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# LLOYDS MULTI STRATEGY FUND LIMITED

**Interim Report and  
Unaudited Financial Statements**

For the period ended 30 November 2015

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## 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

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

### Asset Allocation Adviser

Aberdeen Asset Investments Limited  
(formerly Scottish Widows Investment Partnership 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 Auditors

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

### Paying Agent

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

## Investment Objectives and Policy

Lloyds Multi Strategy Fund Limited 'the Company' is an open-ended investment company registered in Jersey with four classes each being an individual Fund. Each one of these individual classes is defined as a 'Fund' for the purpose of these financial statements.

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

The policy of the Funds is to invest in a range of cash, equity, fixed interest and property funds managed by members of the Lloyds Banking Group (including Lloyds Investment Fund Managers Limited). They also use other funds including multi-manager funds managed by the Russell Investment Group and Aberdeen Asset Management. In certain circumstances it may be necessary to supplement these investments with funds managed by other third parties.

The investment objective of each Fund (or 'Strategy') is set out below:

### Conservative Strategy Fund

Seek to provide a moderate return achieved through investment in Corporate Bond and Gilt Funds with a limited exposure to UK Equity and Property Funds. Much of the potential growth in value achieved by this Strategy will be through the generation of income, which will be distributed to shareholders and reinvested. Investment in this Strategy carries a modest risk of loss to capital value and return.

### Growth Strategy Fund

Seek to provide growth achieved through investment in UK Equity, Gilt, International Equity and Corporate Bond Funds with a limited exposure to Property Funds. This Strategy contains a moderate UK and International Equity Fund content, providing diversification of investments by medium, currency and country. There is a modest exposure to Corporate Bond and Gilt Funds. This results in a greater risk of loss to capital value and return in the short to medium term, but increases the potential for growth over the medium to long term.

### Aggressive Strategy Fund

Seek to provide adventurous growth achieved through investment in International Equity and UK Equity Funds. There is no exposure to Cash, Gilt, Corporate Bond or Property Funds. This Strategy carries a higher risk of loss to capital value and return, particularly in the short to medium term but with the potential for good growth over the medium to long term.

### Global US\$ Growth Strategy Fund

Seek to provide capital growth for US dollar based investors primarily through investment in a range of International Equity Funds and a limited exposure to UK Equity Funds. There is no exposure to Bond Funds or Cash Funds. This Strategy carries a higher risk of loss to capital value and return in the short to medium term than Strategies containing Bond or Cash Funds, however there is greater potential for growth over the medium to long term.

## Directors' Profiles

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

Joined the Lloyds Banking Group in 1977 and has held a number of managerial positions in the UK and Internationally. Was appointed Managing Director of the Jersey Fund Management Company in 1999 and is currently Chairman/Director of the International Fund Companies. 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 has 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 2004. 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 56.

**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 56.

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

Joined the Lloyds Banking Group in 1988 and has held a number of managerial positions primarily in Financial Control and Risk Management roles. Appointed as a Director in 2004. 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. Professional qualifications include Advanced Financial Planning Certificate in Taxation, Trust and Investment Planning. Aged 51

## Report of the Directors

The Directors have pleasure in submitting their Interim Report together with the Unaudited Financial Statements for the period ended 30 November 2015. 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. Full details of the Company, Investment Objectives and Policy and Report of the Directors are stated on pages 2 to 6.

### Results

The results for the year are set out in the financial statements on pages 10 to 47.

### 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 20 July 2004)  
 Mr T.J. Herbert (appointed 1 January 2005)  
 Mr B.C. James (appointed 20 July 2004)  
 Mr B. Lysiak (appointed 5 June 2014)  
 Mr R.D. Willcox (appointed 20 July 2004)

As at 30 November 2015, the Shares held in the Company by the Directors were as follows:

	Shares
AGGRESSIVE STRATEGY	
Mr R. D. Willcox	62,549
Mrs S. J. Willcox (Spouse of Mr R. D. Willcox)	9,078
GROWTH STRATEGY	
Mr I. M. J. Hardy	70,819
Mr B. C. James	12,147

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 9.

Mr I.M.J. Hardy, Mr B.C. James and Mr R.D. Willcox 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 8.

### Investment Activities

The Report of the Manager is set out on pages 7 to 9.

### Independent Auditor

PricewaterhouseCoopers CI LLP were re-appointed as Independent Auditors at the Annual General Meeting held on 14 October 2015 and have indicated their willingness to remain in office.

### Prospectus

Copies of the Prospectus dated November 2014 together with an update as at September 2015 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 Performance Record and Net Asset Value per Share Tables are stated on pages 48 to 50.

### 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 year which give a true and fair view of the state of affairs of the Company for that year 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.

## Report of the Directors (continued)

### Directors' Responsibilities (continued)

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.

### Market Conditions

Assets held within certain 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 Manager maintains an appropriate level of "own funds" to cover the equivalent professional indemnity risks set out in the Alternative Investment Fund Managers Directive (AIFMD) Level 2 Regulations.

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

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

#### Sterling Denominated Strategies

	30 November 2015 (pence)	1 June 2015 (pence)
Conservative Strategy Fund	110.00	112.10
Growth Strategy Fund	149.40	155.90
Aggressive Strategy Fund	184.40	194.30

#### US\$ Denominated Strategies

	(US\$ cents)	(US\$ cents)
Global US\$ Growth Strategy Fund	141.90	149.10

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

7 January 2016



## Report of the Manager

### Market Overview

Investment markets have become increasingly challenging in recent months. Concerns about slowing growth in China and rising US interest rates have resulted in markets giving up the gains they made earlier in the year.

Most major stock markets made losses over the period. However, monetary stimulus measures have helped provide support to some markets. Both the Bank of Japan and the European Central Bank engaged in bond-buying programmes, otherwise known as quantitative easing (“QE”).

This has also been of benefit to bond markets, which outperformed equities. However, in recent months there has been an increase in volatility. Government bonds benefited from their perceived safe-haven status and outperformed corporate bonds.

Meanwhile, commercial property has continued to benefit from its relatively high yield. With interest rates still close to zero, this has been a key attraction for investors. In recent months, however, there have been signs that investors are finding it more challenging to acquire attractively priced properties.

### UK

The UK underperformed other international stock markets suffering a loss over the review period. This was partly due to the dramatic fall in commodity prices over the last year. Prices of oil and many metals have sunk to long-term lows, which has had a severe impact on the companies that mine and produce these raw materials. Given the relatively large number of mining and energy companies listed in London, the fall in commodities prices has had a particularly severe effect on the UK market.

### Europe

European equity markets were slightly down in local currency terms over the review period. The European Central Bank (“ECB”) offered reassurance that it stood ready to provide more monetary stimulus, should slower global growth and the issues in China affect the Eurozone economy.

Mario Draghi, the head of the ECB, was also heard to make promises in November, stating that the monetary authority’s decision makers would “do what they must to raise inflation as quickly as possible”. As monetary policy in Europe and the US begins to take separate tacks, the euro has continued to fall against the US dollar. A weaker home currency acts as a boost to those European companies with a focus on exporting.

### US

Shares on Wall Street were slightly down over the reporting period, having experienced sharp dips in line with other global equity markets during August and September. At the sector level, the worst performers included energy and materials. In contrast, consumer discretionary and technology did well.

For most of the period, there was speculation about the timing of the first increase to US interest rates. In November, a small improvement in inflation numbers supported the argument that the US Federal Reserve (“the Fed”) would make such a move at its December meeting. Having considered the inflation numbers in conjunction with the improvement in unemployment, investors felt encouraged that the climate was becoming more favourable, prompting a rebound on Wall Street.

### Japan

Japanese equity markets were down in yen terms over the six-month review period. At the sector level, steel & non-ferrous metals and energy resources were among the worst performers. Conversely, retail trade and pharmaceuticals performed well.

In his third reshuffle of the current parliament, Japan’s prime minister, Shinzo Abe, retained close allies in key posts including finance, defence and foreign affairs. He appears to have opted for stability as he refocuses on the economy and tries to regain public support he lost after enacting controversial security legislation. The key appointments were in-line with the recently announced three “new” arrows of Abenomics, which included a bold target of expanding Japan’s gross domestic product by 22% to ¥600 trillion by 2020. Recently, the Bank of Japan voted to maintain its monetary stimulus programme at the current level.

