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# LLOYDS INVESTMENT FUNDS LIMITED

## **Interim Report and Unaudited Financial Statements**

For the six month period ended 31 March 2016

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## Contents

|   |    |
|---|----|
| Company Information   | 2  |
| Investment Objectives and Policy  | 3  |
| Directors' Profiles   | 4  |
| Report of the Directors   | 5  |
| Report of the Investment Manager  | 7  |
| Statements of Financial Position  | 12 |
| Statements of Comprehensive Income  | 16 |
| Statements of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares | 18 |
| Cash Flow Statements  | 20 |
| Investment Dealing  | 24 |
| Euro High Income Fund Investment Portfolio  | 25 |
| European Fund Investment Portfolio  | 28 |
| High Income Fund Investment Portfolio   | 30 |
| International Fund Investment Portfolio   | 34 |
| North American Fund Investment Portfolio  | 36 |
| Sterling Bond Fund Investment Portfolio   | 38 |
| UK Fund Investment Portfolio  | 42 |
| Investments Purchased and Sold  | 44 |
| Summary of Material Portfolio Changes   | 45 |
| Notes to the Financial Statements   | 49 |
| Distribution Tables   | 75 |
| Performance Record  | 77 |
| Net Asset Value per Share   | 80 |

## Company Information

### Registered Office

PO Box 160, 25 New Street,  
St Helier,  
Jersey, JE4 8RG,  
Channel Islands.

### Principal Place of Business

PO Box 311, 11 - 12 Esplanade,  
St Helier,  
Jersey, JE4 8ZU,  
Channel Islands.

### Directors

c/o Registered Office  
R. D. Willcox (Chairman)  
I. M. J. Hardy  
B. C. James  
B. Lysiak

T. J. Herbert  
PO Box 87, 22 Grenville Street,  
St Helier,  
Jersey, JE4 8PX,  
Channel Islands.

### Manager and Registrar

Lloyds Investment Fund Managers Limited  
PO Box 160, 25 New Street,  
St Helier,  
Jersey, JE4 8RG,  
Channel Islands.

### Legal Advisers

Mourant Ozannes  
PO Box 87, 22 Grenville Street,  
St Helier,  
Jersey, JE4 8PX,  
Channel Islands.

### Investment Manager

Aberdeen Asset Investments Limited  
Bow Bells House,  
1 Bread Street,  
London, EC4M 9HH.

### Custodian

Capita Trust Company (Jersey) Limited  
PO Box 532, 12 Castle Street,  
St Helier,  
Jersey, JE2 3RT,  
Channel Islands.

### Secretary

Lloyds Corporate Services (Jersey) Limited  
PO Box 160, 25 New Street,  
St Helier,  
Jersey, JE4 8RG,  
Channel Islands.

### Independent Auditor

PricewaterhouseCoopers CI LLP  
37 Esplanade,  
St Helier,  
Jersey, JE1 4XA,  
Channel Islands.

### Paying Agent

Lloyds Bank International Limited  
PO Box 111,  
Peveiril Buildings, Peveiril Square,  
Douglas,  
Isle of Man, IM99 1JJ.

## Investment Objectives and Policy

Lloyds Investment Funds Limited ('the Company') is an open-ended investment company registered in Jersey with seven classes, each being an individual 'Fund'.

It is known as an 'Umbrella' Fund because it provides its shareholders with a variety of investment options under the umbrella of a single Company.

The overall objective of the Company is to provide investors with a managed investment designed to meet the specific objectives laid down for each Fund. The investment objectives and policy of each Fund is set out below.

### Euro High Income Fund

#### Objective

To maintain a high income through investment in a spread of fixed interest securities denominated predominately in euro.

#### Investment Policy

To support the payment of dividends above the level of short term euro interest rates. This policy will result in a gradual reduction in the capital value of the shares, except when bond prices generally are rising. The Fund will normally hold a relatively wide range of securities in order to keep a low level of exposure to individual bond issues other than government securities. The Fund may also hold a substantial part of its assets in bank deposits and money market instruments from time to time. The Fund is permitted to invest in securities denominated in currencies other than euro. The current policy of the Directors is that any such investments in non-euro denominated securities should be fully hedged against euro to eliminate the effects of any exchange rate movements.

### European Fund

#### Objective

To seek long term capital appreciation through investment in European securities.

#### Investment Policy

To be invested primarily in a diversified portfolio of European (excluding the United Kingdom) equities and from time to time in securities convertible into equities.

### High Income Fund

#### Objective

To seek a high income from a spread of fixed interest securities.

#### Investment Policy

To support the payment of dividends above the level of short term sterling interest rates. This policy will result in a gradual reduction in the capital value of the shares, except when bond prices generally are rising. The Fund will normally hold a relatively wide range of securities in order to keep a low level of exposure to individual bond issues other than government securities. The Fund may also hold a substantial part of its assets in bank deposits and money market instruments from time to time. The Fund is permitted to invest in securities denominated in currencies other than sterling. The current policy of the Directors is that any such investments in non-sterling denominated securities should be fully hedged against sterling to eliminate the effects of any exchange rate movements.

### International Fund

#### Objective

To seek long term capital appreciation through investment in securities world-wide.

#### Investment Policy

To be invested primarily in a diversified portfolio of international equities and from time to time in securities convertible into equities.

### North American Fund

#### Objective

To seek long term capital appreciation through investment in North American securities.

#### Investment Policy

To be invested primarily in a diversified portfolio of North American equities and from time to time in securities convertible into equities.

### Sterling Bond Fund

#### Objective

To provide a regular income from a managed portfolio of sterling fixed interest securities with a particular emphasis on those securities on which interest is paid gross to non-residents of the United Kingdom.

#### Investment Policy

The assets of the Fund are generally invested in a managed portfolio of sterling fixed interest securities which have been issued by governments, local authorities, public utilities and corporations. If it appears advisable to hold assets having a short term maturity, then the Fund may also place money on bank deposit (subject to certain limitations) or to purchase money market instruments.

Similarly, derivative instruments such as traded options and financial futures may be used to reduce risk.

### UK Fund

#### Objective

To seek long term capital appreciation through investment in United Kingdom securities.

#### Investment Policy

To be invested primarily in a diversified portfolio of United Kingdom equities and from time to time in securities convertible into equities.

### Financial risk

It should be remembered that the price of shares and the income from them can go down as well as up and is not guaranteed. Consequently, and particularly in the case of early encashment, you might not get back the amount originally invested. Dividends are not guaranteed and may fluctuate in money terms.

## Directors' Profiles

**Ross Davey Willcox (Chairman) – Head of International Products, Retail, Customer Products, Lloyds Banking Group.**

Joined the Lloyds Banking Group in 1977 and held a number of managerial positions in the UK and Internationally. Was appointed Managing Director of the Lloyds Investment Fund Managers Limited in 1999 and is currently Chairman/Director of the Jersey based Fund Management Company. Current responsibilities include the value proposition of all investment products for International Wealth. A qualified Banker, a Fellow of the Securities & Investment Institute and a Chartered Director.  
Aged 56.

**Ian Mark Jeremie Hardy – Senior Product Manager, International Products, Retail, Lloyds Banking Group.**

Joined the Lloyds Banking Group in 1981 and held a number of managerial positions before being appointed Managing Director of the Group's Guernsey based Fund Management Company in 1997 and a Director of the Company in 2000. Current responsibilities include provision of technical and regulatory advice on a range of investment products and services. Holder of an upper second class honours degree from the University of Aston in Birmingham in Business Administration and Transport Planning.  
Aged 57.

**Timothy Joseph Herbert – Consultant, Mourant Ozannes.**

Jersey born and educated. M.A. in jurisprudence Trinity College Oxford 1982. Member of Middle Temple. Joined Mourant du Feu & Jeune (now Mourant Ozannes) in May 1983. Sworn in as an advocate of the Royal Court, September 1985. Tim Herbert was a partner of Mourant Ozannes from 1987 to 2012. In July 2012 he stepped down from the partnership and is now retained by Mourant Ozannes as a consultant to the firm. He has extensive experience in corporate and commercial law and mutual funds advice. Holds other external directorships and also acts as Honorary Consul for Finland.  
Aged 57.

**Brian Charles James – Head of Investment Operations Jersey, Retail, Lloyds Banking Group.**

Joined the Lloyds Banking Group in 1988 and held a number of managerial positions primarily in Financial Control and Risk Management roles before being appointed as a Director of the Jersey based Fund Management Company and as a Director of the Company in 1999. Current responsibilities include leading a team of specialists delivering operational support for a range of offshore investment products and services. A Chartered Director.  
Aged 54.

**Bronislaw Lysiak – Senior Manager Intermediary Sales, International Private Banking, Lloyds Banking Group.**

Joined the Lloyds Banking Group in 1993 and has held a number of managerial positions within a regulated personal customer environment. Current responsibilities are for sales and distribution of investment products to regulated intermediaries and institutions. Holder of an Advanced Financial Planning Certificate in Taxation, Trust and Investment Planning and Higher National Diploma in Business and Finance.  
Aged 51.

## Report of the Directors

The Directors have pleasure in submitting their Interim Report together with the Unaudited Financial Statements for the six month period ended 31 March 2016. The Company is domiciled and incorporated as a limited liability company in Jersey, Channel Islands, United Kingdom under the Companies (Jersey) Law 1991 and is listed on the Channel Islands Securities Exchange Authority and the Malta Stock Exchange. Full details of the Company are stated on pages 2 to 6.

### Results

The results for the period are set out in the financial statements on pages 12 to 75.

### Distributions

Distributions for the period are detailed in Note 5 to the financial statements.

### Directors

The Directors of the company who were in office during the period and up to the date of signing the financial statements were:

Mr I.M.J. Hardy (appointed 8 May 2000)  
 Mr T.J. Herbert (appointed 11 February 2005)  
 Mr B.C. James (appointed 12 March 1997)  
 Mr B. Lysiak (appointed 5 June 2014)  
 Mr R.D. Willcox (appointed 31 July 1998)

As at 31 March 2016, the Shares held in the Company by the Directors were as follows:

|                    |          |
|--------------------|----------|
| Mr I. M. J. Hardy  | Shares   |
| International Fund | 4,441.80 |

No Director has a service contract with the Company and no Director is, or was, materially interested in any service or other contract entered into by the Company.

Mr T.J. Herbert is a consultant to Mourant Ozannes, who are the Jersey legal advisers to the Company and the Manager. Mourant Ozannes receives fees in connection with advising the Company and the Manager. These are disclosed in Note 10.

Mr B.C. James, Mr I.M.J. Hardy and Mr R.D. Willcox (Chairman) are Directors of Lloyds Investment Fund Managers Limited (the 'Manager') which has a management contract with the Company. Fees earned by the Manager are disclosed in these financial statements in note 9.

### Investment Activities

The Report of the Investment Manager is set out on pages 7 to 10.

### Independent Auditor

PricewaterhouseCoopers CI LLP were re-appointed as Independent Auditor at the Annual General Meeting held on 16 March 2016 and have indicated their willingness to remain in office.

### Prospectus

Copies of the Prospectus are available, free of charge, on application to the Manager. Alternatively they can be accessed on our website at <http://international.lloydsbank.com/international-investments/funds/>

### Management and Administration Providers

The names and addresses of management and administration providers are stated on page 2.

### Comparatives Tables

The Distribution Tables, Performance Records and Net Asset Value per Share tables are stated on pages 76 to 81.

### Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS). The Directors are required by the Companies (Jersey) Law 1991 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company for that period and are in accordance with applicable laws. In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991 and the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended).

They are also responsible for the safeguarding of the assets of the Company which includes the appointment of a duly qualified Custodian. The Directors must also ensure that they or their duly appointed agents take reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

So far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and each Director has taken all the steps that he ought to have taken as Director, in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

## Report of the Directors (continued)

### Market Conditions

Assets held within the Funds can be affected by market conditions and this may affect the share price of those Funds. The Directors would like to remind shareholders that investment in the Funds should be considered as a long term commitment, as the price of shares may rise and fall in the short term in response to changing market conditions.

### Information Exchange

Jersey has entered into a number of information exchange agreements with the authorities of other jurisdictions. These include requirements set out under The European Union Savings Tax Directive (EUSD), Foreign Account Tax Compliance Act (FATCA) in the United States of America and UK Crown Dependencies Inter Governmental Agreements.

Shareholders should be aware that information on their investment may be shared with the relevant authorities, and may be passed to the tax authorities in their country of residence, citizenship or residence for tax purposes. For the avoidance of doubt this information may include (but not be limited to) details of shareholder names, addresses, unique identifiers (such as tax or national insurance numbers), amount of investment, redemption or sale proceeds and dividend payments.

### Financial Risk Management

The Directors have taken into consideration the financial risk management of the Company, this has been disclosed in Note 19 of the financial statements.

### Reporting Funds Regime

HM Revenue & Customs has accepted the entry of the Company into the Reporting Funds Regime with effect from 1 October 2010 for the purposes of regulation 51 of the Offshore Funds (Tax) Regulations 2009.

### General Information

The Company is an open-ended investment Company with variable capital and shareholders are not liable for the debts of the Company.

The Company holds a certificate as a recognized Securities Fund under the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended), and holds a permit under Article 7 of the Collective Investment Funds (Jersey) Law, 1988.

The Company is listed on the Channel Islands Securities Exchange Authority (the "CISEA") and the Malta Stock Exchange.

The market value per Share of the assets of each Fund was as follows:

#### Sterling Denominated Strategies

|                     | 31 March<br>2016<br>(pence) | 1 October<br>2015<br>(pence) |
|---------------------|-----------------------------|------------------------------|
| European Fund       | 770.20                      | 716.60xd                     |
| High Income Fund    | 86.13                       | 85.60xd                      |
| International Fund  | 417.90                      | 380.90xd                     |
| North American Fund | 1,637.00                    | 1,479.00xd                   |
| Sterling Bond Fund  | 147.40                      | 144.80xd                     |
| UK Fund             | 646.50                      | 642.90xd                     |

#### Euro Denominated Strategies

|                       | (Euro cents) | (Euro cents) |
|-----------------------|--------------|--------------|
| Euro High Income Fund | 163.80       | 158.90xd     |

The latest prices can be viewed on our website.

<http://international.lloydsbank.com/international-investments/funds/prices/>

### Website

The Directors have selected Lloyds Bank International Limited's website as the host website for the Company's financial statements and believe this selection to be a reasonable one; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Information published on the internet is accessible in many countries. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board  
Lloyds Corporate Services (Jersey) Limited  
Secretary

13 May 2016



## Report of the Investment Manager

### Euro High Income Fund

#### Performance

The Fund produced a return of 4.70% over the period ended 31st March 2016, compared to a return of 5.44% in the iBOXX Euro Corporates 5 years + index.

#### Background and Strategy

During the first three months of the review period, corporate bonds outperformed government bonds as risk premiums (spreads) fell. The Federal Reserve acted on policy rates moving the target for funds up by 25 basis points in December.

Bonds issued by companies with exposure to commodity prices were among the worst performers, while those issued by banks and insurers performed well, reflecting a significant improvement in credit fundamentals. These market moves benefitted the fund.

Moving into 2016, risk assets had a very poor January as global markets started the year in panic mode. Fears over a faltering Chinese economy, general emerging markets weakness and the collapse in oil price were triggers for wider risk aversion. European investment grade credit was not immune to the sell-off, although it was relatively resilient compared to equities and emerging markets linked assets.

February was very volatile month for European investment grade credit. Euro denominated bond spreads widened sharply in the first half of the month before rebounding strongly. Supportive central bank comments together with a halt in the fall of oil appeared to be the catalysts for the shift in sentiment. However sterling spreads materially underperformed, failing to retrace in the second half of the month as fears around Brexit kept them elevated.

Further monetary easing from the European Central Bank (ECB) and in particular the surprise announcement that non-financial investment grade corporate bonds would be purchased by the central bank contributed to a sharp contraction in credit spreads in March. Spreads were further supported by a modest bounce in commodity prices.

Despite the difficult environment for credit in the early part of 2016, the Fund's total return was strong due to a sharp fall of underlying government bond yields. For example, 10-year German bunds yields fell between from 0.63% on 31 December to 0.15% on 31 March.

#### Outlook

Looking ahead, we anticipate that the support for credit following the ECB announcement is likely to continue over the second quarter up to its implementation in late June. However, this might well be balanced by a rise in market risk aversion as the British referendum on the EU draws closer. Also, after the sell-off in both spreads and yields in the middle of 2015, it has been accepted market wisdom that; "buy the rumour, sell the fact" was the winning strategy with regards to European QE. This will pose an interesting challenge for the second half of the year in which overall credit strategy will have to be monitored closely.

### European Fund

#### Performance

The Fund produced a return of 9.84% over the period ended 31st March 2016, compared to a median return of 6.69% in the Lipper Hindsight European excluding UK Equity sector and 6.92% in the FTSE Europe ex UK index.

#### Background and Strategy

European equities rose during the half-year under review. Investors were spooked by the sell-off in Chinese equities and the continued fall in the oil price. Sentiment was dampened further by worries over the health of the global economy and lingering geopolitical worries from the terror attacks in Paris and Brussels. Mitigating the declines were the US Federal Reserve's well-telegraphed interest-rate normalisation and its subsequent measured approach to future interest rate hikes, as well as the European Central Bank's bolder-than-expected package of fresh stimulus that included cutting interest rates further into negative territory, extending its bond-buying and providing cheap short-term loans to banks.

On the economic front, deflationary pressures worsened, while both manufacturing and services PMIs slipped in February to their lowest in a year, along with sagging economic and investor confidence. Conversely, unemployment in January stood at its lowest level since 2011; industrial output rebounded at its fastest monthly pace in six years, and fourth-quarter wages accelerated.

At the stock level, the following contributed to relative return:

Schindler performed well, driven by encouraging results as it continued to make good progress operationally.

Syngenta's share price was buoyed by an improving outlook and on the back of merger-and-acquisition speculation.

Temenos' shares held up well against the market following third-quarter results that exceeded expectations, along with a positive outlook for 2016 that was backed by new client wins.

In contrast, the following detracted from performance:

Vienna Insurance continued to face headwinds from the low interest-rate environment and competitive pressures in several markets.

Linde's share price was affected after the company lowered its mid-term forecast on the back of an increasingly cautious outlook.

Not owning Siemens detracted from relative performance as it reported encouraging progress with its restructuring plans.

## Report of the Investment Manager (continued)

### European (continued)

#### Outlook

Stock markets in Europe are likely to remain under pressure from persistent global headwinds. In particular, investors fear that central banks in both the Continent and elsewhere have been compelled to impose negative interest rates because of the lack of viable alternatives and have run out of policy tools to boost economic growth. Notably, the Fed's unexpectedly dovish stance has sent the US dollar tumbling, and in relative terms resulted in a stronger euro, which is bad news for exporters.

That said we believe our invested companies will remain steadfast amid these headwinds, given their robust balance sheets, resilient businesses, and experienced management.

### High Income Fund

#### Performance

The Fund produced a return of 3.49% over the period ended 31st March 2016, compared to a peer group median return of 2.93% and 3.96% in the iBoxx Non Gilt ex Sovereign All Maturities index.

#### Background and Strategy

Corporate bonds outperformed government bonds in the first three months of the review period. The Federal Reserve finally acted on policy rates moving the target for funds up by 25 basis points in December. This action was widely anticipated by financial markets. However, some volatility returned at the end of 2015, as investors became cautious about the outlook for the year ahead.

That volatility continued into the New Year, which began with a very negative tone and some significant re-pricing of corporate bonds. Credit spreads across all sectors moved materially wider as slower global growth, and greater risk of some stress in the financial sector, was priced in. That weakness continued into February. While developed market government bonds were the safe haven, driving up prices and causing government bond yields to fall materially, credit spreads continued to widen and overall returns were negative both in January and February. In contrast credit markets received a significant boost from European Central Bank (ECB) actions in March. The introduction of further monetary easing and new measures, including a corporate bond buying programme, had a very positive impact causing credit spreads in the sterling market to tighten significantly.

During the final three months of 2015, bonds issued by companies with exposure to commodity prices were among the worst performers. Those issued by banks and insurers performed well, reflecting a significant improvement in credit fundamentals. However, in the first three months of 2016, bonds issued by financial institutions underperformed as disappointing earnings from a number of European banks hampered sentiment.

#### Outlook

As markets recovered following the ECB's March meeting, financials lagged the recovery. Nevertheless, despite the recent underperformance, financials remain favoured relative to non-financials on both fundamental and valuation grounds.

Throughout the review period, the Fund was long of credit risk on the grounds that credit spreads offer compelling value. A short duration position relative to the benchmark reflects the low level of government bond yields, and a view that in the medium term UK yields will be moving higher.

Throughout the review period, the Fund was long of credit risk on the grounds that credit spreads offer compelling value. A short duration position relative to the benchmark reflects the low level of government bond yields, and a view that in the medium term UK yields will be moving higher.

## Report of the Investment Manager (continued)

### International Fund

#### Performance

The Fund produced a return of 12.82% over the period ended 31 March 2016, compared to a median return of 9.48% in the Lipper Hindsight Global Equity sector and a 11.10% sterling return by the MSCI World index. Positive stock selection outweighed negative asset allocation.

#### Background and Strategy

Global equities rose during the six months under review. Initially, markets faced intense volatility, brought on partly by uncertainty over the timing of monetary policy normalization in the US. The Federal Reserve finally raised interest rates by 25 basis points in December amid a more upbeat employment outlook. Markets were also spooked by China's policy gaffes, Yuan volatility and a stuttering economy which triggered a sell-off in A-shares. This coincided with a low-point in the ongoing commodities rout that saw oil tumble to under US\$30 a barrel. Sentiment picked up dramatically soon after. Japan and parts of Europe unexpectedly imposed negative interest rates to combat low inflation and boost spending, while the European Central Bank introduced a bolder-than-expected package of fresh stimulus. The Fed lowered expectations for the number of rate hikes this year from four down to two, amid growing caution over the fragile global recovery and deflationary pressures. The change in tone resulted in US dollar weakness, which provided relief to commodities and commodity-related emerging markets such as Brazil.

Banco Bradesco was a key contributor to performance, as it rallied on the back of speculation about Brazilian president Dilma Rousseff's possible impeachment. In addition, its results were boosted by higher interest income and improved efficiency. Its asset quality remains good, although bad-debt provisions have increased on the back of worsening loan delinquency.

Japan Tobacco rose on news that it is seeking government approval to raise cigarette prices, which could boost operating profits. This would be the first time since its 1985 IPO that the company is hiking prices when taxes haven't changed.

Taiwan Semiconductor also lifted returns, as its fourth-quarter results reached the higher end of management's forecast, supported by robust demand in the communications and computing sectors. The company expects revenue growth of 5-10% this year and better profits, driven by growing demand and foreign-exchange gains.

Conversely, Swiss drug maker Novartis has been weak in tandem with the wider healthcare sector. Its share price was hamstrung by its weaker-than-expected results in February, particularly with regard to its eye-care division. We remain comfortable with its business prospects and have been selectively adding on recent weakness. Standard Chartered continued to be weighed down by higher provisions, a slowing Chinese economy and global growth concerns. This was compounded by the uncertainty created by the Bank of Japan's imposition of negative interest rates in its latest attempt to boost spending. Despite these uncertainties, the lender has continued to strengthen its capital position by reducing exposure to riskier assets and streamlining its balance sheet, supported by

focused, competent and professional management.

Elsewhere, telecommunications company MTN Group's shares came under pressure after it was fined US\$3.9 billion (reduced from US\$5.2 billion) by the Nigerian regulator, for failing to disconnect unregistered SIM cards. MTN is engaging with authorities regarding this issue.

#### Outlook

We remain mindful of slowing global growth and uncertainty over policy-making, particularly in the US where dollar strength weighs on corporate profitability.

A risk of acceleration in China's slowdown, or of a poor policy response to prevent it, will be key factors in determining this outcome.

Despite such an unstable environment, our portfolio continues to reflect the strategy of diversification as we look for businesses that boast relatively unique attributes.

Our main focus remains quality; however, valuation also plays a role and we are mindful that patience is often required to avoid the risk of over-paying.

## Report of the Investment Manager (continued)

### North American Fund

#### Performance

The Fund produced a return of 14.13% over the period ended 31st March 2016, compared to a median return of 10.56% in the Lipper Hindsight North American Equity sector and 14.33% in the S&P 500 sterling index.

#### Background and Strategy

US equities recorded robust gains for the six-month period ended 31 March 2016, with the broader-market S&P 500 Index up 14.33% (in sterling terms). The relatively defensive and higher dividend-paying telecommunication services and utilities sectors were the strongest performers for the period, while financials and healthcare, though garnering positive returns, were the primary market laggards.

As widely expected, the US Federal Reserve (Fed) raised its benchmark interest rate by 0.25% in mid-December 2015, and then subsequently left it unchanged following its meetings in January and March 2016. The minutes from the March session had a dovish tone, appearing to diminish the likelihood of an interest rate hike in the near term. Fourth-quarter US GDP growth came in at 1.4%, down from the 2.0% rate in the third quarter due mainly to declines in non-residential fixed investment, offsetting a decrease in imports.

Stock selection in the information technology and materials sectors weighed on Fund performance for the review period. The primary detractor among individual holdings was American Express. The diversified financial services company saw lower business volumes and net interest margins over the period, which offset strength in its international operations.

While marketing and loyalty solutions services provider Alliance Data Systems posted generally positive fourth-quarter 2015 results, management tempered its business outlook for 2016 mainly on macroeconomic weakness and ongoing headwinds from the strong US dollar.

Fund performance was bolstered mainly by stock selection in the healthcare and energy sectors.

The most notable contributors were the holding in diversified healthcare company Baxter International, as well as the lack of exposure to Apple. Baxter International's quarterly results over the period benefited from healthy revenue growth in its hospital products segment and international business. We acknowledge Apple's innovations; nonetheless, we historically have had issues with the lack of visibility into its business and its high dependence on a single product.

#### Outlook

Markets have been quite volatile in recent months and we suspect that, despite the recent rebound, continued volatility should be expected in coming quarters as confusing commentary from central banks will keep shorter-term investors guessing. The fairly public face-off between Fed Chair Janet Yellen and several of the Fed governors might make for fairly interesting financial journalism during the rest of this election year.

All things considered, we think that this is a fine environment for us as equity investors, and by taking a long-term view of how

companies will behave sometimes requires a sense check in the form of setbacks such as temporary market turmoil or slowdowns in activity that occur "just because."

This allows us to test our thesis about how portfolios behave in those situations and opens our minds to new opportunities and risks within the Fund's holdings.

We still see the interest-rate and central bank messaging story as important to equity market sentiment, but we believe that company fundamentals will continue to shine through the noise.

Therefore, we will look to initiate holdings that in our view have strong company-specific fundamentals and not because we are suddenly making macroeconomic calls.

### Sterling Bond Fund

#### Performance

The Fund produced a return of 3.42% over the period ended 31st March 2016, compared to a peer group median return of 2.93% and 3.96% in the iBoxx Non Gilt ex Sovereign All Maturities Index.

#### Background and Strategy

Corporate bonds outperformed government bonds in the first three months of the review period. The Federal Reserve finally acted on policy rates moving the target for funds up by 25 basis points in December. This action was widely anticipated by financial markets. However, some volatility returned at the end of 2015, as investors became cautious about the outlook for the year ahead.

That volatility continued into the New Year, which began with a very negative tone and some significant re-pricing of corporate bonds. Credit spreads across all sectors moved materially wider as slower global growth, and greater risk of some stress in the financial sector, was priced in. That weakness continued into February. While developed market government bonds were the safe haven, driving up prices and causing government bond yields to fall materially, credit spreads continued to widen and overall returns were negative both in January and February. In contrast credit markets received a significant boost from European Central Bank (ECB) actions in March. The introduction of further monetary easing and new measures, including a corporate bond buying programme, had a very positive impact causing credit spreads in the sterling market to tighten significantly.

During the final three months of 2015, bonds issued by companies with exposure to commodity prices were among the worst performers. Those issued by banks and insurers performed well, reflecting a significant improvement in credit fundamentals. However, in the first three months of 2016, bonds issued by financial institutions underperformed as disappointing earnings from a number of European banks hampered sentiment.

## Report of the Investment Manager (continued)

### Sterling Bond Fund (continued)

#### Outlook

As markets recovered following the ECB's March meeting, financials lagged the recovery. Nevertheless, despite the recent underperformance, financials remain favoured relative to non-financials on both fundamental and valuation grounds.

We continue to favour subordinated bank paper issued by banks in stronger jurisdictions such as the UK where banks such as RBS and Lloyds Banking Group have addressed their balance sheet issues with a degree of success over recent years.

Throughout the review period, the Fund was long of credit risk on the grounds that credit spreads offer compelling value.

### UK Fund

#### Performance

The Fund produced a return of 4.10% over the period ended 31st March 2016, compared to a median return of 2.21% in the Lipper Hindsight UK Offshore Funds sector and 3.52% in the FTSE All Share index.

#### Background and Strategy

UK equities rose in the half-year under review. Investors were spooked by the sell-off in Chinese equities and the continued fall in the oil price. Sentiment was dampened further by worries over the health of the global economy and the UK's upcoming referendum on Brexit. Mitigating the declines were the US Federal Reserve's well-telegraphed interest-rate normalisation and its subsequent measured approach to future interest rate hikes, as well as the European Central Bank's bolder-than-expected package of fresh stimulus that included cutting interest rates further into negative territory, extending its bond-buying and providing cheap short-term loans to banks.

On the economic front, domestic data showed a rebound in industrial activity in January, while consumer confidence and unemployment were both stable in March. Conversely, cold weather caused a dip in February retail sales, while the services sector expanded at its slowest in three years. The 2016 budget saw a hike in income tax thresholds at the top end, a cut in corporate and business taxes, while a new levy on sugary drinks should raise £520 million in revenue.

Meanwhile, the Bank of England held interest rates and its asset purchase programme unchanged ahead of the European Union membership referendum.

At the Portfolio level, the following contributed to relative return:

A lack of exposure to Barclays benefited the Fund as the lender suffered with the wider banking sector as global economic growth remained weak. The bank is also expected to face higher costs in 2016 and had lowered its target for returns-on-equity.

Sage benefited the Fund as it continued to improve on its growth rates, with positive performance from newer products and ongoing growth in subscriptions.

Spirax Sarco continued to post solid results over the period, highlighting its robust market-leading positions that offset

somewhat challenging conditions in its end markets.

In contrast, the following detracted from performance:

Pearson's shares suffered after facing pressure in its US higher education courseware and textbook publishing in South Africa businesses.

Standard Chartered's share price was dampened by faltering growth in its key Asian markets, causing credit quality to weaken.

Aveva's share price fell after a proposed deal with Schneider Electric was abandoned.

#### Outlook

Stock markets are likely to remain under pressure from persistent global headwinds. In particular, investors fear that major central banks across the world have been compelled to impose negative interest rates because of the lack of viable alternatives and have run out of policy tools to boost economic growth.

That said we believe our invested companies will remain steadfast amid these headwinds, given their robust balance sheets, resilient businesses, and experienced management.

Aberdeen Assets Investments Limited

13 May 2016

## Statements of Financial Position

As at 31 March 2016

|  | Notes | Company            | Euro High Income Fund | European Fund     |
|--|-------|--------------------|-----------------------|-------------------|
|  |       | £                  | €                     | £                 |
| <b>Assets</b>  |       |                    |                       |                   |
| Cash and cash equivalents  |       | 6,606,356          | 399,604               | 480,045           |
| Creations receivable   |       | 78,875             | —                     | 4,236             |
| Investment sales receivable  |       | 518,793            | —                     | —                 |
| Financial assets at fair value through profit or loss                            |       | 364,471,010        | 15,079,667            | 12,597,078        |
| Other accrued income and other debtors   | 4     | 8,182,118          | 198,088               | —                 |
| <b>Total Assets</b>  |       | <b>379,857,152</b> | <b>15,677,359</b>     | <b>13,081,359</b> |
| <b>Equity</b>  |       |                    |                       |                   |
| Ordinary share capital   |       | 1,000              | —                     | —                 |
| <b>Total Equity</b>  |       | <b>1,000</b>       | <b>—</b>              | <b>—</b>          |
| Cancellation payable   |       | 7,792              | 9,828                 | —                 |
| Investment purchases payable   |       | 568,821            | —                     | —                 |
| Distribution payable   | 5     | 1,566,339          | 114,593               | —                 |
| Accrued expenses and other creditors   | 6     | 512,024            | 23,559                | 34,377            |
| Nominal shares   | 14    | 1,150,288          | —                     | —                 |
| <b>Total Liabilities*</b>  |       | <b>3,805,264</b>   | <b>147,980</b>        | <b>34,377</b>     |
| Net assets attributable to holders of participating redeemable preference shares | 17    | 376,050,888        | 15,529,379            | 13,046,982        |
| <b>Total Liabilities and Equity</b>  |       | <b>379,857,152</b> | <b>15,677,359</b>     | <b>13,081,359</b> |

\* Excluding net assets attributable to holders of participating redeemable preference shares

The financial statements on pages 12 to 73 were approved by the Board of Directors on 13 May 2016 and are signed on their behalf by:

R. D. Willcox  
 B. C. James } Directors

The notes on pages 49 to 74 form an integral part of these financial statements.

