



**Polar Capital Funds plc**

Annual Report and Audited Financial Statements for the financial year ended 31 December 2018

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## Investment Manager's Reports

For the financial year ended 31 December 2018

### Asian Opportunities Fund

#### Fund performance

Pressure on Asian markets continued throughout the year with concerns over rising trade tensions, a strong US dollar as well as broader concerns regarding the health of the global economy. The Fund fell 12.9% (Class I US Dollar Distribution Shares), outperforming the benchmark index by 1% supported by a sharp recovery in relative performance in the final quarter of the year, outperforming by 6.8% (in dollar terms). This was helped by our bias to India and south-east Asia and the relatively low proportion of technology stocks within the portfolio (financials materially outperformed technology in the final quarter of the year). But ultimately all this improvement in relative performance does not hide the fact that it was a difficult year for Asian and emerging markets with most markets (and the Fund) finishing the year in negative territory.

#### Market review

Emerging markets remained under pressure during the year with Indian financial stocks in the eye of the storm (recovering some losses in the final quarter). Events should be put in the broader context of the Reserve Bank of India's focus on improving transparency and general practices in the Indian banking system. This initially focused on the state banks and a broader push to not only recognise and write off problem loans but equally to disrupt the often too close relationships between large Indian corporates and their bankers. The focus then shifted to ensuring good management in the private sector banks. Arguably of greater worry were the jitters in the NBFC (non-banking financial company) sector since this centred around liquidity and funding rather than bank personalities. The catalyst was IL&FS Group missing a number of payments on its outstanding bond issues, raising the spectre of a wider problem of solvency and liquidity. Fears then spread to finance companies more broadly that had become much more reliant on wholesale non-bank funding (the subsequent recovery in Q4 was driven by evidence that the finance sector liquidity crisis had eased considerably).

The one sector which came under pressure globally in the second half of the year was technology and Asian technology stocks were not immune. Some of this reflects disappointment with their Q3 results although we suspect much of this reflects a broader reassessment of technology companies in an environment where political and regulatory pressures will increase (though Facebook has been in the eye of the storm, witness the recent delays in gaming approvals experienced by Tencent Holdings). We have broadly remained invested in internet stocks since we believe there is a long-term structural story which underpins their investment case, added to which they are becoming much broader internet plays rather than remaining focused on their core businesses of gaming (Tencent Holdings) or e-commerce (Alibaba Group Holding). The necessary investments needed to make that transition will, however, cause short-term pressures.

Concerns on China were a focus of attention in 2018 with trade frictions with the US and clear evidence of a macro slowdown all contributing to the negative sentiment. Added to this the market had been helped by the stellar performance of certain technology/internet stocks and once they began to sell off (and analyst expectations became more realistic) sentiment took a further turn for the worse. There is clearly the potential for government measures to help the economy (and a further relaxation of reserve requirements is evidence of this) but ultimately the economy needs to undergo a period of structural change and the days of funding excessive investment with a mountain of debt are probably behind us.

There are some positives under way as China shifts to a more consumer-driven economy but not only do we question the extent of the reformist agenda, but it would also be naïve to expect the adjustment not to have any implications for growth and serviceability of the high levels of debt over the coming years.

#### Fund activity

During the year we slightly reduced the Fund's technology exposure primarily in the components sector as there is growing evidence not only that the semiconductor cycle is turning more negative but also demand for Apple and Samsung Electronics mobile phones is beginning to wane. These businesses are fundamentally highly cyclical and so do not fit so well into our underlying structural change theme.

We also reduced the Fund's exposure to the real estate sector during the year (through reductions in Hong Kong, Singapore and Indonesia). The picture coming out of the property market has been mixed and we remained cautiously positioned in the sector (i.e. a preponderance of companies with strong balance sheets and less gearing) in view of the potential for higher interest rates or at least less liquidity during the year. However, many property stocks have already corrected materially and should there be a further easing of the dollar and global interest rates, we expect the sector to recover so we are currently spending time on opportunities in this space.

Offsetting these reductions, we raised our exposure to financial stocks principally by raising our exposure to India after a broad-based sell-off related to NBFC liquidity concerns opened up valuation opportunities. Our meetings with managements in India highlighted that the liquidity crisis would be an opportunity for the better quality players and we came away with the impression of a market becoming more rational and essentially experiencing a warning before things got out of control and causing much more severe damage. Added to which, though growth will slow, it will still remain one of the best in the region and the macro environment will be helped by a falling oil price, lower inflation and the continued recovery from recent mishaps/policy adjustments.

#### Market outlook

The starting point for the new year is that Asia's growth is slowing on the back of weaker exports and the impact of past rises in interest rates. However, we expect the worst of the negative sentiment is behind us and we are left holding some strong businesses on reasonable valuations and benefiting from the continued structural changes in these economies. The dollar has begun to weaken, and inflation has been falling (very beneficial for markets such as India, Indonesia and the Philippines) so the interest rate cycle has probably peaked in the region. For a Fund which is so biased to financials the key concern remains a turn in the asset quality cycle (eg pressure on the real estate sector feeding through to the banking sector). As yet, there is no evidence of this happening and the fact that rates remain relatively low compared to past cycles, banks have been much more cautious and more tightly regulated than previously while loan growth has been much weaker, all bodes well that this cycle may well be more benign.

#### Financials Team

Polar Capital LLP

February 2019

## Investment Manager's Reports continued

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For the financial year ended 31 December 2018

### Asian Stars Fund

The Asian Stars Fund was launched on 31 December 2018, with US\$10m of seed capital.

## Automation & Artificial Intelligence Fund

### Fund performance

The Fund NAV (Class I US Dollar Shares) fell 11.0% over the full year 2018, trailing its global equity benchmark MSCI All-Country World Daily Total Return Net USD (MSCI ACWI) by 1.6% with almost all of the underperformance occurring in Q4.

The Fund unfortunately gave up all of its relative gains and underperformed the index in the last quarter of the year, particularly in December, a brutal month for equity markets with weakness widespread across our investment universe. The focus for markets during the final month was whether Federal Reserve policy had (or would) tip the US economy into recession. This, combined with an already weakening global growth outlook, limited progress in the US/China trade dispute and increasing political concerns in Europe (Brexit, Italian budget and French protests, to name a few) significantly pressured cyclical names (especially those with high exposure to – or manufacturing – footprint in China and other Asian economies).

The Fund remains focused on four core themes (discussed in more detail later): automation, robotics, materials science and artificial intelligence (AI). Over the full year at the sub-theme level, industrial software (automation) delivered the best performance, followed by AI enablers and medical applications (robotics). The industrial software sector enjoyed a material rerating as a result of secular growth associated with industry 4.0, delivering strong performance during the year despite a sharp correction in Q4. AI enablers benefited from a significant increase in capital expenditure associated with deep learning and medical applications (robotics) continued to experience strong demand growth during the year. On the negative side, vertical applications (automation) proved the worst performing sub-theme, followed by diversified industrials (automation), with both areas suffering from the trade friction between the US and China due to their relatively high economic sensitivity. High performance materials (materials science) also underperformed due to weakening demand in a number of end markets including automotive and consumer electronics.

Ocado Group, Advanced Micro Devices, PTC, Aspen Technology and Intuitive Surgical were our top five performance contributors during the year. Jungheinrich AG, Harmonic Drive Systems, Komatsu, KION Group and Airtac International were the largest detractors.

### Market review

2018 was clearly a challenging period for investors in the majority of asset classes, with most major equity indices ending the year firmly in negative territory. The MSCI All Country World Index fell 9.4%, while the US was a relative outperformer with the S&P 500 declining 'only' 4.4%, relative to the MSCI Emerging Markets (TR, net) Index which declined 14.6% (all in US dollar terms). Not only did a number of major equity markets deliver their worst annual performance since the financial crisis, but we also witnessed a strong resurgence of volatility that had been absent for much of 2017.

The year, however, can clearly be divided into distinct periods. Risk assets began the year on a strong note, rallying sharply in January (the S&P Index extending its record run of consecutive positive monthly returns to 15), driven by supportive macroeconomic data. However, this trend quickly reversed due to surging 10-year US sovereign yields (breaching 2.8%) following better than expected US payroll

and hourly earnings data, triggering a taper tantrum as in 2013. In addition, both the Central Bank of Japan (BoJ) and European Central Bank (ECB) changed their policy language in February, the BoJ suggesting its exit policy for QE may start in April 2019 while ECB commentary implied limited future policy intervention.

Risk aversion spiked as geopolitical headwinds returned to the forefront at the end of Q1 2018, ignited by President Trump's increasingly aggressive rhetoric (and tweets) and protectionist trade policies (imposing tariffs on steel and aluminium imports). The much-feared escalation in trade tensions finally materialised in early April in the form of a proposal of 25% tariffs on \$50bn of Chinese imports. China responded the following day with plans to impose tariffs on 106 products originating from the US including soybeans, automobiles and chemical products.

While the global economic outlook had softened due to this trade war, Brexit and Italian political turmoil, the US remained buoyant (Q2 GDP hit an eye-catching annualised 4.1%) as tax cuts and spending provisions in the budget provided the economy with a significant dose of late-cycle fiscal stimulus. This divergence between the US economy and the other major global economies persisted during the year and proved a key determinant of 2018 equity market performance. In Europe, Q2 GDP grew only 0.3% q/q, the weakest rate in two years, while the Chinese economy also slowed with Q2 GDP up 6.7% y/y, the slowest pace since 2016. The backdrop of higher US yields and a stronger dollar, while unhelpful for equities, was felt even more acutely in emerging markets.

The trade war unfortunately became the focus of investors during Q3, and with global growth fears accelerating, commodity markets corrected significantly (particularly oil prices). The US moved first in early July, with the imposition of a 25% import tax applied to \$34bn of mainly Chinese industrial products. China subsequently retaliated with a 25% tariff on \$50bn of mainly US agricultural products. During August, the US and China both imposed further tariffs (on \$16bn of imports). As tensions escalated, the US struck a killer blow, announcing further tariffs on \$200bn of Chinese exports (initially at a tariff level of 10% but expected to increase to 25% in early 2019).

As we entered the fourth quarter (Q4), the impact of the tariffs on the global economy began to show through in official statistics. China GDP growth further decelerated to 6.5% y/y in 3Q18, down from 6.7% in the previous quarter and the slowest pace of growth since 1Q09. The impact of the China slowdown had been most pronounced on industrial production (5.8% y/y compared to 6% y/y consensus) and auto sales (exacerbated by tighter lending standards). One of the most notable moves was oil, which experienced a dramatic correction with Brent Crude futures falling 20.8% in November alone caused by the weakening global economy, leading to reduced demand forecasts and increased inventories.

Meanwhile, investor attention shifted back to the US Federal Reserve which pressed ahead with a widely expected 25bp interest rate increase at its December meeting, although their own dot plot forecasts for 2019 were revised downwards (median projection for two rate hikes in 2019, down from three previously). Fed Chairman Jerome Powell's commentary at the time was perceived to be not adequately dovish for a jittery market and at odds with the outlook implied by the pricing of many financial instruments including, arguably, the much-followed yield curve.

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Automation & Artificial Intelligence Fund continued

#### Fund activity

The difficulty during the year for the Fund strategy was adjusting the portfolio to reflect the escalation in the trade dispute between the US and China. What began as a phony war became very real with both sides introducing actual tariffs on one another, to the detriment of global trade and sentiment alike. These tariffs led to unexpected near-term input-cost inflation which proved painful for a number of manufacturing industries. More importantly, greater uncertainty had a detrimental impact on longer-term capacity expansion decisions causing significant disruption to the supply chain.

In addition, China introduced a slew of regulations in a short space of time aimed at the private sector, originally designed to fulfil legitimate purposes such as environmental and consumer protection. However, strict implementation without proper stakeholder consultation caused further disruption, greatly impairing private sector confidence. As a result, capital spending hit the proverbial brick wall in late 2Q18. The dramatic decline of the A-Share stock market (traditionally an important source of wealth creation in China), together with significantly higher default rates in the peer-to-peer lending market took their toll on consumption. Consumer confidence deteriorated sharply, impacting the automotive market from late Q2. While we were alive to this risk, we hoped that weakness would be short-lived once both sides sat down and hammered out a deal acceptable to all. As such we decided not to significantly pare our industrial exposure because we expected our companies to be able to pass on cost inflation, albeit with a modest time lag.

Looking back over the period, we (and many others) underestimated the magnitude and duration of the trade dispute. Once the Trump administration introduced the 25% tariff on \$34bn of goods from China in July, we began to reshape the portfolio given downside risk to 2019 industrial sector estimates and semiconductor/semiconductor equipment demand.

However, we were still hopeful that the secular growth underpinning the four powerful themes we invest in would ameliorate any cyclical headwinds. While the jury is still out, the magnitude of the multiple contractions in a number of sub-sectors has been remarkable. For example, automotive-related valuations collapsed to levels only seen during the financial crisis. Even the positive news of a potential settlement following the December G20 was unable to halt the derating process.

While most funds will have felt the impact of this trade dislocation, the nature of our investment mandate (as highlighted in a number of our monthly commentaries) naturally leads to a meaningful overweight in Europe and Asia/Japan (c24% and 23% of assets). This intended/structural positioning was far from ideal during a year where Japan and Europe significantly underperformed the US market which benefited from less overall cyclical exposure and a stronger underlying economy.

Given the long-term nature of the four themes we invest in, the Fund is designed to have a relatively low turnover. Despite the significant increase in market volatility, we did not change the shape of our themes meaningfully although we made some changes within the themes considering market conditions. The 12-month rolling asset turnover at the end of December was just shy of 35%.

AI exposure remained similar although we modestly took profit in both sub-themes and used the proceeds to initiate several new positions such as Shimadzu, iRhythm Technologies and Spotify Technology. We significantly reduced robotic exposure early in the year mainly through machine vision (ISRA Vision and Renishaw), robotic components (Harmonic Drive Systems) and robotic OEMs (Yaskawa Electric) as we thought there were too many one-off factors (which led to an extraordinary spending environment in 2017) that were unlikely to be replicated in 2018. Following the significant pullback during the year, we added back some of this exposure given a much improved risk/reward outlook. We increased the exposure to medical application – robotics (Intuitive Surgical). While we still firmly believe the great potential in automotive application, especially by the introduction of 5G networks, we pared our exposure in this segment (APTIV, Renesas, Amphenol etc) as new European regulation and slumping Chinese auto sales weighed heavily on the sector, presaging significant multiple compression during the year.

Our exposure to the automation theme increased during the year driven by new names added to the vertical application sub-theme such as GMO Payment Gateway, Assa Abloy and Komatsu, partially funded by profit-taking in diversified industrials (Honeywell International) and industrial software (Aspen Technology and Dassault Systèmes). We reduced materials science exposure due to weak end-market demand in automotive, consumer electronic and industrial. We exited Applied Materials, Nitto Denko and Universal Display and used the proceeds to initiate new positions such as Globalwafers and Coherent.

#### Market outlook

First, we would like to take this opportunity to remind investors of our investment philosophy. We aim to identify misunderstood addressable markets, where technology deflation changes the opportunity set and where this is not yet reflected in company valuations. As technology investors, we believe we are in a privileged position to better understand disruptions associated with new technologies. By talking to technology companies, we can better understand where the adoption is most likely to occur and focus on companies embracing new technologies in order to gain competitive advantage. Although we obviously consider near-term drivers that may impact a business, the focus remains on the bigger picture opportunity, the things that can go right for each company over the long term. However, our investment mandate means that most of our companies will have some degree of exposure to the business cycle. As ever, we will continue to try to identify firms where new growth drivers are powerful enough to ameliorate adverse cyclicality.

We are in the infancy of the four major industry transformations that the Fund addresses, each of which we believe represent large, multi-year investment opportunities. Robotics demand is broadening from augmenting labour to previously impossible tasks. We focus on the key advanced components that enable this secular growth, vertical solution providers and the end applications that could disrupt or significantly expand existing markets such as medical robots and autonomous driving.

In industrials, the internet of things is driving the replacement of the installed base of around 60 million machines. Two-way communication (a key attribute of Industry 4.0) creates enormous new opportunities for control software and solution providers, such as predictive analytics and autonomous decision-making. We see a reshaping of the industrial landscape across end markets by innovative newcomers together with incumbents that embrace technology to defend their positions. We aim to identify those companies which can benefit meaningfully from this megatrend as well as cyclical recovery in their respective sectors.

We believe AI will be the most disruptive class of technology over the next 10 years, with development accelerating due to unprecedented computational power, near-endless amounts of data and exponential advances in deep neural networks. For now, we are primarily exposed to enablers (i.e. semiconductor companies whose products are extensively used in the training and/or inference process). However, we remain hugely excited about the possibility of identifying potential beneficiaries – companies whose business models can be enriched or dramatically changed by AI adoption. We will continue to take a measured approach in our expansion into sectors in which we have little direct investment experience (such as financials and energy) applying higher than usual hurdles to these companies during the investment process. If there has been a positive surprise this year, we would cite the pace of innovation and disruptive potential around machine learning (ML) and AI where we see our differentiated approach (focused not only on tool providers but the beneficiaries) as presenting significant opportunities ahead.

Finally, we remain excited about the potential to profit from the evolution of materials science, a key building block of technological progress. We continue to look for the inflection of new materials (acceleration of adoption, wider applications) which may unlock years of embedded R&D. Today, lightweight materials used in the automotive industry remain a key focus.

We believe these four themes and associated TAM expansion opportunities, together with a lower valuation starting point should result in a compelling return profile over the coming years and support our view that this portfolio should deliver excess returns over a full economic cycle.

Looking into 2019, we think the relative underperformance of emerging markets and Japan may reverse if slower US growth forces the Fed to adjust (or even halt) its interest rate-tightening trajectory. Weakening macroeconomic data today may also result in central banks ceasing their quantitative tightening efforts, perhaps with the exception of the ECB (although Brexit may change this). While we doubt that the trade dispute between China and the US will be settled in Q1, we believe both sides would benefit from a de-escalation process which should provide a healthy tailwind for risk assets. We believe much of the weakness is now priced into stocks (which are acting better on negative revisions) and as such have started to cautiously add to our preferred positions.

We certainly expect ongoing volatility tied to a multitude of factors, but mostly the risk of failed trade negotiations leading to slower global growth and/or a US recession (not in the interests of either China or the US, especially with US elections in 2020). We will also be watching bond yields, oil prices and US credit markets closely – all were showing signs of stress in Q4 which have alleviated year to date. For now, equities are rallying buoyed by this, talk of progress in trade negotiations and a more dovish tone emanating from the US Federal Reserve (reducing the risk of policy error during a period of tightening monetary policy globally – both extremely supportive if sustained). Obviously, we will monitor developments while paying great attention to companies' cash-generation capability and balance sheet strength as a key part of our investment process.

For now, the Fund's cash level remains elevated, reflecting our near-term caution regarding the more economically sensitive/China-exposed sub-sectors. That said, we expect to become more constructive and deploy cash once we have greater visibility into capex plans for 2019 (key to both automation and robotics themes) and better economic/earnings data suggesting that the current demand adjustments are largely complete or there has been what looks like a meaningful and lasting trade agreement.

Ultimately, while this has been a difficult first year for the Fund, and early 2019 looks set to remain volatile, it has not dimmed our long-term enthusiasm for the secular growth potential of the themes we are focusing on. At some point, the current cyclical headwinds will likely become tailwinds once again.

## Technology team

### Polar Capital LLP

January 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Biotechnology Fund

#### Fund performance

The Fund returned -3.9% (Class I US Dollar Shares) in the 12 months to the end of December versus the benchmark, the NASDAQ Biotechnology Index (NBI), which returned -9.3%, for a relative outperformance of 5%. The biotechnology sector modestly underperformed the broader market with the S&P 500 Index returning -6.2% (all in dollar terms) over the period.

The year for the biotechnology sector was characterised by strong performance over the first nine months as investors sought to participate in the positive share price momentum of companies with higher-growth, higher-risk characteristics, but then by material underperformance in the final three months as sentiment towards these sorts of company soured as macro concerns started to have a negative impact on investor risk appetite and investors turned more cautious regarding the valuations being assigned to smaller companies. For most of the calendar year it felt to us like the sector traded less on fundamentals and more on its higher-growth, higher-risk characteristics as an asset class, similarly to the broader technology sector. IPO and follow-on financing activity for the biotechnology sector was high over the first part of the year, reflecting this appetite. The Fund's relative outperformance versus the benchmark was in simple terms achieved from January to June, when seven of the Fund's portfolio companies were acquired, and then again from October onwards, when the Fund's defensive positioning, including a high cash weighting, insulated the Fund to an extent from the market correction into year-end.

Within the Fund's portfolio, investments in Cascadian Therapeutics, Wilson Therapeutics and Argenx were among the top absolute contributors to performance, with Celgene, Alnylam and Alexion Pharmaceuticals among the main absolute detractors from performance. With respect to relative performance versus the benchmark, Wilson Therapeutics, Cascadian Therapeutics and Argenx were the largest positive contributors while Illumina, Summit Therapeutics and Amgen were the largest negative contributors. Overall, performance of the Fund was acceptable – while overall absolute performance was marginally negative, the relative outperformance versus the benchmark was encouraging against a difficult market backdrop. A significant contributor to the Fund's performance during the period came from seven acquisitions from the Fund's portfolio – Bioverativ, Juno Therapeutics, Cascadian Therapeutics, Viralytics, Wilson Therapeutics, Shire and Foundation Medicine. Holding elevated levels of liquidity (cash) to reduce the portfolio's beta or volatility versus the benchmark also on balance contributed to relative performance. The major disappointment during the period was the performance of the Fund's investment in Summit Therapeutics after the company's drug candidate to treat Duchenne Muscular Dystrophy failed in clinical development.

#### Market review

The biotechnology sector started 2018 positively as building investor expectations for an increase in M&A activity in the wake of corporate tax reform in the US late in 2017 was met by the announcement of a handful of small and mid-sized deals over the first few weeks of the year. However, the excitement of early January was short-lived, and February saw the biotechnology sector give back its early-year gains against a backdrop of broader equity market weakness. A significant execution set-back for Celgene did nothing to help cooling investor sentiment towards the sector. Our sense at the time was that broader market macro factors and related quantitative capital allocation strategies executed via ETF trading were becoming a greater influence on share price movements for companies in the biotechnology sector rather than any thoughtful human assessment of individual company or even broader industry fundamentals, a phenomenon we believe has become a steadily more pernicious influence on overall sector performance recently.

In March, the biotechnology sector performed essentially in line with the broader market, a surprising result given the deteriorating sentiment towards the sector, but perhaps somewhat facilitated by the weakness in FAANG/technology stocks pulling down the broader market index. During the following month the biotechnology sector underperformed the market more materially as investors grew cautious ahead of a planned speech by President Trump on the subject of drug pricing, initially scheduled for late in the month but then delayed to early/mid-May. Furthermore, a somewhat mixed first quarter earnings seasons for the larger commercial-stage biotechnology companies did nothing to convince growth-seeking generalists that there is a product-cycle driven growth story among these companies in the near term. From a bigger picture perspective, we believe the market started to become wary of the healthcare sector generally ahead of the US mid-term elections later in the year, with the possibility of fresh negative rhetoric around healthcare costs from politicians on the campaign trail, and the prospect of Democrats gaining significant ground versus Republicans raising the spectre of further attempts at healthcare reform in the aftermath.

However, the sector's performance during May started to become more constructive, with a burst of positive performance in the few trading days following the much-anticipated speech from Trump on drug pricing which, as expected, was strong on rhetoric, weak on detail. Lacking much in the way of substance or new ideas, the speech seemed to reflect a general interest in improving the transparency of drug prices and of reducing the barriers to competition in the industry, both of which we believe are consistent with the broad philosophy of a Republican Congress. The weeks following Trump's speech saw significant inflows into biotechnology ETFs – in particular into the smaller-cap focused XBI. Given how closely the performance of the XBI has started to track the technology ETF (the XLK) it is not clear whether Trump's speech marked the passing of a near-term sentiment overhang on the sector, or whether biotechnology started attracting capital flows simply because it was a high-risk asset class per se – we suspect the latter. Certainly, the performance of the smaller-cap end of the sector encouraged the opening of a mini-IPO window for the sector, with June seeing 13 new issues raising cumulatively more than \$1bn of fresh equity capital. Divining where appetite for these new issuances was coming represented something of a conundrum given the steadily deteriorating investor sentiment toward the sector.



In July, the sector outperformed the broader market as a series of constructive developments for larger companies in the sector (most notably Biogen and Celgene) offset weakening investor appetite for the sector's smaller companies. These provided a sentiment boost towards a group of companies that have struggled to offer much of interest to the investment community recently, and for a relatively inexpensive group offering a defensive growth profile, appeared to come at just the right moment as appetite for risk assets wobbled. While the sector's larger companies started attracting interest, mid and smaller-cap biotechnology companies felt for sale all month, a trend that accelerated towards the end of the period on wavering FAANG/technology stock momentum precipitated by Facebook's sharp correction.

The trend appeared to continue in August, with the sector performing solidly against a robust performance for the broader market. Q2's results season was relatively strong for the sector's out-of-favour commercial-stage companies (though set against low investor expectations and even a degree of nervousness). Further, investors appeared to be becoming less concerned over the potential for renewed political noise on drug pricing in the run-up to the mid-term elections in the US in early November.

September's muted performance belied a significant quantity of material newsflow during the month, with a relatively high number of clinical trial updates (involving some surprising successes as well as some spectacular disappointments in equal measure) and regulatory decisions, both driving significant volatility in share prices beneath the surface of the major sector indices, particularly for smaller companies. Furthermore, the month was an especially heavy one for financing activity with a number of particularly large secondary equity offerings and a pick-up in the tempo of IPO activity after the summer holiday period. At the time we sensed a growing market fatigue with the pace of capital markets activity and expressed some nervousness that bursts of financing activity historically tend to be associated with short-term peaks in sector performance.

In October, those concerns came to pass, as the sector posted significant weakness against a weak market backdrop. The sharp correction in equity markets particularly afflicted those high-growth, high-risk areas of the market that had shown especially strong share price momentum in recent months. These included the FAANG stocks but also include high-growth medical technology companies in the healthcare space such as Abiomed, Align Technologies, Dexcom, Illumina, Intuitive Surgical and Teladoc. Within the biotechnology sector, unprofitable smaller caps were notable victims, accelerating a pattern of weakness that we believe had been in place for smaller-cap biotechnology names since the middle of June, but which has been largely hidden from view with the NBI's performance driven positively since then, largely through the positive performance of larger-cap biotechnology names.

Potential catalysts for the correction in broader equity markets were multiple – rising interest rates, deteriorating risk appetite, trade-war rhetoric between the US and China, the approaching mid-term elections, concerns over FAANG/technology sector valuations, investor crowding and so on.

For the biotechnology sector, we had been concerned for some time over valuations for smaller technology-platform stage concept stories, as well as over the significant amount of capital markets activity as reflected in a surge in IPOs and relatively large follow-on equity financings, which together typically suggest excessive short-term enthusiasm for more speculative equity stories and foretell a period of softer performance ahead. Certainly, October proved us not incorrect to raise those concerns, with the sector showing itself vulnerable to broader market issues. Further, fresh drug-pricing rhetoric in the run-up to the mid-terms – including proposals to reform a specific part of the Medicare system, as well as an absence of material M&A activity or breakthrough new medical discoveries – all weighed on investor inclination to stick with a sector that at that point had posted solid gains year-to-date.

While November ended up being a positive month in absolute terms with the sector recovering some of the ground lost in October's sharp correction, the continued volatility in share prices did little to settle investor nerves. Extreme share price moves on little or even no significant fundamental newsflow became routine, with market participants frequently scrambling to find (and often inventing) fundamental reasons for outsized share price movements. With the broader market environment still struggling to find robust positive direction, investors in biotechnology stocks struggled to be rewarded for positive fundamental developments with sustainable share price gains and conversely negative fundamental developments were frequently met with unreasonably large downside stock moves. The final month of December saw an ugly end to an ugly year as the sector sold off hard ahead of the holiday period, presumably as investors (particularly in the sector's smaller-cap companies) threw in the towel and tidied away residual positions from portfolios. General chatter around hedge funds having experienced a year of poor returns and healthcare desks of these investment firms closing down long-biased trading books added to the general sense of malaise and misery.

### Fund activity

The Fund outperformed the benchmark over the period driven by strong returns from a number of the portfolio's smaller-cap companies. A significant contributor to the Fund's performance during the period came from the seven acquisitions from the Fund's portfolio. Holding elevated levels of liquidity (cash) to reduce the portfolio's beta or volatility versus the benchmark also on balance contributed to relative performance. Detractors to relative performance included the Fund's investment in Summit Therapeutics, whose share price declined significantly at the end of the period on a clinical trial failure; the Fund's investment Tesaro, where the market continued to lose confidence in the value of the company's cancer drug Zejula to treat ovarian cancer; and from Illumina, not a Fund investment, but a significant benchmark weighting, whose share price continued to grind higher over the period.

In January, the Fund benefited from the acquisition of three portfolio companies: haemophilia-focused Bioverativ being acquired by Sanofi for \$11.6bn, oncology-focused Juno Therapeutics being acquired by Celgene for \$9bn, and finally oncology-focused Cascadian Therapeutics being acquired by Seattle Genetics for \$614m.

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Biotechnology Fund continued

#### Fund activity continued

Of the three investments, Cascadian Therapeutics contributed most significantly to the Fund's relative outperformance over the month – the investment was held at a 3.5% weighting at the time of the announcement, with the bid coming at a 70% premium to the company's market value. In February, small Australian company Viralytics announced it had agreed to be acquired by large US pharmaceutical company Merck & Co for \$394m, representing a premium of approximately 160% to the average market share price of the company over the previous month. The two companies are jointly developing specially modified viruses for the treatment of cancer and have shown early but exciting clinical data suggesting Viralytics' so-called oncolytic (literally, cancer cell-splitting) viruses might potentially meaningfully enhance the treatment benefit of Merck & Co's leading cancer immunotherapy Keytruda.

In April, the Fund's relative performance was further enhanced by the acquisition of portfolio company Wilson Therapeutics, an early-stage company based in Sweden whose lead drug candidate is in late-stage clinical development as a treatment for Wilson disease, a rare genetic disorder that leads to the accumulation of dietary copper in the body which has debilitating and potentially life-threatening liver-related and neurological consequences for patients. Alexion Pharmaceuticals (also a Fund investment) announced a \$855m cash offer for Wilson Therapeutics, at SEK232/share representing a 70% premium to the company's share price. The company has been an investment in the Fund since IPO in May 2016, and at the time of the announcement was held at approximately 3.5% of the Fund's AUM.

Later that month, portfolio company Shire received a hostile takeover approach from Japanese pharmaceutical company Takeda, which was formally accepted by shareholders later in 2018. Finally, in June Fund investment Foundation Medicine announced that Roche is to acquire the outstanding shares not already owned by them for a 29% premium, valuing the company at \$5.3bn. The deal for Foundation Medicine, held in the Fund at approximately 1.2% of NAV, is the Fund's 20th acquisition since its launch in October 2013.

Towards the end of the period, the Fund's investment in small Belgian biotechnology company Argenx performed strongly in response to several positive clinical development updates as well as a significant licensing deal signed with Janssen for one of the company's drug development programmes. Argenx has been a Fund investment since April 2016 and has been a strong performer for the Fund over that period. At year-end, the investment in Argenx was the Fund's largest position. While not without the usual risks associated with all drug discovery and development companies, we believe the quality of technology platform, the emerging competitive profile of the later stage drug candidates, and the strong execution of the management team together combine to make Argenx one of the most exciting investment stories in the sector currently. We continue to monitor progress closely.

The most significant disappointment during the period came from the Fund's investment in Summit Therapeutics. In late June, the company announced the failure of its drug candidate in clinical development for the treatment of Duchenne Muscular Dystrophy (DMD). This update came on the back of very encouraging interim data for the programme at the start of the year. Given the focus of investors on the DMD drug candidate with the amount of activity in the field led by several higher profile US-based companies, it was not a surprise to see the stock off 80% on the news. While the company's share price is now trading at a small premium to cash-per-share, one of the attractive aspects of the Summit investment story is the company also has a novel antibiotic to treat *C. difficile* infection in late-stage development. Clinical data published to date on the drug candidate look very interesting. Late last year Summit Therapeutics also acquired drug discovery technology in the antibiotic space and that is beginning to generate some interesting new targets for drug development. While the DMD failure was disappointing we believe we had right-sized the investment in the Fund for this eventuality, and we expect the story to quickly pivot from DMD to novel antibiotic drug discovery and development in the near term, providing the potential for a strong recovery in the share price from here.

#### Market outlook

Biotechnology investors appear to be starting 2019 in a state of depression after the correction of late 2018, especially as the multiple potential macro causes – Federal Reserve interest rate tightening, trade war tensions between the US and China, the political chaos of Brexit negotiations, perceptions of structural weaknesses with financial institutions in some European countries, growing unease with the moral compass of the biggest technology companies and so on – appear to have no immediate resolution in sight. We are more constructive – while the current macro environment creates tricky headwinds for the sector to navigate as an asset class, the sector's correction in the fourth quarter of 2018 (that really started beneath the surface back in June 2018) has brought both investor sentiment and company valuations down towards more realistic levels. This is especially the case for smaller companies in the sector whose fundamental risk profiles are relatively high.

In terms of the investment universe, the IPO window since 2013 has brought hundreds of companies to the stock market, refreshing and rejuvenating the opportunity set for investment. These companies are leveraging an ever-improving understanding of complex biology with powerful drug discovery and development technologies to create some truly exciting new drug candidates. Regulatory agencies around the world (putting aside the short-term disruption caused by Brexit with respect to the relocation of the EMEA from the UK to the European continent, and the US government shutdown of late December/early January) continue to support and encourage the industry's innovation. In 2018, the FDA approved 59 new medicines in the US, the highest number since 1993. Despite the political noise around drug pricing, companies continue to have strong pricing power for truly innovative medicines that offer significant clinical benefit to patients, as well as financial benefit to the healthcare system.

So, overall we believe the headwinds (stock market-related) and tailwinds (industry fundamentals) for the biotechnology sector are fairly evenly balanced for 2019, which means that like this time last year, we believe the sector is set for a solid year, with relative performance again approximately in line with the broader market as measured by the NBI. But as with 2018, importantly we expect to see strong returns for companies that successfully deliver the key building blocks of fundamental value in this industry – compelling clinical data, positive regulatory decisions, commercial product launches ahead of expectations, and of course, being the target of M&A activity.

We are ever more focused on quality – it is our belief that great technologies and great people come together to create great medicines and these are what, as fund managers, we attempt to identify and allocate investment capital to. While the general market backdrop is likely to make investment challenging and at times frustrating over the coming year, we are strong believers that good active fund management will be able to capture the fundamental value being created within the biotechnology industry. We continue to advocate careful, risk-managed exposure to the sector's medium and smaller-sized companies where we see the potential for superior risk-adjusted returns. This includes not just companies in the US, but also Europe and increasingly Asia in preference to the well-known larger-cap biotechnology names. We continue to believe that a relatively high active share for the Fund versus standard sector benchmarks remains key to generating superior risk-adjusted returns over the long term.

## **Healthcare Team**

### **Polar Capital LLP**

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### China Stars Fund\*

#### Fund performance

The Polar Capital China Stars Fund decreased by 13.4% (Class I US Dollar Accumulation), since it launched on 31 August 2018, versus a decline of 11.1% in our benchmark, the MSCI All China index, over the same period.

#### Market review

2018 was a tough year for Chinese equities. Offshore China (MSCI China Index) was down 20.5% while onshore China (CSI 300 Index) was down 29.3%, in US dollar terms. All the negative return was due to the contraction of trading multiples while corporate earnings have been stable. This significant derating shows the rising concern on China's long-term growth prospects.

Forty years after Deng Xiaoping's bold and staggeringly successful 'Reform and Opening Up', China is having a midlife crisis. The simple yet powerful model of transferring hundreds of millions of rural workers from a low productivity agricultural sector to low-end manufacturing jobs in its coastal cities underwrote the successful China story over the past four decades. China's urbanisation rate was 18% in 1978 – it now stands at 57%. City dwellers are four times as productive as their rural counterparts, they earn three times as much and consume three to four times as much. However, this model has run its course. Despite some efforts since the great financial crisis of 2008 to transition its economy into a domestic consumption-driven development model underpinned by the productivity growth of its urban workforce, the progress and impact has been piecemeal and lackluster.

If we have learned one thing from China's history of reforms, it is that they usually occur when there is a significant amount of external pressure. The trade war in 2018 was a wake-up call for its leadership, reminding them of the importance and urgency of deeper and bolder reforms.

China's consensus-driven decision-making means an issue will lie dormant, or be put on simmer, for months, even years, as the Chinese study, debate, test, and build consensus around it behind closed doors. Then, suddenly, they will embrace it wholeheartedly and drive home their message with great clarity and urgency. We are optimistic that the trade war will turn out to be a catalyst that is needed to rekindle the fire of reform.

#### Fund activity

There were limited activities to report since the Fund was launched on 31 August 2018 though we would like to take this opportunity to provide an overview of the portfolio.

Broadly speaking, there are two categories of investment we focus on:

- 1. Extreme quality at decent price:** the best-of-breed assets with great cash returns and growth opportunities, protected by a stable or widening moat. For these long-term compounders, we are willing to pay a fair price, because the intrinsic value of these assets will appreciate steadily over time.
- 2. Decent quality at extreme price:** businesses with approximately stable intrinsic value. For these assets, we demand a deep discount to its current intrinsic value. In addition to the mark-down, we also want to see clear exogenous or endogenous catalysts to unlock value within three years.

As the market sell-off unfolded in 2018 and accelerated in the second half of the year, we are seeing more opportunities in the 'extreme quality at decent price' category.

As of 31 December 2018, our investment process shows us that 60.1% of the Fund is in extreme quality at decent price investments, 35.7% is in decent quality at extreme price, while 4.2% is cash.

#### Market outlook

At year-end, the situation certainly appeared dire, but it is well known that Wall Street climbs a wall of worry. Our focus in China Stars is to identify good quality companies through rigorous bottom-up business and financial analysis, and purchase shares at prices that offer a high margin of safety.

We are still optimistic on China's commitment to reform. Sometimes China may not go as fast as we would like, but the direction is always going to be forward and it is irreversible. We are hopeful the external pressure it is experiencing will prove to be the push it needs to bring about bold reform.

Valuation of Chinese shares appears cheap both in absolute and relative terms for investors that can take a long-term view. While the macroeconomic, political and global liquidity uncertainty is likely to persist, we are confident that our portfolio companies will continue to deliver good results, and they are trading at a material discount to their intrinsic value. We believe the portfolio is well positioned to deliver good performance in 2019.

#### Emerging Markets and Asia Team

##### Polar Capital LLP

February 2019

## Emerging Markets Income Fund

### Fund performance

The Fund posted a loss of 7.1% (Class I US Dollar Accumulation Shares) during 2018 and thus comfortably outperformed the benchmark which fell 14.6% in dollar terms. Outperformance can be attributed to the more defensive style of the portfolio in a year when value and high dividend yield outperformed growth. Allocation was positive at both the sectoral and geographic levels. The main positives were the underweight positions in China and Korea as well as the overweight in Russia and two off-benchmark countries, Romania and Slovenia. This was tempered somewhat by the underweight in Brazil. The underweight in consumer discretionary and the overweight in financials were the two main sectoral positives offset to some degree by the overweight in healthcare and communications services. However, within the latter, the Fund was largely positioned in telecom stocks rather than software and thus the negative of the overweight was massively compensated for in stock selection. Generally stock selection was good but notably so in China, Korea, Mexico, the United Arab Emirates, South Africa, Turkey and Indonesia with the two main drags being India and Brazil.

In India, poor performance can be attributed in part due to the focus on mid-cap stocks which severely underperformed their larger counterparts and also to sectoral allocation as two sectors to which the Fund is not exposed, consumer staples and technology, were the standout performers. Performance was weak in Brazil largely due to Ambev, the beer producer, and CCR, the toll-road operator, which both suffered from deteriorating economic growth prospects in the country.

### Market review

Following two strongly positive years in 2016 and 2017, emerging markets endured a pull-back of close to 15% in 2018, of which 3.8% was due to currency weakness. There were two main headwinds for emerging markets; the strength of the US dollar as a result of continued tightening by the Federal Reserve and the trade war between the US and China. Historically emerging markets have rarely performed well when the dollar has strengthened and 2018 was no exception. Relief came towards the end of the year as a series of weak economic data releases in the US suggested that the economy was slowing faster than previously expected. As a result, the Federal Reserve toned down their hawkish rhetoric and interest rate expectations for 2019 reversed from a consensus of two or three further rises to none at all. The dollar weakened against its trade-weighted basket but much more significantly against emerging market currencies during the last quarter and this enabled the asset class to recoup some of the underperformance of earlier in the year.

The trade war between the US and China escalated alarmingly during 2018, resulting in the threat of 25% tariffs on all Chinese exports to the US. The initial tariff of 10% on a range of goods proved to be relatively easy to absorb, in part through a near 10% devaluation of the Chinese renminbi. However, it would be nigh on impossible to absorb the cost of 25% tariffs and sentiment adjusted accordingly with the occasional rally predicated on the assumption that Trump would do a deal. However, the prospect of a deal was complicated by the fact that Trump has surrounded himself with advisers who are

ideologically opposed to the technological rise of China. No deal was achieved but the implementation of 25% tariffs was postponed until March 2019 affording markets temporary relief.

From the Fund's perspective the most notable event of the year was the style shift away from growth that took place in the second half of the year. Since the taper tantrum in 2013 performance in emerging markets has been driven, initially, by growth-at-any-price stocks, particularly consumer staples, and more latterly by growth stocks, especially the technology sector. This has been a global phenomenon and it was concerns over data usage by some of the large-cap global technology stocks that introduced uncertainty to investor conviction. In emerging markets this was compounded by a regulatory clampdown on online gaming companies, the most prominent of which is Tencent. The consequence of this was that the worst-performing sectors during the year were those that enjoyed substantial outperformance during the three previous years, notably technology, communications (which now includes software and services), consumer discretionary and healthcare while utilities, financials and energy were the key outperformers.

### Fund Activity

The main changes to the Fund were at the sectoral level with the weight in consumer discretionary and consumer staples being reduced. This was done through the sale of Magnit in Russia, Pepkor in South Africa, Kangwon Land in Korea and Motherson Sumi Systems in India. The only purchase was that of Humansoft Holding, a provider of higher education services in Kuwait. The weighting in communication services, a sector which now includes both telecom and software services, was also reduced through the sale of several telecom companies including China Mobile, Far EastOne Telecommunications in Taiwan and Mobile Telesystems in Russia. This was offset to some degree by the purchase of China Tower, which is the prime beneficiary of the roll-out of 5G in China.

There were a number of changes within financials with exposure to China and India reduced through the sale of Bank of China and LIC Housing Finance. Coronation Fund Managers was sold over concerns around their performance track record which is likely to lead to a pick-up in redemptions and the position in First Abu Dhabi Bank was switched to Dubai Islamic Bank on valuation grounds. New purchases during the year included Banco do Brasil, which will be a beneficiary of any improvement in the Brazilian economy brought about by reform measures from the new government, and Nova Ljubljanska Banka of Slovenia which was brought to the market on a very low valuation in spite of a positive medium-term outlook.

There were also a number of changes within the industrial holdings. CCR was sold due to management's involvement in the Lavo Jato corruption scandal as well as concerns over the duration of their portfolio. TAV Havalimanlari, the Turkish airport operator, was also sold primarily due to concerns over the Turkish lira which promptly collapsed post-sale. These were replaced with Malaysia Airports Holdings which trades at a substantial discount to Airports of Thailand and yet will also be a beneficiary of the surge in Asian tourism, particularly Chinese, which has seen the Thai airport operator re-rate. Adani Ports, the largest port operator in India was also purchased.

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Emerging Markets Income Fund continued

#### Fund Activity continued

The stock is coming to the end of a massive investment program leaving it well placed to benefit from an increase in India's trade to GDP, which is currently very low, as well as a presumed surge in containerisation from exceptionally low levels.

The net result of all this from a geographic perspective was an increase in the Chinese, Malaysian, and eastern European weightings (through an increase in both Romanian and Slovenia at the expense of Turkey) as well as the initiation of a position in Kuwait. Against this, the weights in India and South Africa were reduced.

#### Market outlook

The rapid sell-off in global markets in December has left investors justifiably nervous. There is great uncertainty over the health of both the US and Chinese economies and the threat of 25% tariffs only adds to the sense of uncertainty. The Chinese have acted to ease monetary policy which should herald some signs of economic recovery later this year but in the US the flatness of the yield curve could act as a sword of Damocles throughout 2019 even if the Federal Reserve holds tight on monetary policy.

For emerging markets, currencies will always be critical and here there are grounds for optimism. The strength of the dollar in 2018 was linked to continued rate increases but these seem most unlikely to be repeated in 2019. Consequently, the outlook for the dollar should be determined both by the level of valuation, which currently points to a high level of overvaluation, as well as the outlook for the current account and budget deficits. Historically there has been a close long-term relationship between the dollar and the twin deficits and there seems to be a high likelihood that both the current account and budget deficit will widen in 2019. US economic growth is likely to exceed that of both Europe and Japan once again in 2019 which will likely widen the current account deficit while US fiscal incontinence should also continue whether or not Trump gets funding for his wall on the Mexican border. Nevertheless, growth will be slower in 2019, the full impact of the tax cuts will be felt while the ever-increasing spending on an ageing population is not going to disappear.

Emerging market currencies are well placed to benefit from the weaker dollar and continue the relative outperformance that characterised the last quarter of 2018. Comparisons with the situation in 2013 when they suffered a large devaluation are apposite. Since then these currencies have become much cheaper on a real effective exchange rate basis, while current account deficits have been reduced as have external debt stocks, thus reducing their vulnerability.

Furthermore, real interest rates are high creating the possibility of a virtuous circle whereby money is attracted to the high yield pushing the currencies up, thus increasing returns and, ironically, the attractiveness of the asset class given the preponderance of momentum-driven strategies.

From an equity perspective, emerging market valuations are moderately attractive at a price to book of 1.5x. However, given the current return on equity (RoE) of over 13% a negative year for the asset class would imply ending 2019 with a price to book of close to 1.3x which historically has been a very attractive level. Consequently, it is reasonable to assume that RoE will be positive in 2019 notwithstanding a shock to the system. A weak dollar has favored a value style in the past. The exception to this was in 2017 when performance was driven by the technology sector. Given the sell-down in that sector in 2018 there are high expectations that it will return to favour. One barrier to this is the US/China trade dispute but even a resolution to this is not going to paper over the difficulties that the leading lights in the Trump administration have with the rise of China as a technology powerhouse. Thus, there is a very limited prospect that normal relations with regard to the export or transfer of US technology will be resumed and this is likely to cap the performance of the sector.

Other growth sectors such as consumer staples and healthcare remain very expensive in a historical context making it more likely that 2019 is another year of outperformance of value or higher-yielding names. This view is reinforced by the valuation differential between growth and value which in terms of price to earnings remain at historical highs as earnings growth revisions have been better in value than they have in growth. The main risk to this positive outcome is an escalation in trade tensions between the US and China which results in a further devaluation of the Chinese renminbi.

#### Dividend

The dividend for the Class I US Dollar Distribution Shares was increased by 13.5% in 2018 (note that the final dividend was paid on 2 January 2019). This reflected the strong increase in underlying earnings of the portfolio as well as an increase of special dividends during the year.

### Emerging Markets and Asia Team

#### Polar Capital LLP

February 2019

## Emerging Market Stars Fund

### Fund performance

The Polar Capital Emerging Market Stars Fund was launched on 29 June 2018, so this report covers two quarters of performance although our process and strategy have a performance track record going back to 2011.

The Fund had a tough start at Polar Capital, as the market environment turned negative towards emerging markets (EMs), in particular towards growth-related companies in EMs. As a concentrated Fund with a growth bias this was a very difficult environment, as multipliers contracted indiscriminately for most companies that had anything to do with China, technology and growth, way beyond what we see as their longer-term fundamentals.

The Fund returned -15.3% (Class I US Dollar Shares) since launch compared to -8.5% by the benchmark (MSCI Emerging Markets Total Return Index) thereby underperforming by 6.8% (in USD terms) which, of course, we are not pleased with. This has been the worst period for the strategy, reflecting a triple hit of extreme weakness towards China, technology and growth as a style. However, we strongly believe and trust in our process and we feel this has been an extraordinary period in the market (see Market Review). When we look at the underlying portfolio and its company positions, we feel very comfortable that there is significant upside potential in our holdings to give a strong absolute return in the period to come. As a result, we believe the portfolio can outperform the broader EM index.

Looking at the details of the Fund's performance, we have clearly suffered from an asset allocation as well as a style perspective, even over this relatively short time period, as risk aversion in EMs spiked, resulting in a significant multiple contraction in the market.

Gross of fees we underperformed by 5.9% and an attribution analysis shows stock selection contributed -1.8%, and asset allocation -4%. Our stock selection was not perfect but given the relatively short time period we are looking at here compared to the longer-term investment horizon we work to, as well as looking at the companies showing in our attribution analysis as providing 'bad alpha' we retain a very high degree of comfort in our process and underlying portfolio. We believe the overall explanation is related to shorter-term cyclical earnings downgrades and multiple contraction on the back of high-risk aversion in the market, rather than any changes to the more structural medium to longer-term growth dynamics and company fundamentals.

We had too much exposure to IT and to healthcare, though our stock-picking with both was good. We owned too little energy from a sector perspective where Russia, China and Brazil performed well, and we had weak stock selection within industrials where our position in Inovance in China can more or less explain all the weakness here.

From a country perspective, it was clearly China that cost us a great deal of our weak relative performance, as well as weak absolute performance in the market. South Korea, with its strong cyclical exposure, was a negative as well. UAE was also a weak contributor, again down to one stock, NMC Healthcare, which saw a huge sell-off towards the end of the year on the back of little fundamental information.

On the positive side we had some good stock selection in India and Brazil, and from an asset allocation perspective our large overweight in India also served us well.

From a stock-specific perspective, we had a strong positive contribution from ICICI Bank (India/financial), Intermedico (Brazil/healthcare), Itau Unibanco (Brazil/financial) and Apollo Hospitals Enterprise (India/healthcare). On the negative side, the weakest contributors were Alibaba (China/e-commerce), Tencent (China/internet), Samsung Electronics (South Korea/technology), and Naspers (South Africa/internet). We remain positive on these weaker contributors and still see them as attractive long-term holdings as their long-term fundamentals remain strong.

It should also be mentioned that more or less all the underperformance came in 3Q18 when we saw aggressive multiplier contraction in many of our China and technology-related positions which hit us hard. We had a reasonable Q4 even though asset allocation and style were still slightly against us, but our stock selection turned positive quite nicely.

### Market review

As indicated above, 2018 – particularly the second half – was a very negative environment for EM equities, made that much more challenging as politics was a key factor driving volatility. Developed markets also ended up having a challenging year, but a lot of the negative performance there came in the very late part of the year (December being one of the weakest months in decades) and EMs actually started to outperform them at the very end of 2018.

The big headlines for the year were the US/China trade war, the risk of a significant and synchronised global economic slowdown (with the trade issues potentially playing an important role here), a Fed rate hike, a balance sheet reduction and its implications for global liquidity (and for the growth outlook) and finally there was an inventory build-up in the semiconductor sector which was, as we see it, very much driven by the slowdown in the smartphone sector.

All of the above had a large impact on EMs given the old perceived view that they are a derivative of global growth and very dependent on dollar liquidity. We believe that both variables are significantly overstated by the market from a fundamental, longer-term valuation viewpoint. Furthermore, China was a central focus given the risk of a full-blown trade war between it and the US. This trade-war risk was driven by aggression from President Donald Trump, as he seems to have analysed that all the structural weakness in the US (weak job creation in the manufacturing sector and its current account deficit) relates to China. What puts further risk around China has been its slowing economy, before the trade war came on the agenda, making its growth more sustainable over the long term. The Chinese authorities had been pushing back on debt and its shadow-banking system, so its development was already slowing when the trade tensions started. This has now created the fear of a hard landing in China, causing a lot of weakness in the equity market. Our view is that China's growth will find a soft landing, as it is right to reduce its debt levels in the shadow-banking system, and we furthermore believe there will be a settlement between China and the US when it comes to trade (please see our Market Outlook).

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Emerging Market Stars Fund continued

#### Market review continued

With regards to the technology sector and the related semiconductor inventory build-up, this has had a huge impact on a very large part of the equity universe. It has also been one of the drivers behind the negative earnings revisions we have seen in the EM universe as well as in global indices. Technology, particularly semiconductors, is an important area for us so future development here will play a significant role. We strongly believe this is a shorter, cyclical adjustment and the longer-term structure of the industry and its key companies are very attractive. This weakness in performance has created a very attractive buying opportunity and makes an attractive entry point for long-term investors.

Tightening by the Fed was also a key agenda-setter in 2018 and played a significant role in the weak performance in EMs, as the worsening liquidity environment and anticipated higher interest rate was expected to have large negative impact on EM companies. We have been advocates for some time that the negative impact was overplayed from a fundamentals perspective given our outlook for weaker growth in the US. We are now seeing interest rate expectations coming down and quantitative tightening (QT) seems to be set for a pause – now all we need is for this to be reflected in EM company share prices.

#### Fund Activity

Given the recent market movement we have been more active than usual since the Fund's launch, trying to take advantage of the big sell-off and negative sentiment towards technology. To this end, we have started to accumulate positions in companies that we know well from our past in what we believe will be an attractive entry point into good quality companies with good long-term growth and return prospects. These include SK Hynix (South Korea/semiconductor – memory), Chroma Ate (Taiwan/advanced testing equipment), and Silergy (China/IC design).

In India we have been building a position in Reliance Industries (industrial and energy-related) that is in transition towards becoming a leading Indian communication and consumer company. We see a strong opportunity and willingness to improve on key ESG aspects that will help unlock value and enhance growth.

In Brazil we made a new investment in BR Mall as they tap into improved consumer spending as well as the all-important asset improvement strategy where they shape their mall portfolio towards higher returning assets. Finally, we think they have some exciting e-commerce projects that will add additional upside.

Finally, in December we took advantage of the weakness that also hit Vietnam and have been building a position in Vincom Retail, a leading mall and retail company, which we believe has some key assets and an exciting long-term growth strategy.

The funding for these newer investments has come from the sale of stocks in India (AIA Group and Crompton Greaves) and in China (JD.com and Baozun). We also sold Banco Macro in Argentina as the macroeconomic environment there worsened significantly more than we expected, which was very disappointing for us as we saw a large recovery story there. In Mexico we sold out of Alsea, as we saw better return opportunities elsewhere.

Selling JD.com was a big call for us as this is a company we have invested in for a long time. However, we saw its business structure worsen and it is losing out on the margin to competitors, especially Alibaba. We took a small hit before we sold, but it was the right decision as its performance got significantly worse. Valuation levels have come off significantly now, making it a company we will continue to monitor closely.

#### Market outlook

As we see it, emerging markets are now cheap, particularly North Asia (China, South Korea and Taiwan).

What makes us so constructive on EMs is that many of the high quality and structural growth companies are getting cheaper. Using conservative assumptions, we can get a very attractive return profile on many of these interesting companies. Some technology and industrial companies in North Asia are being priced at recession levels. We do not see a recession as a likely outcome and are more constructive at these valuations. We do acknowledge there is uncertainty, but we believe it is more a crisis of confidence and what some have called a geopolitical recession than a real economic crisis. Political decision-making and firm statements by central banks in the US and China can still help resolve weak sentiment before it really bites in the real economy though action taken by Trump in particular is not without risk.

Earnings growth has been significantly cut, added to which we have seen large multiplier contractions in many cases. We believe this is an attractive entry point for long-term fundamental investors who can accept some volatility, as we still see the market being nervous for the next few months given the uncertainty around any US/China trade agreement, the Fed's QT, China's growth outlook and the technology inventory cycle. We believe these issues will be resolved during the first half of 2019 and see relatively positive developments in the second half. We assume that in late Q1 or into Q2 we could start to see some positive movements in the market which is why we are constructive on emerging markets and our portfolio. We see markets as being quite close to their downside risk level, with risk/reward becoming favourable as we move through 2019.

Many of these headwinds will stop retreating and some will even start to improve. We even see the likelihood of a goldilocks scenario returning to EMs – very low global interest rates (good for growth and long duration EM assets), liquidity back in the market (more or less all central banks in the world are changing direction), the US is not too hot, not too cold (perfect for EMs), China is starting to stimulate its economy, the IT cycle is returning, a positive election outcome in India and so on. 2019 could be a good year for EMs in absolute and relative terms.

Overall, we are very positive on our Polar Capital Emerging Market Stars Fund, and we see it attractively positioned for the longer-term growth opportunities and with the individual holdings now having attractive upside relative to their risk levels – it is one of the most favourable scenarios we have ever seen running this strategy!

#### Emerging Markets and Asia Team

Polar Capital LLP

February 2019



## European ex UK Income Fund

### Fund performance

The Fund delivered a return of -5.6% on an absolute basis (Class I EUR Accumulation Shares) and outperformed the benchmark by 5.3%.

Throughout the year, the top five contributors to the Fund were Naturgy Energy Group, Cia de Distribucion Integral Logista, Hannover Rueck, Sanofi and Red Electrica Corp. Contrastingly, the top five relative detractors from performance were Bpost, PostNL, ING Groep, Scandinavian Tobacco Group and Nestle\*.

### Market review

In 2018, we saw increased volatility across European equities and we expect this pattern to continue into 2019. Through the eurozone crisis we learned it is impossible to react to each breaking news item and that it is much better to focus on picking resilient, attractively valued companies rather than trying to trade the market's short-term gyrations. The pullbacks in both market valuation and market sentiment signal a better chance of making reasonable medium-term returns, even though they feel uncomfortable now.

The outcome of Brexit and the continued uncertainty was a key cause of concern, moreover the ECB's withdrawal of its monetary stimulus continued to have an impact on the European market recovery. As the central banks continued their policy of tightening, this only continued to drive market volatility, and European markets remain under pressure. The ECB ended its QE programme at the end of 2018, albeit it reduced its growth and inflation projections.

During the year, the auto sector experienced weaker performance as did some of the eurozone banks. In August, Continental\* (German auto supplier and tyre group) experienced a profit warning, indicating issues in both its auto and tyre divisions. The series of high-profile profit warnings continued particularly within the German retail space. Moreover, BMW\* (German auto original-equipment manufacturer) also had a profit warning. This is noteworthy given the fact that within the sector it is viewed as a safe pair of hands.

However, noteworthy profit warnings were not just restricted to the auto sector as throughout the year retail experienced continual difficulties. In retail, the industry outlook remains cyclical and structurally challenged. While the online retailer is a challenger to traditional high street brands this does not make e-commerce immune from the rising bargaining power of consumers or changeable weather conditions. Brands face the challenge of navigating the new digital ecosystem and the threat of large platform players, while bricks and mortar formats face lower relevance as the internet drives convenience replacing proximity in consumer shopping behaviour.

The year also saw profit warnings from the likes of our holding in BASF (German chemicals company); however, news regarding a transaction in the upstream oil and gas business diminishes concerns. In October, Ryanair\* (Irish airline company) profit warned, the first in a stream of profit warnings, and style rotations, that occurred throughout the month. Overall in October the market experienced a 5% pullback, which is rare outside periods such as 2002 and 2008–09.

During this period, we maintained our conviction in defensive stocks. A focus on capital preservation was a drag on performance in 2017 relative to equity benchmarks but has been a clear differentiator in 2018. We expect this to continue in what we expect to be a volatile 2019.

### Fund activity

We began the year by selling our position in KBC (Belgian retail bank). As with other financial stocks, these shares have rallied very strongly since we began our position in Spring 2016. We sold our position in Infrastrutture Wireless Italia (Italian tower company) as the shares reached our price target. Although the company continues to deliver growth and the shares have performed strongly, we determine that Italy possesses little valuation margin of safety due to the Italian country risk premium.

In April, we started a position in Bpost (Belgian mail and logistics group). In the past, we have owned several postal names and have learnt to be more positive when sentiment is depressed and warier when everyone is bullish.

We started a position in Kone (Finnish capital goods business). We view Kone's business model as relatively simple and its key characteristics – for example it is asset light – generates increasing revenue from its increasing installed base. We started a position in Kuehne and Nagel International (Swiss freight forwarder). In our view, this logistics business has a long history of capital-light growth and very strong management execution in an industry where peers have often faltered.

We funded these positions by reducing our weights in stocks that were near our price targets. For example, we exited Novo Nordisk (Danish pharma company) due to its low dividend yield in comparison to other opportunities.

We started a position in Gjensidige Forsikring (Norwegian, principally a non-life insurer). We believe that concerns regarding capital strategy uncertainty and bad weather losses, overshadow a strong core franchise that is attractively valued at the current multiple. We took profit in two positions that had performed strongly and were near our price targets – UPM-Kymmene (Finnish paper business) and TUI (tour operator business). Both companies have strong operating momentum and have seen good earnings. That being said, the stocks have also eroded and we feel the risk/reward is more skewed to the downside here.

In June, we started a position in Telenet Group Holding (Telenet) (Belgian cable business). We believe that Telenet's cable networks remains a superior product, as the competition in fixed line is largely copper. We sold Nordea (Nordic bank) as the company has had a challenging couple of years where restructuring of exposures and ramp-up of the transformation programme have been a drag on earnings and, along with negative publicity related to relocation, contributed to declining market share in home markets. We think pressure and relative underperformance could remain as it cuts price to stabilise volume growth and invests in its transformation programme, putting pressure on returns.

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### European ex UK Income Fund continued

#### Fund activity continued

In July, we started a position in Aena (a Spanish airport operator). We expect an attractive medium-term growing cash flow stream, despite the uncertainty regarding capital allocation due to the politics of the privatisation and the government's continued shareholding. We started a position in Bayer (German-listed life sciences book) in the aftermath of the court ruling awarding damages in relation to one of the acquired Monsanto's\* products. Although we had initially been cautious about the Bayer/Monsanto transaction, we feel that the business has plenty of characteristics we like and had an attractive valuation. We also started a position in PostNL (Dutch postal operator). We expect that the group is likely to face an improving regulatory backdrop after several years of very punitive regulatory action.

In August, we sold our position in Atlantia (an Italian infrastructure business) after the tragic bridge collapse in Genoa. During this period, we also sold our position in Sunrise Communications Group (Sunrise) (Swiss telco challenger) as the shares reached our price target. While M&A activity may push the Sunrise shares further, we believe there are also risks to the market consolidation not proving as positive as hoped.

We sold our position in El Towers (Italian towers business) as part of its acquisition by a consortium and redeployed the cash in existing ideas. We started a position in Siemens (a German-listed engineering and manufacturing company). Due to its strong balance sheet and free cash flows, we believe that Siemens will continue to increase their dividends and buybacks, and we expect the company to continue to grow its revenues and earnings over the coming years.

Towards the year end, we started a position in Cie Financiere Richemont (Richemont) (a Swiss luxury goods company). The shares have derated to below 13x cash adjusted 2020 P/E due to concerns regarding the future growth of Chinese consumption and outlook for luxury retail. The shares look cheap given these top-down worries, but this overlooks the quality of Richemont's brands, management's proven track record, the opportunity in branded jewellery, a strong balance sheet and the digital luxury growth opportunity.

We also started a position in Deutsche Post (a German postal company). The shares have derated amid worries about mail decline and trade worries. We believe the DHL express business has a leadership position in Europe and Asia and commands an advantage based on its scale which can effectively fend off competitors. As well as that, we started a position in Brenntag (a German chemical distribution business). This historically fragmented business with hundreds of different providers in each continent is slowly consolidating into a few global leaders with Brenntag at the forefront.

#### Market outlook

We expect medium-term low-trend growth for several reasons including levels of debt, demographics and a more subdued global economy. As such, we believe that high quality companies that can deliver solid, if unspectacular, growth over long periods are very attractive. Confidence in the short-term growth outlook will fluctuate around low levels in our view.

Low-risk equities with reasonable and growing dividends continue to look attractively valued relative to other asset classes, in our view. We are more skeptical on the prospects for high-yielding stocks with no growth and see them as particularly vulnerable to uncertainty in the bond market.

#### European Income Team

##### Polar Capital LLP

February 2019

\* Not held

## European Income Fund

### Fund performance

The Fund delivered a return of -7.6% on an absolute basis (Class I Euro Accumulation Shares) and outperformed the benchmark by 2.9%.

Throughout the year, the top five contributors to the Fund were Hannover Rueck, Red Electrica Corp, Sanofi, Euskaltel and UPM-Kymmene. Contrastingly, the top five relative detractors from performance were British American Tobacco, Bpost, ING Groep, BASF and PostNL.

### Market review

In 2018, we saw increased volatility across European equities and we expect this pattern to continue into 2019. Through the eurozone crisis we learned it is impossible to react to each breaking news item and that it is much better to focus on picking resilient, attractively valued companies rather than trying to trade the market's short-term gyrations. The pull-backs in both market valuation and market sentiment signal a better chance of making reasonable medium-term returns, even though they feel uncomfortable now.

The outcome of Brexit and the continued uncertainty was a key cause of concern, moreover the ECB's withdrawal of its monetary stimulus continued to have an impact on the European market recovery. The ECB ended its QE programme at the end of 2018, albeit it reduced its growth and inflation projections.

During the year, the auto sector experienced weaker performance as did some of the eurozone banks. In August, Continental\* (German auto supplier and tyre group) experienced a profit warning, indicating issues in both its auto and tyre divisions. The series of high-profile profit warnings continued, particularly within the German retail space. Moreover, BMW\* (German auto original equipment manufacturer) also had a profit warning. This is noteworthy given the fact that within the sector it is viewed as a safe pair of hands.

However, noteworthy profit warnings were not just restricted to the auto sector as throughout the year retail experienced continual difficulties. In retail, the industry outlook remains cyclical and structurally challenged. While the online retailer is a challenger to traditional high street brands this does not make e-commerce immune from the rising bargaining power of consumers or changeable weather conditions. Brands face the challenge of navigating the new digital ecosystem and the threat of large platform players, while bricks and mortar formats face lower relevance as the internet drives convenience replacing proximity in consumers' shopping behaviour.

The year also saw profit warnings from the likes of our holding in BASF (German chemicals company); however, news regarding a transaction in the upstream oil and gas business diminishes concerns. In October, Ryanair\* (Irish airline company) profit warned, the first in a stream of profit warnings, and style rotations, that occurred throughout the month. Overall in October the market experienced a 5% pullback, which is rare outside periods such as 2002 and 2008–09.

During this period, we maintained our conviction in defensive stocks. A focus on capital preservation was a drag on performance in 2017 relative to equity benchmarks but has been a clear differentiator in 2018. We expect this to continue in what we expect to be a volatile 2019. We also reiterate that political risk is everywhere and must be managed through portfolio construction rather than trying to trade the political noise.

### Fund activity

We began the year by selling our position in KBC (Belgian retail bank). As with other financial stocks, these shares have rallied very strongly since we began our position in Spring 2016. In February, we started a position in Royal Dutch Shell (Shell) (Class B). We have previously been highly critical of the capital allocation at Shell and were skeptical around initial positive communication from new management. Having followed the group's restructuring efforts over the past couple of years, we like the focus on predictable returns and free cash flow.

During this period, we took profit on AstraZeneca (UK pharmaceutical company). The visibility on future earnings was less clear to us, despite sales erosion from patent losses slowly fading. The quality of current earnings has been poor as product divestments account for a significant part of profits. We also sold our position in Infrastrutture Wireless Italia (Italian tower company) as the shares reached our price target. Although the company continues to deliver growth and the shares have performed strongly, we determine that Italy possesses little valuation margin of safety due to Italian country risk premium.

In April, we started a position in Bpost (Belgian mail and logistics group). In the past, we have owned several postal names and have learnt to be more positive when sentiment is depressed and warier when everyone is bullish. We started a position in Kone (Finnish capital goods business). We view Kone's business model as relatively simple and its key characteristics – for example it is asset light – generates increasing revenue from its increasing installed base. We started a position in Kuehne and Nagel International (Swiss freight forwarder). In our view, this logistics business has a long history of capital-light growth and very strong management execution in an industry where peers have often faltered.

We funded these positions by reducing our weights in stocks that were near our price targets. For example, we exited Novo Nordisk (Danish pharma company) due to its low dividend yield in comparison to other opportunities.

We started a position in Gjensidige Forsikring (Norwegian, principally a non-life insurer). We believe that concerns regarding capital strategy uncertainty and bad weather losses overshadow a strong core franchise that is attractively valued at the current multiple. We took profit in two positions that had performed strongly and were near our price targets – UPM-Kymmene (Finnish paper business) and TUI (tour operator business). Both companies have strong operating momentum and have seen good earnings. That being said, the stocks have also re-rated and we feel the risk/reward is more skewed to the downside here.

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### European Income Fund continued

#### Fund activity continued

In June, we started a position in Telenet Group Holding (Telenet) (Belgian cable business). We believe that Telenet's cable networks remains a superior product, as the competition in fixed line is largely copper. We sold Nordea (Nordic bank) as the company has had a challenging couple of years where restructuring of exposures and ramp-up of the transformation programme have been a drag on earnings and, along with negative publicity related to relocation, contributed to declining market share in home markets. We think pressure and relative underperformance could remain as it cuts price to stabilise volume growth and invests in its transformation programme, putting pressure on returns.

In July, we started a position in Aena (a Spanish airport operator). We expect an attractive medium-term growing cash flow stream, despite the uncertainty regarding capital allocation due to the politics of the privatisation and the government's continued shareholding. We started a position in Bayer (German-listed life sciences book) in the aftermath of the court ruling awarding damages in relation to one of the acquired Monsanto's\* products. Although we had initially been cautious about the Bayer/Monsanto transaction, we feel that the business has plenty of characteristics we like and had an attractive valuation. We also started a position in PostNL (Dutch postal operator). We expect that the group is likely to face an improving regulatory backdrop after several years of very punitive regulatory action.

In August, we sold our position in Atlantia (an Italian infrastructure business) after the tragic bridge collapse in Genoa. During this period, we also sold our position in Sunrise Communications Group (Sunrise) (Swiss telco challenger) as the shares reached our price target. While M&A activity may push the Sunrise shares further, we believe there are also risks to the market consolidation not proving as positive as hoped.

We sold our position in El Towers (Italian towers business) as part of its acquisition by a consortium and redeployed the cash in existing ideas. We started a position in Siemens (a German-listed engineering and manufacturing company). Due to its strong balance sheet and free cash flows, we believe that Siemens will continue to increase their dividends and buybacks, and we expect the company to continue to grow its revenues and earnings over the coming years. We also started a position in National Grid (the UK utility company). We see the shares as good value partly reflecting a UK country discount despite a resilient profile.

This Fund was subsequently terminated on 17 January 2019 post year end.

#### Market outlook

We expect medium-term low-trend growth for several reasons including levels of debt, demographics and a more subdued global economy. As such, we believe that high-quality companies that can deliver solid, if unspectacular, growth over long periods are very attractive. Confidence in the short-term growth outlook will fluctuate around low levels in our view.

Low-risk equities with reasonable and growing dividends continue to look attractively valued relative to other asset classes, in our view. We are more skeptical on the prospects for high-yielding stocks with no growth and see them as particularly vulnerable to uncertainty in the bond market.

#### European Income Team

##### Polar Capital LLP

February 2019

\* Not held

## Financial Opportunities Fund

### Fund performance

A backdrop of tightening global liquidity as central banks looked to normalise monetary policy was accompanied by higher volatility and risk aversion in global markets in 2018. The financial sector in particular was affected by a combination of global growth concerns, US/China trade tensions and elevated political risk in both the US and Europe with the benchmark index falling 19% in the year. The Fund (Class I US Dollar Shares) outperformed by 0.8% as support from our exposure to payment companies was largely offset by an overweight position in small/mid-cap holdings in the US and Europe, exposure to certain emerging markets as well the Fund's underweight position in non-life insurance.

### Market review

Payment companies saw a pullback in Q4 related to the tech sell-off but saw strong overall gains in the year which supported the Fund's performance. The operating performance of payment companies has remained resilient (low to mid-teen revenue growth) despite a slowdown in global economic momentum highlighting the structural support from the shift in payment behaviour with a long runway for growth given that 85% of global transactions remain in cash. In the longer term, there are risks from competition impacting pricing, QR-based payments in emerging markets and the impact of regulatory change (PSD2). However, we continue to view the payments segment as attractive given its earnings visibility relative to the often untested nature of other fintech models.

US financials were relatively resilient in 2018 but underperformed in the last two months of the year with sentiment affected by concerns over a flattening yield curve, elevated political risk and weakening macro trends. US macro data was mixed (weaker trends evident in auto and housing alongside stronger retail sales and labour market data) but equally it is hard to reconcile broadly solid economic trends and real policy rates at 0.3% with concerns that the Fed has made a policy mistake. Loan growth remained a source of disappointment for the sector (affected by repayments following tax cuts, the lack of major corporate investment and loss of market share to non-bank lenders) but the scale of the sell-off at the end of the year was surprising considering balance sheets are strong, margins are widening slowly, capital positions are ample providing room for strong capital returns to shareholders and valuations have now become very attractive.

Emerging markets remained under pressure during the year with Indian financial stocks in the eye of the storm (recovering some losses in the final quarter). Events should be put in the broader context of the Reserve Bank of India's focus on improving transparency and general practices in the Indian banking system. This initially focused on the state banks and a broader push to not only recognise and write off problem loans but equally to disrupt the often too close relationships between large Indian corporates and their bankers. The focus then shifted to ensuring good management in the private sector banks. Arguably of greater worry were the jitters in the NBFC (non-banking financial company) sector since this centred around liquidity and funding rather than bank personalities. The catalyst was IL&FS Group (not held) missing a number of payments on its outstanding

bond issues raising the spectre of a wider problem of solvency and liquidity (the subsequent recovery in Q4 was driven by evidence that the finance sector liquidity crisis had eased considerably).

European financials underperformed by 10.5% in 2018 on the back of weakening macro data, delayed expectations for ECB policy normalisation and increased political risk. The key overhang related to Brexit continued to weigh on sentiment for the UK and the region as a whole with the government postponing the December parliamentary vote on Brexit after it became clear Prime Minister Theresa May's deal had little support. Operating trends were supported by lower provisioning, but the low rate environment remained a headwind to revenues while progress on balance sheet strengthening and the prospect of increasing capital return was not an effective support in the face of a large number of uncertainties. Aside from Brexit negotiations, sentiment was impacted by the Italian government's confrontation with the EU, concerns regarding links to a deteriorating economic situation in Turkey as well as uncertainty related to money laundering in the Nordics following details regarding Danske Bank's (no exposure in the Fund) Estonian unit.

### Fund activity

As the pressure on emerging markets continued through the year, valuation opportunities opened up for us to invest in high quality franchises in Asia (the Fund's overall exposure to the region increased to 26% from 16% in 2017). A large proportion of the increase was in India where valuations collapsed following liquidity concerns for NBFCs with often indiscriminate selling across all Indian financials. We also raised our exposure to emerging Asia through investments in Indonesia, Malaysia and the Philippines after company visits reassured us to a broadly stable picture on the ground and at odds with market sentiment.

We also made small additions to our US holdings although we were constrained by the Fund's already high exposure (48%). We made some slight additions to our holdings in large-cap banks, but the opportunity broadened to the smaller regional banks since many of these corrected sharply towards the end of the year on concerns that their better-than-average growth profile had begun to slow. Well run and profitable franchises such as Texas Capital (a new holding in the portfolio but a stock we have owned in the past), SVB Financial and Pacific Premier all came under pressure and we added to our positions.

The increase to our Asian and US exposure was offset by reductions to the Fund's European exposure during the year. While valuations are approaching crisis levels (the dividend yield on European banks is at its highest point since 2008), we increased our underweight position in the region (primarily through reductions to large-cap banks in core Europe) given the sustained headwinds to revenues from the low rate environment and elevated political risk. The Fund's key overweight in the region in 2018 was the Nordics which proved relatively defensive supported by a solid macro environment where we expect an earlier turn in the rate cycle (both Sweden and Norway raised rates in 2018) to support the core revenue outlook in 2019.

## Investment Manager's Reports continued

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For the financial year ended 31 December 2018

### Financial Opportunities Fund continued

#### Market outlook

Following a strong 2017 (when the Fund rose 24%), we entered 2018 with what we considered to be a supportive backdrop for the sector (above trend global GDP growth, rising US interest rates, increasing capital return, lower regulatory uncertainty and still attractive valuations). The combination of weakening macro data in a late cycle period and heightened political risk has driven a sharp turn in sentiment and weighed heavily on the sector this year. However, despite the slowdown in growth momentum leading to modest downward revision in earnings estimates we view stock movements as well in excess of fundamentals. We expect clarity on some of the key uncertainties (US/China trade war, Brexit) that will be required for a sustained turnaround in sentiment but view significant recovery potential given markets are starting to price in an imminent recession which we do not think is supported by the data.

#### Financials Team

**Polar Capital LLP**

February 2019

### Global Absolute Return Fund

The Global Absolute Return Fund was launched on 31 December 2018, with US\$10m of seed capital.

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Global Convertible Fund

#### Fund performance

The Polar Capital Global Convertible Fund returned -0.9% for 2018, taking its return since launch to 24.9% (Class I US Dollar Acc Share Class). In comparison, the Thomson Reuters Global Focus Convertible Bond Index returned -4.8% and 10.4% on the year and since the Fund's launch, respectively (both in dollar terms).

#### Market review

We began 2018 where 2017 left off, with overall risk assets moving higher. Boosted by developments in US tax reform, January was not only the 15th consecutive positive month for equities, but also garnered the largest return of the month-after-month rally. However, strength in global growth stoked fears of inflation and subsequent rate increases. Bonds showed the first signs of weakness as rate markets began pricing in rate increases and pulling investors back away from the edge of the risk curve. Consequently, January's strength eventually became the equity market's peak. In fact, February, will likely be marked as the period when volatility finally returned to the global equity markets especially given the initial return was violent with the VIX rising 250% in just 48 hours. Tensions between US and China created the uncertainty necessary to keep the markets volatile for the remainder of the first quarter. This equity volatility in conjunction with the rate move translated into higher absolute yields and credit-spread widening as well as a steep rise in Libor-OIS spreads to 59bps – the widest since the financial crisis.

Another impact of the global economic growth was an increase in demand for oil which combined with OPEC and Russia's constraint on supply, potential re-imposition of sanctions on Iranian oil and further sanctions on certain metal and mining companies tied to Russian oligarchs, to drive strength in the energy sector and commodity complex. This strength helped broader equities stage a rebound in April, from the first quarter's weakness. Rates, however continued to rise with the US treasury 10yr yield passing through 3% for the first time since December 2013, and the Treasury curve flattened as markets priced in further tightening by the US Fed.

Conversely, the European Central Bank seemed to lose flexibility in its monetary policy as the euro-zone experienced weaker than expected PMIs. This divergence in speed of quantitative easing helped the dollar rise sharply in April, a trend which then continued for the remainder of the year. A clear divergence also set in between US equities and the rest of the world which lasted for the entire second and third quarters. The primary driver of the disparity was the steadfastness of US equities despite woes in emerging markets in the face of a rising dollar and flaring trade tensions between US and China. The US equity

markets spent these two quarters in a general incline though found themselves in a battle between recognising the very stimulus that has propelled credit and equity valuations over the past decade that are being taken away, versus growth expectations providing no signal of an imminent recession. The credit markets though moved in line with each other across regions, widening every month of the two middle quarters of the year, only calming down briefly towards the end of the third quarter as US equities set new highs and staged their widest divergence from the rest of the world.