### Bonds

From May through to November, UK bonds traded in a narrow range, with yields fluctuating between 1.7% and 2.2%. The relative calm is a result of the Greek situation having quietened down somewhat, aided by Eurozone quantitative easing which has helped quell market jitters. In the US, opinion strengthened that interest rates would rise before the end of 2015. At 30 November the 10-year US Treasury yield stood at 2.22%, while UK Gilts yielded 1.83%.

Meanwhile, the 10-year German Bund yield remained close to record lows for most of the review period, bolstered by the European Central Bank’s quantitative easing programme. However, the downward trend in yields was arrested dramatically in the final week of April, when yields on 10-year Bunds jumped markedly higher. The move continued into June, pushing the Bund yield higher than where it was before the ECB launched its asset-buyback programme. However, demand for low-risk investments has helped bolster German bonds, pushing yields lower again in the last couple of months.

Corporate bond markets have been volatile, largely a reflection of uncertainty caused by an escalation of concerns over Greek debt negotiations and fears over Chinese economic slowdown.

## Report of the Manager (continued)

### Commercial property

Commercial property was the best performing asset class over the period. There was no let-up in investors' enthusiasm for commercial property, with capital values and rental growth gaining ground. However, demand for some prime properties is very strong and values have risen so far that some investors are starting to see this as a prime time to sell.

According to a recent industry review, the average length of a new lease for commercial property rose to an eight-year high during the first six months of 2015. Leases are now 7.2 years on average, having risen by 20% since 2007 as occupier confidence has increased. The retail sector saw the largest increase over the last year, from 6.7 to 7.5 years, which reflects improving trading conditions and a reluctance from retailers to move from prime units. Flexibility remains the key for many tenants, though, and the highest number of leases are still for terms of less than five years, especially for smaller assets.

### Tactical Asset Allocation ("TAA")

There were 5 TAA changes across the Multi-Strategy range in the reporting period although one of these was minor and resulted from the Strategic benchmark change made by the Manager in 2015.

### Conservative Strategy Fund

In early June, given the set-back in equities, there was a modest increase in equities and more specifically through European equities, at the expense of Cash. Macro-momentum continued to rise gradually, but not so very convincingly, but sufficiently so for us to remain confident in the global economic rebound during the second half of the year. The UK Equity overweight was increased and cash overweight decreased.

In mid-July, there was a change to the active benchmark. A significant portion of the Gilt benchmark was moved to Cash and a small amount to corporate bonds.

In mid-August, there was a change to reduce the risk-on stance in equities with the proceeds into Gilts, leaving just a modest risk-on position. Near-term uncertainty and flux in the financial markets was expected to remain at least to the end of the summer and given also the unexpected events by the Chinese authorities in the face of slowing output growth. In the Conservative Strategy, the UK equity overweight was reduced with proceeds into UK Gilts, but still maintaining the underweight position.

In November, we reduced the overweight in Cash and increased the overweight in UK Equities to reflect an increase in the risk-on stance across portfolios in general. The reason was due to an increase in our Global Strategy teams' internal survey dispersion reflecting the upgrading of Equity views and a downgrading of Gilt rates and Cash.

### Growth Strategy Fund

In early June, given the set-back in equities, there was a modest increase in equities and more specifically through European equities, at the expense of Cash. Macro-momentum continued to rise gradually, but not so very convincingly, but sufficiently so for us to remain confident in the global economic rebound during the second half of the year. The UK Equity overweight was increased and cash overweight decreased.

In mid-July, there was a change to the active benchmark. A significant portion of the Gilt benchmark was moved to Cash and a small amount to corporate bonds.

In mid-August, there was a change to reduce the risk-on stance in equities with the proceeds into Gilts, leaving just a modest risk-on position. Near-term uncertainty and flux in the financial markets was expected to remain at least to the end of the summer and given also the unexpected events by the Chinese authorities in the face of slowing output growth. In the Growth Strategy, the Japanese equities overweight position was reduced and the underweight in Pacific equity increased further, with proceeds into Gilts.

In November, we neutralised the overweight in Cash to fund an increase to Japanese Equities. The reason was due to an increase in our Global Strategy teams' internal survey dispersion reflecting the upgrading of Equity views and a downgrading of Rates (Gilts) and Cash.

## Report of the Manager (continued)

### Aggressive Strategy Fund

In early June, given the set-back in equities, there was a modest increase in equities and more specifically through European equities. Macro-momentum continued to rise gradually, but not so very convincingly, but sufficiently so for us to remain confident in the global economic rebound during the second half of the year. As there is no cash benchmark weight in either the Aggressive or USD Growth strategy, Continental European Equity overweight was increased and the underweight in Pacific Equities increased.

In mid-August, there was a change to reduce the risk-on stance in equities with the proceeds into Gilts, leaving just a modest risk-on position. Near-term uncertainty and flux in the financial markets was expected to remain at least to the end of the summer and given also the unexpected events by the Chinese authorities in the face of slowing output growth. In the Aggressive strategy, the modest US equity underweight and the Emerging Markets overweight positions were neutralised; leaving the underweight in Pacific and modest tactical overweight positions in both European and Japanese equities intact.

In October there was a small change reducing the overweight in Japanese equities with proceeds into a new overweight in North American equities. The changes were in line with the Strategy Team's views on the relative attractiveness between equity regions.

In November, we neutralised the modest overweight in North American Equities and increased the underweight further in Asia Pacific Equities to fund the increase to the Japanese overweight. The reason was due to an increase in our Global Strategy teams' internal survey dispersion reflecting the upgrading of Equity views and a downgrading of Gilt rates and Cash.

### Global USD Growth Strategy Fund

In early June, given the set-back in equities, there was a modest increase in equities and more specifically through European equities. Macro-momentum continued to rise gradually, but not so very convincingly, but sufficiently so for us to remain confident in the global economic rebound during the second half of the year. As there is no cash benchmark weight in either the Aggressive or USD Growth strategy, Continental European Equity overweight was increased and the underweight in Pacific Equities increased.

In mid-August, there was a change to reduce the risk-on stance in equities with the proceeds into Gilts, leaving just a modest risk-on position. Near-term uncertainty and flux in the financial markets was expected to remain at least to the end of the summer and given also the unexpected events by the Chinese authorities in the face of slowing output growth. In the USD Growth strategy, the modest US equity underweight and the Emerging Markets overweight positions were neutralised; leaving the underweight in Pacific and modest tactical overweight positions in both European and Japanese equities intact.

In October there was a small change reducing the overweight in Japanese equities with proceeds into a new overweight in North American equities. The changes were in line with the Strategy Team's views on the relative attractiveness between equity regions.

In November, we neutralised the modest overweight in North American Equities and increased the underweight further in Asia Pacific Equities to fund the increase to the Japanese overweight. The reason was due to an increase in our Global Strategy teams' internal survey dispersion reflecting the upgrading of Equity views and a downgrading of Gilt rates and Cash.

Aberdeen Asset Investments Limited

7 January 2016

## Statements of Financial Position

As at 30 November 2015

	Notes	Company £	Conservative Strategy Fund £
<b>Assets</b>			
Cash and cash equivalents		147,988	72,489
Creations receivable		177,598	23,155
Investment sales receivable		517,061	—
Financial assets at fair value through profit or loss		130,342,740	26,849,429
Other accrued income and other debtors	4	162,314	—
<b>Total Assets</b>		<b>131,347,701</b>	<b>26,945,073</b>
<b>Equity</b>			
Ordinary share capital		1,000	—
<b>Total Equity</b>		<b>1,000</b>	<b>—</b>
Distributions payable		—	—
Overdraft		—	—
Investment purchases payable		16,061	—
Accrued expenses and other creditors	5	135,342	24,914
Nominal shares		161,314	—
<b>Total Liabilities*</b>		<b>312,717</b>	<b>24,914</b>
Net assets attributable to holders of participating redeemable preference shares	16	131,033,984	26,920,159
<b>Total Liabilities and Equity</b>		<b>131,347,701</b>	<b>26,945,073</b>

The financial statements on pages 10 to 47 were approved by the Board of Directors on 7 January 2016 and are signed on their behalf by:

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

The notes on pages 26 to 47 form an integral part of these financial statements.