## Statements of Financial Position

As at 31 March 2016

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund        |
|--|------------------------|-----------------------|---------------------------|--------------------------|-------------------|
|  | £                      | £                     | £                         | £                        | £                 |
| <b>Assets</b>  |                        |                       |                           |                          |                   |
| Cash and cash equivalents  | 4,009,631              | 237,503               | 112,596                   | 1,117,961                | 331,788           |
| Creations receivable   | 53,487                 | 5,853                 | 8,194                     | —                        | 7,105             |
| Investment sales receivable  | 518,793                | —                     | —                         | —                        | —                 |
| Financial assets at fair value through profit or loss                            | 269,286,329            | 19,077,861            | 9,356,396                 | 27,598,075               | 14,599,143        |
| Other accrued income and other debtors   | 6,128,096              | 67,831                | 10,616                    | 580,976                  | 86,254            |
| <b>Total Assets</b>  | <b>279,996,336</b>     | <b>19,389,048</b>     | <b>9,487,802</b>          | <b>29,297,012</b>        | <b>15,024,290</b> |
| <b>Equity</b>  |                        |                       |                           |                          |                   |
| Ordinary share capital   | —                      | —                     | —                         | —                        | —                 |
| <b>Total Equity</b>  | <b>—</b>               | <b>—</b>              | <b>—</b>                  | <b>—</b>                 | <b>—</b>          |
| Cancellation payable   | —                      | —                     | —                         | —                        | —                 |
| Investment purchases payable   | 515,637                | —                     | —                         | —                        | 53,184            |
| Distribution payable   | 1,198,083              | —                     | —                         | 277,399                  | —                 |
| Accrued expenses and other creditors   | 303,979                | 53,882                | 27,015                    | 35,057                   | 39,034            |
| Nominal shares   | —                      | —                     | —                         | —                        | —                 |
| <b>Total Liabilities*</b>  | <b>2,017,699</b>       | <b>53,882</b>         | <b>27,015</b>             | <b>312,456</b>           | <b>92,218</b>     |
| Net assets attributable to holders of participating redeemable preference shares | 277,978,637            | 19,335,166            | 9,460,787                 | 28,984,556               | 14,932,072        |
| <b>Total Liabilities and Equity</b>  | <b>279,996,336</b>     | <b>19,389,048</b>     | <b>9,487,802</b>          | <b>29,297,012</b>        | <b>15,024,290</b> |

\* Excluding net assets attributable to holders of participating redeemable preference shares



## Statements of Financial Position (continued)

As at 30 September 2015

|  | Notes | Company            | Euro High<br>Income<br>Fund | European<br>Fund  |
|--|-------|--------------------|-----------------------------|-------------------|
|  |       | £                  | €                           | £                 |
| <b>Assets</b>  |       |                    |                             |                   |
| Cash and cash equivalents  |       | 4,628,831          | 695,455                     | 172,481           |
| Creations receivable   |       | 21,188             | —                           | 6,370             |
| Investment sales receivable  |       | 345,632            | 102,028                     | —                 |
| Financial assets at fair value through<br>profit or loss                               |       | 370,336,365        | 14,030,693                  | 11,937,617        |
| Other accrued income and other debtors   | 4     | 7,982,552          | 218,566                     | —                 |
| <b>Total Assets</b>  |       | <b>383,314,568</b> | <b>15,046,742</b>           | <b>12,116,468</b> |
| <b>Equity</b>  |       |                    |                             |                   |
| Ordinary share capital   |       | 1,000              | —                           | —                 |
| <b>Total Equity</b>  |       | <b>1,000</b>       | <b>—</b>                    | <b>—</b>          |
| Cancellation payable   |       | 227,220            | —                           | —                 |
| Investment purchases payable   |       | 722,885            | —                           | —                 |
| Distribution payable   | 5     | 1,795,564          | 108,025                     | —                 |
| Accrued expenses and other creditors   | 6     | 606,815            | 29,877                      | 36,839            |
| Nominal shares   | 14    | 1,053,019          | —                           | —                 |
| <b>Total Liabilities*</b>  |       | <b>4,405,503</b>   | <b>137,902</b>              | <b>36,839</b>     |
| Net assets attributable to holders<br>of participating redeemable<br>preference shares | 17    | 378,908,065        | 14,908,840                  | 12,079,629        |
| <b>Total Liabilities and Equity</b>  |       | <b>383,314,568</b> | <b>15,046,742</b>           | <b>12,116,468</b> |

\* Excluding net assets attributable to holders of participating redeemable preference shares



## Statements of Financial Position (continued)

As at 30 September 2015

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund        |
|--|------------------------|-----------------------|---------------------------|--------------------------|-------------------|
|  | £                      | £                     | £                         | £                        | £                 |
| <b>Assets</b>  |                        |                       |                           |                          |                   |
| Cash and cash equivalents  | 2,453,088              | 90,996                | 78,928                    | 511,489                  | 809,355           |
| Creations receivable   | —                      | 6,542                 | —                         | —                        | 8,276             |
| Investment sales receivable  | 176,082                | —                     | —                         | 94,364                   | —                 |
| Financial assets at fair value through<br>profit or loss                               | 277,989,695            | 18,235,186            | 8,544,573                 | 29,215,074               | 14,074,725        |
| Other accrued income and other debtors   | 6,110,661              | 28,047                | 7,888                     | 605,122                  | 15,751            |
| <b>Total Assets</b>  | <b>286,729,526</b>     | <b>18,360,771</b>     | <b>8,631,389</b>          | <b>30,426,049</b>        | <b>14,908,107</b> |
| <b>Equity</b>  |                        |                       |                           |                          |                   |
| Ordinary share capital   | —                      | —                     | —                         | —                        | —                 |
| <b>Total Equity</b>  | <b>—</b>               | <b>—</b>              | <b>—</b>                  | <b>—</b>                 | <b>—</b>          |
| Cancellation payable   | 219,845                | —                     | —                         | 6,420                    | 955               |
| Investment purchases payable   | —                      | —                     | —                         | 648,105                  | 74,780            |
| Distribution payable   | 1,248,508              | —                     | —                         | 264,418                  | 203,033           |
| Accrued expenses and other creditors   | 382,011                | 52,865                | 27,315                    | 43,039                   | 42,730            |
| Nominal shares   | —                      | —                     | —                         | —                        | —                 |
| <b>Total Liabilities*</b>  | <b>1,850,364</b>       | <b>52,865</b>         | <b>27,315</b>             | <b>961,982</b>           | <b>321,498</b>    |
| Net assets attributable to holders<br>of participating redeemable<br>preference shares | 284,879,162            | 18,307,906            | 8,604,074                 | 29,464,067               | 14,586,609        |
| <b>Total Liabilities and Equity</b>  | <b>286,729,526</b>     | <b>18,360,771</b>     | <b>8,631,389</b>          | <b>30,426,049</b>        | <b>14,908,107</b> |

\* Excluding net assets attributable to holders of participating redeemable preference shares

## Statement of Comprehensive Income

For the six month period ended 31 March 2016

|  | Notes | Company     | Euro High<br>Income<br>Fund | European<br>Fund |
|--|-------|-------------|-----------------------------|------------------|
|  |       | £           | €                           | £                |
| <b>Operating Profit</b>  |       |             |                             |                  |
| Net gains on financial assets at fair value through profit or loss   | 7     | 7,161,208   | 407,876                     | 1,168,507        |
| Investment income  |       | 8,811,897   | 280,382                     | 121,467          |
| Other income   | 8     | 15,897      | 263                         | 218              |
| Total operating expenses   | 9     | (2,201,697) | (94,747)                    | (124,798)        |
| Operating profit   |       | 13,787,305  | 593,774                     | 1,165,394        |
| <b>Finance Costs</b>   |       |             |                             |                  |
| Distributions to holders of participating redeemable preference shares                                       | 5     | (8,028,521) | (230,987)                   | —                |
| Total finance costs  |       | (8,028,521) | (230,987)                   | —                |
| Profit before tax  |       | 5,758,784   | 362,787                     | 1,165,394        |
| Withholding tax on dividends and other investment income   | 18    | (107,087)   | —                           | (34,124)         |
| Increase in net assets attributable to holders of participating redeemable preference shares from operations |       | 5,651,697   | 362,787                     | 1,131,270        |

For the six month period ended 31 March 2015

|  | Notes | Company     | Euro High<br>Income<br>Fund | European<br>Fund |
|--|-------|-------------|-----------------------------|------------------|
|  |       | £           | €                           | £                |
| <b>Operating Profit</b>  |       |             |                             |                  |
| Net gains / (losses) on financial assets at fair value through profit or loss                                | 7     | 19,353,097  | (815,681)                   | 1,393,282        |
| Investment income  |       | 10,241,080  | 1,499,648                   | 119,802          |
| Other income   | 8     | 4,123       | —                           | 151              |
| Total operating expenses   | 9     | (2,455,689) | (95,339)                    | (141,077)        |
| Operating profit   |       | 27,142,611  | 588,628                     | 1,372,158        |
| <b>Finance Costs</b>   |       |             |                             |                  |
| Distributions to holders of participating redeemable preference shares                                       | 5     | (9,038,363) | (266,342)                   | —                |
| Total finance costs  |       | (9,038,363) | (266,342)                   | —                |
| Profit before tax  |       | 18,104,248  | 322,286                     | 1,372,158        |
| Withholding tax on dividends and other investment income   | 18    | (120,637)   | (910)                       | (32,133)         |
| Increase in net assets attributable to holders of participating redeemable preference shares from operations |       | 17,983,611  | 321,376                     | 1,340,025        |

The notes on pages 49 to 74 form an integral part of these financial statements

## Statement of Comprehensive Income

For the six month period ended 31 March 2016

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund |
|--|------------------------|-----------------------|---------------------------|--------------------------|------------|
|  | £                      | £                     | £                         | £                        | £          |
| <b>Operating Profit</b>  |                        |                       |                           |                          |            |
| Net gains on financial assets at fair value through profit or loss   | 2,365,404              | 1,824,184             | 917,320                   | 296,819                  | 284,400    |
| Investment income  | 7,248,434              | 253,524               | 97,005                    | 675,678                  | 206,418    |
| Other income   | 8,912                  | 782                   | 1                         | 3,917                    | 1,872      |
| Total operating expenses   | (1,421,246)            | (187,097)             | (90,547)                  | (158,191)                | (149,066)  |
| Operating profit   | 8,201,504              | 1,891,393             | 923,779                   | 818,223                  | 343,264    |
| <b>Finance Costs</b>   |                        |                       |                           |                          |            |
| Distributions to holders of participating redeemable preference shares                                       | (7,312,326)            | —                     | —                         | (539,553)                | —          |
| Total finance costs  | (7,312,326)            | —                     | —                         | (539,553)                | —          |
| Profit before tax  | 889,178                | 1,891,393             | 923,779                   | 278,670                  | 343,624    |
| Withholding tax on dividends and other investment income   | —                      | (45,031)              | (26,608)                  | —                        | (1,324)    |
| Increase in net assets attributable to holders of participating redeemable preference shares from operations | 889,178                | 1,846,362             | 897,171                   | 278,670                  | 342,300    |

For the six month period ended 31 March 2015

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund |
|--|------------------------|-----------------------|---------------------------|--------------------------|------------|
|  | £                      | £                     | £                         | £                        | £          |
| <b>Operating Profit</b>  |                        |                       |                           |                          |            |
| Net gains / (losses) on financial assets at fair value through profit or loss                                | 14,533,314             | 890,830               | 1,250,262                 | 1,178,571                | 725,352    |
| Investment income  | 7,777,932              | 309,710               | 108,930                   | 548,869                  | 238,684    |
| Other income   | 3,348                  | 44                    | 32                        | 147                      | 401        |
| Total operating expenses   | (1,619,331)            | (228,114)             | (98,888)                  | (131,307)                | (164,677)  |
| Operating profit   | 20,695,263             | 972,470               | 1,260,336                 | 1,596,280                | 799,760    |
| <b>Finance Costs</b>   |                        |                       |                           |                          |            |
| Distributions to holders of participating redeemable preference shares                                       | (8,410,735)            | —                     | —                         | (427,394)                | —          |
| Total finance costs  | (8,410,735)            | —                     | —                         | (427,394)                | —          |
| Profit before tax  | 12,284,528             | 972,470               | 1,260,336                 | 1,168,886                | 799,760    |
| Withholding tax on dividends and other investment income   | —                      | (49,194)              | (29,974)                  | —                        | (8,646)    |
| Increase in net assets attributable to holders of participating redeemable preference shares from operations | 12,284,528             | 923,276               | 1,230,362                 | 1,168,886                | 791,114    |

The notes on pages 49 to 74 form an integral part of these financial statements

## Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares

For the six month period ended 31 March 2016

|  | Company      | Euro High<br>Income<br>Fund | European<br>Fund |
|--|--------------|-----------------------------|------------------|
|  | £            | €                           | £                |
| Net assets attributable to holders of participating redeemable preference shares as at 1 October 2015        | 378,908,065  | 14,908,840                  | 12,079,629       |
| Creation of participating redeemable preference shares   | 6,382,292    | 986,144                     | 415,805          |
| Redemption of participating redeemable preference shares   | (15,746,126) | (728,392)                   | (579,721)        |
| Net (decrease)/increase from share transactions  | (9,363,834)  | 257,752                     | (163,916)        |
| Increase in net assets attributable to holders of participating redeemable preference shares from operations | 5,651,697    | 362,787                     | 1,131,270        |
| Movement in currency translation   | 854,960      | —                           | —                |
| Net assets attributable to holders of participating redeemable preference shares as at 31 March 2016         | 376,050,888  | 15,529,379                  | 13,046,982       |

For the six month period ended 31 March 2015

|   | Company      | Euro High<br>Income<br>Fund | European<br>Fund |
|---|--------------|-----------------------------|------------------|
|   | £            | €                           | £                |
| Net assets attributable to holders of participating redeemable preference shares as at 1 October 2014                     | 414,771,626  | 14,281,016                  | 14,196,527       |
| Creation of participating redeemable preference shares  | 9,724,992    | 2,346,281                   | 84,500           |
| Redemption of participating redeemable preference shares  | (21,468,526) | (744,152)                   | (1,356,073)      |
| Net (decrease)/increase from share transactions   | (11,743,534) | 1,602,129                   | (1,271,573)      |
| Increase / (decrease) in net assets attributable to holders of participating redeemable preference shares from operations | 17,983,611   | 321,376                     | 1,340,025        |
| Movement in currency translation  | (808,736)    | —                           | —                |
| Net assets attributable to holders of participating redeemable preference shares as at 31 March 2015                      | 420,202,967  | 16,204,521                  | 14,264,979       |

The notes on pages 49 to 74 form an integral part of these financial statements

## Statement of Changes in Net Assets Attributable to Holders of Participating Redeemable Preference Shares

For the six month period ended 31 March 2016

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund |
|--|------------------------|-----------------------|---------------------------|--------------------------|------------|
|  | £                      | £                     | £                         | £                        | £          |
| Net assets attributable to holders of participating redeemable preference shares as at 1 October 2015        | 284,879,162            | 18,307,906            | 8,604,074                 | 29,464,067               | 14,586,609 |
| Creation of participating redeemable preference shares issued  | 3,431,224              | 47,077                | 168,527                   | 1,044,936                | 492,845    |
| Redemption of participating redeemable preference shares   | (11,220,927)           | (866,179)             | (208,985)                 | (1,803,117)              | (489,682)  |
| Net (decrease)/increase from share transactions  | (7,789,703)            | (819,102)             | (40,458)                  | (758,181)                | 3,163      |
| Increase in net assets attributable to holders of participating redeemable preference shares from operations | 889,178                | 1,846,362             | 897,171                   | 278,670                  | 342,300    |
| Movement in currency translation   | —                      | —                     | —                         | —                        | —          |
| Net assets attributable to holders of participating redeemable preference shares as at 31 March 2016         | 277,978,637            | 19,335,166            | 9,460,787                 | 28,984,556               | 14,932,072 |

For the six month period ended 31 March 2015

|   | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund  |
|---|------------------------|-----------------------|---------------------------|--------------------------|-------------|
|   | £                      | £                     | £                         | £                        | £           |
| Net assets attributable to holders of participating redeemable preference shares as at 1 October 2014                     | 316,214,234            | 24,279,013            | 9,329,332                 | 22,429,857               | 17,194,744  |
| Creation of participating redeemable preference shares  | 6,251,941              | 322,155               | 335,658                   | 530,776                  | 502,468     |
| Redemption of participating redeemable preference shares  | (13,430,712)           | (2,548,955)           | (925,921)                 | (890,287)                | (1,778,196) |
| Net (decrease)/increase from share transactions   | (7,178,771)            | (2,226,800)           | (590,263)                 | (359,511)                | (1,275,728) |
| Increase / (decrease) in net assets attributable to holders of participating redeemable preference shares from operations | 12,284,528             | 923,276               | 1,230,362                 | 1,168,886                | 791,114     |
| Movement in currency translation  | —                      | —                     | —                         | —                        | —           |
| Net assets attributable to holders of participating redeemable preference shares as at 31 March 2015                      | 321,319,994            | 22,975,486            | 9,969,431                 | 23,239,231               | 16,710,130  |

## Cash Flow Statement

For the six month period ended 31 March 2016

|  | Company      | Euro High<br>Income<br>Fund | European<br>Fund |
|--|--------------|-----------------------------|------------------|
|  | £            | €                           | £                |
| <b>Cash flows from operating activities</b>  |              |                             |                  |
| Purchases of financial assets and settlement of financial liabilities              | (43,563,764) | (4,164,505)                 | (807,311)        |
| Receipts from sale of investments  | 56,881,057   | 3,659,885                   | 1,312,252        |
| Investment income received   | 8,851,245    | 266,424                     | 87,343           |
| Bank interest received   | 15,897       | 263                         | 218              |
| Interest paid  | (237)        | (157)                       | (6)              |
| Operating expenses paid  | (2,297,630)  | (100,908)                   | (127,254)        |
| Net cash inflow/(outflow) from operating activities                                | 19,886,568   | (338,998)                   | 465,242          |
| <b>Cash flows from financing activities</b>  |              |                             |                  |
| Distributions paid to holders of participating redeemable preference shares issued | (8,259,936)  | (224,418)                   | —                |
| Proceeds received from issue of participating redeemable preference shares         | 6,279,116    | 986,141                     | 417,938          |
| Payments on redemption of participating redeemable preference shares               | (15,932,414) | (718,563)                   | (579,722)        |
| Tax  | —            | —                           | —                |
| Net cash inflow / (outflow) from financing activities                              | 17,913,234   | 43,160                      | (161,784)        |
| Net increase/(decrease) in cash and cash equivalents                               | 1,973,334    | (295,838)                   | 303,458          |
| Cash and cash equivalents as at 1 October 2015                                     | 4,628,831    | 695,455                     | 172,481          |
| Exchange (losses)/gains on cash and cash equivalents                               | (21,068)     | (13)                        | 4,106            |
| Movement in currency translation   | 25,259       | —                           | —                |
| Cash and cash equivalents as at 31 March 2016                                      | 6,606,356    | 399,604                     | 480,045          |

The notes on pages 49 to 74 form an integral part of these financial statements.

## Cash Flow Statement

For the six month period ended 31 March 2016

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund  |
|--|------------------------|-----------------------|---------------------------|--------------------------|-------------|
|  | £                      | £                     | £                         | £                        | £           |
| <b>Cash flows from operating activities</b>  |                        |                       |                           |                          |             |
| Purchases of financial assets and settlement of financial liabilities              | (27,357,696)           | (2,581,482)           | (1,260,310)               | (6,230,792)              | (2,216,401) |
| Receipts from sale of investments  | 38,365,226             | 3,589,132             | 1,365,502                 | 7,561,879                | 1,954,109   |
| Investment income received   | 7,465,168              | 168,709               | 67,669                    | 728,818                  | 134,591     |
| Bank interest received   | 8,912                  | 782                   | 1                         | 3,916                    | 1,872       |
| Interest paid  | (78)                   | (15)                  | (5)                       | (16)                     | —           |
| Operating expenses paid  | (1,499,200)            | (186,064)             | (90,842)                  | (166,157)                | (152,762)   |
| Net cash inflow/(outflow) from operating activities                                | 16,982,332             | 991,062               | 82,015                    | 1,897,648                | (278,591)   |
| <b>Cash flows from financing activities</b>  |                        |                       |                           |                          |             |
| Distributions paid to holders of participating redeemable preference shares issued | (7,362,751)            | —                     | —                         | (526,572)                | (203,033)   |
| Proceeds received from issue of participating redeemable preference shares         | 3,377,736              | 47,768                | 160,343                   | 1,044,937                | 494,009     |
| Payments on redemption of participating redeemable preference shares               | (11,440,774)           | (866,182)             | (208,985)                 | (1,809,541)              | (490,634)   |
| Tax  | —                      | —                     | —                         | —                        | —           |
| Net cash inflow / (outflow) from financing activities                              | (15,425,789)           | (818,414)             | (48,642)                  | (1,291,176)              | (199,658)   |
| Net increase/(decrease) in cash and cash equivalents                               | 1,556,543              | 172,648               | 33,373                    | 606,472                  | (478,249)   |
| Cash and cash equivalents as at 1 October 2015                                     | 2,453,088              | 90,996                | 78,928                    | 511,489                  | 809,355     |
| Exchange (losses)/gains on cash and cash equivalents                               | —                      | (26,141)              | 295                       | —                        | 682         |
| Movement in currency translation   | —                      | —                     | —                         | —                        | —           |
| Cash and cash equivalents as at 31 March 2016                                      | 4,009,631              | 287,503               | 112,596                   | 1,117,961                | 331,788     |

The notes on pages 49 to 74 form an integral part of these financial statements

## Cash Flow Statement (continued)

For the six month period ended 31 March 2015

|  | Company      | Euro High<br>Income<br>Fund | European<br>Fund |
|--|--------------|-----------------------------|------------------|
|  | £            | €                           | £                |
| <b>Cash flows from operating activities</b>  |              |                             |                  |
| Purchases of financial assets and settlement of financial liabilities              | (35,316,029) | (11,409,107)                | (525,139)        |
| Receipts from sale of investments  | 51,454,455   | 9,351,680                   | 1,839,296        |
| Investment income received   | 10,394,265   | 328,146                     | 73,721           |
| Bank interest received   | 4,123        | —                           | —                |
| Interest paid  | (6,508)      | (69)                        | (57)             |
| Operating expenses paid  | (2,424,721)  | (90,929)                    | (131,885)        |
| Net cash inflow/(outflow) from operating activities                                | 24,105,585   | (1,820,279)                 | 1,256,086        |
| <b>Cash flows from financing activities</b>  |              |                             |                  |
| Distributions paid to holders of participating redeemable preference shares issued | (9,404,064)  | (276,235)                   | —                |
| Proceeds received from issue of participating redeemable preference shares         | 9,871,613    | 2,373,536                   | 74,124           |
| Payments on redemption of participating redeemable preference shares               | (21,330,643) | (744,152)                   | (1,379,796)      |
| Tax  | 30           | 40                          | —                |
| Net cash (outflow)/inflow from financing activities                                | (20,863,064) | 1,353,189                   | (1,305,672)      |
| Net increase/(decrease) in cash and cash equivalents                               | 3,242,521    | (467,090)                   | (49,586)         |
| Cash and cash equivalents as at 1 October 2014                                     | 754,600      | 945,674                     | 272,998          |
| Exchange gains/(losses) on cash and cash equivalents                               | 9,105        | 14                          | (10,649)         |
| Movement in currency translation   | (36,448)     | —                           | —                |
| Cash and cash equivalents as at 31 March 2015                                      | 3,969,778    | 478,598                     | 212,763          |

The notes on pages 49 to 74 form an integral part of these financial statements



## Cash Flow Statement (continued)

For the six month period ended 31 March 2015

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund  |
|--|------------------------|-----------------------|---------------------------|--------------------------|-------------|
|  | £                      | £                     | £                         | £                        | £           |
| <b>Cash flows from operating activities</b>  |                        |                       |                           |                          |             |
| Purchases of financial assets and settlement of financial liabilities              | (20,898,356)           | (1,777,339)           | (766,566)                 | (2,094,347)              | (602,991)   |
| Receipts from sale of investments  | 31,737,038             | 4,639,183             | 1,280,138                 | 2,614,784                | 2,252,829   |
| Investment income received   | 8,966,486              | 239,051               | 78,782                    | 616,701                  | 170,698     |
| Bank interest received   | 3,348                  | 44                    | 32                        | 147                      | 401         |
| Interest paid  | (6,020)                | (11)                  | (346)                     | (22)                     | —           |
| Operating expenses paid  | (1,613,585)            | (225,368)             | (94,135)                  | (127,548)                | (163,249)   |
| Net cash inflow/(outflow) from operating activities                                | 18,188,911             | 2,875,560             | 497,905                   | 1,009,715                | 1,657,688   |
| <b>Cash flows from financing activities</b>  |                        |                       |                           |                          |             |
| Distributions paid to holders of participating redeemable preference shares issued | (8,477,935)            | —                     | —                         | (453,825)                | (262,840)   |
| Proceeds received from issue of participating redeemable preference shares         | 6,251,943              | 328,569               | 338,620                   | 530,777                  | 547,776     |
| Payments on redemption of participating redeemable preference shares               | (13,345,999)           | (2,514,976)           | (922,537)                 | (890,287)                | (1,712,774) |
| Tax  | —                      | —                     | —                         | —                        | —           |
| Net cash (outflow)/inflow from financing activities                                | (15,571,991)           | (2,186,407)           | (583,917)                 | (813,335)                | (1,427,838) |
| Net increase/(decrease) in cash and cash equivalents                               | 2,616,920              | 689,153               | (86,013)                  | 196,380                  | 229,850     |
| Cash and cash equivalents as at 1 October 2014                                     | (903,139)              | 186,704               | 85,586                    | 125,708                  | 249,864     |
| Exchange gains/(losses) on cash and cash equivalents                               | —                      | 14,786                | 4,167                     | —                        | 790         |
| Movement in currency translation   | —                      | —                     | —                         | —                        | —           |
| Cash and cash equivalents as at 31 March 2015                                      | 1,713,781              | 890,643               | 3,741                     | 322,088                  | 480,504     |

The notes on pages 49 to 74 form an integral part of these financial statements

## Investment Dealing

For the six month period ended 31 March 2016

During the period transactions representing more than 10% of the aggregate value of the transactions in the property of the Funds were carried out with the following counterparties:

### Euro High Income Fund

Goldman Sachs  
Citibank London

### European Fund

CS First Boston  
Deutsche Bank AG  
Instinet

### High Income Fund

Royal Bank of Canada  
J.P. Morgan

### International Fund

CS First Boston  
Liquidnet

### North American Fund

Robert Baird  
Sanford C Bernstein & Co  
J.P. Morgan  
Liquidnet

### Sterling Bond Fund

Citibank London  
J.P. Morgan

### UK Fund

Instinet  
Liquidnet

## Investment Portfolios

As at 31 March 2016

Euro High Income Fund

|  | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>€ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>€ |
|--|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Asia 1.29% (2.60%)</b>                      |                     |                     |                                  |                             |                                  |
| Bank of Tokyo Mitsubishi 0.875% 2022           | 200,000             | 200,000             | 200,045                          | 1.29                        | 191,527                          |
| HSBC Holdings 6% (perp)                        | 200,000             | —                   | —                                | —                           | 197,180                          |
| <b>Australia and New Zealand 2.58% (3.77%)</b> |                     |                     |                                  |                             |                                  |
| APT Pipelines 1.375% 2022                      | 100,000             | 100,000             | 96,935                           | 0.62                        | 95,606                           |
| Ausnet Services 1.5% 2027                      | 100,000             | 100,000             | 99,855                           | 0.64                        | 90,609                           |
| BHP Billiton Finance 0.75% 2022                | 100,000             | 100,000             | 98,824                           | 0.64                        | 93,499                           |
| Rio Tinto 2% 2020                              | —                   | 100,000             | 105,850                          | 0.68                        | —                                |
| Santos Finance FRN 2070                        | 85,000              | —                   | —                                | —                           | 86,261                           |
| Transurban Finance 2% 2025                     | 120,000             | —                   | —                                | —                           | 116,163                          |
| Westpac Securities 3.875% 2017                 | 75,000              | —                   | —                                | —                           | 78,872                           |
| <b>Central America 1.29% (0.00%)</b>           |                     |                     |                                  |                             |                                  |
| America Movil 2.125% 2028                      | —                   | 200,000             | 200,427                          | 1.29                        | —                                |
| <b>Europe 57.41% (53.15%)</b>                  |                     |                     |                                  |                             |                                  |
| ABN Amro Bank 2.88% 2028                       | —                   | 200,000             | 202,098                          | 1.30                        | —                                |
| ABN Amro Bank 5.75% (perp)                     | 200,000             | 200,000             | 192,240                          | 1.24                        | 195,130                          |
| Achmea 6% FRN 2043                             | 100,000             | —                   | —                                | —                           | 106,006                          |
| AG Insurance 3.5% 2047                         | 200,000             | 200,000             | 188,600                          | 1.21                        | 173,850                          |
| Allianz 3.75% (perp)                           | 100,000             | 100,000             | 99,158                           | 0.64                        | 94,074                           |
| Allianz Financial 5.75% 2041                   | —                   | 200,000             | 231,466                          | 1.49                        | —                                |
| Anheuser Busch 2.75% 2036                      | —                   | 200,000             | 213,521                          | 1.37                        | —                                |
| AP Moeller Maersk FRN 2019                     | —                   | 100,000             | 101,418                          | 0.65                        | —                                |
| Arkema SA 1.5% 2025                            | 100,000             | 100,000             | 101,140                          | 0.65                        | 95,669                           |
| AXA SA 3.875% (perp)                           | 100,000             | 100,000             | 100,209                          | 0.65                        | 93,946                           |
| Banque Federative Credit Mutuel 3% 2024        | 100,000             | 100,000             | 107,550                          | 0.69                        | 101,760                          |
| Banque Federative Credit Mutuel 4.375% 2016    | 100,000             | 100,000             | 100,701                          | 0.65                        | 102,828                          |
| Bayer 3% FRN 2075                              | —                   | 100,000             | 102,125                          | 0.66                        | —                                |
| BNP Paribas FRN (perp)                         | 100,000             | 100,000             | 96,997                           | 0.62                        | 93,713                           |
| BNP Paribas FRN (perp)                         | 100,000             | 100,000             | 110,541                          | 0.71                        | 113,658                          |
| Bundesrepublik 2.25% 2021                      | —                   | 170,000             | 193,997                          | 1.25                        | —                                |
| Bundesrepublik Deutschland 5.5% 2031           | —                   | 121,000             | 207,931                          | 1.34                        | —                                |
| CAP Gemini 2.5% 2023                           | 100,000             | —                   | —                                | —                           | 103,107                          |
| Credit Agricole 4.5% 2025                      | 100,000             | 100,000             | 96,254                           | 0.62                        | 94,174                           |
| CRH Finance Germany 1.75% 2021                 | 150,000             | 150,000             | 157,952                          | 1.02                        | 149,612                          |
| Danica Pension 4.375% 2045                     | 100,000             | 100,000             | 100,375                          | 0.65                        | 98,093                           |
| Demeter Investments 4.375% (perp)              | 200,000             | 100,000             | 98,200                           | 0.63                        | 189,497                          |
| Deutsche Annington FRN (perp)                  | 100,000             | 100,000             | 99,114                           | 0.64                        | 96,050                           |
| Deutsche Annington 0.875% 2020                 | 100,000             | 100,000             | 101,048                          | 0.65                        | 97,966                           |
| Deutsche Bank 5.125% 2017                      | 200,000             | —                   | —                                | —                           | 217,894                          |
| Deutsche Telekom Intl Finance 6.625% 2018      | 100,000             | 100,000             | 113,146                          | 0.73                        | 115,308                          |
| Deutsche Telekom Intl Finance 7.5% 2033        | 150,000             | 150,000             | 266,444                          | 1.72                        | 246,226                          |
| EDF 4.5% 2040                                  | 100,000             | 100,000             | 136,990                          | 0.88                        | 124,234                          |
| EDF 4.625% 2030                                | 150,000             | 150,000             | 200,685                          | 1.29                        | 189,551                          |
| EDF 5% (perp)                                  | 100,000             | 100,000             | 95,031                           | 0.61                        | 99,580                           |
| EDF 5.375% FRN (perp)                          | 100,000             | 100,000             | 98,760                           | 0.64                        | 103,487                          |
| EDF 6.25% 2021                                 | 150,000             | 150,000             | 190,960                          | 1.23                        | 191,087                          |
| Engie SA 6.375% 2021                           | 100,000             | 100,000             | 128,717                          | 0.83                        | 128,116                          |
| Gas Natural Capital Markets 6.375% 2019        | 150,000             | 150,000             | 179,940                          | 1.16                        | 180,014                          |
| Gas Natural Fenosa 1.375% 2025                 | 100,000             | 100,000             | 101,969                          | 0.66                        | 94,288                           |
| Gas Natural Fenosa 3.375% (perp)               | 100,000             | 100,000             | 90,265                           | 0.58                        | 84,375                           |
| GDF Suez 3.875% (perp)                         | 100,000             | 100,000             | 103,135                          | 0.66                        | 99,374                           |
| GDF Suez 5.95% 2111                            | 70,000              | 70,000              | 114,085                          | 0.73                        | 99,678                           |
| GE Capital European Funding 6% 2019            | 50,000              | 50,000              | 58,202                           | 0.37                        | 58,843                           |
| GE Capital European Funding 6.025% 2038        | 202,000             | 202,000             | 333,524                          | 2.15                        | 312,433                          |
| GE Capital Trust 4.625% FRN 2066               | 70,000              | 70,000              | 70,801                           | 0.46                        | 71,225                           |