At the start of the fourth quarter, the credit markets resumed their widening, only this time equities, including the US, were unable to withstand the risk-off drivers including the Fed maintaining a hawkish tone despite the US/China trade war impacting global GDP growth expectations, US/Saudi Arabia tensions pushing oil lower and upcoming US mid-term elections creating uncertainty. The first week of the sell-off saw virtually every asset class move lower, including traditional safe havens such as US treasuries and gold, and even the yen relative to the dollar remained about flat. Although the latter two safe havens did see inflows after the sell-off's first week, the 10-year note held above the 3% yield level until December. Shortly after Fed Chair, Jerome Powell unexpectedly declared US rates to be closer to neutral levels than had previously been communicated. Equities, credit and oil, however, never regained their footing making this December the worst such month since 1931 and closed full year 2018 near the lows/wides (SPX -6.2%, DAX -18.3%, Nikkei -15.8%, Stoxx -14.8%, Hang Seng -13.6%, Oil -14.0%, Itraxx 119bps, CDX High Yield 142bps).

The past year will be most remembered for its extreme volatility. The Dow has moved 1,000 points in a single session only eight times in history, of which five of those occurred in 2018. Throughout the gyrations of 2018, the increase in volatility helped the convertible market's valuations stay strong and outperform other asset classes even as credit spreads reached their widest levels.

#### Market review

The broader macro moves were also beneficial for new convertible issuance with the US exceeding \$50bn for the first time in a decade. In fact, US convertible issuance was the reciprocal of the US high yield market with an increase of over 40% in US convert proceeds versus a decline of over 40% in high yield year on year. Global convertible issuance rose 13% to \$84.6bn, the highest total since 2014.

Convertibles stood up especially well amid the worst macro risk-off month of the year with the Thomson Reuters Convertible Global Focus Index participating in only 24% of the 7.6% decline in the MSCI World Total Return Index for December.



## Fund activity

The Fund once again maintained a focus in investments with strong credit fundamentals, high convexity and compelling secular drivers of enterprise value prospects. Thus, as shown in the table below, the Fund has been able to substantially outperform both the broader equity markets and the global convertible markets. The table also reflects that convertibles performed very well as an asset class in 2018.

	2018 Total Returns	
	Local Currency	USD
MSCI World	-8.71%	-8.71%
S&P 500	-4.38%	-4.38%
FTSE 100	-8.73%	-13.98%
DAX	-18.26%	-22.21%
TOPIX	-15.97%	-14.32%
Hang Seng	-10.54%	-10.77%
MSCI Emerging Markets	-14.58%	-14.58%
<b>Polar Capital Global Convertible Bonds (GBP Institutional Acc)</b>	5.15%	
Thomson Reuters Global Focus Convertible Bond (GBP)	0.97%	
<b>Polar Capital Global Convertible Bonds (EUR Institutional Acc)</b>	4.10%	
Thomson Reuters Global Focus Convertible Bond (EUR)	-0.04%	
<b>Polar Capital Global Convertible Bonds (USD Institutional Acc)</b>	-0.87%	
Thomson Reuters Global Focus Convertible Bond (USD)	-4.82%	

## Market outlook

The past year proved to be a period of rising uncertainties and a challenging investment landscape as the concerns mentioned in our investor letter one year ago came to fruition. Various conflicting themes pointed to an unclear outlook then, and, as we look ahead to 2019, now with continued reduction in accommodation in the US combining with the likely end of the European Central Bank's own monetary policy stimulus, both coming at the same time as softening global growth. Our outlook for financial markets in the year ahead therefore remains uncertain at best.

Amid arguably greater uncertainties heading into 2019 as compared to a year ago, we strongly believe the conclusions drawn from our white paper, *The Asset Allocation Conundrum*, remain as relevant today as when it was published some 13 months ago. That is, amid numerous conflicting themes creating the expectation of an ongoing challenging investment landscape but also one where opportunities are presented, we believe that for those investors with a directional mandate, convertible bonds, with their ability to protect downside risk while retaining upside participation, are of particular relevance.

Finally, we remain positive on the risk-adjusted prospects of the Fund within a more challenging investment environment given our fundamentally driven approach focusing on convex and creditworthy investments. This approach has served the Fund well over the past year and since launch, resulting in outperformance across both time periods, alongside a historic fund yield of 4.4% (Class I US Dollar Acc Shares) in 2018, and we believe will continue to do so against an expectation of further uncertainty and likely elevated volatility during the months ahead.

## Convertibles Team

### Polar Capital LLP

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Global Insurance Fund

#### Fund performance

In 2018, the Class I Sterling Accumulation Shares of the Fund were up 1.48% versus the MSCI World Insurance Index (Net Total Return GBP) benchmark's return of -5.8%, the FTSE All-Share Index return of -9.5%, the S&P 500 Index return of 1.5% and the MSCI World Index return of -3.1% (all Total Return GBP).

2018 proved to be an eventful year for both the financial markets and the insurance industry. We were pleased that the Fund's performance generated a positive return. Performance was driven by a combination of high single-digit book-value growth, two notable M&A deals (Validus Holdings and Jardine Lloyd Thompson – JLT), and some benefit from currency movements (reversing the headwind to performance in 2017). These positive factors were mostly offset by a broad sector derating indicated by the fact that the Dowling & Partners US industry price-to-book index dropped 10% over the year to 138%. We attribute this to tough overall equity markets as we believe insurance industry fundamentals improved meaningfully in 2018.

Mother Nature served up another year of significant catastrophe activity, with Swiss Re estimating 2018 catastrophe insurance losses at \$79bn, while certain 2017 loss events such as Hurricane Irma and Maria continued to develop adversely. According to reinsurance broker JLT Re, 2018 was the fourth most costly catastrophe year ever in real terms and follows record insured catastrophe losses of c\$150bn in 2017.

In October, the Fund passed its 20th anniversary. For the 20 years since its launch the Class R Sterling Accumulation Class units have compounded at 9.7% per annum versus 4.4% for the MSCI World Insurance Index (Net Total Return GBP) benchmark and 6.7% for the MSCI World Index (Total Return GBP).

#### Market review

Underwriting market conditions continued to improve throughout 2018. Catastrophe reinsurance pricing moved up from its 2017 low but not to the extent many had hoped for given the record level of insured cat losses. Of much more significance to the Fund is the continued hardening of many lines of US commercial insurance, especially in specialty excess and surplus (E&S) lines' niche risks. Price increases in US commercial lines continued in the low single-digit range but importantly companies are now achieving 'rate on rate' increases (given increases began in earnest post the 3Q17 catastrophe events). US specialty market conditions continue to be helped by the turnaround efforts at a number of large players after their recent underperformance and the Lloyd's market generally. Willis Re noted in a report published in January 2019: "Unlike prior cycles where reinsurance informed primary market pricing, some primary lines are seeing significantly larger rate increases than is the case with treaty reinsurance business. Adjustments to many carriers' portfolios, which started to be initiated 12 months ago, have taken on an increased urgency with a number pulling out of unprofitable lines completely or seeking to implement more aggressive rate improvements on underperforming lines. The well-publicised actions of Lloyd's targeting the bottom decile performers have gained widespread publicity but, in reality, this response is in line with less public actions by others."

The 1 January 2019 reinsurance renewal was as expected with pricing, including catastrophe, broadly flat. This compares with the increases, the first since 2012, that were seen at the prior renewal. The muted reaction was unsurprising given the majority of business written at 1 January is European, UK and Midwest US business that was unaffected by last year's events. However, accounts with significant losses or a deterioration in performance had rate increases. The retrocessional (retro) market is a case in point. Retro is bought by reinsurers to manage their own catastrophe exposures and in recent years has largely been provided by dedicated funds whose capital is mostly from non-traditional sources like pension funds and private banks. Retro returns were materially impacted by 2017 events and further dislocation followed in 2018. Many non-traditional investors reloaded for 2018 but have now suffered two consecutive years of large losses. Unsurprisingly, many of these investors are showing signs of fatigue and have material amounts of capital that will remain trapped until the 2017/2018 losses reach a greater degree of certainty. We suspect many of these investors have reconsidered whether there really is enough prospective return to roll the dice with Mother Nature again this year when the anticipated uncorrelation with financial markets was not realised. From our recent conversations it appears that retro funds have not been replenished to the same extent as they were a year ago. Rate increases at 1 January for heavily loss-impacted aggregate cover retro accounts were 20%+ with a meaningful contraction in available capacity.

M&A activity remained robust throughout 2018. There were eight \$1bn+ deals involving US (re)insurers. Interestingly six of the eight buyers were US companies. Having been relatively inactive in recent years, US-based companies are now on a level playing field with their overseas peers following the US tax reform. Relevant to the Fund were the acquisitions of Validus Holdings and JLT. In January 2018, JLT announced the acquisition of Validus, a top-10 position for the Fund at the time, in a \$5.6bn cash transaction. The \$68/share cash bid was a 46% premium to Validus' closing share price prior to the deal announcement and represented a multiple of c180% price to tangible book. In September, Marsh and McLennan, a Fund holding, announced a bid to acquire JLT for \$5.7bn. JLT is a fast-growing specialty (re)insurance broker based in London and is the sixth largest broker in the world. The offer price was a 34% premium to the pre-deal price which was sufficient to persuade major shareholder Jardine Matheson, who owned 40% of the company, to sell their stake. The Fund had a 3.7% position in JLT ahead of the announcement.

#### Fund activity

The Fund continues to have a low turnover and there was little change in our overall positioning in 2018. We purchased three new holdings in the period, Everest Re Group (a Bermuda-based reinsurer), First American Financial (a US title insurer) and Hiscox (a London-listed specialty insurer). We sold our positions in AXIS Capital and Topdanmark. As noted above, Validus Holdings and JLT were acquired by AIG and Marsh & McLennan respectively.

As was noted in the 2017 Report, given the improved pricing in the retro market following the 2017 losses we increased our retro exposure to c1.5% for 2018. That increase was achieved through the addition to the Fund of two new retro underwriting vehicles. Our retro holdings were loss-making in 2018 which was unsurprising given the magnitude of natural catastrophes and a number of significant man-made events. We topped up our retro exposure further at year end given the second year of material improvements in pricing noted above. The Fund now has a c2% weighting in retro but the overall cat exposure remains at its historic low of c5%.

### **Market outlook**

We expect the improvement in primary insurance pricing to continue in 2019. More importantly, rate increases today are being compounded on the rate rises from a year ago. We expect momentum in catastrophe reinsurance pricing will build as 2019 progresses with 1 April Japan renewals likely to respond to last year's \$10bn+ of typhoon losses, and 1 June Florida/US renewals expected to more fully reflect the extent of hurricane losses in 2017 and 2018.

When you combine a better underwriting market with increased investment returns as a result of the rise in US bond yields during 2018, we believe our companies could grow their book values 10%+ in 2019.

With valuations reasonable at around their 30-year average, combined with the fact that non-life insurance historically is a sector that performs well in challenging markets, we are hopeful that the stage is set for a good year for our investors.

### **Financials Team**

#### **Polar Capital LLP**

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Global Technology Fund

#### Fund performance

2018 proved to be a rollercoaster of a year for equities and the technology sector alike. Over the full year the Fund performed well in a difficult environment, its NAV rising 3.0% (Class I US Dollar Shares) well above its benchmark, the Dow Jones World Technology Index which fell 7.3% (PR) or 6% (TR), with stronger returns for sterling-based investors in the non-FX hedged share classes. Both the Fund and the sector continued to demonstrate outperformance in what proved a difficult year for equity markets, the MSCI All Country World Index declining 9.4%. All returns are US dollar, total return (TR) unless otherwise stated.

The Fund also performed well relative to peers, ending the year solidly first quartile within its Lipper peer group. Whilst we don't aim to be the best performing Fund in any individual year (because of the extra risk this usually requires), over longer time horizons the compounding of strong performance has led the Fund to be ranked first or second in the c30-strong Lipper technology peer group over three, five and 10 years (Class I US Dollar Shares). It also retained its 'Five Star – Silver' Morningstar rating.

The US (c70% of assets) drove the majority of the Fund's outperformance – strong stock selection lifted our average US stock up 16.2% vs a -0.6% decline for the US component of our benchmark. Europe and Asia Pacific also made positive contributions, although mostly due to our decision to remain underweight (with positive stock selection in Europe offset by APAC). Japan proved the greatest detractor (despite being only 6% of assets) due to the region's performance (-20.7% for the respective benchmark component) and poor stock selection. Much of the stock selection weakness in Japan and APAC came from our secular bias towards robotics and semiconductor stocks, both areas trailing during the year.

The Fund benefitted from both strong stock picking and our overweight allocation to application software and internet software & services sub sectors. Seven of the top 10 contributors to relative performance fell within software: Zendesk, Twilio, Alteryx, Everbridge, Five9, RingCentral and Mulesoft (acquired by Salesforce.com during the year). In addition, the Fund benefitted from the acquisition of Red Hat by IBM. Strong growth in both the e-commerce (Amazon.com) and cloud computing (AWS) business at Amazon also made a notable positive contribution to both absolute and relative performance.

Our decision to underweight semiconductors and technology hardware also boosted performance as the sector lagged on trade war, China growth and smartphone concerns, aided by strong stock selection. The largest contributor to performance was our position in Advanced Micro Devices ('AMD'), the stock benefitting from the release of new products that helped it close the competitive gap with Intel (AMD's partnership with TSMC actually giving it a manufacturing lead for the first time ever). While absolute returns in Apple were poor (-5.3% for the year), the Fund's relative performance benefitted from our small position (reduced in Q4), which represents a significant underweight in what remains the largest benchmark constituent.

Turning to areas that detracted from performance, although the Fund held a substantial Microsoft position throughout the year (often the largest holding) we remained underweight (u/w) which also dragged on relative performance. We also held no Cisco because of its low

growth profile, but the stock performed strongly regardless. Our Intel u/w also detracted although this was more than offset by our gains in AMD. In isolation these may appear poor decisions, but the choice to deploy this capital elsewhere (particularly in software) was beneficial.

From a sector perspective, communications equipment proved the largest detractor (mostly Cisco u/w) while interactive home entertainment (games software), industrial machinery (robotics) and electronic components all dragged on returns. It should therefore be no surprise that at the stock level our largest detractors to relative performance also fell broadly within these areas. Gaming stocks lagged due to Chinese regulatory headwinds, delayed game launches and increased competition from new titles such as Fortnite and PUBG. As such, Activision, Netease and Electronic Arts all underperformed. Robotics, machine vision and semiconductor-related stocks (especially automotive/smartphone capex-exposed names) underperformed largely due to the softer outlook for global growth. This impacted Harmonic Drive Systems, Silergy, Cognex, Universal Display and Fuji Machine Manufacturing.

The decision to hold an elevated cash position for much of Q4, along with a modest NASDAQ ETF (QQQ) put option position – both intended to soften the Fund's natural beta/risk – also made a positive contribution. In what was an extremely difficult final third of the year, we were encouraged that while the Fund NAV declined 16.4%, it outperformed its benchmark by 139bp during this period.

#### Market review

2018 was clearly a challenging period for investors in the majority of asset classes, with most major equity indices ending the year firmly in negative territory. The MSCI All Country World Index fell 9.4%, while the US was a relative outperformer with the S&P 500 declining 'only' 4.4%, relative to the MSCI Emerging Markets (TR, net) Index which declined 14.6% (all in US dollar terms). Not only did a number of major equity markets deliver their worst annual performance since the financial crisis, but we also witnessed a strong resurgence of volatility that had been absent for much of 2017.

The year, however, can clearly be divided into distinct periods. Risk assets began the year on a strong note, rallying sharply in January (the S&P Index extending its record run of consecutive positive monthly returns to 15), driven by supportive macroeconomic data. However, this trend quickly reversed due to surging 10-year US sovereign yields (breaching 2.8%) following better than expected US payroll and hourly earnings data, triggering a taper tantrum as in 2013. In addition, both the Central Bank of Japan (BoJ) and European Central Bank (ECB) changed their policy language in February, the BoJ suggesting its exit policy for QE may start in April 2019 while ECB commentary implied limited future policy intervention.

Risk aversion spiked as geopolitical headwinds returned to the forefront at the end of Q1 2018, ignited by President Trump's increasingly aggressive rhetoric (and tweets) and protectionist trade policies (imposing tariffs on steel and aluminium imports). The much-feared escalation in trade tensions finally materialised in early April in the form of a proposal for 25% tariffs on \$50bn of Chinese imports. China responded the following day with plans to impose tariffs on 106 products originating from the US including soybeans, automobiles and chemical products.

While the global economic outlook had softened due to this trade war, Brexit and Italian political turmoil, the US remained buoyant (Q2 GDP hit an eye-catching annualised 4.1%) as tax cuts and spending provisions in the budget provided the economy with a significant dose of late-cycle fiscal stimulus. This divergence between the US economy and the other major global economies persisted during the year and proved a key determinant of 2018 equity market performance. In Europe, Q2 GDP grew only 0.3% q/q, the weakest rate in two years, while the Chinese economy also slowed, with Q2 GDP up 6.7% y/y, the slowest pace since 2016. The backdrop of higher US yields and a stronger dollar, while unhelpful for equities, was felt even more acutely in emerging markets.

The trade war unfortunately became the focus of investors during Q3, and with global growth fears accelerating, commodity markets corrected significantly (particularly oil prices). The US moved first in early July, applying \$34bn of tariffs to mainly Chinese industrial products. China subsequently retaliated with a focus on US agricultural products. As tensions escalated, the US struck a killer blow, announcing further tariffs on \$200bn of Chinese exports (initially at a tariff level of 10% but expected to increase to 25% in early 2019).

The fourth quarter saw a remarkable reversion in sentiment. First, risk aversion spiked in October with investors focused on inflationary pressure and a hawkish Fed set on a rate tightening path. US bond yields rose sharply, peaking around 3.2% – the pace of increase spooking investors given it occurred at the same time as slowing global growth. At the same time, trade war fears intensified as stories emerged that China may have infiltrated motherboards inside computers at numerous US companies. China GDP growth further decelerated to 6.5% y/y in 3Q18, down from 6.7% in the previous quarter (the slowest pace of growth since 1Q09). One of the most notable moves was oil, which experienced a dramatic correction with Brent Crude futures falling 20.8% in November alone.

Unfortunately, 2018 concluded with a brutal final month for equity markets. Focus shifted to whether policy error by the Federal Reserve might tip the US economy into recession. Having pressed ahead with a 25bp interest rate hike at its December meeting, hawkish commentary from Fed Chair Jerome Powell and a dot plot suggesting two more hikes in 2019 spooked investors. This was an outlook implied by the pricing of many financial instruments including, arguably, the flattening yield curve caused by a collapse in 10-year yields to 2.7% (a remarkable reversal from a month or so earlier). This, combined with an already weakening global growth outlook, limited progress in the US/China trade dispute and increasing political concerns in Europe (Brexit, Italian budget and French protests, to name a few), presaged a significant spike in risk aversion that pressured growth stocks and cyclical stocks alike.

### Technology review

The technology sector declined less than the broader market in 2018, the Dow Jones World Tech Index falling 6% as compared to the 9.4% decline in the MSCI All Country World (TR) Index. Disproportionate exposure to the US and the dollar helped drive technology outperformance. US technology stocks materially outperformed,

seen clearly by the 12 percentage point gap versus the Dow Jones World Tech ex US Index (W2TEC) which fell 17.9%. Within the US, returns were driven by a narrower group of stocks concentrated in the software, cloud and payments subsectors where growth remained strong and relatively insulated against a trade-war related slowdown.

Technology stocks started the year strongly supported by strong balance sheets, secular tailwinds and strong Q4 2017 results. Software stocks performed particularly well with robust results from many of our holdings including Zendesk, New Relic, Hubspot, Everbridge, Red Hat and Five9. Games software stocks were also strong. While internet stocks generally reported strong growth, the spectre of increased investment and related near-term margin pressure weighed on the likes of Alphabet (Google). Amazon shone courtesy of its AWS cloud infrastructure business.

While technology stocks remained at the periphery of the first sell-off in February, they became embroiled in trade-related concerns later in March/April which caused a material sell-off. Fortunately, the Fund was underweight in the areas most impacted which helped soften the impact. The sector was also impacted by the Facebook/Cambridge Analytica data-sharing scandal which dominated headlines and elevated the risk of greater regulatory scrutiny of internet platforms and the treatment of data. Finally, the two separate but tragic fatalities involving an Uber and a Tesla both on autopilot weighed on the sector. Fortunately, markets rebounded sharply in May/June as the focus returned to the continuation of strong earnings.

There was unfortunately a marked shift in the second half of the year. First, trade war and China/Europe slowdown fears worsened, leading to the underperformance of Asian stocks. Semiconductors and other cyclical subsectors were impacted by weaker demand in a number of important (and increasingly China-dependent) end markets such as smartphones and automotive. During the period, what began as weaker NAND prices extended into other component parts including DRAM, lower semiconductor capex and an inventory correction. Associated stock price weakness had the greatest impact on semiconductor-heavy markets such as Korea and Taiwan while Japan also had to contend with sustained selling pressure in robotic stocks that suffered from smartphone and auto market exposure.

Chinese internet stocks also struggled against a backdrop of slower economic growth, increased investment (impacting margins) and, in the case of Tencent, adverse regulatory developments that saw the government restrict the granting of new game licenses. Greater regulation also featured elsewhere: in Europe, the much-anticipated General Data Protection Regulation (GDPR) came into force in May, while in the US Facebook fell sharply as the company announced materially higher spending on security and other measures designed to improve/clean up the platform. We reduced Facebook exposure significantly because despite seeing value in its Instagram, Messenger and WhatsApp assets, there is limited visibility into the core Facebook platform growth rate (exacerbated by the Newsfeed to Stories transition), higher costs and regulatory risks. Fortunately, the other FANG stocks fared significantly better with sustained strength in cloud benefitting Amazon and Alphabet (aka Google), as well as Microsoft.

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Global Technology Fund continued

#### Technology review continued

The fact that fundamentals for software stocks remained robust was largely overlooked during a volatile end to the year, Adobe Systems and Oracle (not held) reporting solid results. The software group suffered towards year end as risk aversion took over and multiples compressed. Smartphone weakness, China/EM economic softness, crypto currency unwinding and trade war fears also weighed heavily on more cyclical stocks.

Meanwhile the arrest of Huawei Technologies' CFO in Canada in early December (amid allegations the company had violated US trade sanctions on Iran) represented a material escalation in an IP war.

Demand in more cyclical areas certainly continues to disappoint, culminating in early 2019 with Apple's first negative preannouncement since the introduction of the iPod almost 15 years ago. Management cited significantly greater macroeconomic weakness in Greater China (due to the escalation of trade tensions), as well as fewer iPhone upgrades in developed markets (due to lower carrier subsidies, price increases and inexpensive battery replacements) along with dollar strength. Fortunately, while Apple had been the best house in a bad neighbourhood for some time, we had significantly pared back our exposure in 4Q18 following the company's decision to no longer disclose unit data, cutting further on softening supply chain results following the recent preannouncement.

While press coverage for the internet stocks remains poor and regulatory attention is rising, results through 2018 have on balance remained robust (outside Facebook travails and China weakness impacting Alibaba Group Holding and Tencent). The pace of innovation here has certainly been intense with Google/Alphabet and Amazon at the forefront of developments around machine learning (ML) and artificial intelligence (AI). Alphabet finally launched a commercial self-driving taxi service, Waymo One, in Arizona during December, albeit still on a small scale.

#### Fund activity

Assets under management grew during the first half of the year (from \$1.9bn end 2017) to \$2.5bn (Class US Dollar Shares) and finished at roughly the same level (although inflows and strong performance led to peak assets of c\$3bn, the market sell off in Q4 cancelled out this benefit). As always, we remain very focused on liquidity – which remains strong on most measures – with traditional analysis suggesting it will take five days to liquidate 95% of the Fund based on 30% of prior 60 days' volume. We are also no longer actively marketing the Fund which, along with market weakness, has led to limited inflows.

Active share rose to c63%, up from 58%, during the first half, largely due to reduced exposure to Apple and Facebook, partially offset by increased exposure to larger Chinese internet stocks (Alibaba Group Holding and Tencent). As part of the same adjustments, mid-cap exposure (\$1–10bn market cap) increased from 24% to 34% (largely at the expense of mega caps, down from 54% to 47%). We also flattened the portfolio, reducing concentration in the top 10 positions from 43% to 36% and increasing the number of holdings from 65 to 70 during the year.

Geographic exposure at period end (compared to the previous year) was US 76.0% (67.6%), Asia Pacific 13.0% (14.9%), Japan 6.3% (10.2%), and Europe 4.8% (6.5%) with cash/liquidity 7.7% (8.1%). The increased US weighting was largely driven by both strong performance and our allocation towards the US economy which was proving largely resilient in the face of slowing global growth and trade war concerns. Our decision to reduce robotics and semiconductor exposure in favour of software and internet also played a part.

Cash at 7.7% ended the year flat on both the year and half year although that masks considerable fluctuations where we took advantage of periods of weakness to become more fully invested and took profits into strength. The Fund also held small QQQ put options throughout most of the year, to further soften the excess fund beta (excess benchmark risk) that comes with our growth-centric investment style.

We used various periods of volatility to upgrade the portfolio, exiting weaker positions and adding to our many new growth stocks. New positions during the year included Alteryx, Twilio, MuleSoft, Intel, Dropbox, Nutanix in Q1 and Pure Storage, SK Hynix, Mastercard, Monolithic Power Systems, GrubHub, Start Today and GMO Payment Gateway in Q2. Encouragingly a number of these stocks made it into the top 10 contributors to performance during the year.

In the second half of the year we added to Autodesk, Globalwafers, Corning and Amphenol in Q3 (largely defensive purchases at the time) while Q4 purchases included digital health/AI beneficiaries (iRhythm Technologies and Illumina), depressed cyclicals TDK (polymer batteries), Yaskawa Electrics (robotics) as well as Chegg (online learning resources) and Altair Engineering (digital simulation software).

These were funded by the sale of the following which tended to be grouped into segments: games software-related (Naver, Netease, Nintendo, Electronic Arts & Activision), smartphone/ semiconductor/ robotics-related (Nitto Denko, Fanuc, Renesas, Disco, Applied Materials, Silergy & SOITEC), acquired (Mulesoft, by Salesforce.com, and RedHat by IBM) and those with competition or execution concerns (Cloudera, Box, Cyberark and Start Today (ZoZo)). Towards the end of Q4 we also exited Amphenol and Corning (despite having purchased them in Q3) due to the worsening trade outlook and to give us firepower to add to software on weakness in December.

We remain excited by eight core secular themes; e-commerce and digital payments, digital marketing and advertising, cyber and physical security, cloud computing and AI infrastructure, software as a service (SaaS), digital content and gaming, robotics and automation and rising semiconductor complexity.

While public cloud computing and smartphone adoption (ubiquitous mobile internet) have been the technology investment stories of the past 10 years, we expect compelling productivity gains from new enterprise technologies to drive investment in the digitisation of businesses, connected industrial devices and smarter, automated decision-making leveraging AI over the next decade.

With the digitisation of business a top priority we remain structurally overweight software stocks (our largest overweight sub-sector), although we have recently taken profits due to a strong rebound in early 2019. We remain underweight semiconductors based on the maturity of key end markets although we remain focused on product cycle-driven opportunities such as 5G mobile networks, 100/400G optical network upgrades and cloud infrastructure.

### Market outlook

Fortunately, at the time of writing equity markets are rallying hard aided by the return of liquidity notably absent during December. Investor sentiment has likely been assuaged by a number of recent positive developments including dovish Fed commentary – reminding investors that central banks are at least listening to the market – a strong US jobs report and hopes that an understanding can be reached during the current trade negotiations between China and the US. In addition, the early days of 2019 have witnessed a notable uptick in M&A activity (Celgene acquired by Bristol-Myers Squibb and Luxoft by DXC) with corporate buyers yet again filling the void left by skittish equity investors.

While this is encouraging, we expect ongoing volatility tied to a multitude of factors but mostly the risk of failed trade negotiations leading to slower global growth and/or a US recession (not in the interests of either China or the US, especially with US elections in 2020). We will also be watching bond yields, oil prices and US credit markets closely.

We remain constructive on the outlook for our portfolio, though this relatively sanguine view reflects our own positioning and our overweight exposure to secular growth themes. This is particularly true of next-generation software stocks where growth has been driven by a shift to the cloud, the business imperative of digital transformation, and where China represents just 1% of revenues. In contrast, the smartphone theme is one we have been reducing exposure to for some time given high penetration and slowing/contracting units following 10 years of growth since the iPhone was first introduced in 2007. As is the norm in highly penetrated markets, this has left the industry increasingly reliant on the developing world for incremental growth, with so-called Greater China representing 18% of Apple's revenues in 3Q18.

While we doubt that the trade dispute between China and the US will be settled in Q1, we believe both sides would benefit from a de-escalation process which should provide a healthy tailwind for risk assets. We believe much of the weakness is now priced into related stocks (which encouragingly appear to be acting well despite negative revisions) and as such have started to cautiously add to robotics and semiconductor-related holdings. Many of these stocks are trading at compelling valuations and while we realise we may be early, at some point the current cyclical headwinds will likely become tailwinds once again.

We have never professed to be top-down investors. Rather, we focus on bottom-up stock-picking and the identification of core growth themes. Our goal is to assemble a portfolio of stocks that should in aggregate deliver growth well in excess of what our benchmark will in the hope that, over time, growth will manifest as outperformance.

Thankfully our sector has a plethora of secular drivers that we believe are strong enough to withstand modest macroeconomic buffeting with short-term stock price volatility likely to be explained by valuation expansion (and contraction) rather than business fundamentals. Of course, there must be a point when macroeconomic weakness shows up in next-generation fundamentals and/or there are periods (usually growth scares) when multiple compression outweighs the growth.

For now, we remain constructive and hopeful that markets will recover their poise although we acknowledge the growing importance of securing a trade deal. Both risk and reward have increased over recent months which suggests that we may be stuck with higher than average volatility for now. In part, this explains our decision to hold more cash than normal as firepower to add to preferred names on potential weakness. This stance is unlikely to change dramatically until we get into the middle of Q4 earnings (with 2019 guidance from many companies likely to be cautious given the macro backdrop), but we would look to move back to a fully invested position should top-down uncertainty recede (particularly on meaningful trade war progress) or on unwarranted market or stock-specific weakness.

### Technology Team

#### Polar Capital LLP

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Healthcare Blue Chip Fund

#### Fund performance

The Healthcare Blue Chip Fund returned 0.8% (Class I US Dollar Accumulation Shares) versus 1.7% for the MSCI Healthcare Total Return Index (in dollar terms) during 2018. The market sell-off in December had a major impact on both absolute and relative returns for the year.

Geographic attribution was positive for Europe, modestly negative for the US with Japanese exposure the major detractor to performance. Sub-sector allocation was positive for the year, but underlying stock selection detracted from performance. Healthcare equipment and healthcare facilities were both major contributors, but biotechnology and healthcare services were the largest relative detractors.

The Fund comprises a concentrated portfolio, with an active share of 59.6% and 27 positions at the end of the reporting period, so individual stock performance has a significant impact on Fund performance.

In terms of individual holdings, the most significant contributors to relative attribution were HCA Holdings, Centene and Abbott Laboratories:

- HCA Holdings, a leading hospital chain in the US, benefited from an improving US economy that had a positive impact on patient volumes
- Centene, a managed care organisation focused on Medicaid, continued to show strong growth in its core markets as well profitable growth in the health exchanges
- Abbott Laboratories delivered double-digit, top and bottom-line growth as its broad new product portfolio gained further traction in the market

The holdings that were the most significant detractors to relative performance were Takeda, Alnylam and Quest Diagnostics:

- Takeda Pharmaceutical shares fell sharply on the announcement that it would acquire Shire Pharmaceuticals
- Alnylam Pharmaceuticals shares pulled back over concerns regarding competition for its lead drug Onpattro
- Quest Diagnostics failed to meet expectations as management cited reduced operational visibility on the business

#### Market review

Stock markets had a strong start to 2018 as investors began to factor in the positive effect of tax reform in the US which President Trump had signed into law in December 2017. The reduction in the US corporate tax rate was expected to have a significant impact on earnings expectations for US companies, coupled with the prospect of increased consumer spending. This drove expectations that US economic growth would accelerate in 2018 and that there would be a positive impact on the global economy.

This enthusiasm evaporated in February as concerns about inflation, rising interest rates and an overheating US economy contributed to a sharp decline in the stock market. Stock markets subsequently staged a recovery, but the talk of tariffs and the prospect of a trade war served to dampen enthusiasm. Over the summer, there was a marked change in tone and investors began to shun higher growth sectors in favour of more defensive growth segments of the market. These rising concerns came to a head in October, when US interest rates jumped significantly with a subsequent sharp sell-off in global stock markets. The tipping point appeared to be the tightening of financial conditions with the US Federal Reserve signaling further interest rate increases and the European Central Bank initiating a reversal in quantitative easing.

November was better for markets, but the negative momentum reasserted itself in December. The Federal Reserve raised rates again and investors seemed to take the view that this was a policy error. As a result, there was an aggressive sell-off across a number of asset classes with stock markets moving below the lows in October.

Healthcare's performance over the period largely reflected the dynamics in the broader market. With risk appetite high, small and mid-cap growth stocks performed very well up until February. This was helped by a number of biotechnology company acquisitions by large pharmaceutical companies at the turn of the year. There was an expectation that tax reform would drive a surge in M&A activity, as the reform removed the disincentives for repatriating overseas cash, but this did not materialise. Over the middle of the summer, there was renewed interest in pharmaceutical stocks as investors began to look for defensive growth. Large-cap pharmaceutical stocks were strong relative performers in the second half of the year.

#### Fund activity

Sub-sector allocation is an important part of the investment process for the Fund. We started the year with a significant overweight in healthcare equipment and managed care stocks and a significant underweight in pharmaceuticals.

During the first quarter, we added to the life sciences tools sub-sector, by opening positions in Thermo Fisher Scientific and Agilent Technologies, on the anticipation that these stocks would benefit from an improving US economy. We also opened a position in HCA Holdings and added positions in AstraZeneca and Eli Lilly & Co. In March, we sold our position in Bayer – as there was limited visibility on when the Monsanto transaction would close – and replaced it with a position in Novo Nordisk. Our overall exposure to biotechnology stocks was reduced modestly during the quarter as we sold our position in Biogen.

During the second quarter, we began to rebalance the portfolio towards a more defensive position and looked to reduce the beta of the portfolio. We sold positions in Agilent Technologies, Exelixis, Shire and Vertex Pharmaceuticals and reduced our exposure to Biomarin Pharmaceutical and Stryker Corp. We also added new positions in Baxter International, Medtronic and Merck & Co and finished the quarter with a 7% position in cash.



We redeployed the cash at the beginning of the third quarter but maintained a more defensive stance. We sold positions in PerkinElmer and Varian Medical Systems and added Jazz Pharmaceuticals and Quest Diagnostics. We also began to reduce our underweight in biotechnology and pharmaceuticals by opening positions in Amgen and Johnson & Johnson, respectively.

During the periods of market volatility in the fourth quarter, we made few changes to the portfolio. During the market rally in November we sold our positions in Agilent Technologies, Centene, Eli Lilly & Co and Gilead Sciences and replaced these with positions in CVS Health, ResMed and Varian Medical Systems. At the end of the year, the portfolio was still overweight healthcare equipment but our underweight in pharmaceuticals had been reduced.

### Market outlook

Macroeconomic issues look set to be the driver of global stock markets over the next year, particularly the path of interest rate rises and the reversal of quantitative easing in the US. We see a tightening of liquidity having a negative impact on the global economic outlook. China seems to be in easing mode now and this may be the reason emerging markets have started to outperform. The other major geopolitical factor to watch closely is trade, with a potential agreement between the US and China in the offing that could be offset by an escalation in the trade dispute between the US and the European Union.

The sentiment towards equities has likely reached a nadir in the short term and suggests a bounce is warranted although this could be short-lived unless there is a reversal in financial conditions. The prospect of further increases in interest rates and the reversal of quantitative easing increases the risk that monetary policy is too draconian, and this trend may need to be reversed for equities to find a floor.

For healthcare, M&A activity looks to set to be a theme in 2019. Towards the end of 2018, GlaxoSmithKline announced its intention to acquire Tesaro and in early January 2019 two major deals were announced – Bristol-Myers Squibb made a bid for Celgene and Eli Lilly & Co announced the acquisition of Loxo Oncology. While large pharma and med-tech companies are looking to acquire innovation, we think the ongoing structural change in the industry means we could see M&A activity across all sub-sector as companies look to improve efficiency.

The other key theme for healthcare will again be US politics as the electioneering begins for the 2020 Presidential race. With the Democratic primaries set for the summer, we expect a lot of debate around healthcare including issues such as affordability, drug pricing and universal healthcare access (often referred to as Medicare for all). In the near term, there may be new policy moves around drug pricing from both the Democrats, who now control the House of Representatives, and also President Trump who may be willing to work to some extent with the Democrats on this issue. Together, these issues create potential headwinds for managed care stocks as well as the pharmaceutical and biotech sub-sectors.

The significant outperformance of small-cap healthcare stocks compared to the larger-cap end of the investment universe that began in late 2016 seemed to come to an end in the middle of 2018. While we are not disputing the level of innovation in small companies, we continue to see them as key disrupters of the industry and think some of the valuations are still a little stretched. Valuations of large healthcare companies, on the other hand, continue to look attractive on both a relative and absolute basis. The healthcare sector's P/E ratio is currently lower than the broader stock market and is just below the long-term average over the past 25 years.

Given the potential uncertainties going into 2019 – Brexit, trade wars, rising interest rates, geopolitical uncertainty – we think there is a strong case to be made for investing in large healthcare stocks given they offer investors defensive growth. Our focus is on the large companies that are adopting proactive business strategies that embrace and drive change.

### Healthcare Team

#### Polar Capital LLP

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Healthcare Opportunities Fund

#### Fund performance

The Healthcare Opportunities Fund returned 8.8% (Class I US Dollar Shares) versus 0.2% (in USD terms) for the MSCI Healthcare Index during 2018. The Fund benefited with strong performance from mid-cap stocks and pharmaceuticals.

Market-cap attribution was very positive for mid and large-cap stocks and a slight negative for small-caps. Geographic attribution was positive across the board with Europe and US the most positive. The elevated cash weighting held during the latter part of the year was also a positive contributor.

Allocation and stock selection were positives for the Fund over the year. Stock selection was most positive for pharmaceuticals, healthcare supplies, healthcare services and healthcare technology and negative for biotechnology and life science tools and services. For allocation, the overweight positioning in healthcare equipment and cash were positives while the overweight positioning in healthcare supplies and biotechnology was a negative.

The largest contributors were Nektar Therapeutics, Loxo Oncology, Teladoc, Amarin and Wilson Therapeutics:

- Nektar Therapeutics benefited both from positive clinical data and an impressive partnership with Bristol-Myers Squibb
- Loxo Oncology reported better than expected clinical data, and surpassed competitors' efforts
- Teladoc reported strong growth as its efforts in telehealth generated significant investor enthusiasm
- Amarin reacted strongly to positive data ahead of its presentation at a medical meeting
- Wilson Therapeutics was acquired by Alexion for a significant premium

The holdings which were the main detractors were Aclaris, Agios Pharmaceuticals, Deciphera, Puma Biotechnology and Stemline Therapeutics:

- Aclaris was pressured due to delays and a disappointing product launch
- Agios Pharmaceuticals was weak following management change and concerns over messaging on one of its key programs
- Deciphera generated weaker than expected data for its key oncology program
- Puma Biotechnology pulled back due to concerns over its commercial progress on its oncology product
- Stemline Therapeutics was weak due to concerns over financing risk and lack of liquidity in its stock

#### Market review

The markets enjoyed a dramatic start to 2018, particularly in the US as investors became extremely bullish around the prospects for the economy and the effects of corporate tax changes. This move left investors in a complacent mindset and a move in interest rates then caused a sharp sell-off, exacerbated by the effects of the move on investment products that were geared to a low-volatility environment. Following the pull-back, investors returned to the same trade that had dominated 2017, the ever-expanding valuations for companies offering significant top-line growth. While other regions of the world started to falter, particularly emerging markets, the US market moved higher, seemingly immune to the pressures that had started to impact others.

The peak in high-growth stocks started in June, and the move to this level could easily be described as a bubble considering how stretched valuations had become. The markets started to take on a more defensive nature and rotation among industry sectors started to increase, with large-cap, non-cyclical stocks generating the best performance.

October was the key month when everything changed. Interest rates jumped significantly in the US causing a sharp sell-off in stocks. Tightening in financial conditions reached an inflection point after a series of rate increases by the US central bank on top of the reversal in quantitative easing that has begun. Various headwinds, including the strength in the dollar, have been visible through the underperformance of emerging markets, declining liquidity negatively impacting small-cap stocks and credit deteriorating. The market's fear in October was driven by concern that the Federal Reserve was going too far in its plans for rate increases.

November was better for markets following the sell-off in October, but the negative momentum reasserted itself in December. The Federal Reserve raised rates again which investors viewed as a policy error, with an aggressive sell-off impacting assets more broadly than the move lower in October.

The healthcare sector outperformed and followed the pattern of the general market with higher growth areas winning in the first half of the year, exemplified by the performance of small/mid-cap medical device stocks, while more defensive sub-sectors such as large-cap pharmaceuticals outperformed in the second half.

#### Fund activity

Following the market spike in January due to optimism over the US economy, profits were taken in several names including UnitedHealth, Centene, Cigna and Illumina. The position in Johnson & Johnson was also sold following a disappointing update from the company. Purchases we made included HCA Healthcare, Baxter, Teleflex and AstraZeneca.

In February, the position in Nektar Therapeutics was reduced following a period of significant outperformance after the company announced an impressive partnership for its key oncology program. In April, the position in Wilson Therapeutics was sold following the announcement that Alexion was to buy the company and in May new purchases included Sientra and Centene, both through participation in fund-raising. Positions in Exelixis and Molina Healthcare were sold.

In June, the market dynamic changed as investors started to become more defensive. Also, with growth stocks having reached new highs following parabolic-type runs from certain stocks exposure to these was reduced. Sales were made in iRhythm Technologies, LivaNova, Foundation Medicine and Steris while buys included Medtronic and Incyte. The cash weighting was also increased.

In July, more defensive exposure was added to the Fund with purchases of positions in Merck and UnitedHealth and increases in holdings in Abbot and AstraZeneca. Exposure to growth stocks was further reduced with sales of Illumina, Insulet, Acceleron Pharmaceuticals and Axogen.

In August, Johnson & Johnson was added back to the portfolio as the biggest holding in the Fund. Amgen was also purchased. Sales were made in Edwards Lifesciences and GlycoMimetics. Exposure to AstraZeneca was reduced. In September, positions in Amarin and Pacira Pharmaceuticals were purchased while holdings in Molina Healthcare and Intuitive Surgical were sold.

In October, in response to the sharp jump in interest rates, cash was raised aggressively early in the month, with it reaching 25% of the Fund at one point. Sales were made across the board, initially in more liquid stocks. The elevated cash weighting remained a feature of the fourth quarter. Following the weakness, some purchases were made in November, including Stryker and Intuitive Surgical. The position in Johnson & Johnson was reduced in November as it had outperformed by such a significant margin since the beginning of the quarter, then reversed in December with a repurchase following an excessive move lower in the stock based on a report from a journalist in relation to court cases that the company was facing.

### Market outlook

The key for equity markets remains the path of rates and the reversal in quantitative easing that is already in process in the US. Tightening liquidity is negatively impacting the global economic outlook. China is in easing mode and this may have been in part the reason emerging markets have been outperforming in the short term. Most recent commentary from members of the Federal Reserve has suggested a more dovish stance and this may have aided the bounce in equities in 2019. Other headwinds that need to be resolved include the trade dispute between the US and China and Brexit, with both reaching critical points at the end of March.

For healthcare, 2019 has started with two significant acquisitions – Bristol-Myers Squibb bidding for Celgene and Eli Lilly announcing the acquisition of Loxo Oncology. Merger and acquisition activity should be an ongoing theme in 2019 across all sub-sectors in healthcare as headwinds necessitate more efficiency within the industry. Political noise will rise in the US ahead of the presidential elections in 2020. First will be the start of the primaries for the Democratic party in the summer which will increase noise around healthcare including drug pricing and also universal healthcare access through what is termed Medicare for all. While this is not financially feasible, some candidates will push for it in their campaigns so this could be an overhang for the managed care industry in particular. In the shorter term there will likely be new policy moves around drug pricing from the Democrats who control the House and also President Trump who may be willing to work to some extent with the Democrats on this issue. This will be important to follow for the pharmaceutical and biotech sub-sectors in the short term.

The level of innovation coming from the medical device, biotech and pharmaceutical industry in the past two to three years has been nothing short of impressive. Many are excited about gene therapy for a variety of severe diseases and new ways to treat cancer through cell therapies, as examples of the current wave of new products in development. This innovation will continue to drive investor interest in healthcare and in the context of the current backdrop, fundamentals and valuation, the outlook for the sector in 2019 is positive.

### Healthcare Team

#### Polar Capital LLP

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Income Opportunities Fund

#### Fund performance

The Fund lost 5.9% (Class B2 Sterling Accumulation Shares) over the year in comparison with our benchmark index, the STOXX Financials Index, which fell by 17.3% in sterling terms.

#### Market review

This 12-month period was a tough one for financial shares as they underperformed underlying equity markets, while investors became more cautious on the outlook for growth and interest rates as well as rising trade tensions following the imposition of trade tariffs by the US. Against this background, while financials initially had a good start to the year they fell thereafter, significantly underperforming underlying equity markets.

European financials performed particularly poorly as political concerns in Italy, in the UK around Brexit and to a lesser extent in Germany and Spain undermined sentiment. This was compounded by a money laundering scandal at Danske Bank, Denmark's largest bank, which caused some suspicion to fall on other Scandinavian banks. Finally, economic data was also weak leading to the pushing back of expectation for interest rates rises.

In the US, where the outlook and commentary on interest rates had been more positive, financials performed better but similarly underperformed underlying equity markets. Earnings rose sharply year on year on the back of tax reform as well as higher interest rates already feeding through to wider net interest margins and profitability. However, a weaker outlook at odds with more hawkish than expected commentary from the Federal Reserve Chairman resulted in US banks suffering sharp falls in the final month of the year.

Elsewhere, performance was mixed. Australian and Canadian banks performed not dissimilarly to US banks, but Japanese banks suffered sharp falls in share prices. Real estate investment trusts having underperformed at the beginning of the year started to outperform as interest rate expectations softened resulting in them being little changed over the year as a sector. Non-life insurance stocks also held up better over the year reflecting their defensive characteristics.

Financial debt securities were also weak over the year despite the fundamentals of the sector remaining resilient, particularly so in November. The spreads at which financial bonds trade relative to government bond securities had tightened too much at the beginning of the year. However, following a correction spreads continued to widen, exacerbated by outflows from bond funds and less liquidity in markets.

#### Fund activity

Over the year the Fund was positioned more defensively. Exposure to equities was reduced, primarily to the banks sector by reducing a number of holdings, and two equity index futures positions were purchased to provide further downside protection. Cash was reduced to take advantage of the back-up in bond yields, to a level where we were happy to add to both our investment grade and high-yield bond exposure having previously turned very cautious.

Holdings in Validus Holdings and SVB Financial Group were sold, the former following the announcement of its agreed takeover by AIG, the latter on the back of strong share price performance. Other holdings that were sold included, Hastings Group Holdings (UK motor insurer), Société Générale (French bank) and non-voting shares of Schroders (UK asset manager). A number of shorter-dated senior unsecured bank bonds we either sold or they matured.

New holdings included Golub Capital (US business development company), Amigo Holdings (UK provider of loans that are guaranteed by a friend or relative of the borrower), and AJ Bell (UK investment platform). Following a correction in its share price we also purchased a new holding in Bank of NT Butterfield and Son (Bermudan bank). New fixed-income securities we bought included a number issued by the likes of Morgan Stanley (US investment bank), Amigo Holdings, Aegon (Dutch insurer) and HSBC Holdings.

#### Market outlook

Financials, in particular banks and asset managers, have derated significantly over the past year. At the end of December, US, European and Japanese banks had fallen to 8.4x, 6.5x and 7.6x 2020 P/E ratios respectively, significantly wider discounts to the market than where they normally trade and baking in either a significant fall in earnings and/or little or no earnings growth into the future reflecting investors' nervousness about the sector and where we are in the economic cycle.

For example, at the yearend US banks were trading on a 37% discount to the S&P 500 Index compared to an average of around 22% over the past 18 years. European banks trade on an even wider discount to the market reflecting their weaker profitability and outlook. While they have not fallen to the historic lows seen during the eurozone crisis or 2016, they trade at much wider levels than seen on average over this time period.

Similarly, credit has not performed well this year falling by up to 5% on average, despite the fundamentals of the sector remaining resilient. While we were cautious at the end of 2017 and early part of 2018, this was largely due to spreads having tightened too much. We have been turning more positive as yields are now looking much more attractive while bond prices have suffered quite large falls.

Looking forwards, Royal Bank of Canada analysts have pointed out that every year since 1990 that US banks have posted negative returns that have not been credit-related, they have risen the following year and, except for 2006, also outperformed the S&P 500 Index. Similarly, US banks over the same period have bottomed in relative terms around six months prior to the last interest rate rise and counterintuitively falling net interest margins.

Autonomous Research analysts have looked at all US recessions going back to 1937. US banks have tended to underperform in the run-up to a recession and then outperform when recession starts – in eight of the 12 recessions over that period. This intuitively makes sense in that investors discount the risk of a sharp downturn and then when it is seen as not as severe as expected banks then go on to outperform (three of the four exceptions being 1980, 1990 and 2007).

2018 has been a frustrating one for investors in the sector and while the sector has nearly always, for good reason, traded at a discount to underlying markets we still believe its recent performance looks anomalous unless there is a significant deterioration in the macro environment. A flattening yield curve in the US, weaker leading indicators and central banks continuing to withdraw liquidity suggest a tough start to the new year but financials start it from a much lower valuation already discounting more bad news to come resulting in some exceptional value on offer.

### **Financials Team**

#### **Polar Capital LLP**

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Japan Fund

#### Fund performance

In 2018, the Class I Japanese Yen Shares declined by 22.9% (in JPY terms) in comparison to a fall of 16% in the TOPIX Total Return Index (in JPY terms). Investors entered the year encouraged by synchronised global growth and robust data points, including the December 2017 manufacturing Purchasing Managers' Index (PMI), which suggested a strong Japanese economy for the foreseeable future. Early in the year the global economy continued to appear in good health, with US 10-Year treasuries rising to over 3% by April on robust wage data and employment numbers. However, increased concern on global trade led to a substantially stronger yen along with overseas investors reducing their exposure to Japanese equities at a record pace. Cyclical shares (MSJNHBC Index) bore the weight of foreign selling pressure, declining 27.4% in 2018, while defensive shares (MSJNDEFE Index) fell only 4.8% (both in JPY terms).

There were a number of global macro headwinds throughout 2018. Despite some commentators calling for a market 'melt up', investors instead began to focus on the increasingly visible slowdown in China as the government sought to clamp down on excess speculation in the real estate market and non-performing loans. As a result, GDP growth in China slowed from nearly 7% to 6%. Elsewhere, Brexit fears and European concerns (Italy) continued to put question marks against the synchronised global recovery. President Trump also added fuel to the fire by ratcheting up the trade rhetoric with China and potential foes. At the time of writing, on 1 January 2019 tariffs on \$200bn of imports from China are scheduled to increase from 10% to 25%. Trump has also threatened to impose tariffs on the remaining \$270bn if a deal is not agreed.

Japanese political upheaval also increased volatility. Shinzo Abe's re-election as head of the ruling Liberal Democratic Party was ratified in September, but this outcome was far from certain throughout the summer months as the high-profile scandal involving nationalist Osaka-based school operator Moritomo Gakuen continued to unravel. This aside, the domestic economy remained modestly strong with primary headwinds coming from the global factors mentioned above.

In this environment, the best-performing sectors were defensively oriented, such as electric power and gas, land transportation, fisheries and pharmaceuticals. The worst-performing sectors were more cyclical in nature, such as marine transport, non-ferrous metals, mining, iron and steel, machinery and banks. Given this, the Fund's high weighting in machinery and banks proved costly, but the bigger impact came from sectors that it does not own in the defensive space. Despite already rich valuations for defensive names, strong performance across the pharmaceutical and electric power and gas sectors significantly detracted from performance.

Poor stock selection in two individual cases proved costly. LIXL, a housing materials company, changed their president without the permission of shareholders and this came at a time when restructuring measures were causing a downturn in the business anyway. The share price fell sharply as investors reacted negatively to this. CKD, a pneumatic equipment company saw a decline in profits mainly coming from its semiconductor equipment exposure. We mistimed our purchase earlier in the year but continue to see value and have continued to accumulate the shares, as it trades well below book value and should see a recovery in orders in the second half.

#### Fund activity

The Fund continues with its policy of being overweight in both mid-caps and small-cap shares. Weightings are broadly similar to December 2017 across all capitalisation strategies. Asset allocation cost the Fund 118bp through its overweight in small-cap shares. We remain heavily weighted to cyclical areas of the market and financials. Our position in Toyota Motor has now been sold after a solid period of relative performance, leaving us underweight the transport equipment sector while within exporters the largest change throughout the year has been the near doubling of our technology weighting. While early, we believe that much of the bad news has been discounted in purchases such as Nippon Chemi-Con, an aluminium capacitor manufacturer with gearing to the auto electrification theme. We continued to add to value technology names such as Hitachi Maxell which is undergoing restructuring and trades at a substantial discount to break-up value, and Mabuchi Motor, a cash-rich play on the same theme. Cash assets account for roughly 50% of the market cap. Free cash flow generation is likely to improve over the next few years as capex requirements come down.

The weighting in machinery names has come down through the sale of stocks that gained in 2017, such as Nippon Thompson (linear motion guides). We continue to hold weightings in Glory and Takuma that have less sensitivity to the global cycle but have some semiconductor capex exposure in both CKD and Nippon Pillar Packing.

We continue to hold onto our large weighting in financials. We have two large positions in the big city banks. High dividend yields, and share buybacks mean that total returns are now in excess of 6%. While the domestic net interest rate margin is wafer thin, we suspect we are now bottoming out with optionality for a change of BoJ policy at some future date. P/E ratios remain very low as do price-to-book values. We continue to add to Jafco, a venture capital company trading below the value of cash and securities.

The largest risk remains our underweight in defensive sectors. A purchase of Takeda Pharmaceutical has gone some way to addressing this, but we remain substantially underweight. The food sector trades on 18x forward earnings against the market on 11x, whilst the pharmaceutical sector trades on 22x.

With the challenging external environment, the Japanese market will struggle to recapture last year's highs. However, much is discounted already in share prices of cyclical companies. Major central banks are moving from quantitative easing (QE) to quantitative tightening (QT) and liquidity will shrink. This should mean a reversal in the fortunes of value funds such as ourselves. The Fund has in many ways accentuated the value bet, with overweights in low price to book, dividend yield and low P/E ratio stocks. In 2018 value and quality were not effective. Low volatility and dividend yield proved supportive. Globally we believe that a wall of money has overpopulated defensive, secular growth names during a period of QE. This will prove to be unsustainable in the longer term and a return to fundamentals will favour the Fund.

July–September results were poor by comparison to the previous quarter with only 2% year-on-year growth against 12% for the first quarter. With the overall market trading at 11.8x forward price earnings the Fund trades on just over 10x with a dividend yield in excess of 2.5%. The Fund trades at roughly book value.

While the past five years have been tough, as value managers we continue to believe QE has distorted the picture greatly. As QT begins, we will gradually witness a return to fundamentals. The longer-term record over 10 years is 19th percentile and over 17 years 8th percentile. Over five years the Fund is 56th percentile (all Lipper Equity Japan).

### Market outlook

The world economy is not as robust as this time last year. The growth outlook is satisfactory but global risk factors continue to increase. The largest risks for Japanese equities come from overseas, with the US and China being the primary culprits.

The US economy is growing at c3%. However, this is above longer-term trends and fiscal stimulus enacted last year will become a negative headwind as the midpoint of the year approaches. The trade deficit is showing few signs of improvement. The positives continue to be visible wage growth and few signs of inflationary pressures. The Federal Reserve will need to tread a cautious path in the tightening cycle. As we write this, 10-year yields have already fallen back to 2.7%. A trade deal would do much to calm global growth fears. While a short-term truce is likely it is quite clear that many Republicans and Democrats share the view that China's trade practices are at best opaque and at worst tantamount to theft (intellectual property).

Since 2009, China has launched several rounds of construction/credit bubbles. In 2016-17, in response to speculation and soaring real estate prices the authorities tightened policy. This has had the desired effect and in September 2018 the State Council again pulled the policy lever with 1.4trn yuan of fixed-asset investment. They have also enacted 1.3trn yuan of tax cuts, both corporate and individual. Tariffs have been cut from 9.7% to 7.5% whilst the yuan has depreciated 10% against the dollar. Our base case is further short-term weakness in Chinese data followed by a pickup in the first half. Recent China PMIs have been disappointing although the service sector PMIs have rebounded.

The Japanese economy continues, like the world economy, to hold up, but momentum in PMIs are past their peak. Real exports have clearly slowed despite a short-term rebound, after the disruptions caused by the natural disasters. Long-term real interest rates remain low, which is supportive, and capital expenditure seems more secure as the structural headwinds of a shrinking labour force necessitate significant investment. The Tankan survey in December 2018 pointed to a further deterioration in manufacturing sentiment (probably from the global slowdown fears), although non-manufacturing sentiment held up well. Worsening conditions were seen in production and machinery and motor vehicles. The future readings for both are for deterioration but this is well baked in. The Economy Watchers survey remains at high levels with a reading above 50 that has continued since December 2017. Tourist numbers and expectations that winter bonuses will be higher than last year are supporting sentiment.

It would be prudent to assume growth of around 1% in real GDP this year, but our suspicion is that growth could indeed accelerate ahead of the consumption tax hike. The disappointment from the July-September GDP data (weather related) should dissipate in the final quarter. Non-manufacturing Diffusion Indices are steady, suggesting that activity relating to domestic demand is recovering from the natural disaster effects. Public investment is stabilising after five negative quarters. Net exports continue to be a drag on growth and a build-up in inventories in information-related goods are a concern.

The major disappointment on the Japanese economy has been the inflation outlook. Ten-year breakeven rates are hovering around 20bp, having fallen from 60bp in June 2018. Given the positive output gap, low levels of unemployment and record high jobs-to-applicants ratios, we are frustrated that inflation is proving so elusive. The recent fall in the oil price will put further pressure on the official Consumer Price Index (CPI) data and Core-Core (excluding fresh food and energy) inflation could turn negative in the short term. We still forecast a 1% CPI one year out and think the 2% target of the Bank of Japan (BoJ) is unrealistic.

The big surprise could be an adjustment in the Bank of Japan's NIRP (negative interest rates of 10bp on commercial banks' deposited money with the BoJ). A tweaking to, say, zero and with a widening of the upper limit to unlimited bond buying operations (currently 20bp) to say 25bp would be a big surprise and might placate those at the BoJ who worry so much about the health of the regional banks.

We are clearly late-cycle for the economy and risks in the short term are to the downside. Recent leading indicators are somewhat weaker and there is a risk of further inventory build in the manufacturing sector, particularly technology. The period immediately after the consumption tax will necessitate some further fiscal manoeuvring. The biggest risk remains a slowdown in overseas economies as a result of trade wars, higher US interest rates and a weaker Chinese economy.

**Japan Team**  
**Polar Capital LLP**  
 February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### Japan Value Fund

#### Fund performance

The Class S Japanese Yen Shares fell 16.3% versus a 16% decrease in the TOPIX Total Return Index over the period (both in JPY terms).

Fund underperformance versus the benchmark was driven by a combination of style headwinds, negative sector and negative market-cap allocations. At a sector level, the bias towards economically sensitive sectors (metals, mining, banks) at the expense of more defensive areas (land transport, retail, pharmaceuticals) proved extremely costly given the severe risk-off trading environment. Relative performance also suffered a headwind from our value style and small-cap bias, as growth stocks and large caps offered greater downside protection in Japan in 2018.

Positive stock selection limited relative losses to 0.4% despite the issues noted above as notable selection success within machinery (Mitsubishi Heavy Industries), technology (Toshiba, TDK) and insurance (Tokio Marine Holdings) more than offset problems within retail (H2O Retailing) and information and communications (Tokyo Broadcasting System Holdings). Medikit, a small-cap medical device manufacturer, was the largest positive contributor to relative performance given its resilient earnings stream and low enterprise value. On the negative side, a poorly timed entry into Nichicon, a manufacturer of aluminium capacitors, detracted the most in 2018 as the appetite for technology shares diminished rapidly during the second half of the year.

We were somewhat disappointed our value investing approach did not offer greater absolute downside protection in such a weak market environment given the strong emphasis on asymmetric risk/return opportunities within our investment process. This may be due to the indiscriminate nature of the sell-off, relative to fundamental valuations, as foreign investors aggressively sold down Japanese equities with 2018 recording the largest net selling since 1987. On a more positive note, the large selling pressure evident this year has presented multiple new stock opportunities which we hope to exploit in 2019 and beyond.

#### Market review

Global equities continued to trend higher in early 2018, with TOPIX breaking through the 1,900 level for the first time since 1991. However, initial optimism soon turned to panic, as US bond yields rose leading to a spike in the VIX index and a sharp correction in global equities. Following the February market pullback, Japanese equities traded in a narrow range between March and September despite continued strong earnings momentum as macro concerns weighed heavily on sentiment capping upside. The fourth quarter saw a more sustained global equity sell-off amid growing fears of a pronounced slowdown in the Chinese economy, continued interest rate hikes in the US and great uncertainty surrounding the ongoing trade dispute between the US and Chinese administrations.

In Japan, Prime Minister Shinzo Abe suffered a slump in his popularity rating in the first half of the year due to the Moritomo Gakuen scandal. The scandal related to a discounted land purchase in Osaka by a nationalist-leaning educational foundation with ties to the Abe family. Although it appears ministry officials did doctor documents related to the land sale, no definitive link to Mr. or Mrs. Abe was found following an investigation. Subsequently, the Prime Minister's popularity rebounded given his perceived foreign policy success and he ultimately won a further three years as leader of the ruling Liberal Democratic Party in an internal election in September.

The Bank of Japan (BoJ) was at the centre of attention in July as numerous media outlets speculated there would be a significant policy announcement on 31 July, creating volatility in both the Japanese Government Bond (JGB) and equity market. Media reports proved accurate as the BoJ's subsequent announcement was a report titled Strengthening the Framework of Continuous Powerful Monetary Easing. The adjustments to monetary policy strategy were designed to allow the current unconventional policy to continue for a longer period, given disappointing progress in achieving inflation targets, while minimising adverse side effects. Policy adjustments included the introduction of forward guidance, tolerating a wider fluctuation in 10-year JGB rates and a shift in ETF purchases from Nikkei 225 to TOPIX-based funds.

Given the weak overall market environment, sector leadership in 2018 had a marked bias to defensive and domestic names with the biggest outperformance coming from beneficiaries of a lower oil price (utilities, land transport).

On the other hand, the weakest performance came from sectors with high exposure to China and commodity markets (shippers, metals, mining, steel). Financials also suffered another difficult year despite the tweak to BoJ policy in the summer as a sustained pickup in inflation remains elusive despite a firm underlying economic picture and an extremely tight labour market in Japan. Technology shares also came under some heavy selling pressure in 2H2018 as early year euphoria for secular themes such as big data, AI, IoT and autonomous driving disappeared in favour of a return to the silicon cycle.

#### Fund activity

Portfolio turnover in the calendar year 2018 was focused on selling at the right price in January and February and taking advantage of depressed valuations on the buy side for much of the rest of the year.

Prior to the February correction in markets, we sold four names (Denso, Hitachi Capital, Tokyo Ohka Kogyo, Taikisha) which had reached our target prices versus only one new purchase in this period (Japan Post Holdings).



Subsequent to the market pull-back in February, new purchases were biased towards stocks at highly depressed relative price-to-book multiples (Nippon Electric Glass, Toppan Printing, Toray Industries, Jafco) where we felt the worst of any earnings downcycle was already fully reflected in the price. New purchases were funded through a mixture of profit taking of successful ideas (Toshiba Plant Systems & Services, C Uyemura, Shinmaywa Industries, TDK, Shizuoka Gas, Inabata) and admitting defeat in less successful holdings (Sumitomo Osaka Cement, Dydo Drinco, SKY Perfect JSAT Holdings).

The most notable change in portfolio positioning over the year has been the shift in exposure to technology shares. The electrical machinery sector was the Fund's largest underweight sector position at the start of the year, but over the course of 2018 a number of individual bottom-up ideas (Toshiba, Mitsubishi Electric, Nichicon, Foster Electric, Cosel, repurchase of TDK) have emerged as investors' enthusiasm for technology has waned leading to the current large overweight position. We believe this is consistent with our investment process which tends to lead to interest in areas more momentum-oriented investors are exiting.

The other significant change in portfolio exposure is the reduction in large cap exposure implemented in the fourth quarter as we banked relative profits in large-cap winners (Tokio Marine Holdings, Mitsubishi Heavy Industries, Japan Post Holdings, Toyota Motor) in favour of more interesting growth opportunities across the market-cap spectrum (repurchase of Tokyo Ohka Kogyo, Hitachi High Technologies, JSP, repurchase of Denso). For detailed descriptions of all new purchases and complete sales in 2018, please review our monthly fact sheets.

### Market outlook

Returns for Japanese equities in 2018 proved to be a major disappointment relative to high expectations at the start of the year. Twelve months beforehand the consensus view centred around a continuation of the global synchronised growth we enjoyed in 2016-17. However, views shifted steadily to a far more pessimistic assessment as the year progressed with fears over Chinese growth rates, US monetary tightening and Trump administration trade policy all acting as headwinds. Looking forward over the next 12 months, growth expectations have fallen materially, and valuations have derated just as the first signs have emerged of a potential pause in US monetary tightening. Also, one potential upside surprise relative to the current negative consensus view is the delayed impact from Chinese fiscal stimulus that measures may start to appear in the first half of 2019.

In Japan, two key debates will likely dominate domestic affairs: can the government manage to hike the consumption tax in October without causing a recession and will the BoJ finally begin to normalise monetary policy? We believe the answer to both these questions will to a large degree depend on the global economic picture as it is hard to see the BoJ tightening aggressively in an environment where the US Federal Reserve pauses or even cuts rates. On the consumption tax hike, the Japanese government has already announced fiscal measures to partially offset the negative impact, but if the export sector is suffering from a US/China trade war at the same time it will be difficult for the Japanese economy to see positive growth.

In conclusion, it seems after the recent market pull-back there is substantial value on offer but a large question mark over growth. At a portfolio level, this environment has led to a significant increase in turnover in the final quarter of 2018. Portfolio turnover has led to a substantial reduction in large-cap exposure as we have locked in outperformance in slightly dull but resilient names. Proceeds have been reinvested in increased weightings in mid and smaller-companies with the substantial pull-back in equity markets in the fourth quarter allowing us to build a more interesting portfolio from a growth perspective even with our strict value investment criteria. As at year end, the portfolio offers an excellent mix of deeply discounted, traditional value large caps, out-of-favour, high quality, cyclical mid-caps and niche smaller companies with excellent operational businesses in need of more efficient capital allocation. After the sharp decline in the fourth quarter, portfolio valuations are heavily depressed (PBR 0.8x, EV/EBITDA 3.7x, ex-cash PER 8x) and hopefully offer an excellent risk/reward profile for 2019.

### Japan Team

#### Polar Capital LLP

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### North American Fund

#### Fund performance

Over the year the Polar Capital North American Fund (Class I US Dollar Shares) decreased by 11.6%. This compared with the MSCI North America Index (with net dividends reinvested) which decreased by 5.7%.

We are, of course, disappointed with recent performance. Certainly, it was not a good year for our stock-picking with Mohawk Industries (flooring manufacturer and distributor) and Flex (contract manufacturer) being notable drags to performance. Stericycle (medical waste management), Canadian Natural Resources (oil producer) Citigroup, Affiliated Managers Group (boutique fund manager holding company), Freeport-McMoRan (copper producer) and Copa Holdings (low cost airline) also registered disappointing negative contributions. We have written a fair bit about the drivers of performance for these stocks in our Q3 and October commentaries and would refer readers to those reports for more detail.

A simple explanation for the weak relative performance is that there were a handful of meaningful losers, which in a fairly focused portfolio had a notable impact (Flex and Mohawk Industries alone cost the Fund two thirds of its gross relative underperformance). If their performances had gone the other way, the Fund would have outperformed the market. That may sound flippant and we would, of course, expect the impact from the winners to outweigh the losers over time. But in most cases, we would also not expect two or three stocks to have such a big negative impact on performance. Naturally, following such a difficult period of performance, we look to see if there are any valid lessons to help future performance. However, we are confident that our approach and process is a logical and robust one that is well placed to add long-term value. Unfortunately, no matter what our process is, it can happen that losers in a portfolio outweigh the winners over a short period of time, especially in a focused, high active share portfolio.

However, it did feel at times in 2018 that the portfolio endured broader headwinds including relatively low exposure to classically defensive sectors and a mid-cap bias in the portfolio in a year during which large caps outperformed markedly. We also would have hoped that some of the positive traits such as an attractive valuation and a strong balance sheet would have stood the portfolio in good stead, but neither were supporting factors.

Perhaps, if indeed we are in the later stages of the cycle or early stages of a slowdown (or potential downturn if that is the case), it is not that surprising for valuation to matter less as there can be an immediate focus on safety at all costs. However, some of the stock deratings that we saw in 2018 were much more extreme than we envisaged in reasonable bear cases. The reaction to newsflow at times was very harsh and disproportionate to the change in long term cash flow power (and indeed during the first nine months of the year positive stock reactions to good newsflow seemed equally disproportionate). Stocks such as Mohawk, Stericycle and Affiliated Managers Group saw their valuations in relation to earnings and cash flow cut by more than 40% and many of the poorer performers were taken to valuation levels on many measures (not just short-term cash flow or earnings) that, while not at global financial crisis lows, are perhaps at recessionary levels. This sensitivity may be a function of the last downturn being the global financial crisis (and for many fund managers the only downturn experienced). It often seemed the market was very skittish on any bad news or at least was quick to price in a recessionary operating environment.

On the positive side, perhaps unsurprisingly, stable business value creators Anthem (health insurance), Booz Allen Hamilton (government IT consultant) and Visa, were notable good performers for the Fund. Perhaps more interestingly, stocks such as Validus Holdings (Validus) (Insurance), Pfizer and Spirit Airlines (Spirit) which have previously been quite disappointing stocks performance-wise, largely driven by valuation deratings prior to this year, performed well for different reasons. Validus was purchased by AIG, Pfizer's stability of earnings as well as pipeline started to be appreciated and Spirit saw a cyclical recovery in earnings. The better fortunes of stocks like Pfizer, Spirit and Validus are a reminder that previous 'problem stocks' are not always the problem stocks of the future, particularly if underperformance is caused largely by a valuation derating rather than a deterioration in long-term fundamentals.

#### Market review

At the beginning of 2018 it seemed the strength in the US economy had broadened out, firing on nearly all cylinders for the first time in over a decade. There was also some better promise of growth outside the US too. This broad and coordinated economic improvement came unstuck in the latter stages of the year, which has given financial markets some cause for concern more recently.

There is now evidence of slowing growth outside the US with China, Japan and Germany registering some notably disappointing economic data recently. US trade policy and, to a lesser extent, Brexit continue to cast a cloud over global trade. The deterioration in industrial indicators has really only developed since the late summer, but it is arguably the speed rather than the magnitude that is concerning. For example, the ISM manufacturing survey for December 2018 registered its largest decline since 2008, albeit from very high levels only a few months earlier.

In general, the consumer economy held up better than the industrial economy in 2018. The one area of exception was the US housing market, which cooled during the year. This was largely driven by higher interest rates making mortgages more expensive and in turn causing 'sticker shock' for borrowers and friction in the housing market. This is in contrast to the situation borrowers faced for most of the past four decades when it was possible to remortgage at lower rates.

While most consumers' balance sheets have largely repaired since the financial crisis, much of that liability has been transferred to the government. President Trump's tax cuts have helped push up the fiscal deficit, which was 3.8% of GDP in 2018 and is expected to be around 4.6% in 2019. At the same time, government debt as a percentage of GDP is hitting its highest levels since the late 1940s at around 80% of GDP. No one really knows when this could become an issue for the economy or the stock market, but it bears watching.

A higher fiscal deficit, continually increasing government debt and a decade of very low interest rates has caused valid concern about the fiscal and monetary tools at the disposal of authorities should the economy encounter a sharp slowdown or downturn.

The better news is that consumers, who collectively generate 70% of GDP, still seem to be in decent shape. Job creation is still buoyant, earnings growth has recovered, and confidence is still high (though can turn quickly). There is a realistic case that solid, if not spectacular, consumer spending can keep the economy progressing at a reasonable growth rate.

2018 was a very strong year for profit growth for the market with earnings per share for the S&P 500 growing by over 20% in total, and in the mid-high teens excluding the benefit of corporate tax reform. Slowing demand growth, combined with other factors such as collapsing oil prices at the end of the year and a rebound in the dollar, will make 2019 a difficult year for some companies to grow earnings. In addition, there are some earlier tailwinds which have helped corporate America's profit margins which are now disappearing or turning into headwinds, including low real wage growth, low debt costs and globalisation (which has driven higher margins for many manufacturing companies for decades as operational costs and capital expenditure has been outsourced to cheaper parts of the world). There is less scope for a rising tide to lift so many boats over the next few years. However, while we expect there to be more headwinds in corporate profit margins in the future, we do not expect margins to revert to prior century averages any time soon. We expect the vast majority of the stocks in the portfolio to grow revenue and profits at attractive rates in 2019 and beyond, with some stocks growing at exceptionally high levels, driven by a combination of secular growth, market share gains, and sound operational execution and capital deployment.

### Fund activity

The portfolio ended the year with 48 stocks, or 47 if you count the holdings in Expedia and Liberty Expedia Holdings as one. We made 13 complete sells and 14 new buys for the portfolio over the course of the year.

In terms of sector positioning, perhaps the most noteworthy changes in the last year are the Fund's reduction of its exposure to financials ex-insurance, transportation, capital goods and technology hardware. This money has found its way into increases in software and services, retailing and cash.

Sector positioning should rarely, if ever, be seen as a reflection of a top-down view. Rather, it is a reflection of decisions we have made at the stock level. It is worth noting that MSCI reclassified quite a number of constituents in our benchmark in late September.

Therefore, factors like the large increase in exposure to retailing should not be taken by investors as an indication of a positive predisposition towards bricks and mortar retailers, of which the Fund holds none. Rather it reflects the reclassification of a number of held online businesses, including Amazon, eBay, GrubHub and Expedia, which were previously in the technology sector.

The Fund did, however, purchase a number of software and services stocks over the year. These were Cognizant Technology Solutions (a provider of mainly offshore IT services to corporations), SS&C Technologies Holdings (a provider of software and processing services mainly for alternative asset managers), and Autodesk (a provider of design software, primarily to architects but also to customers in the industrial, entertainment and construction markets).

More recently, we have also added Berkshire Hathaway (the conglomerate holding company), Danaher (a healthcare and life sciences conglomerate), and Wayfair (the online home goods retailer). For a more detailed write up of the rationale, please see our January 2019 Fund newsletter.

It is perhaps worth mentioning one of the stock sales last year. This was Apple, a consistent holding in the Fund since launch. The shares were not unreasonably valued at the point of sale, and the company is returning a significant amount of capital to shareholders. It is also rapidly establishing a large, recurring services revenue stream in addition to the more discretionary revenues it derives from selling devices. However, we felt the maturity of the smartphone market, where the company makes the bulk of its profits, was such that meaningful operational growth will be difficult to come by.

We have found there are relatively fewer companies that fit our criteria in the more traditionally defensive sub-sectors of the market. Most utilities do not fulfil our double-digit per annum business value creation hurdle, have significant leverage and unappealing valuations. We find similar issues in the real estate sector. Some consumer staples businesses have good franchises, but growth and the strength of competitive moats are lower than they used to be, leverage has ticked up for many of these businesses (though not a huge issue) and valuations are not obviously appealing. We have also found fewer areas of healthcare of appeal more recently, in part due to lower long-term pricing power for many incumbent businesses, or due to higher valuations for better-placed businesses. In general, perhaps due to the memory of the financial crisis, we have found many businesses with more stable earnings streams have undergone a notable rerating since the middle of the last decade. The insurance premium for many so-called defensive cash flow streams has apparently increased and may make some defensive stocks less safe than they first appear.

The cash position has increased due to a lack of compelling opportunities in such areas, and to provide firepower should more such opportunities across the market present themselves.

### Market outlook

Overall, it does seem that there is a broader range of potential fundamental outcomes. The bear argument is that the accommodative monetary policy enjoyed for so long is no longer around, the world is going into a recession with less effective tools at policymakers' disposal to jolt it back, corporate leverage is high, long-term valuations are high and political risk has increased. A reasonable bull argument, on the other hand, is that the world will continue to grow but at levels where inflation is less of a concern than it was 12 months ago, profits will grow, and near-term earnings valuations for many companies are now more attractive than they have been for some time as profits grew faster than share prices last year.

It is difficult to know what the short term will bring. However, we believe that investing in good businesses that we expect to be relevant, larger (in some cases considerably larger) and still growing in five years' time, with superior cash generation and capital deployment, appropriate balance sheets and very reasonable valuations, will result in attractive long-term returns for investors.

### North American Team

#### Polar Capital LLP

February 2019

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### UK Absolute Equity Fund

#### Fund performance

The Fund fell 0.9% (Class I Sterling Shares) in 2018, which was slightly disappointing in absolute terms but compared favourably to the FTSE All-Share which fell 13.0% (in GBP terms). The key positive attributors included Kirkland Lake Gold, World Wrestling Entertainment (WWE) and a short position in a clothing retailer. Key negative attributors included Faron Pharmaceuticals, First Derivatives and a short position in a global nutrition company.

#### Market review

Markets had a slightly more challenging 2018 with many ending down for the year – FTSE All-Share Index, -13.0% (in GBP terms); S&P 500 Index, -6.2% (in USD terms), MSCI Europe Index, -13.1% (in EUR terms). Global stock markets had strong years in 2016 and 2017, with the FTSE rising c10% in both years so some profit-taking was not totally expected especially with the rising uncertainty over Brexit and the tightening bias of the Federal Reserve which has in turn tightened global liquidity. This has impacted emerging markets and China in particular where growth has slowed.

#### Fund activity

The main change within the Fund has been to reduce our gross exposure and net long bias going into 2019. We sold a number of positions in 2018: First Derivatives on a few accounting concerns; WWE as we thought the investment thesis had largely played out and the shares had rallied, significantly reducing our upside; Faron Pharmaceuticals following a poor clinical trial result.

In terms of new positions, we initiated a short position in a UK domestic-focused bank where we thought profitability could surprise negatively given a more competitive deposit and mortgage market, as well as an online clothing retailer where we thought their medium margin targets were unrealistic.

#### Market outlook

We expect global equity markets to remain volatile which should offer opportunities for nimble long/short funds. The outlook for Brexit dominates the headlines for the UK market. While we have no idea whether a deal will happen or not, significant uncertainty is already priced in which would suggest good upside should a deal be agreed. We are positive on the outlook for the Fund.

### UK Absolute Return Team

#### Polar Capital LLP

February 2019

## UK Value Opportunities Fund

### Fund performance

The UK Value Opportunities Fund returned -14.3% (Class I Sterling Accumulation Shares) in 2018 versus the FTSE All Share Index's return of -9.1%. Since launch, the Fund has returned 4% vs the FTSE All Share Index's return of 2%. This is particularly disappointing as the investment process has typically outperformed in trickier market times. Breaking the year down, for the first three quarters of the year, the Fund performed consistently with our track record, falling less in down markets and lagging sharply rising markets. This left the Fund marginally ahead of the index on 19 September. Since then, the Fund has underperformed a falling market which is inconsistent with our historic resilience in trickier market conditions.