## Statements of Financial Position

As at 30 November 2015

	Growth Strategy Fund £	Aggressive Strategy Fund £	Global US\$ Growth Strategy Fund US\$
<b>Assets</b>			
Cash and cash equivalents	5,655	20,622	74,094
Creations receivable	116,021	20,653	26,748
Investment sales receivable	517,061	—	—
Financial assets at fair value through profit or loss	84,076,119	12,818,753	9,932,630
Other accrued income and other debtors	—	—	—
<b>Total Assets</b>	<b>84,714,856</b>	<b>12,860,028</b>	<b>10,033,472</b>
<b>Equity</b>			
Ordinary share capital	—	—	—
<b>Total Equity</b>	<b>—</b>	<b>—</b>	<b>—</b>
Distributions payable	—	—	—
Overdraft	—	—	—
Investment purchases payable	16,061	—	—
Accrued expenses and other creditors	82,467	18,798	13,793
Nominal shares	—	—	—
<b>Total Liabilities*</b>	<b>98,528</b>	<b>18,798</b>	<b>13,793</b>
Net assets attributable to holders of participating redeemable preference shares	84,616,328	12,841,230	10,019,679
<b>Total Liabilities and Equity</b>	<b>84,714,856</b>	<b>12,860,028</b>	<b>10,033,472</b>

The notes on pages 26 to 47 form an integral part of these financial statements.

## Statements of Financial Position (continued)

As at 31 May 2015

	Notes	Company	Conservative Strategy Fund
		£	£
<b>Assets</b>			
Cash and cash equivalents		1,428,307	320,955
Creations receivable		186,617	28,486
Investment sales receivable		49,000	—
Financial assets at fair value through profit or loss		137,751,172	27,934,412
Other accrued income and other debtors	4	170,927	—
<b>Total Assets</b>		<b>139,586,023</b>	<b>28,283,853</b>
<b>Equity</b>			
Ordinary share capital		1,000	—
<b>Total Equity</b>		<b>1,000</b>	<b>—</b>
Distributions payable		1,845,680	580,024
Overdraft		11,268	—
Investment purchases payable		—	—
Accrued expenses and other creditors	5	133,282	22,795
Nominal shares		169,927	—
<b>Total Liabilities*</b>		<b>2,160,157</b>	<b>602,819</b>
Net assets attributable to holders of participating redeemable preference shares	16	137,424,866	27,681,034
<b>Total Liabilities and Equity</b>		<b>139,586,023</b>	<b>28,283,853</b>

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

## Statements of Financial Position (continued)

As at 31 May 2015

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
<b>Assets</b>			
Cash and cash equivalents	1,036,683	—	107,837
Creations receivable	120,135	22,830	23,142
Investment sales receivable	—	49,000	—
Financial assets at fair value through profit or loss	89,894,528	13,217,989	10,230,340
Other accrued income and other debtors	—	—	—
<b>Total Assets</b>	<b>91,051,346</b>	<b>13,289,819</b>	<b>10,361,319</b>
<b>Equity</b>			
Ordinary share capital	—	—	—
<b>Total Equity</b>	<b>—</b>	<b>—</b>	<b>—</b>
Distributions payable	1,265,656	—	—
Overdraft	—	11,268	—
Investment purchases payable	—	—	—
Accrued expenses and other creditors	83,883	18,185	12,847
Nominal shares	—	—	—
<b>Total Liabilities*</b>	<b>1,349,539</b>	<b>29,453</b>	<b>12,847</b>
Net assets attributable to holders of participating redeemable preference shares	89,701,807	13,260,366	10,348,472
<b>Total Liabilities and Equity</b>	<b>91,051,346</b>	<b>13,289,819</b>	<b>10,361,319</b>

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

## Statements of Comprehensive Income

For the period ended 30 November 2015

	Notes	Company	Conservative Strategy Fund
		£	£
<b>Operating Loss</b>			
Net gain on financial assets at fair value through profit or loss	6	(6,204,756)	(782,382)
Investment income		1,568,413	356,672
Other income	7	46	7
Operating expenses	8	(640,932)	(102,095)
Decrease in net assets attributable to holders of participating redeemable preference shares from operations		(5,277,229)	(527,798)

For the period ended 30 November 2014

	Notes	Company	Conservative Strategy Fund
		£	£
<b>Operating Profit</b>			
Net gain/ (loss) on financial assets at fair value through profit or loss	6	4,535,154	935,660
Investment income		1,597,674	394,045
Other income	7	233	23
Operating expenses	8	(527,964)	(84,188)
Increase in net assets attributable to holders of participating redeemable preference shares from operations		5,605,097	1,245,540

The notes on pages 26 to 47 form an integral part of these financial statements.



## Statements of Comprehensive Income

For the period ended 30 November 2015

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
<b>Operating Loss</b>			
Net gain on financial assets at fair value through profit or loss	(4,347,105)	(756,419)	(490,657)
Investment income	1,025,103	146,269	62,120
Other income	14	4	32
Operating expenses	(421,141)	(80,640)	(57,023)
Decrease in net assets attributable to holders of participating redeemable preference shares from operations	(3,743,129)	(690,786)	(485,528)

For the period ended 30 November 2014

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
<b>Operating Profit</b>			
Net gain/ (loss) on financial assets at fair value through profit or loss	2,906,127	581,344	183,828
Investment income	1,107,118	94,543	3,229
Other income	75	9	206
Operating expenses	(338,603)	(72,075)	(54,313)
Increase in net assets attributable to holders of participating redeemable preference shares from operations	3,674,717	603,821	132,950

The notes on pages 26 to 47 form an integral part of these financial statements.

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

For the period ended 30 November 2015

	Company	Conservative Strategy Fund
	£	£
Net assets attributable to holders of participating redeemable preference shares as at 1 June	137,424,866	27,681,034
Creation of participating redeemable preference shares issued	4,589,602	1,338,587
Redemption of participating redeemable preference shares	(6,142,432)	(1,571,664)
Net (decrease)/ increase from share transactions	(1,552,830)	(233,077)
Decrease in net assets attributable to holders of participating redeemable preference shares from operations	(5,277,229)	(527,798)
Movement in currency translation	439,177	—
Net assets attributable to holders of participating redeemable preference shares as at 30 November	131,033,984	26,920,159

For the period ended 30 November 2014

	Company	Conservative Strategy Fund
	£	£
Net assets attributable to holders of participating redeemable preference shares as at 1 June	125,015,780	26,284,255
Creation of participating redeemable preference shares issued	9,305,527	1,626,284
Redemption of participating redeemable preference shares	(5,446,980)	(1,249,963)
Net increase from share transactions	3,858,547	376,321
Increase in net assets attributable to holders of participating redeemable preference shares from operations	5,605,097	1,245,540
Movement in currency translation	(182,715)	—
Net assets attributable to holders of participating redeemable preference shares as at 30 November	134,296,709	27,906,116

The notes on pages 26 to 47 form an integral part of these financial statements.

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

For the period ended 30 November 2015

	Growth Strategy Fund £	Aggressive Strategy Fund £	Global US\$ Growth Strategy Fund US\$
Net assets attributable to holders of participating redeemable preference shares as at 1 June	89,701,807	13,260,366	10,348,471
Creation of participating redeemable preference shares issued	2,873,723	377,292	319,903
Redemption of participating redeemable preference shares	(4,216,073)	(105,642)	(163,167)
Net (decrease)/ increase from share transactions	(1,342,350)	271,650	156,736
Decrease in net assets attributable to holders of participating redeemable preference shares from operations	(3,743,129)	(690,786)	(485,528)
Movement in currency translation	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 30 November	84,616,328	12,841,230	10,019,679

For the period ended 30 November 2014

	Growth Strategy Fund £	Aggressive Strategy Fund £	Global US\$ Growth Strategy Fund US\$
Net assets attributable to holders of participating redeemable preference shares as at 1 June	81,223,124	11,728,567	9,694,804
Creation of participating redeemable preference shares issued	5,586,708	647,426	862,645
Redemption of participating redeemable preference shares	(3,134,469)	(576,345)	(296,457)
Net increase from share transactions	2,452,239	71,081	566,188
Increase in net assets attributable to holders of participating redeemable preference shares from operations	3,674,717	603,821	132,950
Movement in currency translation	—	—	—
Net assets attributable to holders of participating redeemable preference shares as at 30 November	87,350,080	12,403,469	10,393,942

The notes on pages 26 to 47 form an integral part of these financial statements.