## Investment Portfolios (continued)

As at 31 March 2016

Euro High Income Fund (continued)

|   | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>€ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>€ |
|---|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Europe (continued)</b>                         |                     |                     |                                  |                             |                                  |
| General Motors Financial 0.85% 2018               | 125,000             | 125,000             | 125,039                          | 0.81                        | 123,418                          |
| Heidelberg Cement 8.5% 2019                       | 100,000             | 100,000             | 124,300                          | 0.80                        | 123,210                          |
| ING Groep 4.75% 2017                              | 105,000             | 105,000             | 110,815                          | 0.71                        | 112,604                          |
| KFW Bankengruppe 4.675% 2023                      | 53,000              | 570,000             | 750,811                          | 4.83                        | 68,929                           |
| Koninklijke DSM 1% 2025                           | 100,000             | 100,000             | 99,482                           | 0.64                        | 93,974                           |
| Orange SA 8.125% 2033 (formerly France Telecom)   | 200,000             | 170,000             | 301,294                          | 1.94                        | 328,571                          |
| Orange SA GRN (perp)                              | 100,000             | 100,000             | 106,831                          | 0.69                        | 102,195                          |
| Renault 3.625% 2018                               | 200,000             | 200,000             | 215,948                          | 1.39                        | 212,639                          |
| Repsol International Finance 4.5% 2075            | 100,000             | —                   | —                                | —                           | 81,063                           |
| Roche Finance Europe 0.875% 2025                  | 241,000             | 241,000             | 248,546                          | 1.60                        | 231,005                          |
| Ryanair 1.125% 2023                               | 130,000             | 130,000             | 131,077                          | 0.84                        | 123,975                          |
| Sanofi SA 0.875% 2021                             | 200,000             | —                   | —                                | —                           | 198,840                          |
| Santander Consumer Finance 0.9% 2020              | 100,000             | 100,000             | 100,100                          | 0.64                        | 96,801                           |
| SAP SE 1.75% 2027                                 | 200,000             | 200,000             | 213,676                          | 1.38                        | 199,070                          |
| Siemens FRN 2066                                  | 115,000             | 115,000             | 117,530                          | 0.76                        | 119,219                          |
| Snam SpA 3.5% 2020                                | 100,000             | —                   | —                                | —                           | 110,413                          |
| Societe Generale SA 2.625% 2025                   | 100,000             | 100,000             | 99,107                           | 0.64                        | 93,390                           |
| Statkraft 1.5% 2030                               | 200,000             | —                   | —                                | —                           | 177,730                          |
| TDF Infrastructure 2.875% 2022                    | —                   | 100,000             | 107,312                          | 0.69                        | —                                |
| Terna Rete Elettrica Nazionale 0.875% 2022        | 200,000             | —                   | —                                | —                           | 193,155                          |
| Total FRN (perp)                                  | 100,000             | 359,000             | 327,877                          | 2.11                        | 88,007                           |
| Unitymedia Hessen 8.125% 2017                     | 100,000             | 100,000             | 111,041                          | 0.72                        | 105,380                          |
| Valeo 3.25% 2024                                  | —                   | 100,000             | 116,541                          | 0.75                        | —                                |
| Vattenfall 6.25% 2021                             | 120,000             | —                   | —                                | —                           | 149,286                          |
| Vesteda Finance 2.5% 2022                         | —                   | 100,000             | 104,591                          | 0.67                        | —                                |
| Volkswagon 5.375% 2018                            | 50,000              | —                   | —                                | —                           | 45,906                           |
| Volkswagon FRN (perp)                             | 130,000             | 130,000             | 119,575                          | 0.77                        | 112,313                          |
| Volkswagen International Finance 3.75% (perp)     | 150,000             | —                   | —                                | —                           | 129,570                          |
| Xstrata Finance Dubai 2.625% 2018                 | 100,000             | —                   | —                                | —                           | 87,874                           |
| <b>United Kingdom 21.51% (20.47%)</b>             |                     |                     |                                  |                             |                                  |
| 3i Group 5.625% 2017                              | 150,000             | 150,000             | 157,913                          | 1.02                        | 160,118                          |
| Abbey National Treasury Services 1.125% 2022      | 100,000             | 100,000             | 99,506                           | 0.64                        | 96,997                           |
| Aviva Plc 3.375% 2045                             | 100,000             | 100,000             | 90,538                           | 0.58                        | 92,035                           |
| Aviva FRN 2038                                    | 100,000             | 100,000             | 109,000                          | 0.70                        | 110,937                          |
| Barclays Bank 6.875% 2022                         | —                   | 236,000             | 279,962                          | 1.80                        | —                                |
| BAT International Finance 0.875% 2023             | 200,000             | —                   | —                                | —                           | 189,709                          |
| BP Capital Markets 1.573% 2027                    | 105,000             | 105,000             | 105,588                          | 0.68                        | 97,809                           |
| BG Energy Capital 6.5% FRN 2072                   | 100,000             | 100,000             | 108,345                          | 0.70                        | 108,469                          |
| British American Tobacco 2.375% 2023              | 100,000             | —                   | —                                | —                           | 106,368                          |
| British Telecom 1.75% 2026                        | —                   | 137,000             | 141,566                          | 0.91                        | —                                |
| EE Finance 3.25% 2018                             | 200,000             | 200,000             | 214,056                          | 1.38                        | 213,938                          |
| Global Switch 5.5% 2018                           | 100,000             | —                   | —                                | —                           | 112,216                          |
| HBOS 4.5% FRN 2030                                | —                   | 224,000             | 245,840                          | 1.58                        | —                                |
| Heathrow Funding 4.6% 2020 (formerly BAA Funding) | 250,000             | 250,000             | 270,433                          | 1.74                        | 273,282                          |
| Imperial Tobacco 8.375% 2016                      | 107,000             | —                   | —                                | —                           | 110,241                          |
| Lloyds Bank 1% 2021                               | 100,000             | —                   | —                                | —                           | 98,250                           |
| Lloyds Bank 1.25% 2025                            | 100,000             | 100,000             | 100,856                          | 0.65                        | 95,890                           |
| National Grid 5% 2018                             | 175,000             | 175,000             | 193,907                          | 1.25                        | 196,364                          |
| Nationwide Building Society 1.25% 2025            | 100,000             | 100,000             | 98,079                           | 0.63                        | 94,784                           |
| Nationwide 6.75% 2020                             | 150,000             | 150,000             | 178,272                          | 1.15                        | 183,271                          |
| NGG Finance 4.25% FRN 2076                        | 100,000             | 100,000             | 104,461                          | 0.67                        | 104,210                          |
| Pentair Finance ZERO 2019                         | 150,000             | 150,000             | 153,388                          | 0.99                        | 150,324                          |
| Royal Bank of Scotland 2.5% 2023                  | —                   | 100,000             | 99,316                           | 0.64                        | —                                |
| Royal Bank of Scotland 5.375% 2019                | 150,000             | 150,000             | 174,715                          | 1.13                        | 175,030                          |

## Investment Portfolios (continued)

As at 31 March 2016

Euro High Income Fund (continued)

|  | Holding<br>30.09.15                   | Holding<br>31.03.16       | Market<br>Value<br>31.03.16<br>€ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>€ |
|--|---------------------------------------|---------------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>United Kingdom (continued)</b>              |                                       |                           |                                  |                             |                                  |
| Scottish and Southern Energy 5.025% FRN (perp) | 100,000                               | —                         | —                                | —                           | 100,040                          |
| SSE FRN (perp)                                 | 200,000                               | 200,000                   | 187,117                          | 1.20                        | 183,283                          |
| United Utilities Water 4.25% 2020              | —                                     | 200,000                   | 228,455                          | 1.47                        | —                                |
| <b>United States 13.00% (14.10%)</b>           |                                       |                           |                                  |                             |                                  |
| AT&T 2.45% 2035                                | 200,000                               | —                         | —                                | —                           | 173,259                          |
| AT&T 2.75% 2023                                | —                                     | 100,000                   | 110,334                          | 0.71                        | —                                |
| Bank of America 4.75% 2017                     | 100,000                               | 100,000                   | 104,715                          | 0.67                        | 106,532                          |
| Bank of America 7% 2016                        | 100,000                               | 100,000                   | 101,395                          | 0.65                        | 104,815                          |
| Citigroup 1.75% 2025                           | 200,000                               | 200,000                   | 202,967                          | 1.31                        | 193,833                          |
| Directv Holdings 2.75% 2023                    | 100,000                               | —                         | —                                | —                           | 105,183                          |
| Goldman Sachs 2% 2023                          | 200,000                               | 200,000                   | 206,734                          | 1.33                        | 200,398                          |
| Goldman Sachs 4.5% 2016                        | 150,000                               | 150,000                   | 150,875                          | 0.97                        | 154,208                          |
| Jefferies Group 2.375% 2020                    | 150,000                               | —                         | —                                | —                           | 146,200                          |
| JP Morgan Chase 2.75% 2022                     | 120,000                               | 120,000                   | 133,314                          | 0.86                        | 129,689                          |
| Kraft Heinz 2% 2023                            | —                                     | 305,000                   | 318,799                          | 2.05                        | —                                |
| Lehman Brothers Holdings FRN 2019              | 150,000                               | 150,000                   | 765                              | 0.00                        | 765                              |
| Metlife Global Funding 2.375% 2019             | 100,000                               | 100,000                   | 106,619                          | 0.69                        | 105,983                          |
| National Capital Instruments FRN (perp)        | 150,000                               | —                         | —                                | —                           | 146,807                          |
| The Coca Cola Company 1.125% 2027              | 158,000                               | 158,000                   | 158,506                          | 1.02                        | 145,654                          |
| Verizon Communications 1.625% 2024             | 200,000                               | 200,000                   | 209,151                          | 1.35                        | 194,771                          |
| Verizon Communications 2.625% 2031             | 200,000                               | 200,000                   | 215,462                          | 1.39                        | 195,931                          |
| Total Value of Investments                     |                                       |                           | 15,079,667                       | 97.08                       | 14,030,693                       |
| Other Assets                                   |                                       |                           | 597,692                          | 3.87                        | 649,082                          |
| Total Assets                                   |                                       |                           | 15,677,359                       | 100.95                      | 14,679,775                       |
| Liabilities                                    |                                       |                           | (147,980)                        | (0.95)                      | (272,443)                        |
| Total Net Assets                               |                                       |                           | 15,529,379                       | 100.00                      | 14,407,332                       |
|  | Six month period<br>ended<br>31.03.16 | Year<br>ended<br>30.09.15 |                                  |                             |                                  |
| Cost of investments purchased                  | €4,164,505                            | €15,221,442               |                                  |                             |                                  |
| Proceeds from investments sold                 | €3,557,857                            | €13,691,414               |                                  |                             |                                  |

## Investment Portfolios (continued)

As at 31 March 2016

European Fund

|                                    | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|------------------------------------|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Austria 3.96% (4.57%)</b>       |                     |                     |                                  |                             |                                  |
| Schoeller-Bleckmann                | 6,600               | 6,600               | 281,478                          | 2.16                        | 244,132                          |
| Vienna Insurance Group             | 15,900              | 15,900              | 234,828                          | 1.80                        | 308,451                          |
| <b>Denmark 4.74% (4.76%)</b>       |                     |                     |                                  |                             |                                  |
| Novo Nordisk                       | 12,200              | 12,200              | 461,411                          | 3.54                        | 431,735                          |
| Novozymes                          | 5,000               | 5,000               | 156,326                          | 1.20                        | 143,627                          |
| <b>France 12.57% (12.27%)</b>      |                     |                     |                                  |                             |                                  |
| Casino Guichard-Perrachon          | 6,600               | 4,600               | 183,781                          | 1.41                        | 230,842                          |
| Dassault Systèmes                  | 7,000               | 5,800               | 320,523                          | 2.46                        | 340,483                          |
| Edenred                            | —                   | 14,800              | 200,511                          | 1.54                        | —                                |
| Essilor International              | 2,600               | 2,300               | 197,996                          | 1.52                        | 208,556                          |
| GDF SUEZ                           | 17,600              | 17,600              | 190,373                          | 1.46                        | 187,251                          |
| L'Oréal                            | 1,800               | 1,650               | 206,013                          | 1.58                        | 205,634                          |
| Schneider Electric                 | 8,400               | 7,700               | 339,166                          | 2.60                        | 309,537                          |
| <b>Germany 13.95% (13.38%)</b>     |                     |                     |                                  |                             |                                  |
| Bayer                              | —                   | 2,700               | 220,763                          | 1.69                        | —                                |
| Fuchs Petrolub                     | 8,400               | 7,200               | 224,426                          | 1.72                        | 244,909                          |
| Henkel                             | 3,400               | 5,000               | 342,398                          | 2.62                        | 197,786                          |
| KION Group                         | 10,100              | 7,700               | 312,628                          | 2.40                        | 295,044                          |
| Linde                              | 3,950               | 3,900               | 396,466                          | 3.04                        | 421,203                          |
| MTU Aero Engines AG                | 8,300               | 4,850               | 323,786                          | 2.48                        | 456,763                          |
| <b>Italy 0.00% (1.63%)</b>         |                     |                     |                                  |                             |                                  |
| Eni                                | 19,000              | —                   | —                                | —                           | 196,651                          |
| <b>Netherlands 11.23% (10.27%)</b> |                     |                     |                                  |                             |                                  |
| Furgo                              | 20,000              | 20,000              | 267,512                          | 2.05                        | 232,609                          |
| Royal Dutch Shell                  | 22,838              | 24,700              | 418,064                          | 3.20                        | 356,581                          |
| Unilever                           | 17,200              | 16,700              | 521,589                          | 4.00                        | 454,938                          |
| Vopak                              | 7,450               | 7,450               | 258,365                          | 1.98                        | 195,803                          |
| <b>Norway 2.73% (2.60%)</b>        |                     |                     |                                  |                             |                                  |
| Kongsberg Gruppen                  | 32,800              | 31,000              | 355,940                          | 2.73                        | 313,510                          |
| <b>Spain 2.66% (2.91%)</b>         |                     |                     |                                  |                             |                                  |
| Amadeus IT Holdings                | 12,500              | 11,600              | 346,528                          | 2.66                        | 352,040                          |
| <b>Sweden 15.17% (16.40%)</b>      |                     |                     |                                  |                             |                                  |
| Assa Abloy                         | 26,000              | 24,300              | 333,058                          | 2.55                        | 306,880                          |
| Atlas Copco                        | 30,300              | 24,800              | 406,318                          | 3.11                        | 445,760                          |
| Ericsson                           | 42,700              | 42,700              | 297,664                          | 2.28                        | 276,364                          |
| Nordea Bank                        | 51,600              | 51,600              | 344,207                          | 2.64                        | 378,340                          |
| Svenska Handelsbanken              | 30,300              | 30,300              | 268,498                          | 2.06                        | 285,487                          |
| Swedish Match                      | 14,500              | 14,000              | 330,422                          | 2.53                        | 288,133                          |

## Investment Portfolios (continued)

As at 31 March 2016

European Fund (continued)

|                                    | Holding<br>30.09.15                   | Holding<br>31.03.16       | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|------------------------------------|---------------------------------------|---------------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Switzerland 29.55% (30.03%)</b> |                                       |                           |                                  |                             |                                  |
| Givaudan                           | 130                                   | 115                       | 157,667                          | 1.21                        | 139,170                          |
| Holcim                             | 6,825                                 | 8,700                     | 285,870                          | 2.19                        | 235,285                          |
| Nestle 'R'                         | 10,900                                | 10,300                    | 537,881                          | 4.12                        | 539,624                          |
| Novartis                           | 5,400                                 | 6,700                     | 339,418                          | 2.60                        | 326,258                          |
| Roche Holdings                     | 3,050                                 | 2,900                     | 498,838                          | 3.82                        | 529,386                          |
| Schindler                          | 4,000                                 | 3,300                     | 424,983                          | 3.26                        | 378,623                          |
| Syngenta                           | 1,650                                 | 1,400                     | 406,924                          | 3.12                        | 347,814                          |
| The Swatch Group B                 | 1,020                                 | 1,020                     | 246,820                          | 1.89                        | 248,815                          |
| The Swatch Group R                 | 1,800                                 | 1,800                     | 84,713                           | 0.65                        | 85,373                           |
| Temenos Group                      | 9,000                                 | 9,000                     | 343,463                          | 2.63                        | 243,379                          |
| UBS Group                          | 31,000                                | 34,800                    | 391,527                          | 3.00                        | 377,106                          |
| Zurich Insurance Group             | 1,100                                 | 850                       | 137,936                          | 1.06                        | 177,735                          |
| Total Value of Investments         |                                       |                           | 12,597,078                       | 96.56                       | 11,937,617                       |
| Other Assets                       |                                       |                           | 484,281                          | 3.71                        | 272,998                          |
|                                    |                                       |                           | 13,081,359                       | 100.27                      | 12,210,615                       |
| Liabilities                        |                                       |                           | (34,377)                         | -0.27                       | (74,151)                         |
| Total Net Assets                   |                                       |                           | 13,046,982                       | 100.00                      | 12,136,464                       |
|                                    | Six month period<br>ended<br>31.03.16 | Year<br>ended<br>30.09.15 |                                  |                             |                                  |
| Cost of investments purchased      | £807,311                              | £1,718,738                |                                  |                             |                                  |
| Proceeds from investments sold     | £1,312,252                            | £3,151,496                |                                  |                             |                                  |

## Investment Portfolios (continued)

As at 31 March 2016

High Income Fund

|  | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|--|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>UK Government 0.87% (0.04%)</b>                 |                     |                     |                                  |                             |                                  |
| Treasury 1.75% 2022                                | 100,000             | —                   | —                                | —                           | 101,866                          |
| Treasury 4.25% 2036                                | —                   | 180,000             | 241,370                          | 0.09                        | —                                |
| Treasury 4.75% 2030                                | —                   | 1,586,000           | 2,176,579                        | 0.78                        | —                                |
| <b>UK Corporate 66.74% (64.92%)</b>                |                     |                     |                                  |                             |                                  |
| Abbey National Treasury Services 1.875% 2020       | 940,000             | —                   | —                                | —                           | 919,133                          |
| Anglian Water Services Financing 4.5% 2026         | 1,000,000           | 1,000,000           | 1,105,705                        | 0.40                        | 1,070,995                        |
| Anglian Water Osprey Financing 7% 2018             | 600,000             | 600,000             | 650,784                          | 0.23                        | 653,088                          |
| Annington Finance 5.3236% 2023                     | —                   | 260,000             | 291,734                          | 0.10                        | —                                |
| Annington Finance No 4 8.07% 2023                  | 1,500,000           | 1,500,000           | 1,937,795                        | 0.70                        | 1,983,278                        |
| Annington Finance No 4 2023 FRN                    | 2,000,000           | 2,000,000           | 1,749,978                        | 0.63                        | 2,056,620                        |
| Arkle Master Issuer 4.681% 2060                    | 1,200,000           | —                   | —                                | —                           | 1,254,889                        |
| Aspire Defence Finance 4.674% 2040                 | 1,643,000           | 1,643,000           | 1,817,877                        | 0.65                        | 1,842,587                        |
| Autolink Concessionaires M6 2022 FRN               | 1,500,000           | 1,500,000           | 1,048,712                        | 0.38                        | 1,123,207                        |
| Aviva 5.125% FRN                                   | 1,200,000           | 1,200,000           | 1,104,535                        | 0.40                        | 1,118,465                        |
| Aviva FRN (perp)                                   | 1,200,000           | 1,200,000           | 1,206,750                        | 0.43                        | 1,229,250                        |
| Aviva GRN (perp)                                   | 1,000,000           | 1,000,000           | 1,018,667                        | 0.37                        | 1,037,475                        |
| Aviva FRN 2041                                     | 600,000             | 1,600,000           | 1,723,997                        | 0.62                        | 649,882                          |
| Barclays Bank 5.75% 2026                           | 550,000             | —                   | —                                | —                           | 612,091                          |
| Barclays Bank 7.875% FRN (perp)                    | 1,000,000           | 1,000,000           | 892,500                          | 0.32                        | 986,250                          |
| Barclays Bank 9.5% 2021                            | 1,697,000           | 1,697,000           | 2,115,377                        | 0.76                        | 2,147,837                        |
| Barclays Bank 10% 2021                             | 2,860,000           | 2,860,000           | 3,600,016                        | 1.30                        | 3,670,006                        |
| Barclays Bank 2049 FRN (perp)                      | 500,000             | 500,000             | 632,898                          | 0.23                        | 645,778                          |
| BG Energy Capital FRN 2072                         | 3,617,000           | 3,617,000           | 3,811,414                        | 1.37                        | 3,806,231                        |
| BHP Billington 6.5% 2077                           | —                   | 700,000             | 703,063                          | 0.25                        | —                                |
| BL Superstores 5.27% 2030                          | 750,000             | 750,000             | 674,041                          | 0.24                        | 701,513                          |
| British American Tobacco 6% 2022                   | 700,000             | 700,000             | 850,980                          | 0.31                        | 837,623                          |
| British American Tobacco 6.375% 2019               | 1,240,000           | 1,240,000           | 1,455,755                        | 0.52                        | 1,448,561                        |
| British Telecommunications 6.375% 2037             | 506,000             | 506,000             | 698,960                          | 0.25                        | 655,021                          |
| Broadgate Financing 4.821% 2036                    | 1,340,000           | 1,340,000           | 1,637,172                        | 0.59                        | 1,609,311                        |
| Canary Wharf II 6.455% 2030                        | 1,380,000           | 1,510,000           | 635,454                          | 0.23                        | 506,690                          |
| Centrica 5.25% FRN 2075                            | 1,100,000           | 1,100,000           | 1,001,476                        | 0.36                        | 1,053,931                        |
| Centrica 6.375% 2022                               | 1,500,000           | 1,500,000           | 1,832,063                        | 0.66                        | 1,791,714                        |
| Centrica 7% 2018                                   | 2,400,000           | 2,400,000           | 2,705,081                        | 0.97                        | 2,735,438                        |
| City of Greenwich & Lewisham Rail Link 9.375% 2020 | 600,000             | 600,000             | 270,827                          | 0.10                        | 300,828                          |
| Close Brothers 6.5% 2017                           | 900,000             | 900,000             | 935,006                          | 0.34                        | 952,102                          |
| Clydesdale Bank 4.625% 2026                        | 2,050,000           | 2,050,000           | 2,446,767                        | 0.88                        | 2,424,533                        |
| Co-operative Group 5.625% 2020                     | 2,300,000           | 2,300,000           | 2,462,610                        | 0.89                        | 2,473,604                        |
| Coventry Building Society 2050                     | —                   | 1,677,000           | 1,678,405                        | 0.60                        | —                                |
| CRH Finance 4.125% 2029                            | —                   | 430,000             | 462,338                          | 0.17                        | —                                |
| Daily Mail and General 6.375% 2027                 | —                   | 300,000             | 351,480                          | 0.13                        | —                                |
| Dignity Finance 4.6956% 2049                       | 2,121,000           | 2,121,000           | 2,332,222                        | 0.84                        | 2,304,997                        |
| Dukinfield No 1 FRN 2045                           | 824,000             | 824,000             | 751,807                          | 0.27                        | 801,057                          |
| Dwr Cymru Finance 6.907% 2021                      | 1,900,000           | 1,900,000           | 2,348,347                        | 0.84                        | 2,330,637                        |
| Eastern Power Networks 8.5% 2025                   | 3,530,000           | 3,530,000           | 5,123,089                        | 1.84                        | 5,068,889                        |
| EE Finance 4.375% 2019                             | 600,000             | 600,000             | 646,579                          | 0.23                        | 637,774                          |
| Electricity North Western 8.785% 2026              | 1,452,000           | 1,452,000           | 2,204,380                        | 0.79                        | 2,172,212                        |
| EMH Treasury Plc 4.5% 2044                         | —                   | 800,000             | 898,504                          | 0.32                        | —                                |
| EON International Finance 6.375% 2032              | —                   | 600,000             | 737,687                          | 0.27                        | —                                |
| EUR LN Conduit 5.0636% 2033                        | 1,903,000           | 1,903,000           | 1,986,384                        | 0.71                        | 2,046,174                        |
| First Hydro 9% 2021                                | 1,550,000           | 1,550,000           | 2,046,713                        | 0.74                        | 2,033,616                        |
| Friends Life Group 8.25% 2022                      | 1,300,000           | 1,300,000           | 1,560,001                        | 0.56                        | 1,540,601                        |
| Gatwick Funding Limited FRN 2028                   | 1,550,000           | 1,550,000           | 1,757,547                        | 0.63                        | 1,654,458                        |
| Gemgarto 2015 ZERO 2047                            | 466,000             | 466,000             | 305,772                          | 0.11                        | 423,204                          |
| GlaxoSmithKline Capital 6.375% 2039                | 957,000             | 957,000             | 1,395,874                        | 0.50                        | 1,331,033                        |



## Investment Portfolios (continued)

As at 31 March 2016

High Income Fund (continued)

|  | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|--|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>UK Corporate (continued)</b>                  |                     |                     |                                  |                             |                                  |
| Great Rolling Stock 6.25% 2031                   | 1,000,000           | 1,000,000           | 1,228,751                        | 0.44                        | 1,237,095                        |
| HBOS FRN (perp)                                  | 1,940,000           | 1,940,000           | 2,204,364                        | 0.79                        | 2,286,057                        |
| HBOS 12% (perp)                                  | 2,000,000           | 2,000,000           | 2,590,000                        | 0.93                        | 2,489,600                        |
| Heathrow Funding 4.625% 2048                     | 2,650,000           | 2,650,000           | 3,085,530                        | 1.11                        | 2,818,074                        |
| Heathrow Funding 6.45% 2033                      | 1,000,000           | 1,000,000           | 1,387,387                        | 0.50                        | 1,312,694                        |
| Heathrow Funding 6.75% 2028                      | 900,000             | 900,000             | 1,218,618                        | 0.44                        | 1,180,990                        |
| Housing Association Funding 8.25% 2027           | 1,500,000           | 1,500,000           | 1,348,371                        | 0.49                        | 1,360,274                        |
| HSBC Bank GRN 2023                               | 3,000,000           | 2,900,000           | 3,008,678                        | 1.08                        | 3,137,829                        |
| HSBC Bank 5.862% (perp)                          | —                   | 402,000             | 407,528                          | 0.15                        | —                                |
| HSBC Holdings 6% 2040                            | 3,550,000           | 3,550,000           | 3,896,693                        | 1.40                        | 3,979,628                        |
| HSBC Holdings 6.5% 2024                          | 1,100,000           | 700,000             | 857,320                          | 0.31                        | 1,362,132                        |
| Hutchison Whampoa Finance UK 5.625% 2017         | 1,850,000           | 1,850,000           | 1,970,372                        | 0.71                        | 1,997,434                        |
| Imperial Tobacco 8.125% 2024                     | 850,000             | 850,000             | 1,152,722                        | 0.41                        | 1,122,506                        |
| Imperial Tobacco 9% 2022                         | 1,200,000           | 1,200,000           | 1,614,928                        | 0.58                        | 1,592,555                        |
| InterContinental Hotels Group 3.75% 2025         | 1,700,000           | 1,700,000           | 1,754,468                        | 0.63                        | 1,698,037                        |
| Integrated Accommodation Service 6.48% 2029      | 1,951,000           | 1,951,000           | 1,755,807                        | 0.63                        | 1,793,917                        |
| Intu Metrocentre 4.125% 2028                     | 760,000             | 760,000             | 815,166                          | 0.29                        | 795,686                          |
| Jaguar Land Rover Automotive 5% 2022             | 1,500,000           | 1,500,000           | 1,527,195                        | 0.55                        | 1,481,250                        |
| Land Securities FRN 2026                         | 467,000             | 467,000             | 562,827                          | 0.20                        | 555,769                          |
| Lloyds Bank 9.625% 2023                          | 2,000,000           | 1,500,000           | 2,002,653                        | 0.72                        | 2,685,564                        |
| Lloyds Bank 13% FRN (perp)                       | 692,000             | 692,000             | 1,003,400                        | 0.36                        | 1,031,080                        |
| Lloyds of London 4.75% 2024                      | 646,000             | 646,000             | 668,730                          | 0.24                        | 656,884                          |
| Marstons Issuer FRN 2035                         | 2,712,000           | 2,712,000           | 2,576,400                        | 0.93                        | 2,576,400                        |
| Manchester Airport 4.125% 2024                   | 1,000,000           | 1,000,000           | 1,096,767                        | 0.39                        | 1,062,321                        |
| Manchester Airport 4.75% 2034                    | 2,030,000           | 2,030,000           | 2,352,218                        | 0.85                        | 2,236,481                        |
| Motability 3.625% 2036                           | —                   | 360,000             | 377,586                          | 0.14                        | —                                |
| Motability Operations Group 6.625% 2019          | 1,500,000           | 1,500,000           | 1,778,532                        | 0.64                        | 1,776,908                        |
| Motability Operations Group 6.625% 2019          | 1,000,000           | 1,000,000           | 1,107,246                        | 0.40                        | 1,071,613                        |
| National Grid Electricity Transmission 6.5% 2028 | 2,600,000           | 2,600,000           | 3,622,255                        | 1.30                        | 3,508,071                        |
| National Grid Gas 8.75% 2025                     | 1,380,000           | 1,380,000           | 2,097,737                        | 0.75                        | 2,068,503                        |
| Nationwide Building Society 5.625% 2019          | 1,450,000           | 1,450,000           | 1,641,590                        | 0.59                        | 1,637,384                        |
| NIE Finance 6.375% 2026                          | 1,000,000           | 1,000,000           | 1,307,735                        | 0.47                        | 1,277,932                        |
| NGG Finance FRN 2073                             | 1,590,000           | 1,590,000           | 1,652,555                        | 0.59                        | 1,668,176                        |
| Northern Powergrid 2.5% 2025                     | 600,000             | 600,000             | 597,732                          | 0.22                        | 577,308                          |
| Northern Powergrid Yorkshire 9.25% 2020          | 3,032,000           | 3,032,000           | 3,843,469                        | 1.38                        | 3,876,191                        |
| Northumberland Services 6.875% 2023              | 2,250,000           | 2,250,000           | 2,850,671                        | 1.03                        | 2,826,104                        |
| Paragon Zero 2043                                | —                   | 897,000             | 896,321                          | 0.32                        | —                                |
| Paragon Treasury 3.625% 2047                     | 600,000             | 600,000             | 583,609                          | 0.21                        | 567,438                          |
| PICTS 5.218% 2039                                | 1,000,000           | 1,000,000           | 1,099,595                        | 0.40                        | 1,063,192                        |
| Places For People Homes 5.875% 2031              | 1,500,000           | 1,500,000           | 1,814,910                        | 0.65                        | 1,805,265                        |
| Prudential 5% FRN 2055                           | 2,100,000           | 2,100,000           | 1,853,431                        | 0.67                        | 1,966,646                        |
| Prudential Corporation FRN 2039                  | 1,420,000           | 1,420,000           | 1,756,255                        | 0.63                        | 1,791,394                        |
| QBE Capital Funding FRN 2041                     | 700,000             | 700,000             | 758,233                          | 0.27                        | 766,876                          |
| RL Finance 6.125% 2028                           | —                   | 600,000             | 615,878                          | 0.22                        | —                                |
| Royal Bank of Scotland 6.625% 2018               | 1,200,000           | 1,200,000           | 1,335,865                        | 0.48                        | 1,349,040                        |
| RSA Insurance Group FRN 2039                     | 1,300,000           | 1,300,000           | 1,515,189                        | 0.55                        | 1,515,709                        |
| Santander UK 3.625% 2026                         | —                   | 908,000             | 901,798                          | 0.32                        | —                                |
| Santander UK 7.375% FRN (perp)                   | 500,000             | 500,000             | 462,125                          | 0.17                        | 496,900                          |
| Santander UK 10.0625% (perp)                     | 3,000,000           | 3,000,000           | 4,320,000                        | 1.55                        | 4,230,000                        |
| Scottish & Southern Energy FRN (perp)            | 1,655,000           | —                   | —                                | —                           | 1,657,896                        |
| Scottish Power 6.375% 2041 (Step)                | 1,000,000           | 1,000,000           | 1,343,340                        | 0.48                        | 1,326,900                        |
| Severn Trent 6.25% 2029                          | 1,250,000           | 1,250,000           | 1,693,306                        | 0.61                        | 1,626,236                        |
| Society of Lloyds FRN (perp)                     | 1,189,000           | 1,189,000           | 1,231,904                        | 0.44                        | 1,252,730                        |
| Southern Gas Networks 4.875% 2029                | 2,550,000           | 2,550,000           | 3,041,321                        | 1.09                        | 2,983,255                        |
| Southern Gas Networks 6.375% 2040                | 300,000             | 300,000             | 424,683                          | 0.15                        | 409,332                          |