Underperformance (for the year and for the period from 19 September) was driven by market-cap allocation. The Fund suffered from being overweight the FTSE 250 (-13.3% return) and AIM indices (-17.1% return) which significantly underperformed the FTSE 100 (-8.7% return). The Fund is also overweight the FTSE Small Cap index, however, this was more in line with the FTSE All Share return and notably stronger than AIM. The Fund performed in line with its exposures to each index suggesting that market-cap allocation can be attributed to virtually all underperformance. While this suggests there is nothing untoward from a stock-selection perspective, in the past we have outperformed our index allocations and clearly, we would like to do better in the future.

The Fund also suffered from a cyclical-to-defensive rotation. Looking at industry groups, under allocation to pharmaceuticals and energy combined with over allocation to capital goods, consumer durables and apparel hurt fund performance. Although it did not fully compensate, we did benefit from an underweight position in food, beverage and tobacco and an overweight position in cash.

Splitting our Fund into majority overseas compared to majority domestic earners, we can see that both groups within our Fund performed almost identically. This is mirrored by the FTSE 100 where the discount from domestic shares remained the same at the end of the year as at the start. Geographic exposure does not appear to have been a particular factor in explaining performance.

On a stock basis, our largest contributors were IG Design, Fenner and James Fisher Group. Our largest detractors were Restore, Costain and XL Media. In the first half of the year, we hit a number of profit warnings, including XL Media. However, we had a dramatically reduced number in H2 in absolute terms but also in the context of the market. Our hit rate on exiting shares that failed our second process criteria was beneficial. In H2, the Fund suffered from a severe derating of profits, typified but not limited to Restore and Costain.

### Market review

We assess the period on our three investment criteria: valuation, sustainability of returns and financial soundness. The second and third criteria can be looked at in two ways: one is to say 'being cheap is not enough' or alternatively, these additional criteria are our way of avoiding value traps. Assessing each in turn...

**Sustainable returns:** In a market-wide sense, there is substantial evidence that this criterion was particularly useful in avoiding value traps in 2018. When companies missed forecast estimates, the share-price reactions were severe regardless of the valuation starting point. Profit warnings were met with a median share price fall of 22%, the harshest environment since Q1 2009. In a Fund sense, we had mixed success in enacting this. We did hit some warnings in H1, specifically XL Media, De La Rue, Biffa, Headlam, Photo-me and Superdry. However, we had a dramatically reduced number in H2 in absolute terms but also in the context of a market rife with warnings. In addition, our hit rate on exiting shares that failed our second criteria was good. In conclusion, the criterion was additive to performance and the correct one to have in place.

**Funding position:** There is evidence that this not only helped in avoiding value traps in 2018 but that it was as important as it was in 2015. The premise of the safety check, which is how we measure funding position, is that valuation is irrelevant if a business is not funded from internally generated cash. If a company has to cut its capex bill or its dividend to survive or make a disposal or, in more extreme cases, have a rights issue, then the shares will not re-rate to target price regardless of how cheap they are.

22 of the 30 biggest fallers in the FTSE All Share failed our safety check. Of these, the best performer delivered worse than a 50% share price fall. In conclusion, the safety check was extremely important in capital preservation in 2018. The reason that funding positions suddenly came to the fore is hard to pin down conclusively. Slower growth played a role and, in pockets of the economy, an increased cost of capital.

Working on the premise that our second and third criteria were theoretically sound and reasonably well executed, this puts the spotlight on valuation, our first criteria. Our underperformance would suggest that something went wrong here. In support of this, for the first time since running this process, cheaper valuation shares (on our EVA valuation framework) did not outperform. Across the market, cheaper P/E's did not perform better.

So, the question is: why did our valuation discipline not work? There are several possibilities for this. Our valuation framework dictates that price is a function of returns and the cost of capital. The cost of capital is an unlikely culprit as a rise in the cost of capital throughout the year, possibly driven by quantitative tightening, should have meant valuation discipline becomes more, not less, important. A more likely culprit is an error in our forecast returns. There has been a ROIC shock this year, in that analysts have downgraded ROICs. More critically, investors do not trust returns forecasts and in this context valuation becomes irrelevant. We would note that the vast majority of our shares have not missed expectations. This is one of the most striking features of our fourth quarter. Virtually none of our shares warned. Whether we are right or wrong on this, at some stage, when investors move to trusting return expectations, the valuation debate should return in earnest.

## Investment Manager's Reports continued

For the financial year ended 31 December 2018

### UK Value Opportunities Fund continued

#### Market review continued

Another possibility is that buying cheap value shares could no longer work. A much-cited reason for this is that in a world where passive funds dominate the flow, valuation as a style has no place. While possible, we believe that it is more likely that over time, valuation will remain a determinant of share-price performance. Whether it be in 2019 or maybe 2020, at some stage this will come to the fore and it could become particularly important to own cheap shares.

#### Fund activity

Fund exposures did not change dramatically over the year. The Fund continued to be overweight industrials and UK infrastructure (signified by our capital goods and materials overweight), and housebuilding (signified by consumer durables and apparel overweight). The Fund continues to be overweight small and mid-cap stocks. Roughly half of our shares have majority overseas revenue exposure and the other half have majority domestic revenue.

#### Market outlook

The valuation outlook is positive. There are lots of cheap shares by number and the average weighted upside of the market and the Fund is high. While valuation did not drive share prices in 2018, we do believe that valuation will come to the fore in the near future. We suspect that when investors move to trusting expectations the valuation debate will return in earnest. On sustainability of returns, the outlook for the majority of overseas earners is improved. While the situation is fluid, there has been some evidence of a de-escalation of trade wars. On the domestic front, the picture is difficult to assess. However, in the event that the UK muddles through Brexit without a no-deal scenario and avoids an early general election, we suspect that profit forecasts could actually be too pessimistic. Again, the situation is fluid. On the safety check, we think that the underperformance of unfunded shares in 2018, especially in Q4, will be self-fulfilling and that avoiding overleveraged shares will be critical in capital preservation in 2019.

This leaves us in a situation of continuing to focus on valuation and the safety check while trying to do everything we can to expose ourselves to sustainable returns profiles. On a practical level, this means regular meetings with management teams, focusing ourselves on companies with conservative expectations, structurally improving returns and growing end-markets.

Overall, we stress that while the risks of investing are high – with the average share-price falls on warnings being the highest since the global financial crisis – this has to be balanced against the potential for high reward with the average weighted upside of the Fund and the market very attractive.

#### UK Value Team

#### Polar Capital LLP

February 2019

## Report of the Directors

For the financial year ended 31 December 2018

The Directors of Polar Capital Funds plc (the 'Company') have pleasure in submitting their Annual Report and Audited Financial Statements for the financial year ended 31 December 2018 to the Shareholders.

### Directors Responsibilities Statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017, hereinafter 'Companies Act 2014') and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those 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 the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which: correctly explain and record the transactions of the Company; enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; enable the financial statements and Directors' report to comply with the Companies Act 2014 and with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the 'UCITS Regulations') and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended) (the 'Central Bank UCITS Regulations') and the Listing Rules of Euronext Dublin; and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In this regard, Northern Trust International Fund Administration Services (Ireland) Limited (the 'Administrator') has been appointed for the purpose of maintaining adequate accounting records and Northern Trust Fiduciary Services (Ireland) Limited ('the Depository') has been appointed for the purpose of safeguarding the assets of the Company.

### Basis of Presentation

The format and certain wording in the Financial Statements has been adapted from those contained in the Companies Act 2014 and IFRS so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

### Directors' Statement on adequate accounting records

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained by the Administrator at Georges Court, 54 – 62 Townsend Street, Dublin 2, Ireland.

### Business Review and Future Developments

The Company is an open-ended investment company with variable capital and segregated liability between its sub-funds (the 'Funds'), organised under the laws of Ireland. The Company was incorporated on 28 September 2001.

During the financial year ended 31 December 2018, the Company launched the following new Funds:

- Emerging Market Stars Fund launched on 29 June 2018
- China Stars Fund launched on 31 August 2018
- Asian Stars Fund launched on 31 December 2018.
- Global Absolute Return Fund launched on 31 December 2018.

The Company will continue to act as an investment vehicle as set out in its Prospectus.

A detailed review of the Company's activities for the financial year ended 31 December 2018 is included in the Investment Manager's Reports.

### Risk Management Objectives and Policies

The principal risks and uncertainties faced by the Company are the investment risks associated with the portfolio of investments held for the account of each Fund and the operational risks associated with their management and administration. A more detailed analysis of some of the risks facing the Company is included in Note 10 of the Notes to the Financial Statements.

### Directors' Interests in Shares of the Company

Other than as disclosed in Note 8 to the Financial Statements, there were no contracts or agreements of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the financial year.

## Report of the Directors continued

For the financial year ended 31 December 2018

### Transactions with Connected Persons

Any transaction carried out with the Company by a management company or depositary to the Company, the delegates or sub-delegates of the Company or management company or depositary, and any associated or group company of such a Company or management company, depositary, delegate or sub-delegate ('connected persons') must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 41(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the year complied with these obligations.

### Distributions

Distributions declared for the financial year are as set out in Note 13.

### Corporate Governance Statement

The Company is subject to corporate governance practices imposed by:

- (i) The Memorandum and Articles of Association of the Company;
- (ii) The Companies Act 2014;
- (iii) The UCITS Regulations;
- (iv) The Euronext Dublin Code of Listing Requirements and Procedures, copies of which are all available for inspection at the Company's registered office at Georges Court, 54 – 62 Townsend Street, Dublin 2.

The Company has adopted the Corporate Governance Code for Collective Investment Schemes and Management Companies (the 'Code') issued by Irish Funds. The Company is organised in such a way to meet all the provisions of the Code and there are no exceptions to be noted.

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems in relation to the financial reporting process of the Company. Such systems are designed to manage, rather than eliminate, the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual and half-yearly financial statements. The annual and half-yearly financial statements of the Company are required to be approved by the Directors of the Company and filed with the Central Bank of Ireland and Euronext Dublin.

The accounting information given in the annual financial statements is required to be audited by an independent auditor who reports annually to the Shareholders of the Company on the audit process and their findings. The auditor's report on the financial statements, including any qualifications, is reproduced in full in the annual report of the Company.

The Directors of the Company meet regularly to review the business and affairs of the Company and they will also discuss and evaluate significant accounting and reporting issues as the need arises.

The convening and conduct of Shareholders' meetings are governed by Company Law and the Memorandum and Articles of Association. Shareholders together holding 5 per cent or more in aggregate of the shares of the Company in issue may at any time request that the Directors convene a meeting of Shareholders to consider any matters that may be proposed by the Shareholders requesting the meeting.

### Diversity Statement

The management body of the Company is comprised of a board of six non-executive Directors, 5 of which are independent including the Chairman.

The Board of Directors strives to ensure that its membership reflects diversity in the broadest sense (capturing a combination of skills, experience, age, educational and professional backgrounds) and will continue to monitor the composition of the board in this regard in accordance with the Code and applicable legislation with regard to diversity.

The Company believes that there is a strong business case for boardroom diversity, which helps to promote good governance and challenge 'group think' mentality. A diverse board should also help to ensure that the board continues to remain objective in its decision making and to exercise good judgement on behalf of the Shareholders. When appointing members to the board, the Company will consider whether the candidates have the knowledge, qualifications and skills necessary to safeguard proper and prudent management of the institution

The Company has no other employees and there have been no changes to the board's composition during the period under review. It is the opinion of the Board that the current Directors represent an appropriate mix of skills, knowledge and experience commensurate with governing a UCITS Investment Company of this scale, while meeting regulatory requirements as to the composition of the board and the experience and qualifications of its members.

A meeting of Shareholders held in accordance with the provisions of the Memorandum and Articles of Association may by a 75% majority of those voting approve a change to the Memorandum and Articles of Association or a proposal to wind up the Company. A simple majority vote is required for most other proposals, including proposals to determine that the Directors shall retire, or to terminate any of its Funds, and any material change in the investment objective and policies or the investment restrictions set out in the Prospectus issued by the Company.



21 days' notice at least of every meeting shall be given to Shareholders in the manner provided in the Memorandum and Articles of Association. At any meeting any matter put to a vote shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by one or more Shareholders present in person or by proxy and holding or representing one-twentieth of the number of shares for the time being in issue. Unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

If a poll is duly demanded, it shall be taken in such manner as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

The minimum required number of Directors is two, which is also the minimum number of Directors required for a meeting to take place. Currently there are six non-executive Directors, five of whom are independent of the Investment Manager. The Directors are listed on page 342.

The business of the Company is managed by the Directors, who are responsible for the Company's overall direction and strategy, including review of investment management performance, administration of the Company's funds and compliance with the Company's regulatory requirements. Custody of the Company's assets are overseen by the Depositary, which is independent of the Company.

The Board meets at least four times a financial year to review the operations of the Company, to address matters of strategic importance and to receive reports from the Administrator, Depositary and the Investment Manager. However, a Director may call a meeting of Directors at any time.

Questions arising at any meeting of the Directors are generally decided by consensus, but majority voting can be used if necessary to reach a decision. If there are an equal number of votes for or against a resolution the Chairman of the meeting can effectively decide the matter by exercising a second or casting vote.

## Results

The results of operations for the financial year are set out in the Statement of Comprehensive Income.

## Significant Events during the financial year

The events which were significant during the financial year are detailed in Note 17.

## Subsequent Events

The significant events since the financial year end date are detailed in Note 18.

## UCITS Remuneration Report

The Company has established a remuneration policy in accordance with the Central Bank of Ireland UCITS Regulations, which transpose the relevant provisions of Directive 2009/65/EC (as amended, the 'UCITS Directive') and the Guidelines on Sound Remuneration Policies issued by the European Securities and Markets Authority under the UCITS Directive (the 'ESMA Guidelines') into Irish law with effect from 18 March 2016. A copy of this policy is available on [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

Please see the remuneration disclosure in Appendix I.

## Directors Compliance Statement

(made in accordance with Section 225 of the Companies Act 2014)

The Directors acknowledge that they are responsible for securing compliance by the Company with its Relevant Obligations as defined with the Companies Act 2014 (hereinafter called the 'Relevant Obligations').

The Directors confirm that they have drawn up and adopted a Compliance Policy Statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.

The Directors further confirm the Company has put into place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations including reliance on the advice of persons employed by the Company and external legal and tax advisers as considered appropriate from time to time and that they have reviewed the effectiveness of these arrangements or structures during the financial year to which this Report relates.

## Brexit and Associated Risks

In a referendum held on 23 June 2016, the electorate of the United Kingdom ('UK') resolved to leave the European Union ('EU'). The result has led to political instability and economic uncertainty, volatility in the financial markets of the UK and more broadly across Europe and a decline in the value of the Sterling. There remains a number of uncertainties in connection with the UK relationship with the EU, including the terms of agreement it reaches in relation to its withdrawal. The negotiation of the UK's exit terms is uncertain and may change during the withdrawal process.

Until the terms of the UK's exit from the EU are clearer, it is not possible to determine the impact that the UK's departure and/or any related matters may have on the Funds or their investments.

## Audit Committee

During the financial year ended 31 December 2018 the Company did not have an audit committee in place. The Board considered setting up an audit committee as outlined in Section 167 of the Companies Act 2014. The Board made the decision not to establish an audit committee as this was deemed most appropriate to the Company's structure as a UCITS fund and the nature, scale and complexity of the Company's operations at this time.

## Report of the Directors continued

For the financial year ended 31 December 2018

### Statement on Relevant Audit Information

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent Auditor

Deloitte, Chartered Accountants and Statutory Audit Firm, was appointed as the auditors of the Company on 22 October 2014. In accordance with Section 383 (2) of the Companies Act 2014, the auditors have indicated their willingness to continue in office.

On behalf of the Board

**David Hammond**

**Ronan Daly**

Directors

4 April 2019

## Report of the Depositary to the Shareholders

For the financial year ended 31 December 2018

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Polar Capital Funds plc ('the Company') provide this report solely in favour of the shareholders of the Company for the period from 1 January 2018 to 31 December 2018 ('the Annual Accounting Period'). This report is provided in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law ('the Regulations'). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the Company for this Annual Accounting Period and we hereby report thereon to the shareholders of the Company as follows;

We are of the opinion that the Company has been managed during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documents and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the Regulations.

**For and on behalf of  
Northern Trust Fiduciary Services (Ireland) Limited**

Georges Court  
54–62 Townsend Street  
Dublin 2

4 April 2019

## Independent Auditor's Report

To the Shareholders of Polar Capital Funds plc

### Report on the audit of the financial statements

#### Opinion on the financial statements of Polar Capital Funds Plc (the 'Company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at financial year end and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (as amended).

The financial statements we have audited comprise:

- the Statement of Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets to Holders of Redeemable Participating Shares;
- the Statement of Cash Flow; and
- the related notes 1 to 20, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ('the relevant financial reporting framework').

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Accounting and Auditing Supervisory Authority, as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Summary of our audit approach

<b>Key audit matters</b>	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> <li>• Valuation of Financial Assets and Liabilities at Fair Value Through Profit or Loss</li> <li>• Existence of Financial Assets and Liabilities at Fair Value Through Profit or Loss</li> <li>• Accuracy of Performance Fees</li> </ul>
<b>Materiality</b>	The materiality that we used in the current year was 1% average net assets for each sub-fund.
<b>Significant changes in our approach</b>	There have been no significant changes in our approach from our prior year audit.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the board of directors' (the 'directors') use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of Transferable Securities and Financial Derivative Instruments

#### Key audit matter description



The valuation of transferable securities and financial derivative instruments are considered a key audit matter as they represents a significant balance on the Statement of Financial Position.

There is a risk that transferable securities and financial derivative instruments are valued incorrectly, inappropriate valuation methodology applied and the use of inappropriate assumptions could result in the valuation being materially misstated.

Refer also to note 2 and 10 in the financial statements.

#### How the scope of our audit responded to the key audit matter



We have performed the following audit procedures to address the key audit matter:

- We obtained an understanding and evaluated the key controls that have been implemented over the valuation process for transferable securities and financial derivative instruments.
- We obtained the Northern Trust Fund Administration Services (Ireland) Limited (the 'Administrator') SOC 1 Report and identified the key controls in place over the valuation process and reviewed those key controls for any exceptions.
- We compared the prices of equities, warrants, contracts for difference, bonds, futures and forward foreign exchange contracts in the investment portfolio at year end to prices published by independent pricing sources.

### Existence of Transferable Securities and Financial Derivative Instruments

#### Key audit matter description



The existence of transferable securities and financial derivative instruments are considered a key audit matter as they represents a significant balance on the Statement of Financial Position.

There is a risk that transferable securities and financial derivative instruments do not exist.

Refer also to note 2 and 10 in the financial statements.

#### How the scope of our audit responded to the key audit matter





We have performed the following audit procedures to address the key audit matter:

- We obtained an understanding and evaluated the key controls that have been implemented over the reconciliation process for existence from the Administrator to the depository and counterparties.
- We obtained the Administrator's SOC 1 Report and identified the key controls in place over the reconciliation process and reviewed those key controls for any exceptions.
- We obtained independent confirmations from the depository and counterparties at the financial year-end and agreed the amounts held to the investment portfolio.
- We tested a sample of reconciling trades to ensure that they have been recorded in the correct period including a review of a sample of unsettled trades.

## Independent Auditor's Report continued

### Key Audit Matters continued

Performance Fees	
<b>Key audit matter description</b> 	<p>The performance fee crystallises on an annual basis. The accuracy of performance fees are considered a key audit matter because the performance fee is a related party transaction and a significant expense in the Statement of Comprehensive Income.</p> <p>There is a risk that performance fee is not calculated correctly in accordance with the prospectus and input used in the calculation is incorrect.</p> <p>Refer also to note 3 in the financial statements.</p>
<b>How the scope of our audit responded to the key audit matter</b> 	<p>We have performed the following audit procedures to address the key audit matter:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding and assessed the design of the key controls over the calculation and approval of the performance fees.</li> <li>• We reviewed the prospectus of the Company to understand the calculation methodology.</li> <li>• We reviewed the inputs used in the performance fee calculation to ensure compliance with the prospectus.</li> <li>• We recalculated performance fees in accordance with the prospectus and compared to recorded performance fee to ensure accuracy.</li> </ul>

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

### Our application of materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

As the Company is set up as an umbrella fund with segregated liabilities between sub funds, we determined materiality on a sub fund basis to be 1% of average net assets. We have considered the average net assets to be the critical component for calculating materiality because the main objective of the sub funds is to provide investors with a total return. We have considered quantitative and qualitative factors such as understanding the Company and its environment, history of misstatements, complexity of the Company and reliability of control environment.

We agreed with the directors that we would report to the directors any audit differences in excess of 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

### An overview of the scope of our audit

Our audit is a risk based approach taking into account the structure of the Company, types of investments, the involvement of the third parties service providers, the accounting processes and controls in place and the industry in which the Company operates. The Company is incorporated as an open-ended investment Company with variable capital and is organised under the laws of Ireland as a public limited company pursuant to the Irish Companies Act, 2014. The Company is authorised by the Central Bank of Ireland (the 'Central Bank') as a UCITS (Undertaking for Collective Investment in Transferable Securities) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (as amended). The Company is organised as an umbrella fund with segregated liability between sub funds. The redeemable participating shares of the sub funds are listed on the Irish Stock Exchange (the 'ISE'). At 31 December 2018, the Company had twenty two active sub funds. We assess the risks of each Sub-Fund separately. We have conducted our audit based on the books and records maintained by the administrator Northern Trust Fund Administration Services (Ireland) Limited, Georges Court, 54–62 Townsend Street, Dublin 2, Ireland.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditor's Report continued

### Auditor's responsibilities for the audit of the financial statements continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland) 2016, and communicates with them all relationships and other matters that may be reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is made solely to the Company's Shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Report on other legal and regulatory requirements

#### Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

#### Corporate Governance Statement

We report, in relation to information given in the Corporate Governance Statement on page 46 that:

- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 of the Companies Act 2014 is consistent with the company's statutory financial statements in respect of the financial year concerned and such information has been prepared in accordance with the Companies Act 2014.

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

- In our opinion, based on the work undertaken during the course of the audit, the Corporate Governance Statement contains the information required by Regulation 6(2) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended); and
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

#### Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



**Other matters which we are required to address**

We were appointed by the directors on 22 October 2014 to audit the financial statements for the financial year end date 31 December 2014 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is five years, covering the years ending 31 December 2014 to 31 December 2018.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the Company in conducting the audit.

Our audit opinion is consistent with the additional report to the directors we are required to provide in accordance with ISA (Ireland) 260.

**Michael Hartwell**

For and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

4 April 2019

## Portfolio Statements

As at 31 December 2018

### Asian Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 93.10% (2017: 93.62%)</b>		
	<b>Australia: Nil (2017: 1.29%)</b>	–	–
	<b>Bermuda: Nil (2017: 0.58%)</b>	–	–
	<b>Cayman Islands: 12.04% (2017: 11.90%)</b>		
10,714	Alibaba ADR	1,490,210	3.61
259,840	Chailease	819,159	1.98
134,000	CK Asset	980,331	2.38
41,900	Tencent	1,679,798	4.07
	<b>Total Cayman Islands</b>	<b>4,969,498</b>	<b>12.04</b>
	<b>Hong Kong: 6.33% (2017: 6.85%)</b>		
187,300	AIA	1,554,406	3.77
139,500	BOC Hong Kong	518,299	1.26
108,926	Dah Sing Financial	538,215	1.30
	<b>Total Hong Kong</b>	<b>2,610,920</b>	<b>6.33</b>
	<b>India: 25.90% (2017: 17.89%)</b>		
39,769	Apollo Hospitals Enterprise	716,771	1.74
92,256	Axis Bank	819,158	1.98
29,135	Bajaj Finance	1,103,867	2.67
19,541	HDFC Bank ADR	2,015,459	4.88
35,612	Housing Development Finance	1,004,038	2.43
91,249	Indiabulls Housing Finance	1,115,992	2.70
53,508	IndusInd Bank	1,225,744	2.97
533,407	Manappuram Finance	710,547	1.72
102,135	Oberoi Realty	644,936	1.56
25,463	Shriram Transport Finance	452,236	1.10
340,158	Yes Bank	885,780	2.15
	<b>Total India</b>	<b>10,694,528</b>	<b>25.90</b>
	<b>Indonesia: 7.93% (2017: 7.35%)</b>		
1,286,900	Astra International	736,075	1.78
772,000	Bank Central Asia	1,395,828	3.38
3,700,400	Bank Rakyat Indonesia Persero	941,826	2.28
3,598,500	Summarecon Agung	201,446	0.49
	<b>Total Indonesia</b>	<b>3,275,175</b>	<b>7.93</b>
	<b>Malaysia: 2.27% (2017: 0.80%)</b>		
665,100	My EG Services	156,920	0.38
130,400	Public Bank	781,296	1.89
	<b>Total Malaysia</b>	<b>938,216</b>	<b>2.27</b>
	<b>Pakistan: Nil (2017: 3.28%)</b>	–	–

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 93.10% (2017: 93.62%)</b> continued		
	<b>People's Republic of China: 8.23% (2017: 8.95%)</b>		
1,498,296	China Construction Bank	1,235,787	2.99
1,116,310	Industrial & Commercial Bank of China	796,728	1.93
93,700	Ping An Insurance	827,266	2.01
127,600	Sinopharm	535,994	1.30
	<b>Total People's Republic of China</b>	<b>3,395,775</b>	<b>8.23</b>
	<b>Philippines: 6.09% (2017: 5.65%)</b>		
1,162,400	Ayala Land	897,470	2.17
458,810	Bank of the Philippine Islands	820,161	1.99
516,703	Metropolitan Bank & Trust	795,419	1.93
	<b>Total Philippines</b>	<b>2,513,050</b>	<b>6.09</b>
	<b>Republic of South Korea: 6.55% (2017: 9.17%)</b>		
3,765	Naver	411,660	1.00
34,411	Samsung Electronics	1,193,498	2.89
1,786	Samsung Fire & Marine Insurance	430,573	1.04
18,892	Shinhan Financial	670,481	1.62
	<b>Total Republic of South Korea</b>	<b>2,706,212</b>	<b>6.55</b>
	<b>Singapore: 4.46% (2017: 4.64%)</b>		
34,200	DBS	595,012	1.44
150,400	Oversea-Chinese Banking	1,243,715	3.02
	<b>Total Singapore</b>	<b>1,838,727</b>	<b>4.46</b>
	<b>Sri Lanka: 0.66% (2017: 2.56%)</b>		
527,557	Commercial Bank of Ceylon	274,018	0.66
	<b>Total Sri Lanka</b>	<b>274,018</b>	<b>0.66</b>
	<b>Taiwan: 4.46% (2017: 6.87%)</b>		
1,371,445	E.Sun Financial	896,836	2.18
1,500	Largan Precision	156,896	0.38
107,000	Taiwan Semiconductor Manufacturing	784,998	1.90
	<b>Total Taiwan</b>	<b>1,838,730</b>	<b>4.46</b>
	<b>Thailand: 6.47% (2017: 5.84%)</b>		
750,800	Bangkok Dusit Medical Services	571,862	1.39
307,400	Muangthai Capital	462,611	1.12
169,837	Siam Commercial Bank	696,353	1.69
255,772	Srisawad	353,493	0.86
243,000	Tisco Financial	583,991	1.41
	<b>Total Thailand</b>	<b>2,668,310</b>	<b>6.47</b>

Portfolio Statements continued

As at 31 December 2018

Asian Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets		
<b>EQUITIES: 93.10% (2017: 93.62%)</b> continued					
<b>United Kingdom: 1.71% (2017: Nil)</b>					
92,900	Standard Chartered	705,149	1.71		
<b>Total United Kingdom</b>		705,149	1.71		
<b>Total Equities</b>		38,428,308	93.10		
<b>Warrants: Nil (2017: 0.16%)</b>		–	–		
<b>Total Transferable Securities</b>		38,428,308	93.10		
<b>OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.03% (2017: 0.01%)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 1,077,486	EUR 944,256	1.1411	31/01/2019	6,453	0.02
USD 552,241	GBP 436,151	1.2662	31/01/2019	5,455	0.01
USD 47,911	GBP 37,839	1.2662	31/01/2019	473	–
<b>Total unrealised gain on forward foreign currency contracts</b>				12,381	0.03
<b>Total Financial Assets at fair value through profit or loss</b>				38,440,689	93.13
<b>Total Value of Investments (Cost: US\$ 33,941,911)</b>		38,440,689	93.13		
Cash at Bank		2,886,921	6.99		
Other Net Liabilities		(50,723)	(0.12)		
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		41,276,887	100.00		

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	92.87	91.14
OTC financial derivative instruments	0.03	0.01
Other assets	7.10	8.85
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Asian Stars Fund\*

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 91.45%</b>		
	<b>Australia: 1.48%</b>		
1,138	CSL Ltd	148,445	1.48
	<b>Total Australia</b>	<b>148,445</b>	<b>1.48</b>
	<b>Cayman Islands: 22.59%</b>		
17,503	21Vianet ADR	151,332	1.51
1,598	51job ADR	99,849	1.00
4,547	Alibaba ADR	623,694	6.23
4,829	iQIYI ADR	71,858	0.72
156,000	Microport Scientific	153,695	1.54
702	NetEase ADR	165,345	1.65
8,857	Sea Ltd ADR	100,331	1.00
10,000	Silergy	147,483	1.47
18,600	Tencent	747,288	7.47
	<b>Total Cayman Islands</b>	<b>2,260,875</b>	<b>22.59</b>
	<b>Hong Kong: 4.57%</b>		
55,000	AIA	457,427	4.57
	<b>Total Hong Kong</b>	<b>457,427</b>	<b>4.57</b>
	<b>India: 17.46%</b>		
11,263	Apollo Hospitals Enterprise	203,319	2.03
4,555	Future Lifestyle Fashions	26,632	0.27
11,303	Housing Development Finance	319,503	3.19
58,156	ICICI Bank	300,534	3.00
4,858	Larsen and Toubro	100,284	1.00
4,040	Larsen and Toubro Infotech	100,446	1.00
11,622	Oberoi Realty	73,782	0.74
41,462	Parag Milk Foods	149,795	1.50
5,784	Phoenix Mills	46,491	0.46
24,486	Prestige Estates Projects	77,237	0.77
21,746	Reliance Industries	349,830	3.50
	<b>Total India</b>	<b>1,747,854</b>	<b>17.46</b>
	<b>Papua New Guinea: 1.50%</b>		
29,733	Oil Search	149,978	1.50
	<b>Total Papua New Guinea</b>	<b>149,978</b>	<b>1.50</b>

## Portfolio Statements continued

As at 31 December 2018

### Asian Stars Fund\* continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 91.45%</b> <small>continued</small>		
	<b>People's Republic of China: 8.09%</b>		
19,500	BYD	124,628	1.25
55,900	China Resources Sanjiu Medical & Pharmaceutical	202,477	2.02
46,000	Ping An Insurance	407,001	4.07
25,800	Shenzhen Inovance Technology	75,696	0.76
	<b>Total People's Republic of China</b>	<b>809,802</b>	<b>8.09</b>
	<b>Philippines: 2.08%</b>		
11,910	SM Investments	208,034	2.08
	<b>Total Philippines</b>	<b>208,034</b>	<b>2.08</b>
	<b>Republic of South Korea: 14.36%</b>		
10,470	Hanon Systems	101,412	1.01
20,503	Samsung Electronics	711,616	7.11
1,524	Samsung Electronics	299,328	2.99
4,092	SK Hynix	222,028	2.22
5,687	WONIK IPS	102,517	1.02
	<b>Total Republic of South Korea</b>	<b>1,436,901</b>	<b>14.36</b>
	<b>Singapore: 3.02%</b>		
16,800	City Developments	100,195	1.00
11,600	DBS	201,839	2.02
	<b>Total Singapore</b>	<b>302,034</b>	<b>3.02</b>
	<b>Sri Lanka: 1.03%</b>		
117,308	John Keells	103,103	1.03
	<b>Total Sri Lanka</b>	<b>103,103</b>	<b>1.03</b>
	<b>Taiwan: 13.83%</b>		
19,000	Advanced Ceramic X	151,650	1.52
5,000	ASPEED Technology	95,717	0.96
40,000	Chroma ATE	153,668	1.54
15,000	eMemory Technology	127,948	1.28
19,000	Kingpak Technology	100,210	1.00
20,000	LandMark Optoelectronics	146,180	1.46
83,000	Taiwan Semiconductor Manufacturing	609,350	6.09
	<b>Total Taiwan</b>	<b>1,384,724</b>	<b>13.83</b>
	<b>Vietnam: 1.44%</b>		
119,380	Vincom Retail	143,883	1.44
	<b>Total Vietnam</b>	<b>143,883</b>	<b>1.44</b>
	<b>Total Equities</b>	<b>9,153,060</b>	<b>91.45</b>
	<b>Total Transferable Securities</b>	<b>9,153,060</b>	<b>91.45</b>

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 9,153,060)</b>	9,153,060	91.45
Cash at Bank	10,009,250	100.00
Other Net Liabilities	(9,153,060)	(91.45)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	10,009,250	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

	31 December 2018 % of Total Assets
<b>Analysis of total assets (unaudited)</b>	
Transferable securities admitted to official stock exchange listing	47.77
Other assets	52.23
	100.00

\* Asian Stars Fund launched on 31 December 2018, therefore there are no comparatives.

## Portfolio Statements continued

As at 31 December 2018

### Automation & Artificial Intelligence Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 91.38% (2017: 91.94%)</b>		
	<b>Cayman Islands: 2.62% (2017: 3.40%)</b>		
294,000	AirTAC International	2,874,288	0.90
40,215	Alibaba ADR	5,512,270	1.72
	<b>Total Cayman Islands</b>	<b>8,386,558</b>	<b>2.62</b>
	<b>France: 3.31% (2017: 3.67%)</b>		
46,303	Dassault Systèmes	5,488,973	1.71
75,161	Schneider Electric	5,131,160	1.60
	<b>Total France</b>	<b>10,620,133</b>	<b>3.31</b>
	<b>Germany: 4.00% (2017: 9.11%)</b>		
158,850	Aixtron	1,526,804	0.48
189,581	Infineon Technologies	3,763,335	1.17
88,517	Jungheinrich	2,311,139	0.72
49,632	KION Group	2,515,143	0.79
24,300	Siemens	2,705,075	0.84
	<b>Total Germany</b>	<b>12,821,496</b>	<b>4.00</b>
	<b>Ireland: 2.43% (2017: Nil)</b>		
85,580	Medtronic	7,784,357	2.43
	<b>Total Ireland</b>	<b>7,784,357</b>	<b>2.43</b>
	<b>Italy: 1.27% (2017: 1.48%)</b>		
401,093	Brembo	4,078,442	1.27
	<b>Total Italy</b>	<b>4,078,442</b>	<b>1.27</b>
	<b>Japan: 17.60% (2017: 21.89%)</b>		
158,400	Advantest	3,239,754	1.01
81,800	Daifuku	3,742,752	1.17
13,900	FANUC	2,111,954	0.66
145,150	Fuji Machine Manufacturing	1,706,635	0.53
52,200	GMO Payment Gateway	2,226,642	0.70
125,600	Hamamatsu Photonics	4,229,978	1.32
84,550	Harmonic Drive Systems	2,319,605	0.72
97,000	Hoya	5,848,380	1.83
12,200	Keyence	6,191,460	1.93
175,800	Komatsu	3,790,319	1.18
41,000	Shima Seiki Manufacturing	1,197,694	0.37
159,400	Shimadzu	3,158,507	0.99
37,200	Shin-Etsu Chemical	2,894,219	0.90



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 91.38% (2017: 91.94%)</b> continued		
	<b>Japan: 17.60% (2017: 21.89%)</b> continued		
33,300	TDK	2,343,125	0.73
26,074	Tokyo Electron	2,974,216	0.93
52,200	Toyota Industries	2,421,711	0.76
817,500	Yahoo Japan	2,041,608	0.64
120,350	Yaskawa Electric	2,959,525	0.92
73,100	Zuken	996,076	0.31
	<b>Total Japan</b>	<b>56,394,160</b>	<b>17.60</b>
	<b>Jersey: 0.61% (2017: 0.60%)</b>		
32,007	Aptiv	1,970,671	0.61
	<b>Total Jersey</b>	<b>1,970,671</b>	<b>0.61</b>
	<b>Luxembourg: 0.58% (2017: Nil)</b>		
16,351	Spotify Technology	1,855,839	0.58
	<b>Total Luxembourg</b>	<b>1,855,839</b>	<b>0.58</b>
	<b>Netherlands: 2.97% (2017: 8.13%)</b>		
35,432	ASM International	1,466,248	0.46
15,894	ASML	2,492,091	0.78
206,256	STMicroelectronics	2,943,733	0.92
55,865	TKH	2,599,187	0.81
	<b>Total Netherlands</b>	<b>9,501,259</b>	<b>2.97</b>
	<b>Sweden: 4.52% (2017: 2.24%)</b>		
346,826	Assa Abloy	6,186,720	1.93
179,065	Atlas Copco	4,251,502	1.33
428,210	Epiroc	4,049,372	1.26
	<b>Total Sweden</b>	<b>14,487,594</b>	<b>4.52</b>
	<b>Taiwan: 2.91% (2017: 1.00%)</b>		
1,399,000	E Ink	1,372,283	0.43
217,000	Globalwafers	1,980,301	0.62
812,000	Taiwan Semiconductor Manufacturing	5,957,184	1.86
	<b>Total Taiwan</b>	<b>9,309,768</b>	<b>2.91</b>
	<b>United Kingdom: 4.22% (2017: 2.39%)</b>		
98,499	AVEVA	3,035,850	0.95
327,918	Ocado	3,299,328	1.03
348,843	RELX	7,166,074	2.24
	<b>Total United Kingdom</b>	<b>13,501,252</b>	<b>4.22</b>

## Portfolio Statements continued

As at 31 December 2018

### Automation & Artificial Intelligence Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 91.38% (2017: 91.94%)</b> continued		
	<b>United States: 44.34% (2017: 38.03%)</b>		
148,643	Advanced Micro Devices	2,743,950	0.86
13,935	Align Technology	2,918,407	0.91
6,434	Alphabet	6,723,273	2.10
4,428	Amazon.com	6,650,723	2.08
23,647	Amphenol	1,915,880	0.60
43,486	Ansys	6,215,889	1.94
68,526	Aspen Technology	5,631,467	1.76
17,892	Autodesk	2,301,090	0.72
36,253	Caterpillar	4,606,669	1.44
67,496	Cognex	2,610,070	0.81
23,075	Coherent	2,439,258	0.76
248,784	Corning	7,515,765	2.35
48,659	Cree	2,081,389	0.65
111,116	Emerson Electric	6,639,181	2.07
38,430	GrubHub	2,951,808	0.92
55,940	Honeywell International	7,390,793	2.31
14,596	Illumina	4,377,778	1.37
16,144	Intuitive Surgical	7,731,684	2.41
32,634	iRhythm Technologies	2,267,410	0.71
42,977	Medidata Solutions	2,897,509	0.90
80,248	Microsoft	8,150,789	2.54
12,980	NVIDIA	1,732,830	0.54
56,875	PayPal	4,782,619	1.49
77,493	PTC	6,424,170	2.01
119,623	Pure Storage	1,923,538	0.60
42,683	Rockwell Automation	6,422,938	2.00
21,224	Roper Technologies	5,656,620	1.76
79,616	Synopsys	6,706,852	2.09
37,991	Thermo Fisher Scientific	8,502,006	2.65
37,139	Xilinx	3,163,128	0.99
	<b>Total United States</b>	<b>142,075,483</b>	<b>44.34</b>
	<b>Total Equities</b>	<b>292,787,012</b>	<b>91.38</b>
	<b>Total Transferable Securities</b>	<b>292,787,012</b>	<b>91.38</b>

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 338,911,766)</b>	292,787,012	91.38
Cash at Bank	31,956,533	9.97
Other Net Liabilities	(4,352,248)	(1.35)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>320,391,297</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	89.46	91.81
Other assets	10.54	8.19
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Portfolio Statements continued

As at 31 December 2018

### Biotechnology Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 92.01% (2017: 96.80%)</b>		
	<b>Diagnostic Equipment: 2.00% (2017: 2.49%)</b>		
339,588	Oxford Immunotec Global	4,339,935	1.01
698,197	Quotient	4,272,966	0.99
	<b>Total Diagnostic Equipment</b>	<b>8,612,901</b>	<b>2.00</b>
	<b>Drug Detection Systems: 0.54% (2017: 0.46%)</b>		
2,685,185	C4X Discovery	2,308,400	0.54
	<b>Total Drug Detection Systems</b>	<b>2,308,400</b>	<b>0.54</b>
	<b>Medical Information System: 0.04% (2017: 0.56%)</b>		
150,000	MEDIAN Technologies	169,415	0.04
	<b>Total Medical Information System</b>	<b>169,415</b>	<b>0.04</b>
	<b>Medical Labs &amp; Testing Services: 1.63% (2017: 0.00%)</b>		
225,000	Hansa Medical	7,024,707	1.63
	<b>Total Medical Labs &amp; Testing Services</b>	<b>7,024,707</b>	<b>1.63</b>
	<b>Medical Products: 2.07% (2017: 0.51%)</b>		
600,000	NanoString Technologies	8,898,000	2.07
	<b>Total Medical Products</b>	<b>8,898,000</b>	<b>2.07</b>
	<b>Medical-Biomedical/Gene: 67.24% (2017: 69.69%)</b>		
305,000	Alexion Pharmaceuticals	29,694,800	6.89
200,000	Alnylam Pharmaceuticals	14,582,000	3.38
250,000	ArGEN-X	24,349,096	5.65
75,000	ArGEN-X ADR	7,205,250	1.67
160,000	BeiGene ADR	22,441,600	5.21
50,000	Biogen	15,046,000	3.50
150,000	Biohaven Pharmaceutical	5,547,000	1.29
100,000	BioMarin Pharmaceutical	8,515,000	1.98
275,000	Celgene	17,624,750	4.10
75,000	Genmab	12,264,570	2.85
225,000	Gilead Sciences	14,073,750	3.27
100,000	Homology Medicines	2,236,000	0.52
125,000	Immunomedics	1,783,750	0.41
500,000	Immutep ADR	920,000	0.21
425,000	Incyte	27,025,750	6.28
25,000	Loxo Oncology	3,501,750	0.81
150,000	MorphoSys	15,252,480	3.55
250,000	Newron Pharmaceuticals	1,422,702	0.33
80,000	Regeneron Pharmaceuticals	29,880,000	6.94
175,000	Replimune	1,750,000	0.41
30,000	Sage Therapeutics	2,873,700	0.67
750,000	Stemline Therapeutics	7,125,000	1.66
125,000	Vertex Pharmaceuticals	20,713,750	4.81
150,000	Zai Lab ADR	3,483,000	0.81
	<b>Total Medical-Biomedical/Gene</b>	<b>289,311,698</b>	<b>67.20</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>EQUITIES: 92.01% (2017: 96.80%)</b> continued			
<b>Medical-Drugs: 10.34% (2017: 20.39%)</b>			
100,000	Aerie Pharmaceuticals	3,610,000	0.84
400,000	Array BioPharma	5,700,000	1.32
1,500,000	Diurnal	420,288	0.10
50,000	InflaRx	1,818,500	0.42
78,900	KalVista Pharmaceuticals	1,558,275	0.36
75,000	Madrigal Pharmaceuticals	8,454,000	1.97
175,000	ObsEva	2,215,500	0.51
100,000	Principia Biopharma	2,739,000	0.64
100,000	ProQR Therapeutics	1,578,000	0.36
3,500,000	Realm Therapeutics	312,032	0.07
2,404,870	Summit Therapeutics	597,254	0.14
300,000	Summit Therapeutics ADR	345,000	0.08
500,000	Takeda Pharmaceutical ADR	8,410,000	1.95
3,000,000	Verona Pharma	3,343,200	0.78
100,000	Verona Pharma ADR	900,000	0.21
70,000	Zogenix	2,552,200	0.59
<b>Total Medical-Drugs</b>		<b>44,553,249</b>	<b>10.34</b>
<b>Research &amp; Development: 3.92% (2017: 2.22%)</b>			
850,000	Evotec	16,873,181	3.92
<b>Total Research &amp; Development</b>		<b>16,873,181</b>	<b>3.92</b>
<b>Therapeutics: 4.27% (2017: 0.48%)</b>			
175,000	Agios Pharmaceuticals	8,069,250	1.87
50,000	GW Pharmaceuticals ADR	4,869,500	1.13
50,000	Sarepta Therapeutics	5,456,500	1.27
<b>Total Therapeutics</b>		<b>18,395,250</b>	<b>4.27</b>
<b>Total Equities</b>		<b>396,146,801</b>	<b>92.01</b>
<b>WARRANTS: 0.10% (2017: 0.13%)</b>			
<b>United States: 0.10% (2017: 0.13%)</b>			
68,750	Quotient Pre Funded	420,750	0.10
<b>Total United States</b>		<b>420,750</b>	<b>0.10</b>
<b>Total Warrants</b>		<b>420,750</b>	<b>0.10</b>
<b>Total Transferable Securities</b>		<b>396,567,551</b>	<b>92.11</b>

Portfolio Statements continued

As at 31 December 2018

Biotechnology Fund continued

## Financial assets at fair value through profit or loss

OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.01% (2017: NIL)					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 3,477,406	GBP 2,746,397	1.2662	31/01/2019	24,723	0.01
USD 665	GBP 525	1.2663	31/01/2019	5	–
USD 3,216	GBP 2,524	1.2742	31/01/2019	3	–
USD 11,132	GBP 8,731	1.2750	31/01/2019	1	–
USD 127	GBP 100	1.2662	31/01/2019	1	–
<b>Total unrealised gain on forward foreign currency contracts</b>				24,733	0.01
<b>Total Financial Assets at fair value through profit or loss</b>				396,592,284	92.12

## Financial liabilities at fair value through profit or loss

OPEN FORWARD FOREIGN CURRENCY CONTRACTS: NIL (2017: NIL)					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 166,104	USD 210,324	1.2662	31/01/2019	(1,487)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(1,487)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(1,487)	–

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 450,391,235)</b>	396,590,797	92.12
Cash at Bank	41,907,152	9.73
Other Net Liabilities	(7,965,689)	(1.85)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	430,532,260	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	90.18	95.99
OTC financial derivative instruments	0.01	–
Other assets	9.81	4.01
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## China Stars Fund\*

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 95.91%</b>		
	<b>Bermuda: 2.46%</b>		
592,000	China Foods	216,253	2.46
	<b>Total Bermuda</b>	216,253	2.46
	<b>Cayman Islands: 42.35%</b>		
15,491	21Vianet ADR	133,842	1.52
5,081	51job ADR	317,258	3.61
7,000	Airtac International	68,435	0.78
4,891	Alibaba ADR	670,409	7.63
70,000	China Medical System	65,088	0.74
28,000	China Resources Cement	25,213	0.29
274,000	China Yuhua Education	111,289	1.27
46,000	Dadi Early-Childhood Education	304,552	3.47
39,000	Geely Automobile	68,741	0.78
2,829	iQIYI ADR	42,067	0.48
46,000	Longfor	137,483	1.57
126,000	Microport Scientific	123,918	1.41
714	NetEase ADR	168,054	1.91
1,782	New Oriental Education & Technology ADR	97,671	1.11
96,673	Phoenix New Media ADR	309,354	3.52
11,000	Silergy	162,117	1.85
4,000	Sunny Optical Technology	35,559	0.41
21,900	Tencent	878,310	10.00
	<b>Total Cayman Islands</b>	3,719,360	42.35
	<b>Hong Kong: 8.00%</b>		
68,000	China Resources Beer	237,542	2.70
125,500	China Resources Pharmaceutical	163,821	1.87
502,000	Hui Xian Real Estate Investment Trust Reits	233,042	2.65
18,000	Vitasoy International	68,626	0.78
	<b>Total Hong Kong</b>	703,031	8.00
	<b>Italy: 0.63%</b>		
5,428	Brembo	55,194	0.63
	<b>Total Italy</b>	55,194	0.63
	<b>Jersey: 2.15%</b>		
1,392,000	West China Cement	188,460	2.15
	<b>Total Jersey</b>	188,460	2.15
	<b>Luxembourg: 1.46%</b>		
45,000	Samsonite International	127,884	1.46
	<b>Total Luxembourg</b>	127,884	1.46

## Portfolio Statements continued

As at 31 December 2018

### China Stars Fund\* continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 95.91%</b> <small>continued</small>		
	<b>People's Republic of China: 36.91%</b>		
17,000	BYD	108,457	1.23
734,000	China Construction Bank	605,624	6.90
65,000	China Merchants Bank	238,270	2.71
85,900	China Resources Sanjiu Medical & Pharmaceutical	310,825	3.54
40,400	Fuyao Glass Industry	129,260	1.47
35,000	Gree Electric Appliances of Zhuhai	181,818	2.07
29,700	Hangzhou Hikvision Digital Technology	111,359	1.27
26,300	Inner Mongolia Yili Industrial	87,586	1.00
13,700	Jiangsu Hengrui Medicine	105,188	1.20
54,000	Midea	289,715	3.30
20,000	Ping An Insurance Group of China Class A	163,310	1.86
42,500	Ping An Insurance Group of China Class H	375,366	4.27
30,000	Shenzhen Inovance Technology	87,943	1.00
141,000	Tong Ren Tang Technologies	184,774	2.10
7,800	Wuxi Little Swan	49,102	0.56
12,800	Yunnan Baiyao	137,793	1.57
43,900	Zhengzhou Yutong Bus	75,719	0.86
	<b>Total People's Republic of China</b>	<b>3,242,109</b>	<b>36.91</b>
	<b>Taiwan: 1.95%</b>		
11,000	Addn Technology	85,711	0.98
10,000	eMemory Technology	85,239	0.97
	<b>Total Taiwan</b>	<b>170,950</b>	<b>1.95</b>
	<b>Total Equities</b>	<b>8,423,241</b>	<b>95.91</b>
	<b>Total Transferable Securities</b>	<b>8,423,241</b>	<b>95.91</b>
		<b>Fair Value US\$</b>	<b>% of Net Assets</b>
	<b>Total Value of Investments (Cost: US\$ 9,656,183)</b>	<b>8,423,241</b>	<b>95.91</b>
	Cash at Bank	354,275	4.03
	Other Net Assets	5,052	0.06
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>8,782,568</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.



	<b>31 December 2018 % of Total Assets</b>
<b>Analysis of total assets (unaudited)</b>	
Transferable securities admitted to official stock exchange listing	95.48
Other assets	4.52
	100.00

\* China Stars Fund launched on 31 August 2018, therefore there are no comparatives.

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Portfolio Statements continued

As at 31 December 2018

### Emerging Markets Income Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>INVESTMENT FUNDS: NIL (2017: 1.60%)</b>	–	–
	<b>EQUITIES: 97.20% (2017: 98.26%)</b>		
	<b>Bermuda: 4.00% (2017: Nil)</b>		
1,523,000	Haier Electronics	3,746,541	2.35
317,000	VTech	2,623,666	1.65
	<b>Total Bermuda</b>	<b>6,370,207</b>	<b>4.00</b>
	<b>Brazil: 4.91% (2017: 5.88%)</b>		
400,000	Ambev	1,587,306	1.00
170,000	Banco do Brasil	2,039,167	1.27
200,000	Telefonica Brasil	2,385,603	1.50
390,500	Valid Solucoes e Servicos de Seguranca em Meios de Pagamento	1,813,583	1.14
	<b>Total Brazil</b>	<b>7,825,659</b>	<b>4.91</b>
	<b>Cyprus: 2.67% (2017: Nil)</b>		
470,000	Globaltrans Investment GDR	4,258,200	2.67
	<b>Total Cyprus</b>	<b>4,258,200</b>	<b>2.67</b>
	<b>Czech Republic: 2.01% (2017: 2.46%)</b>		
1,000,000	Moneta Money Bank	3,220,204	2.01
	<b>Total Czech Republic</b>	<b>3,220,204</b>	<b>2.01</b>
	<b>Hong Kong: 4.71% (2017: 5.68%)</b>		
2,070,000	Guangdong Investment	4,002,861	2.51
1,735,000	Shanghai Industrial	3,510,176	2.20
	<b>Total Hong Kong</b>	<b>7,513,037</b>	<b>4.71</b>
	<b>India: 9.77% (2017: 11.39%)</b>		
400,000	Adani Ports & Special Economic Zone	2,221,299	1.39
400,000	Bharat Petroleum	2,078,350	1.30
650,000	Coal India	2,241,460	1.41
900,000	ICICI Bank	4,642,770	2.91
340,000	NTPC	725,876	0.46
2,100,000	Rural Electrification	3,674,210	2.30
	<b>Total India</b>	<b>15,583,965</b>	<b>9.77</b>
	<b>Indonesia: 1.81% (2017: 1.25%)</b>		
3,600,000	Semen Indonesia Persero	2,878,999	1.81
	<b>Total Indonesia</b>	<b>2,878,999</b>	<b>1.81</b>
	<b>Kuwait: 1.02% (2017: Nil)</b>		
150,000	Human Soft	1,620,287	1.02
	<b>Total Kuwait</b>	<b>1,620,287</b>	<b>1.02</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 97.20% (2017: 98.26%)</b> continued		
	<b>Malaysia: 3.81% (2017: 1.93%)</b>		
1,500,239	Malayan Banking	3,448,825	2.16
1,300,000	Malaysia Airports	2,636,177	1.65
	<b>Total Malaysia</b>	<b>6,085,002</b>	<b>3.81</b>
	<b>Mexico: 3.71% (2017: 3.20%)</b>		
1,948,334	Bolsa Mexicana de Valores	3,313,219	2.08
2,900,000	Macquarie Mexico Real Estate Management	2,604,938	1.63
	<b>Total Mexico</b>	<b>5,918,157</b>	<b>3.71</b>
	<b>People's Republic of China: 15.30% (2017: 16.41%)</b>		
10,869,900	China BlueChemical	3,415,348	2.14
5,875,000	China Construction Bank	4,847,465	3.04
12,674,000	China Tower	2,395,795	1.50
6,945,000	Industrial & Commercial Bank of China	4,958,592	3.11
3,466,000	Jiangsu Expressway	4,834,210	3.03
942,000	Sinopharm	3,958,413	2.48
	<b>Total People's Republic of China</b>	<b>24,409,823</b>	<b>15.30</b>
	<b>Poland: 2.49% (2017: 1.86%)</b>		
340,000	Powszechny Zaklad Ubezpieczen	3,973,115	2.49
	<b>Total Poland</b>	<b>3,973,115</b>	<b>2.49</b>
	<b>Republic of South Korea: 11.37% (2017: 11.33%)</b>		
64,865	Dongbu Insurance	4,092,576	2.57
56,000	KB Financial	2,333,752	1.46
152,500	KT	4,072,863	2.55
34,000	KT&G	3,092,848	1.94
131,000	Samsung Electronics	4,543,556	2.85
	<b>Total Republic of South Korea</b>	<b>18,135,595</b>	<b>11.37</b>
	<b>Romania: 2.29% (2017: 1.25%)</b>		
49,742,000	OMV Petrom	3,652,380	2.29
	<b>Total Romania</b>	<b>3,652,380</b>	<b>2.29</b>
	<b>Russian Federation: 3.71% (2017: 11.02%)</b>		
148,000	Gazprom Neft ADR	3,756,240	2.36
900,000	Sberbank	2,155,926	1.35
	<b>Total Russian Federation</b>	<b>5,912,166</b>	<b>3.71</b>
	<b>Singapore: 2.86% (2017: 1.73%)</b>		
8,500,000	Religare Health Trust	4,552,458	2.86
	<b>Total Singapore</b>	<b>4,552,458</b>	<b>2.86</b>

## Portfolio Statements continued

As at 31 December 2018

### Emerging Markets Income Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 97.20% (2017: 98.26%)</b> continued		
	<b>Slovenia: 1.46% (2017: Nil)</b>		
156,000	Nova Ljubljanska Banka	2,320,092	1.46
	<b>Total Slovenia</b>	2,320,092	1.46
	<b>South Africa: 6.77% (2017: 8.94%)</b>		
310,000	AVI	2,191,011	1.37
200,000	Foschini Group	2,311,296	1.45
1,200,000	Life Healthcare	2,202,294	1.38
100,000	Mondi	2,152,033	1.35
2,900,000	Redefine Properties REIT	1,949,461	1.22
	<b>Total South Africa</b>	10,806,095	6.77
	<b>Taiwan: 8.68% (2017: 9.37%)</b>		
1,374,161	Chicony Electronics	2,798,662	1.75
1,954,000	CTCI	2,822,579	1.77
802,646	Delta Electronics	3,381,679	2.12
661,000	Taiwan Semiconductor Manufacturing	4,849,383	3.04
	<b>Total Taiwan</b>	13,852,303	8.68
	<b>Thailand: 2.50% (2017: 1.78%)</b>		
9,000,172	Digital Telecommunications Infrastructure	3,980,420	2.50
	<b>Total Thailand</b>	3,980,420	2.50
	<b>Thailand: Nil (2017: 1.06%)</b>	–	–
	<b>United Arab Emirates: 1.35% (2017: 1.72%)</b>		
1,580,000	Dubai Islamic Bank	2,150,743	1.35
	<b>Total United Arab Emirates</b>	2,150,743	1.35
	<b>Total Equities</b>	155,018,907	97.20
	<b>Total Transferable Securities</b>	155,018,907	97.20
		<b>Fair Value US\$</b>	<b>% of Net Assets</b>
	<b>Total Value of Investments (Cost: US\$ 164,355,900)</b>	155,018,907	97.20
	Cash at Bank	4,558,911	2.86
	Other Net Liabilities	(100,096)	(0.06)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	159,477,722	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	96.55	98.70
Other assets	3.45	1.30
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Emerging Market Stars Fund\*

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 99.07%</b>		
	<b>Brazil: 7.34%</b>		
18,700	BB Seguridade Participacoes	133,118	1.11
48,700	BR Malls Participacoes	164,229	1.36
32,525	Itau Unibanco	297,909	2.47
38,600	Notre Dame Intermedica Participacoes	289,618	2.40
	<b>Total Brazil</b>	<b>884,874</b>	<b>7.34</b>
	<b>Cayman Islands: 19.15%</b>		
20,241	21Vianet ADR	174,882	1.45
1,423	51job ADR	88,852	0.74
4,815	Alibaba ADR	659,992	5.48
89,000	China Medical System	82,755	0.69
166,000	Microport Scientific	163,257	1.36
676	NetEase ADR	159,110	1.32
10,000	Silergy	147,379	1.22
20,700	Tencent	830,184	6.89
	<b>Total Cayman Islands</b>	<b>2,306,411</b>	<b>19.15</b>
	<b>Hong Kong: 2.51%</b>		
36,400	AIA	302,196	2.51
	<b>Total Hong Kong</b>	<b>302,196</b>	<b>2.51</b>
	<b>India: 16.49%</b>		
13,432	Apollo Hospitals Enterprise	242,090	2.01
14,591	Housing Development Finance	411,376	3.41
72,869	ICICI Bank	375,904	3.12
51,276	Parag Milk Foods	181,925	1.51
22,033	Phoenix Mills	177,867	1.48
46,040	Prestige Estates Projects	145,015	1.20
28,204	Reliance Industries	452,965	3.76
	<b>Total India</b>	<b>1,987,142</b>	<b>16.49</b>
	<b>Mexico: 1.12%</b>		
27,800	Grupo Financiero Banorte	135,205	1.12
	<b>Total Mexico</b>	<b>135,205</b>	<b>1.12</b>
	<b>Netherlands: 2.28%</b>		
4,212	X5 Retail GDR	104,374	0.87
6,230	Yandex	170,391	1.41
	<b>Total Netherlands</b>	<b>274,765</b>	<b>2.28</b>

## Portfolio Statements continued

As at 31 December 2018

### Emerging Markets Stars Fund\* continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 99.07%</b> <small>continued</small>		
	<b>Papua New Guinea: 1.19%</b>		
28,338	Oil Search	142,842	1.19
	<b>Total Papua New Guinea</b>	142,842	1.19
	<b>People's Republic of China: 7.42%</b>		
22,000	BYD	140,356	1.17
48,500	China Resources Sanjiu Medical & Pharmaceutical	175,495	1.46
53,500	Ping An Insurance	472,520	3.92
35,800	Shenzhen Inovance Technology	104,945	0.87
	<b>Total People's Republic of China</b>	893,316	7.42
	<b>Philippines: 1.66%</b>		
11,480	SM Investments	200,302	1.66
	<b>Total Philippines</b>	200,302	1.66
	<b>Poland: 1.48%</b>		
4,596	CD Projekt	178,127	1.48
	<b>Total Poland</b>	178,127	1.48
	<b>Republic of South Korea: 12.24%</b>		
22,445	Samsung Electronics	778,474	6.46
1,863	Samsung SDI	365,654	3.04
4,407	SK Hynix	238,953	1.98
5,077	WONIK IPS	91,457	0.76
	<b>Total Republic of South Korea</b>	1,474,538	12.24
	<b>Russian Federation: 1.76%</b>		
19,389	Sberbank of Russia ADR	212,503	1.76
	<b>Total Russian Federation</b>	212,503	1.76
	<b>South Africa: 5.62%</b>		
29,724	FirstRand	135,468	1.13
2,106	Naspers	423,436	3.51
6,910	PSG	117,592	0.98
	<b>Total South Africa</b>	676,496	5.62
	<b>Sri Lanka: 0.83%</b>		
114,675	John Keells	100,129	0.83
	<b>Total Sri Lanka</b>	100,129	0.83

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 99.07%</b> continued		
	<b>Taiwan: 13.71%</b>		
28,000	Advanced Ceramic X	223,184	1.85
7,000	ASPEED Technology	133,910	1.11
52,000	Chroma ATE	199,629	1.66
17,000	eMemory Technology	144,907	1.21
30,000	Kingpak Technology	158,116	1.31
20,000	LandMark Optoelectronics	146,078	1.21
88,000	Taiwan Semiconductor Manufacturing	645,606	5.36
	<b>Total Taiwan</b>	1,651,430	13.71
	<b>United Kingdom: 3.36%</b>		
14,664	Antofagasta	146,271	1.21
7,429	NMC Health	258,869	2.15
	<b>Total United Kingdom</b>	405,140	3.36
	<b>Vietnam: 0.91%</b>		
90,730	Vincom Retail	109,134	0.91
	<b>Total Vietnam</b>	109,134	0.91
	<b>Total Equities</b>	11,934,550	99.07
	<b>Total Transferable Securities</b>	11,934,550	99.07
		<b>Fair Value US\$</b>	<b>% of Net Assets</b>
	<b>Total Value of Investments (Cost: US\$ 12,884,611)</b>	11,934,550	99.07
	Cash at Bank	139,830	1.16
	Other Net Liabilities	(27,137)	(0.23)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	12,047,243	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

	31 December 2018 % of Total Assets
<b>Analysis of total assets (unaudited)</b>	
Transferable securities admitted to official stock exchange listing	98.69
Other assets	1.31
	100.00

\* Emerging Market Stars Fund launched on 29 June 2018, therefore there are no comparatives.

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Portfolio Statements continued

As at 31 December 2018

### European ex UK Income Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value EUR€	% of Net Assets
	<b>EQUITIES: 99.04% (2017: 98.05%)</b>		
	<b>Basic Materials: 4.51% (2017: 6.66%)</b>		
83,043	BASF	5,015,797	2.52
105,162	Brenntag	3,964,607	1.99
	<b>Total Basic Materials</b>	<b>8,980,404</b>	<b>4.51</b>
	<b>Communications: 18.66% (2017: 20.69%)</b>		
510,418	Deutsche Telekom	7,564,395	3.80
784,288	Euskaltel	5,482,173	2.75
2,375,608	Koninklijke	6,081,556	3.05
1,141,423	NOS	6,043,835	3.03
459,513	Orange	6,504,407	3.27
135,538	Telenet	5,502,843	2.76
	<b>Total Communications</b>	<b>37,179,209</b>	<b>18.66</b>
	<b>Consumer, Cyclical: 1.53% (2017: 2.66%)</b>		
54,528	Cie Financiere Richemont	3,048,373	1.53
	<b>Total Consumer, Cyclical</b>	<b>3,048,373</b>	<b>1.53</b>
	<b>Consumer, Non-cyclical: 20.09% (2017: 26.77%)</b>		
124,403	Bayer	7,533,846	3.78
94,802	Novartis	7,069,871	3.55
32,289	Roche	6,974,019	3.50
115,548	Sanofi	8,742,362	4.39
408,530	Scandinavian Tobacco	4,294,740	2.16
60,528	Societe BIC	5,396,071	2.71
	<b>Total Consumer, Non-cyclical</b>	<b>40,010,909</b>	<b>20.09</b>
	<b>Energy: 4.57% (2017: 4.42%)</b>		
197,102	TOTAL	9,102,170	4.57
	<b>Total Energy</b>	<b>9,102,170</b>	<b>4.57</b>
	<b>Financial: 18.38% (2017: 20.33%)</b>		
401,416	Gjensidige Forsikring	5,482,680	2.75
43,363	Hannover Rueck	5,103,825	2.56
567,241	ING Groep	5,337,738	2.68
35,678	Muenchener Rueckversicherungs	6,798,443	3.41
166,249	Sampo Class A	6,385,624	3.21
556,832	Svenska Handelsbanken Class A	5,400,750	2.71
194,399	UBS	2,110,600	1.06
	<b>Total Financial</b>	<b>36,619,660</b>	<b>18.38</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value EUR€	% of Net Assets		
<b>EQUITIES: 99.04% (2017: 98.05%)</b> continued					
<b>Industrial: 21.99% (2017: 7.41%)</b>					
32,705	Aena SME	4,439,704	2.23		
480,542	bpost	3,846,739	1.93		
263,568	Cia de Distribucion Integral Logista	5,761,596	2.89		
124,356	Deutsche Post	2,973,352	1.49		
280,951	Ferrovial	4,971,428	2.50		
127,086	Getlink	1,490,719	0.75		
140,191	Kone	5,837,553	2.93		
51,193	Kuehne + Nagel International	5,739,761	2.88		
1,498,041	PostNL	2,991,588	1.50		
59,128	Siemens	5,757,884	2.89		
<b>Total Industrial</b>		<b>43,810,324</b>	<b>21.99</b>		
<b>Utilities: 9.31% (2017: 9.11%)</b>					
1,264,274	Enel	6,376,998	3.20		
271,820	Naturgy Energy	6,050,713	3.04		
313,636	Red Electrica	6,114,333	3.07		
<b>Total Utilities</b>		<b>18,542,044</b>	<b>9.31</b>		
<b>Total Equities</b>		<b>197,293,093</b>	<b>99.04</b>		
<b>Total Transferable Securities</b>		<b>197,293,093</b>	<b>99.04</b>		
<b>OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.21% (2017: NIL)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain EUR€	% of Net Assets
EUR 140,404,433	GBP 126,502,288	1.1099	31/01/2019	413,188	0.21
EUR 2,223,705	GBP 2,000,000	1.1119	31/01/2019	2,617	–
<b>Total unrealised gain on forward foreign currency contracts</b>				<b>415,805</b>	<b>0.21</b>
<b>Total Financial Assets at fair value through profit or loss</b>				<b>197,708,898</b>	<b>99.25</b>

## Portfolio Statements continued

As at 31 December 2018

### European ex UK Income Fund continued

#### Financial liabilities at fair value through profit or loss

OPEN FORWARD FOREIGN CURRENCY CONTRACTS: NIL (2017: (0.01%))					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss EUR€	% of Net Assets
GBP 750,000	EUR 828,260	1.1043	31/01/2019	(6,616)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(6,616)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(6,616)	–
<b>Total Value of Investments (Cost: EUR 217,437,551)</b>				197,702,282	99.25
Cash at Bank				258,818	0.13
Other Net Assets				1,226,905	0.62
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				199,188,005	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	98.48	97.91
OTC financial derivative instruments	0.20	(0.01)
Other assets	1.32	2.10
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## European Income Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value EUR€	% of Net Assets
	<b>EQUITIES: NIL (2017: 99.51%)</b>	–	–
	Basic Materials: Nil (2017: 6.94%)	–	–
	Communications: Nil (2017: 24.15%)	–	–
	Consumer, Cyclical: Nil (2017: 2.72%)	–	–
	Consumer, Non-cyclical: Nil (2017: 29.31%)	–	–
	Energy: Nil (2017: 4.21%)	–	–
	Financial: Nil (2017: 22.56%)	–	–
	Industrial: Nil (2017: 3.12%)	–	–
	Utilities: Nil (2017: 6.50%)	–	–
	<b>Total Equities</b>	–	–
	<b>Total Value of Investments (Cost: EUR –)</b>	–	–
	Cash at Bank	9,966,778	100.12
	Other Net Liabilities	(12,363)	(0.12)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	9,954,415	100.00

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets</b>		
Transferable securities admitted to official stock exchange listing	0.00	99.26
Other assets	100.00	0.74
	100.00	100.00

\* There were no investments held by the Fund on the last valuation day of the reporting period.

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Portfolio Statements continued

As at 31 December 2018

### Financial Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 96.88% (2017: 96.84%)</b>		
	<b>Australia: Nil (2017: 1.92%)</b>	–	–
	<b>Bermuda: 4.57% (2017: 3.74%)</b>		
42,661	Arch Capital	1,139,902	3.73
8,214	Bank of NT Butterfield & Son	257,509	0.84
	<b>Total Bermuda</b>	<b>1,397,411</b>	<b>4.57</b>
	<b>Brazil: Nil (2017: 1.04%)</b>	–	–
	<b>Canada: 1.66% (2017: 1.96%)</b>		
10,198	Toronto-Dominion Bank	506,689	1.66
	<b>Total Canada</b>	<b>506,689</b>	<b>1.66</b>
	<b>Cayman Islands: 1.25% (2017: 0.17%)</b>		
121,420	Chailease	382,783	1.25
	<b>Total Cayman Islands</b>	<b>382,783</b>	<b>1.25</b>
	<b>Denmark: Nil (2017: 1.15%)</b>	–	–
	<b>Finland: Nil (2017: 1.21%)</b>	–	–
	<b>France: 0.92% (2017: 3.32%)</b>		
6,204	BNP Paribas	279,961	0.92
	<b>Total France</b>	<b>279,961</b>	<b>0.92</b>
	<b>Germany: Nil (2017: 2.60%)</b>	–	–
	<b>Greece: Nil (2017: 0.83%)</b>	–	–
	<b>Hong Kong: 4.38% (2017: 3.26%)</b>		
113,409	AIA	941,532	3.08
107,070	BOC Hong Kong	397,956	1.30
	<b>Total Hong Kong</b>	<b>1,339,488</b>	<b>4.38</b>
	<b>India: 7.38% (2017: 4.03%)</b>		
6,407	HDFC Bank ADR	663,701	2.17
11,759	Housing Development Finance	331,531	1.09
38,935	Indiabulls Housing Finance	476,182	1.56
18,465	IndusInd Bank	422,990	1.38
138,626	Yes Bank	360,986	1.18
	<b>Total India</b>	<b>2,255,390</b>	<b>7.38</b>
	<b>Indonesia: 1.48% (2017: Nil)</b>		
250,800	Bank Central Asia	453,463	1.48
	<b>Total Indonesia</b>	<b>453,463</b>	<b>1.48</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 96.88% (2017: 96.84%)</b> continued		
	<b>Italy: 2.15% (2017: 1.51%)</b>		
15,031	Banca Generali	311,522	1.02
156,274	Intesa Sanpaolo SPA	346,535	1.13
	<b>Total Italy</b>	658,057	2.15
	<b>Japan: 2.97% (2017: 3.93%)</b>		
27,310	Sumitomo Mitsui Financial	907,305	2.97
	<b>Total Japan</b>	907,305	2.97
	<b>Jersey: 0.67% (2017: Nil)</b>		
27,525	Sanne	203,674	0.67
	<b>Total Jersey</b>	203,674	0.67
	<b>Malaysia: 1.65% (2017: Nil)</b>		
84,400	Public Bank	505,685	1.65
	<b>Total Malaysia</b>	505,685	1.65
	<b>Netherlands: Nil (2017: 3.06%)</b>	–	–
	<b>Norway: 2.84% (2017: 2.64%)</b>		
35,955	DNB	573,634	1.88
200,833	Komplett Bank	292,234	0.96
	<b>Total Norway</b>	865,868	2.84
	<b>Pakistan: Nil (2017: 0.67%)</b>	–	–
	<b>Philippines: 1.08% (2017: Nil)</b>		
214,040	Metropolitan Bank & Trust	329,496	1.08
	<b>Total Philippines</b>	329,496	1.08
	<b>Singapore: 2.60% (2017: Nil)</b>		
96,100	Oversea-Chinese Banking	793,900	2.60
	<b>Total Singapore</b>	793,900	2.60
	<b>Spain: 4.14% (2017: 2.20%)</b>		
187,215	Banco Santander	850,281	2.78
114,803	CaixaBank	415,234	1.36
	<b>Total Spain</b>	1,265,515	4.14
	<b>Sweden: 2.40% (2017: 2.68%)</b>		
32,884	Swedbank Class A	733,467	2.40
	<b>Total Sweden</b>	733,467	2.40

## Portfolio Statements continued

As at 31 December 2018

### Financial Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 96.88% (2017: 96.84%)</b> continued		
	<b>Switzerland: 3.69% (2017: 5.68%)</b>		
6,026	Chubb	778,439	2.55
28,133	UBS	349,165	1.14
	<b>Total Switzerland</b>	<b>1,127,604</b>	<b>3.69</b>
	<b>Thailand: 1.20% (2017: 2.15%)</b>		
152,100	Tisco Financial	365,535	1.20
	<b>Total Thailand</b>	<b>365,535</b>	<b>1.20</b>
	<b>United Kingdom: 8.96% (2017: 7.40%)</b>		
194,444	Atom Bank	284,790	0.93
53,882	AJ Bell	165,144	0.54
109,252	Charter Court Financial Services	347,858	1.14
630,186	Lloyds Banking	416,151	1.36
83,614	OneSavings Bank	372,718	1.22
17,418	Prudential	311,014	1.02
66,848	Standard Chartered	518,744	1.70
16,518	TBC Bank	320,188	1.05
	<b>Total United Kingdom</b>	<b>2,736,607</b>	<b>8.96</b>
	<b>United States: 40.89% (2017: 39.69%)</b>		
53,195	Bank of America	1,310,725	4.29
12,793	Blackstone	381,359	1.25
20,036	Citigroup	1,043,074	3.41
32,611	Citizens Financial	969,525	3.17
12,496	East West Bancorp	543,951	1.78
7,884	Enterprise Financial Services	296,675	0.97
30,085	Esquire Financial	652,845	2.14
4,717	First Republic Bank	409,907	1.34
1,637	Goldman Sachs Group	273,461	0.89
19,936	JPMorgan Chase	1,946,152	6.37
4,271	Mastercard	805,724	2.64
20,495	Pacific Premier Bancorp	523,032	1.71
7,612	PayPal	640,093	2.10
8,395	PNC Financial Services Group	981,459	3.21
2,477	SVB Financial	470,432	1.54
6,065	Texas Capital Bancshares	309,862	1.02
2,521	Visa	332,621	1.09
13,074	Wells Fargo Class C	602,450	1.97
	<b>Total United States</b>	<b>12,493,347</b>	<b>40.89</b>
	<b>Total Equities</b>	<b>29,601,245</b>	<b>96.88</b>
	<b>Total Transferable Securities</b>	<b>29,601,245</b>	<b>96.88</b>

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value US\$</b>	<b>% of Net Assets</b>
	<b>Total Value of Investments (Cost: US\$ 33,593,389)</b>	29,601,245	96.88
	Cash at Bank	1,409,099	4.61
	Other Net Liabilities	(454,024)	(1.49)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	30,556,320	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

<b>Analysis of total assets (unaudited)</b>	<b>31 December 2018 % of Total Assets</b>	<b>31 December 2017 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	95.38	96.46
Other assets	4.62	3.54
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Portfolio Statements continued

As at 31 December 2018

### Global Absolute Return Fund\*

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments</b>	–	–
Cash at Bank	10,194,361	100.00
Other Net Liabilities	(57)	–
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	10,194,304	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

	31 December 2018 % of Total Assets
<b>Analysis of total assets (unaudited)</b>	
Transferable securities admitted to official stock exchange listing	–
Other assets	100.00
	100.00

\* Global Absolute Return Fund launched on 31 December 2018, therefore there are no comparatives.

