100	251	1.85
Support Services 2.78% (1.65%)			
Bunzl	9,000	187	1.38
Ferguson	3,400	190	1.40
Beverages 4.52% (3.73%)			
Diageo	12,390	419	3.09
Fever-Tree Drinks	8,421	195	1.43

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Food Producers 2.27% (2.00%)			
Unilever	6,300	308	2.27
Household Goods & Home Construction 3.66% (3.60%)			
Bellway	7,813	217	1.60
Reckitt Benckiser	4,500	280	2.06
Tobacco 0.95% (3.18%)			
Imperial Brands	7,000	129	0.95
Pharmaceuticals & Biotechnology 13.04% (11.11%)			
Abcam	24,000	354	2.61
AstraZeneca	5,467	352	2.59
BTG	22,300	186	1.37
Dechra Pharmaceuticals	14,566	399	2.94
GlaxoSmithKline	30,350	479	3.53
General Retailers 3.96% (4.24%)			
DS Smith	74,373	270	1.99
Inchcape	29,658	183	1.35
Saga	213,947	85	0.62
Media 2.53% (2.79%)			
RELX	18,026	344	2.53
Travel & Leisure 4.06% (3.52%)			
Cineworld	82,828	210	1.55
Greene King	19,000	117	0.86
InterContinental Hotels	4,325	224	1.65
Fixed Line Telecommunications 0.93% (1.17%)			
BT	64,000	126	0.93
Mobile Telecommunications 1.52% (2.35%)			
Vodafone	159,202	206	1.52
Gas, Water & Multiutilities 3.43% (3.24%)			
National Grid	27,500	230	1.70
Severn Trent	11,500	235	1.73

Portfolio Statement (unaudited) (cont.)

Investments	Holding	Market Value £000's	Total Net Assets %
Banks 5.83% (4.31%)			
HSBC (UK Regd.)	59,000	388	2.86
Lloyds Banking	338,000	191	1.41
Royal Bank of Scotland	96,376	212	1.56
Life Insurance 6.29% (6.41%)			
Aviva	52,615	219	1.61
Legal & General	83,000	224	1.65
Prudential	23,930	411	3.03
Real Estate Investment Trusts 0.73% (0.79%)			
Shaftesbury	12,300	99	0.73
Financial Services 3.30% (3.16%)			
Close Brothers	12,300	174	1.28
John Laing	69,700	274	2.02
Investment Trusts 1.77% (1.55%)			
Biotech Growth Trust	31,800	240	1.77
Software & Computer Services 0.00% (0.98%)			
Portfolio of investments		12,824	94.49
Net current assets		748	5.51
Total net assets		13,572	100.00

Total unapproved and unquoted securities 0.00%.

Comparative figures in brackets refer to 31 December 2018.

Unless otherwise indicated, the holdings in the Portfolio Statement represent the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers, which are listed on an eligible securities market.

Financial Statements

for the six months ended 30 June 2019

Statement of Total Return (unaudited)

	Notes	30 June 2019		30 June 2018	
		£000's	£000's	£000's	£000's
Income					
Net capital gains					
Net capital gains on investments	1	1,179		105	
			1,179		105
Revenue	2	295		240	
Expenses	3	(14)		(14)	
Interest payable and similar charges	4	0		(1)	
Net revenue before taxation		281		225	
Taxation		0		0	
Net revenue after taxation			281		225
Total return before distributions			1,460		330
Distributions	5		(288)		(232)
Net increase in Shareholders' funds from Investment activities			1,172		98

Statement of Movement in Shareholders' Funds (unaudited)

	30 June 2019		30 June 2018	
	£000's	£000's	£000's	£000's
Opening net assets attributable to Shareholders		12,931		12,346
Amounts receivable on issue of shares	352		585	
Amounts payable on cancellation of shares	(883)		(851)	
		(531)		(266)
Net increase in Shareholders' funds from investment activities (see above)		1,172		98
Closing net assets attributable to Shareholders		13,572		12,178

The opening net assets attributable to Shareholders for the current period do not equal the closing net assets attributable to Shareholders for the comparative period as they are not consecutive periods.