## Investment Portfolios (continued)

As at 31 March 2016

High Income Fund (continued)

|   | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|---|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>UK Corporate (continued)</b>                         |                     |                     |                                  |                             |                                  |
| Southern Water Services 6.125% 2019                     | 1,447,000           | 1,447,000           | 1,636,337                        | 0.59                        | 1,635,682                        |
| Southern Water Greensands Financing 8.5% 2019           | 938,000             | 938,000             | 1,043,319                        | 0.38                        | 1,057,820                        |
| SSE FRN (perp)  | 1,100,000           | 1,100,000           | 1,063,108                        | 0.38                        | 1,051,875                        |
| Stagecoach Group 4% 2025                                | 505,000             | 705,000             | 727,568                          | 0.26                        | 506,358                          |
| Standard Chartered 7.75% 2018                           | 1,350,000           | 1,350,000           | 1,476,780                        | 0.53                        | 1,498,995                        |
| Standard Chartered FRN (perp)                           | 1,500,000           | 1,500,000           | 1,509,555                        | 0.54                        | 1,528,125                        |
| Standard Chartered FRN (perp)                           | 850,000             | 850,000             | 909,500                          | 0.33                        | 965,813                          |
| Standard Life Finance FRN (perp)                        | 2,140,000           | 2,140,000           | 2,291,084                        | 0.82                        | 2,386,635                        |
| Telereal Securitisation 5.3887% 2033                    | 13,000              | 13,000              | 10,540                           | 0.00                        | 11,250                           |
| Telereal Securitisation 6.1645% 2031                    | 1,130,000           | —                   | —                                | —                           | 1,285,227                        |
| Thames Water Kemble Finance 7.75% 2019                  | 1,800,000           | 1,800,000           | 1,986,624                        | 0.71                        | 1,968,894                        |
| Thames Water Utilities Finance 5.125% 2037              | 1,486,000           | 1,486,000           | 1,814,208                        | 0.65                        | 1,740,735                        |
| Thames Water Utilities (Cayman) Finance FRN 2025        | 2,600,000           | 2,600,000           | 2,696,455                        | 0.97                        | 2,719,571                        |
| The Housing Finance Corporation Funding No.2 6.35% 2041 | 1,080,000           | 1,080,000           | 1,523,572                        | 0.55                        | 1,485,001                        |
| UBS AG (London Branch) 6.625% 2018                      | 944,000             | 944,000             | 1,045,618                        | 0.38                        | 1,054,240                        |
| UBS AG (Jersey) 8.75% 2025                              | 2,724,000           | —                   | —                                | —                           | 3,881,853                        |
| UPP Bond 1 4.9023% 2040                                 | —                   | 1,100,000           | 1,239,300                        | 0.45                        | —                                |
| Vicinity Centres 3.375% 2026                            | —                   | 520,000             | 527,535                          | 0.19                        | —                                |
| Western Power 3.625% 2023                               | —                   | 1,000,000           | 1,024,202                        | 0.37                        | —                                |
| Western Power 5.75% 2032                                | 1,300,000           | 1,300,000           | 1,675,103                        | 0.60                        | 1,613,464                        |
| Whitbread Group Plc 3.375% 2025                         | 759,000             | —                   | —                                | —                           | 761,915                          |
| WM Morrisons Supermarket 4.75% 2029                     | 500,000             | —                   | —                                | —                           | 488,738                          |
| WW Grainger PLC 5% 2020                                 | 1,250,000           | 1,250,000           | 1,301,938                        | 0.47                        | 1,287,438                        |
| Yorkshire Water Services Odsal Finance 6.5876% 2023     | 842,000             | 842,000             | 1,055,620                        | 0.38                        | 1,044,562                        |
| Zurich Finance UK FRN (perp)                            | 800,000             | 800,000             | 864,520                          | 0.31                        | 876,260                          |
| <b>Overseas Borrowers 29.24% (32.56%)</b>               |                     |                     |                                  |                             |                                  |
| Aegon 6.125% 2031                                       | 1,102,000           | 1,102,000           | 1,453,473                        | 0.52                        | 1,397,350                        |
| America Movil SAB FRN 2073                              | 3,240,000           | 2,240,000           | 2,282,672                        | 0.82                        | 3,353,400                        |
| AIG SunAmerica Institutional Funding 5.375% 2016        | 2,504,000           | —                   | —                                | —                           | 2,602,713                        |
| APT Pipelines 3.5% 2030                                 | 920,000             | 920,000             | 852,455                          | 0.31                        | 852,094                          |
| AT&T 4.25% 2043   | 2,027,000           | 2,027,000           | 2,022,421                        | 0.73                        | 1,843,915                        |
| AT&T Inc 4.375% 2029                                    | —                   | 1,000,000           | 1,081,280                        | 0.39                        | —                                |
| AT&T 4.875% 2044  | 1,300,000           | 1,300,000           | 1,422,628                        | 0.51                        | 1,299,355                        |
| AXA 7.125% 2020   | 1,100,000           | 1,100,000           | 1,310,395                        | 0.47                        | 1,281,331                        |
| AXA FRN (perp)  | 1,030,000           | 1,030,000           | 1,087,852                        | 0.39                        | 1,138,580                        |
| AXA SA 5.453% (perp)                                    | 2,492,000           | 2,492,000           | 2,441,288                        | 0.88                        | 2,501,355                        |
| Bank of America 7% 2028                                 | 2,700,000           | 2,700,000           | 3,713,739                        | 1.34                        | 3,657,301                        |
| Bank of America Merrill Lynch 7.75% 2018                | 2,150,000           | 2,150,000           | 2,410,350                        | 0.87                        | 2,459,020                        |
| BNP Paribas FRN (perp)                                  | 1,200,000           | 1,200,000           | 1,212,384                        | 0.44                        | 1,222,860                        |
| Chorus Ltd 6.75% 2020                                   | —                   | 1,200,000           | 1,401,688                        | 0.50                        | —                                |
| Cie de Saint Gobain 5.625% 2016                         | 1,450,000           | 1,450,000           | 1,491,151                        | 0.54                        | 1,517,406                        |
| Citigroup 6.8% 2038                                     | 2,291,000           | 2,291,000           | 3,263,988                        | 1.17                        | 3,231,792                        |
| DIRECTV Holdings 4.375% 2029                            | 2,300,000           | —                   | —                                | —                           | 2,330,967                        |
| E.ON International Finance 5.825% 2037                  | 2,100,000           | 2,100,000           | 2,473,754                        | 0.89                        | 2,394,212                        |
| EDF 5.5% 2041   | 3,700,000           | 3,000,000           | 3,473,211                        | 1.25                        | 4,187,283                        |
| EDF 5.875% 2031   | 1,178,000           | 1,178,000           | 1,451,601                        | 0.52                        | 1,414,361                        |
| EDF 6% 2014   | 700,000             | 700,000             | 877,562                          | 0.32                        | 851,167                          |
| EDF FRN (perp)  | 1,500,000           | 1,500,000           | 1,372,032                        | 0.49                        | 1,491,563                        |
| Electricite France 5.125% 2050                          | 1,600,000           | 1,600,000           | 1,758,659                        | 0.63                        | 1,746,342                        |
| Enel 5.75% 2037   | 1,500,000           | 1,300,000           | 1,601,257                        | 0.58                        | 1,737,776                        |
| European Coal and Steel 6.875% 2019                     | 1,700,000           | 1,700,000           | 1,965,107                        | 0.71                        | 1,982,982                        |
| FirstGroup 8.75% 2021                                   | 1,000,000           | 1,000,000           | 1,241,851                        | 0.45                        | 1,245,884                        |
| Freshwater Finance 5.182% 2035                          | 858,000             | 858,000             | 1,055,390                        | 0.38                        | 1,024,929                        |
| GE Capital UK Funding 5.125% 2023                       | 3,998,000           | 2,849,000           | 3,390,848                        | 1.22                        | 4,632,834                        |

## Investment Portfolios (continued)

As at 31 March 2016

High Income Fund (continued)

|  | Holding<br>30.09.15                   | Holding<br>31.03.16       | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|--|---------------------------------------|---------------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Overseas Borrowers (continued)</b>      |                                       |                           |                                  |                             |                                  |
| GE Capital UK Funding 8% 2039              | 1,500,000                             | 1,500,000                 | 2,566,829                        | 0.92                        | 2,491,170                        |
| General Electric Capital Corp FRN 2067     | 1,900,000                             | —                         | —                                | —                           | 1,974,020                        |
| Glencore Finance GR 2022                   | 1,400,000                             | 900,000                   | 859,126                          | 0.31                        | 1,197,473                        |
| Glencore Finance 6.5% 2019                 | 750,000                               | 750,000                   | 775,001                          | 0.28                        | 689,023                          |
| Goldman Sachs 7.125% 2025                  | 850,000                               | 850,000                   | 1,132,299                        | 0.41                        | 1,117,856                        |
| Goldman Sachs 7.25% 2028                   | 577,000                               | 577,000                   | 799,747                          | 0.29                        | 780,672                          |
| Health Care REIT                           | 700,000                               | 700,000                   | 756,823                          | 0.27                        | 750,186                          |
| Highbury Finance 7.017% 2023               | 1,550,000                             | 1,550,000                 | 1,373,642                        | 0.49                        | 1,463,215                        |
| H J Heinz 4.125% 2027                      | 500,000                               | 1,500,000                 | 1,595,370                        | 0.57                        | 519,158                          |
| Holcim Finance 8.75% 2017                  | 1,450,000                             | 1,450,000                 | 1,555,071                        | 0.56                        | 1,602,198                        |
| Koninklijke KPN 5% 2026                    | 700,000                               | 700,000                   | 802,017                          | 0.29                        | 751,962                          |
| MetLife 5.25% 2020                         | 1,238,000                             | —                         | —                                | —                           | 1,403,467                        |
| Muenchener Rueckversicherungs FRN 2028     | 2,000,000                             | 2,000,000                 | 2,204,342                        | 0.79                        | 2,244,466                        |
| Orange GRN (perp)                          | 725,000                               | 725,000                   | 726,769                          | 0.26                        | 724,764                          |
| Orange SA FRN (perp)                       | 2,002,000                             | 2,002,000                 | 2,023,047                        | 0.73                        | 2,016,983                        |
| RWE Finance 6.25% 2030                     | 1,200,000                             | 945,000                   | 1,044,660                        | 0.38                        | 1,315,898                        |
| RWE Finance 6.5% 2021                      | 700,000                               | 700,000                   | 808,916                          | 0.29                        | 798,317                          |
| Scentre Management 2.375% 2022             | 1,200,000                             | —                         | —                                | —                           | 1,172,773                        |
| SLM Student Loan FRN 2038                  | 1,350,000                             | 1,350,000                 | 1,116,821                        | 0.40                        | 1,221,170                        |
| Societe Generale FRN (perp)                | 2,067,000                             | 1,665,000                 | 1,780,767                        | 0.64                        | 2,291,580                        |
| Swiss Reinsurance Co via ELM BV FRN (perp) | 1,850,000                             | 1,850,000                 | 1,904,730                        | 0.69                        | 1,949,438                        |
| Telefonica Emisione 5.445% 2029            | 1,250,000                             | —                         | —                                | —                           | 1,408,053                        |
| Time Warner Cable 5.25% 2042               | 800,000                               | 800,000                   | 743,626                          | 0.27                        | 702,274                          |
| United Mexico STS 5.625% 2014              | 1,710,000                             | 1,710,000                 | 1,545,413                        | 0.56                        | 1,613,813                        |
| Vattenfall 6.875% 2039                     | 1,976,000                             | —                         | —                                | —                           | 2,647,731                        |
| Verizon Communications 4.75% 2034          | 1,400,000                             | 1,400,000                 | 1,552,604                        | 0.56                        | 1,479,104                        |
| Wal-Mart Stores 5.25% 2035                 | 2,483,000                             | 2,483,000                 | 3,209,143                        | 1.15                        | 3,122,003                        |
| Westpac Bank 2.625% 2022                   | —                                     | 2,200,000                 | 2,243,208                        | 0.81                        | —                                |
| Total Value of Investments                 |                                       |                           | 269,286,329                      | 96.85                       | 277,989,695                      |
| Other Assets                               |                                       |                           | 10,710,007                       | 3.88                        | 833,564                          |
| Total Assets                               |                                       |                           | 279,996,336                      | 100.73                      | 278,823,259                      |
| Liabilities                                |                                       |                           | (2,017,699)                      | (0.73)                      | (394,698)                        |
| Total Net Assets                           |                                       |                           | 277,978,636                      | 100.00                      | 278,428,561                      |
|  | Six month period<br>ended<br>31.03.16 | Year<br>ended<br>30.09.15 |                                  |                             |                                  |
| Cost of investments purchased              | £27,873,333                           | £42,119,713               |                                  |                             |                                  |
| Proceeds from investments sold             | £38,707,931                           | £71,181,061               |                                  |                             |                                  |

## Investment Portfolios (continued)

As at 31 March 2016

International Fund

|                                   | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|-----------------------------------|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Brazil 1.59% (2.88%)</b>       |                     |                     |                                  |                             |                                  |
| Banco Bradesco                    | 96,025              | 59,225              | 306,777                          | 1.59                        | 339,471                          |
| Vale                              | 84,900              | —                   | —                                | —                           | 188,044                          |
| <b>Canada 3.11% (3.04%)</b>       |                     |                     |                                  |                             |                                  |
| Canadian National Railway Co.     | 7,800               | 7,800               | 340,366                          | 1.76                        | 291,072                          |
| Potash Corp. of Saskatchewan      | 19,600              | 21,900              | 260,395                          | 1.35                        | 264,731                          |
| <b>France 1.55% (1.37%)</b>       |                     |                     |                                  |                             |                                  |
| Schneider Electric                | 6,800               | 6,800               | 299,523                          | 1.55                        | 250,578                          |
| <b>Germany 3.17% (1.62%)</b>      |                     |                     |                                  |                             |                                  |
| Fresenius Medical care            | —                   | 4,500               | 277,068                          | 1.43                        | —                                |
| Henkel                            | 4,400               | 4,400               | 337,313                          | 1.74                        | 297,436                          |
| <b>Hong Kong 5.77% (5.77%)</b>    |                     |                     |                                  |                             |                                  |
| AIA Group                         | 119,400             | 96,600              | 380,603                          | 1.97                        | 407,344                          |
| Jardine Matheson                  | 6,200               | 8,300               | 329,390                          | 1.70                        | 192,887                          |
| MTR                               | —                   | 61,500              | 211,280                          | 1.09                        | —                                |
| Swire Pacific                     | 26,000              | 26,000              | 194,502                          | 1.01                        | 191,300                          |
| <b>Ireland 1.98% (1.50%)</b>      |                     |                     |                                  |                             |                                  |
| Experian                          | 26,000              | 26,000              | 323,570                          | 1.67                        | 274,950                          |
| <b>Israel 1.98% (1.09%)</b>       |                     |                     |                                  |                             |                                  |
| Check Point Software Technologies | 3,800               | 6,300               | 383,663                          | 1.98                        | 199,025                          |
| <b>Japan 8.08% (7.50%)</b>        |                     |                     |                                  |                             |                                  |
| Daito Trust Construction          | 3,100               | 2,100               | 207,796                          | 1.07                        | 206,978                          |
| FANUC                             | 2,700               | 2,700               | 292,362                          | 1.51                        | 272,435                          |
| Japan Tobacco                     | 21,300              | 19,600              | 568,726                          | 2.94                        | 432,953                          |
| Shin-Etsu Chemical                | 13,700              | 13,700              | 494,206                          | 2.56                        | 461,037                          |
| <b>Luxembourg 1.48% (2.14%)</b>   |                     |                     |                                  |                             |                                  |
| Tenaris                           | 24,600              | 16,600              | 286,022                          | 1.48                        | 391,473                          |
| <b>Mexico 2.01% (2.38%)</b>       |                     |                     |                                  |                             |                                  |
| Fomento Economico Mexicano        | 7,400               | 5,800               | 388,705                          | 2.01                        | 436,110                          |
| <b>Singapore 1.02% (0.91%)</b>    |                     |                     |                                  |                             |                                  |
| City Developments                 | 46,700              | 46,700              | 197,247                          | 1.02                        | 167,173                          |
| <b>South Africa 1.17% (1.64%)</b> |                     |                     |                                  |                             |                                  |
| MTN Group                         | 35,400              | 35,400              | 226,334                          | 1.17                        | 301,183                          |
| <b>South Korea 3.31% (2.64%)</b>  |                     |                     |                                  |                             |                                  |
| Samsung                           | 950                 | 950                 | 639,519                          | 3.31                        | 483,616                          |
| <b>Sweden 1.56% (4.50%)</b>       |                     |                     |                                  |                             |                                  |
| Atlas Copco                       | 17,200              | 17,200              | 301,287                          | 1.56                        | 272,196                          |
| Ericsson                          | 40,700              | —                   | —                                | —                           | 263,419                          |
| Nordea Bank                       | 39,100              | —                   | —                                | —                           | 286,688                          |

## Investment Portfolios (continued)

As at 31 March 2016

International Fund (continued)

|                                    | Holding<br>30.09.15                   | Holding<br>31.03.16       | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|------------------------------------|---------------------------------------|---------------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Switzerland 8.93% (11.22%)</b>  |                                       |                           |                                  |                             |                                  |
| Nestle                             | 9,000                                 | 7,200                     | 375,994                          | 1.94                        | 445,561                          |
| Novartis                           | 10,400                                | 13,100                    | 663,638                          | 3.43                        | 628,349                          |
| Roche Holding                      | 3,700                                 | 4,000                     | 688,052                          | 3.56                        | 642,206                          |
| Zurich Insurance Group             | 2,100                                 | —                         | —                                | —                           | 339,312                          |
| <b>Tailand 1.00% (0.00%)</b>       |                                       |                           |                                  |                             |                                  |
| Kasikornbank                       | —                                     | 55,800                    | 192,569                          | 1.00                        | —                                |
| <b>Taiwan 3.09% (3.22%)</b>        |                                       |                           |                                  |                             |                                  |
| Taiwan Semiconductor Manufacturing | 43,000                                | 32,800                    | 598,013                          | 3.09                        | 589,183                          |
| <b>UK 13.71% (13.89%)</b>          |                                       |                           |                                  |                             |                                  |
| Amdocs                             | —                                     | 7,200                     | 302,743                          | 1.57                        | —                                |
| BNP Billiton                       | 28,100                                | 17,900                    | 140,139                          | 0.72                        | 282,335                          |
| British American Tobacco           | 18,000                                | 14,900                    | 609,447                          | 3.15                        | 655,785                          |
| HSBC                               | 80,651                                | 37,600                    | 163,158                          | 0.84                        | 402,231                          |
| Rolls Royce Holdings               | 40,284                                | 40,284                    | 274,636                          | 1.42                        | 272,823                          |
| Royal Dutch Shell                  | 23,000                                | 23,000                    | 391,058                          | 2.02                        | 359,375                          |
| Standard Chartered                 | 47,741                                | 61,381                    | 290,044                          | 1.50                        | 305,900                          |
| Vodafone Group                     | 127,100                               | 217,500                   | 481,067                          | 2.49                        | 264,978                          |
| <b>USA 34.45% (33.74%)</b>         |                                       |                           |                                  |                             |                                  |
| Baxalta                            | 10,200                                | —                         | —                                | —                           | 211,912                          |
| Baxter International               | 8,100                                 | —                         | —                                | —                           | 175,636                          |
| Chevron                            | 4,900                                 | —                         | —                                | —                           | 255,149                          |
| Cognizant Technology Solutions     | 7,800                                 | 9,700                     | 423,215                          | 2.19                        | 322,350                          |
| Comcast                            | 10,200                                | 9,200                     | 390,998                          | 2.02                        | 382,715                          |
| CVS Healthcare                     | 10,000                                | 10,000                    | 721,422                          | 3.73                        | 636,970                          |
| EOG Resources                      | 15,000                                | 15,000                    | 757,514                          | 3.92                        | 720,812                          |
| Intercontinental Exchange          | —                                     | 1,500                     | 245,361                          | 1.27                        | —                                |
| Johnson & Johnson                  | 6,200                                 | 5,200                     | 391,366                          | 2.02                        | 382,069                          |
| M&T Bank                           | 2,500                                 | 5,000                     | 386,193                          | 2.00                        | 201,263                          |
| Oracle                             | 24,100                                | 18,400                    | 523,785                          | 2.71                        | 574,438                          |
| Pepsico                            | 7,900                                 | 7,900                     | 563,355                          | 2.91                        | 491,524                          |
| Perrigo                            | —                                     | 3,100                     | 275,987                          | 1.43                        | —                                |
| Philip Morris International        | 8,900                                 | 7,300                     | 498,323                          | 2.58                        | 466,079                          |
| Praxair                            | 4,100                                 | 4,100                     | 326,434                          | 1.69                        | 275,598                          |
| Schlumberger                       | 8,400                                 | 8,400                     | 431,046                          | 2.23                        | 382,138                          |
| TJX Companies                      | 7,000                                 | 5,500                     | 299,796                          | 1.55                        | 330,025                          |
| Visa                               | 8,000                                 | 8,000                     | 425,854                          | 2.20                        | 366,371                          |
| Total Value of Investments         |                                       |                           | 19,077,861                       | 99.60                       | 18,235,186                       |
| Other Assets                       |                                       |                           | 311,187                          | 0.69                        | 125,585                          |
| Total Assets                       |                                       |                           | 19,389,048                       | 100.29                      | 18,360,771                       |
| Liabilities                        |                                       |                           | (53,882)                         | (0.29)                      | (52,865)                         |
| Total Net Assets                   |                                       |                           | 19,335,166                       | 100.00                      | 18,307,906                       |
|                                    | Six month period<br>ended<br>31.03.16 | Year<br>ended<br>30.09.15 |                                  |                             |                                  |
| Cost of investments purchased      | £2,258,482                            | £3,338,321                |                                  |                             |                                  |
| Proceeds from investments sold     | £3,589,132                            | £6,439,239                |                                  |                             |                                  |

## Investment Portfolios (continued)

As at 31 March 2016

North American Fund

|                                       | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16 | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15 |
|---------------------------------------|---------------------|---------------------|-----------------------------|-----------------------------|-----------------------------|
|                                       |                     |                     | £                           |                             | £                           |
| <b>Chemicals 7.57% (5.75%)</b>        |                     |                     |                             |                             |                             |
| International Flavors & Fragrances    | 2,630               | 2,230               | 176,493                     | 1.87                        | 179,225                     |
| Parexel International                 | —                   | 4,653               | 203,029                     | 2.15                        | —                           |
| Potash Corp. of Saskatchewan          | 9,220               | 11,220              | 132,902                     | 1.40                        | 125,114                     |
| Praxair                               | 2,830               | 2,564               | 204,141                     | 2.16                        | 190,230                     |
| <b>Consumer Goods 38.97% (40.62%)</b> |                     |                     |                             |                             |                             |
| BorgWarner                            | 4,900               | 8,700               | 232,315                     | 2.46                        | 134,522                     |
| Canadian National Railway Co.         | 6,080               | 5,580               | 242,544                     | 2.56                        | 227,787                     |
| Casey's General Stores                | 1,797               | 1,797               | 141,642                     | 1.50                        | 122,080                     |
| Costco Wholesale                      | 2,350               | 2,150               | 235,815                     | 2.49                        | 224,272                     |
| CVS Healthcare                        | 4,420               | 4,420               | 318,869                     | 3.37                        | 281,541                     |
| Deere & Company                       | 2,300               | 3,200               | 171,410                     | 1.81                        | 112,362                     |
| Emerson Electric                      | 3,800               | —                   | —                           | —                           | 110,795                     |
| Estée Lauder                          | 2,126               | 2,126               | 139,470                     | 1.47                        | 113,216                     |
| Gilead Sciences                       | 3,020               | 3,020               | 192,876                     | 2.04                        | 195,565                     |
| Johnson & Johnson                     | 3,320               | 2,975               | 223,906                     | 2.37                        | 204,592                     |
| Kraft Heinz                           | 3,110               | 2,710               | 148,133                     | 1.57                        | 144,880                     |
| Monsato                               | 3,100               | 3,100               | 189,250                     | 2.00                        | 174,662                     |
| Pepsico                               | 2,920               | 2,920               | 208,228                     | 2.20                        | 181,677                     |
| Pfizer                                | 11,700              | 11,700              | 241,196                     | 2.55                        | 242,574                     |
| Philip Morris International           | 3,700               | 2,740               | 187,042                     | 1.98                        | 193,763                     |
| PVH Corporation                       | 3,730               | 3,786               | 260,895                     | 2.76                        | 250,973                     |
| Target                                | 3,900               | 2,629               | 150,656                     | 1.59                        | 202,537                     |
| TJX Companies                         | 4,480               | 4,480               | 244,198                     | 2.58                        | 211,216                     |
| United Technologies                   | 2,830               | —                   | —                           | —                           | 166,166                     |
| Verisk Analytics                      | —                   | 2,841               | 157,962                     | 1.67                        | —                           |
| <b>Energy 9.82% (8.15%)</b>           |                     |                     |                             |                             |                             |
| Chevron                               | 2,930               | 2,930               | 194,467                     | 2.06                        | 152,569                     |
| Ecolab                                | —                   | 1,900               | 147,408                     | 1.56                        | —                           |
| EOG Resources                         | 4,000               | 4,000               | 202,004                     | 2.14                        | 192,217                     |
| National Oilwell Varco                | 3,860               | —                   | —                           | —                           | 96,006                      |
| Schlumberger                          | 2,710               | 3,610               | 185,247                     | 1.96                        | 123,285                     |
| Texas Instruments                     | 4,200               | 5,000               | 199,732                     | 2.11                        | 137,278                     |
| <b>Financials 21.71% (20.49%)</b>     |                     |                     |                             |                             |                             |
| AIG                                   | 2,883               | 4,383               | 164,900                     | 1.74                        | 108,116                     |
| American Express                      | 3,900               | 3,900               | 166,699                     | 1.76                        | 190,797                     |
| Charles Schwab                        | 10,750              | 10,750              | 209,607                     | 2.22                        | 202,651                     |
| Equifax                               | 3,200               | 3,200               | 254,410                     | 2.69                        | 205,267                     |
| Intercontinental Exchange             | 1,760               | 1,660               | 271,533                     | 2.87                        | 272,915                     |
| M&T Bank                              | 1,800               | 2,400               | 185,373                     | 1.96                        | 144,909                     |
| Moodys                                | —                   | 2,110               | 141,731                     | 1.50                        | —                           |
| Royal Bank of Canada                  | 3,580               | 3,580               | 144,040                     | 1.52                        | 129,937                     |
| Visa                                  | 5,880               | 5,880               | 313,003                     | 3.31                        | 269,282                     |
| Wells Fargo                           | 7,060               | 6,035               | 203,035                     | 2.15                        | 239,124                     |

## Investment Portfolios (continued)

As at 31 March 2016

North American Fund (continued)

|   | Holding<br>30.09.15                   | Holding<br>31.03.16       | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|---|---------------------------------------|---------------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Information Technology 10.35% (10.61%)</b> |                                       |                           |                                  |                             |                                  |
| Cognizant Technology Solutions                | 5,500                                 | 5,500                     | 239,967                          | 2.54                        | 227,298                          |
| EMC   | 6,900                                 | —                         | —                                | —                           | 110,031                          |
| Oracle  | 8,930                                 | 8,098                     | 230,522                          | 2.44                        | 212,852                          |
| Qualcomm                                      | 4,790                                 | 3,800                     | 135,220                          | 1.43                        | 169,875                          |
| Rockwell Automation                           | —                                     | 2,053                     | 162,442                          | 1.72                        | —                                |
| TELUS   | 9,300                                 | 9,300                     | 211,502                          | 2.24                        | 192,791                          |
| <b>Services 10.47% (13.69%)</b>               |                                       |                           |                                  |                             |                                  |
| Aetna   | 3,330                                 | 2,474                     | 193,705                          | 2.05                        | 240,459                          |
| Alliance Data Systems                         | 1,000                                 | 1,000                     | 153,009                          | 1.62                        | 170,933                          |
| Baxalta                                       | 3,800                                 | —                         | —                                | —                           | 78,948                           |
| Baxter International                          | 6,300                                 | 7,500                     | 214,439                          | 2.27                        | 136,606                          |
| Comcast                                       | 4,770                                 | 4,770                     | 202,724                          | 2.14                        | 178,975                          |
| Lockheed Martin                               | 923                                   | 1,471                     | 226,705                          | 2.40                        | 126,341                          |
| Quest Diagnostics                             | 2,900                                 | —                         | —                                | —                           | 117,637                          |
| Starwood Hotels & Resorts Worldwide           | 2,910                                 | —                         | —                                | —                           | 127,725                          |
| Total Value of Investments                    |                                       |                           | 9,356,396                        | 98.90                       | 8,544,573                        |
| Other Assets                                  |                                       |                           | 131,406                          | 1.39                        | 86,816                           |
| Total Assets                                  |                                       |                           | 9,487,802                        | 100.29                      | 8,631,389                        |
| Liabilities                                   |                                       |                           | (27,015)                         | (0.29)                      | (27,315)                         |
| Total Net Assets                              |                                       |                           | 9,460,787                        | 100.00                      | 8,604,074                        |
|   | Six month period<br>ended<br>31.03.16 | Year<br>ended<br>30.09.15 |                                  |                             |                                  |
| Cost of investments purchased                 | £1,260,310                            | £1,610,309                |                                  |                             |                                  |
| Proceeds from investments sold                | £1,365,502                            | £2,470,126                |                                  |                             |                                  |