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Global Convertible Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>CORPORATE BONDS: 93.54% (2017: 90.42%)</b>			
<b>Belgium: Nil (2017: 1.25%)</b>			
		–	–
<b>Bermuda: 1.65% (2017: Nil)</b>			
15,000,000	Borr Drilling 3.875% 23/05/2023	11,983,748	1.65
<b>Total Bermuda</b>		11,983,748	1.65
<b>Cayman Islands: 2.18% (2017: Nil)</b>			
17,000,000	Poseidon Finance 1 0.000% 01/02/2025	15,892,110	2.18
<b>Total Cayman Islands</b>		15,892,110	2.18
<b>Cyprus: 9.73% (2017: Nil)</b>			
42,500,000	Volcan 4.125% 11/04/2020	70,794,892	9.73
<b>Total Cyprus</b>		70,794,892	9.73
<b>France: 2.08% (2017: 4.59%)</b>			
2,000,000	Archer Obligations 0.000% 31/03/2023	2,737,217	0.38
120,000	Genfit 3.500% 16/10/2022	3,522,355	0.48
52,000	Safran 0.000% 21/06/2023	8,879,138	1.22
<b>Total France</b>		15,138,710	2.08
<b>Germany: 0.84% (2017: 4.24%)</b>			
5,000,000	Deutsche Wohnen 0.325% 26/07/2024	6,105,201	0.84
<b>Total Germany</b>		6,105,201	0.84
<b>Japan: 11.44% (2017: 17.38%)</b>			
600,000,000	ANA 0.000% 19/09/2024	5,543,333	0.76
450,000,000	CyberAgent 0.000% 17/02/2023	4,343,341	0.60
1,000,000,000	GMO Payment Gateway 0.000% 19/06/2023	9,261,436	1.27
1,000,000,000	Kyushu Electric Power 0.000% 31/03/2020	9,439,325	1.30
1,000,000,000	Mitsubishi Chemical 0.000% 29/03/2024	9,285,626	1.28
200,000,000	Nagoya Railroad 0.000% 11/12/2024	2,038,599	0.28
750,000,000	Nipro 0.000% 29/01/2021	7,582,396	1.04
500,000,000	Relo 0.000% 22/03/2021	4,686,255	0.65
1,100,000,000	SBI 0.000% 13/09/2023	10,195,122	1.40
1,000,000,000	Sony 0.000% 30/09/2022	11,143,105	1.53
550,000,000	Toray Industries 0.000% 30/08/2019	5,052,468	0.69
500,000,000	Yamada Denki 0.000% 28/06/2019	4,689,027	0.64
<b>Total Japan</b>		83,260,033	11.44
<b>Jersey: 0.60% (2017: 6.69%)</b>			
4,000,000	Sirius Minerals Finance 8.500% 28/11/2023	4,358,000	0.60
<b>Total Jersey</b>		4,358,000	0.60

## Portfolio Statements continued

As at 31 December 2018

### Global Convertible Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>CORPORATE BONDS: 93.54% (2017: 90.42%)</b> continued			
<b>Mexico: 3.88% (2017: Nil)</b>			
25,000,000	America Movil 0.000% 28/05/2020	28,231,691	3.88
<b>Total Mexico</b>		28,231,691	3.88
<b>Netherlands: 12.69% (2017: 14.83%)</b>			
8,500,000	Airbus 0.000% 01/07/2022	10,939,851	1.50
6,000,000	COSMO Pharmaceuticals 2.500% 05/12/2023	6,134,251	0.84
50,000,000	ELMfor Swiss Re 3.250% 13/06/2024	48,500,000	6.67
4,000,000	QIAGEN 0.500% 13/09/2023	4,155,000	0.57
12,000,000	Siemens Financieringsmaatschappij 1.650% 16/08/2019	12,513,000	1.72
10,000,000	STMicroelectronics 0.000% 03/07/2022	10,088,470	1.39
<b>Total Netherlands</b>		92,330,572	12.69
<b>Republic of South Korea: 2.74% (2017: Nil)</b>			
20,000,000	LG Chem 0.00% 16/04/2021	19,911,880	2.74
<b>Total Republic of South Korea</b>		19,911,880	2.74
<b>United Arab Emirates: 4.06% (2017: 3.23%)</b>			
10,000,000	Aabar Investments 0.500% 27/03/2020	10,512,252	1.44
20,000,000	Aabar Investments 1.000% 27/03/2022	19,019,364	2.62
<b>Total United Arab Emirates</b>		29,531,616	4.06
<b>United Kingdom: 2.85% (2017: 3.06%)</b>			
14,000,000	Hurricane Energy 7.500% 24/07/2022	17,318,000	2.38
2,600,000	J Sainsbury 1.250% 21/11/2019	3,422,189	0.47
<b>Total United Kingdom</b>		20,740,189	2.85
<b>United States: 38.80% (2017: 35.15%)</b>			
20,115,000	Air Transport Services 1.125% 15/10/2024	19,257,819	2.65
5,500,000	Alteryx 0.500% 01/06/2023	8,236,437	1.13
23,500,000	BioMarin Pharmaceutical 0.599% 01/08/2024	23,427,127	3.22
2,255,000	Boingo Wireless 1.000% 01/10/2023	1,914,833	0.26
3,000,000	Booking 0.900% 15/09/2021	3,318,111	0.46
9,200,000	Chegg 0.250% 15/05/2023	11,144,475	1.53
13,775,000	NRG Yield 3.500% 01/02/2019	13,775,000	1.89
5,000,000	Cree 0.875% 01/09/2023	4,850,335	0.67
30,500,000	CSG Systems International 4.250% 15/03/2036	30,385,198	4.18
9,500,000	Cypress Semiconductor 4.500% 15/01/2022	11,244,371	1.55
12,500,000	Dermira 3.000% 15/05/2022	9,689,600	1.33
5,000,000	Exact Sciences 1.000% 15/01/2025	5,503,000	0.76
3,000,000	FireEye 0.875% 01/06/2024	3,023,676	0.42
12,600,000	Glencore Funding 0.000% 27/03/2025	10,921,226	1.50
15,000,000	Insmed 1.750% 15/01/2025	10,739,970	1.48
4,000,000	Liberty Media 1.375% 15/10/2023	4,293,200	0.59

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>CORPORATE BONDS: 93.54% (2017: 90.42%)</b> continued			
5,500,000	Liberty Media 2.250% 01/12/2048	5,455,797	0.75
4,000,000	Ligand Pharmaceuticals 0.750% 15/05/2023	3,552,036	0.49
8,000,000	MercadoLibre 2.000% 15/08/2028	7,220,000	0.99
10,300,000	Nutanix 0.000% 15/01/2023	11,304,806	1.55
5,000,000	Okta 0.250% 15/02/2023	7,309,830	1.00
14,000,000	ON Semiconductor 1.000% 01/12/2020	15,470,000	2.13
12,500,000	Rapid7 1.250% 01/08/2023	12,692,925	1.74
10,000,000	RingCentral 0.000% 15/03/2023	11,883,710	1.63
9,000,000	Splunk 1.125% 15/09/2025	8,889,471	1.22
8,000,000	Twilio 0.250% 01/06/2023	11,440,248	1.57
6,000,000	Workday 0.250% 01/10/2022	7,360,422	1.01
1,500,000	World Wrestling Entertainment 3.375% 15/12/2023	4,569,151	0.63
3,000,000	Zendesk 0.250% 15/03/2023	3,409,146	0.47
<b>Total United States</b>		282,281,920	38.80
<b>Total Corporate Bonds</b>		680,560,562	93.54
<b>EQUITIES: NIL (2017: 14.81%)</b>			
<b>Israel: Nil (2017: 1.40%)</b>			
<b>United States: Nil (2017: 13.41%)</b>			
<b>WARRANTS: 0.24% (2017: 0.37%)</b>			
<b>United Kingdom: 0.24% (2017: 0.37%)</b>			
5,345,707	Premier Oil	1,737,001	0.24
<b>Total United Kingdom</b>		1,737,001	0.24
<b>Total Warrants</b>		1,737,001	0.24
<b>Total Transferable Securities</b>		682,297,563	93.78
<b>CONTRACTS FOR DIFFERENCE (ON EQUITIES) – UNREALISED GAIN: 0.07% (2017: 0.22)</b>			
<b>Germany: Nil (2017: 0.06%)</b>			
<b>Netherlands: Nil (2017: 0.04%)</b>			
<b>United Kingdom: 0.03% (2017: Nil)</b>			
(1,400,000)	Premier Oil	100,384	0.01
(9,700,000)	Sirius Minerals	116,785	0.02
<b>Total United Kingdom</b>		217,169	0.03
<b>United States: 0.04% (2017: 0.12%)</b>			
(69,300)	CSG Systems International	313,463	0.04
<b>Total United States</b>		313,463	0.04
<b>Total Contracts for Difference (on Equities) - Unrealised Gains</b>		530,632	0.07

Portfolio Statements continued

As at 31 December 2018

Global Convertible Fund continued

## Financial assets at fair value through profit or loss

## FUTURES CONTRACTS – UNREALISED GAINS: 0.11% (2017: 0.07%)

Description	Country	Currency	No. of Contracts	Unrealised Gain US\$	% of Net Assets
<b>United States: 0.11% (2017: 0.07%)</b>					
Future Euro Exchange Mar19	US	USD	295	121,606	0.01
Future Japan Yen Mar19	US	USD	224	708,400	0.10
<b>Total United States</b>				830,006	0.11
<b>Total Futures Contracts – Unrealised Gains</b>				830,006	0.11

## OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.22% (2017: 0.19%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 84,121,114	GBP 66,765,438	1.2600	25/01/2019	1,051,903	0.14
USD 58,327,344	GBP 46,065,966	1.2662	31/01/2019	457,950	0.06
USD 6,427,805	CHF 6,349,617	1.0123	31/01/2019	45,333	0.01
EUR 23,061,718	GBP 20,764,310	0.9004	25/01/2019	36,679	0.01
GBP 434,982	JPY 61,139,266	140.5560	25/01/2019	3,545	–
USD 1,433,348	EUR 1,253,005	1.1400	15/01/2019	2,621	–
USD 210,550	EUR 184,516	1.1411	31/01/2019	1,208	–
GBP 58,815	JPY 8,266,801	140.5560	25/01/2019	479	–
EUR 7,880	JPY 1,016,067	128.9500	15/01/2019	243	–
USD 58,674	GBP 46,160	1.2711	31/01/2019	232	–
USD 48,271	GBP 37,986	1.2708	25/01/2019	188	–
USD 114,123	GBP 89,567	1.2742	31/01/2019	176	–
GBP 41,006	EUR 45,731	1.1152	15/01/2019	124	–
USD 25,245	GBP 19,871	1.2704	31/01/2019	113	–
EUR 45,527	GBP 41,006	0.9007	15/01/2019	110	–
GBP 18,128	JPY 2,544,357	140.3551	04/01/2019	100	–
USD 12,651	GBP 9,991	1.2662	31/01/2019	99	–
USD 22,024	GBP 17,336	1.2704	31/01/2019	98	–
USD 15,388	GBP 12,116	1.2701	25/01/2019	68	–
EUR 7,320	JPY 926,214	126.5259	15/01/2019	64	–
GBP 2,437	JPY 345,326	141.7013	25/01/2019	45	–
EUR 4,195	GBP 3,797	0.9052	25/01/2019	32	–
USD 3,878	GBP 3,063	1.2662	31/01/2019	31	–
EUR 13,257	GBP 11,940	0.9007	25/01/2019	26	–
USD 1,487	GBP 1,180	1.2599	25/01/2019	19	–
GBP 2,855	JPY 400,714	140.3552	04/01/2019	16	–
GBP 1,847	JPY 259,813	140.6676	04/01/2019	15	–
GBP 1,420	JPY 199,748	140.6676	04/01/2019	12	–
USD 4,160	GBP 3,266	1.2739	25/01/2019	6	–

## Financial assets at fair value through profit or loss

OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.22% (2017: 0.19%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 1,270	GBP 999	1.2711	31/01/2019	5	–
GBP 232	JPY 32,953	142.0388	25/01/2019	5	–
GBP 738	JPY 103,582	140.3550	04/01/2019	4	–
EUR 1,594	GBP 1,435	0.9003	15/01/2019	3	–
GBP 126	JPY 17,888	141.9683	25/01/2019	3	–
USD 1,791	GBP 1,406	1.2739	25/01/2019	3	–
GBP 318	JPY 44,633	140.3553	04/01/2019	2	–
USD 101	GBP 80	1.2661	31/01/2019	1	–
USD 137	GBP 108	1.2662	31/01/2019	1	–
EUR 429	GBP 386	0.9004	25/01/2019	1	–
USD 20	GBP 16	1.2756	31/01/2019	–	–
GBP 43	JPY 6,035	140.3488	04/01/2019	–	–
USD 43	GBP 34	1.2700	25/01/2019	–	–
EUR 12	GBP 11	0.9053	25/01/2019	–	–
JPY 15,920	GBP 114	0.0072	25/01/2019	–	–
USD 654	GBP 513	1.2753	25/01/2019	–	–
EUR 180	GBP 162	0.8994	25/01/2019	–	–
GBP 6	JPY 854	142.3333	25/01/2019	–	–
GBP 9	JPY 1,265	140.5556	25/01/2019	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				1,601,563	0.22
<b>Total Financial Assets at fair value through profit or loss</b>				685,259,764	94.18

Portfolio Statements continued

As at 31 December 2018

Global Convertible Fund continued

				Unrealised Loss US\$	% of Net Assets
<b>Financial liabilities at fair value through profit or loss</b>					
<b>CONTRACTS FOR DIFFERENCE (ON EQUITIES) – UNREALISED LOSS: (0.13%) (2017: (1.59%))</b>					
Cayman Islands: Nil (2017: (1.23%))				–	–
Israel: Nil (2017: (0.16%))				–	–
Japan: Nil (2017: (0.02%))				–	–
<b>Switzerland: (0.01%) (2017: Nil)</b>					
(40,000)	Swiss Re			(82,020)	(0.01)
<b>Total Switzerland</b>				(82,020)	(0.01)
<b>United Kingdom: (0.12%) (2017: Nil)</b>					
(2,870,300)	Anglo American			(871,834)	(0.12)
<b>Total United Kingdom</b>				(871,834)	(0.12)
<b>United States: Nil (2017: (0.18%))</b>				–	–
<b>Total Contracts for Difference (on Equities) – Unrealised Losses</b>				(953,854)	(0.13)
<b>FUTURES CONTRACTS – UNREALISED LOSSES: (0.07%) (2017: 0.01%)</b>					
Description	Country	Currency	No. of Contracts	Unrealised Loss US\$	% of Net Assets
<b>United States: (0.07%) (2017: 0.01%)</b>					
Future Sterling Pound Mar19	US	USD	(744)	(513,538)	(0.07)
<b>Total United States</b>				(513,538)	(0.07)
<b>Total Futures Contracts – Unrealised Losses</b>				(513,538)	(0.07)
<b>OPEN FORWARD FOREIGN CURRENCY CONTRACTS: (0.05%) (2017: (0.04%))</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 8	EUR 9	1.1113	25/01/2019	–	–
GBP 178	EUR 198	1.1102	25/01/2019	–	–
GBP 13	EUR 14	1.1108	25/01/2019	–	–
GBP 24	USD 30	1.2600	25/01/2019	–	–
GBP 39	USD 49	1.2659	25/01/2019	–	–
JPY 1,126	GBP 8	0.0071	25/01/2019	–	–
JPY 1,544	GBP 11	0.0071	04/01/2019	–	–
JPY 1,266	GBP 9	0.0071	04/01/2019	–	–
JPY 1,547	GBP 11	0.0071	04/01/2019	–	–
JPY 7,455	GBP 53	0.0071	04/01/2019	–	–
GBP 329	EUR 365	1.1098	25/01/2019	(1)	–
EUR 502	GBP 451	0.8980	25/01/2019	(1)	–

## Financial liabilities at fair value through profit or loss

## OPEN FORWARD FOREIGN CURRENCY CONTRACTS: (0.05%) (2017: (0.04%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
JPY 9,706	GBP 69	0.0071	04/01/2019	(1)	–
JPY 44,463	GBP 317	0.0071	25/01/2019	(2)	–
EUR 1,165	GBP 1,046	0.8980	25/01/2019	(2)	–
JPY 28,274	GBP 201	0.0071	04/01/2019	(2)	–
GBP 1,056	EUR 1,173	1.1107	15/01/2019	(2)	–
GBP 375	USD 475	1.2662	31/01/2019	(4)	–
JPY 103,091	GBP 735	0.0071	25/01/2019	(4)	–
JPY 118,039	GBP 841	0.0071	04/01/2019	(5)	–
JPY 35,428	GBP 249	0.0070	25/01/2019	(6)	–
GBP 571	USD 723	1.2658	25/01/2019	(6)	–
GBP 956	USD 1,213	1.2692	31/01/2019	(7)	–
GBP 1,068	USD 1,350	1.2644	25/01/2019	(12)	–
JPY 350,463	GBP 2,489	0.0071	04/01/2019	(24)	–
JPY 376,173	GBP 2,673	0.0071	25/01/2019	(26)	–
GBP 3,483	EUR 3,847	1.1046	25/01/2019	(30)	–
JPY 1,178,744	GBP 8,411	0.0071	25/01/2019	(37)	–
GBP 11,138	USD 14,131	1.2688	25/01/2019	(77)	–
GBP 8,102	USD 10,259	1.2662	31/01/2019	(81)	–
JPY 1,393,737	GBP 9,908	0.0071	04/01/2019	(83)	–
GBP 17,773	USD 22,580	1.2704	31/01/2019	(101)	–
GBP 83,835	EUR 93,142	1.1110	25/01/2019	(112)	–
JPY 1,201,298	EUR 9,378	0.0078	15/01/2019	(217)	–
EUR 33,707	USD 38,410	1.1395	15/01/2019	(218)	–
GBP 41,006	EUR 45,325	1.1053	15/01/2019	(341)	–
JPY 8,273,377	GBP 58,815	0.0071	04/01/2019	(493)	–
GBP 264,608	USD 334,937	1.2658	25/01/2019	(2,627)	–
JPY 34,681,152	EUR 269,960	0.0078	15/01/2019	(7,140)	–
GBP 1,689,155	USD 2,138,107	1.2658	25/01/2019	(16,767)	–
JPY 2,088,955,210	GBP 14,682,074	0.0070	25/01/2019	(350,510)	(0.05)
<b>Total unrealised losses on forward foreign currency contracts</b>				<b>(378,939)</b>	<b>(0.05)</b>
<b>Total Financial Liabilities at fair value through profit or loss</b>				<b>(1,846,331)</b>	<b>(0.25)</b>

## Portfolio Statements continued

As at 31 December 2018

### Global Convertible Fund continued

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: USD 701,447,327)</b>	683,413,433	93.93
Cash at Bank	7,954,325	1.09
Margin Receivable	33,012,349	4.54
Margin Cash	2,906,649	0.40
Other Net Assets	290,091	0.04
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>727,576,847</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the contracts for difference is UBS AG.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	93.16	97.25
Exchange traded financial derivative instruments	(0.01)	0.06
OTC financial derivative instruments	0.17	(1.12)
Other assets	6.68	3.81
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Global Insurance Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>INVESTMENT FUNDS: 0.95% (2017: 1.27%)</b>		
	<b>Bermuda: 0.46% (2017: 1.27%)</b>		
12,500,000	Catco Reinsurance Opportunities Fund Class C	4,171,246	0.35
7,480,000	Catco Reinsurance Opportunities Fund	1,321,451	0.11
	<b>Total Bermuda</b>	<b>5,492,697</b>	<b>0.46</b>
	<b>United States: 0.49% (2017: Nil)</b>		
5,846	AlphaCat Opportunities	3,529,816	0.29
276,739	Kinesis	2,435,045	0.20
	<b>Total United States</b>	<b>5,964,861</b>	<b>0.49</b>
	<b>Total Investment Funds</b>	<b>11,457,558</b>	<b>0.95</b>
	<b>EQUITIES: 98.14% (2017: 95.12%)</b>		
	<b>Insurance Brokers: 12.86% (2017: 12.56%)</b>		
369,000	Aon	42,115,134	3.50
836,000	Brown & Brown	18,090,576	1.50
1,508,750	Marsh & McLennan	94,474,561	7.86
	<b>Total Insurance Brokers</b>	<b>154,680,271</b>	<b>12.86</b>
	<b>Life/Health Insurance: 2.97% (2017: 2.93%)</b>		
417,000	Aflac	14,917,178	1.24
3,200,000	AIA	20,859,531	1.73
	<b>Total Life/Health Insurance</b>	<b>35,776,709</b>	<b>2.97</b>
	<b>Multi-line Insurance: 13.80% (2017: 9.09%)</b>		
921,000	Chubb	93,416,118	7.77
9,835,000	Direct Line Insurance	31,344,145	2.61
2,825,000	Ping An Insurance	19,590,785	1.63
624,500	Sampo	21,530,142	1.79
	<b>Total Multi-line Insurance</b>	<b>165,881,190</b>	<b>13.80</b>
	<b>Property/Casualty Insurance: 49.34% (2017: 47.12%)</b>		
718,000	Admiral	14,697,460	1.22
133,900	Alleghany	65,532,773	5.45
4,727,500	Arch Capital	99,182,465	8.25
354,500	Berkshire Hathaway	56,832,446	4.73
250,000	First American Financial	8,762,562	0.73
12,290,000	Hastings	22,970,010	1.91
1,278,500	Heritage Insurance	14,776,632	1.23
750,000	Hiscox	12,157,500	1.01
762,000	Intact Financial	43,451,288	3.61
3,835,000	Lancashire	23,201,750	1.93
58,050	Markel	47,313,753	3.93

Portfolio Statements continued

As at 31 December 2018

Global Insurance Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets		
<b>EQUITIES: 98.14% (2017: 95.12%)</b> continued					
<b>Property/Casualty Insurance: 49.34% (2017: 47.12%)</b> continued					
575,300	ProAssurance	18,321,424	1.52		
982,750	Progressive Corp	46,552,529	3.87		
303,500	RLI	16,440,376	1.37		
486,000	Travelers Cos	45,696,054	3.80		
990,000	WR Berkley	57,452,020	4.78		
<b>Total Property/Casualty Insurance</b>		<b>593,341,042</b>	<b>49.34</b>		
<b>Reinsurance: 19.17% (2017: 23.42%)</b>					
1,825,000	Essent	48,978,089	4.07		
117,000	Everest Re	20,004,646	1.66		
137,500	Fairfax Financial	47,505,349	3.95		
105,000	Muenchener Rueckversicherungs	17,958,431	1.49		
377,300	Reinsurance of America	41,542,693	3.46		
519,650	RenaissanceRe	54,551,820	4.54		
<b>Total Reinsurance</b>		<b>230,541,028</b>	<b>19.17</b>		
<b>Total Equities</b>		<b>1,180,220,240</b>	<b>98.14</b>		
<b>Total Transferable Securities</b>		<b>1,191,677,798</b>	<b>99.09</b>		
<b>OPEN FORWARD FOREIGN CURRENCY CONTRACTS: NIL (2017: NIL)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
EUR 774,783	GBP 701,411	1.1046	31/01/2019	5,385	–
EUR 3,458,854	GBP 3,110,893	1.1119	31/01/2019	3,651	–
EUR 307,113	GBP 276,704	1.1099	31/01/2019	811	–
USD 110,232	GBP 87,050	1.2663	31/01/2019	607	–
<b>Total unrealised gain on forward foreign currency contracts</b>				<b>10,454</b>	<b>–</b>
<b>Total Financial Assets at fair value through profit or loss</b>		<b>1,191,688,252</b>	<b>99.09</b>		

**Financial liabilities at fair value through profit or loss****OPEN FORWARD FOREIGN CURRENCY CONTRACTS: NIL (2017: NIL)**

<b>Currency Sold</b>	<b>Currency Bought</b>	<b>Currency Rate</b>	<b>Maturity Date</b>	<b>Unrealised Loss GBP£</b>	<b>% of Net Assets</b>
GBP 13,571,190	EUR 15,062,615	1.1099	31/01/2019	(39,752)	–
GBP 1,689,860	USD 2,139,650	1.2662	31/01/2019	(11,960)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(51,712)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(51,712)	–
<b>Total Value of Investments (Cost: GBP 984,346,193)</b>				1,191,636,540	99.09
Cash at Bank				20,950,550	1.74
Other Net Liabilities				(10,040,958)	(0.83)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				1,202,546,132	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

	<b>31 December 2018 % of Total Assets</b>	<b>31 December 2017 % of Total Assets</b>
<b>Analysis of total assets</b>		
Transferable securities admitted to official stock exchange listing	97.87	96.14
OTC financial derivative instruments	–	(0.01)
Other assets	2.13	3.87
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

Portfolio Statements continued

As at 31 December 2018

## Global Technology Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>EQUITIES: 93.17% (2017: 91.62%)</b>			
<b>Basic Materials: Nil (2017: 0.85%)</b>			
<b>Communications: 29.11% (2017: 28.76%)</b>			
1,573,129	8x8	28,379,247	1.14
636,806	Alibaba ADR	87,286,998	3.50
92,223	Alphabet Class A	96,369,346	3.86
93,228	Alphabet Class C	96,547,849	3.87
42,122	Amazon.com	63,265,980	2.53
229,712	Arista Networks	48,400,318	1.94
274,118	Facebook	35,934,129	1.44
326,128	GrubHub	25,049,892	1.00
576,853	Mimecast	19,399,566	0.78
299,858	Proofpoint	25,131,099	1.01
431,095	RingCentral	35,539,472	1.42
2,024,300	Tencent	81,185,565	3.25
318,623	Twilio	28,453,034	1.14
954,229	Zendesk	55,698,347	2.23
<b>Total Communications</b>		<b>726,640,842</b>	<b>29.11</b>
<b>Consumer, Cyclical: 1.52% (2017: 2.33%)</b>			
613,172	Dolby Laboratories	37,918,556	1.52
<b>Total Consumer, Cyclical</b>		<b>37,918,556</b>	<b>1.52</b>
<b>Consumer, Non-cyclical: 5.26% (2017: 0.90%)</b>			
564,353	Chegg	16,038,912	0.64
314,800	GMO Payment Gateway	13,428,100	0.54
75,438	Illumina	22,626,119	0.91
359,335	iRhythm Technologies	24,966,596	1.00
644,021	PayPal	54,155,726	2.17
<b>Total Consumer, Non-cyclical</b>		<b>131,215,453</b>	<b>5.26</b>
<b>Financial: 1.72% (2017: 0.91%)</b>			
94,180	Mastercard	17,767,057	0.71
191,805	Visa	25,306,752	1.01
<b>Total Financial</b>		<b>43,073,809</b>	<b>1.72</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>EQUITIES: 93.17% (2017: 91.62%)</b> continued			
<b>Industrial: 4.68% (2017: 6.98%)</b>			
411,299	Axon Enterprise	17,994,331	0.72
471,222	Cognex	18,222,155	0.73
1,102,700	Fuji Machine Manufacturing	12,965,255	0.52
577,700	Harmonic Drive Systems	15,849,036	0.64
41,300	Keyence	20,959,614	0.84
138,267	Universal Display	12,937,643	0.52
723,800	Yaskawa Electric	17,798,955	0.71
<b>Total Industrial</b>		<b>116,726,989</b>	<b>4.68</b>
<b>Technology: 50.88% (2017: 50.89%)</b>			
442,580	2U	22,005,078	0.88
240,917	Adobe Systems	54,505,062	2.18
2,841,310	Advanced Micro Devices	52,450,583	2.10
999,200	Advantest	20,436,629	0.82
1,396,204	AIXTRON	13,419,762	0.54
735,844	Altair Engineering	20,294,578	0.81
442,942	Alteryx	26,341,761	1.06
295,335	ANSYS	42,215,185	1.69
423,213	Apple	66,757,619	2.67
211,770	ASML	33,204,363	1.33
308,816	Autodesk	39,716,826	1.59
1,039,126	Dropbox	21,229,344	0.85
501,238	Everbridge	28,450,269	1.14
440,276	Five9	19,248,867	0.77
2,050,000	Globalwafers	18,707,909	0.75
194,019	HubSpot	24,394,009	0.98
1,195,537	Infineon Technologies	23,732,367	0.95
552,496	Intel	25,928,637	1.04
307,699	Lumentum	12,926,435	0.52
330,481	Medidata Solutions	22,281,029	0.89
520,902	Micron Technology	16,528,220	0.66
1,941,983	Microsoft	197,247,213	7.91
153,113	Monolithic Power Systems	17,799,386	0.71
258,560	New Relic	20,935,603	0.84
658,823	Nutanix	27,400,449	1.10
181,732	NVIDIA	24,261,222	0.97
276,034	Pegasystems	13,202,706	0.53

Portfolio Statements continued

As at 31 December 2018

Global Technology Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>EQUITIES: 93.17% (2017: 91.62%)</b> continued			
<b>Technology: 50.88% (2017: 50.89%)</b> continued			
1,467,640	Pure Storage	23,599,651	0.95
325,815	salesforce.com	44,626,881	1.79
732,467	Samsung Electronics	25,404,618	1.02
572,594	Samsung Electronics Pref	16,293,117	0.65
296,450	ServiceNow	52,782,923	2.11
233,855	SK Hynix	12,679,896	0.51
238,020	Splunk	24,956,397	1.00
156,143	Tableau Software	18,737,160	0.75
7,134,250	Taiwan Semiconductor Manufacturing	52,339,961	2.10
235,000	TDK	16,535,569	0.66
203,650	Tokyo Electron	23,230,003	0.93
222,582	Ubisoft Entertainment	17,933,257	0.72
412,044	Xilinx	35,093,787	1.41
<b>Total Technology</b>		1,269,834,331	50.88
<b>Total Equities</b>		2,325,409,980	93.17
<b>Total Transferable Securities</b>		2,325,409,980	93.17

**OPTIONS PURCHASED: 0.21% (2017: 0.47%)**

Description	Base Currency	Strike Price	No. of Contracts	Maturity Date	Fair Value US\$	% of Net Assets
Option Invesco QQQ Trust Series 1 Put 145.00	USD	145.00	16,000	15/02/2019	5,344,000	0.21
Option Advanced Micro Devices Call 35.00	USD	35.00	10,570	18/01/2019	10,570	–
Option Facebook Call 170.00	USD	170.00	5,000	18/01/2019	10,000	–
Option Apple Call 250.00	USD	250.00	7,300	18/01/2019	7,300	–
<b>Total Options Purchased</b>					5,371,870	0.21

**OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.06% (2017: 0.07%)**

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 167,193,235	EUR 146,519,996	1.1411	31/01/2019	651,637	0.03
USD 79,113,009	GBP 62,482,138	1.2662	31/01/2019	562,466	0.02
USD 34,517,400	CHF 34,097,530	1.0123	31/01/2019	150,741	0.01
EUR 907,751	USD 1,041,917	1.1478	31/01/2019	2,037	–
EUR 522,775	USD 600,293	1.1483	31/01/2019	1,424	–
EUR 311,768	USD 358,571	1.1501	31/01/2019	1,422	–
EUR 874,871	USD 1,003,489	1.1470	31/01/2019	1,277	–

**Financial assets at fair value through profit or loss**
**OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.06% (2017: 0.07%)** continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
EUR 398,441	USD 457,523	1.1483	31/01/2019	1,086	–
USD 233,435	EUR 204,682	1.1405	31/01/2019	1,037	–
EUR 118,512	USD 136,303	1.1501	31/01/2019	540	–
CHF 77,429	USD 78,896	1.0190	31/01/2019	171	–
EUR 32,022	USD 36,829	1.1501	31/01/2019	146	–
USD 26,651	EUR 23,356	1.1411	31/01/2019	104	–
EUR 19,175	USD 21,994	1.1470	31/01/2019	28	–
EUR 4,669	USD 5,359	1.1478	31/01/2019	10	–
EUR 1,872	USD 2,150	1.1483	31/01/2019	5	–
<b>Total unrealised gain on forward foreign currency contracts</b>				1,374,131	0.06
<b>Total Financial Assets at fair value through profit or loss</b>				2,332,155,981	93.44

**Financial liabilities at fair value through profit or loss**
**OPEN FORWARD FOREIGN CURRENCY CONTRACTS: NIL (2017: NIL)**

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 3,458,705	USD 4,401,081	1.2725	31/01/2019	(9,390)	–
EUR 8,129,857	USD 9,308,190	1.1449	31/01/2019	(4,971)	–
CHF 1,890,959	USD 1,919,709	1.0152	31/01/2019	(2,908)	–
GBP 223,266	USD 283,367	1.2692	31/01/2019	(1,337)	–
EUR 252,547	USD 288,180	1.1411	31/01/2019	(1,123)	–
EUR 158,838	USD 181,151	1.1405	31/01/2019	(805)	–
EUR 873,260	USD 999,805	1.1449	31/01/2019	(558)	–
USD 199,644	EUR 173,936	1.1478	31/01/2019	(390)	–
CHF 49,620	USD 50,108	1.0098	31/01/2019	(342)	–
EUR 458,611	USD 525,069	1.1449	31/01/2019	(293)	–
USD 219,993	EUR 191,796	1.1470	31/01/2019	(280)	–
CHF 168,600	USD 171,215	1.0155	31/01/2019	(208)	–
GBP 187,090	USD 238,382	1.2742	31/01/2019	(191)	–
CHF 50,820	USD 51,481	1.0130	31/01/2019	(190)	–
EUR 28,709	USD 32,760	1.1411	31/01/2019	(128)	–
GBP 26,622	USD 33,822	1.2704	31/01/2019	(126)	–
CHF 26,734	USD 27,063	1.0123	31/01/2019	(118)	–
GBP 11,048	USD 13,989	1.2662	31/01/2019	(99)	–
CHF 25,394	USD 25,724	1.0130	31/01/2019	(95)	–
EUR 119,273	USD 136,557	1.1449	31/01/2019	(76)	–
GBP 481,596	USD 614,059	1.2751	31/01/2019	(64)	–

## Portfolio Statements continued

As at 31 December 2018

### Global Technology Fund continued

#### Financial liabilities at fair value through profit or loss

##### OPEN FORWARD FOREIGN CURRENCY CONTRACTS: NIL (2017: NIL) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 6,131	USD 7,764	1.2663	31/01/2019	(54)	–
CHF 51,584	USD 52,395	1.0157	31/01/2019	(53)	–
EUR 5,803	USD 6,618	1.1405	31/01/2019	(29)	–
GBP 1,702	USD 2,155	1.2662	31/01/2019	(15)	–
USD 2,573	CHF 2,525	1.0190	31/01/2019	(6)	–
CHF 636	USD 646	1.0157	31/01/2019	(1)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(23,850)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(23,850)	–
<b>Total Value of Investments (Cost: US\$ 2,424,396,655)</b>				2,332,132,131	93.44
Cash at Bank				169,931,050	6.81
Margin Cash				42,055,787	1.68
Other Net Liabilities				(48,214,077)	(1.93)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				2,495,904,891	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

The counterparty for the options is Credit Suisse Securities (Europe) Limited.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	91.24	89.89
Exchange traded financial derivative instruments	0.21	0.53
OTC financial derivative instruments	0.05	–
Other assets	8.50	9.58
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Healthcare Blue Chip Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 99.63% (2017: 99.26%)</b>		
	<b>Diagnostic Equipment: 2.29% (2017: 8.16%)</b>		
16,280	Danaher	1,678,793	2.29
	<b>Total Diagnostic Equipment</b>	1,678,793	2.29
	<b>Dialysis Centers: Nil (2017: 4.09%)</b>	–	–
	<b>Instruments-Scientific: Nil (2017: 2.48%)</b>	–	–
	<b>Medical Instruments: 6.32% (2017: 1.96%)</b>		
51,000	Medtronic	4,638,960	6.32
	<b>Total Medical Instruments</b>	4,638,960	6.32
	<b>Medical Labs &amp; Testing Services: 3.12% (2017: 4.13%)</b>		
27,500	Quest Diagnostics	2,289,925	3.12
	<b>Total Medical Labs &amp; Testing Services</b>	2,289,925	3.12
	<b>Medical Products: 11.77% (2017: 12.20%)</b>		
45,000	Abbott Laboratories	3,254,850	4.43
9,000	Becton Dickinson	2,027,880	2.76
26,800	Terumo	1,520,332	2.07
16,296	Varian Medical Systems	1,846,500	2.51
	<b>Total Medical Products</b>	8,649,562	11.77
	<b>Medical-Biomedical/Gene: 15.46% (2017: 19.32%)</b>		
20,000	Alexion Pharmaceuticals	1,947,200	2.65
17,000	Alnylam Pharmaceuticals	1,239,470	1.68
17,875	Amgen	3,479,726	4.74
8,865	BioMarin Pharmaceutical	754,855	1.03
8,750	Bio-Rad Laboratories	2,031,925	2.76
30,000	Incyte	1,907,700	2.60
	<b>Total Medical-Biomedical/Gene</b>	11,360,876	15.46
	<b>Medical-Drugs: 40.48% (2017: 30.19%)</b>		
31,758	AstraZeneca	2,375,452	3.23
123,370	Grifols	2,265,073	3.08
16,000	Jazz Pharmaceuticals	1,983,360	2.70
47,500	Johnson & Johnson	6,129,875	8.35
55,000	Merck	4,202,550	5.72
50,000	Novartis	4,262,528	5.80
78,000	Novo Nordisk	3,559,494	4.85
20,871	PRA Health Sciences	1,919,297	2.61
90,000	Takeda Pharmaceutical	3,039,238	4.14
	<b>Total Medical-Drugs</b>	29,736,867	40.48

## Portfolio Statements continued

As at 31 December 2018

### Healthcare Blue Chip Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets			
	<b>EQUITIES: 99.63% (2017: 99.26%)</b> continued					
	<b>Medical-HMO: 8.65% (2017: 16.73%)</b>					
8,000	Humana	2,291,840	3.12			
16,300	UnitedHealth	4,060,656	5.53			
	<b>Total Medical-HMO</b>	<b>6,352,496</b>	<b>8.65</b>			
	<b>Medical-Hospitals: 4.07% (2017: Nil)</b>					
24,000	HCA Healthcare	2,986,800	4.07			
	<b>Total Medical-Hospitals</b>	<b>2,986,800</b>	<b>4.07</b>			
	<b>Pharmacy Services: 4.37% (2017: Nil)</b>					
49,000	CVS Health	3,210,480	4.37			
	<b>Total Pharmacy Services</b>	<b>3,210,480</b>	<b>4.37</b>			
	<b>Respiratory Products: 3.10% (2017: Nil)</b>					
20,000	ResMed	2,277,400	3.10			
	<b>Total Respiratory Products</b>	<b>2,277,400</b>	<b>3.10</b>			
	<b>Total Equities</b>	<b>73,182,159</b>	<b>99.63</b>			
	<b>Total Transferable Securities</b>	<b>73,182,159</b>	<b>99.63</b>			
	<b>OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.02% (2017: 0.04%)</b>					
	<b>Currency Sold</b>	<b>Currency Bought</b>	<b>Currency Rate</b>	<b>Maturity Date</b>	<b>Unrealised Gain US\$</b>	<b>% of Net Assets</b>
	USD 2,373,036	GBP 1,874,184	1.2662	31/01/2019	16,871	0.02
	<b>Total unrealised gain on forward foreign currency contracts</b>				<b>16,871</b>	<b>0.02</b>
	<b>Total Financial Assets at fair value through profit or loss</b>				<b>73,199,030</b>	<b>99.65</b>

**Financial liabilities at fair value through profit or loss****OPEN FORWARD FOREIGN CURRENCY CONTRACTS: NIL (2017: NIL)**

<b>Currency Sold</b>	<b>Currency Bought</b>	<b>Currency Rate</b>	<b>Maturity Date</b>	<b>Unrealised Gain US\$</b>	<b>% of Net Assets</b>
GBP 97,999	USD 124,866	0.7848	31/01/2019	(100)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(100)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(100)	–
<b>Total Value of Investments (Cost: US\$ 73,110,991)</b>				73,198,930	99.65
Cash at Bank				257,516	0.35
Other Net Liabilities				(3,695)	–
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				73,452,751	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at period end.

The counterparty for the forward currency contracts is The Northern Trust Company.

	<b>31 December 2018 % of Total Assets</b>	<b>31 December 2017 % of Total Assets</b>
<b>Analysis of total assets</b>		
Transferable securities admitted to official stock exchange listing	99.37	98.93
OTC financial derivative instruments	0.02	0.04
Other assets	0.61	1.03
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Portfolio Statements continued

As at 31 December 2018

### Healthcare Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>INVESTMENT FUNDS: 8.62% (2017: NIL)</b>			
140,000,000	Northern Trust Global Funds – US Dollar Fund	140,000,000	8.62
<b>Total Investment Funds</b>		140,000,000	8.62
<b>EQUITIES: 85.76% (2017: 99.77%)</b>			
<b>Biotechnology: Nil (2017: 20.91%)</b>		–	–
<b>Commercial Services: Nil (2017: 1.33%)</b>		–	–
<b>Diagnostic Equipment: 6.29% (2017: 2.12%)</b>			
2,018,385	Oxford Immunotec Global	25,794,960	1.59
4,262,275	Quotient	26,085,123	1.60
225,000	Thermo Fisher Scientific	50,352,750	3.10
<b>Total Diagnostic Equipment</b>		102,232,833	6.29
<b>Enterprise Software/Services: 0.86% (2017: 1.77%)</b>			
303,854	Benefitfocus	13,892,205	0.86
<b>Total Enterprise Software/Services</b>		13,892,205	0.86
<b>Healthcare-Products: Nil (2017: 16.88%)</b>		–	–
<b>Health Care-Services: Nil (2017: 19.63%)</b>		–	–
<b>Medical-Biomedical/Gene: 8.72% (2017: 2.95%)</b>			
146,516	ArGEN-X	14,270,129	0.88
201,571	Bio-Rad Laboratories	46,808,818	2.88
779,416	Immunomedics	11,122,266	0.68
170,310	Incyte	10,830,013	0.67
322,221	Loxo Oncology	45,133,495	2.78
1,422,890	Stemline Therapeutics	13,517,455	0.83
<b>Total Medical-Biomedical/Gene</b>		141,682,176	8.72
<b>Medical-Drugs: 27.43% (2017: 3.31%)</b>			
735,521	AstraZeneca	55,015,894	3.39
3,312,723	Aurinia Pharmaceuticals	22,592,771	1.39
91,887	InflaRx	3,341,930	0.21
1,200,000	Johnson & Johnson	154,860,000	9.53
208,193	MyoKardia	10,172,310	0.63
1,400,000	Novo Nordisk	63,888,357	3.93
600,425	Pacira Pharmaceuticals	25,830,284	1.59
370,952	PRA Health Sciences	34,112,746	2.10
277,000	Roche	68,392,980	4.21
201,569	Zogenix	7,349,206	0.45
<b>Total Medical-Drugs</b>		445,556,478	27.43

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 85.76% (2017: 99.77%)</b> continued		
	<b>Medical-HMO: 8.48% (2017: 2.43%)</b>		
137,237	Humana	39,315,656	2.42
395,000	UnitedHealth	98,402,400	6.06
	<b>Total Medical-HMO</b>	<b>137,718,056</b>	<b>8.48</b>
	<b>Medical-Hospitals: 4.28% (2017: Nil)</b>		
250,000	HCA Healthcare	31,112,500	1.91
330,000	Universal Health Services	38,464,800	2.37
	<b>Total Medical-Hospitals</b>	<b>69,577,300</b>	<b>4.28</b>
	<b>Medical Information Systems: 0.13% (2017: Nil)</b>		
32,040	Tabula Rasa HealthCare	2,042,870	0.13
	<b>Total Medical Information Systems</b>	<b>2,042,870</b>	<b>0.13</b>
	<b>Medical Instruments: 10.35% (2017: Nil)</b>		
1,250,000	Boston Scientific	44,175,000	2.72
91,766	Intuitive Surgical	43,948,573	2.70
880,000	Medtronic	80,044,800	4.93
	<b>Total Medical Instruments</b>	<b>168,168,373</b>	<b>10.35</b>
	<b>Medical Labs &amp; Testing Services: 1.62% (2017: Nil)</b>		
845,196	Hansa Biopharma Class A	26,387,797	1.62
	<b>Total Medical Labs &amp; Testing Service</b>	<b>26,387,797</b>	<b>1.62</b>
	<b>Medical-Outpatient/Home Med: 1.20% (2017: Nil)</b>		
208,234	LHC	19,549,008	1.20
	<b>Total Medical-Outpatient/Home Med</b>	<b>19,549,008</b>	<b>1.20</b>
	<b>Medical Products: 14.94% (2017: Nil)</b>		
1,275,000	Abbott Laboratories	92,220,750	5.68
2,842,863	Consort Medical	33,853,271	2.08
510,000	Hill-Rom	45,160,500	2.78
76,379	Inogen	9,483,980	0.58
903,900	Sientra	11,488,569	0.71
205,000	Stryker	32,133,750	1.98
162,682	Varian Medical Systems	18,433,497	1.13
	<b>Total Medical Products</b>	<b>242,774,317</b>	<b>14.94</b>
	<b>Pharmaceuticals: Nil (2017: 28.44%)</b>		
	<b>Therapeutics: 1.46% (2017: Nil)</b>		
160,000	Agios Pharmaceuticals	7,377,600	0.45
150,482	Sarepta Therapeutics	16,422,101	1.01
	<b>Total Therapeutics</b>	<b>23,799,701</b>	<b>1.46</b>
	<b>Total Equities</b>	<b>1,393,381,114</b>	<b>85.76</b>

## Portfolio Statements continued

As at 31 December 2018

### Healthcare Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>WARRANTS: 0.13% (2017: 0.13%)</b>		
	<b>United States: 0.13% (2017: 0.13%)</b>		
360,800	Quotient Pre Funded	2,208,096	0.13
	<b>Total United States</b>	2,208,096	0.13
	<b>Total Warrants</b>	2,208,096	0.13
	<b>Total Transferable Securities</b>	1,535,589,210	94.51
	<b>Total Financial Assets at fair value through profit or loss</b>	1,535,589,210	94.51
	<b>Total Value of Investments (Cost: US\$ 1,562,367,637)</b>	1,535,589,210	94.51
	Cash	114,476,293	7.05
	Margin Cash	20,012,400	1.23
	Other Net Liabilities	(45,322,396)	(2.79)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	1,624,755,507	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets</b>		
Transferable securities admitted to official stock exchange listing	91.84	99.56
Other assets	8.16	0.44
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Income Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>CORPORATE BONDS: 34.14% (2017: 25.03%)</b>		
	<b>Australia: 0.66% (2017: 1.52%)</b>		
2,250,000	QBE Insurance 6.750% 02/12/2044	1,777,687	0.66
	<b>Total Australia</b>	1,777,687	0.66
	<b>Canada: Nil (2017: 0.52%)</b>	–	–
	<b>Cayman Islands: 0.89% (2017: 1.54%)</b>		
3,250,000	XLIT FRN 31/12/2049	2,387,433	0.89
	<b>Total Cayman Islands</b>	2,387,433	0.89
	<b>Georgia: 0.71% (2017: 0.63%)</b>		
6,500,000	Bank of Georgia 11.000% 01/06/2020	1,913,556	0.71
	<b>Total Georgia</b>	1,913,556	0.71
	<b>Germany: 0.31% (2017: Nil)</b>		
1,985,000	Deutsche Bank 0.000% 31/10/2034	829,941	0.31
	<b>Total Germany</b>	829,941	0.31
	<b>Guernsey: 1.04% (2017: 0.85%)</b>		
3,550,000	Pershing Square 5.500% 15/07/2022	2,786,120	1.04
	<b>Total Guernsey</b>	2,786,120	1.04
	<b>Ireland: Nil (2017: 0.42%)</b>	–	–
	<b>Jersey: Nil (2017: 0.47%)</b>	–	–
	<b>Luxembourg: 2.29% (2017: Nil)</b>		
4,750,000	Amigo Luxembourg 7.625% 15/01/2024	4,662,477	1.73
1,722,000	Mogo Finance 9.500% 10/07/2022	1,497,314	0.56
	<b>Total Luxembourg</b>	6,159,791	2.29
	<b>Marshall Islands: 0.96% (2017: 0.55%)</b>		
3,500,000	Borealis Finance 7.500% 16/11/2022	2,572,923	0.96
	<b>Total Marshall Islands</b>	2,572,923	0.96
	<b>Netherlands: 1.94% (2017: 1.28%)</b>		
2,500,000	ABN AMRO Bank FRN 18/01/2019	1,964,145	0.73
6,250,000	Aegon FRN 31/12/2049	3,253,572	1.21
	<b>Total Netherlands</b>	5,217,717	1.94
	<b>Norway: 0.88% (2017: Nil)</b>		
3,000,000	Songa Container FRN 14/12/2021	2,367,305	0.88
	<b>Total Norway</b>	2,367,305	0.88

## Portfolio Statements continued

As at 31 December 2018

### Income Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>CORPORATE BONDS: 34.14% (2017: 25.03%)</b> continued			
<b>Sweden: 0.51% (2017: 0.45%)</b>			
2,500,000	Svenska Handelsbanken FRN 10/04/2019	1,383,823	0.51
<b>Total Sweden</b>		1,383,823	0.51
<b>Switzerland: Nil (2017: 0.46%)</b>			
<b>United Kingdom: 18.45% (2017: 12.87%)</b>			
750,000	Admiral 5.500% 25/07/2024	791,825	0.29
1,150,000	Aldermore 8.500% 28/10/2026	1,292,198	0.48
2,000,000	Aldermore 11.875% 31/12/2049	2,005,000	0.75
700,000	Aviva 6.875% 29/11/2049	716,800	0.27
150,000	Beazley 5.375% 25/09/2019	151,899	0.06
400,000	Clerical Medical Finance 7.375% 31/12/2049	409,922	0.15
3,000,000	CYBG FRN 31/12/2049	2,752,500	1.02
50,000	HDL Debenture 10.375% 31/07/2023	60,974	0.02
1,750,000	HSBC Bank FRN 31/12/2049	941,229	0.35
2,950,000	HSBC Bank FRN 31/12/2049	1,575,758	0.59
5,250,000	HSBC Bank FRN 31/12/2049	2,811,652	1.05
5,750,000	International Personal Finance 5.750% 07/04/2021	4,615,010	1.72
1,010,000	International Personal Finance 6.125% 08/05/2020	979,296	0.36
750,000	JRP Group 9.000% 26/10/2026	862,031	0.32
1,000,000	Lloyds Bank FRN 26/09/2033	468,161	0.17
750,000	Lloyds Bank 13.000% 31/12/2049	1,208,680	0.45
800,000	National Westminster Bank 11.500% 31/12/2049	1,380,000	0.51
2,000,000	National Westminster Bank FRN 31/12/2049	1,175,801	0.44
32,750	Nationwide Building Society FRN 31/12/2049	4,576,813	1.70
500,000	Paragon Banking 6.000% 28/08/2024	524,595	0.20
550,000	Paragon Banking 6.125% 30/01/2022	571,264	0.21
1,000,000	Partnership Assurance 9.500% 24/03/2025	1,062,758	0.40
2,000,000	Pension Insurance 5.625% 20/09/2030	1,908,311	0.71
2,300,000	Pension Insurance 6.500% 03/07/2024	2,458,364	0.91
1,900,000	PGH Capital 6.625% 18/12/2025	1,940,921	0.72
2,500,000	Phoenix FRN 31/12/2049	2,027,188	0.76
859,000	Phoenix Life 7.250% 31/12/2049	889,895	0.33
2,000,000	Provident Financial 7.000% 04/06/2023	2,016,250	0.75
1,450,000	Rothesay Life 8.000% 30/10/2025	1,651,188	0.61
1,250,000	Rothesay Life FRN 31/12/2049	1,184,375	0.44
700,000	Scottish Widows 5.500% 16/06/2023	758,123	0.28
3,250,000	Shawbrook London 8.500% 28/10/2025	3,380,813	1.26
500,000	Shawbrook FRN 31/12/2049	454,063	0.17
<b>Total United Kingdom</b>		49,603,657	18.45



Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>CORPORATE BONDS: 34.14% (2017: 25.03%)</b> continued			
<b>United States: 5.50% (2017: 3.47%)</b>			
2,250,000	BAC Capital Trust XIV 5.630% 31/12/2049	1,255,202	0.47
2,269,100	Burford Capital Finance 6.125% 12/08/2025	1,772,230	0.66
1,282,000	CitiGlobal Markets 0.000% 14/12/2036	642,309	0.24
2,500,000	Morgan Stanley FRN 23/07/2019	1,963,270	0.73
4,500,000	Morgan Stanley FRN 23/07/2019	3,533,341	1.31
266,000	Morgan Stanley FRN 31/08/2031	124,531	0.05
350,000	Morgan Stanley FRN 30/11/2031	168,666	0.06
425,000	Morgan Stanley FRN 13/01/2032	201,471	0.07
155,000	Morgan Stanley FRN 31/01/2032	72,109	0.03
1,300,000	Morgan Stanley FRN 30/04/2032	590,747	0.22
250,000	Morgan Stanley LLC FRN 14/02/2031	113,850	0.04
593,000	Nomura America Finance 0.000% 29/07/2034	255,666	0.10
5,750,000	Wachovia Capital Trust III 5.570% 29/03/2049	4,089,244	1.52
<b>Total United States</b>		<b>14,782,636</b>	<b>5.50</b>
<b>Total Corporate Bonds</b>		<b>91,782,589</b>	<b>34.14</b>
<b>SUPRANATIONAL BONDS: NIL (2017: 0.09%)</b>			
<b>EQUITIES: 64.42% (2017: 63.44%)</b>			
<b>Australia: 1.10% (2017: 0.94%)</b>			
48,750	Commonwealth Bank of Australia	1,950,710	0.73
1,400,000	Litigation Capital Management	987,000	0.37
<b>Total Australia</b>		<b>2,937,710</b>	<b>1.10</b>
<b>Belgium: 1.70% (2017: 1.86%)</b>			
90,000	KBC Bank	4,578,703	1.70
<b>Total Belgium</b>		<b>4,578,703</b>	<b>1.70</b>
<b>Bermuda: 1.42% (2017: 1.02%)</b>			
105,000	Arch Capital	2,202,889	0.82
66,023	Bank of NT Butterfield & Son	1,625,173	0.60
<b>Total Bermuda</b>		<b>3,828,062</b>	<b>1.42</b>
<b>Canada: 1.04% (2017: 0.97%)</b>			
71,500	Toronto-Dominion Bank	2,789,329	1.04
<b>Total Canada</b>		<b>2,789,329</b>	<b>1.04</b>
<b>Denmark: Nil (2017: 1.05%)</b>			
<b>Finland: 2.69% (2017: 2.53%)</b>			
210,000	Sampo Class A	7,239,920	2.69
<b>Total Finland</b>		<b>7,239,920</b>	<b>2.69</b>

## Portfolio Statements continued

As at 31 December 2018

### Income Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>EQUITIES: 64.42% (2017: 63.44%)</b> continued		
	<b>France: 0.99% (2017: 3.29%)</b>		
75,000	BNP Paribas	2,657,379	0.99
	<b>Total France</b>	<b>2,657,379</b>	<b>0.99</b>
	<b>Guernsey: 3.76% (2017: 2.82%)</b>		
1,880,794	Chenavari Capital Solutions	1,462,317	0.54
3,242,739	Duke Royalty	1,417,077	0.53
2,325,000	Real Estate Credit Investments	3,853,688	1.43
4,000,000	Tufton Oceanic Assets	3,297,738	1.23
100,000	Tufton Oceanic Assets Class C	81,266	0.03
	<b>Total Guernsey</b>	<b>10,112,086</b>	<b>3.76</b>
	<b>Ireland: 1.85% (2017: 1.49%)</b>		
1,700,000	Green REIT	2,082,820	0.77
3,100,000	Greencoat Renewables	2,914,646	1.08
	<b>Total Ireland</b>	<b>4,997,466</b>	<b>1.85</b>
	<b>Italy: 1.24% (2017: 1.65%)</b>		
950,000	Banca Sistema	1,226,176	0.46
1,200,000	Intesa Sanpaolo SPA	2,089,336	0.78
	<b>Total Italy</b>	<b>3,315,512</b>	<b>1.24</b>
	<b>Japan: 1.26% (2017: 1.19%)</b>		
130,000	Sumitomo Mitsui Financial	3,391,109	1.26
	<b>Total Japan</b>	<b>3,391,109</b>	<b>1.26</b>
	<b>Jersey: Nil (2017: 0.59%)</b>		
	<b>Netherlands: 1.65% (2017: 2.45%)</b>		
525,000	ING Groep	4,434,238	1.65
	<b>Total Netherlands</b>	<b>4,434,238</b>	<b>1.65</b>
	<b>Norway: 1.56% (2017: 1.27%)</b>		
550,000	SpareBank 1 SMN	4,199,198	1.56
	<b>Total Norway</b>	<b>4,199,198</b>	<b>1.56</b>
	<b>Singapore: 4.33% (2017: 3.39%)</b>		
3,075,000	Fortune Real Estate Investment Trust REIT	2,772,337	1.03
1,900,000	Frasers Centrepoint Trust REIT	2,375,114	0.88
3,075,000	Mapletree Commercial Trust REIT	2,922,807	1.09
550,000	Oversea-Chinese Banking	3,567,566	1.33
	<b>Total Singapore</b>	<b>11,637,824</b>	<b>4.33</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>EQUITIES: 64.42% (2017: 63.44%)</b> continued		
	<b>Spain: 1.72% (2017: 1.25%)</b>		
775,000	Banco Santander	2,763,696	1.03
650,000	CaixaBank	1,845,950	0.69
	<b>Total Spain</b>	<b>4,609,646</b>	<b>1.72</b>
	<b>Sweden: 1.47% (2017: 1.25%)</b>		
225,000	Swedbank Class A	3,940,446	1.47
	<b>Total Sweden</b>	<b>3,940,446</b>	<b>1.47</b>
	<b>Switzerland: 3.07% (2017: 2.96%)</b>		
52,000	Chubb	5,274,309	1.96
307,500	UBS	2,996,588	1.11
	<b>Total Switzerland</b>	<b>8,270,897</b>	<b>3.07</b>
	<b>Thailand: 0.84% (2017: 0.75%)</b>		
1,200,800	Tisco Financial	2,265,882	0.84
	<b>Total Thailand</b>	<b>2,265,882</b>	<b>0.84</b>
	<b>United Kingdom: 16.32% (2017: 15.59%)</b>		
567,249	AJ Bell	1,365,085	0.51
700,000	Amigo	1,967,350	0.73
850,000	Arrow Global	1,504,500	0.56
600,000	City of London Investment	2,283,000	0.85
2,481,022	Civitas Social Housing Reits	2,642,288	0.98
1,275,000	Direct Line Insurance	4,063,425	1.51
380,000	HSBC	2,469,448	0.92
1,500,000	International Personal Finance	3,084,000	1.15
4,100,000	Lloyds Banking	2,125,850	0.79
1,850,000	Morses Club	2,913,750	1.08
1,000,000	OneSavings Bank	3,500,000	1.30
1,200,000	Orchard Funding	1,134,000	0.42
521,500	P2P Global Investments	4,182,430	1.56
687,500	Personal	3,031,875	1.13
600,000	Premier Asset Management	1,074,000	0.40
1,501,922	RM Secured Direct Lending	1,524,450	0.57
6,500,000	VPC Specialty Lending Investments Plc	4,992,000	1.86
	<b>Total United Kingdom</b>	<b>43,857,451</b>	<b>16.32</b>

Portfolio Statements continued

As at 31 December 2018

Income Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets		
<b>EQUITIES: 64.42% (2017: 63.44%)</b> continued					
<b>United States: 16.41% (2017: 15.13%)</b>					
415,000	Ares Capital	5,076,711	1.89		
122,500	Bank of America	2,369,975	0.88		
108,801	Blackstone	2,546,606	0.95		
72,000	Citigroup	2,943,090	1.10		
35,479	First Republic Bank	2,420,795	0.90		
175,000	Golub Capital BDC	2,265,821	0.84		
115,500	JPMorgan Chase	8,852,944	3.29		
310,000	New Mountain Finance	3,062,029	1.14		
575,000	PennantPark Floating Rate Capital Class C	5,223,578	1.94		
38,500	PNC Financial Services Group	3,534,104	1.31		
47,400	SLM	2,192,101	0.82		
240,000	Solar Capital	3,616,206	1.35		
<b>Total United States</b>		44,103,960	16.41		
<b>Total Equities</b>		173,166,818	64.42		
<b>Total Transferable Securities</b>		264,949,407	98.56		
<b>FUTURES CONTRACTS – UNREALISED GAINS: 0.17% (2017: NIL)</b>					
Description	Country	Currency	No. of Contracts	Unrealised Gain GBP£	% of Net Assets
<b>Germany: 0.06% (2017: Nil)</b>					
Future EURX E-Stoxx March 2019	DE	EUR	(150)	148,100	0.06
<b>Total Germany</b>				148,100	0.06
<b>United States: 0.11% (2017: Nil)</b>					
Future S&P 500 E-Mini CME March 2019	US	USD	(25)	137,406	0.05
Future BP Ccy CME March 2019	US	USD	300	136,915	0.05
Future EUR/GBP CME March 2019	US	GBP	(40)	32,124	0.01
<b>Total United States</b>				306,445	0.11
<b>Total Futures Contracts – Unrealised Gains</b>				454,545	0.17
<b>OPEN FORWARD CURRENCY CONTRACTS: NIL (2017: NIL)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
GBP 80,352	EUR 88,750	0.9054	31/01/2019	624	–
GBP 80,045	USD 101,592	0.7879	31/01/2019	377	–
GBP 52,018	EUR 57,459	0.9053	31/01/2019	399	–
GBP 35,272	USD 44,942	0.7848	31/01/2019	28	–
<b>Total unrealised gain on forward foreign currency contracts</b>				1,428	–
<b>Total Financial Assets at fair value through profit or loss</b>				265,405,380	98.73

**Financial liabilities at fair value through profit or loss****FUTURES CONTRACTS – UNREALISED LOSSES: (0.01%) (2017: (0.02%))**

Description	Country	Currency	No. of Contracts	Unrealised Loss GBP£	% of Net Assets
<b>United Kingdom: (0.01%) (2017: (0.02%))</b>					
Future Long Gilt ICF March 2019	GB	GBP	(80)	(22,400)	(0.01)
<b>Total United Kingdom</b>				(22,400)	(0.01)
<b>Total Futures Contracts – Unrealised Losses</b>				(22,400)	(0.01)

**OPEN FORWARD CURRENCY CONTRACTS: (0.14%) (2017: (0.19%))**

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
USD 61,355,153	GBP 48,457,279	1.2662	31/01/2019	(342,950)	(0.13)
EUR 11,830,960	GBP 10,659,518	1.1099	31/01/2019	(31,224)	(0.01)
<b>Total unrealised loss on forward foreign currency contracts</b>				(374,174)	(0.14)
<b>Total Financial Liabilities at fair value through profit or loss</b>				(396,574)	(0.15)

	Fair Value GBP£	% of Net Assets
<b>Total Value of Investments (Cost: GBP£ 271,260,378)</b>	265,008,806	98.58
Cash at Bank	4,045,746	1.50
Margin Cash	1,600,769	0.60
Other Net Liabilities	(1,839,365)	(0.68)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	268,815,956	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	97.21	88.09
Exchange traded financial derivative instruments	0.16	(0.19)
OTC financial derivative instruments	(0.14)	(0.02)
Other assets	2.77	12.12
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Portfolio Statements continued

As at 31 December 2018

### Japan Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
<b>EQUITIES: 101.82% (2017: 100.26%)</b>			
<b>Basic Materials: 7.43% (2017: 6.55%)</b>			
203,100	Air Water	338,161,500	0.42
874,400	Hitachi Chemical	1,451,504,000	1.80
402,000	Lintec	950,730,000	1.18
1,175,900	T Hasegawa	1,833,228,100	2.27
1,838,700	Toray Industries	1,419,476,400	1.76
<b>Total Basic Materials</b>		<b>5,993,100,000</b>	<b>7.43</b>
<b>Communications: 1.00% (2017: 1.70%)</b>			
464,300	Tokyo Broadcasting System	807,882,000	1.00
<b>Total Communications</b>		<b>807,882,000</b>	<b>1.00</b>
<b>Consumer, Cyclical: 22.88% (2017: 22.01%)</b>			
524,700	Arata	2,287,692,000	2.83
256,000	Denso	1,252,608,000	1.55
314,600	Foster Electric	398,598,200	0.49
550,300	H2O Retailing	859,568,600	1.06
226,800	Kokuyo	364,014,000	0.45
596,800	Lixil Viva	929,217,600	1.15
740,000	Hitachi Maxell	1,070,040,000	1.33
901,600	Mitsui-Soko	1,709,433,600	2.12
871,100	NHK Spring	840,611,500	1.05
406,700	Nippon Seiki	765,002,700	0.95
531,100	QB Net	958,104,400	1.19
1,143,800	Sekisui Chemical	1,865,537,800	2.31
497,900	Sekisui House	806,100,100	1.00
574,900	Subaru	1,356,764,000	1.68
582,300	Sumitomo Electric Industries	851,322,600	1.05
550,000	Topre	1,205,050,000	1.49
441,000	Yamaha Motor	952,119,000	1.18
<b>Total Consumer, Cyclical</b>		<b>18,471,784,100</b>	<b>22.88</b>
<b>Consumer, Non-cyclical: 6.45% (2017: 3.30%)</b>			
1,594,400	Nippon Suisan Kaisha	978,961,600	1.21
243,800	Nishio Rent All	803,321,000	0.99
708,700	Takeda Pharmaceutical	2,625,733,500	3.25
929,700	Toppan Forms	804,190,500	1.00
<b>Total Consumer, Non-cyclical</b>		<b>5,212,206,600</b>	<b>6.45</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
<b>EQUITIES: 101.82% (2017: 100.26%)</b> continued			
<b>Energy: 2.08% (2017: 2.84%)</b>			
795,000	Inpex	780,451,500	0.97
456,000	Japan Petroleum Exploration	899,232,000	1.11
<b>Total Energy</b>		<b>1,679,683,500</b>	<b>2.08</b>
<b>Financial: 22.71% (2017: 30.87%)</b>			
421,200	Aeon Mall	736,678,800	0.91
193,500	Bank of Kyoto	879,457,500	1.09
496,500	Dai-ichi Life	852,987,000	1.06
409,900	Fukuoka Financial	916,946,300	1.14
1,036,000	Ichiyoshi Securities	835,016,000	1.03
1,700,900	Iyo Bank	986,522,000	1.22
476,000	Jafco	1,663,620,000	2.06
1,524,000	Japan Securities Finance	842,772,000	1.04
385,800	Katitas	1,001,922,600	1.24
7,752,900	Mitsubishi UFJ Financial	4,170,284,910	5.17
355,400	Mitsui Fudosan	868,953,000	1.08
5,497,900	Sparx	1,017,111,500	1.26
975,600	Sumitomo Mitsui Financial	3,556,062,000	4.41
<b>Total Financial</b>		<b>18,328,333,610</b>	<b>22.71</b>
<b>Industrial: 31.62% (2017: 28.84%)</b>			
530,196	Alps Alpine	1,131,968,460	1.40
80,000	Autonomous Control Systems Laboratory	232,800,000	0.29
1,406,000	CKD	1,313,204,000	1.63
446,800	Eagle Industry	570,563,600	0.71
289,000	Eizo	1,174,785,000	1.46
393,900	Glory	974,508,600	1.21
422,500	HI-LEX	921,050,000	1.14
1,897,600	Iino Kaiun Kaisha	760,937,600	0.94
515,000	Kaga Electronics	1,016,095,000	1.26
1,231,000	Kandenko	1,313,477,000	1.63
574,000	Kawasaki Heavy Industries	1,350,048,000	1.67
155,000	Kyocera	853,740,000	1.06
708,000	LIXIL	964,296,000	1.19
303,800	Mabuchi Motor	1,023,806,000	1.27
646,500	Mitsubishi Electric	786,467,250	0.97
463,000	Nichias	870,903,000	1.08

Portfolio Statements continued

As at 31 December 2018

Japan Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	<b>EQUITIES: 101.82% (2017: 100.26%)</b> continued		
	<b>Industrial: 31.62% (2017: 28.84%)</b> continued		
405,000	Nippo	855,765,000	1.06
364,500	Nippon Electric Glass	981,598,500	1.22
674,000	Nippon Pillar Packing	828,346,000	1.03
299,300	Nitta	971,228,500	1.20
585,000	Noritz	918,450,000	1.14
460,100	Riken Keiki	932,162,600	1.15
896,700	SBS	1,271,520,600	1.58
252,000	Sumitomo Heavy Industries	825,300,000	1.02
493,700	Takuma	678,343,800	0.84
268,900	Toshiba	833,590,000	1.03
324,000	Toshiba Plant Systems & Services	655,452,000	0.81
225,900	Toyo Kanetsu	506,919,600	0.63
	<b>Total Industrial</b>	<b>25,517,326,110</b>	<b>31.62</b>
	<b>Technology: 7.65% (2017: 4.15%)</b>		
491,200	DeNA	900,860,800	1.12
905,100	Mimasu Semiconductor Industry	1,181,155,500	1.46
673,000	Nippon Chemi-Con	1,292,160,000	1.60
661,300	Sanken Electric	1,357,648,900	1.68
187,000	TDK	1,443,640,000	1.79
	<b>Total Technology</b>	<b>6,175,465,200</b>	<b>7.65</b>
	<b>Total Equities</b>	<b>82,185,781,120</b>	<b>101.82</b>
	<b>Total Transferable Securities</b>	<b>82,185,781,120</b>	<b>101.82</b>



## Financial assets at fair value through profit or loss

## OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.08% (2017: 0.05%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss JPY¥	% of Net Assets
USD 7,326,142	JPY 819,338,871	111.8377	31/01/2019	12,459,506	0.02
EUR 14,655,249	JPY 1,866,587,772	127.3665	31/01/2019	12,408,560	0.02
GBP 4,679,900	JPY 662,627,041	141.5900	31/01/2019	9,446,793	0.01
USD 6,712,499	JPY 747,906,639	111.4200	31/01/2019	8,605,360	0.01
EUR 2,616,238	JPY 335,388,630	128.1950	31/01/2019	4,382,130	0.01
EUR 2,435,005	JPY 311,578,370	127.9580	31/01/2019	3,501,629	0.01
GBP 3,055,449	JPY 429,862,565	140.6872	31/01/2019	3,407,034	0.01
EUR 3,746,187	JPY 477,019,598	127.3347	04/01/2019	3,172,478	–
USD 1,565,473	JPY 175,877,932	112.3481	04/01/2019	3,070,361	–
EUR 1,604,916	JPY 205,860,649	128.2688	31/01/2019	2,806,603	–
USD 1,580,125	JPY 176,717,546	111.8377	31/01/2019	2,687,305	–
EUR 969,409	JPY 124,273,387	128.1950	31/01/2019	1,623,735	–
USD 493,509	JPY 55,306,567	112.0680	31/01/2019	953,235	–
CHF 581,417	JPY 65,768,147	113.1170	31/01/2019	587,263	–
USD 208,317	JPY 23,297,694	111.8377	31/01/2019	354,283	–
EUR 309,600	JPY 39,432,668	127.3665	31/01/2019	262,137	–
GBP 198,796	JPY 27,991,391	140.8046	04/01/2019	224,221	–
USD 138,700	JPY 15,509,532	111.8210	07/01/2019	202,711	–
USD 257,828	JPY 28,546,278	110.7183	31/01/2019	149,181	–
USD 197,480	JPY 21,940,206	111.1012	08/01/2019	148,263	–
USD 258,005	JPY 28,626,971	110.9551	04/01/2019	146,624	–
EUR 83,161	JPY 10,666,962	128.2688	31/01/2019	145,428	–
USD 68,476	JPY 7,673,968	112.0680	31/01/2019	132,264	–
USD 226,237	JPY 25,048,576	110.7183	31/01/2019	130,903	–
EUR 56,872	JPY 7,277,227	127.9580	31/01/2019	81,784	–
USD 83,263	JPY 9,246,606	111.0530	31/01/2019	76,112	–
EUR 86,604	JPY 11,030,448	127.3665	31/01/2019	73,327	–
USD 36,500	JPY 4,090,482	112.0680	31/01/2019	70,501	–
USD 63,465	JPY 7,047,979	111.0530	31/01/2019	58,015	–
USD 26,854	JPY 3,017,059	112.3515	04/01/2019	52,759	–
USD 72,423	JPY 8,018,551	110.7183	31/01/2019	41,904	–
GBP 18,056	JPY 2,558,109	141.6764	31/01/2019	38,010	–
EUR 23,800	JPY 3,053,310	127.8606	07/01/2019	32,696	–
EUR 1,124,242	JPY 142,268,441	126.5461	31/01/2019	29,814	–
GBP 8,565	JPY 1,217,293	142.1309	04/01/2019	21,019	–
CHF 13,584	JPY 1,541,166	113.4545	31/01/2019	18,303	–
GBP 17,108	JPY 2,404,232	140.5326	31/01/2019	16,430	–
GBP 12,510	JPY 1,761,296	140.7869	08/01/2019	14,081	–
GBP 6,954	JPY 978,339	140.6872	31/01/2019	7,754	–
GBP 2,504	JPY 354,749	141.6774	07/01/2019	5,039	–
GBP 3,512	JPY 493,550	140.5325	31/01/2019	3,372	–
EUR 3,874	JPY 493,295	127.3348	04/01/2019	3,281	–
GBP 1,238	JPY 174,111	140.6389	07/01/2019	1,206	–
EUR 27,850	JPY 3,524,309	126.5461	31/01/2019	739	–
<b>Total unrealised gain on forward foreign currency contracts</b>				71,654,153	0.09
<b>Total Financial Assets at fair value through profit or loss</b>				82,257,435,273	101.91

Portfolio Statements continued

As at 31 December 2018

Japan Fund continued

## Financial liabilities at fair value through profit or loss

## OPEN FORWARD FOREIGN CURRENCY CONTRACTS: (1.20%) (2017: 0.14%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss JPY¥	% of Net Assets
JPY 23,331,171,198	USD 208,187,629	112.0680	31/01/2019	(402,123,401)	(0.50)
JPY 20,530,090,006	GBP 144,613,947	141.9648	31/01/2019	(346,160,622)	(0.43)
JPY 10,632,716,054	EUR 83,095,360	127.9580	31/01/2019	(119,494,284)	(0.15)
JPY 3,831,983,594	EUR 29,947,198	127.9580	31/01/2019	(43,065,209)	(0.05)
JPY 2,039,841,137	CHF 17,979,376	113.4545	31/01/2019	(24,224,916)	(0.03)
JPY 1,866,637,600	EUR 14,655,249	127.3699	07/01/2019	(12,874,341)	(0.02)
JPY 821,121,322	USD 7,326,142	112.0810	04/01/2019	(12,414,344)	(0.02)
JPY 479,189,497	EUR 3,746,186	127.9139	04/01/2019	(5,342,443)	(0.01)
JPY 430,234,718	GBP 3,055,449	140.8090	07/01/2019	(3,495,388)	–
JPY 205,909,118	EUR 1,604,916	128.2990	04/01/2019	(2,906,700)	–
JPY 177,101,990	USD 1,580,125	112.0810	04/01/2019	(2,677,564)	–
JPY 99,437,254	USD 887,191	112.0810	04/01/2019	(1,503,077)	–
JPY 28,519,627	GBP 201,299	141.6776	04/01/2019	(402,787)	–
JPY 28,859,054	USD 258,005	111.8547	04/01/2019	(378,729)	–
JPY 23,348,378	USD 208,317	112.0810	04/01/2019	(352,999)	–
JPY 39,433,721	EUR 309,600	127.3699	07/01/2019	(271,977)	–
JPY 21,971,230	USD 197,480	111.2580	08/01/2019	(179,232)	–
JPY 10,669,473	EUR 83,161	128.2990	04/01/2019	(150,615)	–
JPY 28,602,175	USD 257,828	110.9351	07/01/2019	(148,491)	–
JPY 25,097,624	USD 226,237	110.9351	07/01/2019	(130,298)	–
JPY 142,326,339	EUR 1,124,242	126.5976	08/01/2019	(118,082)	–
JPY 15,386,698	USD 138,700	110.9351	07/01/2019	(79,835)	–
JPY 11,030,743	EUR 86,604	127.3699	07/01/2019	(76,080)	–
JPY 9,263,675	USD 83,263	111.2580	08/01/2019	(75,616)	–
JPY 6,366,294	EUR 49,753	127.9580	31/01/2019	(71,547)	–
JPY 7,060,989	USD 63,465	111.2580	08/01/2019	(57,636)	–
JPY 3,009,823	USD 26,854	112.0810	04/01/2019	(45,496)	–
JPY 8,034,253	USD 72,423	110.9351	07/01/2019	(41,711)	–
JPY 2,560,491	GBP 18,056	141.8083	04/01/2019	(38,490)	–
JPY 3,041,593	EUR 23,880	127.3699	07/01/2019	(20,979)	–
JPY 2,406,167	GBP 17,108	140.6457	08/01/2019	(16,843)	–
JPY 1,935,463	GBP 13,747	140.7869	07/01/2019	(15,420)	–
JPY 979,186	GBP 6,954	140.8090	07/01/2019	(7,955)	–
USD 61,449	JPY 6,761,129	110.0283	31/01/2019	(6,947)	–
JPY 380,330	GBP 2,682	141.8084	04/01/2019	(5,717)	–
JPY 495,205	EUR 3,873	127.8532	04/01/2019	(5,288)	–
JPY 493,948	GBP 3,512	140.6458	08/01/2019	(3,458)	–
JPY 3,525,743	EUR 27,850	126.5976	08/01/2019	(2,926)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(978,987,443)	(1.21)
<b>Total Financial Liabilities at fair value through profit or loss</b>				(978,987,443)	(1.21)

	Fair Value JPY¥	% of Net Assets
<b>Total Value of Investments (Cost: JPY 101,806,405,702)</b>	81,278,447,830	100.70
Cash at Bank	2,666,543,722	3.30
Other Net Liabilities	(3,228,209,446)	(4.00)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	80,716,782,106	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	94.21	97.92
OTC financial derivative instruments	(1.04)	(0.09)
Other assets	6.83	2.17
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Portfolio Statements continued

As at 31 December 2018

### Japan Value Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	<b>EQUITIES: 100.95% (2017: 94.58%)</b>		
	<b>Basic Materials: 6.34% (2017: 7.26%)</b>		
16,700	Lintec	39,495,500	1.80
13,400	Tokyo Ohka Kogyo	39,570,200	1.81
77,300	Toray Industries	59,675,600	2.73
	<b>Total Basic Materials</b>	<b>138,741,300</b>	<b>6.34</b>
	<b>Communications: 4.77% (2017: 6.15%)</b>		
15,200	Nippon Telegraph & Telephone	68,126,400	3.11
20,900	Tokyo Broadcasting System	36,366,000	1.66
	<b>Total Communications</b>	<b>104,492,400</b>	<b>4.77</b>
	<b>Consumer, Cyclical: 19.04% (2017: 25.48%)</b>		
11,700	Denso	57,248,100	2.62
12,100	Foster Electric	15,330,700	0.70
50,600	Gecoss	51,915,600	2.37
26,700	H2O Retailing	41,705,400	1.91
10,000	Japan Airlines	38,910,000	1.78
48,700	NHK Spring	46,995,500	2.15
22,900	Nissin Kogyo	32,014,200	1.46
51,200	Showa Aircraft Industry	65,024,000	2.97
46,200	Sumitomo Electric Industries	67,544,400	3.08
	<b>Total Consumer, Cyclical</b>	<b>416,687,900</b>	<b>19.04</b>
	<b>Consumer, Non-cyclical: 10.45% (2017: 7.90%)</b>		
9,100	Medikit	50,505,000	2.31
21,600	Secom Joshinetsu	69,120,000	3.16
8,000	TKC	31,280,000	1.43
38,600	Toppan Forms	33,389,000	1.52
27,500	Toppan Printing	44,467,500	2.03
	<b>Total Consumer, Non-cyclical</b>	<b>228,761,500</b>	<b>10.45</b>
	<b>Energy: 3.65% (2017: 3.62%)</b>		
43,300	Inpex	42,507,610	1.94
19,000	Japan Petroleum Exploration	37,468,000	1.71
	<b>Total Energy</b>	<b>79,975,610</b>	<b>3.65</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
<b>EQUITIES: 100.95% (2017: 94.58%)</b> continued			
<b>Financial: 19.81% (2017: 19.57%)</b>			
24,600	Aeon Mall	43,025,400	1.97
10,200	Bank of Kyoto	46,359,000	2.12
17,600	Jafco	61,512,000	2.81
194,200	Mitsubishi UFJ Financial	104,460,180	4.77
88,400	Mitsubishi UFJ Lease & Finance	46,675,200	2.13
18,000	Mitsui Fudosan	44,010,000	2.01
24,000	Sumitomo Mitsui Financial	87,480,000	4.00
<b>Total Financial</b>		433,521,780	19.81
<b>Industrial: 32.38% (2017: 19.71%)</b>			
19,380	Alps Alpine	41,376,300	1.89
16,000	Chudenko	37,376,000	1.71
47,000	Cosel	43,663,000	1.99
52,700	Daiwa Industries	59,024,000	2.70
20,300	HI-LEX	44,254,000	2.02
12,200	Hitachi High-Technologies Class C	42,151,000	1.93
15,600	JSP	33,477,600	1.53
20,800	Kinki Sharyo	41,329,600	1.89
12,500	Kyocera	68,850,000	3.15
11,300	METAWATER	33,131,600	1.51
49,400	Mitsubishi Electric	60,095,100	2.74
67,600	Nichicon	53,809,600	2.46
14,700	Nippon Electric Glass	39,587,100	1.81
19,300	Nitto Kohki	40,800,200	1.86
24,400	Noritz	38,308,000	1.75
10,200	Toshiba	31,620,000	1.44
<b>Total Industrial</b>		708,853,100	32.38
<b>Technology: 4.51% (2017: 3.47%)</b>			
6,500	TDK	50,180,000	2.29
32,500	Zuken	48,587,500	2.22
<b>Total Technology</b>		98,767,500	4.51
<b>Utilities: Nil (2017: 1.42%)</b>		–	–
<b>Total Equities</b>		2,209,801,090	100.95
<b>Total Transferable Securities</b>		2,209,801,090	100.95

Portfolio Statements continued

As at 31 December 2018

Japan Value Fund continued

## Financial assets at fair value through profit or loss

OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.02% (2017: 0.13%)					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain JPY¥	% of Net Assets
JPY 42,109,367	GBP 299,312	140.6900	31/01/2019	333,754	0.02
JPY 20,195,350	USD 182,403	110.7200	31/01/2019	105,539	–
JPY 11,300,465	EUR 88,724	127.3700	31/01/2019	75,122	–
JPY 138,296	GBP 983	140.8100	31/01/2019	1,097	–
<b>Total unrealised gain on forward foreign currency contracts</b>				515,512	0.02
<b>Total Financial Assets at fair value through profit or loss</b>				2,210,316,602	100.97