## Cash Flow Statements

For the period ended 30 November 2015

	Company	Conservative Strategy Fund
	£	£
<b>Cash flows from operating activities</b>		
Purchase of financial assets and settlement of financial liabilities	(32,451,328)	(6,599,981)
Receipts from sale of investments	33,282,545	6,906,981
Movements in amounts payable and receivable in respect of investment transactions	—	—
Investment income received	1,568,413	356,672
Bank interest received	46	7
Interest paid	(1,359)	(475)
Operating expenses paid	(637,643)	(99,501)
Net cash inflow / (outflow) from operating activities	1,760,674	563,703
<b>Cash flows from financing activities</b>		
Distributions paid to holders of participating redeemable preference shares issued	(1,845,680)	(580,024)
Proceeds received from issue of participating redeemable preference shares	4,618,767	1,343,917
Payments on redemption of participating redeemable preference shares	(6,142,432)	(1,571,664)
Net cash (outflow)/ inflow from financing activities	(3,369,345)	(807,771)
Net (decrease)/ increase in cash and cash equivalents	(1,608,671)	(244,068)
Cash and cash equivalents as at 1 June	1,417,039	320,955
Exchange gain / (loss) on cash and cash equivalents	8,121	(4,398)
Movement in currency translation	331,499	—
Cash and cash equivalents as at 30 November	147,988	72,489

The notes on pages 26 to 47 form an integral part of these financial statements.

## Cash Flow Statements

For the period ended 30 November 2015

	Growth Strategy Fund £	Aggressive Strategy Fund £	Global US\$ Growth Strategy Fund US\$
<b>Cash flows from operating activities</b>			
Purchase of financial assets and settlement of financial liabilities	(24,346,548)	(1,017,573)	(749,759)
Receipts from sale of investments	25,302,949	710,003	558,000
Movements in amounts payable and receivable in respect of investment transactions	—	—	—
Investment income received	1,025,103	146,269	62,120
Bank interest received	14	4	32
Interest paid	(884)	—	—
Operating expenses paid	(421,673)	(80,027)	(56,077)
Net cash inflow / (outflow) from operating activities	1,558,961	(241,324)	(185,684)
<b>Cash flows from financing activities</b>			
Distributions paid to holders of participating redeemable preference shares issued	(1,265,656)	—	—
Proceeds received from issue of participating redeemable preference shares	2,877,836	379,469	316,296
Payments on redemption of participating redeemable preference shares	(4,216,073)	(105,642)	(163,167)
Net cash (outflow)/ inflow from financing activities	(2,603,893)	273,827	153,129
Net (decrease)/ increase in cash and cash equivalents	(1,044,932)	32,503	(32,555)
Cash and cash equivalents as at 1 June	1,036,683	(11,268)	107,837
Exchange gain / (loss) on cash and cash equivalents	13,904	(613)	(1,188)
Movement in currency translation	—	—	—
Cash and cash equivalents as at 30 November	5,655	20,622	74,094

The notes on pages 26 to 47 form an integral part of these financial statements.

## Cash Flow Statements (continued)

For the period ended 30 November 2014

	Company	Conservative Strategy Fund
	£	£
<b>Cash flows from operating activities</b>		
Purchase of financial assets and settlement of financial liabilities	(17,283,988)	(1,257,005)
Receipts from sale of investments	15,526,958	1,603,005
Movements in amounts payable and receivable in respect of investment transactions	(29,251)	—
Investment income received	1,537,516	382,111
Bank interest received	233	23
Interest paid	(1,218)	—
Operating expenses paid	(536,069)	(85,710)
Net cash (outflow) / inflow from operating activities	(785,819)	642,424
<b>Cash flows from financing activities</b>		
Distributions paid to holders of participating redeemable preference shares issued	(2,071,291)	(644,324)
Proceeds received from issue of participating redeemable preference shares	9,382,248	1,626,962
Payments on redemption of participating redeemable preference shares	(5,446,980)	(1,249,963)
Net cash inflow / (outflow) from financing activities	1,863,977	(267,325)
Net increase / (decrease) in cash and cash equivalents	1,078,158	375,099
Cash and cash equivalents as at 1 June	1,597,704	199,834
Exchange (losses) / gain on cash and cash equivalents	(15,557)	(5,356)
Movement in currency translation	(629,448)	—
Cash and cash equivalents as at 30 November	2,030,857	569,577

The notes on pages 26 to 47 form an integral part of these financial statements.

## Cash Flow Statements (continued)

For the period ended 30 November 2014

	Growth Strategy Fund £	Aggressive Strategy Fund £	Global US\$ Growth Strategy Fund US\$
<b>Cash flows from operating activities</b>			
Purchase of financial assets and settlement of financial liabilities	(9,272,004)	(3,728,402)	(4,966,587)
Receipts from sale of investments	7,630,004	3,586,402	4,443,062
Movements in amounts payable and receivable in respect of investment transactions	—	—	(48,000)
Investment income received	1,058,894	94,543	3,229
Bank interest received	75	9	206
Interest paid	(81)	(982)	(254)
Operating expenses paid	(347,461)	(70,311)	(53,475)
Net cash (outflow) / inflow from operating activities	(930,573)	(118,741)	(621,819)
<b>Cash flows from financing activities</b>			
Distributions paid to holders of participating redeemable preference shares issued	(1,426,967)	—	—
Proceeds received from issue of participating redeemable preference shares	5,634,041	649,716	865,173
Payments on redemption of participating redeemable preference shares	(3,134,469)	(576,345)	(296,457)
Net cash inflow / (outflow) from financing activities	1,072,605	73,371	568,716
Net increase / (decrease) in cash and cash equivalents	142,032	(45,370)	(53,103)
Cash and cash equivalents as at 1 June	1,284,686	90,616	37,855
Exchange (losses) / gain on cash and cash equivalents	(7,428)	(3,257)	795
Movement in currency translation	—	—	—
Cash and cash equivalents as at 30 November	1,419,290	41,989	(14,453)

The notes on pages 26 to 47 form an integral part of these financial statements.

## Investment Portfolio

As at 30 November 2015

Conservative Strategy Fund

	Holding 31.05.15	Holding 30.11.15	Market Value 30.11.15 £	% of Total Net Assets	Market Value 31.05.15 £
<b>Bond Funds 83.83% (85.27%)*</b>					
Aberdeen Corporate Bond Fund	—	2,711,486	5,129,588	19.05	—
Aberdeen Corporate Bond Plus Fund	2,491,455	—	—	—	4,743,730
Lloydstrust Gilt Fund	382,714	151,982	1,855,702	6.89	4,707,387
Lloyds Gilt Fund Ltd Class A	3,683,171	1,459,746	1,855,337	6.89	4,707,093
Lloyds Investment Funds Limited:					
High Income Fund	5,292,833	5,903,683	5,109,638	18.98	4,722,265
Sterling Bond Fund	3,138,347	3,488,382	5,120,945	19.02	4,723,213
Lloyds Sterling Money Fund	—	66,432	3,495,072	12.98	—
<b>Equity Funds 8.44% (7.93%)*</b>					
Russel Investment Company UK Equity Fund	135	155	2,272,101	8.44	2,196,237
<b>Property Fund 7.47% (7.71%)*</b>					
Aberdeen Multi Manager Global Real Estate Fund	1,461,978	1,433,390	2,011,046	7.47	2,134,487
<b>Total value of investments</b>			26,849,429	99.72	27,934,412
<b>Other assets</b>			95,644	0.35	349,441
<b>Total assets</b>			26,945,073	100.07	28,283,853
<b>Liabilities</b>			(24,914)	(0.07)	(602,819)
<b>Net assets attributable to holders of participating redeemable preferences shares</b>			26,920,159	100.00	27,681,034

\*As at 30.11.15

	For the period ended 30.11.15	For the period ended 30.11.14
Cost of investments purchased	£6,599,981	£1,257,005
Proceeds from investments sold	£6,906,981	£1,603,005