## Investment Portfolios (continued)

As at 31 March 2016

Sterling Bond Fund

|   | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|---|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>UK Government 4.97% (5.59%)</b>                      |                     |                     |                                  |                             |                                  |
| Treasury 3.75% 2021                                     | 877,000             | 100,000             | 115,349                          | 0.40                        | 1,126,875                        |
| Treasury 4.25% 2032                                     | 877,000             | 356,000             | 468,653                          | 1.62                        | 1,126,875                        |
| Treasury 4.25% 2055                                     | 350,000             | 320,000             | 501,382                          | 1.73                        | 521,411                          |
| Treasury 6% 2028  | —                   | 235,000             | 353,250                          | 1.22                        | —                                |
| <b>UK Corporate 59.71% (57.62%)</b>                     |                     |                     |                                  |                             |                                  |
| Abbey National 5.25% 2029                               | 137,000             | 137,000             | 177,038                          | 0.61                        | 174,829                          |
| Amlin FRN 6.5% 2026                                     | 100,000             | —                   | —                                | —                           | 101,833                          |
| Annington Finance 5.3236% 2023                          | —                   | 50,000              | 56,103                           | 0.19                        | —                                |
| Annington Finance 8.07% 2023                            | 120,000             | 120,000             | 155,024                          | 0.53                        | 158,662                          |
| Aspire Financial Management 4.674% 2040                 | 300,000             | 300,000             | 332,832                          | 1.15                        | 335,660                          |
| Autolink 8.39% 2022                                     | 300,000             | 300,000             | 209,742                          | 0.72                        | 224,641                          |
| Aviva FRN 2058  | 225,000             | 225,000             | 244,488                          | 0.84                        | 246,146                          |
| Aviva 6.625% 2058                                       | —                   | 100,000             | 107,750                          | 0.37                        | —                                |
| Bank of Scotland 6.375% 2019                            | 72,000              | —                   | —                                | —                           | 80,866                           |
| Bank of Scotland 9.375% 2021                            | 40,000              | —                   | —                                | —                           | 50,732                           |
| Bank of Scotland 10.5% 2018                             | 100,000             | —                   | —                                | —                           | 117,668                          |
| Barclays Bank FRN 6.75% 2023                            | 100,000             | 100,000             | 105,342                          | 0.36                        | 107,592                          |
| Barclays Bank 9.5% 2021                                 | —                   | 100,000             | 124,654                          | 0.43                        | —                                |
| Barclays Bank 10% 2021                                  | 425,000             | 525,000             | 660,842                          | 2.28                        | 545,368                          |
| BG Energy Capital 5.00% 2036                            | 200,000             | 100,000             | 119,360                          | 0.41                        | 235,914                          |
| BG Energy Capital 6.5% FRN 2072                         | 320,000             | 320,000             | 337,200                          | 1.16                        | 336,741                          |
| BL Superstores 4.482% 2030                              | 241,154             | 241,154             | 267,129                          | 0.92                        | 268,767                          |
| British American Tobacco 6% 2022                        | 100,000             | —                   | —                                | —                           | 119,660                          |
| British Telecom 6.375% 2037                             | 101,000             | 101,000             | 139,516                          | 0.48                        | 130,745                          |
| Canary Wharf Finance 5.952% 2035                        | 150,000             | 150,000             | 189,705                          | 0.65                        | 187,756                          |
| Centrica 5.25% 2075                                     | 100,000             | 100,000             | 91,043                           | 0.31                        | 95,812                           |
| Centrica 7% 2033  | 120,000             | 120,000             | 167,150                          | 0.58                        | 161,967                          |
| Centrica 6.375% 2022                                    | 225,000             | 225,000             | 274,809                          | 0.95                        | 268,757                          |
| Close Brothers 6.5% 2017                                | 100,000             | —                   | —                                | —                           | 105,789                          |
| Clydesdale Bank 4.625% FRN 2026                         | 100,000             | 100,000             | 119,355                          | 0.41                        | 118,270                          |
| CRH Finance 4.125% 2029                                 | —                   | 100,000             | 107,520                          | 0.37                        | —                                |
| Daily Mail and General 6.375% 2027                      | —                   | 50,000              | 58,580                           | 0.20                        | —                                |
| Dignity Finance 4.6956% 2049                            | 151,000             | 151,000             | 166,037                          | 0.57                        | 164,099                          |
| Dukinfield no.1 plc FRN 2045                            | 100,000             | 100,000             | 91,239                           | 0.31                        | 97,216                           |
| Eastern Power Networks 5.75% 2024                       | 250,000             | 250,000             | 302,930                          | 1.05                        | 300,064                          |
| EMH Treasury Plc 4.5% 2044                              | —                   | 100,000             | 112,313                          | 0.39                        | —                                |
| Everyone Everywhere Finance 4.375% 2019                 | 100,000             | —                   | —                                | —                           | 106,296                          |
| First Group 6.875% 2024                                 | 135,000             | 85,000              | 103,485                          | 0.36                        | 161,932                          |
| First Group 8.125% 2018                                 | 150,000             | 100,000             | 113,224                          | 0.39                        | 171,593                          |
| First Group 8.75% 2021                                  | 90,000              | 90,000              | 111,767                          | 0.39                        | 112,130                          |
| Friends Life Group 8.25% 2022                           | 100,000             | 100,000             | 120,000                          | 0.41                        | 118,508                          |
| Gatwick Funding Ltd 6.125% 2026                         | 100,000             | 100,000             | 127,146                          | 0.44                        | 123,379                          |
| Gatwick Funding 6.5% 2043                               | —                   | 100,000             | 144,062                          | 0.50                        | —                                |
| Gemgarto 2015 ZERO 2047                                 | 100,000             | 100,000             | 65,616                           | 0.23                        | 90,816                           |
| Great Rolling Stock 6.25% 2020                          | 300,000             | 300,000             | 345,439                          | 1.19                        | 345,006                          |
| Great Rolling Stock 6.5% 2031                           | 100,000             | 100,000             | 122,875                          | 0.42                        | 123,710                          |
| Hutchinson WHAMPOA Finance UK 5.625% 2026 (BAA Funding) | 100,000             | 100,000             | 123,901                          | 0.43                        | 122,164                          |
| Heathrow Funding 5.875% 2043                            | 115,000             | 115,000             | 155,714                          | 0.54                        | 143,723                          |
| Heathrow Funding 6% 2020                                | 100,000             | 100,000             | 113,223                          | 0.39                        | 112,657                          |
| Heathrow Funding 6.45% 2033                             | 200,000             | 200,000             | 277,477                          | 0.96                        | 262,539                          |
| Heathrow Funding 6.75% 2028                             | 150,000             | 150,000             | 203,103                          | 0.70                        | 196,832                          |
| Heathrow Funding 7.125% 2024                            | 100,000             | 100,000             | 125,285                          | 0.43                        | 124,170                          |
| HSBC FRN 2023   | 300,000             | 300,000             | 311,243                          | 1.07                        | 313,783                          |
| HSBC Bank 5.84%   | —                   | 140,000             | 149,436                          | 0.52                        | —                                |
| HSBC 6.00% 2040   | 365,000             | 365,000             | 400,646                          | 1.38                        | 409,173                          |



## Investment Portfolios (continued)

As at 31 March 2016

Sterling Bond Fund (continued)

|  | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|--|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>UK Corporate (continued)</b>                      |                     |                     |                                  |                             |                                  |
| HSBC 6.375% FRN 2022                                 | 200,000             | 200,000             | 209,176                          | 0.72                        | 213,239                          |
| HSBC 6.5% 2024                                       | 200,000             | 200,000             | 244,949                          | 0.85                        | 247,660                          |
| Imperial Tobacco 8.125% 2024                         | 150,000             | 150,000             | 203,421                          | 0.70                        | 198,089                          |
| Imperial Tobacco 9% 2022                             | 200,000             | 200,000             | 269,155                          | 0.93                        | 265,426                          |
| Integrated Accommodation Service 6.48% 2029          | 225,000             | 225,000             | 202,489                          | 0.70                        | 206,884                          |
| InterContinental Hotels 3.75% 2025                   | 100,000             | 100,000             | 103,204                          | 0.36                        | 99,885                           |
| InterContinental Hotels 3.875% 2022                  | 110,000             | 110,000             | 115,857                          | 0.40                        | 112,869                          |
| Lloyds Bank 5.75% 2025                               | 308,000             | 308,000             | 330,693                          | 1.14                        | 332,061                          |
| Lloyds Bank 6% 2029                                  | 100,000             | 100,000             | 137,023                          | 0.47                        | 135,826                          |
| Lloyds Bank 6.5% 2040                                | 155,000             | —                   | —                                | —                           | 215,428                          |
| Lloyds Bank Plc 7.625% 2025                          | —                   | 370,000             | 466,050                          | 1.61                        | —                                |
| Manchester Airport 4.75% 2034                        | 200,000             | 200,000             | 231,746                          | 0.80                        | 220,343                          |
| Marks & Spencer 4.75% 2025                           | 112,000             | 212,000             | 233,148                          | 0.80                        | 121,429                          |
| Meadowhall 4.988% 2037                               | 300,000             | 300,000             | 285,974                          | 0.99                        | 285,682                          |
| Mitchells FRN 2032                                   | 150,000             | 150,000             | 112,262                          | 0.39                        | 125,625                          |
| Mitchells & Butler 5.965% 2025                       | 550,000             | 550,000             | 247,662                          | 0.85                        | 268,652                          |
| Motability 3.75% 2026                                | 100,000             | 100,000             | 110,725                          | 0.38                        | 107,161                          |
| Motability 3.625% 2036                               | —                   | 100,000             | 104,885                          | 0.36                        | —                                |
| Motability 4.375% 2027                               | 100,000             | —                   | —                                | —                           | 111,911                          |
| NATS En Route 5.25% 2026                             | 200,000             | 200,000             | 181,550                          | 0.63                        | 185,826                          |
| National Grid Gas 8.75% 2025                         | 100,000             | 100,000             | 152,010                          | 0.52                        | 149,892                          |
| Nationwide 5.625% 2019                               | 170,000             | —                   | —                                | —                           | 191,969                          |
| NGG Finance FRN 2073                                 | 120,000             | 120,000             | 124,721                          | 0.43                        | 125,900                          |
| Northern Ireland Electricity Finance Plc 6.375% 2026 | 100,000             | 100,000             | 130,774                          | 0.45                        | 127,793                          |
| Northumbrian Water 5.125% 2042                       | 100,000             | 100,000             | 124,113                          | 0.43                        | 117,353                          |
| Orbit Capital 3.5% 2045                              | 100,000             | 100,000             | 96,128                           | 0.33                        | 93,208                           |
| Paragon Mortgages No.23 2015                         | 139,000             | 139,000             | 134,465                          | 0.46                        | 137,129                          |
| Permanent Master 4.805% 2017                         | 147,000             | 147,000             | 151,214                          | 0.52                        | 153,285                          |
| Places for People Homes 5.875% 2031                  | 150,000             | 150,000             | 181,491                          | 0.63                        | 180,527                          |
| Porterbrook Rail Finance 5.5% 2019                   | 300,000             | 300,000             | 330,910                          | 1.14                        | 331,085                          |
| Prudential 5.7% 2063                                 | —                   | 210,000             | 195,218                          | 0.67                        | —                                |
| Prudential 11.375 FRN 2039                           | 100,000             | 100,000             | 123,680                          | 0.43                        | 126,155                          |
| QBE Capital Funding 7.5% FRN 2041                    | 100,000             | 100,000             | 108,319                          | 0.37                        | 109,554                          |
| Rio Tinto Finance 4% 2029                            | 125,000             | 125,000             | 127,886                          | 0.44                        | 123,627                          |
| RL Finance 6.125% 2028                               | —                   | 100,000             | 102,646                          | 0.35                        | —                                |
| RMPA Services 5.337% 2038                            | 180,000             | —                   | —                                | —                           | 175,359                          |
| Royal Bank of Scotland 5.125% 2024                   | 200,000             | 200,000             | 241,270                          | 0.83                        | 239,967                          |
| Royal Bank of Scotland 6.875% 2025                   | 200,000             | 200,000             | 265,985                          | 0.92                        | 254,933                          |
| Royal Sun Alliance 5.125% 2045                       | 200,000             | 200,000             | 189,995                          | 0.66                        | 197,129                          |
| Santander UK 3.625% 2026                             | —                   | 122,000             | 121,167                          | 0.42                        | —                                |
| Santander UK 9.625% FRN 2023                         | 125,000             | 125,000             | 145,258                          | 0.50                        | 149,369                          |
| Scottish Amicable Finance 8.5%                       | —                   | 181,000             | 195,933                          | 0.68                        | —                                |
| Scottish and Southern Energy 5.453% FRN (perp)       | 150,000             | —                   | —                                | —                           | 150,263                          |
| Severn Trent 6.25% 2029                              | 170,000             | 170,000             | 230,290                          | 0.79                        | 221,168                          |
| Society of Lloyds 7.421% FRN (perp)                  | 114,000             | 114,000             | 118,114                          | 0.41                        | 120,110                          |
| Southern Gas Networks 4.875% 2020                    | 150,000             | —                   | —                                | —                           | 167,992                          |
| Southern Gas Networks 6.375% 2040                    | 100,000             | 100,000             | 141,561                          | 0.49                        | 136,444                          |
| Southern Water 5% 2021                               | 180,000             | 180,000             | 204,937                          | 0.71                        | 201,066                          |
| SSE Plc 6.25% 2038                                   | 90,000              | 90,000              | 120,670                          | 0.42                        | 117,063                          |
| SSE FRN (perp)                                       | 200,000             | 200,000             | 193,292                          | 0.67                        | 191,250                          |
| Standard Chartered Bank 5.125% 2034                  | 100,000             | 100,000             | 89,115                           | 0.31                        | 87,846                           |
| Standard Chartered Bank 7.75% FRN (perp)             | 200,000             | 200,000             | 214,000                          | 0.74                        | 227,250                          |
| Standard Life Finance 6.75% FRN (perp)               | 220,000             | 220,000             | 235,532                          | 0.81                        | 245,355                          |
| Telereal Securitisation 6.1645% 2031                 | 150,000             | —                   | —                                | —                           | 170,605                          |
| Thames Water Utilities 3.5% 2028                     | —                   | 100,000             | 104,093                          | 0.36                        | —                                |
| Trafford Centre Finance 6.5% 2033                    | 200,000             | 200,000             | 248,916                          | 0.86                        | 252,032                          |

## Investment Portfolios (continued)

As at 31 March 2016

Sterling Bond Fund (continued)

|   | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|---|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>UK Corporate (continued)</b>           |                     |                     |                                  |                             |                                  |
| United Utilities 5% 2035                  | 120,000             | 120,000             | 146,418                          | 0.51                        | 140,794                          |
| UPP Bond 1 4.9023% 2040                   | —                   | 150,000             | 168,995                          | 0.58                        | —                                |
| Western Power 3.625% 2023                 | —                   | 100,000             | 102,420                          | 0.35                        | —                                |
| Western Power 5.75% 2040                  | 100,000             | 100,000             | 131,455                          | 0.45                        | 126,538                          |
| Whitbread Group Plc 3.375% 2025           | 100,000             | —                   | —                                | —                           | 100,384                          |
| Yorkshire Building Society 4.75% 2018     | 100,000             | —                   | —                                | —                           | 108,714                          |
| <b>Overseas Borrowers 30.50% (35.92%)</b> |                     |                     |                                  |                             |                                  |
| América Móvil SAB 4.948% 2033             | 150,000             | 150,000             | 165,426                          | 0.57                        | 164,498                          |
| América Móvil SAB FRN 6.375% 2073         | 100,000             | 100,000             | 101,905                          | 0.35                        | 103,500                          |
| Apple Incorporated 3.6% 2042              | 180,000             | 180,000             | 188,484                          | 0.65                        | 175,191                          |
| APT Pipelines                             | 100,000             | 100,000             | 92,658                           | 0.32                        | 92,619                           |
| AT&T 4.25% 2043                           | 235,000             | 135,000             | 134,695                          | 0.46                        | 213,774                          |
| AT&T 4.875% 2044                          | 100,000             | 100,000             | 109,433                          | 0.38                        | 99,950                           |
| AT&T 5.2% 2033                            | —                   | 130,000             | 150,067                          | 0.52                        | —                                |
| AT&T 7% 2040                              | 100,000             | 100,000             | 140,415                          | 0.48                        | 129,837                          |
| AXA 5.453% (perp)                         | 250,000             | 100,000             | 97,965                           | 0.34                        | 250,939                          |
| AXA 6.686% (perp)                         | 225,000             | 225,000             | 237,638                          | 0.82                        | 248,719                          |
| Bank of America 7% 2028                   | 150,000             | —                   | —                                | —                           | 203,183                          |
| Bank of America Merrill Lynch 7.75% 2018  | 150,000             | 150,000             | 168,164                          | 0.58                        | 171,560                          |
| BHP Billiton Finance 4.3% 2042            | 200,000             | 200,000             | 199,959                          | 0.69                        | 196,630                          |
| Chorus Ltd 6.75% 2020                     | —                   | 100,000             | 116,807                          | 0.40                        | —                                |
| Citigroup 4.5% 2031                       | 270,000             | 270,000             | 276,920                          | 0.96                        | 277,361                          |
| Citigroup 6.8% 2038                       | 85,000              | 85,000              | 121,100                          | 0.42                        | 119,905                          |
| Cooperatieve 6.6% (perp)                  | —                   | 80,000              | 94,000                           | 0.32                        | —                                |
| Deutsche Telekom Intl Finance GRN 2030    | 165,000             | —                   | —                                | —                           | 232,874                          |
| Direct TV Holdings 5.2% 2033              | 130,000             | —                   | —                                | —                           | 138,762                          |
| E.ON International Finance 6.375% 2032    | 275,000             | 375,000             | 461,055                          | 1.59                        | 329,916                          |
| EDF 5.125% 2050                           | 150,000             | 150,000             | 164,874                          | 0.57                        | 163,720                          |
| EDF 5.5% 2041                             | 300,000             | 300,000             | 347,321                          | 1.20                        | 339,509                          |
| EDF 6% FRN                                | 200,000             | 200,000             | 182,938                          | 0.63                        | 198,875                          |
| EDF 6.125% 2034                           | 250,000             | 250,000             | 307,717                          | 1.06                        | 304,445                          |
| ELM FRN (perp)                            | 150,000             | 300,000             | 308,875                          | 1.07                        | 158,063                          |
| European Investment Bank 4.5% 2044        | 150,000             | —                   | —                                | —                           | 200,492                          |
| General Electric Cap. Corp. 5.875% 2033   | 140,000             | 140,000             | 190,705                          | 0.66                        | 184,971                          |
| General Electric Cap. Corp. 8% 2039       | 210,000             | —                   | —                                | —                           | 348,764                          |
| General Electric Cap. Corp. 6.5% FRN 2067 | 317,000             | —                   | —                                | —                           | 329,350                          |
| GKN Holdings 5.375% 2022                  | 170,000             | 170,000             | 189,050                          | 0.65                        | 185,300                          |
| Glencore Finance GRN 2022                 | 150,000             | —                   | —                                | —                           | 128,301                          |
| Glencore Finance 6.5% 2019                | 50,000              | —                   | —                                | —                           | 45,935                           |
| H J Heinz Co 4.125% 2027                  | 210,000             | 210,000             | 223,352                          | 0.77                        | 218,046                          |
| Iberdrola Finanzas 7.375% 2024            | 150,000             | —                   | —                                | —                           | 193,392                          |
| ING Groep 6.875% FRN 2023                 | 126,000             | 126,000             | 136,916                          | 0.47                        | 138,111                          |
| Koninklijke KPN 5% 2026                   | 100,000             | 100,000             | 114,574                          | 0.40                        | 107,423                          |
| Linde Finance 8.125% 2068                 | 125,000             | 125,000             | 126,814                          | 0.44                        | 130,330                          |
| Mellon Capital FRN 2066                   | 150,000             | 150,000             | 150,723                          | 0.52                        | 151,781                          |
| Metlife 5.25% 2020                        | 189,000             | —                   | —                                | —                           | 214,261                          |
| Mondelez International 4.5% 2035          | —                   | 120,000             | 127,921                          | 0.44                        | —                                |
| National Capital Trust FRN (perp)         | 220,000             | 220,000             | 223,718                          | 0.77                        | 228,323                          |
| Orange SA 5.25% 2025                      | 115,000             | —                   | —                                | —                           | 133,703                          |
| Orange SA 5.375% 2050                     | 150,000             | 150,000             | 189,444                          | 0.65                        | 174,790                          |
| Orange SA FRN (perp)                      | 222,000             | 222,000             | 224,334                          | 0.77                        | 223,661                          |
| PGH Capital Ltd 5.75% 2021                | —                   | 250,000             | 260,995                          | 0.90                        | —                                |
| Precise Mortgage Funding 1.6675% 2047     | 100,000             | 100,000             | 55,089                           | 0.19                        | 73,783                           |
| Rabobank Capital FRN (perp)               | 156,000             | 156,000             | 159,973                          | 0.55                        | 162,989                          |
| RCI Banque 1.8% 2017                      | 250,000             | 250,000             | 251,402                          | 0.87                        | 248,947                          |

## Investment Portfolios (continued)

As at 31 March 2016

Sterling Bond Fund (continued)

|   | Holding<br>30.09.15                   | Holding<br>31.03.16       | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|---|---------------------------------------|---------------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Overseas Borrowers (continued)</b>         |                                       |                           |                                  |                             |                                  |
| Residential Mortgage Securities FRN 2046      | 100,000                               | 100,000                   | 84,646                           | 0.29                        | 88,937                           |
| RWE Finance 6.125% 2039                       | 100,000                               | 100,000                   | 106,947                          | 0.37                        | 106,160                          |
| Saint Gobain 4.625% 2029                      | 100,000                               | —                         | —                                | —                           | 107,973                          |
| Scentre Management 2.375% 2022                | 100,000                               | 100,000                   | 99,891                           | 0.34                        | 97,731                           |
| Siemens 6.125% FRN 2066                       | 150,000                               | 150,000                   | 151,797                          | 0.52                        | 154,100                          |
| SLM Student Loan 5.45% 2038                   | 190,000                               | 190,000                   | 157,182                          | 0.54                        | 171,868                          |
| Stagecoach Group 4% 2025                      | —                                     | 100,000                   | 103,201                          | 0.36                        | —                                |
| Svenska Handelsbanken 2.75% 2022              | 150,000                               | 150,000                   | 156,365                          | 0.54                        | 152,344                          |
| Talisman Energy Incorporated 5.875% 2017      | 300,000                               | —                         | —                                | —                           | 326,071                          |
| Telefonica Emisiones 5.289% 2022              | 150,000                               | 150,000                   | 171,001                          | 0.59                        | 165,948                          |
| Thames Water Utilities Cayman 4.375% 2034     | 100,000                               | 100,000                   | 110,909                          | 0.38                        | 106,523                          |
| Thames Water Utilities Cayman 5.375% FRN 2025 | 140,000                               | —                         | —                                | —                           | 146,438                          |
| Time Warner Cable 5.75% 2031                  | —                                     | 125,000                   | 130,480                          | 0.45                        | —                                |
| UBS AG (London) 6.625% 2018                   | 140,000                               | 140,000                   | 155,070                          | 0.54                        | 156,349                          |
| United Mexico Sts 5.625% 2014                 | 100,000                               | 100,000                   | 90,375                           | 0.31                        | 94,375                           |
| Vattenfall 6.875% 2039                        | 194,000                               | —                         | —                                | —                           | 259,949                          |
| Verizon Communications 4.75% 2034             | 200,000                               | 200,000                   | 221,801                          | 0.77                        | 211,301                          |
| Welltower Incorporated 4.8% 2028              | 100,000                               | 100,000                   | 108,118                          | 0.37                        | 107,169                          |
| Westpac Bank 2.625% 2022                      | —                                     | 200,000                   | 203,929                          | 0.70                        | —                                |
| Total Value of Investments                    |                                       |                           | 27,598,075                       | 95.18                       | 30,341,949                       |
| Other Assets                                  |                                       |                           | 1,698,937                        | 5.88                        | 833,564                          |
| Total Assets                                  |                                       |                           | 29,297,012                       | 101.06                      | 31,175,513                       |
| Liabilities                                   |                                       |                           | (312,456)                        | (1.08)                      | (394,698)                        |
| Total Net Assets                              |                                       |                           | 28,984,556                       | 99.98                       | 30,780,815                       |
|   | Six month period<br>ended<br>31.03.16 | Year<br>ended<br>30.09.15 |                                  |                             |                                  |
| Cost of investments purchased                 | £5,582,687                            | £20,595,772               |                                  |                             |                                  |
| Proceeds from investments sold                | £7,467,515                            | £13,469,470               |                                  |                             |                                  |

## Investment Portfolios (continued)

As at 31 March 2016

UK Fund

|   | Holding<br>30.09.15 | Holding<br>31.03.16 | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|---|---------------------|---------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Basic Resources 4.28% (4.35%)</b>        |                     |                     |                                  |                             |                                  |
| Croda International                         | 16,500              | 15,400              | 467,544                          | 3.13                        | 447,068                          |
| Rio Tinto                                   | 8,500               | 8,800               | 172,062                          | 1.15                        | 187,829                          |
| <b>Chemicals 1.74% (1.29%)</b>              |                     |                     |                                  |                             |                                  |
| Elementis                                   | 105,000             | 108,500             | 259,858                          | 1.74                        | 234,255                          |
| <b>Consumer Goods 27.72% (27.72%)</b>       |                     |                     |                                  |                             |                                  |
| Associated British Foods                    | 8,500               | 6,100               | 204,472                          | 1.37                        | 283,943                          |
| AstraZeneca                                 | 10,500              | 10,800              | 421,578                          | 2.82                        | 439,084                          |
| British American Tobacco                    | 17,600              | 16,000              | 654,440                          | 4.38                        | 641,212                          |
| Cobham                                      | 115,000             | 118,600             | 257,659                          | 1.73                        | 328,325                          |
| GKN   | 107,000             | 110,500             | 319,179                          | 2.14                        | 286,707                          |
| GlaxoSmithKline                             | 36,000              | 37,000              | 522,255                          | 3.50                        | 455,580                          |
| Imperial Brands                             | —                   | 8,500               | 328,376                          | 2.20                        | —                                |
| Persimmon                                   | 12,000              | —                   | —                                | —                           | 240,840                          |
| Rolls Royce Holdings                        | 78,000              | 70,000              | 477,225                          | 3.20                        | 528,255                          |
| Tesco                                       | 121,000             | 124,500             | 238,766                          | 1.60                        | 221,648                          |
| Unilever                                    | 23,000              | 22,700              | 715,674                          | 4.79                        | 617,550                          |
| <b>Energy 13.47% (16.88%)</b>               |                     |                     |                                  |                             |                                  |
| BG Group                                    | 61,000              | —                   | —                                | —                           | 580,141                          |
| BHP Billiton                                | 40,000              | 41,500              | 324,904                          | 2.18                        | 401,900                          |
| Centrica                                    | 124,000             | 128,000             | 291,392                          | 1.95                        | 284,270                          |
| John Wood Group                             | 75,767              | 78,000              | 479,895                          | 3.21                        | 465,778                          |
| KSK Power Ventur                            | 31,668              | —                   | —                                | —                           | 10,609                           |
| Royal Dutch Shell 'A'                       | 27,914              | 10,300              | 173,478                          | 1.16                        | 433,714                          |
| Royal Dutch Shell                           | —                   | 27,169              | 461,941                          | 3.09                        | —                                |
| Weir Group                                  | 24,500              | 25,200              | 279,090                          | 1.87                        | 286,528                          |
| <b>Financials 14.37% (14.32%)</b>           |                     |                     |                                  |                             |                                  |
| Capita                                      | 14,000              | 31,000              | 322,865                          | 2.16                        | 167,650                          |
| HSBC Holdings                               | 107,561             | 110,500             | 479,493                          | 3.21                        | 536,439                          |
| Prudential                                  | 42,500              | 44,000              | 572,550                          | 3.83                        | 592,131                          |
| Schroders                                   | 3,500               | 3,500               | 93,940                           | 0.63                        | 98,158                           |
| Schroders Non-Voting                        | 12,500              | 13,000              | 263,575                          | 1.77                        | 270,875                          |
| Standard Chartered Bank                     | 66,106              | 87,500              | 413,464                          | 2.77                        | 423,574                          |
| <b>Information Technology 2.32% (1.95%)</b> |                     |                     |                                  |                             |                                  |
| Aveva Group                                 | 14,000              | 20,500              | 322,568                          | 2.16                        | 283,850                          |
| <b>Materials 2.32% (1.76%)</b>              |                     |                     |                                  |                             |                                  |
| Spirax-Sarco Engineering                    | 9,160               | 9,500               | 345,753                          | 2.32                        | 256,526                          |

## Investment Portfolios (continued)

As at 31 March 2016

UK Fund (continued)

|                                 | Holding<br>30.09.15                   | Holding<br>31.03.16       | Market<br>Value<br>31.03.16<br>£ | % of<br>Total Net<br>Assets | Market<br>Value<br>30.09.15<br>£ |
|---------------------------------|---------------------------------------|---------------------------|----------------------------------|-----------------------------|----------------------------------|
| <b>Services 31.71% (27.90%)</b> |                                       |                           |                                  |                             |                                  |
| Aggreko                         | 20,500                                | 26,300                    | 283,383                          | 1.90                        | 195,006                          |
| American Leisure (Suspended)    | 416,667                               | 416,667                   | —                                | —                           | —                                |
| Compass Group                   | 50,000                                | 46,000                    | 565,110                          | 3.78                        | 526,750                          |
| Dignity                         | —                                     | 7,000                     | 173,495                          | 1.16                        | —                                |
| Experian                        | 43,000                                | 39,000                    | 485,355                          | 3.25                        | 454,725                          |
| Inchcape                        | 45,500                                | 42,400                    | 306,870                          | 2.06                        | 326,918                          |
| Inmarsat                        | 43,000                                | 35,000                    | 344,663                          | 2.31                        | 422,153                          |
| Intertek Group                  | —                                     | 8,300                     | 263,027                          | 1.76                        | —                                |
| Pearson                         | 48,000                                | 49,500                    | 433,249                          | 2.90                        | 540,720                          |
| Rotork                          | 108,000                               | 168,000                   | 307,272                          | 2.06                        | 177,930                          |
| Sage Group                      | 96,000                                | 79,700                    | 501,114                          | 3.36                        | 479,376                          |
| Ultra Electronics               | 23,500                                | 24,200                    | 436,568                          | 2.92                        | 402,320                          |
| Vodafone Group                  | 138,000                               | 142,000                   | 314,076                          | 2.10                        | 287,702                          |
| Whitbread                       | 5,500                                 | 8,100                     | 320,965                          | 2.15                        | 256,685                          |
| Total Value of Investments      |                                       |                           | 14,599,143                       | 97.77                       | 14,074,724                       |
| Other Assets                    |                                       |                           | 425,147                          | 2.85                        | 323,926                          |
| Total Assets                    |                                       |                           | 15,024,290                       | 100.62                      | 14,398,650                       |
| Liabilities                     |                                       |                           | (92,218)                         | (0.62)                      | (309,517)                        |
| Total Net Assets                |                                       |                           | 14,932,072                       | 100.00                      | 14,089,133                       |
|                                 | Six month period<br>ended<br>31.03.16 | Year<br>ended<br>30.09.15 |                                  |                             |                                  |
| Cost of investments purchased   | £2,194,805                            | £1,656,705                |                                  |                             |                                  |
| Proceeds from investments sold  | £1,954,109                            | £3,636,200                |                                  |                             |                                  |

## Investments Purchased and Sold

For the six month period ended 31 March 2016

This schedule refers to investments both purchased and sold during the period and as a result do not appear on the portfolio listings.

|                           | Nominal   |
|---------------------------|-----------|
| <b>High Income Fund</b>   |           |
| Treasury Gilt 5% 2018     | 100,000   |
| Treasury Gilt 2% 2025     | 715,000   |
| <b>International Fund</b> |           |
| Rolls Royce Holdings      | 3,734,327 |
| Standard Chartered        | 13,640    |
| <b>Sterling Bond Fund</b> |           |
| Treasury Gilt 5% 2018     | 150,000   |
| Treasury Gilt 3.75% 2020  | 53,000    |
| Treasury Gilt 2% 2025     | 10,000    |
| <b>UK Fund</b>            |           |
| Rolls Royce Holdings      | 7,230,600 |
| Standard Chartered        | 18,887    |

## Summary of Material Portfolio Changes

For the six month period ended 31 March 2016

This schedule refers to securities purchased and sold during the period which had a value of greater than 2% of the net asset value of each Fund. The Directors consider that the disclosure of the 20 largest purchases and sales is sufficient to reflect the nature of the operating activity of the Funds.