## Financial liabilities at fair value through profit or loss

OPEN FORWARD FOREIGN CURRENCY CONTRACTS: (1.47%) (2017: (0.07%))					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss JPY¥	% of Net Assets
GBP 8,079,481	JPY 1,147,001,842	141.9600	31/01/2019	(19,339,753)	(0.88)
USD 4,938,143	JPY 553,407,838	112.0700	31/01/2019	(9,538,237)	(0.43)
EUR 2,387,984	JPY 305,561,639	127.9600	31/01/2019	(3,434,012)	(0.16)
GBP 983	JPY 138,415	140.8100	07/01/2019	(1,124)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(32,313,126)	(1.47)
<b>Total Financial Liabilities at fair value through profit or loss</b>				(32,313,126)	(1.47)
<b>Total Value of Investments (Cost: JPY¥ 2,360,607,505)</b>				2,178,003,476	99.50
Bank Overdraft				(34,223,759)	(1.56)
Other Net Assets				45,120,898	2.06
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				2,188,900,615	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	95.26	93.89
OTC financial derivative instruments	(1.37)	0.06
Other assets	6.11	6.05
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## North American Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 91.77% (2017: 98.47%)</b>		
	<b>Basic Materials: 0.89% (2017: 1.33%)</b>		
1,934,025	Freeport-McMoRan	19,939,798	0.89
	<b>Total Basic Materials</b>	<b>19,939,798</b>	<b>0.89</b>
	<b>Communications: 18.06% (2017: 17.40%)</b>		
121,521	Alphabet	125,848,363	5.64
43,962	Amazon.com	66,029,605	2.96
1,613,149	eBay	45,281,092	2.03
216,448	Expedia	24,382,867	1.09
213,919	Facebook	28,042,642	1.25
639,946	GrubHub	49,154,252	2.20
803,975	Liberty Expedia	31,443,462	1.41
366,322	Wayfair	32,998,286	1.48
	<b>Total Communications</b>	<b>403,180,569</b>	<b>18.06</b>
	<b>Consumer, Cyclical: 10.02% (2017: 9.65%)</b>		
539,784	Carnival	26,611,351	1.19
409,220	Copa Airlines	32,209,706	1.44
715,943	Dolby Laboratories	44,273,915	1.98
587,742	MDC	16,521,428	0.74
395,398	Mohawk Industries	46,245,750	2.07
597,659	Spirit Airlines	34,616,409	1.55
1,465,340	Taylor Morrison Home	23,298,906	1.05
	<b>Total Consumer, Cyclical</b>	<b>223,777,465</b>	<b>10.02</b>
	<b>Consumer, Non-cyclical: 17.13% (2017: 13.79%)</b>		
979,192	Altria	48,362,293	2.17
265,945	Anthem	69,845,135	3.13
1,427,102	Booz Allen Hamilton	64,319,487	2.88
575,438	Danaher	59,339,167	2.66
197,537	ICON	25,523,756	1.14
1,606,709	Pfizer	70,132,848	3.14
264,736	S&P Global	44,989,236	2.01
	<b>Total Consumer, Non-cyclical</b>	<b>382,511,922</b>	<b>17.13</b>
	<b>Energy: 5.26% (2017: 5.01%)</b>		
2,075,151	Canadian Natural Resources	50,047,938	2.24
1,774,626	Suncor Energy	49,543,483	2.22
33,036	Texas Pacific Land Trust	17,893,289	0.80
	<b>Total Energy</b>	<b>117,484,710</b>	<b>5.26</b>

## Portfolio Statements continued

As at 31 December 2018

### North American Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>EQUITIES: 91.77% (2017: 98.47%)</b> continued		
	<b>Financial: 26.08% (2017: 31.02%)</b>		
182,154	Affiliated Managers	17,749,086	0.79
861,198	Altaba	49,897,812	2.23
2,248,118	Arch Capital	60,069,713	2.69
1,648,827	Bank of America	40,627,097	1.82
263,183	Berkshire Hathaway	53,736,705	2.41
1,414,817	Brown & Brown	38,992,357	1.75
570,991	Charles Schwab	23,713,256	1.06
427,757	Chubb	55,257,649	2.48
1,032,452	Citigroup	53,749,451	2.41
364,148	JPMorgan Chase	35,548,128	1.59
56,507	Markel	58,657,091	2.63
614,058	Visa	81,018,813	3.63
286,481	Wells Fargo	13,201,044	0.59
	<b>Total Financial</b>	<b>582,218,202</b>	<b>26.08</b>
	<b>Industrial: 6.30% (2017: 13.98%)</b>		
428,747	Ametek	29,026,172	1.30
131,204	Keysight Technologies	8,145,144	0.36
446,374	Kirby	30,067,753	1.35
736,814	Stericycle	27,033,706	1.21
435,377	United Technologies	46,358,943	2.08
	<b>Total Industrial</b>	<b>140,631,718</b>	<b>6.30</b>
	<b>Technology: 8.02% (2017: 6.29%)</b>		
271,894	Accenture	38,339,773	1.72
365,451	Autodesk	47,000,653	2.11
585,420	Cognizant Technology Solutions	37,162,462	1.66
1,256,109	SS&C Technologies	56,663,077	2.54
	<b>Total Technology</b>	<b>179,165,965</b>	<b>8.03</b>
	<b>Total Equities</b>	<b>2,048,910,349</b>	<b>91.77</b>



## Financial assets at fair value through profit or loss

## OPEN FORWARD FOREIGN CURRENCY CONTRACTS: 0.10% (2017: 0.12%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 181,149,476	GBP 143,068,842	1.2662	31/01/2019	1,287,910	0.06
USD 194,213,368	EUR 170,199,123	1.1411	31/01/2019	756,949	0.04
EUR 27,209,216	USD 31,243,853	1.1483	31/01/2019	74,131	–
USD 16,254,443	CHF 16,056,724	1.0123	31/01/2019	70,985	–
EUR 986,059	USD 1,134,088	1.1501	31/01/2019	4,497	–
USD 861,625	CHF 850,561	1.0130	31/01/2019	3,171	–
EUR 566,742	USD 651,822	1.1501	31/01/2019	2,585	–
EUR 937,929	USD 1,076,555	1.1478	31/01/2019	2,104	–
USD 313,909	GBP 247,087	1.2704	31/01/2019	1,171	–
USD 201,848	GBP 159,037	1.2692	31/01/2019	952	–
USD 57,328	GBP 45,275	1.2662	31/01/2019	405	–
USD 52,349	GBP 41,343	1.2662	31/01/2019	370	–
USD 50,520	GBP 39,896	1.2663	31/01/2019	354	–
USD 27,253	GBP 21,524	1.2662	31/01/2019	194	–
USD 26,064	CHF 25,810	1.0098	31/01/2019	178	–
USD 533,388	GBP 418,327	1.2750	31/01/2019	56	–
USD 10,109	GBP 7,965	1.2692	31/01/2019	48	–
USD 2,036	GBP 1,608	1.2663	31/01/2019	14	–
USD 5,595	GBP 4,391	1.2742	31/01/2019	4	–
<b>Total unrealised gain on forward foreign currency contracts</b>				2,206,078	0.10
<b>Total Financial Assets at fair value through profit or loss</b>				2,051,116,427	91.87

## Portfolio Statements continued

As at 31 December 2018

### North American Fund continued

#### Financial liabilities at fair value through profit or loss

OPEN FORWARD FOREIGN CURRENCY CONTRACTS: NIL (2017: NIL)					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 7,656,264	USD 9,755,298	1.2742	31/01/2019	(7,832)	–
EUR 7,598,110	USD 8,699,160	1.1449	31/01/2019	(4,858)	–
USD 913,647	EUR 796,544	1.1470	31/01/2019	(1,162)	–
EUR 254,660	USD 290,591	1.1411	31/01/2019	(1,133)	–
CHF 908,981	USD 923,269	1.0157	31/01/2019	(931)	–
EUR 1,442,951	USD 1,652,050	1.1449	31/01/2019	(923)	–
EUR 27,167	USD 30,983	1.1405	31/01/2019	(138)	–
EUR 161,761	USD 185,202	1.1449	31/01/2019	(103)	–
GBP 7,327	USD 9,277	1.2662	31/01/2019	(66)	–
GBP 7,463	USD 9,481	1.2704	31/01/2019	(35)	–
GBP 17,343	USD 22,098	1.2742	31/01/2019	(18)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(17,199)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(17,199)	–
<b>Total Value of Investments (Cost: US\$ 2,098,332,533)</b>				2,051,099,228	91.87
Cash at Bank				200,009,961	8.96
Other Net Liabilities				(18,514,918)	(0.83)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				2,232,594,271	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	90.81	98.07
OTC Financial derivative instrument	0.10	0.11
Other assets	9.09	1.82
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## UK Absolute Equity Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>INVESTMENT FUNDS: 7.73% (2017: NIL)</b>		
	<b>Ireland: 7.73% (2017: Nil)</b>		
40,000,000	Northern Trust Global Funds – Sterling Fund	40,000,000	7.73
	<b>Total Ireland</b>	40,000,000	7.73
	<b>Total Investment Funds</b>	40,000,000	7.73
	<b>EQUITIES: 35.34% (2017: 79.78%)</b>		
	<b>Canada: 2.25% (2017: 2.16%)</b>		
1,826,630	Pretium Resources	11,659,645	2.25
	<b>Total Canada</b>	11,659,645	2.25
	<b>Cayman Islands: Nil (2017: 0.17%)</b>	–	–
	<b>Finland: Nil (2017: 2.28%)</b>	–	–
	<b>Guernsey: 8.95% (2017: 10.58%)</b>		
2,354,156	Burford Capital	38,843,574	7.50
10,437,500	Sherborne Investors Guernsey	7,488,906	1.45
	<b>Total Guernsey</b>	46,332,480	8.95
	<b>Ireland: Nil (2017: 2.36%)</b>	–	–
	<b>Jersey: Nil (2017: 1.28%)</b>	–	–
	<b>Luxembourg: Nil (2017: 3.12%)</b>	–	–
	<b>United Kingdom: 24.14% (2017: 57.83%)</b>		
3,039,913	AFH Financial	10,426,902	2.01
1,422,805	Costain	4,481,835	0.87
232,747	Craneware	5,818,675	1.12
600,000	Diageo	16,797,000	3.25
1,021,706	Frontier Developments	8,255,384	1.60
964,663	Games Workshop	29,132,823	5.63
180,630	GB	765,871	0.15
235,211	James Cropper	2,083,969	0.40
2,759,984	Pearson	25,717,531	4.97
7,319,512	SigmaRoc	2,907,896	0.56
450,000	Unilever	18,544,500	3.58
	<b>Total United Kingdom</b>	124,932,386	24.14
	<b>Total Equities</b>	182,924,511	35.34
	<b>Total Transferable Securities</b>	222,924,511	43.07

Portfolio Statements continued

As at 31 December 2018

UK Absolute Equity Fund continued

## Financial assets at fair value through profit or loss

OPTIONS PURCHASED: 0.07% (2017: NIL)						
Description	Base Currency	Strike Price	No. of Contracts	Maturity Date	Fair Value GBP£	% of Net Assets
Option S&P 500 Index Call 2700	USD	3.0000	1,900	18/01/2019	379,464	0.07
<b>Total Options Purchased</b>					379,464	0.07

Holdings	Financial assets at fair value through profit or loss		Unrealised Gain GBP£	% of Net Assets
<b>CONTRACTS FOR DIFFERENCE – UNREALISED GAINS: 4.50% (2017: 2.42%)</b>				
<b>Austria: 0.01% (2017: Nil)</b>				
(400,000)	ANDRITZ		35,874	0.01
<b>Total Austria</b>			35,874	0.01
<b>Belgium: 0.06% (2017: Nil)</b>				
(413,934)	Umicore		289,786	0.06
<b>Total Belgium</b>			289,786	0.06
<b>Canada: 0.33% (2017: 0.27%)</b>				
806,339	Agnico Eagle Mines		195,443	0.04
2,489,865	Goldcorp		351,293	0.07
1,856,107	Kirkland Lake Gold		1,131,423	0.22
126,946	Novagold Resources		994	–
<b>Total Canada</b>			1,679,153	0.33
<b>Cayman Islands: Nil (2017: 0.02%)</b>				
			–	–
<b>Denmark: 0.12% (2017: Nil)</b>				
(698,258)	ISS		599,609	0.12
<b>Total Denmark</b>			599,609	0.12
<b>France: 0.05% (2017: 0.18%)</b>				
(145,066)	Societe Bic		26,021	0.01
(1,344,087)	Television Francaise 1		197,130	0.04
<b>Total France</b>			223,151	0.05
<b>Germany: 0.04% (2017: 0.50%)</b>				
(900,000)	Infineon Technologies		220,259	0.04
<b>Total Germany</b>			220,259	0.04
<b>Gibraltar: Nil (2017: 0.02%)</b>				
			–	–
<b>Ireland: Nil (2017: 0.06%)</b>				
			–	–
<b>Isle of Man: Nil (2017: 0.05%)</b>				
			–	–
<b>Japan: 0.16% (2017: 0.02%)</b>				
(900,000)	Sumco		806,472	0.16
<b>Total Japan</b>			806,472	0.16

Holdings	Financial assets at fair value through profit or loss	Unrealised Gain GBP£	% of Net Assets
<b>CONTRACTS FOR DIFFERENCE – UNREALISED GAINS: 4.50% (2017: 2.42%)</b> continued			
<b>Jersey: 0.24% (2017: 0.06%)</b>			
(7,842,603)	Boohoo.com	1,257,915	0.24
(250,000)	Ferguson	22,500	–
	<b>Total Jersey</b>	<b>1,280,415</b>	<b>0.24</b>
<b>Luxembourg: Nil (2017: 0.04%)</b>			
<b>Netherlands: 0.01% (2017: Nil)</b>			
(128,082)	Arcadis	44,799	0.01
	<b>Total Netherlands</b>	<b>44,799</b>	<b>0.01</b>
<b>Spain: 0.24% (2017: 0.15%)</b>			
(2,566,428)	Atresmediade Medios de Comunicacion	1,008,147	0.19
(2,702,757)	Mediaset Espana Comunicacion	281,181	0.05
	<b>Total Spain</b>	<b>1,289,328</b>	<b>0.24</b>
<b>Sweden: Nil (2017: 0.52%)</b>			
<b>Switzerland: Nil (2017: 0.07%)</b>			
<b>United Kingdom: 2.91% (2017: 0.46%)</b>			
(2,173,041)	Antofagasta	26,159	0.01
(1,825,000)	Arrow Global	350,400	0.07
(554,386)	ASOS	8,858,632	1.71
(650,877)	Berkeley	253,842	0.05
(854,533)	Burberry	198,835	0.04
(51,004)	Dairy Crest	2,040	–
(2,741,530)	DS Smith	29,727	0.01
(4,800,000)	IQE	124,800	0.02
(12,209,785)	ITV	525,183	0.10
(2,482,650)	John Wood	1,485,513	0.29
(929,905)	Keywords Studios	596,264	0.12
(1,074,718)	Kier	8,943	–
(6,044,200)	Marks & Spencer	935,087	0.18
(868,612)	Metro Bank	1,042,334	0.20
(4,960,229)	Pets at Home	386,898	0.07
(3,466,228)	Rightmove	225,703	0.04
	<b>Total United Kingdom</b>	<b>15,050,360</b>	<b>2.91</b>
<b>United States: 0.33% (2017: Nil)</b>			
(400,000)	Maxim Integrated Products	933,331	0.18
(120,000)	NVIDIA	824,909	0.15
	<b>Total United States</b>	<b>1,758,240</b>	<b>0.33</b>
	<b>Total Contracts for Difference – Unrealised Gains</b>	<b>23,277,446</b>	<b>4.50</b>

Portfolio Statements continued

As at 31 December 2018

UK Absolute Equity Fund continued

## Financial assets at fair value through profit or loss

OPEN FORWARD FOREIGN CURRENCY CONTRACT: NIL% (2017: NIL)					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
USD 1,439,252	GBP 1,136,654	0.7898	31/01/2019	11,107	–
EUR 169,791	GBP 153,725	0.9054	31/01/2019	1,294	–
EUR 162,164	GBP 146,842	0.9055	31/01/2019	1,258	–
EUR 383,062	GBP 344,793	0.9001	31/01/2019	899	–
EUR 126,060	GBP 113,466	0.9001	31/01/2019	296	–
EUR 196,502	GBP 176,490	0.8982	31/01/2019	80	–
USD 11,673	GBP 9,188	0.7871	31/01/2019	60	–
EUR 7,801	GBP 7,034	0.9016	31/01/2019	30	–
EUR 1,950	GBP 1,766	0.9055	31/01/2019	15	–
<b>Total unrealised gain on forward foreign currency contracts</b>				15,039	–
<b>Total Financial Assets at fair value through profit or loss</b>				246,596,460	47.64

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss GBP£	% of Net Assets
<b>CONTRACTS FOR DIFFERENCE – UNREALISED LOSSES: (0.92%) (2017: (2.02%))</b>			
<b>France: Nil (2017: (0.08%))</b>			
		–	–
<b>Germany: (0.14%) (2017: (0.01%))</b>			
(235,572)	Siltronic	(700,593)	(0.14)
	<b>Total Germany</b>	(700,593)	(0.14)
<b>Ireland: (0.15%) (2017: Nil)</b>			
(450,000)	Seagate Technology	(783,219)	(0.15)
	<b>Total Ireland</b>	(783,219)	(0.15)
<b>Italy: (0.21%) (2017: Nil)</b>			
12,806,787	Juventus Football Club	(1,068,178)	(0.21)
	<b>Total Italy</b>	(1,068,178)	(0.21)
<b>Japan: Nil (2017: (0.31%))</b>			
		–	–
<b>Luxembourg: 0.00% (2017: Nil)</b>			
(76,246)	ArcelorMittal	(5,564)	–
	<b>Total Luxembourg</b>	(5,564)	–
<b>Netherlands: Nil (2017: (0.31%))</b>			
		–	–

Holdings	Financial liabilities at fair value through profit or loss				Unrealised Loss GBP£	% of Net Assets
<b>CONTRACTS FOR DIFFERENCE – UNREALISED LOSSES: (0.92%) (2017: (2.02%))</b> continued						
<b>United Kingdom: (0.40%) (2017: (1.08%))</b>						
(868,402)	Blue Prism				(166,477)	(0.03)
(5,751,726)	Equiniti				(207,120)	(0.04)
(1,151,399)	Just Eat				(138,680)	(0.03)
(1,050,000)	Mondi				(142,432)	(0.03)
(358,770)	Renishaw				(1,163,415)	(0.22)
(418,158)	Rio Tinto				(125,447)	(0.02)
(108,696)	Vesuvius				(12,729)	–
(1,064,000)	Victoria				(53,200)	(0.01)
(867,145)	Weir Group				(66,548)	(0.02)
<b>Total United Kingdom</b>					<b>(2,076,048)</b>	<b>(0.40)</b>
<b>United States: (0.02%) (2017: (0.23%))</b>						
(210,000)	Texas Instruments				(101,328)	(0.02)
<b>Total United States</b>					<b>(101,328)</b>	<b>(0.02)</b>
<b>Total Contracts for Difference – Unrealised Losses</b>					<b>(4,734,930)</b>	<b>(0.92)</b>
<b>Financial liabilities at fair value through profit or loss</b>						
<b>OPEN FORWARD FOREIGN CURRENCY CONTRACTS: (0.23%) (2017: (0.08%))</b>						
	Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
	GBP 173,390,160	EUR 1,924,451,123	0.9010	31/01/2019	(622,165)	(0.12)
	GBP 60,082,493	USD 76,074,650	0.7898	31/01/2019	(589,379)	(0.11)
	GBP 375,220	EUR 416,866	0.9001	31/01/2019	(978)	–
	GBP 179,857	EUR 199,479	0.9016	31/01/2019	(775)	–
	GBP 188,644	USD 240,362	0.7848	31/01/2019	(670)	–
	GBP 61,709	USD 78,438	0.7867	31/01/2019	(367)	–
	GBP 55,062	USD 69,989	0.7867	31/01/2019	(328)	–
	GBP 176,537	EUR 196,502	0.8984	01/02/2019	(121)	–
	GBP 89,859	EUR 100,021	0.8984	01/02/2019	(62)	–
	GBP 11,098	USD 14,140	0.7848	31/01/2019	(39)	–
	GBP 1,388	USD 1,762	0.7879	31/01/2019	(10)	–
	GBP 1,464	EUR 1,625	0.9010	31/01/2019	(5)	–
	GBP 81	USD 102	0.7898	31/01/2019	(1)	–
	GBP 1,194	EUR 1,329	0.8982	31/01/2019	(1)	–
<b>Total unrealised loss on forward foreign currency contracts</b>					<b>(1,214,901)</b>	<b>(0.23)</b>
<b>Futures Contracts – Unrealised Losses: Nil (2017: (0.78%))</b>					<b>–</b>	<b>–</b>
<b>Total Financial Liabilities at fair value through profit and loss</b>					<b>(5,949,831)</b>	<b>(1.15)</b>

## Portfolio Statements continued

As at 31 December 2018

### UK Absolute Equity Fund continued

	Fair Value GBP£	% of Net Assets
<b>Total Value of Investments (Cost: GBP 212,147,625)</b>	240,646,629	46.49
Cash at Bank	80,385,166	15.53
Margin Receivable	198,360,711	38.32
Margin Cash	487,680	0.09
Other Net Liabilities	(2,253,197)	(0.43)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	517,626,989	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at year end.

The counterparty for the contracts for difference is Credit Suisse Securities (Europe) Limited.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

The counterparty for the option contracts is Credit Suisse Securities (Europe) Limited.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	67.96	74.23
Exchange traded financial derivative instruments	–	(0.73)
OTC financial derivative instruments	7.22	0.29
Other assets	24.82	26.21
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## UK Value Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>EQUITIES: 93.22% (2017: 96.49%)</b>			
<b>Basic Materials: 5.54% (2017: 2.19%)</b>			
5,150,973	Central Asia Metals	11,074,592	1.46
988,167	Mondi	16,166,412	2.13
4,151,927	Synthomer	14,855,595	1.95
<b>Total Basic Materials</b>		<b>42,096,599</b>	<b>5.54</b>
<b>Communications: 3.01% (2017: 7.75%)</b>			
12,365,556	Gocompare.com	8,631,158	1.13
3,506,105	M&C Saatchi	10,076,546	1.33
5,463,619	XLMedia	4,149,072	0.55
<b>Total Communications</b>		<b>22,856,776</b>	<b>3.01</b>
<b>Consumer, Cyclical: 17.35% (2017: 20.23%)</b>			
599,357	Bellway	15,091,809	1.98
17,548,084	Coats	14,319,237	1.88
4,176,337	Henry Boot	10,035,738	1.32
2,719,258	IG Design	15,662,926	2.06
1,952,218	International Consolidated Airlines	12,045,185	1.59
4,189,956	JD Sports Fashion	14,543,337	1.91
1,629,829	MJ Gleeson	10,626,485	1.40
3,094,836	Redrow	15,158,507	1.99
771,585	WH Smith	13,325,273	1.75
4,651,803	Wincanton	11,164,327	1.47
<b>Total Consumer, Cyclical</b>		<b>131,972,824</b>	<b>17.35</b>
<b>Consumer, Non-cyclical: 14.26% (2017: 17.28%)</b>			
1,174,819	A.G. Barr	9,328,063	1.23
13,404,506	Alliance Pharma	8,712,929	1.15
440,229	Cranswick	11,595,632	1.53
9,653,610	Finsbury Food	9,878,539	1.30
12,222,322	Johnson Service	14,324,561	1.88
6,237,061	Redde	10,528,159	1.38
3,648,309	Restore	11,784,038	1.55
443,123	Savills	3,124,017	0.41
24,512,732	Speedy Hire	14,536,050	1.91
2,252,305	SSP	14,621,964	1.92
<b>Total Consumer, Non-cyclical</b>		<b>108,433,952</b>	<b>14.26</b>
<b>Energy: 1.36% (2017: Nil)</b>			
6,858,753	Serica Energy	8,436,266	1.11
2,688,385	Soco International	1,873,804	0.25
<b>Total Energy</b>		<b>10,310,070</b>	<b>1.36</b>

## Portfolio Statements continued

As at 31 December 2018

### UK Value Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>EQUITIES: 93.22% (2017: 96.49%)</b> continued		
	<b>Financial: 19.41% (2017: 19.93%)</b>		
2,084,142	3i	16,164,605	2.13
2,946,182	Aviva	11,057,021	1.45
4,610,436	Charter Court Financial Services	11,526,090	1.52
714,753	Close Brothers	10,292,443	1.35
81,174	Daejan	4,561,979	0.60
5,019,752	Legal & General	11,650,844	1.53
23,214,811	Lloyds Banking	11,976,521	1.58
1,616,464	Marlowe	6,643,667	0.87
3,469,002	Numis	8,308,260	1.09
3,293,509	OneSavings Bank	11,461,411	1.51
691,748	Prudential	9,708,683	1.28
455,346	Schroders	9,357,133	1.23
1,623,093	Standard Chartered	9,891,129	1.30
7,311,017	Watkin Jones	14,987,585	1.97
	<b>Total Financial</b>	<b>147,587,371</b>	<b>19.41</b>
	<b>Industrial: 31.06% (2017: 28.60%)</b>		
236,229	Avon Rubber	3,000,108	0.39
4,592,290	Costain	14,465,714	1.90
2,506,848	DiscoverIE	9,099,858	1.20
6,604,243	Forterra	14,793,504	1.94
854,278	Hill & Smith	10,242,793	1.35
841,386	James Fisher & Sons	14,269,907	1.88
2,331,573	Kier	9,489,502	1.25
2,709,032	Marshalls	12,634,925	1.66
4,118,164	Morgan Advanced Materials	10,904,898	1.43
1,412,199	Morgan Sindall	14,997,554	1.97
4,451,896	Polypipe	14,673,449	1.93
3,934,814	Renew	13,693,153	1.80
316,305	Rhi Magnesita	12,538,330	1.65
1,489,337	RPC	9,653,883	1.27
13,958,169	Severfield	10,103,202	1.33
3,459,568	Somero Enterprises	10,551,683	1.39
7,875,726	Strix	11,104,774	1.46
5,552,763	Trifast	10,321,476	1.36
7,205,123	TT Electronics	14,194,092	1.87
3,031,135	Vesuvius	15,473,944	2.03
	<b>Total Industrial</b>	<b>236,206,749</b>	<b>31.06</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>EQUITIES: 93.22% (2017: 96.49%)</b> continued		
	<b>Technology: 1.23% (2017: 0.51%)</b>		
926,248	Computacenter	9,318,055	1.23
	<b>Total Technology</b>	9,318,055	1.23
	<b>Total Equities</b>	708,782,396	93.22
	<b>Total Transferable Securities</b>	708,782,396	93.22
	<b>Total Value of Investments (Cost: GBP£790,931,256)</b>	708,782,396	93.22
	Cash at Bank	49,709,949	6.54
	Margin Cash	17,632	–
	Other Net Assets	1,790,857	0.24
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	760,300,834	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

	31 December 2018 % of Total Assets	31 December 2017 % of Total Assets
<b>Analysis of total assets (unaudited)</b>		
Transferable securities admitted to official stock exchange listing	93.06	95.40
Other assets	6.94	4.60
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Statement of Financial Position

As at 31 December 2018

	Notes	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund* 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$
<b>Assets</b>					
Transferable securities	10	38,428,308	9,153,060	292,787,012	396,567,551
Financial derivative instruments	10	12,381	–	–	24,733
Dividends and interest receivable		50,093	–	59,829	22,511
Amounts receivable on sale of securities		–	–	–	–
Amounts receivable on sale of redeemable participating shares		–	–	2,474,839	1,231,695
Sundry debtors		2,489	–	8,146	6,998
Cash at bank	10	2,886,921	10,009,250	31,956,533	41,907,152
Margin receivable	10	–	–	–	–
Margin cash	10	–	–	–	–
<b>Total Assets</b>		<b>41,380,192</b>	<b>19,162,310</b>	<b>327,286,359</b>	<b>439,760,640</b>
<b>Liabilities</b>					
Financial derivative instruments	10	–	–	–	(1,487)
Bank overdraft	4	–	–	–	–
Amounts payable on redemption of redeemable participating shares		(34,330)	–	(1,529,198)	(6,065,003)
Redeemable participating shares not yet allotted		–	–	–	–
Amounts payable on purchase of securities		–	(9,153,060)	(5,046,660)	–
Dividends and interest payable		–	–	–	(2,420)
Investment management fee payable	3	(41,817)	–	(173,601)	(610,140)
Performance fee payable	3	(1,454)	–	–	(2,280,522)
Sundry creditors	3	(25,704)	–	(145,603)	(268,808)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(103,305)</b>	<b>(9,153,060)</b>	<b>(6,895,062)</b>	<b>(9,228,380)</b>
<b>Net Assets Attributable to holders of redeemable participating shares</b>		<b>41,276,887</b>	<b>10,009,250</b>	<b>320,391,297</b>	<b>430,532,260</b>

\* Asian Stars Fund launched on 31 December 2018.

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018.

China Stars Fund** 31 December 2018 US\$	Emerging Markets Income Fund 31 December 2018 US\$	Emerging Market Stars Fund*** 31 December 2018 US\$	European ex UK Income Fund 31 December 2018 EUR€	European Income Fund 31 December 2018 EUR€	Financial Opportunities Fund 31 December 2018 US\$	Global Absolute Return Fund**** 31 December 2018 US\$	Global Convertible Fund 31 December 2018 US\$
8,423,241	155,018,907	11,934,550	197,293,093	–	29,601,245	–	682,297,563
–	–	–	415,805	–	–	–	2,962,201
228	927,480	12,061	126,145	8,143	4,279	–	2,649,070
44,150	–	6,525	–	–	–	–	–
–	48,701	–	2,252,622	–	20,428	–	1,572,062
12	2,967	9	2,066	2,149	183	–	839,083
354,275	4,558,911	139,830	1,286,388	9,966,778	1,409,099	10,194,361	7,954,325
–	–	–	–	–	–	–	33,012,349
–	–	–	–	–	–	–	2,906,649
8,821,906	160,556,966	12,092,975	201,376,119	9,977,070	31,035,234	10,194,361	734,193,302
–	–	–	(6,616)	–	–	–	(1,846,331)
–	–	–	(1,027,570)	–	–	–	–
–	(139,007)	–	(7,149)	–	(402,887)	–	(734,109)
–	(585,403)	–	–	–	–	–	–
(30,276)	(79)	–	–	–	–	–	(7,002)
(334)	–	(1)	(1,153)	(567)	(43)	(57)	–
(2,883)	(141,425)	(3,883)	(175,345)	(6,742)	(58,816)	–	(655,359)
–	–	–	(914,155)	–	–	–	(2,942,298)
(5,845)	(213,330)	(41,848)	(56,126)	(15,346)	(17,168)	–	(431,356)
(39,338)	(1,079,244)	(45,732)	(2,188,114)	(22,655)	(478,914)	(57)	(6,616,455)
8,782,568	159,477,722	12,047,243	199,188,005	9,954,415	30,556,320	10,194,304	727,576,847

## Statement of Financial Position continued

As at 31 December 2018

	Notes	Global Insurance Fund 31 December 2018 GBP£	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$
<b>Assets</b>					
Transferable securities	10	1,191,677,798	2,325,409,980	73,182,159	1,535,589,210
Financial derivative instruments	10	10,454	6,746,001	16,871	–
Dividends and interest receivable		643,428	549,081	52,392	645,906
Amounts receivable on sale of securities		3,657,470	–	–	–
Amounts receivable on sale of redeemable participating shares		684,708	3,986,211	135,115	1,364,063
Sundry debtors		27,487	47,746	3,064	11,820
Cash at bank	10	20,950,550	169,931,050	257,516	114,476,293
Margin receivable	10	–	–	–	–
Margin cash	10	–	42,055,787	–	20,012,400
<b>Total Assets</b>		<b>1,217,651,895</b>	<b>2,548,725,856</b>	<b>73,647,117</b>	<b>1,672,099,692</b>
<b>Liabilities</b>					
Financial derivative instruments	10	(51,712)	(23,850)	(100)	–
Bank overdraft	4	–	–	–	–
Amounts payable on redemption of redeemable participating shares		(11,459,120)	(17,071,090)	(80,811)	(12,057,446)
Redeemable participating shares not yet allotted		(37,815)	(27,073)	–	–
Amounts payable on purchase of securities		–	(8,088,642)	(1,857)	(18,708,275)
Dividends and interest payable		–	–	(1,642)	(152)
Investment management fee payable	3	(920,346)	(3,456,484)	(38,777)	(1,731,219)
Performance fee payable	3	(2,271,718)	(23,091,843)	–	(13,925,660)
Sundry creditors	3	(365,052)	(1,061,983)	(71,179)	(921,433)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(15,105,763)</b>	<b>(52,820,965)</b>	<b>(194,366)</b>	<b>(47,344,185)</b>
<b>Net Assets Attributable to holders of redeemable participating shares</b>		<b>1,202,546,132</b>	<b>2,495,904,891</b>	<b>73,452,751</b>	<b>1,624,755,507</b>

The Financial Statements were approved by the Board of Directors of Polar Capital Funds plc on 4 April 2019 and signed on its behalf by:

**David Hammond**

**Ronan Daly**

Directors

The accompanying notes form an integral part of these Financial Statements.

<b>Income Opportunities Fund</b>	<b>Japan Fund</b>	<b>Japan Value Fund</b>	<b>North American Fund</b>	<b>UK Absolute Equity Fund</b>	<b>UK Value Opportunities Fund</b>	<b>Total</b>
<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>
<b>GBP£</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>US\$</b>	<b>GBP£</b>	<b>GBP£</b>	<b>US\$</b>
264,949,407	82,185,781,120	2,209,801,090	2,048,910,349	222,924,511	708,782,396	11,651,489,582
455,973	71,654,153	515,512	2,206,078	23,671,949	–	43,921,264
1,826,747	104,420,545	2,475,582	1,337,938	22,802	2,052,077	13,241,812
–	2,137,649,622	139,075,329	–	–	466,986	26,068,045
63,750	1,048,358,191	–	3,704,317	1,028,194	570,835	29,665,076
1,792	244,821	276,184	9,009	3,628	1,636	985,198
4,045,746	2,666,543,722	12,293,791	200,009,961	80,385,166	49,709,949	831,346,593
–	–	–	–	198,360,711	–	286,279,311
1,600,769	–	–	–	487,680	17,632	67,663,880
<b>272,944,184</b>	<b>88,214,652,174</b>	<b>2,364,437,488</b>	<b>2,256,177,652</b>	<b>526,884,641</b>	<b>761,601,511</b>	<b>12,950,660,761</b>
(396,574)	(978,987,443)	(32,313,126)	(17,199)	(5,949,831)	–	(19,283,169)
–	–	(46,517,550)	–	–	–	(1,598,653)
(718,021)	(4,707,318,196)	(549,173)	(8,451,982)	–	(579,738)	(105,771,989)
–	–	–	(45,006)	(1,735,558)	(8,262)	(2,932,274)
–	(1,607,094,270)	(89,398,019)	(13,112,087)	(2,173)	(9,064)	(69,625,005)
(44)	(1,874,024)	(20,300)	(439)	(288,587)	–	(392,844)
(406,300)	(107,432,598)	(3,314,736)	(1,562,745)	(947,954)	(508,953)	(13,248,752)
(2,546,859)	–	–	–	–	–	(49,439,154)
(60,430)	(95,163,537)	(3,423,969)	(393,923)	(333,549)	(194,660)	(5,796,134)
<b>(4,128,228)</b>	<b>(7,497,870,068)</b>	<b>(175,536,873)</b>	<b>(23,583,381)</b>	<b>(9,257,652)</b>	<b>(1,300,677)</b>	<b>(268,087,974)</b>
<b>268,815,956</b>	<b>80,716,782,106</b>	<b>2,188,900,615</b>	<b>2,232,594,271</b>	<b>517,626,989</b>	<b>760,300,834</b>	<b>12,682,572,787</b>

## Comparative Statement of Financial Position

As at 31 December 2017

	Notes	Asian Opportunities Fund 31 December 2017 US\$	Automation & Artificial Intelligence Fund* 31 December 2017 US\$	Biotechnology Fund 31 December 2017 US\$	Emerging Markets Growth Fund** 31 December 2017 US\$
<b>Assets</b>					
Transferable securities	10	44,925,258	218,786,689	281,492,299	–
Financial derivative instruments	10	6,226	–	–	–
Dividends and interest receivable		49,155	6,720	187	–
Amounts receivable on sale of securities		–	–	89,452	–
Amounts receivable on sale of redeemable participating shares		19,764	237,883	528,975	–
Sundry debtors		242	2,608	4,259	–
Cash at bank	10	4,293,302	19,278,206	11,132,072	1,402,726
Margin receivable	10	–	–	–	–
Margin cash	10	–	–	–	–
<b>Total Assets</b>		<b>49,293,947</b>	<b>238,312,106</b>	<b>293,247,244</b>	<b>1,402,726</b>
<b>Liabilities</b>					
Financial derivative instruments	10	–	–	–	–
Bank overdraft	4	–	–	–	–
Margin payable		–	–	–	–
Amounts payable on redemption of redeemable participating shares		–	(48,457)	(444,471)	(1,338,863)
Redeemable participating shares not yet allotted		–	–	(1,353)	–
Amounts payable on purchase of securities		–	(34,862)	(105,324)	–
Dividends and interest payable		(1)	(36,431)	(2,260)	–
Investment management fee payable	3	(77,684)	(174,903)	(564,338)	(55,844)
Performance fee payable	3	(1,259,002)	–	(1,639,803)	–
Sundry creditors	3	(50,433)	(47,390)	(77,244)	(8,019)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(1,387,120)</b>	<b>(342,043)</b>	<b>(2,834,793)</b>	<b>(1,402,726)</b>
<b>Net Assets Attributable to holders of redeemable participating shares</b>		<b>47,906,827</b>	<b>237,970,063</b>	<b>290,412,451</b>	<b>–</b>

\* Automation &amp; Artificial Intelligence Fund launched on 6 October 2017.

\*\* Emerging Markets Growth Fund terminated on 27 December 2017.

\*\*\* Global Alpha Fund terminated 28 December 2017



Emerging Markets Income Fund 31 December 2017 US\$	European ex UK Income Fund 31 December 2017 EUR€	European Income Fund 31 December 2017 EUR€	Financial Opportunities Fund 31 December 2017 US\$	Global Alpha Fund*** 31 December 2017 US\$	Global Convertible Fund 31 December 2017 US\$	Global Insurance Fund 31 December 2017 GBP£	Global Technology Fund 31 December 2017 US\$
326,557,403	200,292,493	12,243,319	60,744,266	–	670,902,663	991,192,720	1,709,850,130
–	–	–	–	–	3,035,858	3,516	10,029,147
1,045,565	121,559	17,131	17,648	14	2,837,598	1,300,508	366,191
–	–	–	–	–	10,526,520	–	10,374,404
126,657	6,042	11,251	44,479	–	526,017	2,902,447	5,750,374
3,576	1,119	451	709	–	319,034	2,371	30,475
3,138,859	4,153,884	62,221	2,166,591	1,592,554	–	35,598,203	164,333,671
–	–	–	–	–	–	–	–
–	–	–	–	–	1,697,777	–	1,345,813
330,872,060	204,575,097	12,334,373	62,973,693	1,592,568	689,845,467	1,030,999,765	1,902,080,205
–	(23,418)	–	–	–	(10,398,872)	(54,835)	(543)
–	–	–	–	–	(32,911,293)	–	–
–	–	–	–	–	(8,405,581)	–	–
(2,545,556)	(4,508)	–	(42,992)	(1,515,738)	(733,169)	(1,058,257)	(6,373,455)
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	(18,629,566)
(276)	(1,886)	(30)	(504)	–	–	–	–
(534,514)	(230,381)	(15,085)	(104,934)	(52,277)	(921,064)	(1,403,906)	(3,661,390)
–	–	–	–	–	(857,884)	–	(6,795,792)
(774,192)	(49,189)	(15,052)	(97,275)	(24,553)	(307,262)	(178,687)	(370,688)
(3,854,538)	(309,382)	(30,167)	(245,705)	(1,592,568)	(54,535,125)	(2,695,685)	(35,831,434)
327,017,522	204,265,715	12,304,206	62,727,988	–	635,310,342	1,028,304,080	1,866,248,771

## Comparative Statement of Financial Position continued

As at 31 December 2017

	Notes	Healthcare Blue Chip Fund 31 December 2017 US\$	Healthcare Opportunities Fund 31 December 2017 US\$	Income Opportunities Fund 31 December 2017 GBP£	International Alpha Fund**** 31 December 2017 US\$
<b>Assets</b>					
Transferable securities	10	76,699,702	1,480,802,501	284,848,660	–
Financial derivative instruments	10	27,828	–	3,088	–
Dividends and interest receivable		29,446	147,210	1,331,364	–
Amounts receivable on sale of securities		–	–	–	–
Amounts receivable on sale of redeemable participating shares		99,104	3,814,239	2,883,839	–
Sundry debtors		1,657	36,220	3,551	–
Cash at bank	10	668,288	2,535,044	33,128,716	10,444
Margin receivable	10	–	–	–	–
Margin cash	10	–	–	1,153,425	–
<b>Total Assets</b>		<b>77,526,025</b>	<b>1,487,335,214</b>	<b>323,352,643</b>	<b>10,444</b>
<b>Liabilities</b>					
Financial derivative instruments	10	–	–	(681,211)	–
Bank overdraft	4	–	–	–	–
Margin payable		–	–	–	–
Amounts payable on redemption of redeemable participating shares		(120,540)	(1,774,428)	(463,186)	–
Redeemable participating shares not yet allotted		–	–	–	–
Amounts payable on purchase of securities		–	–	–	–
Dividends and interest payable		(991)	(865)	(25)	–
Investment management fee payable	3	(89,116)	(2,634,992)	(500,106)	(5)
Performance fee payable	3	–	(429,631)	(4,959)	–
Sundry creditors	3	(43,063)	(279,784)	(54,791)	(10,439)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(253,710)</b>	<b>(5,119,700)</b>	<b>(1,704,278)</b>	<b>(10,444)</b>
<b>Net Assets Attributable to holders of redeemable participating shares</b>		<b>77,272,315</b>	<b>1,482,215,514</b>	<b>321,648,365</b>	<b>–</b>

\*\*\*\* International Alpha Fund terminated on 31 October 2017.

\*\*\*\*\* UK Value Opportunities Fund launched on 31 January 2017.

The accompanying notes form an integral part of these Financial Statements.

Japan Fund 31 December 2017 JPY ¥	Japan Value Fund 31 December 2017 JPY ¥	North American Fund 31 December 2017 US\$	UK Absolute Equity Fund 31 December 2017 GBP£	UK Value Opportunities Fund***** 31 December 2017 GBP£	Total 31 December 2017 US\$
127,099,163,700	8,585,383,400	2,416,201,695	400,390,090	538,636,472	11,739,824,814
63,434,978	11,693,272	2,847,920	12,147,871	–	33,036,802
48,773,297	3,704,045	860,672	217,630	1,032,461	11,237,902
1,168,808,409	–	3,197,874	143,845	–	34,764,170
302,418,629	47,247,057	7,360,904	1,269,517	398,731	31,707,115
1,179,768	48,128	28,052	3,642	2,512	455,937
1,118,833,664	495,891,175	33,265,404	14,637,078	24,532,919	408,998,845
–	–	–	99,541,692	–	134,495,771
–	–	–	11,021,544	17,597	19,517,577
129,802,612,445	9,143,967,077	2,463,762,521	539,372,909	564,620,692	12,414,038,933
(176,753,364)	(5,934,761)	(27,437)	(14,475,041)	–	(32,630,057)
–	–	–	–	–	(32,911,293)
–	–	–	–	–	(8,405,581)
(430,747,490)	(43,741,778)	(3,962,147)	(1,773,040)	(255,500)	(27,916,279)
–	(800,615)	–	–	(31,868)	(51,523)
(2,151,532,655)	(8,387,721)	–	(34,474)	(3,139,750)	(42,243,402)
(2,257,276)	(107,624)	(1,186)	(135,296)	–	(248,655)
(246,039,045)	(4,960,771)	(2,834,672)	(783,531)	(489,182)	(18,521,667)
–	(582)	(2,871,332)	(20,235,394)	(2,408,989)	(44,456,111)
(23,623,425)	(2,489,959)	(467,287)	(85,587)	(89,312)	(3,418,367)
(3,030,953,255)	(66,423,811)	(10,164,061)	(37,522,363)	(6,414,601)	(210,802,935)
126,771,659,190	9,077,543,266	2,453,598,460	501,850,546	558,206,091	12,203,235,998

## Statement of Comprehensive Income

For the financial year ended 31 December 2018

	Notes	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund* 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$
<b>Investment income</b>					
Investment income	2H	985,466	–	3,502,535	2,567,968
Net realised and unrealised gain/(loss) on investments	2D	(6,737,956)	–	(42,452,881)	(30,830,495)
Income equalisation	2E	4,335	–	55,227	–
<b>Net investment income/(loss)</b>		<b>(5,748,155)</b>	<b>–</b>	<b>(38,895,119)</b>	<b>(28,262,527)</b>
<b>Expenses</b>					
Investment management fees	3	(462,277)	–	(1,833,904)	(5,003,909)
Administration fees	3	(22,364)	–	(155,462)	(203,419)
General expenses	3	(38,912)	–	(89,199)	(137,974)
Performance fees	3	(1,501)	–	–	(2,281,293)
Depository's fees	3	(35,968)	–	(91,092)	(89,732)
Research fees		(3,390)	–	(135,205)	(241,924)
Legal fees		(2,770)	–	(18,901)	(24,438)
Directors' fees	8	(2,468)	–	(17,730)	(23,651)
Auditor's fees		(567)	–	(4,938)	(6,909)
<b>Operating expenses</b>		<b>(570,217)</b>	<b>–</b>	<b>(2,346,431)</b>	<b>(8,013,249)</b>
<b>Net expense from operations before finance costs</b>		<b>(6,318,372)</b>		<b>(41,241,550)</b>	<b>(36,275,776)</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	(1)	–	–	(29,355)
Distributions to holders of redeemable participating shares	13	(4,298)	–	–	–
<b>Total finance costs</b>		<b>(4,299)</b>	<b>–</b>	<b>–</b>	<b>(29,355)</b>
<b>Profit/(loss) for the financial year before tax</b>		<b>(6,322,671)</b>		<b>(41,241,550)</b>	<b>(36,305,131)</b>
Withholding tax		(105,833)	–	(681,024)	(119,475)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>(6,428,504)</b>	<b>–</b>	<b>(41,922,574)</b>	<b>(36,424,606)</b>

\* Asian Stars Fund launched on 31 December 2018.

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018.

China Stars Fund** 31 December 2018 US\$	Emerging Markets Income Fund 31 December 2018 US\$	Emerging Market Stars Fund*** 31 December 2018 US\$	European ex UK Income Fund 31 December 2018 EUR€	European Income Fund 31 December 2018 EUR€	Financial Opportunities Fund 31 December 2018 US\$	Global Absolute Return Fund**** 31 December 2018 US\$	Global Convertible Fund 31 December 2018 US\$
11,644	10,184,063	59,623	10,779,798	603,284	1,514,461	–	47,035,569
(1,329,849)	(17,257,034)	(1,557,374)	(18,472,917)	(1,325,344)	(10,463,986)	–	(60,811,555)
21	(1,150,821)	8,510	(464,554)	(27,093)	(504,863)	–	2,250,753
(1,318,184)	(8,223,792)	(1,489,241)	(8,157,673)	(749,153)	(9,454,388)	–	(11,525,233)
(11,607)	(1,807,385)	(20,081)	(1,271,029)	(86,980)	(597,835)	–	(6,059,968)
(1,485)	(99,379)	(2,539)	(99,877)	(5,592)	(28,660)	–	(336,982)
(9,980)	(105,416)	(11,984)	(53,201)	(11,936)	(46,198)	–	(168,292)
–	–	–	(927,510)	–	–	–	(2,977,659)
(1,626)	(275,034)	(2,371)	(74,306)	(4,422)	(20,042)	–	(173,924)
–	(94,439)	–	–	–	–	–	(221,398)
(128)	(12,686)	(209)	(11,455)	(642)	(3,713)	–	(39,907)
(126)	(10,145)	(285)	(10,707)	(590)	(3,015)	–	(36,845)
(115)	(1,268)	(153)	(2,698)	(141)	(703)	–	(8,631)
(25,067)	(2,405,752)	(37,622)	(2,450,783)	(110,303)	(700,166)	–	(10,023,606)
(1,343,251)	(10,629,544)	(1,526,863)	(10,608,456)	(859,456)	(10,154,554)	–	(21,548,839)
(411)	(18,302)	(1,157)	(187)	(1,357)	(474)	–	(976)
–	(7,399,287)	–	(7,860,316)	(43,828)	(441,047)	–	(23,426,299)
(411)	(7,417,589)	(1,157)	(7,860,503)	(45,185)	(441,521)	–	(23,427,275)
(1,343,662)	(18,047,133)	(1,528,020)	(18,468,959)	(904,641)	(10,596,075)	–	(44,976,114)
(795)	(932,787)	(7,560)	(1,308,445)	(59,359)	(213,341)	–	(703,068)
(1,344,457)	(18,979,920)	(1,535,580)	(19,777,404)	(964,000)	(10,809,416)	–	(45,679,182)

## Statement of Comprehensive Income continued

For the financial year ended 31 December 2018

	Notes	Global Insurance Fund 31 December 2018 GBP£	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$
<b>Investment income</b>					
Investment income	2H	24,329,346	15,165,195	1,246,582	12,408,934
Net realised and unrealised gain/(loss) on investments	2D	13,355,486	387,720	443,365	142,390,495
Income equalisation	2E	256,277	–	(228,988)	–
<b>Net investment income/(loss)</b>		<b>37,941,109</b>	<b>15,552,915</b>	<b>1,460,959</b>	<b>154,799,429</b>
<b>Expenses</b>					
Investment management fees	3	(9,344,808)	(28,676,644)	(488,837)	(17,243,903)
Administration fees	3	(574,974)	(1,196,887)	(37,653)	(780,006)
General expenses	3	(248,332)	(555,160)	(37,434)	(339,761)
Performance fees	3	(2,271,552)	(23,173,098)	–	(13,925,660)
Depository's fees	3	(300,432)	(780,294)	(14,063)	(388,494)
Research fees		(198,648)	(1,042,130)	(44,664)	(925,451)
Legal fees		(71,863)	(150,423)	(4,584)	(100,177)
Directors' fees	8	(63,230)	(137,685)	(4,192)	(88,023)
Auditor's fees		(17,109)	(36,525)	(1,019)	(22,588)
<b>Operating expenses</b>		<b>(13,090,948)</b>	<b>(55,748,846)</b>	<b>(632,446)</b>	<b>(33,814,063)</b>
<b>Net expense from operations before finance costs</b>		<b>24,850,161</b>	<b>(40,195,931)</b>	<b>828,513</b>	<b>120,985,366</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	(5,437)	(6)	(10,563)	(14,609)
Distributions to holders of redeemable participating shares	13	(8,628,237)	–	(568,109)	–
<b>Total finance costs</b>		<b>(8,633,674)</b>	<b>(6)</b>	<b>(578,672)</b>	<b>(14,609)</b>
<b>Profit/(loss) for the financial year before tax</b>		<b>16,216,487</b>	<b>(40,195,937)</b>	<b>249,841</b>	<b>120,970,757</b>
Withholding tax		(3,148,336)	(3,416,679)	(288,595)	(2,032,504)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>13,068,151</b>	<b>(43,612,616)</b>	<b>(38,754)</b>	<b>118,938,253</b>

The accompanying notes form an integral part of these Financial Statements.

<b>Income Opportunities Fund</b>	<b>Japan Fund</b>	<b>Japan Value Fund</b>	<b>North American Fund</b>	<b>UK Absolute Equity Fund</b>	<b>UK Value Opportunities Fund</b>	<b>Total</b>
<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>
<b>GBP£</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>US\$</b>	<b>GBP£</b>	<b>GBP£</b>	<b>US\$</b>
16,177,233	2,814,180,650	108,349,100	31,636,897	(2,939,845)	22,209,558	245,921,626
(23,482,890)	(32,608,032,160)	(1,056,004,651)	(343,489,114)	7,194,432	(132,825,935)	(880,939,536)
(1,604,021)	(104,140,083)	(36,168,273)	(36,096)	–	2,876,319	585,644
(8,909,678)	(29,897,991,593)	(983,823,824)	(311,888,313)	4,254,587	(107,740,058)	(634,432,266)
(2,894,553)	(1,308,473,010)	(22,719,152)	(19,770,724)	(5,813,591)	(4,565,444)	(125,793,863)
(151,965)	(56,144,328)	(2,195,979)	(1,323,631)	(278,902)	(349,740)	(6,648,769)
(66,825)	(23,364,516)	(1,778,059)	(510,754)	(283,341)	(183,172)	(3,397,891)
(2,517,941)	–	–	–	–	–	(49,839,956)
(88,025)	(38,338,168)	(1,483,919)	(652,317)	(89,535)	(108,731)	(3,760,806)
(18,145)	(95,602,794)	(3,657,152)	–	(284,340)	(123,381)	(4,440,197)
(17,946)	(6,906,885)	(1,540,870)	(159,626)	(30,423)	(40,364)	(822,476)
(16,221)	(6,033,028)	(224,853)	(146,617)	(29,957)	(38,670)	(738,230)
(3,755)	(1,331,976)	(10,380)	(33,655)	(7,014)	(11,406)	(184,958)
(5,775,376)	(1,536,194,705)	(33,610,364)	(22,597,324)	(6,817,103)	(5,420,908)	(195,627,146)
(14,685,054)	(31,434,186,298)	(1,017,434,188)	(334,485,637)	(2,562,516)	(113,160,966)	(830,059,412)
(25,329)	(31,059,385)	(827,559)	–	(4,871,924)	(52)	(6,903,831)
(3,937,807)	–	–	–	–	(1,122,970)	(59,418,170)
(3,963,136)	(31,059,385)	(827,559)	–	(4,871,924)	(1,123,022)	(66,322,001)
(18,648,190)	(31,465,245,683)	(1,018,261,747)	(334,485,637)	(7,434,440)	(114,283,988)	(896,381,413)
(1,042,249)	(422,127,100)	(16,252,369)	(7,544,773)	(268,231)	(237,418)	(27,892,110)
(19,690,439)	(31,887,372,783)	(1,034,514,116)	(342,030,410)	(7,702,671)	(114,521,406)	(924,273,523)

## Comparative Statement of Comprehensive Income

For the financial year ended 31 December 2017

	Notes	Asian Opportunities Fund 31 December 2017 US\$	Automation & Artificial Intelligence Fund* 31 December 2017 US\$	Biotechnology Fund 31 December 2017 US\$	Emerging Markets Growth Fund** 31 December 2017 US\$
<b>Investment income</b>					
Investment income		896,002	169,512	295,357	1,452,782
Net realised and unrealised gain on investments		12,363,104	1,785,348	47,928,570	12,802,138
Income equalisation		4,142	–	–	(633,067)
<b>Net investment income</b>		<b>13,263,248</b>	<b>1,954,860</b>	<b>48,223,927</b>	<b>13,621,853</b>
<b>Expenses</b>					
Investment management fees	3	(400,847)	(210,618)	(2,308,728)	(586,390)
Administration fees	3	(30,048)	(26,611)	(143,153)	(44,493)
General expenses	3	(32,198)	(27,514)	(88,663)	(6,232)
Performance fees	3	(1,258,997)	–	(1,639,803)	–
Depository's fees	3	(39,368)	(16,730)	(81,590)	(56,959)
Legal fees		(2,758)	(2,199)	(13,091)	(4,437)
Directors' fees	8	(3,101)	(3,488)	(14,813)	(4,336)
Auditor's fees		(525)	(3,119)	(3,665)	(238)
<b>Operating expenses</b>		<b>(1,767,842)</b>	<b>(290,279)</b>	<b>(4,293,506)</b>	<b>(703,085)</b>
<b>Net income from operations before finance costs</b>		<b>11,495,406</b>	<b>1,664,581</b>	<b>43,930,421</b>	<b>12,918,768</b>
<b>Finance costs</b>					
Bank interest/financing charges		(7)	(157,509)	(13,221)	(2)
Distributions to holders of redeemable participating shares	13	(295,654)	–	–	–
<b>Total finance costs</b>		<b>(295,661)</b>	<b>(157,509)</b>	<b>(13,221)</b>	<b>(2)</b>
<b>Profit for the financial year before tax</b>		<b>11,199,745</b>	<b>1,507,072</b>	<b>43,917,200</b>	<b>12,918,766</b>
Withholding tax		(101,714)	(41,248)	(78,356)	(125,631)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>11,098,031</b>	<b>1,465,824</b>	<b>43,838,844</b>	<b>12,793,135</b>

\* Automation & Artificial Intelligence Fund launched on 6 October 2017.

\*\* Emerging Markets Growth Fund terminated on 27 December 2017.

\*\*\* Global Alpha Fund terminated on 28 December 2017.



Emerging Markets Income Fund 31 December 2017 US\$	European ex UK Income Fund 31 December 2017 EUR€	European Income Fund 31 December 2017 EUR€	Financial Opportunities Fund 31 December 2017 US\$	Global Alpha Fund*** 31 December 2017 US\$	Global Convertible Fund 31 December 2017 US\$	Global Insurance Fund 31 December 2017 GBP£	Global Technology Fund 31 December 2017 US\$
15,599,252	6,472,176	553,571	1,551,037	2,444,118	24,515,003	16,013,600	8,031,691
62,312,183	5,261,889	582,621	12,562,803	21,459,996	54,485,612	45,534,145	533,602,507
(1,013,173)	951,249	2,821	(32,565)	(1,366,379)	(173,329)	570,125	–
76,898,262	12,685,314	1,139,013	14,081,275	22,537,735	78,827,286	62,117,870	541,634,198
(3,255,281)	(936,659)	(93,159)	(620,926)	(707,368)	(5,084,531)	(7,127,813)	(16,160,850)
(258,896)	(112,540)	(9,333)	(46,090)	(89,121)	(442,975)	(652,992)	(1,067,363)
(134,693)	(58,254)	(14,691)	(43,902)	(39,667)	(130,724)	(173,012)	(337,474)
–	–	–	–	–	(849,924)	–	(6,783,532)
(323,176)	(71,279)	(4,249)	(24,850)	(38,388)	(195,766)	(289,458)	(576,153)
(23,474)	(10,773)	(819)	(4,435)	(9,657)	(40,009)	(57,702)	(98,009)
(26,042)	(11,699)	(898)	(4,784)	(9,008)	(45,269)	(64,116)	(110,894)
(3,442)	(3,764)	(121)	(1,116)	(734)	(6,688)	(12,325)	(24,702)
(4,025,004)	(1,204,968)	(123,270)	(746,103)	(893,943)	(6,795,886)	(8,377,418)	(25,158,977)
72,873,258	11,480,346	1,015,743	13,335,172	21,643,792	72,031,400	53,740,452	516,475,221
(377)	(22,001)	(864)	(665)	(145)	(14,312)	–	(2,351)
(7,668,017)	(5,626,621)	(33,092)	(475,042)	–	(19,659,945)	(6,435,247)	–
(7,668,394)	(5,648,622)	(33,956)	(475,707)	(145)	(19,674,257)	(6,435,247)	(2,351)
65,204,864	5,831,724	981,787	12,859,465	21,643,647	52,357,143	47,305,205	516,472,870
(1,327,089)	(893,947)	(54,064)	(221,916)	(207,772)	(142,904)	(2,151,662)	(1,796,336)
63,877,775	4,937,777	927,723	12,637,549	21,435,875	52,214,239	45,153,543	514,676,534

## Comparative Statement of Comprehensive Income

For the financial year ended 31 December 2017

	Notes	Healthcare Blue Chip Fund 31 December 2017 US\$	Healthcare Opportunities Fund 31 December 2017 US\$	Income Opportunities Fund 31 December 2017 GBP£	International Alpha Fund**** 31 December 2017 US\$
<b>Investment income</b>					
Investment income		984,294	9,494,631	11,728,235	132,847
Net realised and unrealised gain on investments		13,845,372	278,752,420	8,348,376	1,018,727
Income equalisation		(64,231)	(8)	3,977,752	(85,186)
<b>Net investment income</b>		<b>14,765,435</b>	<b>288,247,043</b>	<b>24,054,363</b>	<b>1,066,388</b>
<b>Expenses</b>					
Investment management fees	3	(562,512)	(14,461,776)	(1,781,866)	(27,730)
Administration fees	3	(59,490)	(1,003,308)	(153,703)	(3,526)
General expenses	3	(37,868)	(260,650)	(63,099)	(10,508)
Performance fees	3	-	(429,631)	(5,211)	-
Depository's fees	3	(30,132)	(444,674)	(67,241)	(4,256)
Legal fees		(5,329)	79,641	(13,537)	(327)
Directors' fees	8	(6,018)	(104,039)	(15,919)	(328)
Auditor's fees		(751)	(17,763)	(3,626)	(18)
<b>Operating expenses</b>		<b>(702,100)</b>	<b>(16,642,200)</b>	<b>(2,104,202)</b>	<b>(46,693)</b>
<b>Net income from operations before finance costs</b>		<b>14,063,335</b>	<b>271,604,843</b>	<b>21,950,161</b>	<b>1,019,695</b>
<b>Finance costs</b>					
Bank interest/financing charges		(3,981)	(2,622)	(6,427)	-
Distributions to holders of redeemable participating shares	13	(807,269)	-	(2,340,046)	-
<b>Total finance costs</b>		<b>(811,250)</b>	<b>(2,622)</b>	<b>(2,346,473)</b>	<b>-</b>
<b>Profit for the financial year before tax</b>		<b>13,252,085</b>	<b>271,602,221</b>	<b>19,603,688</b>	<b>1,019,695</b>
Withholding tax		(255,018)	(2,212,800)	(461,411)	(11,994)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>12,997,067</b>	<b>269,389,421</b>	<b>19,142,277</b>	<b>1,007,701</b>

\*\*\*\* International Alpha Fund terminated on 31 October 2017

\*\*\*\*\* UK Value Opportunities Fund launched on 31 January 2017.

All gains and losses arose solely from continuing operations, except for International Alpha Fund which terminated on 31 October 2017, Emerging Markets Growth Fund which terminated on 27 December 2017 and Global Alpha Fund which terminated on 28 December 2017. There were no gains or losses other than those dealt within the Statement of Comprehensive Income.

The accompanying notes form an integral part of these Financial Statements.

Japan Fund 31 December 2017 JPY ¥	Japan Value Fund 31 December 2017 JPY ¥	North American Fund 31 December 2017 US\$	UK Absolute Equity Fund 31 December 2017 GBP£	UK Value Opportunities Fund**** 31 December 2017 GBP£	Total 31 December 2017 US\$
2,196,910,525	152,379,800	26,170,369	(214,778)	6,210,825	164,295,847
32,646,231,820	2,212,008,750	499,186,701	111,014,957	52,201,031	2,150,286,740
(12,779,591)	(647,778)	27,252	-	1,688,958	5,694,050
34,830,362,754	2,363,740,772	525,384,322	110,800,179	60,100,814	2,320,276,637
(1,272,604,577)	(22,624,017)	(15,182,042)	(2,386,375)	(1,604,888)	(88,971,758)
(82,878,381)	(5,697,070)	(1,581,260)	(176,788)	(189,678)	(7,241,733)
(15,706,689)	(3,645,951)	(356,037)	(117,914)	(113,829)	(2,366,619)
(13,036,633)	(582)	(2,852,815)	(20,237,045)	(2,408,989)	(43,228,108)
(45,350,176)	(3,129,145)	(699,858)	(56,787)	(67,047)	(3,671,376)
(6,996,413)	(524,030)	(144,602)	(16,831)	(18,238)	(486,392)
(7,804,963)	(566,911)	(160,326)	(19,766)	(21,059)	(737,705)
(506,252)	(90,500)	(26,501)	(7,263)	(9,223)	(140,948)
(1,444,884,084)	(36,278,206)	(21,003,441)	(23,018,769)	(4,432,951)	(146,844,639)
33,385,478,670	2,327,462,566	504,380,881	87,781,410	55,667,863	2,173,431,998
(26,063,644)	(1,884,183)	(852)	(1,358,211)	(432)	(2,236,742)
-	-	-	-	-	(46,683,753)
(26,063,644)	(1,884,183)	(852)	(1,358,211)	(432)	(48,920,495)
33,359,415,026	2,325,578,383	504,380,029	86,423,199	55,667,431	2,124,511,503
(329,536,584)	(22,856,973)	(5,583,507)	(149,221)	(49,411)	(19,961,077)
33,029,878,442	2,302,721,410	498,796,522	86,273,978	55,618,020	2,104,550,426

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

For the financial year ended 31 December 2018

	Notes	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund* 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		47,906,827	–	237,970,063	290,412,451
Issue of redeemable shares during the financial year	9	4,393,798	10,009,250	164,723,771	351,423,232
Fx gain on consolidation	2				
Redemption of redeemable shares during the financial year	9	(4,595,234)	–	(40,379,963)	(174,878,817)
Change in net assets attributable to holders of redeemable participating shares		(6,428,504)	–	(41,922,574)	(36,424,606)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		41,276,887	10,009,250	320,391,297	430,532,260

	Notes	Global Insurance Fund 31 December 2018 GBP£	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		1,028,304,080	1,866,248,771	77,272,315	1,482,215,514
Issue of redeemable shares during the financial year	9	489,353,791	1,558,946,389	70,739,093	506,953,928
Fx gain on consolidation	2				
Redemption of redeemable shares during the financial year	9	(328,179,890)	(885,677,653)	(74,519,903)	(483,352,188)
Change in net assets attributable to holders of redeemable participating shares		13,068,151	(43,612,616)	(38,754)	118,938,253
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		1,202,546,132	2,495,904,891	73,452,751	1,624,755,507

\* Asian Stars Fund launched on 31 December 2018.

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018.

The accompanying notes form an integral part of these Financial Statements.

<b>China Stars Fund**</b>	<b>Emerging Markets Income Fund</b>	<b>Emerging Market Stars Fund***</b>	<b>European ex UK Income Fund</b>	<b>European Income Fund</b>	<b>Financial Opportunities Fund</b>	<b>Global Absolute Return Fund****</b>	<b>Global Convertible Fund</b>
<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>
<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>EUR€</b>	<b>EUR€</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
–	327,017,522	–	204,265,715	12,304,206	62,727,988	–	635,310,342
10,127,025	54,534,977	13,582,823	37,839,118	96,276	26,062,334	10,194,304	274,605,340
–	(203,094,857)	–	(23,139,424)	(1,482,067)	(47,424,586)	–	(136,659,653)
(1,344,457)	(18,979,920)	(1,535,580)	(19,777,404)	(964,000)	(10,809,416)	–	(45,679,182)
8,782,568	159,477,722	12,047,243	199,188,005	9,954,415	30,556,320	10,194,304	727,576,847
<b>Income Opportunities Fund</b>	<b>Japan Fund</b>	<b>Japan Value Fund</b>	<b>North American Fund</b>	<b>UK Absolute Equity Fund</b>	<b>UK Value Opportunities Fund</b>	<b>Total</b>	
<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	
<b>GBP£</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>US\$</b>	<b>GBP£</b>	<b>GBP£</b>	<b>US\$</b>	
321,648,365	126,771,659,190	9,077,543,266	2,453,598,460	501,850,546	558,206,091	12,203,235,998	
54,064,860	57,798,874,898	1,437,015,630	1,387,942,476	317,319,736	410,547,597	6,720,568,953	
(87,206,830)	(71,966,379,199)	(7,291,144,165)	(1,266,916,255)	(293,840,622)	(93,931,448)	(181,739,104)	
(19,690,439)	(31,887,372,783)	(1,034,514,116)	(342,030,410)	(7,702,671)	(114,521,406)	(5,135,219,538)	
(19,690,439)	(31,887,372,783)	(1,034,514,116)	(342,030,410)	(7,702,671)	(114,521,406)	(924,273,523)	
268,815,956	80,716,782,106	2,188,900,615	2,232,594,271	517,626,989	760,300,834	12,682,572,787	

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

For the financial year ended 31 December 2017

	Notes	Asian Opportunities Fund 31 December 2017 US\$	Automation & Artificial Intelligence Fund* 31 December 2017 US\$	Biotechnology Fund 31 December 2017 US\$	Emerging Markets Growth Fund** 31 December 2017 US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		33,075,615	–	117,489,618	59,966,759
Issue of redeemable shares during the financial year	9	5,527,415	247,282,801	233,689,057	5,228,816
Fx gain on consolidation	2	–	–	–	–
Redemption of redeemable shares during the financial year	9	(1,794,234)	(10,778,562)	(104,605,068)	(77,988,710)
Change in net assets attributable to holders of redeemable participating shares		11,098,031	1,465,824	43,838,844	12,793,135
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		47,906,827	237,970,063	290,412,451	–

	Notes	Healthcare Blue Chip Fund 31 December 2017 US\$	Healthcare Opportunities Fund 31 December 2017 US\$	Income Opportunities Fund 31 December 2017 GBP£	International Alpha Fund**** 31 December 2017 US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		78,214,086	1,066,153,909	157,094,741	4,934,657
Issue of redeemable shares during the financial year	9	14,314,047	445,677,312	182,831,091	5,942,358
Fx gain on consolidation	2	–	–	–	–
Redemption of redeemable shares during the financial year	9	(28,252,885)	(299,005,129)	(37,419,744)	(11,884,716)
Change in net assets attributable to holders of redeemable participating shares		12,997,067	269,389,421	19,142,277	1,007,701
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		77,272,315	1,482,215,513	321,648,365	–

\* Automation &amp; Artificial Intelligence Fund launched on 6 October 2017.

\*\* Emerging Markets Growth Fund terminated on 27 December 2017.

\*\*\* Global Alpha Fund terminated on 28 December 2017.

\*\*\*\* International Alpha Fund terminated on 31 October 2017.

\*\*\*\*\* UK Value Opportunities Fund launched on 31 January 2017.

The accompanying notes form an integral part of these Financial Statements.

Emerging Markets Income Fund 31 December 2017 US\$	European ex UK Income Fund 31 December 2017 EUR€	European Income Fund 31 December 2017 EUR€	Financial Opportunities Fund 31 December 2017 US\$	Global Alpha Fund*** 31 December 2017 US\$	Global Convertible Fund 31 December 2017 US\$	Global Insurance Fund 31 December 2017 GBP£	Global Technology Fund 31 December 2017 US\$
315,057,782	57,703,857	11,701,127	31,745,488	119,550,687	494,223,376	705,309,113	917,285,747
118,029,593	143,108,668	520,690	63,469,285	3,158,791	308,220,753	501,749,024	971,645,802
–	–	–	–	–	–	–	–
(169,947,628)	(1,484,587)	(845,334)	(45,124,334)	(144,145,353)	(219,348,026)	(223,907,600)	(537,359,312)
63,877,775	4,937,777	927,723	12,637,549	21,435,875	52,214,239	45,153,543	514,676,534
327,017,522	204,265,715	12,304,206	62,727,988	–	635,310,342	1,028,304,080	1,866,248,771

Japan Fund 31 December 2017 JPY ¥	Japan Value Fund (formerly Japan Value Fund) 31 December 2017 JPY ¥	North American Fund 31 December 2017 US\$	UK Absolute Equity Fund 31 December 2017 GBP£	UK Value Opportunities Fund**** 31 December 2017 GBP£	Total 31 December 2017 US\$
120,900,771,493	7,024,447,289	1,849,748,937	96,606,868	–	7,438,517,350
34,368,554,932	387,629,729	855,780,807	391,890,575	523,475,731	5,820,302,401
–	–	–	–	–	256,982,599
(61,527,545,677)	(637,255,162)	(750,727,806)	(72,920,875)	(20,887,660)	(3,417,116,778)
33,029,878,442	2,302,721,410	498,796,522	86,273,978	55,618,020	2,104,550,426
126,771,659,190	9,077,543,266	2,453,598,460	501,850,546	558,206,091	12,203,235,998

## Statement of Cash Flows

For the financial year ended 31 December 2018

	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund* 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(15,879,605)	–	(237,556,606)	(587,665,733)
Proceeds from sale of financial assets	15,795,714	–	127,110,836	441,819,915
(Outflow)/inflow from forward foreign currency contracts and futures	(163,270)	–	(995,636)	(99,047)
Increase/(decrease) in margin accounts	–	–	–	–
Dividends and interest received	984,526	–	3,408,356	2,516,449
Operating expenses paid	(1,996,441)	–	(2,931,443)	(7,257,378)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,259,076)</b>	<b>–</b>	<b>(110,964,493)</b>	<b>(150,685,794)</b>
<b>Cash flows from financing activities</b>				
Distributions	(4,298)	–	–	–
Income equalisation	4,335	–	55,227	–
Proceeds from redeemable participating shares issued	4,413,562	10,009,250	162,486,815	350,719,159
Redemptions paid to shareholders	(4,560,904)	–	(38,899,222)	(169,258,285)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(147,305)</b>	<b>10,009,250</b>	<b>123,642,820</b>	<b>181,460,874</b>
<b>Net (decrease)/increase in cash</b>	<b>(1,406,381)</b>	<b>10,009,250</b>	<b>12,678,327</b>	<b>30,775,080</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>4,293,302</b>	<b>–</b>	<b>19,278,206</b>	<b>11,132,072</b>
<b>Cash at end of the financial year</b>	<b>2,886,921</b>	<b>10,009,250</b>	<b>31,956,533</b>	<b>41,907,152</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	978,589	–	3,442,079	2,448,445
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	5,939	–	2,708	97,199
Cash paid during the financial year for interest expense	(2)	–	(36,431)	(29,195)
	984,526	–	3,408,356	2,516,449

\* Asian Stars Fund launched on 31 December 2018.

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018.



China Stars Fund** 31 December 2018 US\$	Emerging Markets Income Fund 31 December 2018 US\$	Emerging Market Stars Fund*** 31 December 2018 US\$	European ex UK Income Fund 31 December 2018 EUR€	European Income Fund 31 December 2018 EUR€	Financial Opportunities Fund 31 December 2018 US\$	Global Absolute Return Fund**** 31 December 2018 US\$	Global Convertible Fund 31 December 2018 US\$
(11,152,263)	(29,169,859)	(16,525,376)	(97,364,700)	(4,469,594)	(33,966,809)	–	(2,631,496,834)
1,383,613	183,724,749	3,072,905	81,831,979	15,357,469	54,606,005	–	2,551,631,574
1,685	311,976	(45,977)	(373,403)	30,100	39,839	–	9,706,441
–	–	–	–	–	–	–	(42,626,802)
11,339	10,283,558	46,406	10,774,292	611,452	1,526,895	57	47,223,121
(17,146)	(4,291,791)	539	(2,894,119)	(179,409)	(1,039,206)	–	(9,303,920)
(9,772,771)	160,858,633	(13,451,503)	(8,025,951)	11,350,018	21,166,724	57	(74,866,420)
–	(7,399,287)	–	(7,860,316)	(43,828)	(441,047)	–	(23,426,299)
21	(1,150,821)	8,510	(464,554)	(27,093)	(504,863)	–	2,250,753
10,127,025	54,612,933	13,582,823	35,592,538	107,527	26,086,385	10,194,361	273,566,297
–	(205,501,406)	–	(23,136,783)	(1,482,067)	(47,064,691)	–	(136,658,713)
10,127,046	(159,438,581)	13,591,333	4,130,885	(1,445,461)	(21,924,216)	10,194,361	115,732,038
354,275	1,420,052	139,830	(3,895,066)	9,904,557	(757,492)	10,194,418	40,865,618
–	–	–	–	–	–	–	–
–	3,138,859	–	4,153,884	62,221	2,166,591	–	(32,911,293)
354,275	4,558,911	139,830	258,818	9,966,778	1,409,099	10,194,418	7,954,325
11,571	10,302,025	47,623	10,758,600	612,272	1,522,978	–	31,256,277
–	–	–	–	–	–	–	15,967,430
179	32	(60)	16,612	–	4,852	57	390
(411)	(18,499)	(1,157)	(920)	(820)	(935)	–	(976)
11,339	10,283,558	46,406	10,774,292	611,452	1,526,895	57	47,223,121

## Statement of Cash Flows continued

For the financial year ended 31 December 2018

	Global Insurance Fund 31 December 2018 GBP£	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(396,353,259)	(2,577,830,075)	(77,913,446)	(3,727,993,751)
Proceeds from sale of financial assets	205,720,856	1,988,630,846	82,043,110	3,835,123,278
(Outflow)/inflow from forward foreign currency contracts and futures	(164,720)	(22,832,969)	(157,699)	(817,466)
Decrease in margin accounts	–	(40,709,974)	–	(20,012,400)
Dividends and interest received	24,988,199	14,981,443	1,213,939	11,894,916
Operating expenses paid	(14,297,087)	(42,399,499)	(944,671)	(22,588,262)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(180,106,011)</b>	<b>(680,160,228)</b>	<b>4,241,233</b>	<b>75,606,315</b>
<b>Cash flows from financing activities</b>				
Distributions	(8,628,237)	–	(568,109)	–
Income equalisation	256,277	–	(228,988)	–
Proceeds from redeemable participating shares issued	491,609,345	1,560,737,625	70,704,724	509,404,104
Redemptions paid to shareholders	(317,779,027)	(874,980,018)	(74,559,632)	(473,069,170)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>165,458,358</b>	<b>685,757,607</b>	<b>(4,652,005)</b>	<b>36,334,934</b>
<b>Net (decrease)/increase in cash</b>	<b>(14,647,653)</b>	<b>5,597,379</b>	<b>(410,772)</b>	<b>111,941,249</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>35,598,203</b>	<b>164,333,671</b>	<b>668,288</b>	<b>2,535,044</b>
<b>Cash at end of the financial year</b>	<b>20,950,550</b>	<b>169,931,050</b>	<b>257,516</b>	<b>114,476,293</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	24,974,967	14,425,314	1,224,467	11,726,204
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	11,459	556,991	(831)	184,034
Cash paid during the financial year for interest expense	1,773	(862)	(9,697)	(15,322)
	24,988,199	14,981,443	1,213,939	11,894,916

The accompanying notes form an integral part of these Financial Statements.