All results above are derived from continuing activities for both the current and prior periods.

Financial Statements (cont.)

for the six months ended 30 June 2019

Statement of Financial Position (unaudited)

	Notes	30 June 2019 £000's	31 December 2018 £000's
Assets			
Fixed assets			
Investment assets at fair value through profit or loss		12,824	12,048
Current assets			
Debtors	7	74	44
Cash and bank balances		974	1,073
Total current assets		1,048	1,117
Total assets		13,872	13,165
Liabilities			
Creditors			
Bank overdraft		(14)	0
Distribution payable	8	(281)	(224)
Other creditors	8	(5)	(10)
Total other liabilities		(300)	(234)
Total liabilities		(300)	(234)
Net assets attributable to Shareholders		13,572	12,931

All liabilities are current.

The notes on pages 13 to 17 and pages 101 to 102 form part of the Financial Statements.

Notes to the Financial Statements

for the six months ended 30 June 2019

1 Net capital gains

The net capital gains on investments during the period comprise:

	30 June 2019 £000's	30 June 2018 £000's
Non-derivative securities*	1,180	106
Custodial transaction fees	(1)	(1)
Net capital gains	1,179	105

*Net gains (excluding custodial transaction fees) listed above of £1,180,259 comprise net realised gains of £169,123 and net unrealised gains of £1,011,136 (2018: £105,659 comprise net realised losses of £(39,794) and net unrealised gains of £145,453). £19,913 of the net realised gains in the current period had been shown as net unrealised gains in the previous periods (2018: £(26,613) net realised losses).

2 Revenue

	30 June 2019 £000's	30 June 2018 £000's
Money market deposit	3	0
Overseas dividends	2	6
UK dividends	290	234
Total revenue	295	240

3 Expenses

	30 June 2019 £000's	30 June 2018 £000's
Payable to the Manager or Associate of the Manager:		
Manager's periodic charge	9	9
	9	9
Other expenses:		
Audit fees	1	1
Custodian fees	2	2
Directors' fees	1	1
Other expenses	1	1
	5	5
Total expenses	14	14

4 Interest payable and similar charges

	30 June 2019 £000's	30 June 2018 £000's
Interest payable	0	1
Total interest payable and similar charges	0	1

Notes to the Financial Statements (cont.)

5 Distributions

The distributions take account of equalisation amounts added on the issue of shares and equalisation amounts deducted on the cancellation of shares. They comprise:

	30 June 2019 £000's	30 June 2018 £000's
Interim distribution 30 June	281	235
	281	235
Amounts added on issue of shares	(4)	(4)
Amounts deducted on cancellation of shares	11	1
Gross distributions for the period	288	232

6 Net movement between revenue after taxation and distributions

	30 June 2019 £000's	30 June 2018 £000's
Net revenue after taxation	281	225
Expenses paid from capital	7	7
Gross distributions for the period	288	232

7 Debtors

	30 June 2019 £000's	31 December 2018 £000's
Accrued revenue	74	44
Total debtors	74	44

8 Creditors

	30 June 2019 £000's	31 December 2018 £000's
a) Distribution payable		
Gross distribution payable	281	224
Total distribution payable	281	224
b) Other creditors		
Accrued expenses	5	5
Amounts payable for cancellation of shares	0	5
Total creditors	5	10

Find out more

If you would like more information on Aberdeen Standard Capital you can:

Call us on

0345 279 8880

Email us at

asc@aberdeenstandard.com

Visit our website

aberdeenstandardcapital.com

Aberdeen Standard Capital (CI) Limited is registered in Jersey (number 5769) at IFC 1, The Esplanade, St. Helier, Jersey JE1 4BP.

Aberdeen Standard Capital (CI) Limited is regulated by the Jersey Financial Services Commission.

Aberdeen Standard Capital Offshore Strategy Fund Limited is registered in Jersey (number 64833) at IFC 1, The Esplanade, St. Helier, Jersey JE1 4BP.

Aberdeen Standard Capital Offshore Strategy Fund Limited is regulated by the Jersey Financial Services Commission.

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