### Euro High Income Fund

| Purchases                                   | Cost €  | Sales                                 | Proceeds € |
|---|---------|---------------------------------------|------------|
| European Investment Bank 4.75% 2017         | 515,724 | Toyota Motor Corp 2015                | 500,923    |
| Toyota Motor Corp 2015                      | 500,000 | RWE Finance 6.5% 2021                 | 341,477    |
| KFW Bankengruppe 4.675% 2023                | 408,518 | Bundesrepublik Deutschland 6.25% 2024 | 307,724    |
| National Australia Bank 2015                | 400,000 | National Australia Bank 2015          | 300,593    |
| Roche Finance Europe 0.875% 2025            | 240,381 | Veolia Environment 6.125% 2033        | 278,676    |
| Renault 3.625% 2018                         | 219,412 | HSBC 6% 2019                          | 246,027    |
| FCE Bank Plc 1.75% 2013                     | 208,349 | Bundesrepublik Deutschland 3.75% 2019 | 237,168    |
| AT&T Inc                                    | 200,000 | Bundesrepublik Deutschland 6.25% 2024 | 231,024    |
| FCE Bank Plc 2015                           | 200,000 | La Poste 2.75% 2024                   | 227,800    |
| Verizon Communications 1.625% 2024          | 199,732 | Royal Bank of Scotland 6.934% 2018    | 216,378    |
| UNCR 2015                                   | 199,500 | FCE Bank Plc 1.75% 2013               | 209,760    |
| Bank of Tokyo Mitsubishi 0.875% 2022        | 199,096 | UNCR 2015                             | 202,922    |
| Terna Rete Elettrica Nazionale 0.875% 2022  | 198,840 | AT&T Inc Co 2019                      | 201,173    |
| AG Insurance 3.5% 2047                      | 198,768 | FCE Bank Plc 2015                     | 200,270    |
| Verizon Communications 2.625% 2031          | 198,648 | Citigroup Inc 7.375% 2019             | 198,988    |
| Volkswagen International Finance FRN (perp) | 198,420 | Bundesrepublik Deutschland 6.25% 2024 | 180,467    |
| BAT International Finance 0.875% 2023       | 198,200 | E.ON International Finance 5.75% 2020 | 167,705    |
| State Grid Europe 1.5% 2022                 | 177,530 | Bundesrepub 6.25% 2024                | 165,681    |
| 3i Group 5.625% 2017                        | 164,522 | Ryanair Ltd 1.875% 2021               | 159,821    |
| CRH Finance Germany 1.75% 2021              | 158,256 | Bank of America 1.061% FRN 2018       | 148,691    |

### European Fund

| Purchases          | Cost £  | Sales                    | Proceeds £ |
|--------------------|---------|--------------------------|------------|
| UBS Group          | 221,746 | MTU Aero Engines AG      | 166,950    |
| Royal Dutch Shell  | 103,548 | Essilor International    | 105,877    |
| UBS Group          | 74,272  | Atlas Copco              | 76,624     |
| Roche Holdings     | 60,360  | Unilever                 | 71,677     |
| The Swatch Group R | 36,898  | Vopak                    | 68,038     |
| The Swatch Group R | 22,379  | Roche Holdings           | 63,348     |
| The Swatch Group R | 7,622   | Schindler                | 56,812     |
| The Swatch Group R | 4,216   | Givaudan                 | 46,278     |
|                    |         | Kongsberg Gruppen        | 46,183     |
|                    |         | Assa Abloy               | 42,497     |
|                    |         | Ericsson                 | 38,983     |
|                    |         | Schneider Electric       | 35,825     |
|                    |         | L'Oreal                  | 33,574     |
|                    |         | Vienna Insurance Group A | 33,491     |
|                    |         | Fuchs Petrolub Pref      | 28,192     |
|                    |         | Atlas Copco 'B'          | 27,552     |
|                    |         | Roche Holdings           | 26,580     |
|                    |         | Linde                    | 25,652     |
|                    |         | MTU Aero Engines Hldg.   | 24,585     |
|                    |         | Zurich Insurance Group   | 22,634     |

## Summary of Material Portfolio Changes (continued)

For the six month period ended 31 March 2016

### High Income Fund

| Purchases                                    | Cost £    | Sales                                       | Proceeds £ |
|--|-----------|---|------------|
| Enel 5.75% 2037                              | 2,045,768 | Tesco 6.125% 2022                           | 2,752,275  |
| APT Pipelines 3.5% 2030                      | 1,488,075 | Treasury 4.5% 2019                          | 2,287,149  |
| Treasury 6% 1998                             | 1,396,725 | Treasury 1.75% 2022                         | 1,470,249  |
| EDF 5.5% 2041                                | 1,335,312 | Streaming SIMD Extensions (SSE) 6.125% 2038 | 1,463,553  |
| Treasury 1.75% 2022                          | 1,237,835 | Treasury 4.5% 2019                          | 1,257,490  |
| Scentre Management 2.375% 2022               | 1,196,676 | Tesco Property 6.0517% 2039                 | 1,083,177  |
| Electricite France 5.125% 2050               | 1,102,116 | Sky Plc 6% 2027                             | 1,071,824  |
| SSE FRN (perp)                               | 1,097,393 | Treasury 4.5% 2019                          | 1,051,148  |
| Sky Plc 6% 2027                              | 1,061,678 | Treasury 4.5% 2019                          | 1,001,970  |
| Treasury 6% 1998                             | 961,411   | Treasury 4.5% 2019                          | 872,975    |
| Abbey National Treasury Services 1.875% 2020 | 935,986   | Sky Plc 6% 2027                             | 818,617    |
| Electricite France 5.125% 2050               | 909,237   | Treasury 4.5% 2019                          | 810,570    |
| Sky Plc 6% 2027                              | 811,219   | Goldman Sachs 7.25% 2028                    | 802,234    |
| Treasury 6% 1998                             | 802,600   | Barclays Bank 10% 2021                      | 691,633    |
| Treasury 6% 1998                             | 790,994   | Treasury 4.5% 2042                          | 689,352    |
| EE Finance 4.375% 2019                       | 656,134   | Treasury 6% 1998                            | 676,278    |
| Lloyds of London 4.75% 2024                  | 641,006   | Treasury 5% 2018                            | 623,748    |
| Paragon Treasury 3.625% 2047                 | 599,892   | Petrobras 5.375% 2029                       | 600,352    |
| EDF 5.5% 2041                                | 595,761   | Petrobras 5.375% 2029                       | 599,910    |
| Treasury 4.75% 2030                          | 594,810   | Thames Water Utilities Finance 5.125% 2037  | 572,840    |

### International Fund

| Purchases                      | Cost £ | Sales                              | Proceeds £ |
|--------------------------------|--------|------------------------------------|------------|
| Cognizant Technology Solutions | 96,974 | Novartis                           | 135,544    |
| Novartis                       | 96,375 | ENI                                | 128,137    |
| TJX Companies                  | 75,426 | Shin-Etsu Chemical                 | 118,740    |
| Experian                       | 74,855 | BNP Billiton                       | 114,696    |
| EOG Resources                  | 68,325 | Roche Holding                      | 104,791    |
| EOG Resources                  | 62,054 | Visa                               | 104,030    |
| Comcast                        | 61,068 | ENI                                | 101,292    |
| TJX Companies                  | 57,867 | Roche Holding                      | 92,701     |
| EOG Resources                  | 56,763 | ENI                                | 91,810     |
| EOG Resources                  | 38,171 | Taiwan Semiconductor Manufacturing | 87,997     |
| TJX Companies                  | 37,162 | Schlumberger                       | 86,394     |
| BNP Billiton                   | 36,066 | Zurich Insurance Group             | 82,928     |
| Vale                           | 33,157 | Nestle                             | 78,193     |
| BNP Billiton                   | 29,024 | Taiwan Semiconductor Manufacturing | 77,220     |
| TJX Companies                  | 28,196 | Johnson & Johnson                  | 74,985     |
| Rolls Royce Holdings           | 27,168 | Fomento Economico Mexicano         | 72,394     |
| TJX Companies                  | 26,677 | Japan Tobacco                      | 72,022     |
| BNP Billiton                   | 26,352 | Johnson & Johnson                  | 71,520     |
| Cognizant Technology Solutions | 24,740 | Philip Morris International        | 71,070     |
| Cognizant Technology Solutions | 24,349 | Royal Dutch Shell                  | 69,452     |



## Summary of Material Portfolio Changes (continued)

For the six month period ended 31 March 2016

## North American Fund

| Purchases                           | Cost £ | Sales                              | Proceeds £ |
|-------------------------------------|--------|------------------------------------|------------|
| M&T Bank                            | 95,243 | Kraft Foods Group                  | 103,102    |
| International Flavors & Fragrances  | 83,516 | CISCO Systems                      | 90,979     |
| PVH Corporation                     | 63,493 | Aflac                              | 77,268     |
| Charles Schwab                      | 60,565 | TJX Companies                      | 62,874     |
| EOG Resources                       | 53,566 | BorgWarner                         | 61,244     |
| Intercontinental Exchange           | 43,873 | EMC                                | 56,117     |
| PVH Corporation                     | 42,468 | CVS Healthcare                     | 52,457     |
| PVH Corporation                     | 41,636 | Apache Corporation                 | 49,895     |
| Visa                                | 38,385 | Visa                               | 49,391     |
| EOG Resources                       | 35,186 | Costco Wholesale                   | 48,545     |
| BorgWarner                          | 32,724 | Costco Wholesale                   | 48,508     |
| Starwood Hotels & Resorts Worldwide | 28,350 | Johnson & Johnson                  | 45,818     |
| M&T Bank                            | 23,740 | United Technologies                | 39,503     |
| M&T Bank                            | 22,717 | Emerson Electric                   | 38,563     |
| American Express                    | 20,779 | Royal Bank of Canada               | 34,739     |
| Apache Corporation                  | 18,549 | TJX Companies                      | 34,704     |
| Schlumberger                        | 17,835 | Target                             | 33,210     |
| Wells Fargo                         | 17,490 | Intercontinental Exchange          | 31,812     |
| Royal Bank of Canada                | 16,350 | Comcast                            | 27,420     |
| International Flavors & Fragrances  | 15,242 | International Flavors & Fragrances | 26,761     |

## Sterling Bond Fund

| Purchases                                | Cost £  | Sales                                 | Proceeds £ |
|--|---------|---------------------------------------|------------|
| Treasury 4.75% 2038                      | 385,092 | Southern Electric 5.5% 2032           | 358,909    |
| SSE FRN (perp)                           | 199,526 | Tesco Property Finance 5.8006% 2040   | 253,746    |
| Treasury 5% 2025                         | 189,482 | Coventry Building Society 4.625% 2018 | 194,438    |
| Treasury 4.25% 2055                      | 184,795 | RWE Finance 5.5% 2022                 | 181,514    |
| Southern Gas Networks 6.375% 2040        | 137,641 | Treasury 4.25% 2055                   | 155,403    |
| EDF 5.5% 2041                            | 137,278 | AA Bond GRN 2043                      | 150,353    |
| EDF 5.5% 2041                            | 129,274 | Treasury 4.75% 2038                   | 136,041    |
| Sky Plc 6% 2027                          | 124,903 | Tesco 5% 2023                         | 124,930    |
| BHP Billiton Finance 4.3% 2042           | 117,359 | Arqiva FNG                            | 124,915    |
| AT&T 4.875% 2044                         | 108,885 | AT&T 5.5% 2027                        | 121,294    |
| Residential Mortgage Securities FRN 2046 | 100,000 | Southern Gas Networks 4.875% 2020     | 116,214    |
| Scentre Management 2.375% 2022           | 99,723  | DONG Energy 4.875% 2032               | 113,884    |
| APT Pipelines 3.5% 2030                  | 99,205  | BHP Billiton Finance 3.25% 2024       | 106,465    |
| Treasury Stock 4.25% 2032                | 98,524  | Santander UK 7.5% FRN                 | 105,521    |
| Orbit Capital 3.5% 2045                  | 98,031  | Tesco 5% 2023                         | 105,176    |
| Precise Mortgage Funding 1.6675% 2047    | 94,576  | Treasury Stock 4.25% 2032             | 103,953    |
| Treasury 4.75% 2030                      | 79,126  | Treasury 5% 2025                      | 102,004    |
| AT&T 7% 2040                             | 76,929  | Petrobras 5.375% 2029                 | 79,988     |
| Deutsche Telekom Intl Finance GRN 2030   | 76,524  | Treasury 4.75% 2030                   | 79,702     |
| Treasury 5% 2025                         | 68,677  | Treasury 4.75% 2038                   | 72,970     |

## Summary of Material Portfolio Changes (continued)

For the six month period ended 31 March 2016

### UK Fund

| Purchases                | Cost £ | Sales                    | Proceeds £ |
|--------------------------|--------|--------------------------|------------|
| Aveva Group              | 96,956 | Experian                 | 144,152    |
| BNP Billiton             | 83,367 | Pearson                  | 115,218    |
| BG Group                 | 82,297 | Persimmon                | 112,811    |
| Weir Group               | 57,139 | British American Tobacco | 112,113    |
| British American Tobacco | 54,198 | Unilever                 | 98,825     |
| Weir Group               | 45,949 | Indus Gas                | 65,448     |
| Weir Group               | 25,104 | Prudential               | 62,978     |
| Standard Chartered       | 24,375 | Prudential               | 61,504     |
| Aveva Group              | 23,058 | Compass Group            | 61,062     |
| Standard Chartered       | 22,891 | Schroders                | 60,582     |
| Rolls Royce Holdings     | 14,312 | Unilever                 | 49,330     |
| Aveva Group              | 12,499 | Prudential               | 44,217     |
| Rolls Royce Holdings     | 12,294 | Prudential               | 43,947     |
| Aveva Group              | 12,241 | Sage Group               | 39,445     |
| Aveva Group              | 10,785 | Sage Group               | 38,790     |
| Rolls Royce Holdings     | 10,434 | Croda International      | 37,669     |
| Elementis                | 8,080  | GKN                      | 37,412     |
| Aveva Group              | 7,551  | Persimmon                | 34,982     |
| Elementis                | 7,234  | Tesco                    | 34,401     |
| Aveva Group              | 6,996  | Sage Group               | 33,873     |

## Notes to the Financial Statements

For the six month period ended 31 March 2016

### 1. The Company

The Company is domiciled and incorporated as a limited liability company in Jersey, Channel Islands, United Kingdom under the Companies (Jersey) Law 1991 and is listed on the Channel Islands Securities Exchange Authority and the Malta Stock Exchange. Full details of the Company, Investment Objectives and Policy and Report of the Directors are stated on pages 2 to 6.

### 2. Basis of Presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') on the going concern basis. The Funds are:

- Euro High Income Fund
- European Fund
- High Income Fund
- International Fund
- North American Fund
- Sterling Bond Fund
- UK Fund

The policies set out below have been consistently applied to all periods presented.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, held at fair value through the profit or loss and in accordance with the Companies (Jersey) Law 1991 and with the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended). Jersey is not part of the United Kingdom ('UK') and the Company is not regulated by the Financial Conduct Authority ('FCA') or the Prudential Regulation Authority ('PRA') of the UK.

The capital of the Company comprises various classes of Shares each relating to a separate Fund consisting of securities, cash, other assets and liabilities. These financial statements present the statements of financial position, statements of comprehensive income, statements of changes in net assets attributable to holders of participating redeemable preference shares, cash flow statements, investment portfolios, notes to the financial statements, distribution tables and performance records. At the statement of financial position date there were seven Funds in existence; Euro High Income Fund, European Fund, High Income Fund, International Fund, North American Fund, Sterling Bond Fund and UK Fund. The Directors may from time to time create further classes (Funds).

The net assets attributable to holders of participating redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the Capital of the Company is only represented by the Founders Shares. Details of Founders Shares are disclosed in Notes 3 and 14.

Where assets of an individual Fund are insufficient to meet the Funds liabilities, then any liabilities that remain undischarged will revert to the Company as a whole and be allocated amongst the other Funds.

### Significant accounting estimates and judgements

The Company makes assumptions and estimates that affect the reported amounts of assets and liabilities at the statement of financial position date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The accounting policies deemed significant to the Company's results and financial position, based upon materiality and significant judgements and estimates, are discussed in the following notes. See Note 3 for further details on what are considered to be the significant accounting policies.

### 3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all periods presented, unless otherwise stated in the following text:

The Directors also monitor new standards and ensure that they are applied where relevant.

#### 2. Adoption of new and revised IFRS's

##### 2.1 Standards, amendments and interpretations effective for the current period

The following new standards, amendments and interpretations have been adopted in these financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: The Company has applied the amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities for the first time in the current period.

The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities.

The Company did not control any entities during the period or the prior year and as a result, the investment entities amendments have had no impact on the Company.

Amendments to IAS 28 Investments in Associates and Joint Ventures: The Company has applied the amendments to IAS 28 Investments in Associates and Joint Ventures for the first time in the current period.

The Company had no Associates or Joint Ventures during the period or the prior year and as a result, the investment entities amendments have had no impact on the Company.

##### 2.2 The following New and revised standards, amendments and interpretations have been published but are not yet effective:

- IFRS 9, 'Financial Instruments' (effective from 1 January 2018).
- IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2017).

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

### 3. Summary of Significant Accounting Policies (continued)

#### Functional currency and presentational currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). The Directors have adopted sterling as the functional and presentational currency for consolidation purposes which reflects the Company's primary economic environment in which financial assets are invested and the regulatory environment of the majority of investors, being UK based.

The Company has adopted sterling as its presentational and functional currency for European Fund, High Income Fund, International Fund, North American Fund, Sterling Bond Fund and UK Fund as the majority of Shares in each Fund have been subscribed for in sterling and all non dealing related fees and expenses are paid in sterling.

The Company has adopted euro as its presentational and functional currency for the Euro High Income Fund as the Shares in the Fund have been subscribed for in euros and the majority of non dealing related fees and expenses are paid in euro.

#### Share premium and share capital currency translation

Share premium and share capital transactions are translated into sterling at the exchange rate ruling at the time of the transaction.

The aggregated balance of net assets attributable to holders of participating redeemable preference Shares is translated at the date of transaction.

#### Segmental reporting

The Company, at the statement of financial position date is organised into seven business segments, each focussing on achieving returns by investing in a range of investments as described in the Investment Objectives and Policy on page 3.

The Company issues Shares which are allocated to the Fund selected by the investor. A separate account is maintained for each Fund, to which proceeds of issue, the income arising from those proceeds and expenses are allocated. Upon redemption shareholders are entitled to their proportion of the net assets held in the Fund in which their Shares have been designated.

A statement of financial position, statement of comprehensive income, statement of changes in net assets attributable to holders of participating redeemable preference shares and cash flow statement have been prepared for each Fund as well as for the Company as a whole.

#### Foreign currency translation

Assets and liabilities denominated in currencies other than the functional currency of the Fund are translated at the rate of exchange ruling at the statement of financial position date. The currency profits or losses arising on translation, together with currency profits or losses realised during the period, are recognised in the statement of comprehensive income.

The rate of exchange to sterling from euro ruling at 31 March 2016 used for the conversion of statement of financial position items was 1.2613 and the average rate for the period used for the conversion of the statement of comprehensive income was 1.3392.

#### Financial assets and financial liabilities at fair value through profit or loss

##### (a) Classification

The Company classifies its investments in debt and equity securities as financial assets at fair value through profit or loss. These financial assets and financial liabilities are designated by the Board of Directors as fair value through profit or loss at inception.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy.

##### (b) Recognition

Purchases and sales are recognised on the trade date (the date on which the Company commits to purchase or sell the asset).

##### (c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income as incurred. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in the fair value of financial assets or financial liabilities at fair value through profit or loss are recognised in the statement of comprehensive income in the period in which they arise.

#### Revenue recognition

Investment income is recognised in the statement of comprehensive income on an ex-dividend basis when the right to receive payment is established or on a time proportionate basis for all debt instruments using the Effective Interest Rate method ('EIR'). This is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

### 3. Summary of Significant Accounting Policies (continued)

#### Revenue recognition (continued)

Bank interest is recognised in the statement of comprehensive income on a time proportionate basis using the EIR method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial asset or liability, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

#### Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets and financial liabilities held by the Fund is the current mid-market price as required by IFRS 13 financial assets and financial liabilities at fair value at close of business on the last business day of the accounting period.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

#### Share capital

- (i) The Founders Shares have been subscribed for by the Manager and are 'non-participating'. The holders thereof are entitled only to income arising on the assets represented by the Founders Shares. These Shares are classified as Ordinary Share capital in the statement of financial position.
- (ii) Unclassified Shares may be issued as either participating redeemable preference shares ('Participating Shares') or Nominal Shares. Participating Shares are redeemable at the shareholder's option and are classified as financial liabilities. Participating Shares are carried at the redemption amount that is payable if the holder exercises the right to redeem Shares at the statement of financial position date.

Participating Shares are issued and redeemed at the holder's option at prices based on each Fund's net asset value per Share at the time of issue or redemption. Each Fund's net asset value per Share is calculated by dividing the net assets attributable to the holders of participating redeemable preference shares with the total number of Participating Shares in issue. In accordance with the provisions of the Company's regulations, investments are valued based on the latest traded market price for the purpose of determining the net asset value per Share for subscriptions and redemptions.

The Shares are divided into Funds according to the type of investment in which the proceeds of the issue of Shares in each Fund are invested. A separate portfolio of investments is maintained for each Fund.

Each holder of a Participating Share is entitled on a poll, to one vote for each Participating Share held. Participating Shares have a right to dividends declared. If any dividends are paid, different amounts of dividends may be payable in respect of different Funds.

- (iii) Nominal Shares have been accounted for in accordance with the Companies (Jersey) Law 1991 and corresponding amounts have been included in debtors and financial liabilities. A Nominal Share will be created when a Participating Share is cancelled. A Nominal Share will be cancelled when a Participating Share is created until the number of Nominal Shares falls to zero.

- (iv) Both issued Nominal and Participating Shares have a nominal value of £ 0.01 per Share.

Details of the Company's Share capital transactions are shown in Note 14.

#### Share premium

The premium on issues and redemptions of Participating Shares is accounted for within the Share premium account which forms part of the net assets attributable to holders of participating redeemable preference Shares. Details are shown in Notes 15 and 17.

#### Distributions payable to holders of participating redeemable preference shares

Distributions to holders of Participating Shares are recognised as finance costs when they are ratified by the Directors.

#### Accrued income and expenses

Accrued income and expenses are recognised initially at fair value and subsequently stated at amortised cost using the EIR.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 4. Other Accrued Income and Other Debtors

|  | Company   | Euro High<br>Income<br>Fund | European<br>Fund |
|--|-----------|-----------------------------|------------------|
|  | £         | €                           | £                |
| <b>Period ended 31 March 2016</b>            |           |                             |                  |
| Accrued Income                               | 7,030,830 | 198,088                     | —                |
| Founders Shares                              | 1,000     | —                           | —                |
| Nominal Shares                               | 1,150,288 | —                           | —                |
| Total other accrued income and other debtors | 8,182,118 | 198,088                     | —                |
| <b>Year ended 30 September 2015</b>          |           |                             |                  |
| Accrued Income                               | 6,928,533 | 218,566                     | —                |
| Founders Shares                              | 1,000     | —                           | —                |
| Nominal Shares                               | 1,053,019 | —                           | —                |
| Total other accrued income and other debtors | 7,982,552 | 218,566                     | —                |

## 5. Distributions

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

|                                       | Company     | Euro High<br>Income<br>Fund |
|---------------------------------------|-------------|-----------------------------|
|                                       | £           | €                           |
| <b>Period ended 31 March 2016</b>     |             |                             |
| 31 October 2015                       | 1,246,603   | —                           |
| 30 November 2015                      | 1,235,019   | —                           |
| 31 December 2015                      | 1,575,912   | 116,394                     |
| 31 January 2016                       | 1,206,004   | —                           |
| 29 February 2016                      | 1,198,644   | —                           |
| 31 March 2016                         | 1,566,339   | 114,593                     |
| Total distributions                   | 8,028,521   | 230,987                     |
| Income paid on cancellation of shares | 16,830      | 5,557                       |
| Income received on creation of shares | (35,023)    | (2,118)                     |
| Net distributions for the period      | 8,010,328   | 234,426                     |
| Fees charged to capital*              | (1,346,822) | (75,079)                    |
| Net distributions after taxation      | 6,663,506   | 159,347                     |

\* Details can be found in Note 10.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 4. Other Accrued Income and Other Debtors

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund |
|--|------------------------|-----------------------|---------------------------|--------------------------|------------|
|  | £                      | £                     | £                         | £                        | £          |
| <b>Period ended 31 March 2016</b>            |                        |                       |                           |                          |            |
| Accrued Income                               | 6,128,096              | 67,831                | 10,616                    | 580,976                  | 86,254     |
| Founders Shares                              | —                      | —                     | —                         | —                        | —          |
| Nominal Shares                               | —                      | —                     | —                         | —                        | —          |
| Total other accrued income and other debtors | 6,128,096              | 67,831                | 10,616                    | 580,976                  | 86,254     |
| <b>Year ended 30 September 2015</b>          |                        |                       |                           |                          |            |
| Accrued Income                               | 6,110,661              | 28,047                | 7,888                     | 605,122                  | 15,751     |
| Founders Shares                              | —                      | —                     | —                         | —                        | —          |
| Nominal Shares                               | —                      | —                     | —                         | —                        | —          |
| Total other accrued income and other debtors | 6,110,661              | 28,047                | 7,888                     | 605,122                  | 15,751     |

## 5. Distributions

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

|                                       | High<br>Income<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund |
|---------------------------------------|------------------------|--------------------------|------------|
|                                       | £                      | £                        | £          |
| <b>Period ended 31 March 2016</b>     |                        |                          |            |
| 31 October 2015                       | 1,246,603              | —                        | —          |
| 30 November 2015                      | 1,235,019              | —                        | —          |
| 31 December 2015                      | 1,227,973              | 262,154                  | —          |
| 31 January 2016                       | 1,206,004              | —                        | —          |
| 29 February 2016                      | 1,198,644              | —                        | —          |
| 31 March 2016                         | 1,198,083              | 277,399                  | —          |
| Total distributions                   | 7,312,326              | 539,553                  | —          |
| Income paid on cancellation of shares | 7,303                  | 5,222                    | 153        |
| Income received on creation of shares | (24,401)               | (8,646)                  | (394)      |
| Net distributions for the period      | 7,295,228              | 536,129                  | (241)      |
| Fees charged to capital*              | (1,277,516)            | (1,624)                  | (11,618)   |
| Net distributions after taxation      | 6,017,712              | 534,505                  | (11,859)   |

\* Details can be found in Note 10.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 5. Distributions (continued)

|                                       | Company     | Euro High<br>Income<br>Fund |
|---------------------------------------|-------------|-----------------------------|
|                                       | £           | €                           |
| <b>Period ended 31 March 2015</b>     |             |                             |
| 31 October 2014                       | 1,420,082   | —                           |
| 30 November 2014                      | 1,415,090   | —                           |
| 31 December 2014                      | 1,737,467   | 143,387                     |
| 31 January 2015                       | 1,410,863   | —                           |
| 28 February 2015                      | 1,389,323   | —                           |
| 31 March 2015                         | 1,665,538   | 122,955                     |
| Total distributions                   | 9,038,363   | 266,342                     |
| Income paid on cancellation of shares | 25,573      | 8,615                       |
| Income received on creation of shares | (41,547)    | (3,433)                     |
| Net distributions for the period      | 9,022,389   | 271,524                     |
| Fees charged to capital*              | (1,506,645) | (73,173)                    |
| Net distributions after taxation      | 7,515,744   | 198,351                     |

\* Details can be found in Note 10.

## 6. Accrued Expenses and Other Creditors

|  | Company | Euro High<br>Income<br>Fund | European<br>Fund |
|--|---------|-----------------------------|------------------|
|  | £       | €                           | £                |
| <b>Period ended 31 March 2016</b>          |         |                             |                  |
| Due to Manager                             | 407,916 | 18,703                      | 25,869           |
| Due to Custodian                           | 21,539  | 1,302                       | 1,582            |
| Other Creditors                            | 82,569  | 3,554                       | 6,926            |
| Total accrued expenses and other creditors | 512,024 | 23,559                      | 34,377           |
| <b>Year ended 30 September 2015</b>        |         |                             |                  |
| Due to Manager                             | 436,987 | 19,134                      | 26,036           |
| Due to Custodian                           | 23,301  | 1,370                       | 1,607            |
| Other Creditors                            | 146,527 | 9,373                       | 9,196            |
| Total accrued expenses and other creditors | 606,815 | 29,877                      | 36,839           |



## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 5. Distributions (continued)

|                                       | High<br>Income<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund |
|---------------------------------------|------------------------|--------------------------|------------|
|                                       | £                      | £                        | £          |
| <b>Period ended 31 March 2015</b>     |                        |                          |            |
| 31 October 2014                       | 1,420,083              | —                        | —          |
| 30 November 2014                      | 1,415,090              | —                        | —          |
| 31 December 2014                      | 1,411,327              | 214,861                  | —          |
| 31 January 2015                       | 1,410,863              | —                        | —          |
| 28 February 2015                      | 1,389,323              | —                        | —          |
| 31 March 2015                         | 1,364,049              | 212,533                  | —          |
| Total distributions                   | 8,410,735              | 427,394                  | —          |
| Income paid on cancellation of shares | 15,928                 | 2,628                    | 485        |
| Income received on creation of shares | (32,781)               | (4,045)                  | (2,118)    |
| Net distributions for the period      | 8,393,882              | 425,977                  | (1,633)    |
| Fees charged to capital*              | (1,451,159)            | —                        | —          |
| Net distributions after taxation      | 6,942,723              | 425,977                  | (1,633)    |

\* Details can be found in Note 10.