Income Opportunities Fund 31 December 2018 GBP£	Japan Fund 31 December 2018 JPY ¥	Japan Value Fund 31 December 2018 JPY ¥	North American Fund 31 December 2018 US\$	UK Absolute Equity Fund 31 December 2018 GBP£	UK Value Opportunities Fund 31 December 2018 GBP£	Total 31 December 2018 US\$
(88,285,990)	(129,204,959,589)	(1,570,137,487)	(1,326,158,409)	(460,543,040)	(592,024,881)	(14,627,028,632)
81,623,220	143,636,258,049	7,076,283,202	1,402,825,388	593,108,098	285,447,533	13,721,762,144
2,341,611	(2,847,810,472)	(207,076,962)	(35,923,182)	32,155,037	7,816	(32,237,854)
(447,344)	–	–	–	(88,285,155)	(35)	(208,335,425)
15,656,645	2,727,090,765	108,662,680	31,158,884	(7,463,650)	21,189,890	237,162,114
(4,362,238)	(2,021,855,455)	(50,803,396)	(34,339,677)	(26,908,330)	(7,941,320)	(221,789,570)
6,525,904	12,288,723,298	5,356,928,037	37,563,004	42,062,960	(293,320,997)	(1,130,467,223)
(3,937,807)	–	–	–	–	(1,122,970)	(59,418,170)
(1,604,021)	(104,140,083)	(36,168,273)	(36,096)	–	2,876,319	585,644
56,884,949	57,052,935,336	1,483,462,072	1,391,644,069	317,563,232	410,351,888	6,724,861,852
(86,951,995)	(67,689,808,493)	(7,334,336,770)	(1,262,426,420)	(293,878,104)	(93,607,210)	(5,052,293,266)
(35,608,874)	(10,741,013,240)	(5,887,042,971)	129,181,553	23,685,128	318,498,027	1,611,576,065
(29,082,970)	1,547,710,058	(530,114,934)	166,744,557	65,748,088	25,177,030	483,268,837
–	–	–	–	–	–	(27,448,454)
33,128,716	1,118,833,664	495,891,175	33,265,404	14,637,078	24,532,919	376,087,552
4,045,746	2,666,543,722	(34,223,759)	200,009,961	80,385,166	49,709,949	831,907,935
10,837,709	2,758,533,402	109,577,563	30,887,206	(2,898,172)	21,189,942	220,011,001
4,843,331	–	–	–	–	–	22,531,756
–	–	–	272,425	241,016	–	1,482,986
(24,395)	(31,442,637)	(914,883)	(747)	(4,806,494)	(52)	(6,863,629)
15,656,645	2,727,090,765	108,662,680	31,158,884	(7,463,650)	21,189,890	237,162,114

## Comparative Statement of Cash Flows

For the financial year ended 31 December 2017

	Asian Opportunities Fund 31 December 2017 US\$	Automation & Artificial Intelligence Fund* 31 December 2017 US\$	Biotechnology Fund 31 December 2017 US\$	Emerging Markets Growth Fund** 31 December 2017 US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(20,655,735)	(217,843,069)	(329,879,478)	(10,580,869)
Proceeds from sale of financial assets	17,465,362	1,342,375	214,207,344	80,873,391
(Outflow)/inflow from forward foreign currency contracts and futures	(94,304)	(465,785)	(289,579)	(267,139)
Increase/(decrease) in margin accounts	–	–	–	–
Dividends and interest received	889,656	46,353	283,648	1,577,795
Operating expenses paid	(571,363)	(116,481)	(3,505,348)	(877,951)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(2,966,384)</b>	<b>(217,036,607)</b>	<b>(119,183,413)</b>	<b>70,725,227</b>
<b>Cash flows from financing activities</b>				
Distributions	(295,654)	–	–	–
Income equalisation	4,142	–	–	(633,067)
Proceeds from redeemable participating shares issued	5,507,571	247,044,918	235,462,167	5,228,816
Redemptions paid to shareholders	(1,794,234)	(10,730,105)	(106,262,390)	(76,649,847)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>3,421,825</b>	<b>236,314,813</b>	<b>129,199,777</b>	<b>(72,054,098)</b>
<b>Net increase/(decrease) in cash</b>	<b>455,441</b>	<b>19,278,206</b>	<b>10,016,364</b>	<b>(1,328,871)</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>3,837,861</b>	<b>–</b>	<b>1,115,708</b>	<b>2,731,597</b>
<b>Cash at end of the financial year</b>	<b>4,293,302</b>	<b>19,278,206</b>	<b>11,132,072</b>	<b>1,402,726</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	884,559	154,635	280,753	1,576,157
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	5,103	12,796	14,417	1,640
Cash paid during the financial year for interest expense	(6)	(121,078)	(11,522)	(2)
	889,656	46,353	283,648	1,577,795

\* Automation & Artificial Intelligence Fund launched on 6 October 2017.

\*\* Emerging Markets Growth Fund terminated on 27 December 2017

\*\*\* Global Alpha Fund terminated on 28 December 2017.

Emerging Markets Income Fund 31 December 2017 US\$	European ex UK Income Fund 31 December 2017 EUR€	European Income Fund 31 December 2017 EUR€	Financial Opportunities Fund 31 December 2017 US\$	Global Alpha Fund*** 31 December 2017 US\$	Global Convertible Fund 31 December 2017 US\$	Global Insurance Fund 31 December 2017 GBP£	Global Technology Fund 31 December 2017 US\$
(46,272,261)	(170,614,904)	(5,426,906)	(60,305,824)	(45,857,297)	(1,905,620,143)	(307,423,167)	(1,094,517,611)
88,568,517	35,829,416	5,492,271	43,447,757	186,049,757	1,806,960,724	44,340,219	811,996,942
(675,382)	(3,551,569)	2,473	(194,876)	(54,158)	(16,395,676)	(2,732,242)	5,616,925
–	–	–	–	–	10,745,141	–	(1,345,813)
15,280,059	6,329,974	535,592	1,540,378	2,580,065	23,718,304	15,931,801	8,145,151
(4,477,016)	(1,908,214)	(171,987)	(812,354)	(1,144,427)	(5,705,464)	(10,118,978)	(17,525,878)
52,423,917	(133,915,297)	431,443	(16,324,919)	141,573,940	(86,297,114)	(260,002,367)	(287,630,284)
(7,668,017)	(5,626,621)	(33,092)	(475,042)	–	(19,659,945)	(6,435,247)	–
(1,013,173)	951,249	2,821	(32,565)	(1,366,379)	(173,329)	570,125	–
118,010,043	143,104,582	509,439	63,465,425	3,158,791	308,759,333	501,815,043	968,363,793
(168,642,217)	(1,480,079)	(845,334)	(45,957,353)	(142,629,615)	(219,056,311)	(223,203,248)	(532,914,725)
(59,313,364)	136,949,131	(366,166)	17,000,465	(140,837,203)	69,869,748	272,746,673	435,449,068
(6,889,447)	3,033,834	65,277	675,546	736,737	(16,427,366)	12,744,306	147,818,784
–	–	–	–	–	–	–	–
10,028,306	1,120,050	(3,056)	1,491,045	855,817	(16,483,927)	22,853,897	16,514,887
3,138,859	4,153,884	62,221	2,166,591	1,592,554	(32,911,293)	35,598,203	164,333,671
15,279,243	6,350,617	536,437	1,536,484	2,578,545	12,665,053	15,917,673	8,031,815
–	–	–	–	–	11,067,563	–	–
917	1,358	3	4,055	1,665	–	15,227	116,765
(101)	(22,001)	(848)	(161)	(145)	(14,312)	(1,099)	(3,429)
15,280,059	6,329,974	535,592	1,540,378	2,580,065	23,718,304	15,931,801	8,145,151

## Comparative Statement of Cash Flows continued

For the financial year ended 31 December 2017

	Healthcare Bluechip Fund 31 December 2017 US\$	Healthcare Opportunities Fund 31 December 2017 US\$	Income Opportunities Fund 31 December 2017 GBP£	International Alpha Fund**** 31 December 2017 US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(73,719,017)	(2,479,108,019)	(180,958,903)	(1,830,147)
Proceeds from sale of financial assets	85,396,731	2,275,041,491	58,386,458	7,766,872
Inflow/(Outflow) from forward foreign currency contracts and futures	104,715	(599,402)	(2,301,110)	(5,166)
Decrease/(increase) in margin accounts	–	–	384,159	–
Dividends and interest received	997,552	9,797,892	11,575,114	137,484
Operating expenses paid	(914,461)	(17,138,587)	(2,205,554)	(54,094)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>11,865,520</b>	<b>(212,006,625)</b>	<b>(115,119,836)</b>	<b>6,014,949</b>
<b>Cash flows from financing activities</b>				
Distributions	(807,269)	–	(2,340,046)	–
Income equalisation	(64,231)	(8)	3,977,752	(85,186)
Proceeds from redeemable participating shares issued	14,384,771	447,665,160	180,019,943	5,942,358
Redemptions paid to shareholders	(28,172,231)	(301,843,212)	(36,956,585)	(11,884,716)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(14,658,960)</b>	<b>145,821,940</b>	<b>144,701,064</b>	<b>(6,027,544)</b>
<b>Net (decrease)/increase in cash</b>	<b>(2,793,440)</b>	<b>(66,184,685)</b>	<b>29,581,228</b>	<b>(12,595)</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>3,461,728</b>	<b>68,719,729</b>	<b>3,547,488</b>	<b>23,039</b>
<b>Cash at end of the financial year</b>	<b>668,288</b>	<b>2,535,044</b>	<b>33,128,716</b>	<b>10,444</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	1,000,749	9,745,215	8,133,858	137,216
Cash received during the financial year for bond interest income	–	–	3,447,778	–
Cash received during the financial year for bank interest income	295	54,765	–	268
Cash paid during the financial year for interest expense	(3,492)	(2,088)	(6,522)	–
	997,552	9,797,892	11,575,114	137,484

\*\*\*\* International Alpha Fund terminated on 31 October 2017.

\*\*\*\*\* UK Value Opportunities Fund launched on 31 January 2017.

The accompanying notes form an integral part of these Financial Statements.

Japan Fund 31 December 2017 JPY ¥	Japan Value Fund 31 December 2017 JPY ¥	North American Fund 31 December 2017 US\$	UK Absolute Equity Fund 31 December 2017 GBP£	UK Value Opportunities Fund**** 31 December 2017 GBP£	Total 31 December 2017 US\$
(134,155,369,283)	(3,143,747,643)	(905,276,219)	(412,271,101)	(615,328,414)	(10,575,690,588)
161,518,805,546	3,349,544,597	755,832,977	118,769,489	132,893,258	8,349,386,848
1,598,952,568	328,556,123	24,735,822	48,665,354	(860,535)	80,338,647
–	–	–	(110,563,236)	(17,597)	(139,670,514)
2,211,988,246	153,185,347	26,471,462	(1,813,299)	5,177,932	159,889,175
(1,713,700,167)	(56,788,742)	(22,237,967)	(2,979,854)	(1,497,391)	(113,214,024)
29,460,676,910	630,749,682	(120,473,925)	(360,192,647)	(479,632,747)	(2,238,960,456)
–	–	–	–	–	(46,683,753)
(12,779,591)	(647,778)	27,252	–	1,688,958	5,694,050
34,196,325,918	341,183,287	854,770,904	388,199,016	523,108,868	5,808,837,590
(63,439,737,433)	(703,652,327)	(752,346,687)	(71,602,987)	(20,632,160)	(3,427,978,569)
(29,256,191,106)	(363,116,818)	102,451,469	316,596,029	504,165,666	2,339,869,318
204,485,804	267,632,864	(18,022,456)	(43,596,618)	24,532,919	100,908,862
–	–	–	–	–	16,076,282
914,347,860	228,258,311	51,287,860	58,233,696	–	259,102,408
1,118,833,664	495,891,175	33,265,404	14,637,078	24,532,919	376,087,552
2,238,407,865	155,011,230	26,364,161	(579,804)	5,178,364	146,177,215
–	–	–	–	–	15,401,336
–	–	107,446	9,569	–	352,956
(26,419,619)	(1,825,883)	(145)	(1,243,064)	(432)	(2,042,332)
2,211,988,246	153,185,347	26,471,462	(1,813,299)	5,177,932	159,889,175

## Notes to the Financial Statements

For the financial year ended 31 December 2018

### 1. Organisation and nature of business

Polar Capital Funds plc (the 'Company') is an open-ended investment company with variable capital and segregated liability between its sub-funds (the 'Funds'), organised under the laws of Ireland. The Company has been authorised by the Central Bank of Ireland (the 'Central Bank') as an Undertaking for Collective Investment in Transferable Securities ('UCITS') pursuant to the UCITS Regulations and structured as an umbrella fund in that different sub-funds thereof may be established with the prior approval of the Central Bank. The redeemable participating shares of the Funds are listed on Euronext Dublin (formerly The Irish Stock Exchange). At 31 December 2018, the Company had twenty-two active Funds.

The following Funds are currently authorised:

	<b>Date of first issue of share class</b>	<b>Investment management fee</b>	<b>Performance fee</b>
Asian Opportunities Fund	30/03/2012	Up to 1.00%	10%
Asian Stars Fund*	31/12/2018	Up to 1.25%	10%
Automation & Artificial Intelligence Fund	06/10/2017	Up to 1.30%	10%
Biotechnology Fund	31/10/2013	Up to 1.50%	10%
China Stars Fund**	31/08/2018	Up to 1.25%	10%
Emerging Markets Income Fund	21/01/2011	Up to 1.50%	10%
Emerging Market Stars Fund***	29/06/2018	Up to 1.25%	10%
European ex UK Income Fund	01/07/2015	Up to 0.75%	10%
European Income Fund	31/10/2014	Up to 1.35%	10%
Financial Opportunities Fund	03/05/2011	Up to 1.50%	10%
Global Convertible Fund	30/08/2013	Up to 1.50%	10%
Global Insurance Fund	27/05/2011	Up to 1.25%	10%
Global Absolute Return Fund****	31/12/2018	Up to 1.00%	15%
Global Technology Fund	22/10/2001	Up to 1.50%	10%
Healthcare Blue Chip Fund	11/09/2014	Up to 0.85%	10%
Healthcare Opportunities Fund	03/12/2007	Up to 1.50%	10%
Income Opportunities Fund	30/03/2012	Up to 1.25%	10%
Japan Fund	22/10/2001	Up to 1.50%	10%
Japan Value Fund	01/11/2012	Up to 1.35%	10%
North American Fund	14/11/2011	Up to 1.35%	10%
UK Absolute Equity Fund	29/09/2014	Up to 1.50%	20%
UK Value Opportunities Fund	31/01/2017	Up to 0.75%	10%

\* Asian Stars Fund launched on 31 December 2018

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018

For each Fund, share classes are available to both Institutional and Retail investors to which different fee rates may apply. For further information regarding the investment management fee and performance fee relating to each Fund please refer to the Prospectus and Supplements to the Prospectus.



The following table details the investment objectives for each Fund. Investors should note that there can be no guarantee that any Fund will achieve its investment objectives.

<b>Fund Name</b>	<b>Investment Objective</b>
<b>Asian Opportunities Fund</b>	The investment objective of the Asian Opportunities Fund is to achieve medium-term capital appreciation and to generate growth of investors' capital. In order to achieve its objective the Fund will invest in equity securities of companies listed or traded on Regulated Markets in the Asian markets outside Japan (including Australasia) although the Fund reserves the right to invest in companies whose securities are traded on other Regulated Markets where these companies derive a substantial proportion (i.e. greater than 30 per cent) of their profits from Asian markets outside Japan (including Australasia). The Fund may also invest in listed securities (including ordinary shares, stocks and convertible bonds) issued by such companies.
<b>Asian Stars Fund</b>	The investment objective of the Asian Stars Fund is to achieve medium to long term growth and to primarily invest in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in Asian developed and emerging markets. The fund will generally not invest more than 30% of its Net Asset Value in securities issued by companies in Japan or outside of Asia (such as Australia or New Zealand).
<b>Automation &amp; Artificial Intelligence Fund</b>	The investment objective of Automation & Artificial Intelligence Fund is to achieve long-term capital appreciation by primarily investing in a diversified portfolio of global equity securities which may be listed or traded on a Regulated Market. The Fund is not expected to invest more than 20% of its Net Asset Value in emerging markets. The securities in which the Fund will primarily invest will include equity and equity related securities including, but not limited to, ordinary and preference shares and financial derivative instruments.
<b>Biotechnology Fund</b>	The investment objective of the Biotechnology Fund is to preserve capital and achieve long-term capital appreciation. The Fund will seek to achieve its investment objective by investing in a globally diversified portfolio of biotechnology, diagnostics and life sciences tools companies and will invest in transferable securities including shares, equity warrants and other types of equity related securities such as preferred shares, which will be listed and/or traded on a Regulated Market, and issued by biotechnology, diagnostics and life sciences tools companies. The Fund may also invest in Global depository receipts and American and European depository receipts to gain exposure to biotechnology companies. The Fund may invest in unlisted securities subject to a limit of 10% of its Net Asset Value in unlisted securities. The Fund will seek to outperform the NASDAQ Biotechnology Index.
<b>China Stars Fund</b>	The investment objective of China Stars Fund is to achieve long-term capital growth by primarily investing in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in The Peoples' Republic of China, Hong Kong and Taiwan (together 'Greater China'). The Fund is not expected to invest more than 40% of its Net Asset Value in securities issued by companies outside of Greater China. The securities in which the Fund will invest will include transferable securities, to include shares, equities, equity warrants, preferred shares, shares in collective investment schemes with investment policies that are consistent with the Fund's investment objective and securities convertible into shares, which may be listed on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund in unlisted securities) and issued by companies.
<b>Emerging Markets Income Fund</b>	The investment objective of each of the Emerging Markets Income Funds is to achieve both income and long-term capital growth by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part of their economic activities in markets/countries which are, in the Investment Manager's opinion, emerging markets/developing countries.
<b>Emerging Market Stars Fund</b>	The investment objective of the Emerging Market Stars Fund is to achieve long term capital growth. The Fund will seek to achieve its investment objective by primarily investing in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in emerging markets. The Fund is not expected to invest more than 30% of its Net Asset Value in securities issued by companies outside of the emerging markets. The securities in which the Fund will invest will include transferable securities, such as shares, equities, equity warrants, preferred shares, shares in collective investment schemes.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 1. Organisation and nature of business continued

Fund Name	Investment Objective
<b>European ex UK Income Fund</b>	The investment objective of the European ex UK Income Fund is to deliver strong long-term risk adjusted returns to achieve both income and capital growth by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part greater than 20% of their economic activities in European markets/countries excluding the United Kingdom. It is anticipated to target an overall yield of 10% higher than that of the Index (MSCI Daily Net Total Return Europe ex UK EUR); however, this cannot be guaranteed.
<b>European Income Fund</b>	The investment objective of the European Income Fund is to deliver strong long term risk adjusted returns to achieve both income and capital growth by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part greater than 20% of their economic activities in European markets/countries. It is anticipated to target an overall yield of 10% higher than that of the Index (MSCI Europe Net Total Return EUR); however, this cannot be guaranteed.
<b>Financial Opportunities Fund</b>	The investment objective of the Financial Opportunities Fund is to achieve long term capital growth, and in order to achieve its objective the Fund will invest in the securities of financial sector companies and companies related to the financial sector worldwide. These companies primarily include commercial and investment banks, life and non-life insurance and reinsurance companies, asset management and brokerage companies.
<b>Global Absolute Return Fund</b>	The investment objective of the Global Absolute Return Fund is to deliver capital growth over rolling 12-month periods, in all market conditions. There is no guarantee the Fund will achieve this objective over any given period.
<b>Global Convertible Fund</b>	The investment objective of the Global Convertible Fund is to generate both income and long term capital growth by investing in a diversified portfolio of convertible bonds (the underlyings of which will be equity securities) and financial derivative instruments. Such securities will be listed and/or traded on a Recognised Exchange. The Fund will have a global geographical focus, and may invest more than 20% of its Net Asset Value in emerging markets.
<b>Global Insurance Fund</b>	The investment objective of the Global Insurance Fund is to provide an attractive total return irrespective of broader economic and financial market conditions. In order to achieve its investment objective the Fund will invest primarily in securities of insurance related companies worldwide. These companies include insurance and reinsurance companies, life assurance companies, insurance brokerage companies and other insurance related businesses including, but not limited to, insurance claims administration companies, insurance support service companies and companies that own insurance related assets.
<b>Global Technology Fund</b>	The investment objective of the Global Technology Fund is long term capital appreciation by way of investing in a globally diversified portfolio of technology companies. Although the Fund may receive income in the form of dividends, interest and from other sources, income is not a primary consideration. The Fund will invest at least two thirds of its net asset value in technology-related companies worldwide. The Fund will take a geographically diversified approach and operate within broad asset allocation ranges, but there are no specified limits on investing in any geographical region or single country.
<b>Healthcare Blue Chip Fund</b>	The investment objective of the Healthcare Blue Chip Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by investing in a globally diversified portfolio of healthcare companies. The Fund will invest in transferable securities including, shares, equity warrants and other types of equity related securities such as preferred shares, which will be listed and/or traded on a Regulated Market, and issued by healthcare companies, to include, but not limited to, pharmaceutical, biotechnology, medical device and healthcare services companies. The Healthcare Blue Chip Fund may also invest in Global depository receipts and American and European depository receipts to gain exposure to healthcare companies.
<b>Healthcare Opportunities Fund</b>	The investment objective of the Healthcare Opportunities Fund is to preserve capital and achieve long term capital appreciation by investing in a globally diversified portfolio of healthcare companies. The Fund will seek to outperform the MSCI Global Healthcare Index whilst striving to limit the volatility of the Fund's returns. The Fund will take a geographically diversified approach and operate within broad asset allocation ranges, but there are no specified limits on investing in any geographical region or in any sub-sector of healthcare. Non-healthcare related securities will not exceed one third of the Fund's total assets.

Fund Name	Investment Objective
<b>Income Opportunities Fund</b>	The investment objective of the Income Opportunities Fund is to provide an attractive level of income together with capital growth. In order to achieve its objective the Fund will invest primarily in the equity, debt and other securities of listed financial companies. The debt securities in which the Fund will invest will be fixed and floating rate and include, but are not limited to, preference shares, convertible bonds, debentures and bonds with the restriction that unrated debt securities will not be greater than 25% of the Net Asset Value of the Fund. The other securities in which the Fund may invest will be securities with equity characteristics, including but not limited to preferred stocks, as well as depository receipts (including global depository receipts traded) for such securities.
<b>Japan Fund</b>	The investment objective of the Japan Fund is to achieve long term capital growth by investing primarily (meaning not less than two thirds of the net asset value) in securities of issuers that have their principal activities in Japan or are organised under the laws of Japan or derive a significant portion of their earnings from Japan. The Fund intends to invest up to 100% of its assets in securities listed on the Tokyo and regional Japanese exchanges that are Regulated Markets. The Fund will seek to outperform the Topix Total Return Index while striving to limit the volatility of the Fund's returns.
<b>Japan Value Fund</b>	The investment objective of the Japan Value Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by investing primarily in equity securities of issuers that exercise a significant part of their economic activities in Japan or are organised under the laws of Japan. The Fund intends to primarily invest its assets in securities listed on the Tokyo and regional Japanese exchanges that are Regulated Markets. Investment will primarily be concentrated in securities listed on the Tokyo Stock Exchange, however, the Fund may also, to a limited extent, invest in securities listed on regional Japanese exchanges. In addition, the Fund may also, to a limited extent, invest in securities listed and/or traded globally on Regulated Markets which securities provide exposure to the Japanese market.
<b>North American Fund</b>	The investment objective of the North American Fund is to achieve long term capital appreciation. The Fund invests in a diversified portfolio of securities of North American companies. The Investment Manager will invest in large, medium and small capitalisation companies depending on market liquidity and as it judges the available opportunities.
<b>UK Absolute Equity Fund</b>	The investment objective of the UK Absolute Equity Fund is to achieve a positive absolute return over rolling one year periods, notwithstanding changing market conditions. Capital is at risk and there is no guarantee that a positive return will be delivered over any one or a number of twelve month periods. The Fund will invest directly, or indirectly through the use of financial derivative instruments, predominantly in the equities of United Kingdom companies and, to a significantly lesser degree, European and global equities. The Fund may, at any one time, be significantly invested in financial derivative instruments.
<b>UK Value Opportunities Fund</b>	The investment objective of UK Value Opportunities Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by primarily investing in a diversified portfolio of equity securities listed in the UK. The securities in which the Fund will invest will primarily include equity securities including, but not limited to ordinary and preference shares and equity warrants. The Fund will aim to outperform the FTSE All-Share Total Return Index by investing in undervalued companies or shares, whilst striving to reduce the volatility of the Fund's return by investing in a diversified portfolio.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 2. Principal Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below.

#### A. Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'), with Irish Statute comprising the Companies Act 2014 and with the Central Bank UCITS Regulations.

The financial statements have been prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss and derivative financial instruments in accordance with the relevant accounting standards. All other assets and liabilities are short term in nature and their carrying value approximates fair value. Redeemable participating shares are stated at redemption amount (redeemable participating shares).

The format and certain wording of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### International Financial Reporting Standards

The Company has adopted all applicable International Financial Reporting Standards as endorsed by the European Union.

#### Recent accounting pronouncements

The Company classifies its redeemable shares as financial liabilities in accordance with IAS 32. The financial statements of the Company also include qualitative disclosure which indicates how the net asset value attributable to redeemable shareholders is calculated.

The combination of the above disclosures is considered, in this instance, to be sufficient to address the requirements of the amendments.

IFRS 9 Financial Instruments published in July 2014, has replaced the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement for accounting periods beginning 1 January 2018. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

#### Transition

While the initial adoption of IFRS 9 results in a change in accounting policy for the Company, the transition to IFRS 9 is not expected to have a material impact on the financial statements. Comparative periods have not been restated and there have been no differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9.

IFRS 15 'Revenue from Contracts with Customers' replaces IAS 11 and IAS 18 and is effective from 1 January 2018. It establishes principles for reporting useful information to users of Financial Statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 is not expected to have a significant impact on the Company's Financial Statements.

On 7 June 2017, the international Accounting Standards Board issued IFRIC Interpretation 23 – uncertainty over Income Tax Treatments (the 'Interpretation'). The Interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over the income tax treatments. The Interpretation specifically address the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Interpretation is applicable for annual reporting periods beginning on or after 1 January 2019. The Company has decided not to adopt this change in accounting policy early.

With the exception of the above, the accounting policies have been applied consistently by the Company.

## B. Swing pricing/dilution levy

A Fund may suffer dilution of the net asset value per share due to investors buying or selling shares in a Fund at a price that does not reflect dealing and other costs that arise when security trades are undertaken by the Investment Manager to accommodate cash inflows or outflows.

In order to counter this impact, a swing pricing mechanism has been adopted to protect the long-term interests of shareholders of the Funds. If, on any valuation date, the aggregate net capital activity of a Fund exceeds a pre-determined threshold, as established and reviewed by the Board of Directors of the Company, the net asset value per share will be adjusted upwards or downwards to reflect costs associated with the net capital inflows/(outflows) respectively.

The swing factor is impacted by three factors:

1. Adjustment for the spread between the bid and offer price of the underlying securities (currently a Fund will only swing to bid on material net redemptions).
2. An adjustment for broker fees and other market charges.
3. An adjustment for governmental taxes and duties payable on securities transactions

As a result of capital activity at the financial year end on Income Opportunities Fund and UK Value Opportunities Fund, these Funds' net asset value per share at the financial year end was adjusted to reflect factors two and three above. The level of activity was not sufficiently material to justify applying factor one, or to require adjustment for any other Funds.

For financial reporting purposes, the net assets of each Fund at 31 December 2018 as disclosed in the Statement of Financial Position and Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares, does not reflect any swing pricing or duties and charges adjustment. The net asset value per share at 31 December 2018 used for dealing purposes, which is shown in Note 9 and Note 12, includes any swing price adjustments.

The following table sets out a reconciliation of the financial reporting net asset value per share and the dealing net asset Value per share for the two Funds affected:

<b>Income Opportunities Fund*</b>	<b>Dealing NAV per share</b>	<b>Swing Pricing Adjustment</b>	<b>Financial Statements NAV per share</b>
Class A1 Sterling Distribution*	£1.29	–	£1.29
Class A2 Sterling Accumulation*	£2.04	–	£2.04
Class B1 Sterling Distribution*	£1.35	–	£1.35
Class B2 Sterling Accumulation*	£2.12	–	£2.12
Class I Euro Accumulation*	€2.36	–	€2.36
Class I Euro Distribution*	€1.50	–	€1.50
Class I Euro Hedged Accumulation	€12.42	€0.01	€12.41
Class I Euro Hedged Distribution	€11.05	€0.01	€11.04
Class I US Dollar Accumulation*	\$2.70	–	\$2.70
Class I US Dollar Distribution*	\$1.72	–	\$1.72
Class R Euro Accumulation*	€2.28	–	€2.28
Class R Euro Distribution*	€1.43	–	€1.43
Class R Euro Hedged Accumulation	€12.26	€0.01	€12.25
Class R Euro Hedged Distribution	€10.95	€0.01	€10.94
Class R US Dollar Accumulation*	\$2.60	–	\$2.60
Class R US Dollar Distribution*	\$1.64	–	\$1.64
Class R US Dollar Hedged Accumulation	\$10.16	\$0.01	\$10.15
Class R US Dollar Hedged Distribution	\$9.49	\$0.01	\$9.48

\* The swing pricing adjustment had an insignificant impact on NAV per share.

<b>UK Value Opportunities Fund</b>	<b>Dealing NAV per share</b>	<b>Swing Pricing Adjustment</b>	<b>Financial Statements NAV per share</b>
Class I Sterling Accumulation	£10.40	£0.04	£10.36
Class I Sterling Distribution	£10.34	£0.04	£10.30
Class R Sterling Accumulation	£8.82	£0.04	£8.78
Class S Sterling Accumulation	£10.43	£0.04	£10.39
Class S Sterling Distribution	£10.36	£0.04	£10.32

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 2. Principal Accounting Policies continued

#### C. Foreign exchange translation

##### (i) Presentational currency

Items included in the Company's Financial Statements are measured using the currency of the primary economic environment in which it operates (the 'presentational currency'). The presentation currency for Polar Capital Funds plc is US Dollars ('\$' or 'US\$'). The functional currency for each Fund is driven by the investment policy of each Fund. This is US\$ for all Funds with the exception of European ex UK Income Fund and European Income Fund, for which the functional currency is Euro ('EUR'), Global Insurance Fund, Income Opportunities Fund, UK Absolute Equity Fund and UK Value Opportunities Fund, the functional currency of which is Sterling ('GBP£') and Japan Fund and Japan Value Fund, for which the functional currency is Japanese yen ('JPY ¥').

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. For the purposes of aggregation, the amounts in the financial statements for the European ex UK Income Fund, European Income Fund, Global Insurance Fund, Income Opportunities Fund, Japan Fund, Japan Value Fund, UK Absolute Equity Fund and UK Value Opportunities Fund have been translated to US\$ at the exchange rate ruling at the financial year end.

This method of translation has no effect on the net asset value per share attributable to the European ex UK Income Fund, European Income Fund, Global Insurance Fund, Income Opportunities Fund, Japan Fund, Japan Value Fund, UK Absolute Equity Fund and UK Value Opportunities Fund. The foreign exchange gain or loss arising from the retranslation of net assets at the start of the financial year is shown in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.

The foreign currency translation adjustment of US\$ (181,739,103) (31 December 2017: US\$256,982,599) included in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares is due to the movement in exchange rates between 1 January 2018 and 31 December 2018 and the rate difference arising on the translation of the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares at average rates. The translation is in relation to the notional value for the Company only and has no impact on any individual Fund.

Proceeds from subscriptions and amounts paid on redemption of redeemable participating shares are translated at average rates, which approximate the rates prevailing at the dates of the transactions.

#### D. Investments at fair value

##### (i) Classification of financial assets – Policy applicable from 1 January 2018

On initial recognition, the Company classifies financial assets as measured at amortised cost or fair value through profit or loss (FVTPL). A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ('SPPI').

The Company's financial assets:

- Includes equity investments, investments in unlisted open-ended investment funds and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place, other than short term receivables held for collection and which meet the criteria for measurement at amortised cost.

##### Reclassifications

Having assessed the financial assets and liabilities held by the Company for each Fund in accordance with the new classification requirements; there have been no changes in classification or measurement.

The Company's financial assets and liabilities are measured as follows:

<b>Financial Assets</b>	<b>Measurement</b>
<b>Equities</b>	FVTPL
Debt securities	FVTPL
Investment funds	FVTPL
Financial derivative instruments	FVTPL
Cash and cash equivalents	Amortised cost
Other assets	Amortised cost
<b>Financial Liabilities</b>	
Financial derivative instruments	FVTPL
Other liabilities	Amortised cost
Net assets attributable to unitholders	Amortised cost

#### **(ii) Recognition and derecognition of financial liabilities**

Purchases and sales of investments are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### **(iii) Measurement**

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Other financial assets are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method. Financial liabilities arising from the redeemable participating shares issued by the Funds are carried at the redemption amount representing the investors' right to a residual interest in the Funds' assets.

#### **Gains and losses on investments**

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Statement of Comprehensive Income in the period in which they arise.

Investment transactions are accounted for on a trade date basis. Profits and losses on the disposal of investments are calculated by reference to the net proceeds received on disposal and the cost attributable to those investments based on the first in first out basis and are included in the Statement of Comprehensive Income.

#### **(iv) Fair value measurement principles**

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 value of financial assets and liabilities which is quoted, listed or normally dealt in on a regulated market shall be the last traded price on such regulated market as at the valuation point or the mid-price, where no trades occurred on such day where relevant.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the value of any investment which is not quoted, listed or normally dealt in on a regulated market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such investment (approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary).

#### **Investment funds**

Investment funds are included in the accounts at the last traded price at close of business on the last dealing day of the reporting period. The changes in the daily net asset value of these Units are recognised in the Statement of Comprehensive Income.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 2. Principal Accounting Policies continued

#### D. Investments at fair value continued

##### (iv) Fair value measurement principles continued

###### *Contracts for difference and swaps*

Contracts for difference and equity swaps are agreements between the Company and third parties, which allow the Company to acquire an exposure to the price movement of specific securities without actually purchasing the securities. The changes in contract values are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on contracts for difference and equity swaps are recognised in the Statement of Comprehensive Income.

###### *Futures*

A futures contract is an agreement between two parties to buy or sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Company is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as 'initial cash margin'. Subsequent payments ('variation margin') are made or received by the Company each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on futures contracts are recognised in the Statement of Comprehensive Income.

###### *Forward foreign currency contracts*

A forward foreign currency contract ('FFCC') involves an obligation to purchase or sell a specific currency at a future date at a price set at the time the contract is made. FFCCs will be valued by reference to the forward price at which a new FFCC of the same size and maturity could be undertaken at the valuation date. The realised and unrealised gain or loss on open FFCC is calculated as the difference between the contract rate and this FFCC price and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on FFCCs are recognised in the Statement of Comprehensive Income. Where a FFCC is purchased to hedge the currency risk of a specific class which is issued in a currency other than the measurement currency of the Company, all gains or losses on that contract are allocated to that class.

###### *Options*

As part of the Company's investment strategy, it enters into options which are recognised in the Statement of Financial Position at fair value. The premium on purchased put options exercised is subtracted from the proceeds of the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on purchased call options exercised is added to the cost of the securities or foreign currency purchased. Premiums paid on the purchase of options which expire unexercised are treated as realised losses. Unrealised gains or losses on options are included in assets or liabilities on the Statement of Financial Position and movements are dealt with through the Statement of Comprehensive Income.

###### *Warrants*

Warrants are sometimes used to gain exposure to emerging market equities where custody, liquidity, or other issues make ownership of local shares sub-optimal. The valuation of warrants depends on the level of trading. If the warrants are actively traded in the market then the market price is used. If the warrants are not actively traded in the market then the intrinsic value of the warrant based on the underlying equity price and the warrant strike price is used.

#### E. Other measurement principles

##### **Cash and bank overdraft**

Cash, other liquid assets and bank overdraft are valued at their face value with interest accrued, where applicable. Cash at bank and bank overdraft balances are comprised of cash balances held with The Northern Trust Company (TNTC).

In complying with the Investor Money Regulations (SI No 105 of 2015) issued pursuant to Section 48 of the Central Bank (Supervision and Enforcement) Act 2013, the cash at bank balance was adjusted to reflect investors' money held in collection accounts.

##### **Margin cash and margin receivable**

Cash provided by the Funds to a counterparty in relation to futures/options contracts is identified in the Statement of Financial Position as Margin Cash. Margin Cash is not included as a component of cash and cash equivalents in the Statement of Financial Position and is not available to the Funds on demand.

Margin receivable/(payable) is held with Credit Suisse Securities (Europe) Limited, HSBC and UBS AG.

##### **Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at amortised cost plus transaction costs that are directly attributable to their acquisition.



**Payables**

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between proceeds and amount payable is recognised over the period of the payable using the effective interest method.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Company has an ISDA Master Agreement (the 'Agreement') with UBS AG. Under certain conditions, as set out under the Agreement, amounts payable by one party to the other in respect of derivative contracts covered by the Agreement may be off-set against any other amounts payable by the payee to the payer.

**Redeemable participating shares**

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. Distributions on these redeemable participating shares are recognised in the Statement of Comprehensive Income as finance costs.

Redeemable participating shares can be put back to the Company at any time for cash equal to a proportionate share of the Company's net asset value. The redeemable participating shares are carried at the present value of the redemption amount that is payable at the Statement of Financial Position date if the shareholders exercised their rights to put the shares back to the Company.

**Transaction costs**

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs on the purchase and sale of bonds, forward foreign currency contracts, CFDs, investment funds and warrants are included in the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

Transaction costs on purchases and sales of equities, futures and options are included in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income for each Fund. These costs are separately identifiable and are disclosed in Note 15.

**Income Equalisation**

Income equalisation is a process by which accrued income included in the price of shares purchased and redeemed during the accounting financial year is reported to Shareholders. The subscription price of Shares is deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Fund and the first distribution in respect of any Share will include a payment of income usually equal to or greater than the amount of such equalisation payment. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the date of redemption. Income equalisation is classified as investment income in the Statement of Comprehensive Income.

**F. Distribution policy**

The share classes of certain Funds have been approved by the United Kingdom HM Revenue and Customs as Reporting Funds in accordance with the UK Offshore Funds (Tax) Regulations 2009. The Directors intend to continue the distribution policy as outlined below unless otherwise specified in the relevant fund supplement. Dividends, if declared, will only be paid out of the Company's net investment income return (i.e. income from dividends, interest or otherwise, less the Company's accrued expenses to be certified for the accounting period), realised and unrealised profits on the disposal/revaluation of investments and other assets less realised and unrealised losses of the Company, although the amount available for distribution in respect of certain Funds may be effectively increased by the charging of expenses to capital. Funds which can avail of this facility are identified in the relevant Fund supplement.

Dividends will normally be paid in May of each financial year for all of the Funds except for the Distributing Share Classes of the Emerging Market Income Fund, European ex UK Income Fund, European Income Fund, Global Convertible Fund and Financial Opportunities Fund which will be paid in July and January and for the Distributing Share Classes of the Global Insurance Fund and Income Opportunities Fund for which dividends are to be declared at the beginning of each calendar quarter in respect of the preceding quarter, and paid by the end of the month in which they are declared. Any dividend paid on a redeemable participating share that is not claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited for the benefit of the Company.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 2. Principal Accounting Policies continued

#### G. Operating expenses

The Company is responsible for all normal operating expenses including investment management fees, depositary fees, performance fees, administration fees, audit fees, stamp duties and accruals and other duties and charges incurred on the acquisition and realisation of investments. These are accounted for on an accruals basis. The Investment Manager, Polar Capital LLP ('the Investment Manager'), meets all other operating expenses incurred by it in connection with its services.

#### H. Interest and dividend income

Interest income and expense is recognised in the Statement of Comprehensive Income for all the relevant instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of the financial asset or the financial liability and of allocating the interest income or expense over the relevant period.

Dividends are recognised to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as 'ex-dividend'. Dividend income is recorded gross of irrecoverable dividend withholding tax which is disclosed separately in the Statement of Comprehensive Income. Bank interest income is recognised on an accruals basis.

### 3. Fees and Expenses

The Investment Manager is entitled to receive an investment management fee and a performance fee in respect of each Fund together with any extraordinary out of pocket expenses. The investment management fee is accrued daily and is payable monthly in arrears. Please see note 1 for a breakdown of investment management and performance fee rates for each of the share classes in each Fund. Investment management fees are calculated before deduction for any accrued performance fees. An initial payment of the investment management fee based on the most recently published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month.

In general, the performance fee is calculated separately for each class of shares in a Fund and is equal to a percentage of the amount by which the increase in the Net Asset Value (prior to the provision for a performance fee) during the relevant performance period exceeds the increase in the Indexed Net Asset Value (the specific established index that the respective Fund is aiming to track) over the same period. However, the precise method of calculation may differ in each case. Full details are set out in the Prospectus supplement for each Fund. The performance fee is accrued daily and payable annually on 31 December, where there is a performance fee payable.

With effect from 2 January 2018, the Administrator is entitled to receive a fee of 0.09% of the first US\$1.5 billion of the Company's Net Asset Value, 0.07% of the next US\$3.5 billion of the Company's Net Asset Value, 0.04% of the next US\$5 billion of the Company's Net Asset Value and 0.02% of the Company's Net Asset Value thereafter, subject to a monthly minimum fee of US\$3,500 in respect of each Fund, which shall be accrued daily and paid monthly in arrears. The Administrator shall also be entitled to be repaid out of the assets of the Company or relevant Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Company (which shall include legal fees, couriers' fees and telecommunication costs and expenses).

With effect from 2 January 2018, the Depositary is entitled to an annual fee from the Company accrued daily and paid monthly in arrears of 0.015% of the Company's Net Asset Value, subject to a monthly minimum fee of US\$1,200 in respect of each Fund, which shall be accrued daily and paid monthly in arrears. The Depositary shall also be entitled to be repaid out of the assets of each Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Fund (such as telephone, postage, printing, legal and fax expenses) including stamp duties and registration fees and the fees and expenses of sub-custodians, at normal commercial rates.

The Austrian Paying Agent, Meindl Bank AG, is entitled to receive an annual fee of €3,000 and is entitled to receive reimbursement of agreed costs incurred in transmitting dividends, redemption proceeds and documentation to Shareholders in Austria.

The German Paying and Information Agent, Deutsche Bank AG, is entitled to receive an annual fee of €18,000, a proportional handling fee for each new Fund and agreed costs in transmitting dividends, redemption proceeds and documentation to Shareholders in Germany.

The French paying and information agent, BNP Paribas Securities Services, is entitled to receive an annual fee of €7,000, a proportional handling fee for each new Fund and agreed costs in transmitting dividends, redemption proceeds and documentation to Shareholders in France.

BNP Paribas Securities Services also act as the Swiss Representative and Swiss Paying Agent and for the financial year ended 31 December 2018 were entitled to receive the following fees:

- (i) an annual fee of CHF 34,000;
- (ii) additional hours for extraordinary expenditures which are not covered by the agreement and which are billed at CHF 250 per hour;
- (iii) reimbursement for all external costs, such as the publication of rates or other publication costs, charges levied by the Swiss Financial Market Supervisory Authority ('FINMA') and any amounts charged by external lawyers on behalf of the Company.

The Austrian, German, French, Sweden and Swiss paying agents are also entitled to receive reimbursement of any reasonable out of pocket expenses incurred by them in the performance of their duties.

The Directors fees are disclosed in Note 8 and the Statement of Comprehensive Income.

#### Auditors' remuneration

The remuneration for all work carried out by the statutory auditors in respect of the financial year is as follows:

	2018 EUR€	2017 EUR€
Statutory audit fee	154,000	131,250
Other assurance services	–	–
Tax advisory services	–	–
Other non audit services	–	–
	154,000	131,250

#### 4. Bank Overdraft

The Company has an overdraft facility with The Northern Trust Company for liquidity purposes. The assets of the relevant Fund are held as collateral for the overdraft when it is utilised. As at the financial year end the following Funds had bank overdrafts:

European ex UK Income Fund: EUR €1,027,570 (31 December 2017: EUR €Nil)

Global Convertible Fund: US\$Nil (31 December 2017: US\$32,911,293)

Japan Value Fund: JPY ¥46,517,550 (31 December 2017: EUR €Nil)

#### 5. Soft Commissions and investment research

In line with the introduction of revised rules in respect of the use of dealing commission as part of the implementation of the Directive 2014/65/EU on Markets in Financial Instruments and amending Directive 2004/39/EC ('MiFID II'), effective from 3 January 2018, the Investment Manager no longer pays for its investment research via dealing commission. The Investment Manager has committed to the Company that it will bear the cost of all general written research consumed by its investment teams. For certain strategies where the consumption of specialised research is regarded as critical to the investment process, the Company will pay for such costs up to a level pre-agreed with the Directors. The Funds that will pay for the cost of specialised research are listed below:

Asian Opportunities Fund	Global Convertible Fund	Income Opportunities Fund
Automation & Artificial Intelligence Fund	Global Insurance Fund	Japan Fund
Biotechnology Fund	Global Technology Fund	Japan Value Fund
Emerging Markets Income Fund	Healthcare Blue Chip Fund	UK Absolute Equity Fund
Financial Opportunities Fund	Healthcare Opportunities Fund	UK Value Opportunities Fund

The Investment Manager received no soft commissions during the financial year.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 6. Exchange Rates

The exchange rates used at 31 December 2018 and 31 December 2017 were as follows:

Exchange Rate	31 December 2018 to US\$	31 December 2017 to US\$
Australian dollar	1.4205	1.2785
Brazilian real	3.8758	3.3171
Canadian dollar	1.3658	1.2530
Czech koruna	22.5141	21.2600
Danish krone	6.5280	6.2004
Egyptian pound	17.9200	17.7800
Euro	0.8748	0.8328
Hong Kong dollar	7.8294	7.8173
Hungarian forint	280.6281	258.3320
Indian rupee	69.8150	63.8275
Indonesian rupiah	14,380.0000	13,567.5000
Japanese yen	109.7150	112.6500
Korean won	1,115.8000	1,070.5500
Malaysian ringgit	4.1325	4.0470
Mexican peso	19.6938	19.5655
Norwegian krone	8.6592	8.1794
Pakistani rupee	138.8000	110.3500
Philippine peso	52.5850	49.9200
Polish zloty	3.7568	3.4748
Qatari riyal	3.6413	3.6420
Romanian leu	4.0721	3.8880
Singapore dollar	1.3630	1.3364
South Africa rand	14.3850	12.3800
Sri Lanka rupee	182.9000	153.5000
Sterling	0.7852	0.7392
Swedish krona	8.8659	8.1875
Swiss franc	0.9858	0.9745
Taiwan dollar	30.7370	29.7585
Thai baht	32.5600	32.5900
Turkish lira	5.3199	3.7916
UAE dirham	3.6732	3.6728

<b>Exchange Rate</b>	<b>31 December 2018 to EUR€</b>	<b>31 December 2017 to EUR€</b>
Danish krone	7.4624	7.4454
Japanese yen	125.4208	135.2701
Norwegian krone	9.8987	9.8218
Sterling	0.8976	0.8877
Swedish krone	10.1350	9.8316
Swiss franc	1.1269	1.1702
United States dollar	1.1432	1.2008

<b>Exchange Rate</b>	<b>31 December 2018 to GBP£</b>	<b>31 December 2017 to GBP£</b>
Australian dollar	1.8091	1.7295
Brazilian real	4.9362	4.4872
Canadian dollar	1.7395	1.6949
Danish krone	8.3140	8.3876
Euro	1.1141	1.1265
Hong Kong dollar	9.9715	10.5749
Indian rupee	88.9165	86.3428
Indonesian rupiah	18,314.3885	18,353.4578
Japanese yen	139.7332	152.3875
Malaysian ringgit	5.2632	5.4746
Norwegian krone	11.0283	11.0646
Singapore dollar	1.7359	1.8078
South Africa rand	18.3208	16.7471
Swedish krone	11.2916	11.0757
Swiss franc	1.2555	1.3183
Thai baht	41.4685	44.0862
United States dollar	1.2736	1.3528

<b>Exchange Rate</b>	<b>31 December 2018 to JPY ¥</b>	<b>31 December 2017 to JPY ¥</b>
Euro	0.0080	0.0074
Sterling	0.0072	0.0066
Swiss franc	0.0090	0.0087
United States dollar	0.0091	0.0089

All exchange rates are official rates and come from quoted sources.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 7. Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the 'TCA'). On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise if a 'chargeable event' occurs. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation, transfer or deemed disposal of shares for Irish tax purposes, arising as a result of holding shares in the Company for a period of eight years or more, or the appropriation or cancellation of shares of a shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- (i) transactions by a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided that a relevant declaration is in place (in accordance with Schedule 2b of the TCA) and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct; or
- (ii) transactions by a shareholder who is an exempt Irish investor (as defined in Section 739D TCA)

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

During the financial year ended 31 December 2018 and 31 December 2017 the following Funds were subject to Indian and Brazilian capital gain taxes on sale of investments: Asian Opportunities, Emerging Markets Growth, Emerging Markets Income, Emerging Market Stars, Financial Opportunities and International Alpha. Such charges are included in Net realised and unrealised gain/(loss) on investments in Statement of Comprehensive Income.

### 8. Related Party Transactions

A number of the Directors held interests in the funds during the financial year. At the end of the year, their interests were as follows:

Director	Fund	Share Class	Number of Holdings 31 December 2018	Number of Holdings 31 December 2017
David Astor	Financial Opportunities Fund	Class I Sterling Distribution	4,685	4,685
	Income Opportunities Fund	Class A1 Sterling Distribution	10,000	10,000
	Japan Fund	Class I Hedged Sterling	1,000	1,000
Charles Scott	Biotechnology Fund	Class I US Dollar	10,707	10,707
	Global Insurance Fund	Class R US Dollar Accumulation	6,169	6,169
	Japan Fund	Class I Hedged Euro	8,383	8,383
	Income Opportunities Fund	Class B2 Sterling Accumulation	156,922	156,922
	UK Absolute Equity Fund	Class I	6,930	6,930
Robert Bovet	Biotechnology Fund	Class I US Dollar	8,000	8,000

No other Director had any interest in the redeemable participating shares of the Company during the financial year.

Ronan Daly has a beneficial interest in Harrow Investments Limited, which as at 31 December 2018 held 9,232 shares in Global Insurance Fund Class I Hedged US Dollar Accumulation. (31 December 2017: 9,232 shares).

The remuneration of the Directors of the Company may not, in the aggregate, exceed €1,000,000. Directors fees earned during the financial year ended 31 December 2018 and 31 December 2017 are disclosed in the Statement of Comprehensive Income.

James Cayzer-Colvin is a Director of both the Company and the holding company of Polar Capital LLP.

Polar Capital LLP is the Investment Manager of Polar Capital Funds plc and Polar Capital Partners Limited is a controlling partner of Polar Capital LLP. As at 31 December 2018 and 31 December 2017, Polar Capital Partners Limited held shares in the Funds listed below:

Fund	Number of Shares 31 December 2018	Number of Shares 31 December 2017
<b>Asian Opportunities Fund</b>		
Class I Euro Distribution	11	11
Class I Euro Hedged Distribution	100	100
Class I Sterling Distribution	12	12
Class I Sterling Hedged Distribution	100	100
Class I US Dollar Distribution	108	108
<b>Asian Stars Fund</b>		
Class I EUR Accumulation	114	N/A
Class I GBP Accumulation	127	N/A
Class I USD Accumulation	100	N/A
Class R EUR Accumulation	114	N/A
Class R GBP Accumulation	127	N/A
Class R USD Accumulation	100	N/A
Class S EUR Accumulation	114	N/A
Class S GBP Accumulation	127	N/A
Class S USD Accumulation	1,000,000	N/A
<b>Automation &amp; Artificial Intelligence Fund</b>		
Class I Euro Accumulation	117	117
Class I Sterling Accumulation	130	130
Class I US Dollar Accumulation	100	100
Class R Euro Accumulation	117	117
Class R US Dollar Accumulation	100	100
Class S Euro Accumulation	117	117
Class S Sterling Accumulation	60,521	55,901
Class S US Dollar Accumulation	100	100
<b>Biotechnology Fund</b>		
Class I Sterling Hedged	100	–
Class S Sterling	16	2,940
<b>China Stars Fund</b>		
Class I Euro Accumulation	116	N/A
Class I Sterling Accumulation	130	N/A
Class I US Dollar Accumulation	100	N/A
Class R Euro Accumulation	116	N/A
Class R Sterling Accumulation	130	N/A
Class R US Dollar Accumulation	100	N/A
Class S Euro Accumulation	116	N/A
Class S Sterling Accumulation	130	N/A
Class S US Dollar Accumulation	1,000,000	N/A

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 8. Related Party Transactions continued

Fund	Number of Shares 31 December 2018	Number of Shares 31 December 2017
<b>Emerging Market Stars Fund</b>		
Class I Euro	12	N/A
Class I Sterling	13	N/A
Class I US Dollar	10	N/A
Class R Euro	12	N/A
Class R Sterling	13	N/A
Class R US Dollar	10	N/A
Class S Euro	12	N/A
Class S Sterling	13	N/A
Class S US Dollar	1,000,000	N/A
<b>Emerging Markets Income Fund</b>		
Class S Euro Accumulation	13	13
Class S Euro Distribution	17	16
Class S US Dollar Accumulation	10	10
<b>European ex UK Income Fund</b>		
Class I Euro Accumulation	103	103
Class I Sterling Distribution	158	152
Class I Sterling Hedged Accumulation	100	100
Class I Sterling Hedged Distribution	113	108
Class S Sterling Accumulation	141	141
Class S Sterling Hedged Accumulation	100	100
Class S Sterling Hedged Distribution	113	108
<b>European Income Fund</b>		
Class I Euro Accumulation	100	100
Class I Euro Distribution	116	111
Class I Sterling Accumulation	797,194	797,194
Class I Sterling Distribution	148	142
Class I Swiss Franc Accumulation	83	83
Class I Swiss Franc Distribution	96	92
Class I US Dollar Accumulation	80	80
Class I US Dollar Distribution	92	89
Class R Euro Accumulation	100	100
Class R Euro Distribution	116	111
Class R Sterling Accumulation	128	128
Class R Sterling Distribution	148	142
Class R Swiss Franc Accumulation	83	83
Class R Swiss Franc Distribution	96	92
Class R US Dollar Accumulation	80	80
Class R US Dollar Distribution	92	89
Class S Euro Accumulation	100	100
Class S Euro Distribution	116	111
Class S Sterling Accumulation	128	128



Fund	Number of Shares 31 December 2018	Number of Shares 31 December 2017
<b>European Income Fund</b> continued		
Class S Sterling Distribution	148	142
Class S Swiss Franc Accumulation	83	83
Class S Swiss Franc Distribution	96	92
Class S US Dollar Accumulation	80	80
Class S US Dollar Distribution	93	89
<b>Financial Opportunities Fund</b>		
Class I Euro Accumulation	11	11
Class I Euro Distribution	6	5
Class I US Dollar Accumulation	5	5
Class I US Dollar Distribution	6	5
Class R Euro Accumulation	10	10
Class R Euro Distribution	5	5
Class R Sterling Accumulation	17	17
Class R US Dollar Accumulation	11	11
<b>Global Absolute Return Fund</b>		
Class I Hedged Euro Accumulation Shares	10	N/A
Class I Hedged Sterling Accumulation Shares	10	N/A
Class I US Dollar Accumulation Shares	10	N/A
Class S Hedged Euro Accumulation Shares	10	N/A
Class S Hedged Sterling Accumulation Shares	80,000	N/A
Class S US Dollar Accumulation Shares	10	N/A
<b>Global Convertible Fund</b>		
Class I Hedged Euro Accumulation	100	100
Class I Hedged Swiss Franc Accumulation	50	50
Hedged Euro I Accumulation	20,500	20,500
Hedged Sterling I Distribution	1,072	1,028
Class R Euro Distribution	161	154
Class R Sterling Accumulation	155	155
Class R Sterling Distribution	189	181
Class R US Dollar Accumulation	100	100
Class R US Dollar Distribution	122	117
Class S Euro Accumulation	137	137
Class S Euro Distribution	164	157
Class S Hedged Sterling Accumulation	1,380	100
Class S Hedged Sterling Distribution	118	113
Class S Hedged Swiss Franc Accumulation	50	50
Class S US Dollar Accumulation	100	100
Class S US Dollar Distribution	119	115
Class SI Sterling Accumulation	100	–

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 8. Related Party Transactions continued

Fund	Number of Shares 31 December 2018	Number of Shares 31 December 2017
<b>Global Insurance Fund</b>		
Class I Euro Distribution	50	50
Class I Hedged Euro Accumulation	100	100
Class I Hedged US Dollar Accumulation	100	–
Class I Sterling Accumulation	6,619	100
Class R Euro Distribution	51	50
Class R US Dollar Distribution	35	35
<b>Global Technology Fund</b>		
Class I Hedged Euro Distribution	100	100
Class I Hedged Sterling	100	100
Class I Hedged Swiss Franc	100	100
Class R Hedged Euro Accumulation	100	100
Class R Hedged Swiss Franc	100	100
<b>Healthcare Blue Chip Fund</b>		
Class I Euro Accumulation	65	65
Class I Euro Distribution	67	66
Class I US Dollar Distribution	52	51
Class S Sterling Accumulation	8,212	9,854
Class S Sterling Hedged Distribution	101	100
Class S US Dollar Distribution	52	51
Class SI Sterling Distribution	141	–
Class SI US Dollar Distribution	100	–
<b>Healthcare Opportunities</b>		
Class I Euro Accumulation	100	–
Class I Sterling Distribution	7,180	10,051
<b>Income Opportunities Fund</b>		
Class I Euro Accumulation	414	414
Class I Euro Distribution	650	623
Class I Euro Hedged Accumulation	100	100
Class I Euro Hedged Distribution	112	107
Class I US Dollar Accumulation	371	371
Class I US Dollar Distribution	584	559
Class R Euro Accumulation	424	424
Class R Euro Distribution	675	647
Class R Euro Hedged Accumulation	100	100
Class R Euro Hedged Distribution	112	107
Class R US Dollar Accumulation	381	381
Class R US Dollar Distribution	606	581
Class R US Dollar Hedged Accumulation	100	100
Class R US Dollar Hedged Distribution	105	101

Fund	Number of Shares 31 December 2018	Number of Shares 31 December 2017
<b>Japan Fund</b>		
Class SI Hedged US Dollar	1,000	–
Class SI Hedged Sterling	1,000	–
Class SI Hedged Euro	1,000	–
Class SI Euro	129	–
Class SI Sterling Shares	148	–
Class SI Japanese Yen	100	–
Class SI US Dollar	105	–
<b>Japan Value Fund</b>		
Class I Euro	1,038	–
Class I Hedged Euro	100	–
Class I Hedged Sterling	100	–
Class I Hedged US Dollar	100	–
Class I Japanese Yen	1,415	1,415
Class I Sterling	1,168	–
Class I US Dollar	846	–
Class R Hedged Sterling	1,288	1,288
Class R Hedged US Dollar	–	80
Class R Japanese Yen	120	120
Class R US Dollar	80	–
Class S Hedged Euro	621	621
Class S Hedged Sterling	4,010,766	–
Class S Sterling	129	129
<b>North American Fund</b>		
Class I Hedged Swiss Franc	100	100
Class R Hedged Euro	100	100
Class S Euro	14	14
Class S Hedged Euro	16,229	6,933
Class S Hedged Sterling	4,953	3,357
<b>UK Absolute Equity Fund</b>		
Class I Euro	8	8
Class I Hedged Euro	39	39
Class I Hedged US Dollar	31	31
Class I Sterling	394,600	475,000
Class I US Dollar	6	6
Class R Euro	8	8
Class R Hedged US Dollar	31	31
Class R US Dollar	6	6
Class S Euro	8	8
Class S Hedged Euro	8,060	6,667
Class S Hedged US Dollar	31	31
Class S Sterling	9,521	4,183
Class S US Dollar	6	6

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 8. Related Party Transactions continued

Fund	Number of Shares 31 December 2018	Number of Shares 31 December 2017
<b>UK Value Opportunities Fund</b>		
Class I Sterling Accumulation	100	100
Class I Sterling Distribution	101	100
Class R Sterling Accumulation	100	–
Class S Sterling Accumulation	56,269	11,544
Class S Sterling Distribution	101	100

Partners, managers, employees and associated persons of the Investment Manager are the holders of the below shares in the Company. Individual ownership of such persons is not considered to be material.

Fund	Number of Shares 31 December 2018	Number of Shares 31 December 2017
Asian Opportunities Fund	4,233	496
Asian Stars Fund	–	–
Automation & Artificial Intelligence Fund	162,619	153,036
Biotechnology Fund	57,129	45,058
China Stars Fund	11,877	–
Emerging Markets Income Fund	54,155	36,337
Emerging Market Stars Fund	12,455	–
European ex UK Income Fund	90,021	55,008
European Income Fund	–	44,774
Financial Opportunities Fund	20,329	22,176
Global Absolute Return Fund	–	–
Global Convertible Fund	119,638	150,980
Global Insurance Fund	261,609	365,671
Global Technology Fund	33,942	35,572
Healthcare Blue Chip Fund	16,853	14,561
Healthcare Opportunities	23,830	18,055
Income Opportunities Fund	495,446	270,487
Japan Fund	171,650	123,343
Japan Value Fund	1,083,859	179,310
North American Fund	219,356	100,144
UK Absolute Equity Fund	299,931	273,682
UK Value Opportunities	233,224	221,045

All fees paid to the Investment Manager, including any performance fees, are disclosed separately in the Statement of Comprehensive Income. US\$62,687,906 (31 December 2017: US\$62,977,778) was due to the Investment Manager at 31 December 2018, which includes both investment management and performance fees. Please refer to Note 3 for further details.

## 9. Shareholders' Funds

On incorporation, the authorised share capital of the Company was US\$40,000 divided into 40,000 Subscriber Shares with a par value of US\$1 each and 500,000,000,000 redeemable participating shares of no par value. There are 7 Subscriber Shares currently in issue which are held by the Investment Manager and nominees of the Investment Manager. These subscriber shares do not participate in any of the Company's Funds and are not included as part of the net asset value of the Company. The Directors consider this treatment is appropriate, given the nature of the Company as an investment Fund.

### Number of redeemable participating shares outstanding and net asset value per redeemable participating share

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Asian Opportunities Fund</b>				
Class A US Dollar Distribution	113,683	\$346.04	118,456	\$396.67
Class I Euro Distribution	6,311	€10.45	11	€11.53
Class I Euro Hedged Distribution	83,793	€11.37	48,509	€13.53
Class I Sterling Distribution	6,617	£9.37	12	£10.23
Class I Sterling Hedged Distribution	41,289	£11.59	7,069	£13.64
Class I US Dollar Distribution	6,807	\$11.97	108	\$13.82

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Asian Stars Fund*</b>				
Class I EUR Accumulation	114	€10.00	N/A	N/A
Class I GBP Accumulation	127	£10.00	N/A	N/A
Class I USD Accumulation	100	\$10.00	N/A	N/A
Class R EUR Accumulation	114	€10.00	N/A	N/A
Class R GBP Accumulation	127	£10.00	N/A	N/A
Class R USD Accumulation	100	\$10.00	N/A	N/A
Class S EUR Accumulation	114	€10.00	N/A	N/A
Class S GBP Accumulation	127	£10.00	N/A	N/A
Class S USD Accumulation	1,000,000	\$10.00	N/A	N/A

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Automation &amp; Artificial Intelligence Fund</b>				
Class I Euro Accumulation	408,971	€8.04	201,431	€8.60
Class I Sterling Accumulation	3,460,026	£7.22	1,873,492	£7.64
Class I US Dollar Accumulation	746,967	\$9.19	53,819	\$10.33
Class R Euro Accumulation	59,511	€8.01	117	€8.61
Class R US Dollar Accumulation	1,242,819	\$9.16	978,913	\$10.34
Class S Euro Accumulation	43,718	€8.08	20,928	€8.61
Class S Sterling Accumulation	27,713,054	£7.25	18,210,678	£7.64
Class S US Dollar Accumulation	1,047,800	\$9.24	1,681,110	\$10.34

\* Asian Stars Fund launched on 31 December 2018.

Notes to the Financial Statements continued

For the financial year ended 31 December 2018

9. Shareholders' Funds continued

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Biotechnology Fund</b>				
Class I Euro	1,718,730	€18.58	1,347,277	€18.39
Class I Sterling	3,916,904	£16.67	2,733,812	£16.33
Class I Sterling Hedged	292,844	£9.05	N/A	N/A
Class I US Dollar	7,661,280	\$21.24	3,836,049	\$22.09
Class R Euro	1,642,886	€18.13	924,343	€18.01
Class R Sterling	198,372	£16.27	153,631	£15.99
Class R US Dollar	5,102,842	\$20.72	4,097,929	\$21.63
Class S Euro	7,533	€18.80	7,533	€18.53
Class S Sterling	2,940	£16.87	21,020	£16.45
Class S US Dollar	18,100	\$21.49	132,877	\$22.26

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>China Stars Fund**</b>				
Class I Euro Accumulation	116	€7.58	N/A	N/A
Class I Sterling Accumulation	130	£6.80	N/A	N/A
Class I US Dollar Accumulation	100	\$8.66	N/A	N/A
Class R Euro Accumulation	116	€7.56	N/A	N/A
Class R Sterling Accumulation	130	£6.79	N/A	N/A
Class R US Dollar Accumulation	100	\$8.64	N/A	N/A
Class S Euro Accumulation	116	€7.58	N/A	N/A
Class S Sterling Accumulation	12,095	£6.81	N/A	N/A
Class S US Dollar Accumulation	1,000,000	\$8.67	N/A	N/A

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Emerging Markets Income Fund</b>				
Class I Euro Accumulation	31,503	€10.12	364,084	€10.36
Class I Euro Distribution	151,154	€7.46	179,718	€7.97
Class I Sterling Accumulation	155,671	£9.08	190,017	£9.20
Class I Sterling Distribution	6,974,222	£6.70	9,531,383	£7.07
Class I US Dollar Accumulation	510,234	\$11.57	5,924,690	\$12.45
Class I US Dollar Distribution	86,432	\$8.53	1,900,117	\$9.57
Class R Euro Accumulation	153,127	€9.73	421,964	€10.02
Class R Euro Distribution	6,699	€7.22	6,699	€7.75
Class R Sterling Accumulation	26,942	£8.74	42,277	£8.89
Class R Sterling Distribution	26,369	£6.48	33,276	£6.88
Class R US Dollar Accumulation	915,583	\$11.13	2,023,005	\$12.03
Class R US Dollar Distribution	289,109	\$8.25	394,086	\$9.30
Class S Euro Accumulation	13	€9.93	13	€10.13
Class S Euro Distribution	17	€7.65	2,717	€8.14
Class S Sterling Accumulation	146,478	£8.91	251,751	£8.99
Class S Sterling Distribution	8,340,577	£6.87	9,970,582	£7.22
Class S US Dollar Accumulation	10	\$11.35	10	\$12.17
Class S US Dollar Distribution	49,329	\$8.75	84,867	\$9.77

\*\* China Stars Fund launched on 31 August 2018.

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Emerging Market Stars Fund***</b>				
Class I Euro	12	€7.41	N/A	N/A
Class I Sterling	8,243	£6.65	N/A	N/A
Class I US Dollar	10	\$8.47	N/A	N/A
Class R Euro	12	€7.39	N/A	N/A
Class R Sterling	13	£6.63	N/A	N/A
Class R US Dollar	10	\$8.45	N/A	N/A
Class S Euro	329,717	€7.42	N/A	N/A
Class S Sterling	53,016	£6.66	N/A	N/A
Class S US Dollar	1,028,800	\$8.49	N/A	N/A

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>European ex UK Income Fund</b>				
Class I Euro Accumulation	15,619	€10.78	20,231	€11.42
Class I Sterling Accumulation	386,828	£9.61	1,784,336	£10.14
Class I Sterling Distribution	235,220	£8.59	126,707	£9.39
Class I Sterling Hedged Accumulation	7,526	£10.97	5,345	£11.49
Class I Sterling Hedged Distribution	4,843	£9.72	4,838	£10.62
Class S Sterling Accumulation	17,271	£9.68	32,076	£10.17
Class S Sterling Distribution	5,518,398	£8.64	4,284,196	£9.43
Class S Sterling Hedged Accumulation	100	£10.99	100	£11.52
Class S Sterling Hedged Distribution	12,809,158	£9.75	11,359,219	£10.65

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>European Income Fund</b>				
Class I Euro Accumulation	3,650	€11.63	17,685	€12.59
Class I Euro Distribution	116	€10.00	112	€11.31
Class I Sterling Accumulation	839,700	£10.44	876,287	£11.18
Class I Sterling Distribution	11,986	£8.98	90,555	£10.04
Class I Swiss Franc Accumulation	83	Sfr. 13.11	83	Sfr. 14.73
Class I Swiss Franc Distribution	96	Sfr. 11.27	92	Sfr. 13.24
Class I US Dollar Accumulation	80	\$13.30	80	\$15.12
Class I US Dollar Distribution	92	\$11.43	89	\$13.58
Class R Euro Accumulation	100	€11.36	100	€12.36
Class R Euro Distribution	116	€9.77	112	€11.11
Class R Sterling Accumulation	128	£10.19	128	£10.97
Class R Sterling Distribution	148	£8.77	142	£9.87
Class R Swiss Franc Accumulation	83	Sfr. 12.80	83	Sfr. 14.47
Class R Swiss Franc Distribution	96	Sfr. 11.01	92	Sfr. 13.01
Class R US Dollar Accumulation	80	\$12.98	80	\$14.84
Class R US Dollar Distribution	92	\$11.17	89	\$13.35
Class S Euro Accumulation	100	€11.69	100	€12.63

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>European Income Fund</b> <small>continued</small>				
Class S Euro Distribution	116	€10.07	112	€11.37
Class S Sterling Accumulation	128	£10.49	128	£11.21
Class S Sterling Distribution	148	£9.04	142	£10.09
Class S Swiss Franc Accumulation	83	Sfr. 13.18	83	Sfr. 14.78
Class S Swiss Franc Distribution	96	Sfr. 11.35	92	Sfr. 13.31
Class S US Dollar Accumulation	80	\$13.37	80	\$15.17
Class S US Dollar Distribution	93	\$11.51	89	\$13.65

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Financial Opportunities Fund</b>				
Class I Euro Accumulation	2,112	€10.54	11	€12.27
Class I Euro Distribution	85,232	€10.36	83,924	€12.29
Class I Sterling Accumulation	988,203	£9.46	1,744,140	£10.89
Class I Sterling Distribution	982,980	£9.30	1,021,779	£10.91
Class I US Dollar Accumulation	5	\$12.05	960,417	\$14.74
Class I US Dollar Distribution	436,530	\$11.85	396,900	\$14.76
Class R Euro Accumulation	12,401	€10.27	10,960	€12.00
Class R Euro Distribution	5	€10.01	5	€11.93
Class R Sterling Accumulation	5,932	£9.21	5,932	£10.66
Class R Sterling Distribution	11,702	£8.99	13,516	£10.59
Class R US Dollar Accumulation	37,770	\$11.74	13,020	\$14.41
Class R US Dollar Distribution	–	\$0.00	4,263	\$14.33

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Global Absolute Return Fund****</b>				
Class I Hedged Euro Accumulation Shares	10	€114.32	N/A	N/A
Class I Hedged Sterling Accumulation Shares	10	£127.36	N/A	N/A
Class I US Dollar Accumulation Shares	10	\$100.00	N/A	N/A
Class S Hedged Euro Accumulation Shares	10	€114.32	N/A	N/A
Class S Hedged Sterling Accumulation Shares	80,000	£127.36	N/A	N/A
Class S US Dollar Accumulation Shares	10	\$100.00	N/A	N/A

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018.



Global Convertible Fund	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class I Euro Accumulation	4,119,293	€10.91	3,834,417	€10.48
Class I Euro Distribution	190,120	€8.91	326,642	€8.93
Class I Hedged Euro Accumulation	18,505	€9.99	100	€10.35
Class I Hedged Sterling Accumulation	1,409,623	£10.30	1,290,151	£10.59
Class I Hedged Sterling Distribution	2,990,857	£8.72	2,291,516	£9.34
Class I Hedged Swiss Franc Accumulation	655,050	Sfr. 9.66	690,050	Sfr. 10.08
Class I Sterling Accumulation	4,154,944	£9.80	1,481,335	£9.32
Class I Sterling Distribution	14,023,858	£8.01	10,466,821	£7.94
Class I US Dollar Accumulation	671,232	\$12.49	526,490	\$12.60
Class I US Dollar Distribution	213,042	\$10.20	169,388	\$10.73
Class Portfolio Currency Hedged Euro I Accumulation	184,476	€10.43	249,376	€10.61
Class Portfolio Currency Hedged Sterling I Distribution	10,540,294	£9.80	8,510,857	£10.29
Class R Euro Accumulation	24,274	€10.69	24,831	€10.30
Class R Euro Distribution	56,090	€8.70	48,510	€8.76
Class R Sterling Accumulation	17,335	£9.60	15,551	£9.15
Class R Sterling Distribution	189	£7.82	180	£7.79
Class R US Dollar Accumulation	100	\$12.23	100	\$12.38
Class R US Dollar Distribution	45,817	\$9.96	4,756	\$10.53
Class S Euro Accumulation	10,540	€9.53	137	€9.13
Class S Euro Distribution	10,391	€7.98	10,370	€7.97
Class S Hedged Sterling Accumulation	84,515	£10.45	211,390	£10.71
Class S Hedged Sterling Distribution	527,801	£8.82	128,760	£9.43
Class S Hedged Swiss Franc Accumulation	50	Sfr. 9.78	50	Sfr. 10.17
Class S Sterling Accumulation	262,512	£8.56	367,745	£8.11
Class S Sterling Distribution	28,617,047	£7.17	26,399,883	£7.08
Class S US Dollar Accumulation	38,975	\$10.91	14,311	\$10.97
Class S US Dollar Distribution	360,712	\$9.14	504,647	\$9.58
Class SI Sterling Accumulation	100	£9.87	N/A	N/A

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Global Insurance Fund</b>				
Class A Sterling Distribution	3,000,425	£4.75	13,087,188	£4.77
Class B Sterling Accumulation	1,878,718	£6.01	1,979,068	£5.94
Class E Sterling Distribution	59,890,589	£4.93	41,532,079	£4.94
Class F Sterling Accumulation	29,435,807	£6.31	22,652,176	£6.20
Class I Euro Accumulation	12,401,179	€6.81	10,084,700	€6.78
Class I Euro Distribution	1,444,883	€5.37	244,796	€5.45
Class I Hedged Euro Accumulation	941,162	€11.96	1,624,757	€11.92
Class I Hedged US Dollar Accumulation	171,746	\$12.48	737,397	\$12.14
Class I Sterling Accumulation	31,158,984	£6.11	25,575,173	£6.02
Class I Sterling Distribution	29,846,781	£4.82	27,623,874	£4.84
Class I US Dollar Accumulation	35,707,591	\$7.78	30,639,938	\$8.15
Class I US Dollar Distribution	2,025,648	\$6.14	2,099,024	\$6.55
Class R Euro Accumulation	538,565	€6.51	531,493	€6.52
Class R Euro Distribution	3,292	€5.17	1,808	€5.27
Class R Sterling Accumulation	900,345	£5.84	752,525	£5.79
Class R Sterling Distribution	3,744,528	£4.64	2,957,186	£4.68
Class R US Dollar Accumulation	2,274,731	\$7.44	3,335,612	\$7.83
Class R US Dollar Distribution	10,523	\$5.91	9,362	\$6.33

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Global Technology Fund</b>				
Class A Euro	94,607	€38.23	31,343	€35.33
Class A Sterling	256,998	£34.31	228,466	£31.36
Class A US Dollar	884,849	\$43.70	1,285,537	\$42.42
Class I Euro	2,167,631	€34.76	1,522,955	€32.26
Class I Hedged Euro Distribution	4,182,629	€11.66	394,393	€11.70
Class I Hedged Sterling	3,636,160	£16.68	2,865,045	£16.54
Class I Hedged Swiss Franc	1,543,153	Sfr. 16.95	1,048,175	Sfr. 17.05
Class I Sterling	26,258,561	£31.20	22,251,608	£28.64
Class I US Dollar	12,496,768	\$39.74	9,471,999	\$38.74
Class R Euro	2,102,297	€33.27	845,986	€31.03
Class R Hedged Euro Accumulation	2,813,988	€11.56	398,032	€11.65
Class R Hedged Euro Distribution	3,438,374	€17.08	2,953,548	€17.19
Class R Hedged Swiss Franc	416,192	Sfr. 16.70	171,206	Sfr. 16.88
Class R Sterling	464,689	£29.86	379,711	£27.54
Class R US Dollar	11,759,962	\$38.03	8,307,396	\$37.26

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Healthcare Blue Chip Fund</b>				
Class I Euro Accumulation	65	€10.56	65	€9.97
Class I Euro Distribution	6,826	€10.21	67	€9.72
Class I Sterling Accumulation	606,748	£9.47	385,984	£8.85
Class I Sterling Distribution	221,450	£9.16	169,040	£8.63
Class I US Dollar Accumulation	125,975	\$12.07	95,152	\$11.97
Class I US Dollar Distribution	18,361	\$11.67	29,052	\$11.67
Class S Sterling Accumulation	82,691	£9.53	250,116	£8.88
Class S Sterling Distribution	265,446	£9.22	5,116,765	£8.67
Class S Sterling Hedged Distribution	160,895	£11.44	214,414	£11.64
Class S US Dollar Accumulation	117,408	\$12.13	209,628	\$12.02
Class S US Dollar Distribution	22,467	\$11.74	24,642	\$11.73
Class SI Sterling Distribution	5,197,583	£8.09	N/A	N/A
Class SI US Dollar Distribution	3,421	\$10.30	N/A	N/A

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Healthcare Opportunities Fund</b>				
Class A Euro Distribution	242,100	€26.59	196,148	€23.52
Class A Sterling Distribution	114,803	£23.86	174,866	£20.88
Class A US Dollar Distribution	292,905	\$30.39	343,266	\$28.24
Class I Euro Distribution	2,220,001	€40.00	2,151,292	€35.02
Class I Euro Accumulation	100	€9.57	N/A	N/A
Class I Sterling Distribution	25,162,358	£35.90	25,012,188	£31.08
Class I US Dollar Distribution	4,260,780	\$45.73	3,533,746	\$42.05
Class R Euro Distribution	1,209,274	€38.21	1,458,395	€33.61
Class R Sterling Distribution	315,415	£34.29	281,562	£29.84
Class R US Dollar Distribution	2,094,129	\$43.68	2,505,235	\$40.36

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

Income Opportunities Fund (based on dealing NAV per share)	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class A1 Sterling Distribution	6,404,731	£1.29	5,499,293	£1.43
Class A2 Sterling Accumulation	3,493,531	£2.04	5,170,453	£2.18
Class B1 Sterling Distribution	26,597,169	£1.35	26,884,838	£1.50
Class B2 Sterling Accumulation	70,316,544	£2.12	72,772,220	£2.25
Class I Euro Accumulation	414	€2.36	6,528	€2.54
Class I Euro Distribution	650	€1.50	622	€1.69
Class I Euro Hedged Accumulation	32,605	€12.42	107,481	€13.30
Class I Euro Hedged Distribution	9,012	€11.05	39,807	€12.38
Class I US Dollar Accumulation	371	\$2.70	371	\$3.05
Class I US Dollar Distribution	851,093	\$1.72	458,494	\$2.03
Class R Euro Accumulation	1,073,307	€2.28	371,682	€2.45
Class R Euro Distribution	516,319	€1.43	647	€1.61
Class R Euro Hedged Accumulation	471,756	€12.26	834,409	€13.18
Class R Euro Hedged Distribution	485,765	€10.95	496,639	€12.26
Class R US Dollar Accumulation	1,034,468	\$2.60	890,588	\$2.95
Class R US Dollar Distribution	3,825,853	\$1.64	1,512,958	\$1.93
Class R US Dollar Hedged Accumulation	3,557,397	\$10.16	5,961,310	\$10.71
Class R US Dollar Hedged Distribution	2,541,028	\$9.49	3,748,765	\$10.46

Japan Fund	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
Class A Japanese Yen	134,056	¥2,582.58	136,852	¥3,367.16
Class A Sterling	126,200	£18.49	133,778	£22.14
Class A US Dollar	197,062	\$23.39	145,571	\$29.91
Class I Euro	264,398	€16.54	83,772	€20.14
Class I Hedged Euro	3,114,167	€15.35	5,955,600	€20.09
Class I Hedged Sterling	6,892,553	£19.34	8,768,697	£25.08
Class I Hedged Swiss Franc	779,307	Sfr. 13.14	848,078	Sfr. 17.24
Class I Hedged US Dollar	3,752,487	\$20.13	4,729,650	\$25.64
Class I Japanese Yen	3,705,249	¥2,091.63	4,070,789	¥2,713.57
Class I Sterling	3,934,373	£14.97	4,296,644	£17.84
Class I US Dollar	1,288,426	\$18.95	1,288,587	\$24.10
Class R Euro	46,871	€15.95	78,897	€19.53
Class R Hedged Euro	1,920,953	€14.84	2,816,495	€19.51
Class R Hedged Sterling	137,584	£18.54	177,334	£24.16
Class R Hedged Swiss Franc	544,791	Sfr. 12.85	642,687	Sfr. 16.93
Class R Hedged US Dollar	5,121,694	\$19.36	6,503,638	\$24.79
Class R Japanese Yen	1,830,178	¥2,018.00	2,255,798	¥2,631.24

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Japan Fund</b>				
Class R Sterling	1,832	£14.45	1,809	£17.30
Class R US Dollar	94,698	\$18.28	163,072	\$23.37
Class SI Euro	555,943	€6.76	N/A	N/A
Class SI Hedged Euro	1,430,366	€8.49	N/A	N/A
Class SI Hedged Sterling	1,000	£8.56	N/A	N/A
Class SI Hedged US Dollar	1,767,653	\$8.68	N/A	N/A
Class SI Japanese Yen	1,470,456	¥854.84	N/A	N/A
Class SI Sterling	148	£6.12	N/A	N/A
Class SI US Dollar	1,778,875	\$7.74	N/A	N/A

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>Japan Value Fund</b>				
Class C Hedged Sterling	N/A	N/A	22,446,463	£2.01
Class I Euro	1,038	€0.83	N/A	N/A
Class I Hedged Euro	100	€8.01	N/A	N/A
Class I Hedged Sterling	100	£8.08	N/A	N/A
Class I Hedged US Dollar	100	\$8.20	N/A	N/A
Class I Japanese Yen	1,415	¥105.20	1,415	¥126.01
Class I Sterling	1,168	£0.75	N/A	N/A
Class I US Dollar	846	\$0.95	N/A	N/A
Class R Hedged Euro	1,192,078	€1.92	2,326,432	€2.32
Class R Hedged Sterling	56,364	£1.56	56,364	£1.87
Class R Hedged US Dollar	1,362,393	\$2.62	2,139,833	\$3.10
Class R Japanese Yen	140,120	¥214.95	210,120	¥258.40
Class R US Dollar	126	\$1.95	23,552	\$2.30
Class S Hedged Euro	622	€1.98	622	€2.39
Class S Hedged Sterling	4,718,880	£1.62	914,136	£1.93
Class S Hedged US Dollar	426,142	\$2.72	758,991	\$3.19
Class S Japanese Yen	298,326	¥222.49	361,326	¥265.87
Class S Sterling	895,401	£1.59	61,649	£1.75

Notes to the Financial Statements continued

For the financial year ended 31 December 2018

9. Shareholders' Funds continued

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>North American Fund</b>				
Class I Euro	12,280,509	€18.64	8,057,037	€20.06
Class I Hedged Euro	6,459,668	€19.78	7,036,486	€23.01
Class I Hedged Sterling	4,842,377	£20.49	1,419,475	£23.61
Class I Hedged Swiss Franc	1,508,688	Sfr. 11.08	1,473,090	Sfr. 12.93
Class I Sterling	12,616,899	£16.73	14,713,923	£17.81
Class I US Dollar	29,364,818	\$21.30	33,920,191	\$24.09
Class R Euro	24,141	€17.91	27,363	€19.39
Class R Hedged Euro	494,557	€18.98	607,873	€22.20
Class R Hedged Sterling	79,219	£19.73	51,935	£22.86
Class R Sterling	11,205	£16.07	13,353	£17.21
Class R US Dollar	2,078,042	\$20.47	1,920,791	\$23.28
Class S Euro	51,318	€18.82	26,870	€20.22
Class S Hedged Euro	21,921	€20.00	11,820	€23.22
Class S Hedged Sterling	2,008,801	£20.71	1,985,574	£23.82
Class S Sterling	26,094,798	£16.89	23,560,474	£17.95
Class S US Dollar	5,364,322	\$21.51	5,282,212	\$24.28

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>UK Absolute Equity Fund</b>				
Class I Euro	166,756	€22.92	122,607	€23.38
Class I Hedged Euro	6,106,670	€25.60	7,270,552	€26.06
Class I Hedged US Dollar	2,099,535	\$34.19	1,841,847	\$34.06
Class I Sterling	9,854,113	£20.56	9,263,856	£20.74
Class I US Dollar	561,155	\$26.25	443,193	\$28.02
Class R Euro	59,375	€22.58	38,264	€23.15
Class R Hedged Euro	1,555,990	€25.18	364,221	€25.76
Class R Hedged US Dollar	63,606	\$33.58	36,312	\$33.62
Class R Sterling	175,857	£20.25	146,705	£20.54
Class R US Dollar	8,816	\$25.86	3,973	\$27.75
Class S Euro	8	€23.15	8	€23.55
Class S Hedged Euro	44,295	€25.92	23,045	€26.31
Class S Hedged US Dollar	89,667	\$34.45	115,352	\$34.24
Class S Sterling	2,816,119	£20.76	3,201,332	£20.89
Class S US Dollar	6	\$26.50	6	\$28.23

	31 December 2018		31 December 2017	
	Number of shares	NAV/Share	Number of shares	NAV/Share
<b>UK Value Opportunities Fund</b> (based on dealing NAV per share)				
Class I Sterling Accumulation	8,172,925	£10.40	4,331,125	£12.14
Class I Sterling Distribution	4,498,069	£10.34	2,461,165	£12.13
Class R Sterling Accumulation	266,487	£8.82	N/A	N/A
Class S Sterling Accumulation	36,640,834	£10.43	26,232,612	£12.15
Class S Sterling Distribution	23,853,862	£10.36	13,112,244	£12.15

## Movement in redeemable participating shares in issue during the financial year

	31 December 2018		
	Shares Number Class A USD Distribution	Shares Number Class I EUR Distribution	Shares Number Class I EUR Hedged Distribution
<b>Asian Opportunities Fund</b>			
Shares in issue at 1 January 2018	118,456	11	48,509
Shares issued during financial year	7,313	6,300	38,127
Shares redeemed during financial year	(12,086)	–	(2,843)
<b>Shares in issue at 31 December 2018</b>	<b>113,683</b>	<b>6,311</b>	<b>83,793</b>
<b>Shares in issue at 31 December 2017</b>	<b>118,456</b>	<b>11</b>	<b>48,509</b>

	31 December 2018		
	Shares Number Class I GBP Distribution	Shares Number Class I GBP Hedged Distribution	Shares Number Class I USD Distribution
<b>Asian Opportunities Fund</b>			
Shares in issue at 1 January 2018	12	7,069	108
Shares issued during financial year	6,605	35,975	6,699
Shares redeemed during financial year	–	(1,755)	–
<b>Shares in issue at 31 December 2018</b>	<b>6,617</b>	<b>41,289</b>	<b>6,807</b>
<b>Shares in issue at 31 December 2017</b>	<b>12</b>	<b>7,069</b>	<b>108</b>

	31 December 2018		
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I USD Accumulation
<b>Asian Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	114	127	100
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>114</b>	<b>127</b>	<b>100</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>

	31 December 2018		
	Shares Number Class R EUR Accumulation	Shares Number Class R GBP Accumulation	Shares Number Class R USD Accumulation
<b>Asian Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	114	127	100
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>114</b>	<b>127</b>	<b>100</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>

\* Launched during the financial year.