## Investment Portfolio

As at 30 November 2015

Growth Strategy Fund

	Holding 31.05.15	Holding 30.11.15	Market Value 30.11.15 £	% of Total Net Assets	Market Value 31.05.15 £
<b>Bond Funds 34.07% (33.59%)*</b>					
Aberdeen Corporate Bond Fund	—	3,977,743	7,525,094	8.89	—
Lloydstrust Gilt Fund	740,587	154,982	1,892,335	2.24	9,109,226
Lloyds Gilt Fund Ltd Class A	7,126,750	1,488,794	1,892,258	2.24	9,107,986
Lloyds Investment Funds Limited:					
High Income Fund	13,353,653	8,673,638	7,507,033	8.87	11,914,129
Sterling Bond Fund	—	5,113,644	7,506,830	8.87	—
Lloyds Sterling Money Fund	—	47,664	2,507,656	2.96	—
<b>Equity Funds 55.34% (58.40%)*</b>					
Russel Investment Company Continental European Equity Fund	217,091	239,732	3,991,540	4.72	3,831,655
Russel Investment Company Emerging Markets Fund	56,754	62,734	1,654,922	1.96	1,798,527
Russel Investment Company Japan Equity Fund	136,559	137,357	2,523,255	2.98	2,534,528
Russel Investment Company Pacific Basin Equity	81,623	69,740	1,673,756	1.98	2,274,822
Russel Investment Company UK Equity Fund	906	933	13,666,583	16.15	14,769,989
Russel Investment Company UK Equity Plus Fund	109,333	107,773	13,678,603	16.17	14,763,217
Russel Investment Company US Equity Fund	558,529	512,864	9,641,849	11.39	10,667,907
<b>Property Funds 9.94% (10.17%)*</b>					
Aberdeen Multi Manager Global Real Estate Fund	6,248,317	5,997,438	8,414,405	9.94	9,122,542
<b>Total value of investments</b>			84,076,119	99.36	89,894,528
<b>Other assets</b>			638,737	0.75	1,156,818
<b>Total assets</b>			84,714,856	100.11	91,051,346
<b>Liabilities</b>			(98,528)	(0.11)	(1,349,539)
<b>Net assets attributable to holders of participating redeemable preferences shares</b>			84,616,328	100.00	89,701,807

\*As at 30.11.15

	For the period ended 30.11.15	For the period ended 30.11.14
Cost of investments purchased	£24,362,609	£9,272,004
Proceeds from investments sold	£25,820,010	£7,630,004

## Investment Portfolio (continued)

As at 30 November 2015

Aggressive Strategy Fund

	Holding 31.05.15	Holding 30.11.15	Market Value 30.11.15 £	% of Total Net Assets	Market Value 31.05.15 £
<b>Equity Funds 99.82% (99.68%)*</b>					
Russell Continental European Equity Fund	88,588	93,790	1,561,600	12.16	1,563,587
Russell Emerging Markets Equity Fund	21,599	23,890	630,223	4.91	684,467
Russell Japan Equity Fund	48,006	48,953	899,272	7.00	890,999
Russell Pacific Basin Equity Fund	36,552	38,470	923,279	7.19	1,018,715
Russell UK Equity Fund	142	154	2,249,590	17.52	2,308,083
Russell UK Equity Plus Fund	17,083	17,840	2,264,223	17.63	2,306,741
Russell US Equity Fund	116,511	114,094	2,144,973	16.70	2,225,359
Russell US Quantitative Equity Fund	76,813	73,751	1,501,562	11.69	1,553,917
Russell US Small Cap Equity Fund	26,061	26,779	644,031	5.02	666,121
<b>Total value of investments</b>			12,818,753	99.82	13,217,989
<b>Other assets</b>			41,275	0.32	71,830
<b>Total assets</b>			12,860,028	100.14	13,289,819
<b>Liabilities</b>			(18,798)	(0.14)	(29,453)
<b>Net assets attributable to holders of participating redeemable preferences shares</b>			12,841,230	100.00	13,260,366

\*As at 30.11.15

	For the period ended 30.11.15	For the period ended 30.11.14
Cost of investments purchased	£1,017,573	£3,728,402
Proceeds from investments sold	£661,003	£3,586,402

## Investment Portfolio (continued)

As at 30 November 2015

Global US\$ Growth Strategy Fund

	Holding 31.05.15	Holding 30.11.15	Market Value 30.11.15 US\$	% of Total Net Assets	Market Value 31.05.15 US\$
<b>Equity Funds 99.13% (98.85%)*</b>					
Russell Continental European Equity Fund	53,183	56,660	1,343,408	13.41	1,332,229
Russell Emerging Markets Equity Fund	1,533	1,721	558,648	5.58	597,160
Russell Japan Equity Fund	44,152	45,013	779,176	7.78	779,727
Russell Pacific Basin Equity Fund	22,227	23,943	797,774	7.96	861,961
Russell UK Equity Fund	40,463	44,373	999,717	9.98	1,011,972
Russell US Equity Fund	79,726	78,800	1,747,775	17.44	1,811,365
Russell US Quantitative Equity Fund	81,185	79,038	1,747,522	17.44	1,805,556
Brown Advisory American Fund	110,597	110,504	1,740,431	17.37	1,803,838
Russell US Small Cap Equity Fund	5,570	5,764	218,179	2.17	226,532
<b>Total value of investments</b>			<b>9,932,630</b>	<b>99.13</b>	<b>10,230,340</b>
<b>Other assets</b>			<b>100,842</b>	<b>1.01</b>	<b>130,979</b>
<b>Total assets</b>			<b>10,033,472</b>	<b>100.14</b>	<b>10,361,319</b>
<b>Liabilities</b>			<b>(13,793)</b>	<b>(0.14)</b>	<b>(12,847)</b>
<b>Net assets attributable to holders of participating redeemable preferences shares</b>			<b>10,019,679</b>	<b>100.00</b>	<b>10,348,472</b>

\*As at 30.11.15

	For the period ended 30.11.15	For the period ended 30.11.14
Cost of investments purchased	US\$749,759	US\$4,966,587
Proceeds from investments sold	US\$558,000	US\$4,443,062

## Notes to the Financial Statements

For the period ended 30 November 2015

### 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. Full details of the Company, Investment Objectives and Policy and Report of the Directors are stated on pages 2 to 6.

### 2. Basis of Preparation

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

- Conservative Strategy Fund
- Growth Strategy Fund
- Aggressive Strategy Fund
- Global US\$ Growth Strategy 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 and performance records. At the statement of financial position date there were four Funds in existence; Conservative Strategy Fund, Growth Strategy Fund, Aggressive Strategy Fund and Global US\$ Growth Strategy 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 13.

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

#### Restatement of Capital Reserves

The capital reserve brought forward has been restated from (£1,183,500) to (£372,572), resulting in a movement of £810,928, which has been reflected in movement in currency translation in the period (see Note 15).

The restatement is as a result of the unintentional misstatement of capital reserves brought forward in 2012 following the closure of the Cautious, Balanced, Progressive and Global Conservative Funds during the year ended 31 May 2011.

This restatement does not affect the Net Asset Value of the Company.

#### 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 estimates and judgements.

### 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 when relevant.

#### **3.1 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 10, 'Consolidated financial statements' (amendment) (effective from 1 January 2016).
- IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2017).
- IAS 28, 'Associates and joint ventures' (amendment) (effective from 1 January 2016).

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 period ended 30 November 2015

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

#### Functional currency and presentational currency

Items included in the 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 which reflects the Company's primary activity of investing in sterling share Classes and the regulatory environment of the majority of investors, being UK based.

The Company has adopted sterling as its presentational and functional currency for the Conservative Strategy Fund, Growth Strategy Fund and Aggressive Strategy Fund as the majority of the 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 the US Dollar as its presentation and functional currency for the Global US\$ Growth Strategy Fund. The primary activity of this Strategy is to invest in US Dollar denominated securities, the majority of shares in this Strategy have been subscribed for in US Dollars and the primary currency in which income, fees and expenses are paid is the US Dollar.

#### 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 has been translated using the average exchange rate for the period.

#### Segmental reporting

The Company, at the statement of financial position date is organised into four 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 dollar ruling at 30 November 2015 used for the conversion of statement of financial position items was 1.5053 and the average rate for the year used for the conversion of the statement of comprehensive income was 1.5388.

#### 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 at 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 from Fund investments is recognised in the statement of comprehensive income on an ex-dividend basis when the right to receive payment is established. When a Fund holds derivatives with offsetting market risks, it uses bid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid-market price to the net open position as appropriate, please note that the Funds held no derivatives at 30 November 2015 (31 May 2015 : Nil).

Bank Interest is recognised in the statement of comprehensive income on a time proportionate basis using the effective interest rate method ("EIR"). The EIR 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.