## 6. Accrued Expenses and Other Creditors

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund |
|--|------------------------|-----------------------|---------------------------|--------------------------|------------|
|  | £                      | £                     | £                         | £                        | £          |
| <b>Period ended 31 March 2016</b>          |                        |                       |                           |                          |            |
| Due to Manager                             | 254,830                | 37,605                | 17,922                    | 28,161                   | 28,700     |
| Due to Custodian                           | 12,453                 | 1,842                 | 1,191                     | 1,964                    | 1,475      |
| Other Creditors                            | 36,696                 | 14,435                | 7,902                     | 4,932                    | 8,859      |
| Total accrued expenses and other creditors | 303,979                | 53,882                | 27,015                    | 35,057                   | 39,034     |
| <b>Year ended 30 September 2015</b>        |                        |                       |                           |                          |            |
| Due to Manager                             | 280,241                | 38,301                | 17,843                    | 30,447                   | 30,019     |
| Due to Custodian                           | 13,873                 | 1,911                 | 1,177                     | 2,145                    | 1,578      |
| Other Creditors                            | 87,897                 | 12,653                | 8,295                     | 10,447                   | 11,133     |
| Total accrued expenses and other creditors | 382,011                | 52,865                | 27,315                    | 43,039                   | 42,730     |

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 7. Net gain/(loss) on financial assets at fair value through profit or loss

The net gain/(loss) on investments during the period comprise:

|   | Company      | Euro High<br>Income<br>Fund | European<br>Fund |
|---|--------------|-----------------------------|------------------|
|   | £            | €                           | £                |
| <b>Period ended 31 March 2016</b>                             |              |                             |                  |
| Proceeds from sales of investments during the period          | 57,053,210   | 3,557,857                   | 1,312,252        |
| Original cost of investments sold during the period           | (53,961,543) | (3,574,912)                 | (1,329,206)      |
| Gains/(losses) realised on investments sold during the period | 3,091,667    | (17,055)                    | (16,954)         |
| Realised foreign exchange (losses)/gains                      | (47,783)     | —                           | (9,650)          |
| Net realised gains / (losses) for the period                  | 3,043,884    | (17,055)                    | (26,604)         |
| Net unrealised gains/(losses) for the period                  | 4,117,324    | 424,931                     | 1,195,111        |
| Net gains on investments                                      | 7,161,208    | 407,876                     | 1,168,507        |
| <b>Period ended 31 March 2015</b>                             |              |                             |                  |
| Proceeds from sales of investments during the period          | 50,184,915   | 9,351,680                   | 1,843,031        |
| Original cost of investments sold during the period           | (48,653,061) | (9,048,751)                 | (1,698,726)      |
| Gains/(losses) realised on investments sold during the period | 1,531,854    | 302,929                     | 144,305          |
| Realised foreign exchange (losses)/gains                      | (19,385)     | 119                         | (15,971)         |
| Net realised gains for the period                             | 1,512,469    | 303,048                     | 128,334          |
| Net unrealised gains/(losses) for the period                  | 17,840,628   | (1,118,729)                 | 1,264,948        |
| Net gains/(losses) on investments                             | 19,353,097   | (815,681)                   | 1,393,282        |

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 7. Net gain/(loss) on financial assets at fair value through profit or loss

The net gain/(loss) on investments during the period comprise:

|   | High<br>Income<br>Fund<br>£ | International<br>Fund<br>£ | North<br>American<br>Fund<br>£ | Sterling<br>Bond<br>Fund<br>£ | UK<br>Fund<br>£ |
|---|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------|
| <b>Period ended 31 March 2016</b>                             |                             |                            |                                |                               |                 |
| Proceeds from sales of investments during the period          | 38,707,931                  | 3,589,132                  | 1,365,502                      | 7,467,515                     | 1,954,109       |
| Original cost of investments sold during the period           | (35,442,429)                | (4,359,565)                | (1,370,440)                    | (6,829,338)                   | (1,961,060)     |
| Gains/(losses) realised on investments sold during the period | 3,265,502                   | (770,433)                  | (4,938)                        | 638,177                       | (6,951)         |
| Realised foreign exchange (losses)/gains                      | —                           | (34,850)                   | (5,285)                        | —                             | 2,002           |
| Net realised gains / (losses) for the period                  | 3,265,502                   | (805,283)                  | (10,223)                       | 638,177                       | (4,949)         |
| Net unrealised gains/(losses) for the period                  | (900,098)                   | 2,629,467                  | 927,543                        | (341,358)                     | 289,349         |
| Net gains on investments                                      | 2,365,404                   | 1,824,184                  | 917,320                        | 296,819                       | 284,400         |
| <b>Period ended 31 March 2015</b>                             |                             |                            |                                |                               |                 |
| Proceeds from sales of investments during the period          | 30,463,763                  | 4,639,183                  | 1,280,138                      | 2,614,784                     | 2,252,829       |
| Original cost of investments sold during the period           | (29,277,203)                | (4,728,709)                | (1,125,389)                    | (2,781,878)                   | (2,179,675)     |
| Gains/(losses) realised on investments sold during the period | 1,186,560                   | (89,526)                   | 154,749                        | (167,094)                     | 73,154          |
| Realised foreign exchange (losses)/gains                      | —                           | 994                        | 2,591                          | —                             | (7,089)         |
| Net realised gains for the period                             | 1,186,560                   | (88,532)                   | 157,340                        | (167,094)                     | 66,065          |
| Net unrealised gains/(losses) for the period                  | 13,346,754                  | 979,362                    | 1,092,922                      | 1,345,665                     | 659,287         |
| Net gains/(losses) on investments                             | 14,533,314                  | 890,830                    | 1,250,262                      | 1,178,571                     | 725,352         |

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 8. Other Income

|                                   | Company | Euro High<br>Income<br>Fund | European<br>Fund |
|-----------------------------------|---------|-----------------------------|------------------|
|                                   | £       | €                           | £                |
| <b>Period ended 31 March 2016</b> |         |                             |                  |
| Bank interest                     | 15,897  | 263                         | 218              |
| <b>Period ended 31 March 2015</b> |         |                             |                  |
| Bank interest                     | 4,123   | —                           | 151              |

## 9. Operating Expenses

|  | Note | Company   | Euro High<br>Income<br>Fund | European<br>Fund |
|--|------|-----------|-----------------------------|------------------|
|  |      | £         | €                           | £                |
| <b>Period ended 31 March 2016</b>                    |      |           |                             |                  |
| Payable to the Manager:                              |      |           |                             |                  |
| Annual management fees                               | 10   | 1,819,451 | 66,971                      | 93,152           |
| Registrar fees                                       | 10   | 95,647    | 7,520                       | 9,065            |
| Payable to the Custodian:                            |      |           |                             |                  |
| Custodian fees                                       | 11   | 127,070   | 7,620                       | 9,016            |
| Safe custody fees                                    | 11   | 37,049    | 2,591                       | 3,073            |
| Other expenses:                                      |      |           |                             |                  |
| Administration expenses*                             |      | 75,004    | 8,457                       | 5,345            |
| Broker commission, dealing charges<br>and stamp duty |      | 33,929    | 588                         | 3,947            |
| Audit fee  |      | 13,547    | 1,000                       | 1,200            |
| Total expenses                                       |      | 2,201,697 | 94,747                      | 124,798          |
| <b>Total Expense Ratio**</b>                         |      |           | 1.23%                       | 1.95%            |
| <b>Period ended 31 March 2015</b>                    |      |           |                             |                  |
| Payable to the Manager:                              |      |           |                             |                  |
| Annual management fees                               | 10   | 2,032,781 | 68,077                      | 104,462          |
| Registrar fees                                       | 10   | 102,326   | 5,096                       | 9,646            |
| Payable to the Custodian:                            |      |           |                             |                  |
| Custodian fees                                       | 11   | 140,041   | 7,695                       | 9,952            |
| Safe custody fees                                    | 11   | 40,240    | 2,184                       | 3,094            |
| Other expenses:                                      |      |           |                             |                  |
| Administration expenses*                             |      | 96,320    | 10,631                      | 6,965            |
| Broker commission, dealing charges<br>and stamp duty |      | 30,848    | 756                         | 5,858            |
| Audit fee  |      | 13,133    | 900                         | 1,100            |
| Total expenses                                       |      | 2,455,689 | 95,339                      | 141,077          |
| <b>Total Expense Ratio**</b>                         |      |           | 1.22%                       | 2.02%            |

\*The Administration expenses includes £5,000 of Director fees (see note 10).

\*\*The Total Expense Ratio, represents the management fee and total operating expenses less the dealing and broker charges, expressed as an annualised percentage of the average daily net asset values during the period

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 8. Other Income

|                                   | High<br>Income<br>Fund<br>£ | International<br>Fund<br>£ | North<br>American<br>Fund<br>£ | Sterling<br>Bond<br>Fund<br>£ | UK<br>Fund<br>£ |
|-----------------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------|
| <b>Period ended 31 March 2016</b> |                             |                            |                                |                               |                 |
| Bank interest                     | 8,912                       | 782                        | 1                              | 3,917                         | 1,872           |
| <b>Period ended 31 March 2015</b> |                             |                            |                                |                               |                 |
| Bank interest                     | 3,348                       | 44                         | 32                             | 147                           | 401             |

## 9. Operating Expenses

|  | High<br>Income<br>Fund<br>£ | International<br>Fund<br>£ | North<br>American<br>Fund<br>£ | Sterling<br>Bond<br>Fund<br>£ | UK<br>Fund<br>£ |
|--|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------|
| <b>Period ended 31 March 2016</b>                    |                             |                            |                                |                               |                 |
| Payable to the Manager:                              |                             |                            |                                |                               |                 |
| Annual management fees                               | 1,229,221                   | 141,320                    | 67,666                         | 127,924                       | 110,159         |
| Registrar fees                                       | 46,665                      | 12,576                     | 5,856                          | 6,571                         | 9,299           |
| Payable to the Custodian:                            |                             |                            |                                |                               |                 |
| Custodian fees                                       | 74,628                      | 10,675                     | 6,767                          | 11,697                        | 8,597           |
| Safe custody fees                                    | 24,576                      | 3,426                      | 1,579                          | 1,379                         | 1,081           |
| Other expenses:                                      |                             |                            |                                |                               |                 |
| Administration expenses*                             | 36,426                      | 6,998                      | 4,610                          | 7,796                         | 7,512           |
| Broker commission, dealing charges<br>and stamp duty | 1,630                       | 11,402                     | 3,269                          | 1,624                         | 11,618          |
| Audit fee  | 8,100                       | 700                        | 800                            | 1,200                         | 800             |
| <b>Total expenses</b>                                | <b>1,421,246</b>            | <b>187,097</b>             | <b>90,547</b>                  | <b>158,191</b>                | <b>149,066</b>  |
| <b>Total Expense Ratio**</b>                         | <b>1.01%</b>                | <b>1.87%</b>               | <b>1.94%</b>                   | <b>1.07%</b>                  | <b>1.88%</b>    |
| <b>Period ended 31 March 2015</b>                    |                             |                            |                                |                               |                 |
| Payable to the Manager:                              |                             |                            |                                |                               |                 |
| Annual management fees                               | 1,398,743                   | 176,729                    | 73,225                         | 100,808                       | 127,193         |
| Registrar fees                                       | 52,416                      | 13,650                     | 6,188                          | 6,734                         | 9,828           |
| Payable to the Custodian:                            |                             |                            |                                |                               |                 |
| Custodian fees                                       | 84,291                      | 13,029                     | 7,321                          | 9,887                         | 9,726           |
| Safe custody fees                                    | 26,936                      | 3,458                      | 1,456                          | 2,548                         | 1,092           |
| Other expenses:                                      |                             |                            |                                |                               |                 |
| Administration expenses*                             | 47,865                      | 8,179                      | 7,058                          | 9,478                         | 8,714           |
| Broker commission, dealing charges<br>and stamp duty | 1,080                       | 12,319                     | 2,890                          | 752                           | 7,374           |
| Audit fee  | 8,000                       | 750                        | 750                            | 1,100                         | 750             |
| <b>Total expenses</b>                                | <b>1,619,331</b>            | <b>228,114</b>             | <b>98,888</b>                  | <b>131,307</b>                | <b>164,677</b>  |
| <b>Total Expense Ratio**</b>                         | <b>1.01%</b>                | <b>1.93%</b>               | <b>2.02%</b>                   | <b>1.14%</b>                  | <b>1.94%</b>    |

\*The Administration expenses includes £5,000 of Director fees (see note 10).

\*\*The Total Expense Ratio, represents the management fee and total operating expenses less the dealing and broker charges, expressed as an annualised percentage of the average daily net asset values during the period.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

### 10. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial or operating decisions. The following are considered by the Directors of the Company to be related parties:

- The Manager, Lloyds Investment Fund Managers Limited.
- The Investment Manager, Aberdeen Asset Management Limited.
- Key management personnel.

The fees received by the Manager are set out in Note 9. The Investment Manager is paid by the Manager. Details of amounts due to the Manager at the end of the period are shown in Note 6.

All investor share transactions in the Company are facilitated through the Manager, the aggregate values of which are set out in the statement of changes in net assets attributable to holders of participating redeemable preference shares on pages 18 and 19.

At the period end the Manager held Participating Shares in the Company as follows:

|                       | 31 March<br>2016 | 30 September<br>2015 |
|-----------------------|------------------|----------------------|
| Euro High Income Fund | 7,983            | 8,015                |
| European Fund         | 1,685            | 2,762                |
| High Income Fund      | 6,975            | 7,022                |
| International Fund    | 1,982            | 3,026                |
| North American Fund   | 1,534            | 2,426                |
| Sterling Bond Fund    | 4,697            | 4,981                |
| UK Fund               | 1,693            | 2,737                |
|                       | 26,549           | 30,969               |

#### (a) Management and Registrar fees

The Manager of the Company, Lloyds Investment Fund Managers Limited, is part of the Lloyds Bank Group of companies. The Manager is entitled to a daily fee equal at the annual rate set out below by reference to the net assets of each Fund calculated daily and paid monthly by the Company.

|                       |        |
|-----------------------|--------|
| Euro High Income Fund | 0.875% |
| European Fund         | 1.500% |
| High Income Fund      | 0.875% |
| International Fund    | 1.500% |
| North American Fund   | 1.500% |
| Sterling Bond Fund    | 0.875% |
| UK Fund               | 1.500% |

The Directors and the Manager may agree a higher fee for any Fund subject to a maximum annual rate of 1.5% of the mid market value of net assets of the Fund. If such a higher fee is agreed, shareholders of the relevant Fund will be given at least three months written notice before it comes into effect.

The Manager, in its capacity as Registrar, is entitled to a fee payable by the Company of £12.00 for each shareholding which appears on the Share Register on the last business day of each annual and half yearly accounting period. The Manager and the Company may agree a higher fee.

Details of amounts due to the Manager at the year end are shown in Note 6.

#### (b) Fees charged to capital

In order to maximise the income available for distribution to shareholders, the Directors, in consultation with the Custodian, have agreed to charge the Management and Registrar fees for High Income Fund and Euro High Income Fund only, to the capital of these Funds.

#### (c) Key management personnel

The following Directors of the Company at 31 March 2016 are employees of Lloyds Banking Group: I.M.J. Hardy, B.C. James, B. Lysiak and R.D. Willcox. T.J. Herbert is a consultant to Mourant Ozannes, who are the Jersey legal advisers to the Company and the Manager.

I.M.J.Hardy, B.C. James and R.D. Willcox are Directors of the Manager, Lloyds Investment Fund Managers Limited.

#### (d) Directors' Fees

Directors who are employees of the Lloyds Banking Group do not receive Directors' fees. All other Directors receive a fee of £5,000 per annum (2015: £5,000 per annum).

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

### 11. Custodian

The fees received by the Custodian are set out in Note 9. Details of amounts due to the Custodian at the period end are shown in Note 6.

The Custodian is entitled to an annual fee payable monthly by the Company, in respect of each Fund, at the rates set out in the table below by reference to the net asset value of each Fund calculated on a mid-market basis and subject to a minimum overall fee of £20,000 per annum for the Company as a whole.

The Custodian is entitled to reimbursement by each Fund of its expenses in connection with its duties as Custodian and to make transaction charges to cover the cost of effecting settlement of stock and cash.

### Custodian Fee Rates

Sterling Funds paid in £

|                     | Up to £10m<br>% | NAV of each Fund<br>£10m to £25m<br>% | £25m Plus<br>% |
|---------------------|-----------------|---------------------------------------|----------------|
| European Fund       | 0.150           | 0.125                                 | 0.100          |
| High Income Fund    | 0.100           | 0.075                                 | 0.050          |
| International Fund  | 0.125           | 0.100                                 | 0.075          |
| North American Fund | 0.150           | 0.125                                 | 0.100          |
| Sterling Bond Fund  | 0.100           | 0.075                                 | 0.050          |
| UK Fund             | 0.125           | 0.100                                 | 0.075          |

Euro Fund paid in €

|                       | Up to €15m<br>% | NAV of each Fund<br>€15m to €40m<br>% | €40m to Plus<br>% |
|-----------------------|-----------------|---------------------------------------|-------------------|
| Euro High Income Fund | 0.100           | 0.075                                 | 0.050             |

### 12. Controlling Party

In the opinion of the Directors, there is no ultimate controlling party of the Company as defined by International Accounting Standards (IAS) 24 Related Party Disclosures.

### 13. Equalisation

The price of a participating share includes an equalisation payment calculated by dividing the net undistributed income of the Fund by the number of Shares in issue at the time when the prices are calculated. The payment of the first distribution after the issue of a Share includes an amount of equalisation calculated by averaging the amounts received by way of equalisation during the period to which the distribution relates.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 14. Share Capital

|                                       | 30 March<br>2016 |           | 30 September<br>2015 |           |
|---------------------------------------|------------------|-----------|----------------------|-----------|
|                                       | £                |           | £                    |           |
| <b>Authorised share Capital:</b>      |                  |           |                      |           |
| 1,000 Founders Shares of £1           |                  | 1,000     |                      | 1,000     |
| 750,000,000 Unclassified Shares of 1p |                  | 7,500,000 |                      | 7,500,000 |
|                                       |                  | 7,501,000 |                      | 7,501,000 |
| <b>Issued Share Capital:</b>          |                  |           |                      |           |
| Founders Shares                       |                  | 1,000     |                      | 1,000     |
| <b>Nominal shares:</b>                |                  |           |                      |           |
| Balance brought forward               |                  | 1,053,019 |                      | 804,962   |
| Creations                             |                  | 152,330   |                      | 443,064   |
| Redemptions                           |                  | (55,061)  |                      | (195,007) |
| Balance carried forward               |                  | 1,150,288 |                      | 1,053,019 |
| <b>Participating Shares:</b>          |                  |           |                      |           |
| Balance brought forward               |                  | 3,721,035 |                      | 3,969,092 |
| Creations                             |                  | 55,061    |                      | 195,007   |
| Redemptions                           |                  | (152,330) |                      | (443,064) |
| Balance carried forward               |                  | 3,623,766 |                      | 3,721,035 |
| <b>Fund</b>                           | <b>Shares</b>    | <b>£</b>  | <b>Shares</b>        | <b>£</b>  |
| European                              | 1,687,873        | 16,879    | 1,706,523            | 17,065    |
| High Income                           | 323,806,311      | 3,238,063 | 332,935,361          | 3,329,354 |
| International                         | 4,629,647        | 46,296    | 4,837,797            | 48,378    |
| North American                        | 579,198          | 5,792     | 581,498              | 5,815     |
| Sterling Bond                         | 19,814,245       | 198,142   | 20,339,895           | 203,399   |
| UK                                    | 2,309,466        | 23,095    | 2,308,503            | 23,085    |
| Total Sterling Funds                  | 352,826,740      | 3,528,267 | 362,709,577          | 3,627,096 |
| <b>Fund</b>                           | <b>Shares</b>    | <b>€</b>  | <b>Shares</b>        | <b>€</b>  |
| Euro High Income                      | 9,549,364        | 139,754   | 9,393,414            | 138,194   |
|                                       | <b>Shares</b>    | <b>£</b>  | <b>Shares</b>        | <b>£</b>  |
| Total Company (Sterling equivalent)   | 362,376,104      | 3,623,761 | 372,102,991          | 3,721,035 |



## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 15. Share Premium

|                                     | 31 March<br>2016 | 30 September<br>2015 |
|-------------------------------------|------------------|----------------------|
| <b>Fund</b>                         | £                | £                    |
| European                            | —                | —                    |
| High Income                         | 330,385,236      | 338,066,552          |
| International                       | 7,440,493        | 8,257,516            |
| North American                      | —                | —                    |
| Sterling Bond                       | 30,207,672       | 30,957,177           |
| UK                                  | —                | —                    |
| Total Sterling Funds                | 368,033,401      | 377,281,245          |
| <b>Fund</b>                         | €                | €                    |
| Euro High Income                    | 16,305,327       | 16,052,573           |
| Total Company (Sterling equivalent) | 378,107,469      | 388,406,683          |
|                                     | £                | £                    |
| Balance brought forward             | 388,406,683      | 408,869,960          |
| Premium on creations                | 5,693,621        | 23,448,722           |
| Premium on redemptions              | (15,025,919)     | (47,687,455)         |
| Transfer from capital reserve       | 200,768          | 3,775,456            |
| Balance carried forward             | 379,275,153      | 388,406,683          |

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 16. Capital Reserves

|   | Note | Company      | Euro High<br>Income<br>Fund | European<br>Fund |
|---|------|--------------|-----------------------------|------------------|
|   |      | £            | €                           | £                |
| Net realised gains/(losses)<br>on investments b/fwd |      | 36,217,500   | 378,289                     | 15,287,723       |
| Transfers to share premium b/fwd                    |      | (3,775,455)  | —                           | (1,506,218)      |
| Net realised gains/(losses) for the period          | 7    | 3,043,884    | (17,055)                    | (26,604)         |
| Net realised gains/(losses)<br>on investments c/fwd |      | 35,485,929   | 361,234                     | 13,754,901       |
| Net unrealised movement on investment b/fwd         |      | 19,382,498   | 165,800                     | (909,781)        |
| Net unrealised movement in the period               | 7    | 4,117,324    | 424,931                     | 1,195,111        |
| Net unrealised movement on investment c/fwd         |      | 23,499,822   | 590,731                     | 285,330          |
| Total realised/unrealised movement                  |      | 58,985,751   | 951,965                     | 14,040,231       |
| Fees charged to Capital b/fwd*                      |      | (40,744,553) | (1,213,627)                 | (808,539)        |
| Net movement in the period                          |      | (1,365,442)  | (75,079)                    | (3,946)          |
| Fees charged to Capital c/fwd*                      |      | (42,109,995) | (1,288,706)                 | (812,485)        |
| Transfer to share premium in period                 |      | (200,768)    | —                           | (163,731)        |
| As at 31 March 2016                                 |      | 16,674,988   | (336,741)                   | 13,064,015       |

\* Details of the fees can be found in Note 10.

Under the Reporting Fund Regime, broker commission, dealing charges and stamp duty are not allowable expenses. The Directors have therefore, transferred these expenses from the Net undistributed income reserve to a separate broker charges reserve.

\*\* Capital growth reserves have been excluded from brought forward values with all realised gains incorporated into redemption values.

## 17. Net assets attributable to holders of participating redeemable preference shares

|                                     | Notes | Company      | Euro High<br>Income<br>Fund | European<br>Fund |
|-------------------------------------|-------|--------------|-----------------------------|------------------|
|                                     |       | £            | €                           | £                |
| <b>Period ended 31 March 2016</b>   |       |              |                             |                  |
| Share capital                       | 14    | 3,623,766    | 139,754                     | 16,879           |
| Share premium                       | 15    | 379,275,153  | 16,305,327                  | —                |
| Capital reserves                    | 16    | 16,674,988   | (336,741)                   | 13,064,015       |
| Dilution levies                     |       | 250,386      | 30,773                      | 5,272            |
| Undistributed income*               |       | (26,119,617) | (609,734)                   | (39,184)         |
| Movement in currency translation    |       | 2,346,212    | —                           | —                |
| As at 31 March 2016                 |       | 376,050,888  | 15,529,379                  | 13,046,982       |
| <b>Year ended 30 September 2015</b> |       |              |                             |                  |
| Share capital                       | 14    | 3,721,035    | 138,194                     | 17,065           |
| Share premium                       | 15    | 388,406,683  | 16,052,573                  | —                |
| Capital reserves                    | 16    | 11,079,989   | (669,538)                   | 12,063,185       |
| Dilution levies                     |       | 248,665      | 30,773                      | 5,272            |
| Undistributed income*               |       | (25,927,076) | (643,162)                   | (5,893)          |
| Movement in currency translation    |       | 1,378,769    | —                           | —                |
| As at 30 September 2015             |       | 378,908,065  | 14,908,840                  | 12,079,629       |

\* The distributions detailed in Note 5 have been declared by the Directors using a dividend policy based on the accruals method of accounting for income on debt instruments, as opposed to the EIR method of accounting for investment income which is the basis used for recognition of income on debt instruments as explained in the accounting policies. Future distributions will continue to be made on the basis of the existing distribution policy. Equity Fund distributions were declared net of broker fees.

Undistributed income under the accruals method as at 31 March 2016 amounts to £(998,191) (30 September 2015 amounts to £(1,068,829)).

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 16. Capital Reserves

|   | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund  |
|---|------------------------|-----------------------|---------------------------|--------------------------|-------------|
|   | £                      | £                     | £                         | £                        | £           |
| Net realised gains/(losses)<br>on investments b/fwd | (20,599,482)           | 13,833,920            | 9,956,294                 | (1,911,830)              | 20,135,866  |
| Transfers to share premium b/fwd                    | —                      | —                     | (820,771)                 | —                        | (1,448,466) |
| Net realised gains/(losses) for the period          | 3,265,502              | (805,283)             | (10,223)                  | 638,177                  | (4,949)     |
| Net realised gains/(losses)<br>on investments c/fwd | (17,333,980)           | 13,028,637            | 9,125,300                 | (1,273,653)              | 18,682,451  |
| Net unrealised movement on investment b/fwd         | 21,695,960             | (2,688,959)           | 390,401                   | 1,904,815                | (1,513,532) |
| Net unrealised movement in the period               | (900,098)              | 2,629,467             | 927,543                   | (341,358)                | 289,349     |
| Net unrealised movement on investment c/fwd         | 20,795,862             | (59,492)              | 1,317,944                 | 1,563,457                | (1,224,183) |
| Total realised/unrealised movement                  | 3,461,882              | 12,969,145            | 10,443,244                | 289,804                  | 17,458,268  |
| Fees charged to Capital b/fwd*                      | (35,137,675)           | (802,596)             | (203,499)                 | (4,572)                  | (2,608,824) |
| Net movement in the period                          | (1,277,516)            | (11,402)              | (3,269)                   | (1,624)                  | (11,618)    |
| Fees charged to Capital c/fwd*                      | (36,415,191)           | (813,998)             | (206,768)                 | (6,196)                  | (2,620,442) |
| Transfer to share premium in period                 | —                      | —                     | (40,435)                  | —                        | 3,398       |
| As at 31 March 2016                                 | (32,953,309)           | 12,155,147            | 10,196,041                | 283,608                  | 14,841,224  |

## 17. Net assets attributable to holders of participating redeemable preference shares

|                                     | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund |
|-------------------------------------|------------------------|-----------------------|---------------------------|--------------------------|------------|
|                                     | £                      | £                     | £                         | £                        | £          |
| <b>Period ended 31 March 2016</b>   |                        |                       |                           |                          |            |
| Share capital                       | 3,238,063              | 46,296                | 5,792                     | 198,142                  | 23,095     |
| Share premium                       | 330,385,236            | 7,440,493             | —                         | 30,207,672               | —          |
| Capital reserves                    | (32,953,309)           | 12,155,147            | 10,196,041                | 283,608                  | 14,841,224 |
| Dilution levies                     | 172,989                | —                     | 7,857                     | 33,086                   | 6,784      |
| Undistributed income*               | (22,864,342)           | (306,770)             | (748,903)                 | (1,737,952)              | 60,969     |
| Movement in currency translation    | —                      | —                     | —                         | —                        | —          |
| As at 31 March 2016                 | 277,978,637            | 19,335,166            | 9,460,787                 | 28,984,556               | 14,932,072 |
| <b>Year ended 30 September 2015</b> |                        |                       |                           |                          |            |
| Share capital                       | 3,329,354              | 48,378                | 5,815                     | 203,399                  | 23,085     |
| Share premium                       | 338,066,552            | 8,257,516             | —                         | 30,957,177               | —          |
| Capital reserves                    | (34,041,197)           | 10,342,365            | 9,322,425                 | (11,587)                 | 14,565,044 |
| Dilution levies                     | 172,989                | —                     | 7,857                     | 33,086                   | 6,784      |
| Undistributed income*               | (22,648,536)           | (340,353)             | (732,023)                 | (1,718,008)              | (8,304)    |
| Movement in currency translation    | —                      | —                     | —                         | —                        | —          |
| As at 30 September 2015             | 284,879,162            | 18,307,906            | 8,604,074                 | 29,464,067               | 14,586,609 |

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

### 18. Taxation

In accordance with International Accounting Standard (IAS) 12 Income Taxes, investment income is shown gross of withholding tax.

The withholding tax suffered is recorded on the taxation line as set out below:

|                                      | 31 March<br>2016 | 31 March<br>2015 |
|--------------------------------------|------------------|------------------|
| Foreign tax on income for the period | £107,087         | £120,637         |

The Company is liable to be charged at a tax rate of 0% under Schedule D under the Income Tax (Jersey) Law 1961, as amended (the 'Income Tax Law') in respect of:

- (i) the income or profits of any trade carried on by the Company in Jersey or elsewhere,
- (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Company, whether such payment is made within or outside of Jersey,
- (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Company,
- (iv) income arising to the Company from securities outside of Jersey and
- (v) any other income of the Company that is not derived from the ownership or disposal of land in Jersey.

It is not expected that the Company will be in receipt of income charged to tax under any Schedule under Income Tax Law other than Schedule D. As such the Company is no longer subject to the payment of tax in Jersey.

Jersey resident individuals should note that any income received from the Fund(s) will be paid gross and will be taxable under Schedule D Case III (D3) of the Income Tax (Jersey) Law 1961, as amended.

### 19. Financial risk management

#### Strategy in using financial instruments

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk, counter-party risk, capital risk and certain other risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Each Fund is able to use derivative financial instruments to moderate certain risk exposures. There were no such exposures as at 31 March 2016.

Each Fund's investment objectives and policy are stated on page 3. To achieve these objectives the Company's assets and liabilities comprise financial instruments held in accordance with each Fund's investment objectives and policy.

These may include:

- Investments including equity and non-equity Shares, fixed income securities and floating rate securities
- Cash, liquid resources and short term debtors and creditors that arise directly from the investment activities
- Hedging instruments, such as forward exchange contracts and traded options which a Fund may enter into, for the purpose of managing the risks arising from the Fund's investment activities.

#### Market risk

All securities investments present a risk of loss of capital. The Manager moderates this risk through a careful selection of investments within specified limits. The maximum risk resulting from investments is determined by the fair value of those investments.

The overall market position and therefore the risk exposure for each Fund are governed by the Prospectus, the Collective Investment Funds (Recognized Funds) (Rules) (Jersey) Order 2003 (as amended) and the investment objectives for each Fund. These positions are monitored on a daily basis by the Manager and are reviewed on a quarterly basis by the Board of Directors.

The investments are principally equities, fixed interest securities and bank deposits, dependent on each Fund's investment policy. The value of these is not fixed (other than bank deposits) and may go down as well as up. This may be the result of a specific factor affecting the value of an individual stock or be caused by general market factors (such as interest rates, government policy or the health of the underlying economy) which could affect the entire portfolio of a Fund.

The period end portfolios of each Fund are detailed on pages 25 to 43.

The Manager controls this risk on a Fund by Fund basis and monitors the movements in the equities, bonds and interest rates against the relevant equity and bond indices and market interest rates respectively.

The Manager considers that a reasonably possible movement in the market risk components would be equivalent to a 5% movement in equity and bond indices and a 1% movement in market interest rates.

The table on the following page summarises, for each of the Funds, the impact of increases / (decreases) in the equity and bond indices, and market interest rates on the net asset value as at 31 March 2016. The analysis is based on the assumption that the equity and bond indices increase / (decrease) by 5%, and market interest rates increase / (decrease) by 1%, with all other variables held constant. The analysis also assumes that the movement in the portfolios of each Fund has perfect positive correlation with the equity and bond indices and market interest rates.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 19. Financial risk management (continued)

## Market risk (continued)

| End of Period/Year | Fund             | Value (base currency) | Equities 5% Movement in equity index | Bonds 5% Movement in bond index | Cash 1% Movement in interest rate |
|--------------------|------------------|-----------------------|--------------------------------------|---------------------------------|-----------------------------------|
| 31.03.16           | Euro High Income | 15,529,379            | —                                    | 753,983                         | 3,996                             |
| 30.09.15           | Euro High Income | 14,908,840            | —                                    | 701,535                         | 6,955                             |
| 31.03.16           | European         | 13,046,982            | 629,854                              | —                               | 4,800                             |
| 30.09.15           | European         | 12,079,629            | 596,881                              | —                               | 1,725                             |
| 31.03.16           | High Income      | 277,978,637           | —                                    | 13,464,316                      | 40,096                            |
| 30.09.15           | High Income      | 284,879,162           | —                                    | 13,899,485                      | 24,531                            |
| 31.03.16           | International    | 19,335,166            | 953,893                              | —                               | 2,375                             |
| 30.09.15           | International    | 18,307,906            | 911,759                              | —                               | 910                               |
| 31.03.16           | North American   | 9,460,787             | 467,820                              | —                               | 1,126                             |
| 30.09.15           | North American   | 8,604,074             | 427,229                              | —                               | 789                               |
| 31.03.16           | Sterling Bond    | 28,984,556            | —                                    | 1,379,904                       | 11,180                            |
| 30.09.15           | Sterling Bond    | 29,464,067            | —                                    | 1,460,754                       | 5,115                             |
| 31.03.16           | UK               | 14,932,072            | 729,957                              | —                               | 3,318                             |
| 30.09.15           | UK               | 14,586,609            | 703,736                              | —                               | 8,094                             |

## Interest rate risk

Each Fund receives income from its various investments. For the Sterling Bond Fund, Euro High Income Fund and High Income Fund, the income is received from investments in bonds and loan stock. In accordance with the Funds policy, the Manager monitors the Fund's overall interest rate sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis.

The interest bearing financial assets and liabilities held in the Funds expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The table overleaf summarises the effect of interest rate risks on each Fund. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates. Other than those financial instruments identified in the table, each Fund has no significant exposure to interest rate risks.