Notes to the Financial Statements continued

For the financial year ended 31 December 2018

9. Shareholders' Funds continuedMovement in redeemable participating shares in issue during the financial year continued

	31 December 2018		
	Shares Number Class R EUR Accumulation	Shares Number Class R GBP Accumulation	Shares Number Class R USD Accumulation
<b>Asian Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	114	127	1,000,000
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>114</b>	<b>127</b>	<b>1,000,000</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>

	31 December 2018			
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I USD Accumulation	Shares Number Class R EUR Accumulation
<b>Automation &amp; Artificial Intelligence Fund</b>				
Shares in issue at 1 January 2018	201,431	1,873,492	53,819	117
Shares issued during financial year	315,523	2,805,841	698,035	69,394
Shares redeemed during financial year	(107,983)	(1,219,307)	(4,887)	(10,000)
<b>Shares in issue at 31 December 2018</b>	<b>408,971</b>	<b>3,460,026</b>	<b>746,967</b>	<b>59,511</b>
<b>Shares in issue at 31 December 2017</b>	<b>201,431</b>	<b>1,873,492</b>	<b>53,819</b>	<b>117</b>

	31 December 2018			
	Shares Number Class R USD Accumulation	Shares Number Class S EUR Accumulation	Shares Number Class S GBP Accumulation	Shares Number Class S USD Accumulation
<b>Automation &amp; Artificial Intelligence Fund</b>				
Shares in issue at 1 January 2018	978,913	20,928	18,210,678	1,681,110
Shares issued during financial year	384,726	23,440	10,704,177	680,895
Shares redeemed during financial year	(120,820)	(650)	(1,201,801)	(1,314,205)
<b>Shares in issue at 31 December 2018</b>	<b>1,242,819</b>	<b>43,718</b>	<b>27,713,054</b>	<b>1,047,800</b>
<b>Shares in issue at 31 December 2017</b>	<b>978,913</b>	<b>20,928</b>	<b>18,210,678</b>	<b>1,681,110</b>

	31 December 2018			
	Shares Number Class I EUR	Shares Number Class I GBP	Shares Number Class I GBP Hedged	Shares Number Class I USD
<b>Biotechnology Fund</b>				
Shares in issue at 1 January 2018	1,347,277	2,733,812	–	3,836,049
Shares issued during financial year	1,143,186	2,590,385	301,960	6,339,034
Shares redeemed during financial year	(771,733)	(1,407,293)	(9,116)	(2,513,803)
<b>Shares in issue at 31 December 2018</b>	<b>1,718,730</b>	<b>3,916,904</b>	<b>292,844</b>	<b>7,661,280</b>
<b>Shares in issue at 31 December 2017</b>	<b>1,347,277</b>	<b>2,733,812</b>	<b>–</b>	<b>3,836,049</b>

\* Launched during the financial year.



	31 December 2018		
	Shares Number Class R EUR	Shares Number Class R GBP	Shares Number Class R USD
<b>Biotechnology Fund</b>			
Shares in issue at 1 January 2018	924,343	153,631	4,097,929
Shares issued during financial year	1,353,244	80,659	2,955,379
Shares redeemed during financial year	(634,701)	(35,918)	(1,950,466)
<b>Shares in issue at 31 December 2018</b>	<b>1,642,886</b>	<b>198,372</b>	<b>5,102,842</b>
<b>Shares in issue at 31 December 2017</b>	<b>924,343</b>	<b>153,631</b>	<b>4,097,929</b>

	31 December 2018		
	Shares Number Class S EUR	Shares Number Class S GBP	Shares Number Class S USD
<b>Biotechnology Fund</b>			
Shares in issue at 1 January 2018	7,533	21,020	132,877
Shares issued during financial year	–	–	1,100
Shares redeemed during financial year	–	(18,080)	(115,877)
<b>Shares in issue at 31 December 2018</b>	<b>7,533</b>	<b>2,940</b>	<b>18,100</b>
<b>Shares in issue at 31 December 2017</b>	<b>7,533</b>	<b>21,020</b>	<b>132,877</b>

	31 December 2018		
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I USD Accumulation
<b>China Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	116	130	100
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>116</b>	<b>130</b>	<b>100</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>

	31 December 2018		
	Shares Number Class R EUR Accumulation	Shares Number Class R GBP Accumulation	Shares Number Class R USD Accumulation
<b>China Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	116	130	100
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>116</b>	<b>130</b>	<b>100</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>

\* Launched during the financial year.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2018		
	Shares Number Class S EUR Accumulation	Shares Number Class S GBP Accumulation	Shares Number Class S USD Accumulation
<b>China Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	116	12,095	1,000,000
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>116</b>	<b>12,095</b>	<b>1,000,000</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>

	31 December 2018		
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation
<b>Emerging Markets Income Fund</b>			
Shares in issue at 1 January 2018	364,084	179,718	190,017
Shares issued during financial year	69,005	8,203	51,263
Shares redeemed during financial year	(401,586)	(36,767)	(85,609)
<b>Shares in issue at 31 December 2018</b>	<b>31,503</b>	<b>151,154</b>	<b>155,671</b>
<b>Shares in issue at 31 December 2017</b>	<b>364,084</b>	<b>179,718</b>	<b>190,017</b>

	31 December 2018		
	Shares Number Class I GBP Distribution	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution
<b>Emerging Markets Income Fund</b>			
Shares in issue at 1 January 2018	9,531,383	5,924,690	1,900,117
Shares issued during financial year	1,340,255	117,884	108,396
Shares redeemed during financial year	(3,897,416)	(5,532,340)	(1,922,081)
<b>Shares in issue at 31 December 2018</b>	<b>6,974,222</b>	<b>510,234</b>	<b>86,432</b>
<b>Shares in issue at 31 December 2017</b>	<b>9,531,383</b>	<b>5,924,690</b>	<b>1,900,117</b>

	31 December 2018		
	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation
<b>Emerging Markets Income Fund</b>			
Shares in issue at 1 January 2018	421,964	6,699	42,277
Shares issued during financial year	53,405	–	16,104
Shares redeemed during financial year	(322,242)	–	(31,439)
<b>Shares in issue at 31 December 2018</b>	<b>153,127</b>	<b>6,699</b>	<b>26,942</b>
<b>Shares in issue at 31 December 2017</b>	<b>421,964</b>	<b>6,699</b>	<b>42,277</b>

\* Launched during the financial year.

	31 December 2018		
	Shares Number Class R GBP Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
<b>Emerging Markets Income Fund</b>			
Shares in issue at 1 January 2018	33,276	2,023,005	394,086
Shares issued during financial year	734	1,816,562	–
Shares redeemed during financial year	(7,641)	(2,923,984)	(104,977)
<b>Shares in issue at 31 December 2018</b>	<b>26,369</b>	<b>915,583</b>	<b>289,109</b>
<b>Shares in issue at 31 December 2017</b>	<b>33,276</b>	<b>2,023,005</b>	<b>394,086</b>

	31 December 2018		
	Shares Number Class S EUR Accumulation	Shares Number Class S EUR Distribution	Shares Number Class S GBP Accumulation
<b>Emerging Markets Income Fund</b>			
Shares in issue at 1 January 2018	13	2,717	251,751
Shares issued during financial year	–	1	9,850
Shares redeemed during financial year	–	(2,701)	(115,123)
<b>Shares in issue at 31 December 2018</b>	<b>13</b>	<b>17</b>	<b>146,478</b>
<b>Shares in issue at 31 December 2017</b>	<b>13</b>	<b>2,717</b>	<b>251,751</b>

	31 December 2018		
	Shares Number Class S GBP Distribution	Shares Number Class S USD Accumulation	Shares Number Class S USD Distribution
<b>Emerging Markets Income Fund</b>			
Shares in issue at 1 January 2018	9,970,582	10	84,867
Shares issued during financial year	1,913,782	–	4,500
Shares redeemed during financial year	(3,543,787)	–	(40,038)
<b>Shares in issue at 31 December 2018</b>	<b>8,340,577</b>	<b>10</b>	<b>49,329</b>
<b>Shares in issue at 31 December 2017</b>	<b>9,970,582</b>	<b>10</b>	<b>84,867</b>

	31 December 2018		
	Shares Number Class I EUR	Shares Number Class I GBP	Shares Number Class I USD
<b>Emerging Market Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	12	8,243	10
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>12</b>	<b>8,243</b>	<b>10</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>

\* Launched during the financial year.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2018		
	Shares Number Class R EUR	Shares Number Class R GBP	Shares Number Class R USD
<b>Emerging Market Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	12	13	10
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	12	13	10
<b>Shares in issue at 31 December 2017</b>	–	–	–

	31 December 2018		
	Shares Number Class S EUR	Shares Number Class S GBP	Shares Number Class S USD
<b>Emerging Market Stars Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	329,717	53,016	1,028,800
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	329,717	53,016	1,028,800
<b>Shares in issue at 31 December 2017</b>	–	–	–

	31 December 2018		
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution
<b>European ex UK Income Fund</b>			
Shares in issue at 1 January 2018	20,231	1,784,336	126,707
Shares issued during financial year	3,651	430,982	123,925
Shares redeemed during financial year	(8,263)	(1,828,490)	(15,412)
<b>Shares in issue at 31 December 2018</b>	15,619	386,828	235,220
<b>Shares in issue at 31 December 2017</b>	20,231	1,784,336	126,707

	31 December 2018		
	Shares Number Class I GBP Hedged Accumulation	Shares Number Class I GBP Hedged Distribution	Shares Number Class S GBP Accumulation'
<b>European ex UK Income Fund</b>			
Shares in issue at 1 January 2018	5,345	4,838	32,076
Shares issued during financial year	2,181	5	7,456
Shares redeemed during financial year	–	–	(22,261)
<b>Shares in issue at 31 December 2018</b>	7,526	4,843	17,271
<b>Shares in issue at 31 December 2017</b>	5,345	4,838	32,076

\* Launched during the financial year.

	31 December 2018		
	Shares Number Class S GBP Distribution	Shares Number Class S GBP Hedged Accumulation	Shares Number Class S GBP Hedged Distribution
<b>European ex UK Income Fund</b>			
Shares in issue at 1 January 2018	4,284,196	100	11,359,219
Shares issued during financial year	1,322,842	–	1,642,382
Shares redeemed during financial year	(88,640)	–	(192,443)
<b>Shares in issue at 31 December 2018</b>	<b>5,518,398</b>	<b>100</b>	<b>12,809,158</b>
<b>Shares in issue at 31 December 2017</b>	<b>4,284,196</b>	<b>100</b>	<b>11,359,219</b>

	31 December 2018			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2018	17,685	112	876,287	90,555
Shares issued during financial year	–	4	2,922	5,707
Shares redeemed during financial year	(14,035)	–	(39,509)	(84,276)
<b>Shares in issue at 31 December 2018</b>	<b>3,650</b>	<b>116</b>	<b>839,700</b>	<b>11,986</b>
<b>Shares in issue at 31 December 2017</b>	<b>17,685</b>	<b>112</b>	<b>876,287</b>	<b>90,555</b>

	31 December 2018			
	Shares Number Class I CHF Accumulation	Shares Number Class I CHF Distribution	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2018	83	92	80	89
Shares issued during financial year	–	4	–	3
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>83</b>	<b>96</b>	<b>80</b>	<b>92</b>
<b>Shares in issue at 31 December 2017</b>	<b>83</b>	<b>92</b>	<b>80</b>	<b>89</b>

	31 December 2018			
	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2018	100	112	128	142
Shares issued during financial year	–	4	–	6
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>100</b>	<b>116</b>	<b>128</b>	<b>148</b>
<b>Shares in issue at 31 December 2017</b>	<b>100</b>	<b>112</b>	<b>128</b>	<b>142</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2018			
	Shares Number Class R CHF Accumulation	Shares Number Class R CHF Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2018	83	92	80	89
Shares issued during financial year	–	4	–	3
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>83</b>	<b>96</b>	<b>80</b>	<b>92</b>
<b>Shares in issue at 31 December 2017</b>	<b>83</b>	<b>92</b>	<b>80</b>	<b>89</b>

	31 December 2018			
	Shares Number Class S EUR Accumulation	Shares Number Class S EUR Distribution	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2018	100	112	128	142
Shares issued during financial year	–	4	–	6
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>100</b>	<b>116</b>	<b>128</b>	<b>148</b>
<b>Shares in issue at 31 December 2017</b>	<b>100</b>	<b>112</b>	<b>128</b>	<b>142</b>

	31 December 2018			
	Shares Number Class S CHF Accumulation	Shares Number Class S CHF Distribution	Shares Number Class S USD Accumulation	Shares Number Class S USD Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2018	83	92	80	89
Shares issued during financial year	–	4	–	4
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>83</b>	<b>96</b>	<b>80</b>	<b>93</b>
<b>Shares in issue at 31 December 2017</b>	<b>83</b>	<b>92</b>	<b>80</b>	<b>89</b>

	31 December 2018		
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation
<b>Financial Opportunities Fund</b>			
Shares in issue at 1 January 2018	11	83,924	1,744,140
Shares issued during financial year	2,101	30,992	750,673
Shares redeemed during financial year	–	(29,684)	(1,506,610)
<b>Shares in issue at 31 December 2018</b>	<b>2,112</b>	<b>85,232</b>	<b>988,203</b>
<b>Shares in issue at 31 December 2017</b>	<b>11</b>	<b>83,924</b>	<b>1,744,140</b>

	31 December 2018		
	Shares Number Class I GBP Distribution	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution
<b>Financial Opportunities Fund</b>			
Shares in issue at 1 January 2018	1,021,779	960,417	396,900
Shares issued during financial year	203,229	696,350	71,785
Shares redeemed during financial year	(242,028)	(1,656,762)	(32,155)
<b>Shares in issue at 31 December 2018</b>	<b>982,980</b>	<b>5</b>	<b>436,530</b>
<b>Shares in issue at 31 December 2017</b>	<b>1,021,779</b>	<b>960,417</b>	<b>396,900</b>

	31 December 2018		
	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation
<b>Financial Opportunities Fund</b>			
Shares in issue at 1 January 2018	10,960	5	5,932
Shares issued during financial year	3,590	–	–
Shares redeemed during financial year	(2,149)	–	–
<b>Shares in issue at 31 December 2018</b>	<b>12,401</b>	<b>5</b>	<b>5,932</b>
<b>Shares in issue at 31 December 2017</b>	<b>10,960</b>	<b>5</b>	<b>5,932</b>

	31 December 2018		
	Shares Number Class R GBP Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
<b>Financial Opportunities Fund</b>			
Shares in issue at 1 January 2018	13,516	13,020	4,263
Shares issued during financial year	769	45,340	27
Shares redeemed during financial year	(2,583)	(20,590)	(4,290)
<b>Shares in issue at 31 December 2018</b>	<b>11,702</b>	<b>37,770</b>	<b>–</b>
<b>Shares in issue at 31 December 2017</b>	<b>13,516</b>	<b>13,020</b>	<b>4,263</b>

	31 December 2018		
	Shares Number Class I Hedged Euro Accumulation Shares	Shares Number Class I Hedged Sterling Accumulation Shares	Shares Number Class I US Dollar Accumulation Shares'
<b>Global Absolute Return Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	10	10	10
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>

\* Launched during the financial year

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2018		
	Shares Number Class S Hedged Euro Accumulation Shares	Shares Number Class S Hedged Sterling Accumulation Shares	Shares Number Class S US Dollar Accumulation Shares
<b>Global Absolute Return Fund*</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	10	80,000	10
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2018</b>	10	80,000	10
<b>Shares in issue at 31 December 2017</b>	–	–	–

	31 December 2018		
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I Hedged EUR Accumulation
<b>Global Convertible Fund</b>			
Shares in issue at 1 January 2018	3,834,417	326,642	100
Shares issued during financial year	607,247	30,310	18,405
Shares redeemed during financial year	(322,371)	(166,832)	–
<b>Shares in issue at 31 December 2018</b>	4,119,293	190,120	18,505
<b>Shares in issue at 31 December 2017</b>	3,834,417	326,642	100

	31 December 2018		
	Shares Number Class I Hedged GBP Accumulation	Shares Number Class I Hedged GBP Distribution	Shares Number Class I Hedged CHF Accumulation
<b>Global Convertible Fund</b>			
Shares in issue at 1 January 2018	1,290,151	2,291,516	690,050
Shares issued during financial year	1,084,438	979,184	–
Shares redeemed during financial year	(964,966)	(279,843)	(35,000)
<b>Shares in issue at 31 December 2018</b>	1,409,623	2,990,857	655,050
<b>Shares in issue at 31 December 2017</b>	1,290,151	2,291,516	690,050

	31 December 2018		
	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution	Shares Number Class I USD Accumulation
<b>Global Convertible Fund</b>			
Shares in issue at 1 January 2018	1,481,335	10,466,821	526,490
Shares issued during financial year	3,471,913	4,811,469	394,071
Shares redeemed during financial year	(798,304)	(1,254,432)	(249,329)
<b>Shares in issue at 31 December 2018</b>	4,154,944	14,023,858	671,232
<b>Shares in issue at 31 December 2017</b>	1,481,335	10,466,821	526,490

\* Launched during the financial year



	31 December 2018		
	Shares Number Class I USD Distribution	Shares Number Class Portfolio Currency Hedged EUR I Accumulation	Shares Number Class Portfolio Currency Hedged GBP I Distribution
<b>Global Convertible Fund</b>			
Shares in issue at 1 January 2018	169,388	249,376	8,510,857
Shares issued during financial year	102,131	277,100	3,062,352
Shares redeemed during financial year	(58,477)	(342,000)	(1,032,915)
<b>Shares in issue at 31 December 2018</b>	<b>213,042</b>	<b>184,476</b>	<b>10,540,294</b>
<b>Shares in issue at 31 December 2017</b>	<b>169,388</b>	<b>249,376</b>	<b>8,510,857</b>

	31 December 2018			
	Shares Number Class R EUR Accumulation'	Shares Number Class R EUR Distribution'	Shares Number Class R GBP Accumulation'	Shares Number Class R GBP Distribution
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2018	24,831	48,510	15,551	180
Shares issued during financial year	1,349	8,690	1,784	453
Shares redeemed during financial year	(1,906)	(1,110)	–	(444)
<b>Shares in issue at 31 December 2018</b>	<b>24,274</b>	<b>56,090</b>	<b>17,335</b>	<b>189</b>
<b>Shares in issue at 31 December 2017</b>	<b>24,831</b>	<b>48,510</b>	<b>15,551</b>	<b>180</b>

	31 December 2018			
	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution	Shares Number Class S EUR Accumulation	Shares Number Class S EUR Distribution
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2018	100	4,756	137	10,370
Shares issued during financial year	–	45,700	10,403	26
Shares redeemed during financial year	–	(4,639)	–	(5)
<b>Shares in issue at 31 December 2018</b>	<b>100</b>	<b>45,817</b>	<b>10,540</b>	<b>10,391</b>
<b>Shares in issue at 31 December 2017</b>	<b>100</b>	<b>4,756</b>	<b>137</b>	<b>10,370</b>

	31 December 2018			
	Shares Number Class S Hedged GBP Accumulation	Shares Number Class S Hedged GBP Distribution	Shares Number Class S CHF Hedged Accumulation	Shares Number Class S GBP Accumulation
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2018	211,390	128,760	50	367,745
Shares issued during financial year	9,112	446,800	–	39,967
Shares redeemed during financial year	(135,987)	(47,759)	–	(145,200)
<b>Shares in issue at 31 December 2018</b>	<b>84,515</b>	<b>527,801</b>	<b>50</b>	<b>262,512</b>
<b>Shares in issue at 31 December 2017</b>	<b>211,390</b>	<b>128,760</b>	<b>50</b>	<b>367,745</b>

Notes to the Financial Statements continued

For the financial year ended 31 December 2018

9. Shareholders' Funds continuedMovement in redeemable participating shares in issue during the financial year continued

	31 December 2018			
	Shares Number Class S GBP Distribution	Shares Number Class S USD Accumulation	Shares Number Class S USD Distribution	Shares Number Class SI GBP Accumulation
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2018	26,399,883	14,311	504,647	–
Shares issued during financial year	8,514,575	24,664	43,605	100
Shares redeemed during financial year	(6,297,411)	–	(187,540)	–
<b>Shares in issue at 31 December 2018</b>	<b>28,617,047</b>	<b>38,975</b>	<b>360,712</b>	<b>100</b>
<b>Shares in issue at 31 December 2017</b>	<b>26,399,883</b>	<b>14,311</b>	<b>504,647</b>	<b>–</b>

	31 December 2018			
	Shares Number Class A GBP Distribution	Shares Number Class B GBP Accumulation	Shares Number Class E GBP Distribution	Shares Number Class F GBP Accumulation
<b>Global Insurance Fund</b>				
Shares in issue at 1 January 2018	13,087,188	1,979,068	41,532,079	22,652,176
Shares issued during financial year	8,580	9,993	24,521,966	12,244,992
Shares redeemed during financial year	(10,095,343)	(110,343)	(6,163,456)	(5,461,361)
<b>Shares in issue at 31 December 2018</b>	<b>3,000,425</b>	<b>1,878,718</b>	<b>59,890,589</b>	<b>29,435,807</b>
<b>Shares in issue at 31 December 2017</b>	<b>13,087,188</b>	<b>1,979,068</b>	<b>41,532,079</b>	<b>22,652,176</b>

	31 December 2018			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I Hedged EUR Accumulation	Shares Number Class I Hedged USD Accumulation
<b>Global Insurance Fund</b>				
Shares in issue at 1 January 2018	10,084,700	244,796	1,624,757	737,397
Shares issued during financial year	6,101,184	1,256,294	1,367,661	239,123
Shares redeemed during financial year	(3,784,705)	(56,207)	(2,051,256)	(804,774)
<b>Shares in issue at 31 December 2018</b>	<b>12,401,179</b>	<b>1,444,883</b>	<b>941,162</b>	<b>171,746</b>
<b>Shares in issue at 31 December 2017</b>	<b>10,084,700</b>	<b>244,796</b>	<b>1,624,757</b>	<b>737,397</b>

	31 December 2018			
	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution
<b>Global Insurance Fund</b>				
Shares in issue at 1 January 2018	25,575,173	27,623,874	30,639,938	2,099,024
Shares issued during financial year	12,518,278	6,965,572	18,527,329	267,139
Shares redeemed during financial year	(6,934,467)	(4,742,665)	(13,459,676)	(340,515)
<b>Shares in issue at 31 December 2018</b>	<b>31,158,984</b>	<b>29,846,781</b>	<b>35,707,591</b>	<b>2,025,648</b>
<b>Shares in issue at 31 December 2017</b>	<b>25,575,173</b>	<b>27,623,874</b>	<b>30,639,938</b>	<b>2,099,024</b>

	31 December 2018		
	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation
<b>Global Insurance Fund</b>			
Shares in issue at 1 January 2018	531,493	1,808	752,525
Shares issued during financial year	421,826	2,857	237,450
Shares redeemed during financial year	(414,754)	(1,373)	(89,630)
<b>Shares in issue at 31 December 2018</b>	<b>538,565</b>	<b>3,292</b>	<b>900,345</b>
<b>Shares in issue at 31 December 2017</b>	<b>531,493</b>	<b>1,808</b>	<b>752,525</b>

	31 December 2018		
	Shares Number Class R GBP Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
<b>Global Insurance Fund</b>			
Shares in issue at 1 January 2018	2,957,186	3,335,612	9,362
Shares issued during financial year	831,451	718,338	2,287
Shares redeemed during financial year	(44,109)	(1,779,219)	(1,126)
<b>Shares in issue at 31 December 2018</b>	<b>3,744,528</b>	<b>2,274,731</b>	<b>10,523</b>
<b>Shares in issue at 31 December 2017</b>	<b>2,957,186</b>	<b>3,335,612</b>	<b>9,362</b>

	31 December 2018		
	Shares Number Class A EUR	Shares Number Class A GBP	Shares Number Class A USD
<b>Global Technology Fund</b>			
Shares in issue at 1 January 2018	31,343	228,466	1,285,537
Shares issued during financial year	81,387	143,759	248,561
Shares redeemed during financial year	(18,123)	(115,227)	(649,249)
<b>Shares in issue at 31 December 2018</b>	<b>94,607</b>	<b>256,998</b>	<b>884,849</b>
<b>Shares in issue at 31 December 2017</b>	<b>31,343</b>	<b>228,466</b>	<b>1,285,537</b>

	31 December 2018			
	Shares Number Class I EUR	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged GBP	Shares Number Class I Hedged CHF
<b>Global Technology Fund</b>				
Shares in issue at 1 January 2018	1,522,955	394,393	2,865,045	1,048,175
Shares issued during financial year	1,326,390	4,377,248	2,020,504	1,019,883
Shares redeemed during financial year	(681,714)	(589,012)	(1,249,389)	(524,905)
<b>Shares in issue at 31 December 2018</b>	<b>2,167,631</b>	<b>4,182,629</b>	<b>3,636,160</b>	<b>1,543,153</b>
<b>Shares in issue at 31 December 2017</b>	<b>1,522,955</b>	<b>394,393</b>	<b>2,865,045</b>	<b>1,048,175</b>

Notes to the Financial Statements continued

For the financial year ended 31 December 2018

9. Shareholders' Funds continuedMovement in redeemable participating shares in issue during the financial year continued

	31 December 2018			
	Shares Number Class I GBP	Shares Number Class I USD	Shares Number Class R EUR	Shares Number Class Hedged R EUR Accumulation
<b>Global Technology Fund</b>				
Shares in issue at 1 January 2018	22,251,608	9,471,999	845,986	398,032
Shares issued during financial year	11,194,214	7,360,175	1,876,429	3,997,484
Shares redeemed during financial year	(7,187,261)	(4,335,406)	(620,118)	(1,581,528)
<b>Shares in issue at 31 December 2018</b>	<b>26,258,561</b>	<b>12,496,768</b>	<b>2,102,297</b>	<b>2,813,988</b>
<b>Shares in issue at 31 December 2017</b>	<b>22,251,608</b>	<b>9,471,999</b>	<b>845,986</b>	<b>398,032</b>

	31 December 2018			
	Shares Number Class EUR Hedged R Distribution	Shares Number Class R Hedged CHF	Shares Number Class R GBP	Shares Number Class R USD
<b>Global Technology R Fund</b>				
Shares in issue at 1 January 2018	2,953,548	171,206	379,711	8,307,396
Shares issued during financial year	2,617,998	359,603	196,853	7,481,148
Shares redeemed during financial year	(2,133,172)	(114,617)	(111,875)	(4,028,582)
<b>Shares in issue at 31 December 2018</b>	<b>3,438,374</b>	<b>416,192</b>	<b>464,689</b>	<b>11,759,962</b>
<b>Shares in issue at 31 December 2017</b>	<b>2,953,548</b>	<b>171,206</b>	<b>379,711</b>	<b>8,307,396</b>

	31 December 2018			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution
<b>Healthcare Blue Chip Fund</b>				
Shares in issue at 1 January 2018	65	67	385,984	169,040
Shares issued during financial year	–	6,759	390,013	113,770
Shares redeemed during financial year	–	–	(169,249)	(61,360)
<b>Shares in issue at 31 December 2018</b>	<b>65</b>	<b>6,826</b>	<b>606,748</b>	<b>221,450</b>
<b>Shares in issue at 31 December 2017</b>	<b>65</b>	<b>67</b>	<b>385,984</b>	<b>169,040</b>

	31 December 2018		
	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution	Shares Number Class S GBP Accumulation
<b>Healthcare Blue Chip Fund</b>			
Shares in issue at 1 January 2018	95,152	29,052	250,116
Shares issued during financial year	31,043	1,334	6,928
Shares redeemed during financial year	(220)	(12,025)	(174,353)
<b>Shares in issue at 31 December 2018</b>	<b>125,975</b>	<b>18,361</b>	<b>82,691</b>
<b>Shares in issue at 31 December 2017</b>	<b>95,152</b>	<b>29,052</b>	<b>250,116</b>

	31 December 2018		
	Shares Number Class S GBP Distribution	Shares Number Class S GBP Hedged Distribution	Shares Number Class S USD Accumulation
<b>Healthcare Blue Chip Fund</b>			
Shares in issue at 1 January 2018	5,116,765	214,414	209,628
Shares issued during financial year	271,719	11,024	–
Shares redeemed during financial year	(5,123,038)	(64,543)	(92,220)
<b>Shares in issue at 31 December 2018</b>	<b>265,446</b>	<b>160,895</b>	<b>117,408</b>
<b>Shares in issue at 31 December 2017</b>	<b>5,116,765</b>	<b>214,414</b>	<b>209,628</b>

	31 December 2018		
	Shares Number Class S USD Distribution	Shares Number Class SI GBP Distribution	Shares Number Class SI USD Distribution
<b>Healthcare Blue Chip Fund</b>			
Shares in issue at 1 January 2018	24,642	–	–
Shares issued during financial year	–	5,863,290	3,421
Shares redeemed during financial year	(2,175)	(665,707)	–
<b>Shares in issue at 31 December 2018</b>	<b>22,467</b>	<b>5,197,583</b>	<b>3,421</b>
<b>Shares in issue at 31 December 2017</b>	<b>24,642</b>	<b>–</b>	<b>–</b>

	31 December 2018			
	Shares Number Class A EUR	Shares Number Class A GBP	Shares Number Class A USD	Shares Number Class I EUR
<b>Healthcare Opportunities Fund</b>				
Shares in issue at 1 January 2018	196,148	174,866	343,266	2,151,292
Shares issued during financial year	143,880	5,233	67,963	1,419,598
Shares redeemed during financial year	(97,928)	(65,296)	(118,324)	(1,350,889)
<b>Shares in issue at 31 December 2018</b>	<b>242,100</b>	<b>114,803</b>	<b>292,905</b>	<b>2,220,001</b>
<b>Shares in issue at 31 December 2017</b>	<b>196,148</b>	<b>174,866</b>	<b>343,266</b>	<b>2,151,292</b>

	31 December 2018		
	Shares Number Class I Euro Accumulation	Shares Number Class I GBP	Shares Number Class I USD
<b>Healthcare Opportunities Fund</b>			
Shares in issue at 1 January 2018	–	25,012,188	3,533,746
Shares issued during financial year	100	5,247,725	2,762,555
Shares redeemed during financial year	–	(5,097,555)	(2,035,521)
<b>Shares in issue at 31 December 2018</b>	<b>100</b>	<b>25,162,358</b>	<b>4,260,780</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>25,012,188</b>	<b>3,533,746</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2018		
	Shares Number Class R EUR	Shares Number Class R GBP	Shares Number Class R USD
<b>Healthcare Opportunities Fund</b>			
Shares in issue at 1 January 2018	1,458,395	281,562	2,505,235
Shares issued during financial year	309,589	88,563	784,058
Shares redeemed during financial year	(558,710)	(54,710)	(1,195,164)
<b>Shares in issue at 31 December 2018</b>	<b>1,209,274</b>	<b>315,415</b>	<b>2,094,129</b>
<b>Shares in issue at 31 December 2017</b>	<b>1,458,395</b>	<b>281,562</b>	<b>2,505,235</b>

	31 December 2018			
	Shares Number Class A1 GBP Distribution	Shares Number Class A2 GBP Accumulation	Shares Number Class B1 GBP Distribution	Shares Number Class B2 GBP Accumulation
<b>Income Opportunities Fund</b>				
Shares in issue at 1 January 2018	5,499,293	5,170,453	26,884,838	72,772,220
Shares issued during financial year	1,904,105	746,142	7,599,059	3,029,577
Shares redeemed during financial year	(998,667)	(2,423,064)	(7,886,728)	(5,485,253)
<b>Shares in issue at 31 December 2018</b>	<b>6,404,731</b>	<b>3,493,531</b>	<b>26,597,169</b>	<b>70,316,544</b>
<b>Shares in issue at 31 December 2017</b>	<b>5,499,293</b>	<b>5,170,453</b>	<b>26,884,838</b>	<b>72,772,220</b>

	31 December 2018			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I EUR Hedged Accumulation	Shares Number Class I EUR Hedged Distribution
<b>Income Opportunities Fund</b>				
Shares in issue at 1 January 2018	6,528	622	107,481	39,807
Shares issued during financial year	–	28	2,467	5
Shares redeemed during financial year	(6,114)	–	(77,343)	(30,800)
<b>Shares in issue at 31 December 2018</b>	<b>414</b>	<b>650</b>	<b>32,605</b>	<b>9,012</b>
<b>Shares in issue at 31 December 2017</b>	<b>6,528</b>	<b>622</b>	<b>107,481</b>	<b>39,807</b>

	31 December 2018			
	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution
<b>Income Opportunities Fund</b>				
Shares in issue at 1 January 2018	371	458,494	371,682	647
Shares issued during financial year	–	502,717	1,282,012	1,155,167
Shares redeemed during financial year	–	(110,118)	(580,387)	(639,495)
<b>Shares in issue at 31 December 2018</b>	<b>371</b>	<b>851,093</b>	<b>1,073,307</b>	<b>516,319</b>
<b>Shares in issue at 31 December 2017</b>	<b>371</b>	<b>458,494</b>	<b>371,682</b>	<b>647</b>

	31 December 2018		
	Shares Number Class R EUR Hedged Accumulation	Shares Number Class R EUR Hedged Distribution	Shares Number Class R USD Accumulation
<b>Income Opportunities Fund</b>			
Shares in issue at 1 January 2018	834,409	496,639	890,588
Shares issued during financial year	8,995	349,347	700,659
Shares redeemed during financial year	(371,648)	(360,221)	(556,779)
<b>Shares in issue at 31 December 2018</b>	<b>471,756</b>	<b>485,765</b>	<b>1,034,468</b>
<b>Shares in issue at 31 December 2017</b>	<b>834,409</b>	<b>496,639</b>	<b>890,588</b>

	31 December 2018		
	Shares Number Class R USD Distribution	Shares Number Class R USD Hedged Accumulation	Shares Number Class R USD Hedged Distribution
<b>Income Opportunities Fund</b>			
Shares in issue at 1 January 2018	1,512,958	5,961,310	3,748,765
Shares issued during financial year	5,391,878	1,346,005	622,400
Shares redeemed during financial year	(3,078,983)	(3,749,918)	(1,830,137)
<b>Shares in issue at 31 December 2018</b>	<b>3,825,853</b>	<b>3,557,397</b>	<b>2,541,028</b>
<b>Shares in issue at 31 December 2017</b>	<b>1,512,958</b>	<b>5,961,310</b>	<b>3,748,765</b>

	31 December 2018		
	Shares Number Class A JPY	Shares Number Class A GBP	Shares Number Class A USD
<b>Japan Fund</b>			
Shares in issue at 1 January 2018	136,852	133,778	145,571
Shares issued during financial year	73,826	3,816	111,736
Shares redeemed during financial year	(76,622)	(11,394)	(60,245)
<b>Shares in issue at 31 December 2018</b>	<b>134,056</b>	<b>126,200</b>	<b>197,062</b>
<b>Shares in issue at 31 December 2017</b>	<b>136,852</b>	<b>133,778</b>	<b>145,571</b>

	31 December 2018			
	Shares Number Class I EUR	Shares Number Class I Hedged EUR	Shares Number Class I Hedged GBP	Shares Number Class I Hedged CHF
<b>Japan Fund</b>				
Shares in issue at 1 January 2018	83,772	5,955,600	8,768,697	848,078
Shares issued during financial year	716,217	4,861,823	455,936	304,787
Shares redeemed during financial year	(535,591)	(7,703,256)	(2,332,080)	(373,558)
<b>Shares in issue at 31 December 2018</b>	<b>264,398</b>	<b>3,114,167</b>	<b>6,892,553</b>	<b>779,307</b>
<b>Shares in issue at 31 December 2017</b>	<b>83,772</b>	<b>5,955,600</b>	<b>8,768,697</b>	<b>848,078</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

Japan Fund	31 December 2018			
	Shares Number Class I Hedged USD	Shares Number Class I JPY	Shares Number Class I GBP	Shares Number Class I USD
Shares in issue at 1 January 2018	4,729,650	4,070,789	4,296,644	1,288,587
Shares issued during financial year	2,454,312	3,721,235	585,695	854,391
Shares redeemed during financial year	(3,431,475)	(4,086,775)	(947,966)	(854,552)
<b>Shares in issue at 31 December 2018</b>	<b>3,752,487</b>	<b>3,705,249</b>	<b>3,934,373</b>	<b>1,288,426</b>
<b>Shares in issue at 31 December 2017</b>	<b>4,729,650</b>	<b>4,070,789</b>	<b>4,296,644</b>	<b>1,288,587</b>

Japan Fund	31 December 2018			
	Shares Number Class R EUR	Shares Number Class R Hedged EUR	Shares Number Class R Hedged GBP	Shares Number Class R Hedged CHF
Shares in issue at 1 January 2018	78,897	2,816,495	177,334	642,687
Shares issued during financial year	45,237	471,265	32,011	140,820
Shares redeemed during financial year	(77,263)	(1,366,807)	(71,761)	(238,716)
<b>Shares in issue at 31 December 2018</b>	<b>46,871</b>	<b>1,920,953</b>	<b>137,584</b>	<b>544,791</b>
<b>Shares in issue at 31 December 2017</b>	<b>78,897</b>	<b>2,816,495</b>	<b>177,334</b>	<b>642,687</b>

Japan Fund	31 December 2018			
	Shares Number Class R Hedged USD	Shares Number Class R JPY	Shares Number Class R GBP	Shares Number Class R USD
Shares in issue at 1 January 2018	6,503,638	2,255,798	1,809	163,072
Shares issued during financial year	905,579	560,250	24	119,826
Shares redeemed during financial year	(2,287,523)	(985,870)	(1)	(188,200)
<b>Shares in issue at 31 December 2018</b>	<b>5,121,694</b>	<b>1,830,178</b>	<b>1,832</b>	<b>94,698</b>
<b>Shares in issue at 31 December 2017</b>	<b>6,503,638</b>	<b>2,255,798</b>	<b>1,809</b>	<b>163,072</b>

Japan Fund	31 December 2018			
	Shares Number Class SI EUR	Shares Number Class SI Hedged EUR	Shares Number Class SI Hedged GBP	Shares Number Class SI Hedged USD
Shares in issue at 1 January 2018	–	–	–	–
Shares issued during financial year	555,943	4,885,184	394,810	2,969,169
Shares redeemed during financial year	–	(3,454,818)	(393,810)	(1,201,516)
<b>Shares in issue at 31 December 2018</b>	<b>555,943</b>	<b>1,430,366</b>	<b>1,000</b>	<b>1,767,653</b>
<b>Shares in issue at 31 December 2017</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



	31 December 2018		
	Shares Number Class SI JPY	Shares Number Class SI GBP	Shares Number Class SI USD
<b>Japan Fund</b>			
Shares in issue at 1 January 2018	–	–	–
Shares issued during financial year	148	1,711,854	2,157,328
Shares redeemed during financial year	–	(241,398)	(378,453)
<b>Shares in issue at 31 December 2018</b>	148	1,470,456	1,778,875
<b>Shares in issue at 31 December 2017</b>	–	–	–

	31 December 2018			
	Shares Number Class C Hedged GBP	Shares Number Class I EUR	Shares Number Class I Hedged EUR	Shares Number Class I Hedged GBP
<b>Japan Value Fund</b>				
Shares in issue at 1 January 2018	22,446,463	–	–	–
Shares issued during financial year	–	1,038	100	100
Shares redeemed during financial year	(22,446,463)	–	–	–
<b>Shares in issue at 31 December 2018</b>	–	1,038	100	100
<b>Shares in issue at 31 December 2017</b>	22,446,463	–	–	–

	31 December 2018			
	Shares Number Class I Hedged USD	Shares Number Class I JPY	Shares Number Class I GBP	Shares Number Class I USD
<b>Japan Value Fund</b>				
Shares in issue at 1 January 2018	–	1,415	–	–
Shares issued during financial year	100	–	1,168	846
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	100	1,415	1,168	846
<b>Shares in issue at 31 December 2017</b>	–	1415	–	–

	31 December 2018			
	Shares Number Class R Hedged EUR	Shares Number Class R Hedged GBP	Shares Number Class R Hedged USD	Shares Number Class R JPY
<b>Japan Value Fund</b>				
Shares in issue at 1 January 2018	2,326,432	56,364	2,139,833	210,120
Shares issued during financial year	192,498	–	4,150	–
Shares redeemed during financial year	(1,326,852)	–	(781,590)	(70,000)
<b>Shares in issue at 31 December 2018</b>	1,192,078	56,364	1,362,393	140,120
<b>Shares in issue at 31 December 2017</b>	2,326,432	56,364	2,139,833	210,120

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2018		
	Shares Number Class R USD	Shares Number Class S Hedged EUR	Shares Number Class S Hedged GBP
<b>Japan Value Fund</b>			
Shares in issue at 1 January 2018	23,552	622	914,136
Shares issued during financial year	–	–	4,110,236
Shares redeemed during financial year	(23,426)	–	(305,492)
<b>Shares in issue at 31 December 2018</b>	126	622	4,718,880
<b>Shares in issue at 31 December 2017</b>	23,552	622	914,136

	31 December 2018		
	Shares Number Class S Hedged USD	Shares Number Class S JPY	Shares Number Class S GBP
<b>Japan Value Fund</b>			
Shares in issue at 1 January 2018	758,991	361,326	61,649
Shares issued during financial year	50,851	–	854,093
Shares redeemed during financial year	(383,700)	(63,000)	(20,341)
<b>Shares in issue at 31 December 2018</b>	426,142	298,326	895,401
<b>Shares in issue at 31 December 2017</b>	758,991	361,326	61,649

	31 December 2018			
	Shares Number Class I EUR	Shares Number Class I Hedged EUR	Shares Number Class I Hedged GBP	Shares Number Class I Hedged CHF
<b>North American Fund</b>				
Shares in issue at 1 January 2018	8,057,037	7,036,486	1,419,475	1,473,090
Shares issued during financial year	6,078,596	6,306,582	3,950,996	381,998
Shares redeemed during financial year	(1,855,124)	(6,883,400)	(528,094)	(346,400)
<b>Shares in issue at 31 December 2018</b>	12,280,509	6,459,668	4,842,377	1,508,688
<b>Shares in issue at 31 December 2017</b>	8,057,037	7,036,486	1,419,475	1,473,090

	31 December 2018			
	Shares Number Class I GBP	Shares Number Class I USD	Shares Number Class R EUR	Shares Number Class R Hedged EUR
<b>North American Fund</b>				
Shares in issue at 1 January 2018	14,713,923	33,920,191	27,363	607,873
Shares issued during financial year	3,967,990	22,993,424	5,248	287,955
Shares redeemed during financial year	(6,065,014)	(27,548,797)	(8,470)	(401,271)
<b>Shares in issue at 31 December 2018</b>	12,616,899	29,364,818	24,141	494,557
<b>Shares in issue at 31 December 2017</b>	14,713,923	33,920,191	27,363	607,873

North American Fund	31 December 2018			
	Shares Number Class R Hedged GBP	Shares Number Class R GBP	Shares Number Class R USD	Shares Number Class S EUR
Shares in issue at 1 January 2018	51,935	13,353	1,920,791	26,870
Shares issued during financial year	57,799	3,386	686,220	25,217
Shares redeemed during financial year	(30,515)	(5,534)	(528,969)	(769)
<b>Shares in issue at 31 December 2018</b>	<b>79,219</b>	<b>11,205</b>	<b>2,078,042</b>	<b>51,318</b>
<b>Shares in issue at 31 December 2017</b>	<b>51,935</b>	<b>13,353</b>	<b>1,920,791</b>	<b>26,870</b>

North American Fund	31 December 2018			
	Shares Number Class S Hedged EUR	Shares Number Class S Hedged GBP	Shares Number Class S GBP	Shares Number Class S USD
Shares in issue at 1 January 2018	11,820	1,985,574	23,560,474	5,282,212
Shares issued during financial year	12,652	543,687	5,760,437	3,464,342
Shares redeemed during financial year	(2,551)	(520,460)	(3,226,113)	(3,382,232)
<b>Shares in issue at 31 December 2018</b>	<b>21,921</b>	<b>2,008,801</b>	<b>26,094,798</b>	<b>5,364,322</b>
<b>Shares in issue at 31 December 2017</b>	<b>11,820</b>	<b>1,985,574</b>	<b>23,560,474</b>	<b>5,282,212</b>

UK Absolute Equity Fund	31 December 2018		
	Shares Number Class I EUR	Shares Number Class I Hedged EUR	Shares Number Class I Hedged USD
Shares in issue at 1 January 2018	122,607	7,270,552	1,841,847
Shares issued during financial year	82,349	3,506,651	825,228
Shares redeemed during financial year	(38,200)	(4,670,533)	(567,540)
<b>Shares in issue at 31 December 2018</b>	<b>166,756</b>	<b>6,106,670</b>	<b>2,099,535</b>
<b>Shares in issue at 31 December 2017</b>	<b>122,607</b>	<b>7,270,552</b>	<b>1,841,847</b>

UK Absolute Equity Fund	31 December 2018			
	Shares Number Class I GBP	Shares Number Class I USD	Shares Number Class R EUR	Shares Number Class R Hedged EUR
Shares in issue at 1 January 2018	9,263,856	443,193	38,264	364,221
Shares issued during financial year	6,027,248	627,325	91,999	1,889,554
Shares redeemed during financial year	(5,436,991)	(509,363)	(70,888)	(697,785)
<b>Shares in issue at 31 December 2018</b>	<b>9,854,113</b>	<b>561,155</b>	<b>59,375</b>	<b>1,555,990</b>
<b>Shares in issue at 31 December 2017</b>	<b>9,263,856</b>	<b>443,193</b>	<b>38,264</b>	<b>364,221</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2018			
	Shares Number Class R Hedged USD	Shares Number Class R GBP	Shares Number Class R USD	Shares Number Class S EUR
UK Absolute Equity Fund				
Shares in issue at 1 January 2018	36,312	146,705	3,973	8
Shares issued during financial year	60,877	170,558	8,810	–
Shares redeemed during financial year	(33,583)	(141,406)	(3,967)	–
<b>Shares in issue at 31 December 2018</b>	<b>63,606</b>	<b>175,857</b>	<b>8,816</b>	<b>8</b>
<b>Shares in issue at 31 December 2017</b>	<b>36,312</b>	<b>146,705</b>	<b>3,973</b>	<b>8</b>

	31 December 2018			
	Shares Number Class S Hedged EUR	Shares Number Class S Hedged USD	Shares Number Class S GBP	Shares Number Class S USD
UK Absolute Equity Fund				
Shares in issue at 1 January 2018	23,045	115,352	3,201,332	6
Shares issued during financial year	29,434	74,293	553,254	–
Shares redeemed during financial year	(8,184)	(99,978)	(938,467)	–
<b>Shares in issue at 31 December 2018</b>	<b>44,295</b>	<b>89,667</b>	<b>2,816,119</b>	<b>6</b>
<b>Shares in issue at 31 December 2017</b>	<b>23,045</b>	<b>115,352</b>	<b>3,201,332</b>	<b>6</b>

	31 December 2018		
	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution	Shares Number Class R GBP Accumulation
UK Value Opportunities Fund			
Shares in issue at 1 January 2018	4,331,125	2,461,165	–
Shares issued during financial year	7,454,039	2,735,241	285,639
Shares redeemed during financial year	(3,612,239)	(698,337)	(19,152)
<b>Shares in issue at 31 December 2018</b>	<b>8,172,925</b>	<b>4,498,069</b>	<b>266,487</b>
<b>Shares in issue at 31 December 2017</b>	<b>4,331,125</b>	<b>2,461,165</b>	<b>–</b>

	31 December 2018	
	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution
UK Value Opportunities Fund		
Shares in issue at 1 January 2018	26,232,612	13,112,244
Shares issued during financial year	12,210,590	12,880,606
Shares redeemed during financial year	(1,802,368)	(2,138,988)
<b>Shares in issue at 31 December 2018</b>	<b>36,640,834</b>	<b>23,853,862</b>
<b>Shares in issue at 31 December 2017</b>	<b>26,232,612</b>	<b>13,112,244</b>

## 10. Financial Risk Management

In accordance with its investment objectives and policies, the Company holds financial instruments, which at any one time may comprise securities, cash and derivatives, held in accordance with the investment objective and policies of each Fund.

A review of the portfolio activity for the financial year is available in the Investment Manager's Reports and a detailed analysis of the investments is shown in the Portfolio Statements. Investments listed on the Portfolio Statements are stated at fair value as described in Note 2.

### Risks

The following summary is not intended to be a comprehensive summary of all the risks inherent in investing in the Company and investors should refer to the prospectus for a more detailed discussion of these risks.

### Strategy in using Financial Instruments

The Funds are exposed to a variety of financial risks in pursuing their stated investment objectives and policies. These risks are defined for financial reporting purposes by IFRS as credit risk, liquidity risk and market risk (which in turn includes currency risk, interest rate risk and price risk). The Funds take exposure to certain of these risks to generate investment returns on their portfolios, although these risks can also potentially result in a reduction in the Funds' assets. The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the Funds' performance where it can do so while still managing the investments of the Funds in ways that are consistent with each Fund's investment objectives and policies.

The risks, and the measures adopted by the Company for managing these risks, are detailed below.

### Market price risk

Market price risk is the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

The assets of the Funds consist principally of equities, equity related securities, fixed income securities, contracts for difference ('CFDs') and currency derivatives used for hedging purposes. Credit default swaps, interest rate futures and options are also used by certain Funds from time to time.

The values of these instruments are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to a Fund's performance.

The Directors have adopted a number of investment restrictions which are set out in the individual Fund supplements to the Company's prospectus and which limit the exposure of the Funds to adverse changes in the price of any individual financial asset. In accordance with Company policy, the Investment Manager monitors the Funds' positions on a daily basis and reports regularly to the Board of Directors. The Board reviews the information on each Fund's overall market exposure provided by the Investment Manager at its periodic meetings.

In addition, the Investment Manager manages the exposure of the portfolios to the risk of adverse changes in the general level of market prices to the extent consistent, in the judgement of the Investment Manager, with each Fund's respective investment objective.

### Use of Derivatives and Efficient Portfolio Management

Depending on the Funds involved, the Company may invest in financial derivative instruments for both speculative and efficient portfolio management purposes, subject to the conditions and within the limits from time to time stipulated by the Central Bank under the UCITS Regulations. A number of the Funds use currency forwards to hedge share class exposures.

Apart from the UK Absolute Equity Fund and the Global Convertible Fund, the Investment Manager has generally only used financial derivative instruments in the Funds for the purpose of efficient portfolio management and efficient access to markets during the financial year. This includes contracts for difference, option contracts, forward foreign currency contracts and futures contracts. Risks arising from the use of financial derivative instruments at the financial year end are consistent with those set out in the Prospectus.

Open financial derivative instrument contracts at the financial year end are disclosed in the Portfolio Statements, including the relevant counterparty, the underlying securities, currencies or indices, and the market value or unrealised gain/loss on the contract at the financial year end.

At 31 December 2018, market price risks applying to each Fund are affected by two main components: changes in market prices and currency exchange rates.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Market price risk continued

The following tables show the sensitivity of each Fund (for a representative share class) to changes in market prices based on a 10% price stress test on the portfolio as at 31 December 2018 and 31 December 2017.

<b>As at 31 December 2018</b>		<b>NAV US\$/share 31.12.2018</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV US\$/share after price impact</b>
Asian Opportunities Fund Class I US Dollar	US\$	11.97	10	13.09
Asian Opportunities Fund Class I US Dollar	US\$	11.97	(10)	10.85
Automation & AI – I USD Accumulation	US\$	9.19	10	10.03
Automation & AI – I USD Accumulation	US\$	9.19	(10)	8.35
Biotechnology Fund Class I US Dollar	US\$	21.24	10	23.17
Biotechnology Fund Class I US Dollar	US\$	21.24	(10)	19.31
China Stars I USD Accumulation	US\$	8.66	10	9.48
China Stars I USD Accumulation	US\$	8.66	(10)	9.48
Emerging Market Stars I USD Accumulation	US\$	8.47	10	9.29
Emerging Market Stars I USD Accumulation	US\$	8.47	(10)	7.65
Emerging Markets Income Fund Class I US Dollar Accumulation	US\$	11.57	10	12.72
Emerging Markets Income Fund Class I US Dollar Accumulation	US\$	11.57	(10)	10.42
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	12.05	10	13.20
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	12.05	(10)	10.90
Global Convertible Fund Class I US Dollar Accumulation	US\$	12.49	10	12.82
Global Convertible Fund Class I US Dollar Accumulation	US\$	12.49	(10)	12.21
Global Technology Fund Class I US Dollar	US\$	39.74	10	43.32
Global Technology Fund Class I US Dollar	US\$	39.74	(10)	36.24
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	12.07	10	13.23
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	12.07	(10)	10.91
Healthcare Opportunities Fund Class I US Dollar	US\$	45.73	10	49.97
Healthcare Opportunities Fund Class I US Dollar	US\$	45.73	(10)	41.49
North American Fund Class I US Dollar	US\$	21.30	10	23.25
North American Fund Class I US Dollar	US\$	21.30	(10)	19.35

<b>As at 31 December 2018</b>		<b>NAV €/share 31.12.2018</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV €/share after price impact</b>
European ex UK Income Fund Class I Euro Accumulation	EUR€	10.78	10	11.84
European ex UK Income Fund Class I Euro Accumulation	EUR€	10.78	(10)	9.72
European Income Fund Class I Euro Accumulation	EUR€	11.63	10	11.63
European Income Fund Class I Euro Accumulation	EUR€	11.63	(10)	11.63

<b>As at 31 December 2018</b>		<b>NAV £/share 31.12.2018</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV £/share after price impact</b>
Global Insurance Fund Class I Sterling Accumulation	GBP£	7.78	10	8.55
Global Insurance Fund Class I Sterling Accumulation	GBP£	7.78	(10)	7.01
Income Opportunities Fund B2 Sterling Accumulation	GBP£	2.12	10	2.25
Income Opportunities Fund B2 Sterling Accumulation	GBP£	2.12	(10)	1.99
UK Absolute Equity Fund Class I Sterling	GBP£	20.56	10	20.48
UK Absolute Equity Fund Class I Sterling	GBP£	20.56	(10)	20.82
UK Value Opportunities Fund Class I Accumulation	GBP£	10.40	10	11.37
UK Value Opportunities Fund Class I Accumulation	GBP£	10.40	(10)	9.43

<b>As at 31 December 2018</b>		<b>NAV ¥/share 31.12.2018</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV ¥/share after price impact</b>
Japan Fund Class I Japanese Yen	JPY ¥	2,091.63	10	2,292.19
Japan Fund Class I Japanese Yen	JPY ¥	2,091.63	(10)	1,891.07
Japan Value Fund Class S Japanese Yen	JPY ¥	222.49	10	243.96
Japan Value Fund Class S Japanese Yen	JPY ¥	222.49	(10)	201.01

<b>As at 31 December 2017</b>		<b>NAV US\$/share 31.12.2017</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV US\$/share after price impact</b>
Asian Opportunities Fund Class A US Dollar	US\$	396.67	10	432.93
Asian Opportunities Fund Class A US Dollar	US\$	396.67	(10)	360.41
Automation & Artificial Intelligence Class I US Dollar Accumulation	US\$	10.33	10	11.10
Automation & Artificial Intelligence Class I US Dollar Accumulation	US\$	10.33	(10)	9.56
Biotechnology Fund Class I US Dollar	US\$	22.09	10	24.19
Biotechnology Fund Class I US Dollar	US\$	22.09	(10)	19.99
Emerging Markets Income Fund Class I US Dollar Distribution	US\$	12.45	10	13.68
Emerging Markets Income Fund Class I US Dollar Distribution	US\$	12.45	(10)	11.22
Financial Opportunities Fund Class I US Dollar Distribution	US\$	14.74	10	16.16
Financial Opportunities Fund Class I US Dollar Distribution	US\$	14.74	(10)	13.32
Global Convertible Fund Class I US Dollar Distribution	US\$	12.60	10	12.88
Global Convertible Fund Class I US Dollar Distribution	US\$	12.60	(10)	12.36
Global Technology Fund Class I US Dollar	US\$	38.74	10	42.42
Global Technology Fund Class I US Dollar	US\$	38.74	(10)	35.39
Healthcare Blue Chip Fund Class I US Dollar Distribution	US\$	11.97	10	13.13
Healthcare Blue Chip Fund Class I US Dollar Distribution	US\$	11.97	(10)	10.81
Healthcare Opportunities Fund Class I US Dollar	US\$	42.05	10	46.25
Healthcare Opportunities Fund Class I US Dollar	US\$	42.05	(10)	37.85
North American Fund Class I US Dollar	US\$	24.09	10	26.46
North American Fund Class I US Dollar	US\$	24.09	(10)	21.72

<b>As at 31 December 2017</b>		<b>NAV €/share 31.12.2017</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV €/share after price impact</b>
European ex UK Income Fund Class I Euro Accumulation	EUR€	11.42	10	12.54
European ex UK Income Fund Class I Euro Accumulation	EUR€	11.42	(10)	10.30
European Income Fund Class I Euro Distribution	EUR€	12.59	10	13.84
European Income Fund Class I Euro Distribution	EUR€	12.59	(10)	11.34

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Market price risk continued

<b>As at 31 December 2017</b>		<b>NAV £/share 31.12.2017</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV £/share after price impact</b>
Global Insurance Fund Class I Sterling Distribution	GBP£	6.02	10	8.93
Global Insurance Fund Class I Sterling Distribution	GBP£	6.02	(10)	7.36
Income Opportunities Fund B1 Sterling Distribution	GBP£	2.25	10	2.39
Income Opportunities Fund B1 Sterling Distribution	GBP£	2.25	(10)	2.11
UK Absolute Equity Fund Class I Sterling	GBP£	20.74	10	21.19
UK Absolute Equity Fund Class I Sterling	GBP£	20.74	(10)	20.29
UK Value Opportunities Fund Class I Accumulation	GBP£	12.14	10	13.30
UK Value Opportunities Fund Class I Accumulation	GBP£	12.14	(10)	10.98
UK Value Opportunities Class I Sterling Distribution	GBP£	12.13	(10)	10.97

<b>As at 31 December 2017</b>		<b>NAV ¥/share 31.12.2017</b>	<b>% Increase/ (decrease) price levels</b>	<b>NAV ¥/share after price impact</b>
Japan Fund Class I Japanese Yen	JPY ¥	2,713.57	10	2,977.87
Japan Fund Class I Japanese Yen	JPY ¥	2,713.57	(10)	2,449.27
Japan Value Fund Class S Japanese Yen	JPY ¥	265.87	10	290.89
Japan Value Fund Class S Japanese Yen	JPY ¥	265.87	(10)	240.85

Sensitivity analysis is calculated after an adjustment for swing pricing.

Market price risk analysis is based on the dealing NAV per share.

Some limitations of sensitivity analysis are:

- (i) the models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- (ii) the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- (iii) the market price information represents a hypothetical outcome and is not intended to be predictive; and
- (iv) future market conditions could vary significantly from those experienced in the past.

#### Exposure to derivatives

In respect of UK Absolute Equity Fund, the Investment Manager uses a Value at Risk ('VaR') based approach to limit the exposure of the Fund to derivatives. In accordance with the UCITS Regulations, derivatives exposure is limited to the extent necessary to keep the Fund's VaR within the limit set out below. VaR is measured using a 99% confidence level.

#### UK Absolute Equity Fund

The VaR limit for the UK Absolute Equity Fund is 20% based on a 20-day holding period.

The minimum VaR during the financial year was 3.54%.

The maximum VaR during the financial year was 9.57%.

The average VaR during the financial year was 5.94%.

The VaR calculated for UK Absolute Equity Fund is a 20d Monte Carlo VaR, with a confidence level 99% and using five-year return history with a decay factor of 0.97. The VaR is calculated in Axioma.

Secondly, gross leverage, calculated as the sum of the absolute notional values of the derivatives used in the Fund, is not anticipated to exceed 250% of the Net Asset Value of the Fund at any given time.

All of the other Funds active during the financial year use the commitment approach to measure derivatives exposure. The Global Absolute Return Fund launched on 31 December 2018, will use VaR.



## Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Each Fund is exposed to currency risk as the assets and liabilities of each Fund may be denominated in a currency other than the base currency of that Fund.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset when measured in the Fund's base currency. The Investment Manager may attempt to mitigate these risks through the use of financial derivative instruments.

The Investment Manager monitors each Fund's currency exposure where relevant to the investment strategy for the Fund on a daily basis and reports regularly to the Board of Directors.

At 31 December 2018 each Fund's currency exposure was as follows:

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Asian Opportunities Fund</b>				
Australian dollar	–	–	–	–
Euro	–	(1,733)	1,081,268	1,079,535
Hong Kong dollar	9,372,114	–	–	9,372,114
Indian rupee	8,680,370	–	–	8,680,370
Indonesian rupiah	3,275,174	–	–	3,275,174
Korean Won	2,755,087	–	–	2,755,087
Malaysian ringgit	938,216	–	–	938,216
Philippine peso	2,513,049	–	–	2,513,049
Singapore dollar	1,941,085	–	–	1,941,085
Sri Lanka rupee	274,034	–	–	274,034
Sterling	–	(989)	605,190	604,201
Taiwan dollar	2,657,889	–	–	2,657,889
Thai baht	2,668,310	–	–	2,668,310
	35,075,328	(2,722)	1,686,458	36,759,064

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Asian Stars Fund</b>				
Euro	3,429	–	–	3,429
Sterling	3,821	–	–	3,821
Vietnamese dong	369,512	–	–	369,512
	376,762	–	–	376,762

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Automation &amp; Artificial Intelligence Fund</b>				
Euro	44,187,404	(5,233)	–	44,182,171
Japanese yen	56,394,159	(1,871,695)	1,857,028	56,379,492
Sterling	6,373,797	(144)	(25,804)	6,347,849
Swedish krona	14,487,595	(463,976)	463,976	14,487,595
Taiwan dollar	12,330,414	(146,357)	–	12,184,057
	133,773,369	(2,487,405)	2,295,200	133,581,164

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Currency risk continued

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Biotechnology Fund</b>				
Australian dollar	–	–	–	–
Euro	57,407,665	(1,489,368)	(473,924)	55,444,373
Danish krone	12,264,570	–	–	12,264,570
Sterling	6,992,962	(1,169,109)	3,241,176	9,065,029
Swedish krona	7,024,707	–	–	7,024,707
Swiss franc	1,422,702	–	–	1,422,702
	85,112,606	(2,658,477)	2,767,252	85,221,381

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>China Stars Fund</b>				
China Yuan	1,833,398	–	–	1,833,398
Euro	55,194	–	–	55,194
Hong Kong dollar	4,133,828	(69,234)	13,147	4,077,741
Taiwan dollar	706,055	–	–	706,055
	6,728,475	(69,234)	13,147	6,672,388

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Emerging Markets Income Fund</b>				
Brazil real	8,025,672	(585,403)	–	7,440,269
Czech koruna	3,220,204	–	–	3,220,204
Euro	2,333,884	(7)	134	2,334,011
Hong Kong dollar	38,293,067	–	–	38,293,067
Indian rupee	16,437,272	–	–	16,437,272
Indonesian rupiah	2,878,999	–	–	2,878,999
Korean Won	18,603,746	–	–	18,603,746
Kuwait dinar	1,620,287	–	–	1,620,287
Malaysian ringgit	6,085,680	–	–	6,085,680
Mexican peso	5,918,157	–	–	5,918,157
Polish zloty	3,973,115	–	–	3,973,115
Romanian leu	3,652,380	–	–	3,652,380
Singapore dollar	4,672,194	–	–	4,672,194
South Africa rand	10,806,114	–	–	10,806,114
Sterling	48,917	(72)	368	49,213
Taiwan dollar	13,852,304	–	–	13,852,304
Thai baht	3,980,420	–	–	3,980,420
UAE dirham	2,150,743	–	–	2,150,743
	146,553,155	(585,482)	502	145,968,175

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Emerging Market Stars Fund</b>				
Australian dollar	142,842	–	–	142,842
Brazil real	891,888	–	–	891,888
China Yuan	280,440	–	–	280,440
Hong Kong dollar	1,999,437	–	–	1,999,437
Indian rupee	1,989,213	–	–	1,989,213
Korean Won	1,486,141	–	–	1,486,141
Mexican peso	135,831	–	–	135,831
Philippine peso	200,302	–	–	200,302
Polish zloty	178,269	–	–	178,269
South Africa rand	676,496	(90)	–	676,406
Sri Lanka rupee	100,129	–	–	100,129
Sterling	405,729	–	–	405,729
Taiwan dollar	1,798,809	–	–	1,798,809
Vietnamese dong	116,918	–	–	116,918
	10,402,444	(90)	–	10,402,354

	Non-EUR Currency Assets EUR€	Non-EUR Currency Liabilities EUR€	Forward Foreign Currency Contracts EUR€	Net Non-EUR Currency Assets EUR€
<b>European ex UK Income Fund</b>				
Danish kroner	4,294,740	–	–	4,294,740
Norwegian krone	5,482,680	–	–	5,482,680
Sterling	2,246,190	(1,114,132)	140,100,240	141,232,298
Swedish krona	5,400,750	–	–	5,400,750
Swiss franc	24,942,623	–	–	24,942,623
United States dollar	4,168	–	–	4,168
	42,371,151	(1,114,132)	140,100,240	181,357,259

	Non-EUR Currency Assets EUR€	Non-EUR Currency Liabilities EUR€	Forward Foreign Currency Contracts EUR€	Net Non-EUR Currency Assets EUR€
<b>European Income Fund</b>				
Sterling	9,305,828	–	–	9,305,828
Swedish krona	–	–	–	–
United States dollar	57	–	–	57
	9,305,885	–	–	9,305,885

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Currency risk continued

<b>Financial Opportunities Fund</b>	<b>Non-USD Currency Assets US\$</b>	<b>Non-USD Currency Liabilities US\$</b>	<b>Forward Foreign Currency Contracts US\$</b>	<b>Net Non-USD Currency Assets US\$</b>
Brazil real	12	–	–	12
Canadian dollar	506,689	–	–	506,689
Euro	2,203,533	(1,432)	–	2,202,101
Hong Kong dollar	1,339,488	–	–	1,339,488
Indian rupee	1,591,689	–	–	1,591,689
Indonesian rupiah	453,463	–	–	453,463
Japanese yen	907,305	(3)	–	907,302
Malaysian ringgit	505,685	–	–	505,685
Norwegian krone	865,868	–	–	865,868
Philippine peso	329,496	–	–	329,496
Singapore dollar	794,080	–	–	794,080
Sterling	2,954,636	–	12,196	2,966,832
Swedish krona	733,467	–	–	733,467
Swiss franc	374,984	(39)	–	374,945
Taiwan dollar	412,624	–	–	412,624
Thai baht	365,535	–	–	365,535
	14,338,554	(1,474)	12,196	14,349,276

<b>Global Absolute Return Fund</b>	<b>Non-USD Currency Assets US\$</b>	<b>Non-USD Currency Liabilities US\$</b>	<b>Forward Foreign Currency Contracts US\$</b>	<b>Net Non-USD Currency Assets US\$</b>
Euro	2,286	–	–	2,286
Sterling	10,190,075	–	–	10,190,075
	10,192,361	–	–	10,192,361

<b>Global Convertible Fund</b>	<b>Non-USD Currency Assets US\$</b>	<b>Non-USD Currency Liabilities US\$</b>	<b>Forward Foreign Currency Contracts US\$</b>	<b>Net Non-USD Currency Assets US\$</b>
Euro	130,887,528	(27,969,708)	(24,134,694)	78,783,126
Hong Kong dollar	78,324	–	–	78,324
Hungarian forint	–	(16)	–	(16)
Japanese yen	83,611,355	(6,058,578)	(18,573,827)	58,978,950
Sterling	105,449,440	(30,237,742)	185,935,837	261,147,535
Swedish krona	–	(67)	–	(67)
Swiss franc	–	(34,509)	6,455,815	6,421,306
	320,026,647	(64,300,620)	149,683,131	405,409,158

	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
<b>Global Insurance Fund</b>				
Canadian dollar	90,956,638	–	–	90,956,638
Euro	40,245,793	(3,804,224)	12,548,727	48,990,296
Hong Kong dollar	40,450,315	–	–	40,450,315
United States dollar	929,615,694	(1,098)	865,612	930,480,208
	1,101,268,440	(3,805,322)	13,414,339	1,110,877,457

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Technology Fund</b>				
Euro	91,793,736	(7,589,406)	2,360,193	86,564,523
Hong Kong dollar	81,192,287	–	–	81,192,287
Indian rupee	3,471	–	–	3,471
Japanese yen	141,205,090	(3,039,087)	3,039,539	141,205,542
Korean Won	54,868,286	(5,049,555)	5,049,555	54,868,286
Sterling	3,200,893	(3,590,047)	80,450,486	80,061,332
Swiss franc	5,492	(166,376)	34,588,584	34,427,700
Taiwan dollar	71,095,721	–	–	71,095,721
	443,364,976	(19,434,471)	125,488,357	549,418,862

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Healthcare Blue Chip Fund</b>				
Danish krone	3,559,494	–	–	3,559,494
Japanese yen	4,559,570	–	–	4,559,570
Sterling	2,375,452	(1,274,704)	2,250,268	3,351,016
Swiss franc	4,262,528	–	–	4,262,528
Taiwan dollar	–	–	–	–
	14,757,044	(1,274,704)	2,250,268	15,732,608

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Healthcare Opportunities Fund</b>				
Danish krone	63,888,357	–	–	63,888,357
Euro	14,279,069	(91)	18,580	14,297,558
Indian rupee	7,106	–	–	7,106
Japanese yen	430	–	–	430
Sterling	89,515,069	(59)	9,398	89,524,408
Swiss franc	68,394,547	(3)	–	68,394,544
Swedish krona	26,387,797	–	–	26,387,797
	262,472,375	(153)	27,978	262,500,200

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Currency risk continued

	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
<b>Income Opportunities Fund</b>				
Australian dollar	3,343,584	–	–	3,343,584
Canadian dollar	2,789,329	–	–	2,789,329
Euro	38,580,962	(90,123)	10,539,500	49,030,339
Georgian lari	1,931,012	–	–	1,931,012
Hong Kong dollar	5,241,785	–	–	5,241,785
Japanese yen	3,391,109	–	–	3,391,109
Norwegian krone	4,199,199	–	–	4,199,199
Singapore dollar	8,865,487	–	–	8,865,487
Swedish krona	3,940,447	–	–	3,940,447
Swiss franc	2,996,589	–	–	2,996,589
Thai baht	2,265,883	–	–	2,265,883
United States dollar	100,535,567	(777,293)	48,094,814	147,853,088
	178,080,953	(867,416)	58,634,314	235,847,851

	Non-JPY Currency Assets JPY ¥	Non-JPY Currency Liabilities JPY ¥	Forward Foreign Currency Contracts JPY ¥	Net Non-JPY Currency Assets JPY ¥
<b>Japan Fund</b>				
Euro	479,032,020	(2,725,387,535)	13,533,986,171	11,287,630,656
Sterling	–	(1,928,624,658)	19,546,562,348	17,617,937,690
Swiss franc	14	(4,134,150)	1,947,858,065	1,943,723,929
United States dollar	2,894,531,265	(1,664,843,691)	(474,688,795)	754,998,779
	3,373,563,299	(6,322,990,034)	34,553,717,789	31,604,291,054

	Non-JPY Currency Assets JPY ¥	Non-JPY Currency Liabilities JPY ¥	Forward Foreign Currency Contracts JPY ¥	Net Non-JPY Currency Assets JPY ¥
<b>Japan Value Fund</b>				
Euro	66	(1,976,365)	302,045,315	300,069,016
Sterling	–	(6,023,938)	1,128,576,420	1,122,552,482
United States dollar	–	(7,263,498)	(29,676,440)	(36,939,938)
	66	(15,263,801)	1,400,945,295	1,385,681,560

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>North American Fund</b>				
Canadian dollar	100,036,113	–	–	100,036,113
Euro	1,700,745	(4,527,615)	152,667,596	149,840,726
Sterling	1,344,051	(644,151)	172,958,096	173,657,996
Swiss franc	–	(31,023)	16,254,934	16,223,911
	103,080,909	(5,202,789)	341,880,626	439,758,746

	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
<b>UK Absolute Equity Fund</b>				
Canadian dollar	886,139	(31,243)	–	854,896
Euro	1,139,317	(1,937,724)	172,573,370	171,774,963
Danish kroner	469,619	(4,142)	–	465,477
Japanese yen	631,242	(1,113)	–	630,129
Swedish krona	–	(3,676)	–	(3,676)
United States dollar	10,557,514	(3,175,880)	(69)	7,381,565
	13,683,831	(5,153,778)	172,573,301	181,103,354