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

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

#### 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 13.

#### 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 14 and 16.

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

Distributions to holders of Participating Shares are recognised and classified 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 period ended 30 November 2015

## 4. Other Accrued Income and Other Debtors

	Company	Conservative Strategy Fund
	£	£
<b>As at 30 November 2015</b>		
Founders Shares	1,000	—
Nominal Shares	161,314	—
Total Other Accrued Income and Other Debtors	162,314	—
<b>As at 31 May 2015</b>		
Founders Shares	1,000	—
Nominal Shares	169,927	—
Total Other Accrued Income and Other Debtors	170,927	—

## 5. Accrued Expenses and Other Creditors

	Company	Conservative Strategy Fund
	£	£
<b>As at 30 November 2015</b>		
Due to Manager	109,559	18,918
Due to Custodian	10,333	2,275
Other Creditors	15,450	3,721
Total accrued expenses and other creditors	135,342	24,914
<b>As at 31 May 2015</b>		
Due to Manager	102,025	15,990
Due to Custodian	10,168	2,231
Other Creditors	21,089	4,574
Total accrued expenses and other creditors	133,282	22,795



## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 4. Other Accrued Income and Other Debtors

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
<b>As at 30 November 2015</b>			
Founders Shares	—	—	—
Nominal Shares	—	—	—
Total Other Accrued Income and Other Debtors	—	—	—
<b>As at 31 May 2015</b>			
Founders Shares	—	—	—
Nominal Shares	—	—	—
Total Other Accrued Income and Other Debtors	—	—	—

## 5. Accrued Expenses and Other Creditors

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
<b>As at 30 November 2015</b>			
Due to Manager	69,722	14,847	9,140
Due to Custodian	6,419	1,078	845
Other Creditors	6,326	2,873	3,808
Total accrued expenses and other creditors	82,467	18,798	13,793
<b>As at 31 May 2015</b>			
Due to Manager	65,797	14,436	8,854
Due to Custodian	6,357	1,045	816
Other Creditors	11,729	2,704	3,177
Total accrued expenses and other creditors	83,883	18,185	12,847

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 6. Net Gain/ (Loss) on Financial Assets at Fair Value Through Profit or Loss

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

	Company	Conservative Strategy Fund
	£	£
<b>Period ended 30 November 2015</b>		
Proceeds from sales of investments during the period	33,750,606	6,906,981
Original cost of investments sold during the period	(31,911,064)	(6,617,683)
Gains realised on investments sold during the period	1,839,542	289,298
Realised foreign exchange losses	(7,897)	(4,521)
Net realised gain for the period	1,831,645	284,777
Net unrealised loss for the period	(8,036,401)	(1,067,159)
Net loss on investments	(6,204,756)	(782,382)
<b>Period ended 30 November 2014</b>		
Proceeds from sales of investments during the period	15,526,958	1,603,005
Original cost of investments sold during the period	(12,378,073)	(1,460,286)
Gains realised on investments sold during the period	3,148,885	142,719
Realised foreign exchange losses	(16,002)	(5,167)
Net realised gain for the period	3,132,883	137,552
Net unrealised gain/ (loss) for the period	1,402,271	798,108
Net gains on investments	4,535,154	935,660

## 7. Other Income

	Notes	Company	Conservative Strategy Fund
		£	£
<b>Period ended 30 November 2015</b>			
Bank interest		46	7
<b>Period ended 30 November 2014</b>			
Bank interest		233	23

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 6. Net Gain/ (Loss) on Financial Assets at Fair Value Through Profit or Loss

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

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
<b>Period ended 30 November 2015</b>			
Proceeds from sales of investments during the period	25,820,010	661,003	558,000
Original cost of investments sold during the period	(24,506,036)	(509,029)	(428,283)
Gains realised on investments sold during the period	1,313,974	151,974	129,717
Realised foreign exchange losses	(2,231)	(538)	(933)
Net realised gain for the period	1,311,743	151,436	128,784
Net unrealised loss for the period	(5,658,848)	(907,855)	(619,441)
Net loss on investments	(4,347,105)	(756,419)	(490,657)
<b>Period ended 30 November 2014</b>			
Proceeds from sales of investments during the period	7,630,004	3,586,402	4,443,062
Original cost of investments sold during the period	(6,444,494)	(2,487,294)	(3,259,007)
Gains realised on investments sold during the period	1,185,510	1,099,108	1,184,055
Realised foreign exchange losses	(7,146)	(3,117)	(939)
Net realised gain for the period	1,178,364	1,095,991	1,183,116
Net unrealised gain/ (loss) for the period	1,727,763	(514,647)	(999,288)
Net gains on investments	2,906,127	581,344	183,828

## 7. Other Income

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
<b>Period ended 30 November 2015</b>			
Bank interest	14	4	32
<b>Period ended 30 November 2014</b>			
Bank interest	75	9	206

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 8. Operating Expenses

		Company	Conservative Strategy Fund
		£	£
<b>Period ended 30 November 2015</b>			
Payable to the Manager:			
Annual management fees	10	440,013	68,416
Registrar fees	10	31,775	6,841
Payable to the Custodian:			
Custodian fees	11	61,900	13,746
Other expenses:			
Administration expenses		42,991	9,992
Dilution Levy		52,402	—
Audit fee		11,851	3,100
<b>Total expenses</b>		<b>640,932</b>	<b>102,095</b>
<b>Total Expense Ratio*</b>			<b>1.50%</b>
<b>Period ended 30 November 2014</b>			
Payable to the Manager:			
Annual management fees	10	394,505	54,482
Registrar fees	10	32,928	6,916
Payable to the Custodian:			
Custodian fees	11	60,027	13,326
Other expenses:			
Administration expenses		29,156	6,464
Dilution Levy		—	—
Audit fee		11,348	3,000
<b>Total expenses</b>		<b>527,964</b>	<b>84,188</b>
<b>Total Expense Ratio (restated)*</b>			<b>1.47%</b>

\* The Total Expense ratio (TER), represents the management fee and all other operating expenses (broken down above), expressed as a percentage of the average daily net asset values during the year. The management fee includes the annual management charge ('AMC') of the underlying funds in which each strategy invests. (The TER calculation has been adapted to take into account charges levied by the underlying Fund being repaid into the assets of each Fund, this has resulted in the following TER's quoted at 30 November 2014 being restated -Conservative : 0.63% /Growth : 0.81% /Aggressive : 1.21% /Global US\$ Growth : 1.07%).

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 8. Operating Expenses

	Growth Strategy Fund £	Aggressive Strategy Fund £	Global US\$ Growth Strategy Fund US\$
<b>Period ended 30 November 2015</b>			
Payable to the Manager:			
Annual management fees	285,270	60,889	39,147
Registrar fees	19,791	3,700	2,220
Payable to the Custodian:			
Custodian fees	38,503	6,382	5,030
Other expenses:			
Administration expenses	19,175	7,569	9,626
Dilution Levy	52,402	—	—
Audit fee	6,000	2,100	1,000
<b>Total expenses</b>	<b>421,141</b>	<b>80,640</b>	<b>57,023</b>
<b>Total Expense Ratio*</b>	<b>1.70%</b>	<b>2.06%</b>	<b>2.11%</b>
<b>Period ended 30 November 2014</b>			
Payable to the Manager:			
Annual management fees	262,256	54,789	37,708
Registrar fees	20,748	3,822	2,366
Payable to the Custodian:			
Custodian fees	37,682	5,930	5,067
Other expenses:			
Administration expenses	12,117	5,534	8,272
Dilution Levy	—	—	—
Audit fee	5,800	2,000	900
<b>Total expenses</b>	<b>338,603</b>	<b>72,075</b>	<b>54,313</b>
<b>Total Expense Ratio (restated)*</b>	<b>1.68%</b>	<b>2.04%</b>	<b>2.08%</b>

\* The Total Expense ratio (TER), represents the management fee and all other operating expenses (broken down above), expressed as a percentage of the average daily net asset values during the year. The management fee includes the annual management charge ('AMC') of the underlying funds in which each strategy invests. (The TER calculation has been adapted to take into account charges levied by the underlying Fund being repaid into the assets of each Fund, this has resulted in the following TER's quoted at 30 November 2014 being restated -Conservative : 0.63% /Growth : 0.81% /Aggressive : 1.21% /Global US\$ Growth : 1.07%).

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

### 9. 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 Asset Allocation Advisor, Aberdeen Asset Management Limited.
- Key management personnel.

The fees received by the Manager are set out in Note 8. 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 5.

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 16 and 17.