The income received by each Fund is primarily fixed in nature and shown in the table on the next page. Income is derived from the securities held in the portfolio of each Fund which may be varied from time to time in accordance with its investment objectives and policy.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 19. Financial risk management (continued)

## Interest rate risk (continued)

The interest rate profile of each Fund's financial assets at 31 March 2016 was:

| Fund             | Currency | Total<br>000s | Fixed rate<br>interest<br>securities<br>000s | Floating rate<br>interest<br>securities<br>000s | Interest<br>Free Assets<br>000s | Interest<br>Free Liabilities<br>000s |
|------------------|----------|---------------|--|---|---------------------------------|--------------------------------------|
| Euro High Income | Euro     | 15,529        | 13,182                                       | 2,298   | 198                             | 148                                  |
| High Income      | Sterling | 277,979       | 214,171                                      | 59,178  | 6,647                           | 2,018                                |
| Sterling Bond    | Sterling | 28,985        | 23,079                                       | 5,637   | 581                             | 312                                  |

| Fund             | Currency | Weighted average<br>coupon rate % | Weighted average<br>effective<br>interest rate % | Weighted average<br>period for which<br>the rate is<br>fixed (years) |
|------------------|----------|-----------------------------------|--|--|
| Euro High Income | Euro     | 3.85                              | 1.95   | 20.16  |
| High Income      | Sterling | 6.40                              | 3.97   | 24.00  |
| Sterling Bond    | Sterling | 5.77                              | 3.87   | 22.34  |

The interest rate profile of each Fund's financial assets at 30 September 2015 was:

| Fund             | Currency | Total<br>000s | Fixed rate<br>interest<br>securities<br>000s | Floating rate<br>interest<br>securities<br>000s | Interest<br>Free Assets<br>000s | Interest<br>Free Liabilities<br>000s |
|------------------|----------|---------------|--|---|---------------------------------|--------------------------------------|
| Euro High Income | Euro     | 14,909        | 12,280                                       | 2,446   | 321                             | 138                                  |
| High Income      | Sterling | 284,879       | 212,826                                      | 67,616  | 6,287                           | 1,850                                |
| Sterling Bond    | Sterling | 29,464        | 23,466                                       | 6,261   | 699                             | 962                                  |

| Fund             | Currency | Weighted average<br>coupon rate % | Weighted average<br>effective<br>interest rate % | Weighted average<br>period for which<br>the rate is<br>fixed (years) |
|------------------|----------|-----------------------------------|--|--|
| Euro High Income | Euro     | 3.85                              | 2.44   | 22.03  |
| High Income      | Sterling | 6.49                              | 3.88   | 24.42  |
| Sterling Bond    | Sterling | 5.80                              | 3.60   | 22.44  |

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 19. Financial risk management (continued)

**Foreign currency risk**

The Euro High Income Fund is denominated in euro. All of the other Funds are denominated in sterling. A portion of the underlying financial assets of the Funds may be denominated in currencies other than the base currency with the effect that the statement of financial position and each Fund's total return can be significantly affected by currency movements. An investment in a currency other than the shareholders' own base currency will be subject to the movement of foreign exchange rates, which may cause additional favourable or unfavourable changes in value. In respect of foreign currency exposure, derivative instruments will only be utilised where a forward exchange or currency option is used for the purpose of reduction of foreign currency risk, in order to hedge this exposure back to the base currency of the Fund.

With the exceptions of the Sterling Bond Fund and the UK Fund, each Fund may purchase securities denominated in a currency other than its base currency, and hence take a position in other currencies.

The Company is not currently involved in currency hedging transactions. In accordance with the Company's policy, the Manager monitors each Fund's currency position on a daily basis, and the Board of Directors reviews it on a quarterly basis.

As at 31 March 2016 the Funds had the following currency exposures:

| Fund                         | Currency        | Foreign<br>Currency<br>Assets £ 000's | Fund          | Currency           | Foreign<br>Currency<br>Assets £ 000's |
|------------------------------|-----------------|---------------------------------------|---------------|--------------------|---------------------------------------|
| Euro High Income<br>European | Sterling        | —                                     | International | Euro               | 548                                   |
|                              | Euro            | 5,455                                 |               | Hong Kong Dollar   | 599                                   |
|                              | Danish Krone    | 575                                   |               | Japanese Yen       | 1,373                                 |
|                              | Norwegian Krona | 314                                   |               | Korean Won         | 484                                   |
|                              | Swedish Krona   | 1,981                                 |               | Singapore Dollar   | 167                                   |
|                              | Swiss Franc     | 3,629                                 |               | South African Rand | 301                                   |
|                              | US Dollar       | —                                     |               | Swedish Krona      | 822                                   |
| North American               | Canadian Dollar | 323                                   |               | Swiss Franc        | 2,055                                 |
|                              | Euro            | 1                                     |               | US Dollar          | 8,516                                 |
|                              | US Dollar       | 8,239                                 |               | Canadian Dollar    | 558                                   |
| UK                           | Euro            | —                                     |               |                    |                                       |
|                              | US Dollar       | —                                     |               |                    |                                       |

As at 30 September 2015 the Funds had the following currency exposures:

| Fund                         | Currency        | Foreign<br>Currency<br>Assets £ 000's | Fund          | Currency           | Foreign<br>Currency<br>Assets £ 000's |
|------------------------------|-----------------|---------------------------------------|---------------|--------------------|---------------------------------------|
| Euro High Income<br>European | Sterling        | —                                     | International | Euro               | 552                                   |
|                              | Euro            | 5,445                                 |               | Hong Kong Dollar   | 599                                   |
|                              | Danish Krone    | 575                                   |               | Japanese Yen       | 1,373                                 |
|                              | Norwegian Krona | 314                                   |               | Korean Won         | 484                                   |
|                              | Swedish Krona   | 1,981                                 |               | Singapore Dollar   | 169                                   |
|                              | Swiss Franc     | 3,629                                 |               | South African Rand | 301                                   |
|                              | US Dollar       | 2                                     |               | Swedish Krona      | 822                                   |
| North American               | Canadian Dollar | 323                                   |               | Swiss Franc        | 2,055                                 |
|                              | Euro            | —                                     |               | US Dollar          | 8,530                                 |
|                              | US Dollar       | 8,248                                 |               | Canadian Dollar    | 558                                   |
| UK                           | Euro            | 9                                     |               |                    |                                       |
|                              | US Dollar       | 3                                     |               |                    |                                       |

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

### 19. Financial risk management (continued)

#### Credit risk

The Company takes on exposure to credit risk, which is the risk that a counter-party will be unable to pay amounts in full when due. Impairment provisions would be provided for losses that have been incurred by the statement of financial position date. As at 31 March 2016 no impairment provisions were required and there was no money overdue.

The Company's main credit risk exposure arises through investments in debt securities at the Fund level. If any of the Funds hold any interest bearing instruments, at least 90% of these instruments must have a credit rating of 'Investment Grade' as provided by Moodys Investor Services Limited, Standard and Poors or Fitch Ratings Limited. These instruments could include inter alia money market instruments, bonds, gilts, corporate bonds etc.

In accordance with each Fund's policy, the Manager monitors the Fund's credit position on a daily basis, and the Board of Directors reviews it on a quarterly basis.

Certain transactions that the Funds enter into expose them to the risk that the counter-party will not deliver the investment (purchase) or cash (sale) after the Fund has fulfilled its responsibilities. It is the policy of the Manager to buy and sell investments only through approved brokers, or directly with the Fund Manager. Credit risk exposure is balanced by the regulatory obligation of the counter parties.

The risk to Shareholders is that we will not have enough cash to cover redemptions. To counter this risk each Fund's cash is managed to meet its liabilities. Where investments cannot be realised in time to meet any redemptions of Participating Shares, each Fund may borrow up to 10% of its value to ensure settlement of its liabilities. No such borrowings have arisen during the period.

#### Capital risk

Where the objective of the underlying Fund seeks to provide high or good levels of income, the investment policy which supports this may result in a gradual reduction in the capital value of the underlying Fund's Shares, except where bond prices are generally rising.

#### Capital risk management

The net assets attributable to holders of participating redeemable preference shares are classified as financial liabilities and therefore, in the opinion of the Directors, the capital of the Company is only represented by the Founders Shares. Details of the Founders Shares are shown in notes 3 and 14.

Due to the nature and requirement of the Founders' Shares the Directors have decided that no active capital risk management is required.

#### Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Company is the current mid price, these are updated

each morning at 10am and represented in the Fund's daily share prices; the appropriate quoted market price for financial liabilities is the current asking price. When the Company holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate. If a significant movement in fair value occurs subsequent to the close of trading on the period end date, valuation techniques will be applied to determine the fair value. There has been no significant movements in the fair value of any holdings since the period end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis.

IFRS 13 states the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable', requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. With the exception of the Sterling Bond Fund all other assets held by the Company at fair value through profit or loss are all quoted in active markets and therefore fall under level 1 as defined above. The fair value hierarchy table in respect to the Sterling Bond Fund is shown overleaf.



## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 19. Financial risk management (continued)

## Fair value estimation (continued)

| Sterling Bond Fund                                     |              |              |              |             |
|--|--------------|--------------|--------------|-------------|
|  | Level 1<br>£ | Level 2<br>£ | Level 3<br>£ | Totals<br>£ |
| 31 March 2016  |              |              |              |             |
| Financial assets at fair value through profit and loss | 27,598,075   | —            | —            | 27,598,075  |
|  |              |              |              |             |
|  | Level 1<br>£ | Level 2<br>£ | Level 3<br>£ | Totals<br>£ |
| 30 September 2015                                      |              |              |              |             |
| Financial assets at fair value through profit and loss | 29,089,449   | 125,625      | —            | 29,215,074  |

The value in level 2 is representative of Mitchells FRN 2032. The valuation of this asset is based on a static price as at 8 July 2015 obtained from Bloomberg.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

### 19. Financial risk management (continued)

#### Fair value estimation (continued)

##### Derivatives

Derivatives will only be used where they accord with existing investment objectives and policy. They may not be used for the purpose of reducing risk independently of investment strategy in respect of the underlying physical assets or for merely speculative purposes. Derivatives will only be used for efficient portfolio management. Derivatives may not be used for the purpose of gearing or leveraging or for purposes of producing, enhancing or generating income. No derivative can be traded on an "Over The Counter" basis, and no uncovered positions are allowed.

The underlying Funds may hold the following derivatives:

##### (a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in the futures contracts value are settled daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market. Futures are settled on a net basis.

##### (b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price.

The seller receives a premium from the purchaser in consideration for the assumption of future securities prices. Where options are held by the underlying Funds, they are exchange-traded. The Funds are exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

The notional amounts of certain types of financial instrument provide a basis for comparison with instruments recognised on the statements of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Company's exposure to credit or market price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms.

The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

During the period the Company did not enter into any derivative contracts.

##### Liquidity risk

The Company is exposed to daily cash redemptions of Participating Shares which are redeemed on demand at the holder's option. It therefore invests all of its assets in investments that are traded in an active market and can be readily disposed of, as such each Fund's financial assets are considered to be readily realisable for cash.

The Manager manages each Fund's cash to meet its liabilities. Where investments cannot be realised in time to meet any redemptions of Participating Shares, each Fund may borrow up to 10% of its value to ensure settlement of its liabilities. No such borrowings have arisen during the period.

In accordance with the Company's policy, the Manager monitors each Fund's liquidity position on a daily basis, and the Board of Directors review it on a quarterly basis.

The table on the following pages analyses the Company's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position date to the contractual maturity date.

##### Cross fund liability

Shareholders should be aware that in the event of the Company being unable to meet liabilities attributable to any particular Fund or share class out of the assets attributable to such Fund or share class, the excess liabilities may have to be met out of the assets attributable to the other Funds or share classes.

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 19. Financial risk management (continued)

## Liquidity risk (continued)

Period ended 31 March 2016

|  | Company     | Euro High<br>Income<br>Fund | European<br>Fund |
|--|-------------|-----------------------------|------------------|
|  | £           | €                           | £                |
| Share Capital<br>(less than 1 month)               | 377,202,176 | 15,529,379                  | 13,046,982       |
| Cancellation payable<br>(less than 1 month)        | 7,792       | 9,828                       | —                |
| Investment purchase payable<br>(less than 1 month) | 568,821     | —                           | —                |
| Proposed dividend<br>(less than 1 month)           | 1,198,083   | —                           | —                |
| (1 month to 3 months)                              | 368,256     | 114,593                     | —                |
| Accrued expenses<br>(less than 1 month)            | 429,455     | 20,005                      | 27,451           |
| (1 month to 3 months)                              | 82,569      | 3,554                       | 6,926            |
| Total financial liabilities                        | 379,857,152 | 15,677,359                  | 13,081,359       |

Year ended 30 September 2015

|  | Company     | Euro High<br>Income<br>Fund | European<br>Fund |
|--|-------------|-----------------------------|------------------|
|  | £           | €                           | £                |
| Share Capital<br>(less than 1 month)               | 379,962,084 | 14,908,840                  | 12,079,629       |
| Cancellation payable<br>(less than 1 month)        | 227,220     | —                           | —                |
| Investment purchase payable<br>(less than 1 month) | 722,885     | —                           | —                |
| Proposed dividend<br>(less than 1 month)           | 1,248,508   | —                           | —                |
| (1 month to 3 months)                              | 547,056     | 108,025                     | —                |
| Accrued expenses<br>(less than 1 month)            | 460,288     | 20,504                      | 27,643           |
| (1 month to 3 months)                              | 146,527     | 9,373                       | 9,196            |
| Total financial liabilities                        | 383,314,568 | 15,046,742                  | 12,116,468       |

## Notes to the Financial Statements (continued)

For the six month period ended 31 March 2016

## 19. Financial risk management (continued)

## Liquidity risk (continued)

Period ended 31 March 2016

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund        |
|--|------------------------|-----------------------|---------------------------|--------------------------|-------------------|
|  | £                      | £                     | £                         | £                        | £                 |
| Share Capital<br>(less than 1 month)               | 277,978,637            | 19,335,166            | 9,460,787                 | 28,984,556               | 14,932,072        |
| Cancellation payable<br>(less than 1 month)        | —                      | —                     | —                         | —                        | —                 |
| Investment purchase payable<br>(less than 1 month) | 515,637                | —                     | —                         | —                        | 53,184            |
| Proposed dividend<br>(less than 1 month)           | 1,198,083              | —                     | —                         | —                        | —                 |
| (1 month to 3 months)                              | —                      | —                     | —                         | 277,399                  | —                 |
| Accrued expenses<br>(less than 1 month)            | 267,283                | 39,447                | 19,113                    | 30,125                   | 30,175            |
| (1 month to 3 months)                              | 36,696                 | 14,435                | 7,902                     | 4,932                    | 8,859             |
| <b>Total financial liabilities</b>                 | <b>279,996,336</b>     | <b>19,389,048</b>     | <b>9,487,802</b>          | <b>29,297,012</b>        | <b>15,024,290</b> |

Year ended 30 September 2015

|  | High<br>Income<br>Fund | International<br>Fund | North<br>American<br>Fund | Sterling<br>Bond<br>Fund | UK<br>Fund        |
|--|------------------------|-----------------------|---------------------------|--------------------------|-------------------|
|  | £                      | £                     | £                         | £                        | £                 |
| Share Capital<br>(less than 1 month)               | 284,879,162            | 18,307,906            | 8,604,074                 | 29,464,067               | 14,586,609        |
| Cancellation payable<br>(less than 1 month)        | 219,845                | —                     | —                         | 6,420                    | 955               |
| Investment purchase payable<br>(less than 1 month) | —                      | —                     | —                         | 648,105                  | 74,780            |
| Proposed dividend<br>(less than 1 month)           | 1,248,508              | —                     | —                         | —                        | —                 |
| (1 month to 3 months)                              | —                      | —                     | —                         | 264,418                  | 203,033           |
| Accrued expenses<br>(less than 1 month)            | 294,114                | 40,212                | 19,020                    | 32,592                   | 31,597            |
| (1 month to 3 months)                              | 87,897                 | 12,653                | 8,295                     | 10,447                   | 11,133            |
| <b>Total financial liabilities</b>                 | <b>286,729,526</b>     | <b>18,360,771</b>     | <b>8,631,389</b>          | <b>30,426,049</b>        | <b>14,908,107</b> |

## Distribution Tables

For the six month period ended 31 March 2016

| Euro High Income Fund  | Gross income | Equalisation payable | Distribution paid current period (cents) | Distribution paid prior period (cents) |
|--|--------------|----------------------|--|--|
| 1st Quarter  |              |                      |  |  |
| Group 1  | 1.200        | —                    | 1.200                                    | 1.500                                  |
| Group 2  | 0.298        | 0.902                | 1.200                                    | 1.500                                  |
| 2nd Quarter  |              |                      |  |  |
| Group 1  | 1.200        | —                    | 1.200                                    | 1.300                                  |
| Group 2  | 0.259        | 0.941                | 1.200                                    | 1.300                                  |
| 1st Quarter  |              |                      |  |  |
| Group 1 : Shares purchased prior to 1 October 2015                     |              |                      |  |  |
| Group 2 : Shares purchased between 1 October 2015 and 31 December 2015 |              |                      |  |  |
| 2nd Quarter  |              |                      |  |  |
| Group 1 : Shares purchased prior to 1 January 2016                     |              |                      |  |  |
| Group 2 : Shares purchased between 1 January 2016 and 31 March 2016    |              |                      |  |  |

| High Income Fund | Gross income | Equalisation payable | Distribution paid current period (pence) | Distribution paid prior period (pence) |
|------------------|--------------|----------------------|--|--|
| 31 October 2015  |              |                      |  |  |
| Group 1          | 0.375        | —                    | 0.375                                    | 0.395                                  |
| Group 2          | 0.176        | 0.199                | 0.375                                    | 0.395                                  |
| 30 November 2015 |              |                      |  |  |
| Group 1          | 0.375        | —                    | 0.375                                    | 0.395                                  |
| Group 2          | 0.207        | 0.168                | 0.375                                    | 0.395                                  |
| 31 December 2015 |              |                      |  |  |
| Group 1          | 0.375        | —                    | 0.375                                    | 0.395                                  |
| Group 2          | 0.270        | 0.105                | 0.375                                    | 0.395                                  |
| 31 January 2016  |              |                      |  |  |
| Group 1          | 0.370        | —                    | 0.370                                    | 0.395                                  |
| Group 2          | 0.198        | 0.172                | 0.370                                    | 0.395                                  |
| 28 February 2016 |              |                      |  |  |
| Group 1          | 0.370        | —                    | 0.370                                    | 0.390                                  |
| Group 2          | 0.153        | 0.217                | 0.370                                    | 0.390                                  |
| 31 March 2016    |              |                      |  |  |
| Group 1          | 0.370        | —                    | 0.370                                    | 0.385                                  |
| Group 2          | 0.144        | 0.226                | 0.370                                    | 0.385                                  |

|   |  |  |  |  |
|---|--|--|--|--|
| 31 October 2015   |  |  |  |  |
| Group 1 : Shares purchased prior to 1 October 2015                      |  |  |  |  |
| Group 2 : Shares purchased between 1 October 2015 and 31 October 2015   |  |  |  |  |
| 30 November 2015  |  |  |  |  |
| Group 1 : Shares purchased prior to 1 November 2015                     |  |  |  |  |
| Group 2 : Shares purchased between 1 November 2015 and 30 November 2015 |  |  |  |  |
| 31 December 2015  |  |  |  |  |
| Group 1 : Shares purchased prior to 1 December 2015                     |  |  |  |  |
| Group 2 : Shares purchased between 1 December 2015 and 31 December 2015 |  |  |  |  |
| 31 January 2016   |  |  |  |  |
| Group 1 : Shares purchased prior to 1 January 2016                      |  |  |  |  |
| Group 2 : Shares purchased between 1 January 2016 and 31 January 2016   |  |  |  |  |
| 29 February 2016  |  |  |  |  |
| Group 1 : Shares purchased prior to 1 February 2016                     |  |  |  |  |
| Group 2 : Shares purchased between 1 February 2016 and 29 February 2016 |  |  |  |  |
| 31 March 2016   |  |  |  |  |
| Group 1 : Shares purchased prior to 1 March 2016                        |  |  |  |  |
| Group 2 : Shares purchased between 1 March 2016 and 31 March 2016       |  |  |  |  |

## Distribution Tables

For the six month period ended 31 March 2016

| Sterling Bond Fund   | Gross<br>income | Equalisation<br>payable | Distribution paid<br>current period<br>(pence) | Distribution paid<br>prior period<br>(pence) |
|--|-----------------|-------------------------|--|--|
| 1st Quarter  |                 |                         |  |  |
| Group 1  | 1.300           | —                       | 1.300  | 1.400  |
| Group 2  | 0.820           | 0.480                   | 1.300  | 1.400  |
| 2nd Quarter  |                 |                         |  |  |
| Group 1  | 1.400           | —                       | 1.400  | 1.400  |
| Group 2  | 0.609           | 0.791                   | 1.400  | 1.400  |
| 1st Quarter  |                 |                         |  |  |
| Group 1 : Shares purchased prior to 1 October 2015                     |                 |                         |  |  |
| Group 2 : Shares purchased between 1 October 2015 and 31 December 2015 |                 |                         |  |  |
| 2nd Quarter  |                 |                         |  |  |
| Group 1 : Shares purchased prior to 1 January 2016                     |                 |                         |  |  |
| Group 2 : Shares purchased between 1 January 2016 and 31 March 2016    |                 |                         |  |  |

## Performance Record

For the six month period ended 31 March 2016

### Euro High Income Fund

Shares in the Fund were first offered to the public in October 2006 at an offer price of 178.90 cents per share.

| Calendar Year / Period | Highest Offer Price<br>c | Lowest Bid Price<br>c | Income per Share<br>c | Income per €1,000 Invested at Launch<br>02/10/06<br>€ |
|------------------------|--------------------------|-----------------------|-----------------------|---|
| 2006                   | 181.80                   | 178.10                | 2.11                  | 11.79   |
| 2007                   | 179.50                   | 162.20                | 8.41                  | 47.01   |
| 2008                   | 162.60 xd                | 132.00                | 7.72                  | 43.21   |
| 2009                   | 156.20                   | 120.90                | 7.55                  | 42.20   |
| 2010                   | 163.70                   | 153.20 xd             | 7.52                  | 41.98   |
| 2011                   | 156.60                   | 140.60                | 7.73                  | 32.03   |
| 2012                   | 167.40                   | 144.60                | 7.71                  | 43.07   |
| 2013                   | 169.10                   | 161.70                | 7.45                  | 41.64   |
| 2014                   | 170.30                   | 161.70                | 6.51                  | 36.39   |
| 2015                   | 173.50                   | 159.70                | 3.74                  | 20.91   |
| 31.03.16               | 163.90                   | 158.10                | 2.40                  | 13.42   |

### European Fund

Shares in the Fund were first offered to the public in May 1990 at an offer price of 100p per share.

| Calendar Year / Period | Highest Offer Price<br>p | Lowest Bid Price<br>p | Income per Share<br>p | Income per £1,000 Invested at 31/12/05<br>£ |
|------------------------|--------------------------|-----------------------|-----------------------|---|
| 2006                   | 661.58                   | 512.20                | 0.38                  | 0.82  |
| 2007                   | 770.40                   | 635.40                | 0.93                  | 2.00  |
| 2008                   | 774.30                   | 445.00 xd             | 6.50                  | 14.00                                       |
| 2009                   | 656.20 xd                | 411.00                | 4.60                  | 9.91  |
| 2010                   | 667.80                   | 545.00                | 0.98                  | 2.11  |
| 2011                   | 738.70                   | 522.20                | 3.80                  | 8.19  |
| 2012                   | 682.50                   | 559.60                | 2.51                  | 5.39  |
| 2013                   | 826.90                   | 682.80                | —                     | —   |
| 2014                   | 832.20                   | 695.70                | —                     | —   |
| 2015                   | 850.30                   | 698.30                | —                     | —   |
| 31.03.16               | 772.50                   | 687.00                | —                     | —   |

### High Income Fund

Shares in the Fund were first offered to the public in June 1995 at an offer price of 100p per share.

| Calendar Year / Period | Highest Offer Price<br>p | Lowest Bid Price<br>p | Income per Share<br>p | Income per £1,000 Invested at 31/12/05<br>£ |
|------------------------|--------------------------|-----------------------|-----------------------|---|
| 2006                   | 110.00 xd                | 97.27                 | 5.96                  | 57.11                                       |
| 2007                   | 97.26                    | 89.79 xd              | 5.79                  | 55.48                                       |
| 2008                   | 91.61 xd                 | 76.09 xd              | 5.70                  | 54.62                                       |
| 2009                   | 83.53                    | 69.03 xd              | 5.60                  | 53.61                                       |
| 2010                   | 88.28                    | 82.15                 | 5.40                  | 51.75                                       |
| 2011                   | 85.30                    | 79.70                 | 3.89                  | 37.23                                       |
| 2012                   | 89.19                    | 81.20                 | 5.25                  | 50.26                                       |
| 2013                   | 91.66                    | 85.23                 | 4.82                  | 46.19                                       |
| 2014                   | 89.56                    | 85.55                 | 4.78                  | 45.81                                       |
| 2015                   | 92.53                    | 85.86                 | 3.46                  | 33.16                                       |
| 31.03.16               | 86.21                    | 83.74                 | 2.24                  | 21.14                                       |

## Performance Record

For the six month period ended 31 March 2016

### International Fund

Shares in the Fund were first offered to the public in May 1990 at an offer price of 100p per share.

| Calendar Year / Period | Highest Offer Price<br>p | Lowest Bid Price<br>p | Income per Share<br>p | Income per £1,000 Invested at 31/12/05<br>£ |
|------------------------|--------------------------|-----------------------|-----------------------|---|
| 2006                   | 358.32                   | 291.20                | 2.90                  | 10.11                                       |
| 2007                   | 346.40                   | 305.00                | 0.98                  | 3.42  |
| 2008                   | 347.90                   | 228.40 xd             | —                     | —   |
| 2009                   | 312.20                   | 222.80                | 1.35                  | 4.71  |
| 2010                   | 341.30                   | 284.30                | 1.48                  | 5.16  |
| 2011                   | 354.70                   | 278.60                | —                     | —   |
| 2012                   | 348.40                   | 309.50                | —                     | —   |
| 2013                   | 439.80                   | 354.30                | —                     | —   |
| 2014                   | 455.10                   | 412.50                | —                     | —   |
| 2015                   | 469.40                   | 369.70                | —                     | —   |
| 31.03.16               | 419.40                   | 368.90                | —                     | —   |

### North American Fund

Shares in the Fund were first offered to the public in May 1990 at an offer price of 100p per share.

| Calendar Year / Period | Highest Offer Price<br>p | Lowest Bid Price<br>p | Income per Share<br>p | Income per £1,000 Invested at 31/12/05<br>£ |
|------------------------|--------------------------|-----------------------|-----------------------|---|
| 2006                   | 960.10                   | 805.90                | —                     | —   |
| 2007                   | 947.50                   | 839.90                | —                     | —   |
| 2008                   | 915.90                   | 637.60 xd             | —                     | —   |
| 2009                   | 887.30                   | 609.80                | —                     | —   |
| 2010                   | 1,016.00                 | 837.20                | 1.27                  | 1.55  |
| 2011                   | 1,048.00                 | 823.00                | —                     | —   |
| 2012                   | 1,140.00                 | 1,001.00              | —                     | —   |
| 2013                   | 1,429.00                 | 1,153.00              | —                     | —   |
| 2014                   | 1,617.00                 | 1,356.00              | —                     | —   |
| 2015                   | 1,734.00                 | 1,418.00              | —                     | —   |
| 31.03.16               | 1,641.00                 | 1,432.00              | —                     | —   |

### Sterling Bond Fund

Shares in the Fund were first offered to the public in July 2001 at an offer price of 148.6p per share.

| Calendar Year / Period | Highest Offer Price<br>p | Lowest Bid Price<br>p | Income per Share<br>p | Income per £1,000 Invested at 31/12/05<br>£ |
|------------------------|--------------------------|-----------------------|-----------------------|---|
| 2006                   | 163.80                   | 147.60                | 6.43                  | 41.36                                       |
| 2007                   | 148.20                   | 138.60 xd             | 6.52                  | 41.94                                       |
| 2008                   | 142.70 xd                | 116.80 xd             | 6.78                  | 43.62                                       |
| 2009                   | 130.50                   | 107.60 xd             | 6.95                  | 44.71                                       |
| 2010                   | 139.00                   | 127.40                | 6.54                  | 42.07                                       |
| 2011                   | 136.80                   | 128.60                | 6.41                  | 41.24                                       |
| 2012                   | 147.00                   | 131.20                | 6.27                  | 40.33                                       |
| 2013                   | 151.60                   | 140.10                | 5.91                  | 38.02                                       |
| 2014                   | 151.30                   | 140.20                | 5.78                  | 37.18                                       |
| 2015                   | 156.80                   | 144.70                | 4.10                  | 26.38                                       |
| 31.03.16               | 147.50                   | 142.20                | 2.70                  | 26.44                                       |



## Performance Record (continued)

For the six month period ended 31 March 2016

## UK Fund

Shares in the Fund were first offered to the public in May 1990 at an offer price of 100p per share.

| Calendar Year / Period | Highest Offer Price<br>p | Lowest Bid Price<br>p | Income per Share<br>p | Income per £1,000 Invested at 31/12/05<br>£ |
|------------------------|--------------------------|-----------------------|-----------------------|---|
| 2006                   | 659.58                   | 554.40                | 12.00                 | 26.09                                       |
| 2007                   | 720.40                   | 616.00 xd             | 6.75                  | 14.67                                       |
| 2008                   | 692.40                   | 391.60                | 11.80                 | 25.65                                       |
| 2009                   | 572.30                   | 368.90                | 8.50                  | 18.48                                       |
| 2010                   | 640.00                   | 522.70                | 6.87                  | 14.93                                       |
| 2011                   | 663.00                   | 527.20                | 4.68                  | 10.17                                       |
| 2012                   | 637.30                   | 564.00                | 5.75                  | 12.50                                       |
| 2013                   | 747.60                   | 642.10                | 11.57                 | 25.15                                       |
| 2014                   | 765.70                   | 643.90                | 10.46                 | 22.74                                       |
| 2015                   | 763.70                   | 629.20                | 8.80                  | 19.12                                       |
| 31.03.16               | 649.40                   | 569.90                | —                     | —   |

## Net Asset Value per Share

For the six month period ended 31 March 2016

|                              | Net Asset Value of Fund | Net Asset Value per Share | No. of Shares in Issue |
|------------------------------|-------------------------|---------------------------|------------------------|
| <b>Euro High Income Fund</b> |                         |                           |                        |
| 30.09.13                     | €13,095,361             | 161.53c                   | 8,091,144              |
| 30.09.14                     | €14,281,016             | 167.81c                   | 8,510,164              |
| 30.09.15                     | €14,908,840             | 158.72c                   | 9,393,414              |
| 31.03.16                     | 15,529,379              | 162.62c                   | 9,549,364              |
| <b>European Fund</b>         |                         |                           |                        |
| 30.09.13                     | £16,438,247             | 782.06p                   | 2,103,073              |
| 30.09.14                     | £14,196,527             | 745.74p                   | 1,903,673              |
| 30.09.15                     | £12,079,629             | 707.85p                   | 1,706,523              |
| 31.03.16                     | £13,046,982             | 772.98p                   | 1,687,873              |
| <b>High Income Fund</b>      |                         |                           |                        |
| 30.09.13                     | £324,498,273            | 86.11p                    | 376,776,611            |
| 30.09.14                     | £316,214,234            | 87.27p                    | 362,342,611            |
| 30.09.15                     | £284,879,162            | 85.57p                    | 332,935,361            |
| 31.03.16                     | £277,978,637            | 85.85p                    | 323,806,311            |
| <b>International Fund</b>    |                         |                           |                        |
| 30.09.13                     | £25,560,787             | 414.97p                   | 6,155,467              |
| 30.09.14                     | £24,279,013             | 434.30p                   | 5,590,367              |
| 30.09.15                     | £18,307,906             | 378.43p                   | 4,837,797              |
| 31.03.16                     | £19,335,166             | 417.64p                   | 4,629,647              |
| <b>North American Fund</b>   |                         |                           |                        |
| 30.09.13                     | £8,547,802              | 1,325.86p                 | 645,548                |
| 30.09.14                     | £9,329,332              | 1,476.17p                 | 631,998                |
| 30.09.15                     | £8,604,074              | 1,479.64p                 | 581,498                |
| 31.03.16                     | £9,460,787              | 1,633.43p                 | 579,198                |
| <b>Sterling Bond Fund</b>    |                         |                           |                        |
| 30.09.13                     | £23,113,065             | 141.58p                   | 16,324,793             |
| 30.09.14                     | £22,429,857             | 145.49p                   | 15,417,043             |
| 30.09.15                     | £29,464,067             | 144.86p                   | 20,339,895             |
| 31.03.16                     | £28,984,556             | 146.28p                   | 19,814,245             |
| <b>UK Fund</b>               |                         |                           |                        |
| 30.09.13                     | £20,393,311             | 702.49p                   | 2,903,103              |
| 30.09.14                     | £17,194,744             | 684.29p                   | 2,512,803              |
| 30.09.15                     | £14,586,609             | 631.86p                   | 2,308,503              |
| 31.03.16                     | £14,932,072             | 646.56p                   | 2,309,466              |

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