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

	30 November 2015	31 May 2015
Conservative Strategy Fund	7,050	7,054
Growth Strategy Fund	7,011	7,045
Aggressive Strategy Fund	6,945	7,319
Global US\$ Growth Strategy Fund	16,222	16,035
	37,228	37,453

#### (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.

Conservative Strategy Fund	1.25%
Growth Strategy Fund	1.50%
Aggressive Strategy Fund	1.75%
Global US\$ Growth Strategy Fund	1.75%

The Directors and the Manager may agree a higher fee for any Fund subject to a maximum annual rate of 2.00% 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.

Where a Fund invests in another Fund, the Manager will ensure that any initial or ongoing charges levied by the second Fund are repaid into the assets of the investing Fund. None of the Funds as represented within these financial statements invest in other Funds within the Company.

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 end of the period are shown in Note 5.

#### (b) Key management personnel

The following Directors of the Company at 30 November 2015 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.

#### (c) Directors' fees

Directors who are employees of the Lloyds Banking Group do not receive Directors' fees. All other directors currently receive a fee of £5,000 per annum (November 2014: £5,000 per annum).

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

### 10. Custodian

The fees received by the Custodian are set out in Note 8. Details of amounts due to the Custodian at the end of the period are shown in Note 5.

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 £5,000 per annum per sterling Fund Class and US\$10,000 per US\$ Fund Class. The minimum fee for the US\$ Fund Classes has been waived until further notice.

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 Class	NAV of each Fund		
	Up to £50m	Next £50M	£100M Plus
Conservative Strategy Fund	0.100%	0.075%	0.050%
Growth Strategy Fund	0.100%	0.075%	0.050%
Aggressive Fund	0.100%	0.075%	0.050%
US\$ Fund Classes	NAV of each Fund		
	Up to US\$100M	Next US\$100 M	US\$ 100M Plus
Global US\$ Growth Strategy Fund	0.100%	0.075%	0.050%

### 11. Controlling Party

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

### 12. Equalisation

The price of a share includes an equalisation amount 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 period ended 30 November 2015

## 13. Share Capital

	30 November 2015		31 May 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 Ordinary Share Capital:</b>				
Founders Shares	1,000		1,000	
<b>Nominal Shares:</b>				
Balance brought forward	169,927		173,879	
Creations	44,329		86,501	
Redemptions	(35,717)		(90,453)	
Balance carried forward	178,539		169,927	
<b>Participating Shares:</b>				
Balance brought forward	959,659		955,707	
Creations	35,717		90,453	
Redemptions	(44,329)		(86,501)	
Balance carried forward	951,047		959,659	
<b>Fund</b>	<b>Shares</b>	<b>£</b>	<b>Shares</b>	<b>£</b>
Conservative Strategy	24,467,360	244,673	24,681,876	246,819
Growth Strategy	56,623,692	566,237	57,529,804	575,298
Aggressive Strategy	6,971,194	69,712	6,823,008	68,230
Total Sterling Funds	88,062,246	880,622	89,034,688	890,347
	<b>Shares</b>	<b>US\$</b>	<b>Shares</b>	<b>US\$</b>
Global US\$ Growth Strategy	7,042,087	163,506	6,930,837	162,393
	<b>Shares</b>	<b>£</b>	<b>Shares</b>	<b>£</b>
Total Company (Sterling equivalent)	95,104,333	951,047	95,965,525	959,659



## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 14. Share Premium

	30 November 2015	31 May 2015
	£	£
Conservative Strategy	24,026,097	24,253,471
Growth Strategy	63,083,750	64,414,377
Aggressive Strategy	7,656,934	7,389,290
Total Sterling Funds	94,766,781	96,057,138
	US\$	US\$
Global US\$ Growth Strategy	6,882,463	6,726,841
	97,815,139	99,075,712
Total Company (Sterling equivalent)	97,815,139	99,075,712
Balance brought forward	98,865,187	98,510,491
Premium on creations	5,018,369	11,706,377
Premium on redemptions	(6,068,417)	(11,351,681)
Balance carried forward	97,815,139	98,865,187

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 15. Capital Reserves

	Notes	Company	Conservative Strategy Fund
		£	£
Net realised gains on investments brought forward		11,604,855	651,664
Net realised gains for the period	6	1,831,645	284,777
Net realised gains on investments carried forward		13,436,500	936,441
Net unrealised movement on investment brought forward		24,643,097	2,511,908
Net unrealised movement in the period	6	(8,036,401)	(1,067,159)
Net unrealised movement on investment carried forward		16,606,696	1,444,749
Total realised/unrealised movement		30,043,196	2,381,190
Net transfer to/(from) capital reserve brought forward (restated)		(372,572)	—
Net movement to capital reserve in the period		71,490	—
Net transfer to/(from) capital reserve carried forward		(301,082)	—
Movement in currency translation brought forward		810,928	—
Net movement in the period		(810,928)	—
Movement in currency translation carried forward	14	—	—
As at 30 November		29,742,114	2,381,190

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

	Notes	Company	Conservative Strategy Fund
		£	£
<b>As at 30 November 2015</b>			
Share capital	13	951,047	244,673
Share premium	14	97,815,139	24,026,097
Capital reserves	15	29,742,114	2,381,190
Undistributed income		896,871	268,199
Movement in currency translation		1,628,813	—
Net assets attributable to holders of participating redeemable preference shares		131,033,984	26,920,159
<b>As at 31 May 2015</b>			
Share capital	13	959,659	246,819
Share premium	14	98,865,187	24,253,471
Capital reserves	15	35,875,380	3,163,572
Undistributed income		44,531	17,172
Movement in currency translation		1,680,109	—
Net assets attributable to holders of participating redeemable preference shares		137,424,866	27,681,034

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 15. Capital Reserves

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
Net realised gains on investments brought forward	6,918,371	2,571,175	2,346,625
Net realised gains for the period	1,311,743	151,436	128,784
Net realised gains on investments carried forward	8,230,114	2,722,611	2,475,409
Net unrealised movement on investment brought forward	17,766,402	3,168,785	1,897,565
Net unrealised movement in the period	(5,658,848)	(907,855)	(619,441)
Net unrealised movement on investment carried forward	12,107,554	2,260,930	1,278,124
Total realised/unrealised movement	20,337,668	4,983,541	3,753,533
Net transfer to/(from) capital reserve brought forward	—	62,886	(784,952)
Net movement to capital reserve in the period	—	68,157	5,129
Net transfer to/(from) capital reserve carried forward	—	131,043	(779,823)
Movement in currency translation brought forward	—	—	—
Net movement in the period	—	—	—
Movement in currency translation carried forward	—	—	—
As at 30 November	20,337,668	5,114,584	2,973,710

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

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
<b>As at 30 November 2015</b>			
Share capital	566,237	69,712	163,506
Share premium	63,083,750	7,656,934	6,882,463
Capital reserves	20,337,668	5,114,584	2,973,710
Undistributed income	628,673	—	—
Movement in currency translation	—	—	—
Net assets attributable to holders of participating redeemable preference shares	84,616,328	12,841,230	10,019,679
<b>As at 31 May 2015</b>			
Share capital	575,298	68,230	162,393
Share premium	64,414,377	7,389,290	6,726,841
Capital reserves	24,684,773	5,802,846	3,459,238
Undistributed income	27,359	—	—
Movement in currency translation	—	—	—
Net assets attributable to holders of participating redeemable preference shares	89,701,807	13,260,366	10,348,472

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

### 17. 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:

	30 November 2015 £	30 November 2014 £
Foreign tax on income for the year	—	—

The Company is liable to be charged at a tax rate of 0% under Schedule D of 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.

### 18. Investment Dealing

During the period no transactions in the property of the Strategies were carried out through brokers. All transactions were carried out directly with the Fund Managers.

### 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 30 November 2015.

Each Fund's investment objectives and policy are stated on page 3. To achieve these objectives the Fund's assets and liabilities comprise financial instruments held in accordance with the 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 Funds invest principally in 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 22 to 25.

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 30 November 2015. 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 period ended 30 November 2015

## 19. Financial risk management (continued)

## Market risk (continued)

End of Year	Strategy	Value (base currency)	Equities 5% Movement in equity index	Bonds 5% Movement in bond index	Cash 1% Movement in interest rate
30.11.15	Conservative	26,920,159	214,157	1,128,314	725
31.05.15	Conservative	27,681,034	216,536	1,180,184	3,210
30.11.15	Growth	84,616,328	2,762,246	1,441,560	57
31.05.15	Growth	89,701,807	2,988,159	1,506,567	10,367
30.11.15	Aggressive	12,841,230	640,938	—	206
31.05.15	Aggressive	13,260,366	660,899	—	—
30.11.15	Global US\$ Growth	10,019,679	496,632	—	741
31.05.15	Global US\$ Growth	10,348,472	511,517	—	1,078

## Interest rate risk

Each Strategy receives income from its various investments. The income received by each Strategy is not fixed in nature. It is derived from the securities held in the portfolio of each underlying Strategy which may be varied from time to time in accordance with its investment objective and policy. In accordance with the Strategy's policy, the Manager monitors the Strategy'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.

## Foreign currency risk

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.

The Company is not currently involved in any 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. The fund does not currently hold any investments in currencies other than the base currency.

## 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 30 November 2015, 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 underlying Strategy level. If any of the Strategies hold any interest bearing instruments directly or indirectly (via underlying funds), at least 90% of these instruments must have a credit rating of 'investment grade' as provided by Moodys Investor Services Limited, Standard and Poor's 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.

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

### 19. Financial Risk Management (continued)

#### 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 Founders Shares are shown in notes 3 and 13. Due to the nature and requirement for 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 year 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 requires 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.

There have been no transfers between levels. The financial assets at fair value through profit or loss of the Company are all quoted in active markets and therefore fall under level 1 as defined above.

#### 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.

## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

### 19. Financial Risk Management (continued)

#### Derivatives (continued)

##### (b) Options (continued)

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 period ended 30 November 2015

## 19. Financial Risk Management (continued)

Period ended 30 November 2015

	Company	Conservative Strategy Fund
	£	£
Share Capital (less than 1 month)	131,196,298	26,920,159
Investment purchase payable (less than one month)	16,061	—
Proposed dividend (less than 1 month)	—	—
(1 month to 3 months)	—	—
Other liabilities (less than 1 month)	119,892	21,193
(1 month to 3 months)	15,450	3,721
Total financial liabilities	131,347,701	26,945,073

Year ended 31 May 2015

	Company	Conservative Strategy Fund
	£	£
Share Capital (less than 1 month)	137,595,793	27,681,034
Investment purchase payable (less than one month)	—	—
Proposed dividend (less than 1 month)	—	—
(1 month to 3 months)	1,845,680	580,024
Other liabilities (less than 1 month)	123,461	18,221
(1 month to 3 months)	21,089	4,574
Total financial liabilities	139,586,023	28,283,853



## Notes to the Financial Statements (continued)

For the period ended 30 November 2015

## 19. Financial Risk Management (continued)

Period ended 30 November 2015

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
Share Capital (less than 1 month)	84,616,328	12,841,230	10,019,679
Investment purchase payable (less than one month)	16,061	—	—
Proposed dividend (less than 1 month)	—	—	—
(1 month to 3 months)	—	—	—
Other liabilities (less than 1 month)	76,141	15,925	9,985
(1 month to 3 months)	6,326	2,873	3,808
Total financial liabilities	84,714,856	12,860,028	10,033,472

Year ended 31 May 2015

	Growth Strategy Fund	Aggressive Strategy Fund	Global US\$ Growth Strategy Fund
	£	£	US\$
Share Capital (less than 1 month)	89,701,807	13,260,366	10,348,472
Investment purchase payable (less than one month)	—	—	—
Proposed dividend (less than 1 month)	—	—	—
(1 month to 3 months)	1,265,656	—	—
Other liabilities (less than 1 month)	72,154	26,749	9,670
(1 month to 3 months)	11,729	2,704	3,177
Total financial liabilities	91,051,346	13,289,819	10,361,319

## Performance Records

For the period ended 30 November 2015

### Conservative Strategy Fund

Shares in the Fund were first offered to the public on the 14 September 2004 at an offer price of 100p per share.

Calendar Year/Period	Highest Offer Price p	Lowest Bid Price p	Income per Share p	Income per £1,000 Invested at 31/12/05 £
2005	109.30	98.90	2.15	20.07
2006	111.00	99.41	3.30	30.81
2007	103.00	96.18xd	3.50	32.68
2008	100.20	84.55	4.00	37.35
2009	96.07	83.97	4.00	37.35
2010	101.70	95.25	3.70	34.55
2011	102.60	98.00	3.40	31.75
2012	108.30	101.50	3.30	30.81
2013	113.20	102.40	3.60	33.61
2014	112.40	104.60	2.60	24.28
30.11.15	117.30	108.10	2.35	21.94

### Growth Strategy Fund

Shares in the Fund were first offered to the public on the 14 September 2004 at an offer price of 100p per share.

Calendar Year/Period	Highest Offer Price p	Lowest Bid Price p	Income per Share p	Income per £1,000 Invested at 31/12/05 £
2005	119.10	98.93	0.82	7.06
2006	123.89	108.30	1.75	15.07
2007	121.20	112.10	2.10	18.09
2008	118.50	84.26	2.50	21.53
2009	109.70	82.48	2.90	24.98
2010	122.60	106.10	2.10	18.09
2011	125.50	108.90	1.90	16.37
2012	129.20	117.00	2.20	18.95
2013	146.00	129.80	2.50	21.53
2014	149.50	138.80	2.50	21.53
30.11.15	160.80	141.80	2.20	18.95

## Performance Records (continued)

For the period ended 30 November 2015

**Aggressive Strategy Fund**

Shares in the Fund were first offered to the public on the 14 September 2004 at an offer price of 100p per share.

Calendar Year/Period	Highest Offer Price p	Lowest Bid Price p	Income per Share p	Income per £1,000 Invested at 31/12/05 £
2005	126.20	96.50	–	–
2006	134.00	111.30	–	–
2007	135.40	120.50	–	–
2008	131.10	78.44	–	–
2009	117.10	75.65	1.200	9.75
2010	135.50	110.10	0.117	0.95
2011	139.60	111.60	–	–
2012	138.20	121.40	–	–
2013	168.30	140.20	–	–
2014	180.80	162.30	–	–
30.11.15	198.60	166.70	–	–

**Global US\$ Growth Strategy**

Shares in the Fund were first offered to the public on the 14 October 2005 at an offer price of US\$1.00 per share.

Calendar Year/Period	Highest Offer Price US\$ cents	Lowest Bid Price US\$ cents	Income per Share US\$ cents	Income per \$1,000 Invested at 31/12/05 US\$
2005	107.60	93.95	–	–
2006	118.84	99.10	–	–
2007	133.70	114.70	–	–
2008	125.40	56.54	–	–
2009	92.80	52.17	–	–
2010	103.30	83.08	–	–
2011	112.50	85.67	–	–
2012	110.40	93.74	–	–
2013	137.10	111.80	–	–
2014	145.90	130.40	–	–
30.11.15	150.90	130.30	–	–

## Net Asset Value per Share

For the period ended 30 November 2015

Year	Net Asset Value of Fund	Net Asset Value per Share	No. of Shares in Issue
<b>Conservative Strategy Fund</b>			
31.05.2012	£24,890,154	101.95p	24,412,961
31.05.2013	£28,040,127	107.82p	26,007,494
31.05.2014	£26,284,255	106.06p	24,781,698
31.05.2015	£27,681,034	112.15p	24,681,876
30.11.2015	£26,920,159	110.02p	24,467,360
<b>Growth Strategy Fund</b>			
31.05.2012	£64,407,182	117.72p	54,707,864
31.05.2013	£75,758,221	140.23p	54,023,365
31.05.2014	£81,223,124	142.30p	57,078,675
31.05.2015	£89,701,807	155.92p	57,529,804
30.11.2015	£84,616,328	149.44p	56,623,692
<b>Aggressive Strategy Fund</b>			
31.05.2012	£10,734,528	123.73p	8,675,331
31.05.2013	£10,764,717	161.91p	6,648,433
31.05.2014	£11,728,567	171.17p	6,852,142
31.05.2015	£13,260,366	194.35p	6,823,008
30.11.2015	£12,841,230	184.20p	6,971,194
<b>Global US\$ Growth Strategy</b>			
31.05.2012	\$10,335,740	96.20 US\$ cents	10,743,274
31.05.2013	\$10,174,477	122.78 US\$ cents	8,286,519
31.05.2014	\$9,694,804	141.37 US\$ cents	6,857,853
31.05.2015	\$10,348,472	149.31 US\$ cents	6,930,837
30.11.2015	\$10,019,679	142.28 US\$ cents	7,042,087



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