	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
<b>UK Value Opportunities Fund</b>				
Euro	–	(10)	–	(10)
United States dollar	–	(1,731)	–	(1,731)
	–	(1,741)	–	(1,741)

All Investments held in GBP.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Currency risk continued

At 31 December 2017 each Fund's currency exposure was as follows:

	Non-USD Currency Assets US\$'000	Non-USD Currency Liabilities US\$'000	Forward Foreign Currency Contracts US\$'000	Net Non-USD Currency Assets US\$'000
<b>Asian Opportunities Fund</b>				
Australian dollar	617,453	–	–	617,453
Euro	2,411	(3,319)	774,034	773,126
Hong Kong dollar	11,487,948	–	–	11,487,948
Indian rupee	6,697,794	–	–	6,697,794
Indonesian rupiah	3,521,528	–	–	3,521,528
Korean Won	4,436,945	–	–	4,436,945
Malaysian ringgit	384,878	–	–	384,878
Pakistan rupee	1,578,157	–	–	1,578,157
Philippine peso	2,708,032	–	–	2,708,032
Singapore dollar	2,076,249	–	–	2,076,249
Sri Lanka rupee	1,225,851	–	–	1,225,851
Sterling	–	(238)	128,035	127,797
Taiwan dollar	3,935,487	–	–	3,935,487
Thai baht	2,876,220	–	–	2,876,220
	41,548,953	(3,557)	902,069	42,447,465
<b>Automation &amp; Artificial Intelligence Fund</b>				
Euro	53,279,380	(10,298,011)	33,557	43,014,926
Japanese yen	52,084,683	(17,806,671)	30,280	34,308,292
Sterling	5,688,879	(73,609)	(1,538)	5,613,732
Swedish krona	5,329,115	(215,060)	–	5,114,055
Taiwan dollar	3,038,292	–	–	3,038,292
	119,420,349	(28,393,351)	62,299	91,089,297
<b>Biotechnology Fund</b>				
Australian dollar	1,349,209	–	–	1,349,209
Euro	37,976,237	(1,046,015)	(60,006)	36,870,216
Sterling	7,639,657	(1,197,681)	(18,218)	6,423,758
Swedish krona	8,965,649	–	–	8,965,649
Swiss franc	1,190,354	–	–	1,190,354
	57,121,106	(2,243,696)	(78,224)	54,799,186



<b>Emerging Markets Growth Fund</b>	<b>Non-USD Currency Assets US\$'000</b>	<b>Non-USD Currency Liabilities US\$'000</b>	<b>Forward Foreign Currency Contracts US\$'000</b>	<b>Net Non-USD Currency Assets US\$'000</b>
Brazil real	280	–	–	280
Euro	28,909	–	(28,483)	426
Sterling	1,302,630	–	(1,301,298)	1,332
	1,331,819	–	(1,329,781)	2,038

<b>Emerging Markets Income Fund</b>	<b>Non-USD Currency Assets US\$'000</b>	<b>Non-USD Currency Liabilities US\$'000</b>	<b>Forward Foreign Currency Contracts US\$'000</b>	<b>Net Non-USD Currency Assets US\$'000</b>
Brazil real	19,436,384	–	–	19,436,384
Czech koruna	8,042,788	–	–	8,042,788
Euro	14,486	(106)	–	14,380
Hong Kong dollar	72,253,788	–	–	72,253,788
Indian rupee	38,112,093	–	–	38,112,093
Indonesian rupiah	4,094,992	–	–	4,094,992
Korean Won	37,720,097	–	–	37,720,097
Malaysian ringgit	6,297,292	–	–	6,297,292
Mexican peso	10,470,471	–	–	10,470,471
Polish zloty	6,090,802	–	–	6,090,802
Romanian leu	4,100,363	–	–	4,100,363
Singapore dollar	5,656,989	–	–	5,656,989
South Africa rand	29,260,723	–	(42,300)	29,218,423
Sterling	93,408	(99)	(131,074)	(37,765)
Taiwan dollar	30,645,195	–	–	30,645,195
Thai baht	11,052,637	–	–	11,052,637
Turkish lira	3,446,907	–	–	3,446,907
UAE dirham	5,634,430	–	–	5,634,430
	292,423,845	(205)	(173,374)	292,250,266

<b>European ex UK Income Fund</b>	<b>Non-EUR Currency Assets EUR€'000</b>	<b>Non-EUR Currency Liabilities EUR€'000</b>	<b>Forward Foreign Currency Contracts EUR€'000</b>	<b>Net Non-EUR Currency Assets EUR€'000</b>
Danish kroner	11,411,979	–	–	11,411,979
Sterling	6,023	(244,708)	137,839,652	137,600,967
Swedish krona	5,926,854	–	–	5,926,854
Swiss franc	29,608,834	–	–	29,608,834
	46,953,690	(244,708)	137,839,652	184,548,634

Notes to the Financial Statements continued

For the financial year ended 31 December 2018

10. Financial Risk Management continuedCurrency risk continued

<b>European Income Fund</b>	<b>Non-EUR Currency Assets EUR€'000</b>	<b>Non-EUR Currency Liabilities EUR€'000</b>	<b>Forward Foreign Currency Contracts EUR€'000</b>	<b>Net Non-EUR Currency Assets EUR€'000</b>
Danish kroner	477,437	–	–	477,437
Sterling	1,862,259	(239)	–	1,862,020
Swedish krona	595,704	–	–	595,704
Swiss franc	1,756,306	–	–	1,756,306
United States dollar	–	(2,032)	–	(2,032)
	4,691,706	(2,271)	–	4,689,435

<b>Financial Opportunities Fund</b>	<b>Non-USD Currency Assets US\$'000</b>	<b>Non-USD Currency Liabilities US\$'000</b>	<b>Forward Foreign Currency Contracts US\$'000</b>	<b>Net Non-USD Currency Assets US\$'000</b>
Australian dollar	1,202,404	–	–	1,202,404
Brazil real	654,878	–	–	654,878
Canadian dollar	1,231,879	–	–	1,231,879
Danish krone	720,389	–	–	720,389
Euro	9,242,169	(1,602)	–	9,240,567
Hong Kong dollar	2,055,231	–	–	2,055,231
Indian rupee	1,876,751	–	–	1,876,751
Japanese yen	2,463,576	–	–	2,463,576
Norwegian krone	1,653,464	–	–	1,653,464
Pakistan rupee	429,336	–	–	429,336
Singapore dollar	183	–	–	183
Sterling	4,656,315	(403)	(49)	4,655,863
Swedish krona	1,680,084	–	–	1,680,084
Swiss franc	1,872,915	–	–	1,872,915
Taiwan dollar	30,822	–	–	30,822
Thai baht	1,345,268	–	–	1,345,268
	31,115,664	(2,005)	(49)	31,113,610

<b>Global Alpha Fund</b>	<b>Non-USD Currency Assets US\$'000</b>	<b>Non-USD Currency Liabilities US\$'000</b>	<b>Forward Foreign Currency Contracts US\$'000</b>	<b>Net Non-USD Currency Assets US\$'000</b>
Euro	6,308	–	(6,261)	47
Japanese yen	–	(7)	–	(7)
Sterling	548,928	–	(548,776)	152
	555,236	(7)	(555,037)	192

	Non-USD Currency Assets US\$'000	Non-USD Currency Liabilities US\$'000	Forward Foreign Currency Contracts US\$'000	Net Non-USD Currency Assets US\$'000
<b>Global Convertible Fund</b>				
Euro	146,160,854	(19,896,496)	(25,896,307)	100,368,051
Hong Kong dollar	–	(5)	–	(5)
Japanese yen	110,441,016	(18,387,688)	(19,066,256)	72,987,072
Sterling	22,467,746	(2,093,327)	166,121,642	186,496,061
Swedish krona	–	–	(73)	(73)
Swiss franc	–	(18,236)	7,125,669	7,107,433
	279,069,616	(40,395,752)	128,284,675	366,958,539
<b>Global Insurance Fund</b>				
	Non-GBP Currency Assets GBP£'000	Non-GBP Currency Liabilities GBP£'000	Forward Foreign Currency Contracts GBP£'000	Net Non-GBP Currency Assets GBP£'000
Canadian dollar	79,531,303	–	–	79,531,303
Danish krone	10,875,711	–	–	10,875,711
Euro	32,676,742	(315,693)	17,297,995	49,659,044
Hong Kong dollar	28,624,859	–	–	28,624,859
United States dollar	737,358,758	(9,023)	6,641,426	743,991,161
	889,067,373	(324,716)	23,939,421	912,682,078
<b>Global Technology Fund</b>				
	Non-USD Currency Assets US\$'000	Non-USD Currency Liabilities US\$'000	Forward Foreign Currency Contracts US\$'000	Net Non-USD Currency Assets US\$'000
Euro	94,127,074	(1,152,318)	73,341,751	166,316,507
Hong Kong dollar	62,671,280	–	(174,425)	62,496,855
Indian rupee	3,796	–	–	3,796
Japanese yen	180,090,222	–	(4,657,713)	175,432,509
Korean Won	6,064,093	(5,716,691)	77,164,880	77,512,282
Sterling	66,303,732	(1,278,422)	(172,029)	64,853,281
Swiss franc	40,797	(83,546)	21,721,984	21,679,235
Taiwan dollar	30,748,696	–	–	30,748,696
	440,049,690	(8,230,977)	167,224,448	599,043,161

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Currency risk continued

	Non-USD Currency Assets US\$'000	Non-USD Currency Liabilities US\$'000	Forward Foreign Currency Contracts US\$'000	Net Non-USD Currency Assets US\$'000
<b>Healthcare Blue Chip Fund</b>				
Euro	6,096,942	–	–	6,096,942
Japanese yen	4,556,733	–	–	4,556,733
Sterling	21,150	(853,782)	3,387,886	2,555,254
Swiss franc	4,988,815	–	–	4,988,815
	15,663,640	(853,782)	3,387,886	18,197,744

	Non-USD Currency Assets US\$'000	Non-USD Currency Liabilities US\$'000	Forward Foreign Currency Contracts US\$'000	Net Non-USD Currency Assets US\$'000
<b>Healthcare Opportunities Fund</b>				
Euro	88,248,959	(1,237)	(15,660)	88,232,062
Indian rupee	7,772	–	–	7,772
Japanese yen	418	–	–	418
Sterling	30,031,963	(15)	(246,388)	29,785,560
Swiss franc	80,329,959	(2)	–	80,329,957
Swedish krona	29,901,072	–	–	29,901,072
	228,520,143	(1,254)	(262,048)	228,256,841

	Non-GBP Currency Assets GBP£'000	Non-GBP Currency Liabilities GBP£'000	Forward Foreign Currency Contracts GBP£'000	Net Non-GBP Currency Assets GBP£'000
<b>Income Opportunities Fund</b>				
Australian dollar	6,233,069	–	–	6,233,069
Canadian dollar	3,106,901	–	–	3,106,901
Danish krone	3,384,523	–	–	3,384,523
Euro	53,414,753	–	–	53,414,753
Georgian lari	2,048,698	(78,501)	16,822,796	18,792,993
Hong Kong dollar	5,732,175	–	–	5,732,175
Japanese yen	3,833,390	–	–	3,833,390
Norwegian krone	4,088,483	–	–	4,088,483
Singapore dollar	8,112,680	–	–	8,112,680
Swedish krona	4,020,309	–	–	4,020,309
Swiss franc	3,742,447	–	–	3,742,447
Thai baht	2,410,527	–	–	2,410,527
United States dollar	93,460,034	(488,316)	74,111,131	167,082,849
	193,587,989	(566,817)	90,933,927	283,955,099

	Non-USD Currency Assets US\$'000	Non-USD Currency Liabilities US\$'000	Forward Foreign Currency Contracts US\$'000	Net Non-USD Currency Assets US\$'000
<b>International Alpha Fund</b>				
Euro	37	–	10	47
Sterling	19	–	54	73
Swiss franc	1	–	–	1
	57	–	64	121

<b>Japan Fund</b>	<b>Non-JPY Currency Assets JPY ¥'000</b>	<b>Non-JPY Currency Liabilities JPY ¥'000</b>	<b>Forward Foreign Currency Contracts JPY ¥'000</b>	<b>Net Non-JPY Currency Assets JPY ¥'000</b>
Euro	246,039,897	(297,058,507)	23,325,986,584	23,274,967,974
Sterling	40,783,464	(1,671,850,707)	33,777,729,528	32,146,662,285
Swiss franc	100,893,178	(7,315,101)	2,810,753,746	2,904,331,823
United States dollar	50,360,692	(210,625,933)	31,315,349,567	31,155,084,326
	438,077,231	(2,186,850,248)	91,229,819,425	89,481,046,408

<b>Japan Value Fund</b>	<b>Non-JPY Currency Assets JPY ¥'000</b>	<b>Non-JPY Currency Liabilities JPY ¥'000</b>	<b>Forward Foreign Currency Contracts JPY ¥'000</b>	<b>Net Non-JPY Currency Assets JPY ¥'000</b>
Euro	44,363,432	(3,128,744)	682,627,598	723,862,286
Sterling	3,029,198	(5,390,763)	7,126,629,491	7,124,267,926
United States dollar	–	(52,296,964)	1,055,047,325	1,002,750,361
	47,392,630	(60,816,471)	8,864,304,414	8,850,880,573

<b>North American Fund</b>	<b>Non-USD Currency Assets US\$'000</b>	<b>Non-USD Currency Liabilities US\$'000</b>	<b>Forward Foreign Currency Contracts US\$'000</b>	<b>Net Non-USD Currency Assets US\$'000</b>
Canadian dollar	123,288,812	–	–	123,288,812
Euro	1,123,405	(1,631,798)	211,500,501	210,992,108
Sterling	1,111,416	(1,111,384)	111,266,215	111,266,247
Swiss franc	640,329	(151,359)	19,112,083	19,601,053
	126,163,962	(2,894,541)	341,878,799	465,148,220

<b>UK Absolute Equity Fund</b>	<b>Non-GBP Currency Assets GBP£'000</b>	<b>Non-GBP Currency Liabilities GBP£'000</b>	<b>Forward Foreign Currency Contracts GBP£'000</b>	<b>Net Non-GBP Currency Assets GBP£'000</b>
Canadian dollar	1,331,577	(49,842)	–	1,281,735
Euro	16,347,382	(6,328,090)	181,376,592	191,395,884
Danish kroner	–	(725,524)	–	(725,524)
Japanese yen	–	(1,464,552)	–	(1,464,552)
Norwegian krone	–	(92)	–	(92)
Swedish krona	2,607,492	(16,911)	–	2,590,581
Swiss franc	331,252	–	–	331,252
United States dollar	1,045,715	(2,582,247)	51,129,741	49,593,209
	21,663,418	(11,167,258)	232,506,333	243,002,493

UK Value Opportunities Fund launched on 31 January 2017. As at 31 December 2017, the Fund had no exposure to foreign currency risk.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Currency risk continued

If the exchange rate at 31 December 2018 between the individual Funds' base currencies and all other relevant currencies had increased or decreased by 5% with all other variables held constant, this would have decreased or increased net assets attributable to holders of redeemable participating shares of the Funds as set out below:

<b>As at 31 December 2018</b>	<b>Net Non-USD Currency Monetary Assets US\$'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease US\$'000</b>
Asian Stars Fund	376,762	5	+/- 18,838
Asian Opportunities Fund	36,759,064	5	+/- 1,837,953
Automation & Artificial Intelligence Fund	133,581,164	5	+/- 6,679,058
Biotechnology Fund	85,221,381	5	+/- 4,261,069
China Stars Fund	6,672,388	5	+/- 333,619
Emerging Markets Income Fund	145,968,175	5	+/- 7,298,409
Emerging Market Stars Fund	10,402,354	5	+/- 520,118
Financial Opportunities Fund	14,349,276	5	+/- 717,464
Global Absolute Return Fund	10,192,361	5	+/- 509,618
Global Convertible Fund	405,409,158	5	+/- 20,270,458
Global Technology Fund	549,418,862	5	+/- 27,470,943
Healthcare Blue Chip Fund	15,732,608	5	+/- 786,630
Healthcare Opportunities Fund	262,500,200	5	+/- 13,125,010
North American Fund	439,758,746	5	+/- 21,987,937

<b>As at 31 December 2018</b>	<b>Net Non-JPY ¥ Currency Monetary Assets JPY ¥'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease JPY ¥'000</b>
Japan Fund	31,604,291,054	5	+/- 1,580,214,553
Japan Value Fund	1,385,681,560	5	+/- 69,284,078

<b>As at 31 December 2018</b>	<b>Net Non-GBP £ Currency Monetary Assets GBP£'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease GBP£'000</b>
Global Insurance Fund	1,110,877,457	5	+/- 55,543,873
Income Opportunities Fund	235,847,851	5	+/- 11,792,393
UK Absolute Equity Fund	181,103,354	5	+/- 9,055,168
UK Value Opportunities	(1,741)	5	–

<b>As at 31 December 2018</b>	<b>Net Non-EUR € Currency Monetary Assets EUR€'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease EUR€'000</b>
European ex UK Income Fund	181,357,259	5	+/- 9,067,863
European Income Fund	9,305,885	5	+/- 465,294

<b>As at 31 December 2017</b>	<b>Net Non-USD Currency Monetary Assets US\$'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease US\$'000</b>
Asian Opportunities Fund	42,447,465	5	+/- 2,122,373
Automation & Artificial Intelligence Fund	91,089,297	5	+/- 4,554,465
Biotechnology Fund	54,799,186	5	+/- 2,739,959
Emerging Markets Income Fund	292,250,266	5	+/- 14,612,513
Financial Opportunities Fund	31,113,610	5	+/- 1,555,681
Global Alpha Fund	192	5	+/- 10
Global Convertible Fund	366,958,539	5	+/- 18,347,927
Global Insurance Fund	912,682,078	5	+/- 45,634,104
Global Technology Fund	599,043,161	5	+/- 29,952,158
Healthcare Blue Chip Fund	18,197,744	5	+/- 909,887
Healthcare Opportunities Fund	228,256,841	5	+/- 11,412,842
International Alpha Fund	121	5	+/- 6
Income Opportunities Fund	283,955,099	5	+/- 14,197,755
North American Fund	465,148,220	5	+/- 23,257,411

<b>As at 31 December 2017</b>	<b>Net Non-JPY ¥ Currency Monetary Assets JPY ¥'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease JPY ¥'000</b>
Japan Fund	89,481,046,408	5	+/- 4,474,052,320
Japan Value Fund	8,850,880,573	5	+/- 442,544,029

<b>As at 31 December 2017</b>	<b>Net Non-GBP £ Currency Monetary Assets GBP£'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease GBP£'000</b>
Global Insurance Fund	912,682,078	5	+/- 45,634,104
Income Opportunities Fund	283,955,099	5	+/- 14,197,755
UK Absolute Equity Fund	243,002,493	5	+/- 12,150,125
UK Value Opportunities	–	5	–

<b>As at 31 December 2017</b>	<b>Net Non-EUR € Currency Monetary Assets EUR€'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease EUR€'000</b>
European ex UK Income Fund	184,548,634	5	+/- 9,227,432
European Income Fund	4,689,435	5	+/- 234,472

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Interest rate risk

Most of the Funds' financial assets and liabilities are non-interest bearing and any excess cash and cash equivalents are invested at short term market interest rates. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates.

The two Funds which invest in interest bearing securities are Global Convertible Fund and Income Opportunities Fund and as such their net asset values are exposed to change in interest rates, the risk being that if interest rates rise, they will cause the value of the interest-bearing securities component of the Funds' portfolio to decline. These portfolios consist of a variety of positions with varying maturity dates; in general, the longer the period to maturity of the securities, the greater the risk that the net asset value will decline as a result of an increase in interest rates. The Investment Manager regularly monitors the portfolio and particularly the spread of maturity dates and portfolio balances to achieve the investment objective in line with change in interest rates.

As part of its monitoring process the Investment Manager, when looking at individual bonds and the portfolios as a whole, will consider their sensitivity to changes in interest rates. This will include taking into account their position in the capital structure, whether they have fixed maturities or are perpetual, and whether they have call dates. If they have call dates, the terms if not called will be considered, whether fixed or floating, and what margin over LIBOR the bond will yield if not called. The Investment Manager will also compare the yield on corporate bonds relative to government bonds and the impact that this may have in increasing or reducing the sensitivity of the portfolio to moves in interest rates.

#### Global Convertible Fund

31 December 2018	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non Interest bearing (US\$)	Total US\$
Financial assets at fair value through profit or loss	–	29,710,189	436,800,241	215,787,133	682,297,563
Amounts receivable on sale of redeemable participating shares	–	–	–	1,572,062	1,572,062
Amounts receivable on sale of securities	–	–	–	–	–
Cash at bank	7,954,325	–	–	–	7,954,325
Margin receivable	2,906,649	–	–	–	2,906,649
Margin cash	–	–	–	33,012,349	33,012,349
Other debtors	–	–	–	3,488,152	3,488,152
Financial derivative instruments	–	–	–	1,115,870	1,115,870
Fees and sundry creditors payable	–	–	–	(4,771,383)	(4,771,383)
<b>Total</b>	<b>10,860,974</b>	<b>29,710,189</b>	<b>436,800,241</b>	<b>250,204,183</b>	<b>727,575,587</b>

31 December 2017	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non Interest bearing (US\$)	Total US\$
Financial assets at fair value through profit or loss	–	36,952,661	537,502,437	96,447,565	670,902,663
Amounts receivable on sale of redeemable participating shares	–	–	–	526,017	526,017
Amounts receivable on sale of securities	–	–	–	10,526,520	10,526,520
Cash at bank	(32,911,293)	–	–	–	(32,911,293)
Margin payable	(8,405,581)	–	–	–	(8,405,581)
Margin cash	–	–	–	1,697,777	1,697,777
Other debtors	–	–	–	3,156,632	3,156,632
Financial derivative instruments	–	–	–	(7,363,014)	(7,363,014)
Fees and sundry creditors payable	–	–	–	(2,819,379)	(2,819,379)
<b>Total</b>	<b>(41,316,874)</b>	<b>36,952,661</b>	<b>537,502,437</b>	<b>102,172,118</b>	<b>635,310,342</b>

As at 31 December 2018 should interest rates have fallen by 0.25%, with all other variables remaining constant, the increase in net assets attributable to the holders of redeemable shares would amount to approximately 0.48% (31 December 2017: 0.45%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares for the period by 0.47% (31 December 2017: 0.44%).



## Income Opportunities Fund

<b>31 December 2018</b>	<b>Less than 1 month (GBP£)</b>	<b>1 month – 1 year (GBP£)</b>	<b>Greater than 1 year (GBP£)</b>	<b>Non Interest bearing (GBP£)</b>	<b>Total GBP£</b>
Financial assets at fair value through profit or loss	3,927,415	5,069,063	80,889,529	175,063,400	264,949,407
Amounts receivable on sale of redeemable participating shares	–	–	–	63,750	63,750
Amounts receivable on sale of securities	–	–	–	–	–
Cash at bank	4,045,746	–	–	–	4,045,746
Margin payable	–	–	–	–	–
Margin cash	–	–	–	1,600,769	1,600,769
Other debtors	–	–	–	1,828,539	1,828,539
Financial derivative instruments	–	–	–	59,399	59,399
Fees and sundry creditors payable	–	–	–	(3,731,654)	(3,731,654)
<b>Total</b>	<b>7,973,161</b>	<b>5,069,063</b>	<b>80,889,529</b>	<b>174,884,203</b>	<b>268,815,956</b>

<b>31 December 2017</b>	<b>Less than 1 month (GBP£)</b>	<b>1 month – 1 year (GBP£)</b>	<b>Greater than 1 year (GBP£)</b>	<b>Non Interest bearing (GBP£)</b>	<b>Total GBP£</b>
Financial assets at fair value through profit or loss	295,685	9,586,892	70,914,495	204,051,588	284,848,660
Amounts receivable on sale of redeemable participating shares	–	–	–	2,883,839	2,883,839
Cash at bank	33,128,716	–	–	–	33,128,716
Margin cash	–	–	–	1,153,425	1,153,425
Other debtors	–	–	–	1,334,915	1,334,915
Financial derivative instruments	–	–	–	(678,123)	(678,123)
Fees and sundry creditors payable	–	–	–	(1,023,067)	(1,023,067)
<b>Total</b>	<b>33,424,401</b>	<b>9,586,892</b>	<b>70,914,495</b>	<b>207,722,577</b>	<b>321,648,365</b>

As at 31 December 2018, should interest rates have fallen by 0.25%, with all other variables remaining constant, the increase in net assets attributable to the holders of redeemable shares would amount to approximately 0.19% (31 December 2017: 0.19%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares by 0.19% (31 December 2017: 0.19%).

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The majority of the Funds' financial assets are equity securities. As a result, they are not subject to significant amounts of credit risk.

The credit rating of the fixed income securities held in the two Funds that do invest in debt securities were as follows at 31 December 2018:

Global Convertible Fund	31 December 2018		31 December 2017	
	% Holding	Value US\$	% Holding	Value US\$
A+	3.22%	23,452,851	2.15%	13,660,272
A	0.00%	–	0.00%	–
A-	5.18%	37,655,003	9.96%	63,251,396
BBB+	1.50%	10,921,226	0.00%	–
BBB	1.39%	10,088,470	7.27%	46,212,181
BBB-	0.00%	–	3.33%	21,184,375
BB+	0.00%	–	1.46%	9,285,938
BB	0.00%	–	0.00%	–
BB-	3.68%	26,714,371	4.31%	27,409,188
B+	0.00%	–	1.86%	11,845,625
B	0.00%	–	0.00%	–
B-	0.00%	–	5.39%	34,221,719
CCC+	0.00%	–	0.00%	–
NR	78.56%	571,728,641	54.68%	347,384,404
Total	93.53%	680,560,562	90.42%	574,455,098

Income Opportunities Fund	31 December 2018		31 December 2017	
	% Holding	Value GBP£	% Holding	Value GBP£
AAA	0.00%	–	0.09%	295,685
AA-	0.00%	–	0.93%	3,007,078
A+	0.17%	468,161	1.37%	4,409,135
A	0.00%	–	1.23%	3,947,297
A-	0.27%	716,800	0.82%	2,624,176
BBB+	5.64%	15,161,082	2.00%	6,423,733
BBB	2.25%	6,039,692	2.60%	8,367,924
BBB-	2.65%	7,122,133	1.05%	3,380,413
BB+	0.45%	1,208,680	0.44%	1,411,313
BB	0.95%	2,555,801	0.42%	1,360,080
B+	1.73%	4,662,477	0.31%	993,668
B	1.02%	2,752,500	0.79%	2,541,000
NR	19.01%	51,095,263	13.07%	42,035,570
Total	34.14%	91,782,589	25.12%	80,797,072

#### Credit risk on settlement

Transactions in securities are generally settled or paid for on delivery or cleared through the appropriate clearing system for the market on which the securities are traded. The risk of default is not considered to be material, as delivery of securities sold is only made once the Depository has received confirmation of payment. Payment is also only made on a purchase once confirmation of delivery of the securities has been received by the Depository. The trade will fail if either party fails to deliver the required confirmations.

### Credit risk on cash and receivables

The following are the assets for which the Company has an exposure as an unsecured creditor to either counterparty risk or the Depository which would involve a significant risk of loss in the event of a default by either.

	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$	
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	50,093	–	59,829	22,511	
Cash at bank	2,886,921	10,009,250	34,116,528	41,907,152	
Margin receivable	–	–	–	–	
Margin cash	–	–	–	–	
Sundry debtors	2,489		8,146	6,998	
	2,939,503	10,009,250	34,184,503	41,936,661	
	China Stars Fund 31 December 2018 US\$	Emerging Markets Income Fund 31 December 2018 US\$	Emerging Market Stars Fund 31 December 2018 US\$	European ex UK Income Fund 31 December 2018 EUR€	
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	228	927,480	12,061	126,145	
Cash at bank	354,275	4,558,911	139,830	1,286,388	
Margin receivable	–	–	–	–	
Margin cash	–	–	–	–	
Sundry debtors	12	2,967	9	2,254,688	
	354,515	5,489,358	151,900	3,667,221	
	European Income Fund 31 December 2018 EUR€	Financial Opportunities Fund 31 December 2018 US\$	Global Absolute Return Fund 31 December 2018 US\$	Global Convertible Fund 31 December 2018 US\$	Global Insurance Fund 31 December 2018 GBP£
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	8,143	4,279	–	2,649,070	643,428
Cash at bank	9,966,778	1,409,099	10,194,361	7,954,325	20,950,550
Margin receivable	–	–	–	33,012,349	–
Margin cash	–	–	–	2,906,649	–
Sundry debtors	2,149	183		839,083	27,487
	9,977,070	1,413,561	10,194,361	47,361,476	21,621,465

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Credit risk continued

#### Credit risk on cash and receivables continued

	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$	Income Opportunities Fund 31 December 2018 GBP£	Japan Fund 31 December 2018 JPY ¥
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	549,081	52,392	645,906	1,826,747	104,420,545
Cash at bank	169,931,050	257,516	114,476,293	4,045,746	2,666,543,722
Margin receivable	–	–	–	–	–
Margin cash	42,055,787	–	20,012,400	1,600,769	–
Sundry debtors	47,746	3,064	11,820	1,792	3,791,750
	212,583,664	312,972	135,146,419	7,475,054	2,774,756,017

	Japan Value Fund 31 December 2018 JPY ¥	North American Fund 31 December 2018 US\$	UK Absolute Equity Fund 31 December 2018 GBP£	UK Value Opportunities Fund 31 December 2018 GBP£	Total 31 December 2018 US\$
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	2,475,582	1,337,938	22,802	2,052,077	13,241,812
Cash at bank	12,293,791	200,009,961	81,139,386	49,709,949	834,469,577
Margin receivable	–	–	197,528,169	–	285,216,322
Margin cash	–	–	566,001	17,632	67,763,881
Sundry debtors	139,351,513	9,009	3,628	1,636	4,860,219
	154,120,886	201,356,908	279,259,986	51,781,294	1,205,551,810

	Asian Opportunities Fund 31 December 2017 US\$	Automation & Artificial Intelligence Fund 31 December 2017 US\$	Biotechnology Fund 31 December 2017 US\$	Emerging Markets Growth Fund 31 December 2017 US\$	Emerging Markets Income Fund 31 December 2017 US\$
<b>At 31 December 2017</b>					
<b>Asset Type</b>					
Dividends and interest receivable	49,155	6,720	187	–	1,045,565
Cash at bank	4,293,302	19,278,206	11,132,072	1,402,726	3,138,859
Margin receivable	–	–	–	–	–
Margin cash	–	–	–	–	–
Sundry debtors	20,006	240,491	622,686	–	130,233
	4,362,463	19,525,417	11,754,945	1,402,726	4,314,657

	European ex UK Income Fund 31 December 2017 EUR€	European Income Fund 31 December 2017 EUR€	Financial Opportunities Fund 31 December 2017 US\$	Global Alpha Fund 31 December 2017 US\$	Global Convertible Fund 31 December 2017 US\$
<b>At 31 December 2017</b>					
<b>Asset Type</b>					
Dividends and interest receivable	121,559	17,131	17,648	14	2,837,598
Cash at bank	4,153,884	62,221	2,166,591	1,592,554	–
Margin receivable	–	–	–	–	–
Margin cash	–	–	–	–	1,697,777
Sundry debtors	7,161	11,702	45,188	–	11,371,571
	4,282,604	91,054	2,229,427	1,592,568	15,906,946

	Global Insurance Fund 31 December 2017 GBP£	Global Technology Fund 31 December 2017 US\$	Healthcare Blue Chip Fund 31 December 2017 US\$	Healthcare Opportunities Fund 31 December 2017 US\$	Income Opportunities Fund 31 December 2017 GBP£
<b>At 31 December 2017</b>					
<b>Asset Type</b>					
Dividends and interest receivable	1,300,508	366,191	29,446	147,210	1,331,364
Cash at bank	35,598,203	164,333,671	668,288	2,535,044	33,128,716
Margin receivable	–	–	–	–	–
Margin cash	–	1,345,813	–	–	1,153,425
Sundry debtors	2,904,818	16,155,253	100,761	3,850,459	2,887,390
	39,803,529	182,200,928	798,495	6,532,713	38,500,895

	International Alpha Fund 31 December 2017 US\$	Japan Fund 31 December 2017 JPY ¥	Japan Value Fund 31 December 2017 JPY ¥	North American Fund 31 December 2017 US\$	UK Absolute Equity Fund 31 December 2017 GBP£
<b>At 31 December 2017</b>					
<b>Asset Type</b>					
Dividends and interest receivable	–	48,773,297	3,704,045	860,672	217,630
Cash at bank	10,444	1,118,833,664	495,891,175	33,265,404	14,637,078
Margin receivable	–	–	–	–	99,541,692
Margin cash	–	–	–	–	11,021,544
Sundry debtors	–	1,472,406,806	47,295,185	10,586,830	1,417,004
	10,444	2,640,013,767	546,890,405	44,712,906	126,834,948

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Credit risk continued

#### Credit risk on cash and receivables continued

<b>At 31 December 2017</b>	<b>UK Value Opportunities Fund 31 December 2017 GBP£</b>	<b>Total 31 December 2017 US\$</b>
<b>Asset Type</b>		
Dividends and interest receivable	1,032,461	11,237,902
Cash at bank	24,532,919	408,998,845
Margin receivable	–	134,495,771
Margin cash	17,597	19,517,577
Sundry debtors	401,243	66,927,222
	<b>25,984,220</b>	<b>641,177,317</b>

At 31 December 2018 and 31 December 2017, none of the Funds' financial assets were past due or impaired.

The Investment Manager monitors each Fund's credit exposure where relevant to the Fund's investment strategy on a daily basis and reports regularly to the Board of Directors, which reviews the information provided by the Investment Manager on significant exposures at its periodic meetings.

#### Credit risk statement

The Depositary is responsible for the safe-keeping of assets. The Depositary has appointed The Northern Trust Company ('TNTC') as its global sub-custodian. Both the Depositary and TNTC are wholly owned subsidiaries of Northern Trust Corporation ('NTC'). As at 31 December 2018, NTC had a long-term credit rating from Standard & Poor's of A+ (31 December 2017: A+).

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, Depositary and NTC.

In addition, TNTC, as banker, holds cash of the Funds on deposit. Such cash is held on the balance sheet of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of Depositary and or one of its agents or affiliates may cause the Fund's rights with respect to its assets to be delayed or may result in the Company not receiving the full value of its assets.

As per Note 2 (E), Cash at bank and bank overdraft balances are comprised of cash balances held at TNTC. As at 31 December 2018 cash was held with counterparties and brokers as follows:

Global Convertible Fund (US\$35,918,998) (31 December 2017: US\$6,707,804).

Global Technology Fund US\$42,055,787 (31 December 2017: US\$1,345,813).

Income Opportunities Fund GBP£1,600,769 (31 December 2017: GBP£1,153,425)

UK Absolute Equity Fund GBP£198,094,170 (31 December 2017: GBP£110,563,236).

UK Value Opportunities Fund GBP£17,632 (31 December 2017: GBP£17,597)

The Funds' counterparties and brokers had the following long-term credit ratings from Standard & Poor's as at 31 December 2018:

BNP Paribas: A (31 December 2017: A)

Credit Suisse Securities (Europe) Limited: A+ (31 December 2017: A).

HSBC Bank Plc: AA- (31 December 2017: A)

UBS AG: A+ (31 December 2017: A+).

## Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Funds are exposed to daily cash redemptions of redeemable participating shares. The Funds invest the majority of their assets in securities and other instruments that are traded on an active market and which are considered to be liquid as under normal market conditions, they can be readily disposed of in the event that cash needs to be raised to meet redemptions or to pay expenses.

In accordance with Company policy, the Investment Manager monitors the Funds' liquidity on a daily basis and reports regularly to the Board of Directors, which reviews the information provided by the Investment Manager on significant exposures at its periodic meetings.

The Funds' listed securities are considered to be readily realisable as they are principally listed on major European, Asian and US stock exchanges. At 31 December 2018 and 31 December 2017, the Funds all held liquid assets and liabilities that could be realised in less than one month. The residual contractual maturities of financial liabilities held by the Funds are all within 3 months.

## Offsetting Financial Instruments

The Company has not offset any financial assets and financial liabilities in the Statement of Financial Position. Financial assets and financial liabilities which are subject to enforceable master netting arrangements are detailed in the tables below.

	Gross amounts of recognised assets 2018 US\$	Gross amounts offset in the statement of financial position 2018 US\$	Net amount presented on the statement of financial position 2018 US\$	Related amounts not set off in the Statement of Financial Position		
				Financial instruments 2018 US\$	Cash collateral pledged / received 2018 US\$	Net amount 2018 US\$
<b>Global Convertible Fund</b>						
<b>Assets</b>						
Contracts for difference	530,632	–	530,632	(530,632)	–	–
Futures contracts	830,006	–	830,006	(513,538)	–	316,468
Forward foreign currency contracts	1,601,563	–	1,601,563	(378,939)	–	1,222,624
<b>Total</b>	<b>2,962,201</b>	<b>–</b>	<b>2,962,201</b>	<b>(1,423,109)</b>	<b>–</b>	<b>1,539,092</b>
<b>Liabilities</b>						
Contracts for difference	(953,854)	–	(953,854)	530,632	–	(423,222)
Futures contracts	(513,538)	–	(513,538)	513,538	–	–
Forward foreign currency contracts	(378,939)	–	(378,939)	378,939	–	–
<b>Total</b>	<b>(1,846,331)</b>	<b>–</b>	<b>(1,846,331)</b>	<b>1,423,109</b>	<b>–</b>	<b>(423,222)</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Offsetting Financial Instruments continued

	Gross amounts of recognised assets 2017 US\$	Gross amounts offset in the statement of financial position 2017 US\$	Net amount presented on the statement of financial position 2017 US\$	Related amounts not set off in the Statement of Financial Position		
				Financial instruments 2017 US\$	Cash collateral pledged / received 2017 US\$	Net amount 2017 US\$
<b>Global Convertible Fund</b>						
<b>Assets</b>						
Contracts for difference	1,398,272	–	1,398,272	(1,398,272)	–	–
Futures contracts	435,569	–	435,569	(44,246)	–	391,323
Forward foreign currency contracts	1,202,017	–	1,202,017	–	–	1,202,017
<b>Total</b>	<b>3,035,858</b>	<b>–</b>	<b>3,035,858</b>	<b>(1,442,518)</b>	<b>–</b>	<b>1,593,340</b>
<b>Liabilities</b>						
Contracts for difference	(10,089,966)	–	(10,089,966)	1,398,272	–	(8,691,694)
Futures contracts	(44,246)	–	(44,246)	44,246	–	–
Forward foreign currency contracts	(264,660)	–	(264,660)	–	–	(264,660)
<b>Total</b>	<b>(10,398,872)</b>	<b>–</b>	<b>(10,398,872)</b>	<b>1,442,518</b>	<b>–</b>	<b>(8,956,354)</b>

	Gross amounts of recognised assets 2018 US\$	Gross amounts offset in the statement of financial position 2018 US\$	Net amount presented on the statement of financial position 2018 US\$	Related amounts not set off in the Statement of Financial Position		
				Financial instruments 2018 US\$	Cash collateral pledged / received 2018 US\$	Net amount 2018 US\$
<b>UK Absolute Equity Fund</b>						
<b>Assets</b>						
Contracts for difference	23,277,446	–	23,277,446	(4,734,930)	–	18,542,516
Forward foreign currency contracts	15,039	–	15,039	(15,039)	–	–
<b>Total</b>	<b>23,292,485</b>	<b>–</b>	<b>23,292,485</b>	<b>(4,749,969)</b>	<b>–</b>	<b>18,542,516</b>
<b>Liabilities</b>						
Contracts for difference	(4,734,930)	–	(4,734,930)	4,734,930	–	–
Forward foreign currency contracts	(1,214,901)	–	(1,214,901)	15,039	–	(1,199,862)
<b>Total</b>	<b>(5,949,831)</b>	<b>–</b>	<b>(5,949,831)</b>	<b>4,749,969</b>	<b>–</b>	<b>(1,199,862)</b>



	Gross amounts of recognised assets 2017 US\$	Gross amounts offset in the statement of financial position 2017 US\$	Net amount presented on the statement of financial position 2017 US\$	Related amounts not set off in the Statement of Financial Position		
				Financial instruments 2017 US\$	Cash collateral pledged / received 2017 US\$	Net amount 2017 US\$
<b>UK Absolute Equity Fund</b>						
<b>Assets</b>						
Contracts for difference	12,147,845	–	12,147,845	–	–	12,147,845
Forward foreign currency contracts	26	–	26	–	–	26
<b>Total</b>	<b>12,147,871</b>	<b>–</b>	<b>12,147,871</b>	<b>–</b>	<b>–</b>	<b>12,147,871</b>
<b>Liabilities</b>						
Contracts for difference	(10,171,037)	–	(10,171,037)	–	–	(10,171,037)
Futures contracts	(3,912,730)	–	(3,912,730)	–	–	(3,912,730)
Forward foreign currency contracts	(391,274)	–	(391,274)	–	–	(391,274)
<b>Total</b>	<b>(14,475,041)</b>	<b>–</b>	<b>(14,475,041)</b>	<b>–</b>	<b>–</b>	<b>(14,475,041)</b>

Global Convertible Fund is party to an ISDA Master Agreement with UBS AG, which was signed on the 30 August 2013. On the 23 November 2016 the existing Agreement was amended by adding UK Absolute Equity Fund.

#### Fair value hierarchy

Financial assets and financial liabilities at fair value through profit and loss are valued at fair value at the Statement of Financial Position date. 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 the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'Net gain/loss on financial assets and financial liabilities at fair value through profit or loss' in the period in which they arise. Fair value is the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

In determining fair value, securities which are quoted, listed or traded on a recognised exchange will be valued at the last traded price (or, if no last traded price is available, at the mid-market price).

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 on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry.

Valuation models are used primarily to value unlisted equities, for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Fair value hierarchy continued

The table below sets out fair value measurements using the fair value hierarchy:

#### Financial assets and liabilities at fair value through profit or loss as at 31 December 2018

Asian Opportunities Fund	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Assets</b>				
Equity investments	38,428,308	38,428,308	–	–
Forward foreign currency contracts	12,381	–	12,381	–
<b>Total</b>	<b>38,440,689</b>	<b>38,428,308</b>	<b>12,381</b>	<b>–</b>

#### Asian Stars Fund\*

Automation & Artificial Intelligence Fund	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	292,787,012	292,787,012	–	–
<b>Total</b>	<b>292,787,012</b>	<b>292,787,012</b>	<b>–</b>	<b>–</b>

Biotechnology Fund	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	396,146,801	396,146,801	–	–
Warrants	–	–	–	–
Forward foreign currency contracts	–	–	–	–
<b>Total</b>	<b>396,592,284</b>	<b>396,146,801</b>	<b>–</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

China Stars Fund	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	8,423,241	8,423,241	–	–
<b>Total</b>	<b>8,423,241</b>	<b>8,423,241</b>	<b>–</b>	<b>–</b>

Emerging Markets Income Fund	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	155,018,907	155,018,907	–	–
<b>Total</b>	<b>155,018,907</b>	<b>155,018,907</b>	<b>–</b>	<b>–</b>

Emerging Market Stars Fund	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	11,934,550	11,934,550	–	–
<b>Total</b>	<b>11,934,550</b>	<b>11,934,550</b>	<b>–</b>	<b>–</b>

\* No financial assets or liabilities as at 31 December 2018.

<b>European ex UK Income Fund</b>	<b>Total EUR€</b>	<b>Level 1 EUR€</b>	<b>Level 2 EUR€</b>	<b>Level 3 EUR€</b>
<b>Assets</b>				
Equity investments	197,293,093	197,293,093	–	–
Forward foreign currency contracts	415,805	–	415,805	–
<b>Total</b>	<b>197,708,898</b>	<b>197,293,093</b>	<b>415,805</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(6,616)	–	(6,616)	–
<b>Total</b>	<b>(6,616)</b>	<b>–</b>	<b>(6,616)</b>	<b>–</b>
<b>European Income Fund*</b>				
<b>Financial Opportunities Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	29,601,245	29,601,245	–	–
<b>Total</b>	<b>29,601,245</b>	<b>29,601,245</b>	<b>–</b>	<b>–</b>
<b>Global Absolute Return Fund*</b>				
<b>Global Convertible Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Corporate bonds	680,560,562	–	680,560,562	–
Equity investments	–	–	–	–
Warrants	1,737,001	–	1,737,001	–
Contracts for difference	530,632	–	530,632	–
Forward foreign currency contracts	1,601,563	–	1,601,563	–
Futures contracts	830,006	830,006	–	–
<b>Total</b>	<b>685,259,764</b>	<b>830,006</b>	<b>684,429,758</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference	(953,854)	–	(953,854)	–
Forward foreign currency contracts	(378,939)	–	(378,939)	–
Futures contracts	(513,538)	(513,538)	–	–
<b>Total</b>	<b>(1,846,331)</b>	<b>(513,538)</b>	<b>(1,332,793)</b>	<b>–</b>
<b>Global Insurance Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Investment funds	11,457,558	–	11,457,558	–
Equity investments	1,180,220,240	1,180,220,240	–	–
Forward foreign currency contracts	10,454	–	10,454	–
<b>Total</b>	<b>1,191,688,252</b>	<b>1,180,220,240</b>	<b>11,468,012</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(51,712)	–	(51,712)	–
<b>Total</b>	<b>(51,712)</b>	<b>–</b>	<b>(51,712)</b>	<b>–</b>

\* No financial assets or liabilities as at 31 December 2018.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2018 continued

<b>Global Technology Fund</b>	<b>Total US\$</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>
<b>Assets</b>				
Equity investments	2,325,409,980	2,325,409,980	–	–
Forward foreign currency contracts	1,374,131	–	1,374,131	–
Options	5,371,870	–	5,371,870	–
<b>Total</b>	<b>2,332,155,981</b>	<b>2,325,409,980</b>	<b>6,746,001</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(23,850)	–	(23,850)	–
<b>Total</b>	<b>(23,850)</b>		<b>(23,850)</b>	
<b>Healthcare Blue Chip Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	73,182,159	73,182,159	–	–
Forward foreign currency contracts	16,871	–	16,871	–
<b>Total</b>	<b>73,199,030</b>	<b>73,182,159</b>	<b>16,871</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(100)	–	(100)	–
<b>Total</b>	<b>(100)</b>		<b>(100)</b>	
<b>Healthcare Opportunities Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Investment funds	140,000,000	–	140,000,000	–
Equity investments	1,393,381,114	1,393,381,114	–	–
Warrants	2,208,096	–	2,208,096	–
<b>Total</b>	<b>1,535,589,210</b>	<b>1,393,381,114</b>	<b>142,208,096</b>	<b>–</b>
<b>Income Opportunities Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Corporate bonds	91,782,589	–	91,782,589	–
Equity investments	173,166,818	173,166,818	–	–
Forward foreign currency contracts	1,428	–	1,428	–
Futures contracts	454,545	454,545	–	–
<b>Total</b>	<b>265,405,380</b>	<b>173,621,363</b>	<b>91,784,017</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(374,174)	–	(374,174)	–
Futures contracts	(22,400)	(22,400)	–	–
<b>Total</b>	<b>(396,574)</b>	<b>(22,400)</b>	<b>(374,174)</b>	<b>–</b>

<b>Japan Fund</b>	<b>Total JPY ¥</b>	<b>Level 1 JPY ¥</b>	<b>Level 2 JPY ¥</b>	<b>Level 3 JPY ¥</b>
<b>Assets</b>				
Equity investments	82,185,781,120	82,185,781,120	–	–
Forward foreign currency contracts	14,081	–	14,081	–
<b>Total</b>	<b>82,185,795,201</b>	<b>82,185,781,120</b>	<b>14,081</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(45,496)	–	(45,496)	–
<b>Total</b>	<b>(45,496)</b>	<b>–</b>	<b>(45,496)</b>	<b>–</b>
<b>Japan Value Fund</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>JPY ¥</b>
<b>Assets</b>				
Equity investments	2,209,801,090	2,209,801,090	–	–
Forward foreign currency contracts	515,512	–	515,512	–
<b>Total</b>	<b>2,210,316,602</b>	<b>2,209,801,090</b>	<b>515,512</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(32,313,126)	–	(32,313,126)	–
<b>Total</b>	<b>(32,313,126)</b>	<b>–</b>	<b>(32,313,126)</b>	<b>–</b>
<b>North American Fund</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	2,048,910,349	2,048,910,349	–	–
Forward foreign currency contracts	2,206,078	–	2,206,078	–
<b>Total</b>	<b>2,051,116,427</b>	<b>2,048,910,349</b>	<b>2,206,078</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(17,199)	–	(17,199)	–
<b>Total</b>	<b>(17,199)</b>	<b>–</b>	<b>(17,199)</b>	<b>–</b>
<b>UK Absolute Equity Fund</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Investment Funds	40,000,000	–	40,000,000	–
Equity investments	182,924,511	182,924,511	–	–
Contracts for difference	23,277,446	–	23,277,446	–
Forward foreign currency contracts	15,039	–	15,039	–
Options	379,464	–	379,464	–
<b>Total</b>	<b>246,596,460</b>	<b>182,924,511</b>	<b>63,671,949</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference	(4,734,930)	–	(4,734,930)	–
Forward foreign currency contracts	(1,214,901)	–	(1,214,901)	–
<b>Total</b>	<b>(5,949,831)</b>	<b>–</b>	<b>(5,949,831)</b>	<b>–</b>
<b>UK Value Opportunities Fund</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Equity investments	708,782,396	708,782,396	–	–
<b>Total</b>	<b>708,782,396</b>	<b>708,782,396</b>	<b>–</b>	<b>–</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2017

<b>Asian Opportunities Fund</b>	<b>Total US\$</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>
<b>Assets</b>				
Equity investments	44,848,434	44,848,434	–	–
Warrants	76,824	–	76,824	–
Forward foreign currency contracts	6,226	–	6,226	–
<b>Total</b>	<b>44,931,484</b>	<b>44,848,434</b>	<b>83,050</b>	<b>–</b>
<b>Automation &amp; Artificial Intelligence Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	218,786,689	218,786,689	–	–
<b>Total</b>	<b>218,786,689</b>	<b>218,786,689</b>	<b>–</b>	<b>–</b>
<b>Biotechnology Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	281,125,046	281,125,046	–	–
Warrants	367,253	–	367,253	–
<b>Total</b>	<b>281,492,299</b>	<b>281,125,046</b>	<b>367,253</b>	<b>–</b>
<b>Emerging Markets Income Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Investment funds	5,228,765	–	5,228,765	–
Equity investments	321,328,638	321,328,638	–	–
<b>Total</b>	<b>326,557,403</b>	<b>321,328,638</b>	<b>5,228,765</b>	<b>–</b>
<b>European ex UK Income Fund</b>				
	<b>EUR€</b>	<b>EUR€</b>	<b>EUR€</b>	<b>EUR€</b>
<b>Assets</b>				
Equity investments	200,292,493	200,292,493	–	–
<b>Total</b>	<b>200,292,493</b>	<b>200,292,493</b>	<b>–</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(23,418)	–	(23,418)	–
<b>Total</b>	<b>(23,418)</b>	<b>–</b>	<b>(23,418)</b>	<b>–</b>
<b>European Income Fund</b>				
	<b>EUR€</b>	<b>EUR€</b>	<b>EUR€</b>	<b>EUR€</b>
<b>Assets</b>				
Equity investments	12,243,319	12,243,319	–	–
<b>Total</b>	<b>12,243,319</b>	<b>12,243,319</b>	<b>–</b>	<b>–</b>
<b>Financial Opportunities Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	60,744,266	60,744,266	–	–
<b>Total</b>	<b>60,744,266</b>	<b>60,744,266</b>	<b>–</b>	<b>–</b>

<b>Global Convertible Fund</b>	<b>Total US\$</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>
<b>Assets</b>				
Corporate bonds	574,455,098	–	574,455,098	–
Equity investments	94,071,065	94,071,065	–	–
Warrants	2,376,500	–	2,376,500	–
Contracts for difference	1,398,272	–	1,398,272	–
Forward foreign currency contracts	1,202,017	–	1,202,017	–
Futures contracts	435,569	435,569	–	–
<b>Total</b>	<b>673,938,521</b>	<b>94,506,634</b>	<b>579,431,887</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference	(10,089,966)	–	(10,089,966)	–
Forward foreign currency contracts	(264,660)	–	(264,660)	–
Futures contracts	(44,246)	(44,246)	–	–
<b>Total</b>	<b>(10,398,872)</b>	<b>(44,246)</b>	<b>(10,354,626)</b>	<b>–</b>
<b>Global Insurance Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Investment funds	13,064,495	–	13,064,495	–
Equity investments	978,128,225	978,128,225	–	–
Forward foreign currency contracts	3,516	–	3,516	–
<b>Total</b>	<b>991,196,236</b>	<b>978,128,225</b>	<b>13,068,011</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(54,835)	–	(54,835)	–
<b>Total</b>	<b>(54,835)</b>	<b>–</b>	<b>(54,835)</b>	<b>–</b>
<b>Global Technology Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	1,709,850,130	1,709,850,130	–	–
Forward foreign currency contracts	1,333,147	–	1,333,147	–
Options	8,696,000	–	8,696,000	–
<b>Total</b>	<b>1,719,879,277</b>	<b>1,709,850,130</b>	<b>10,029,147</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(543)	–	(543)	–
<b>Total</b>	<b>(543)</b>	<b>–</b>	<b>(543)</b>	<b>–</b>
<b>Healthcare Blue Chip Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	76,699,702	76,699,702	–	–
Forward foreign currency contracts	27,828	–	27,828	–
<b>Total</b>	<b>76,727,530</b>	<b>76,699,702</b>	<b>27,828</b>	<b>–</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 10. Financial Risk Management continued

#### Fair value hierarchy continued

Financial assets and liabilities at fair value through profit or loss as at 31 December 2017 continued

Healthcare Opportunities Fund	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Assets</b>				
Equity investments	1,478,875,163	1,478,875,163	–	–
Warrants	1,927,338	–	1,927,338	–
<b>Total</b>	<b>1,480,802,501</b>	<b>1,478,875,163</b>	<b>1,927,338</b>	<b>–</b>
<b>Income Opportunities Fund</b>				
	GBP£	GBP£	GBP£	GBP£
<b>Assets</b>				
Corporate bonds	80,501,387	–	80,501,387	–
Supranational bonds	295,685	–	295,685	–
Equity investments	204,051,588	204,051,588	–	–
Forward foreign currency contracts	3,088	–	3,088	–
<b>Total</b>	<b>284,851,748</b>	<b>204,051,588</b>	<b>80,800,160</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(613,911)	–	(613,911)	–
Futures contracts	(67,300)	(67,300)	–	–
<b>Total</b>	<b>(681,211)</b>	<b>(67,300)</b>	<b>(613,911)</b>	<b>–</b>
<b>Japan Fund</b>				
	JPY ¥	JPY ¥	JPY ¥	JPY ¥
<b>Assets</b>				
Equity investments	127,099,163,700	127,099,163,700	–	–
Forward foreign currency contracts	63,434,978	–	63,434,978	–
<b>Total</b>	<b>127,162,598,678</b>	<b>127,099,163,700</b>	<b>63,434,978</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(176,753,364)	–	(176,753,364)	–
<b>Total</b>	<b>(176,753,364)</b>	<b>–</b>	<b>(176,753,364)</b>	<b>–</b>
<b>Japan Value Fund</b>				
	JPY ¥	JPY ¥	JPY ¥	JPY ¥
<b>Assets</b>				
Equity investments	8,585,383,400	8,585,383,400	–	–
Forward foreign currency contracts	11,693,272	–	11,693,272	–
<b>Total</b>	<b>8,597,076,672</b>	<b>8,585,383,400</b>	<b>11,693,272</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(5,934,761)	–	(5,934,761)	–
<b>Total</b>	<b>(5,934,761)</b>	<b>–</b>	<b>(5,934,761)</b>	<b>–</b>



<b>North American Fund</b>	<b>Total US\$</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>
<b>Assets</b>				
Equity investments	2,416,201,695	2,416,201,695	–	–
Forward foreign currency contracts	2,847,920	–	2,847,920	–
<b>Total</b>	<b>2,419,049,615</b>	<b>2,416,201,695</b>	<b>2,847,920</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(27,437)	–	(27,437)	–
<b>Total</b>	<b>(27,437)</b>	<b>–</b>	<b>(27,437)</b>	<b>–</b>
<b>UK Absolute Equity Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Equity investments	400,390,090	400,390,090	–	–
Contracts for difference	12,147,845	–	12,147,845	–
Forward foreign currency contracts	26	–	26	–
<b>Total</b>	<b>412,537,961</b>	<b>400,390,090</b>	<b>12,147,871</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference	(10,171,037)	–	(10,171,037)	–
Forward foreign currency contracts	(391,274)	–	(391,274)	–
Futures contracts	(3,912,730)	(3,912,730)	–	–
<b>Total</b>	<b>(14,475,041)</b>	<b>(3,912,730)</b>	<b>(10,562,311)</b>	<b>–</b>
<b>UK Value Opportunities Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Equity investments	538,636,472	538,636,472	–	–
<b>Total</b>	<b>538,636,472</b>	<b>538,636,472</b>	<b>–</b>	<b>–</b>

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There are no assets held in level 3 at 31 December 2018 (31 December 2017: Nil). In addition, there were no transfers between level 1 and level 2 of the fair value hierarchy during the financial year from 1 January 2018 to 31 December 2018 and 1 January 2017 to 31 December 2017.

The valuation techniques used by the Company are explained in the accounting policies described in note 2.

## 11. Cross/Segregated Liability

The Company is an umbrella fund investment company with segregated liability between the Funds of the Company. Under Irish law, being the law applicable to the Company, this should result in any liabilities attributable to any Fund being borne solely by that Fund in the event of any insolvency.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures

	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017	Net Asset Value Audited 31 December 2016
<b>Asian Opportunities Fund</b>			
Class A US Dollar Distribution	\$39,338,816	\$46,988,102	\$33,073,000
Class I Euro Distribution	€65,946	€122	€100
Class I Euro Hedged Distribution	€952,728	€656,333	€1,000
Class I Sterling Distribution	£61,998	£126	£100
Class I Sterling Hedged Distribution	£478,542	£96,424	£1,000
Class I US Dollar Distribution	\$81,482	\$1,489	\$100
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A US Dollar Distribution	\$346.04	\$396.67	\$298.50
Class I Euro Distribution	€10.45	€11.53	€9.47
Class I Euro Hedged Distribution	€11.37	€13.53	€10.00
Class I Sterling Distribution	£9.37	£10.23	£8.13
Class I Sterling Hedged Distribution	£11.59	£13.64	£10.00
Class I US Dollar Distribution	\$11.97	\$13.82	\$10.00

	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017	Net Asset Value Audited 31 December 2016
<b>Asian Stars Fund</b>			
CLASS I EUR Accumulation	€1,143	N/A	N/A
CLASS I GBP Accumulation	£1,274	N/A	N/A
CLASS I USD Accumulation	\$1,000	N/A	N/A
CLASS R EUR Accumulation	€1,143	N/A	N/A
CLASS R GBP Accumulation	£1,274	N/A	N/A
CLASS R USD Accumulation	\$1,000	N/A	N/A
CLASS S EUR Accumulation	€1,143	N/A	N/A
CLASS S GBP Accumulation	£1,274	N/A	N/A
CLASS S USD Accumulation	\$10,000,000	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
CLASS I EUR Accumulation	€10.00	N/A	N/A
CLASS I GBP Accumulation	£10.00	N/A	N/A
CLASS I USD Accumulation	\$10.00	N/A	N/A
CLASS R EUR Accumulation	€10.00	N/A	N/A
CLASS R GBP Accumulation	£10.00	N/A	N/A
CLASS R USD Accumulation	\$10.00	N/A	N/A
CLASS S EUR Accumulation	€10.00	N/A	N/A
CLASS S GBP Accumulation	£10.00	N/A	N/A
CLASS S USD Accumulation	\$10.00	N/A	N/A

<b>Automation &amp; Artificial Intelligence Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Euro Accumulation	€3,288,129	€1,732,304	N/A
Class I Sterling Accumulation	£24,981,385	£14,313,476	N/A
Class I US Dollar Accumulation	\$6,864,627	\$555,949	N/A
Class R Euro Accumulation	€476,687	€1,009	N/A
Class R US Dollar Accumulation	\$11,384,221	\$10,121,955	N/A
Class S Euro Accumulation	€353,242	€180,191	N/A
Class S Sterling Accumulation	£200,919,640	£139,129,577	N/A
Class S US Dollar Accumulation	\$9,681,669	\$17,382,677	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€8.04	€8.60	N/A
Class I Sterling Accumulation	£7.22	£7.64	N/A
Class I US Dollar Accumulation	\$9.19	\$10.33	N/A
Class R Euro Accumulation	€8.01	€8.61	N/A
Class R US Dollar Accumulation	\$9.16	\$10.34	N/A
Class S Euro Accumulation	€8.08	€8.61	N/A
Class S Sterling Accumulation	£7.25	£7.64	N/A
Class S US Dollar Accumulation	\$9.24	\$10.34	N/A

<b>Biotechnology Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Euro	€31,934,011	€24,776,408	€13,688,700
Class I Sterling	£65,294,784	£44,643,156	£16,981,913
Class I Sterling Hedged	£2,650,240	N/A	N/A
Class I US Dollar	\$162,725,590	\$84,738,323	\$35,870,171
Class R Euro	€29,785,528	€16,647,439	€5,750,552
Class R Sterling	£3,227,520	£2,456,565	£1,541,237
Class R US Dollar	\$105,730,895	\$88,638,191	\$34,789,588
Class S Euro	€141,622	€139,589	€121,283
Class S Sterling	£49,600	£345,782	£221
Class S US Dollar	\$388,969	\$2,957,854	\$3,326,368

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

<b>Biotechnology Fund</b> <small>continued</small>	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>	<b>NAV per share 31 December 2016</b>
Class I Euro	€18.58	€18.39	€16.01
Class I Sterling	£16.67	£16.33	£13.67
Class I Sterling Hedged	€9.05	N/A	N/A
Class I US Dollar	\$21.24	\$22.09	\$16.89
Class R Euro	€18.13	€18.01	€15.76
Class R Sterling	£16.27	£15.99	£13.45
Class R US Dollar	\$20.72	\$21.63	\$16.62
Class S Euro	€18.80	€18.53	€16.10
Class S Sterling	£16.87	£16.45	£13.74
Class S US Dollar	\$21.49	\$22.26	\$16.98

<b>China Stars Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Euro Accumulation	€881	N/A	N/A
Class I Sterling Accumulation	£883	N/A	N/A
Class I US Dollar Accumulation	\$866	N/A	N/A
Class R Euro Accumulation	€879	N/A	N/A
Class R Sterling Accumulation	£882	N/A	N/A
Class R US Dollar Accumulation	\$864	N/A	N/A
Class S Euro Accumulation	€881	N/A	N/A
Class S Sterling Accumulation	£82,370	N/A	N/A
Class S US Dollar Accumulation	\$8,670,000	N/A	N/A

	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€7.58	N/A	N/A
Class I Sterling Accumulation	£6.80	N/A	N/A
Class I US Dollar Accumulation	\$8.66	N/A	N/A
Class R Euro Accumulation	€7.56	N/A	N/A
Class R Sterling Accumulation	£6.79	N/A	N/A
Class R US Dollar Accumulation	\$8.64	N/A	N/A
Class S Euro Accumulation	€7.58	N/A	N/A
Class S Sterling Accumulation	£6.81	N/A	N/A
Class S US Dollar Accumulation	\$8.67	N/A	N/A

<b>Emerging Markets Income Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Euro Accumulation	€318,806	€3,771,909	€3,421,691
Class I Euro Distribution	€1,127,611	€1,432,347	€316,728
Class I Sterling Accumulation	£1,413,490	£1,748,152	£3,422,755
Class I Sterling Distribution	£46,727,287	£67,386,874	£62,349,965
Class I US Dollar Accumulation	\$5,903,408	\$73,762,392	\$71,516,534
Class I US Dollar Distribution	\$737,264	\$18,184,121	\$24,036,261
Class R Euro Accumulation	€1,489,928	€4,228,080	€4,342,885
Class R Euro Distribution	€48,367	€51,925	€739,646
Class R Sterling Accumulation	£235,471	£375,839	£269,182
Class R Sterling Distribution	£170,870	£228,937	£2,932,356
Class R US Dollar Accumulation	\$10,190,437	\$24,336,755	\$31,096,203
Class R US Dollar Distribution	\$2,385,147	\$3,665,000	\$3,795,622
Class S Euro Accumulation	€130	€133	€122
Class S Euro Distribution	€130	€22,111	€20,993
Class S Sterling Accumulation	£1,305,119	£2,263,240	£1,993,056
Class S Sterling Distribution	£57,299,762	£71,987,600	£70,450,365
Class S US Dollar Accumulation	\$114	\$122	\$26,545
Class S US Dollar Distribution	\$431,631	\$829,160	\$583,158
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€10.12	€10.36	€9.51
Class I Euro Distribution	€7.46	€7.97	€7.60
Class I Sterling Accumulation	£9.08	£9.20	£8.12
Class I Sterling Distribution	£6.70	£7.07	£6.49
Class I US Dollar Accumulation	\$11.57	\$12.45	\$10.04
Class I US Dollar Distribution	\$8.53	\$9.57	\$8.01
Class R Euro Accumulation	€9.73	€10.02	€9.24
Class R Euro Distribution	€7.22	€7.75	€7.43
Class R Sterling Accumulation	£8.74	£8.89	£7.89
Class R Sterling Distribution	£6.48	£6.88	£6.34
Class R US Dollar Accumulation	\$11.13	\$12.03	\$9.75
Class R US Dollar Distribution	\$8.25	\$9.30	\$7.83
Class S Euro Accumulation	€9.93	€10.13	€9.27
Class S Euro Distribution	€7.65	€8.14	€7.73
Class S Sterling Accumulation	£8.91	£8.99	£7.91
Class S Sterling Distribution	£6.87	£7.22	£6.60
Class S US Dollar Accumulation	\$11.35	\$12.17	\$9.77
Class S US Dollar Distribution	\$8.75	\$9.77	\$8.16

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017	Net Asset Value Audited 31 December 2016
<b>Emerging Market Stars Fund</b>			
Class I Euro	€86	N/A	N/A
Class I Sterling	£54,818	N/A	N/A
Class I US Dollar	\$85	N/A	N/A
Class R Euro	€86	N/A	N/A
Class R Sterling	£88	N/A	N/A
Class R US Dollar	\$85	N/A	N/A
Class S Euro	€2,446,497	N/A	N/A
Class S Sterling	£353,087	N/A	N/A
Class S US Dollar	\$8,734,512	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro	€7.41	N/A	N/A
Class I Sterling	£6.65	N/A	N/A
Class I US Dollar	\$8.47	N/A	N/A
Class R Euro	€7.39	N/A	N/A
Class R Sterling	£6.63	N/A	N/A
Class R US Dollar	\$8.45	N/A	N/A
Class S Euro	€7.42	N/A	N/A
Class S Sterling	£6.66	N/A	N/A
Class S US Dollar	\$8.49	N/A	N/A
	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
<b>European ex UK Income Fund</b>			
Class I Euro Accumulation	€168,378	€231,040	€48,884
Class I Sterling Accumulation	£3,717,419	£18,093,164	£483,534
Class I Sterling Distribution	£2,020,541	£1,189,780	£417,279
Class I Sterling Hedged Accumulation	£82,556	£61,414	£40,661
Class I Sterling Hedged Distribution	£47,075	£51,385	£1,030
Class S Sterling Accumulation	£167,187	£326,216	£276,619
Class S Sterling Distribution	£47,678,957	£40,399,971	£4,979,295
Class S Sterling Hedged Accumulation	£1,099	£1,152	£1,032
Class S Sterling Hedged Distribution	£124,889,291	£120,975,680	£43,015,995

<b>European ex UK Income Fund</b> continued	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>	<b>NAV per share 31 December 2016</b>
Class I Euro Accumulation	€10.78	€11.42	€10.34
Class I Sterling Accumulation	£9.61	£10.14	£8.82
Class I Sterling Distribution	£8.59	£9.39	£8.49
Class I Sterling Hedged Accumulation	£10.97	£11.49	£10.31
Class I Sterling Hedged Distribution	£9.72	£10.62	£9.90
Class S Sterling Accumulation	£9.68	£10.17	£8.83
Class S Sterling Distribution	£8.64	£9.43	£8.51
Class S Sterling Hedged Accumulation	£10.99	£11.52	£10.32
Class S Sterling Hedged Distribution	£9.75	£10.65	£9.91

<b>European Income Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Euro Accumulation	€42,450	€222,652	€870,099
Class I Euro Distribution	€1,160	€1,258	€1,160
Class I Sterling Accumulation	£8,766,473	£9,796,897	£8,603,104
Class I Sterling Distribution	£107,636	£909,174	£619,125
Class I Swiss Franc Accumulation	Sfr. 1,087	Sfr. 1,221	Sfr. 1,033
Class I Swiss Franc Distribution	Sfr. 1,083	Sfr. 1,219	Sfr. 1,031
Class I US Dollar Accumulation	\$1,061	\$1,207	\$978
Class I US Dollar Distribution	\$1,057	\$1,205	\$978
Class R Euro Accumulation	€1,136	€1,236	€1,148
Class R Euro Distribution	€1,132	€1,235	€1,147
Class R Sterling Accumulation	£1,300	£1,399	£1,250
Class R Sterling Distribution	£1,295	£1,397	£1,248
Class R Swiss Franc Accumulation	Sfr. 1,061	Sfr. 1,200	Sfr. 1,021
Class R Swiss Franc Distribution	Sfr. 1,057	Sfr. 1,197	Sfr. 1,019
Class R US Dollar Accumulation	\$1,036	\$1,184	\$966
Class R US Dollar Distribution	\$1,032	\$1,184	\$966
Class S Euro Accumulation	€1,169	€1,263	€1,165
Class S Euro Distribution	€1,168	€1,264	€1,166
Class S Sterling Accumulation	£1,338	£1,430	£1,268
Class S Sterling Distribution	£1,336	£1,430	£1,268
Class S Swiss Franc Accumulation	Sfr. 1,093	Sfr. 1,226	Sfr. 1,036
Class S Swiss Franc Distribution	Sfr. 1,090	Sfr. 1,226	Sfr. 1,036
Class S US Dollar Accumulation	\$1,067	\$1,211	\$980
Class S US Dollar Distribution	\$1,065	\$1,211	\$982

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

<b>European Income Fund</b> <small>continued</small>	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>	<b>NAV per share 31 December 2016</b>
Class I Euro Accumulation	€11.63	€12.59	€11.63
Class I Euro Distribution	€10.00	€11.31	€10.83
Class I Sterling Accumulation	£10.44	£11.18	£9.92
Class I Sterling Distribution	£8.98	£10.04	£9.25
Class I Swiss Franc Accumulation	Sfr. 13.11	Sfr. 14.73	Sfr. 12.46
Class I Swiss Franc Distribution	Sfr. 11.27	Sfr. 13.24	Sfr. 11.61
Class I US Dollar Accumulation	\$13.30	\$15.12	\$12.26
Class I US Dollar Distribution	\$11.43	\$13.58	\$11.43
Class R Euro Accumulation	€11.36	€12.36	€11.48
Class R Euro Distribution	€9.77	€11.11	€10.71
Class R Sterling Accumulation	£10.19	£10.97	£9.80
Class R Sterling Distribution	£8.77	£9.87	£9.14
Class R Swiss Franc Accumulation	Sfr. 12.80	Sfr. 14.47	Sfr. 12.31
Class R Swiss Franc Distribution	Sfr. 11.01	Sfr. 13.01	Sfr. 11.48
Class R US Dollar Accumulation	\$12.98	\$14.84	\$12.11
Class R US Dollar Distribution	\$11.17	\$13.35	\$11.29
Class S Euro Accumulation	€11.69	€12.63	€11.65
Class S Euro Distribution	€10.07	€11.37	€10.88
Class S Sterling Accumulation	£10.49	£11.21	£9.94
Class S Sterling Distribution	£9.04	£10.09	£9.28
Class S Swiss Franc Accumulation	Sfr. 13.18	Sfr. 14.78	Sfr. 12.49
Class S Swiss Franc Distribution	Sfr. 11.35	Sfr. 13.31	Sfr. 11.66
Class S US Dollar Accumulation	\$13.37	\$15.17	\$12.28
Class S US Dollar Distribution	\$11.51	\$13.65	\$11.47

<b>Financial Opportunities Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Euro Accumulation	€22,260	€130	€621,069
Class I Euro Distribution	€882,999	€1,031,418	€22,434
Class I Sterling Accumulation	£9,348,403	£18,993,684	£6,167,968
Class I Sterling Distribution	£9,141,712	£11,147,598	£13,005,511
Class I US Dollar Accumulation	\$65	\$14,156,543	\$2,290,076
Class I US Dollar Distribution	\$5,172,880	\$5,858,241	\$3,110,534
Class R Euro Accumulation	€127,356	€131,525	€286,081
Class R Euro Distribution	€55	€64	€11,309
Class R Sterling Accumulation	£54,636	£63,238	£23,980
Class R Sterling Distribution	£105,201	£143,126	£884,008
Class R US Dollar Accumulation	\$443,421	\$187,620	\$152,336
Class R US Dollar Distribution	N/A	\$61,086	\$396,872



<b>Financial Opportunities Fund</b> continued	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>	<b>NAV per share 31 December 2016</b>
Class I Euro Accumulation	€10.54	€12.27	€11.29
Class I Euro Distribution	€10.36	€12.29	€11.53
Class I Sterling Accumulation	£9.46	£10.89	£9.64
Class I Sterling Distribution	£9.30	£10.91	£9.85
Class I US Dollar Accumulation	\$12.05	\$14.74	\$11.91
Class I US Dollar Distribution	\$11.85	\$14.76	\$12.17
Class R Euro Accumulation	€10.27	€12.00	€11.10
Class R Euro Distribution	€10.01	€11.93	€11.25
Class R Sterling Accumulation	£9.21	£10.66	£9.47
Class R Sterling Distribution	£8.99	£10.59	£9.60
Class R US Dollar Accumulation	\$11.74	\$14.41	\$11.70
Class R US Dollar Distribution	N/A	\$14.33	\$11.87

<b>Global Absolute Return Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Hedged Euro Accumulation Shares	€1,143	N/A	N/A
Class I Hedged Sterling Accumulation Shares	£1,274	N/A	N/A
Class I US Dollar Accumulation Shares	\$1,000	N/A	N/A
Class S Hedged Euro Accumulation Shares	€1,143	N/A	N/A
Class S Hedged Sterling Accumulation Shares	£10,188,811	N/A	N/A
Class S US Dollar Accumulation Shares	\$1,000	N/A	N/A

	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Hedged Euro Accumulation Shares	€114.32	N/A	N/A
Class I Hedged Sterling Accumulation Shares	£127.36	N/A	N/A
Class I US Dollar Accumulation Shares	\$100.00	N/A	N/A
Class S Hedged Euro Accumulation Shares	€114.32	N/A	N/A
Class S Hedged Sterling Accumulation Shares	£127.36	N/A	N/A
Class S US Dollar Accumulation Shares	\$100.00	N/A	N/A

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017	Net Asset Value Audited 31 December 2016
<b>Global Convertible Fund</b>			
Class I Euro Accumulation	€44,941,483	€40,184,695	€39,486,844
Class I Euro Distribution	€1,693,969	€2,916,918	€67,179,652
Class I Hedged Euro Accumulation	€184,865	€1,035	€947
Class I Hedged Sterling Accumulation	£14,519,118	£13,662,699	£4,436,796
Class I Hedged Sterling Distribution	£26,080,276	£21,402,763	£16,050,155
Class I Hedged Swiss Franc Accumulation	Sfr. 6,327,783	Sfr. 6,955,704	Sfr. 6,393,736
Class I Sterling Accumulation	£40,718,452	£13,806,042	£15,634,362
Class I Sterling Distribution	£112,331,102	£83,106,554	£52,921,856
Class I US Dollar Accumulation	\$8,383,691	\$6,633,769	\$6,153,857
Class I US Dollar Distribution	\$2,173,032	\$1,817,533	\$1,857,880
Class Portfolio Currency Hedged Euro I Accumulation	€1,924,081	€2,645,876	€204,763
Class Portfolio Currency Hedged Sterling I Distribution	£103,294,885	£87,576,714	N/A
Class R Euro Accumulation	€259,491	€255,764	€1,097,846
Class R Euro Distribution	€487,987	€424,957	€454,490
Class R Sterling Accumulation	£166,417	£142,294	£153,477
Class R Sterling Distribution	£1,477	£1,411	£1,393
Class R US Dollar Accumulation	\$1,223	\$1,238	\$14,819
Class R US Dollar Distribution	\$456,339	\$50,075	\$46,937
Class S Euro Accumulation	€100,446	€1,254	€1,280
Class S Euro Distribution	€82,918	€82,645	€22,452
Class S Hedged Sterling Accumulation	£883,178	£2,263,985	£184,452
Class S Hedged Sterling Distribution	£4,655,207	£1,214,208	£57,814,660
Class S Hedged Swiss Franc Accumulation	Sfr. 489.00	Sfr. 508.00	Sfr. 467.00
Class S Sterling Accumulation	£2,247,106	£2,982,412	£2,931,588
Class S Sterling Distribution	£205,184,227	£186,911,169	£142,721,135
Class S US Dollar Accumulation	\$425,213	\$156,995	\$982
Class S US Dollar Distribution	\$3,296,909	\$4,834,522	\$4,336,311
Class SI Sterling Accumulation	£987	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€10.91	€10.48	€10.72
Class I Euro Distribution	€8.91	€8.93	€9.52
Class I Hedged Euro Accumulation	€9.99	€10.35	€9.47
Class I Hedged Sterling Accumulation	£10.30	£10.59	£9.62
Class I Hedged Sterling Distribution	£8.72	£9.34	£8.87
Class I Hedged Swiss Franc Accumulation	Sfr. 9.66	Sfr. 10.08	Sfr. 9.27
Class I Sterling Accumulation	£9.80	£9.32	£9.16
Class I Sterling Distribution	£8.01	£7.94	£8.14
Class I US Dollar Accumulation	\$12.49	\$12.60	\$11.30
Class I US Dollar Distribution	\$10.20	\$10.73	\$10.04
Class Portfolio Currency Hedged Euro I Accumulation	€10.43	€10.61	€9.99

<b>Global Convertible Fund</b> continued	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>	<b>NAV per share 31 December 2016</b>
Class Portfolio Currency Hedged Sterling I Distribution	£9.80	£10.29	N/A
Class R Euro Accumulation	€10.69	€10.30	€10.57
Class R Euro Distribution	€8.70	€8.76	€9.37
Class R Sterling Accumulation	£9.60	£9.15	£9.03
Class R Sterling Distribution	£7.82	£7.79	£8.01
Class R US Dollar Accumulation	\$12.23	\$12.38	\$11.14
Class R US Dollar Distribution	\$9.96	\$10.53	\$9.88
Class S Euro Accumulation	€9.53	€9.13	€9.32
Class S Euro Distribution	€7.98	€7.97	€8.47
Class S Hedged Sterling Accumulation	£10.45	£10.71	£9.70
Class S Hedged Sterling Distribution	£8.82	£9.43	£8.90
Class S Hedged Swiss Franc Accumulation	Sfr. 9.78	Sfr. 10.17	Sfr. 9.33
Class S Sterling Accumulation	£8.56	£8.11	£7.96
Class S Sterling Distribution	£7.17	£7.08	£7.24
Class S US Dollar Accumulation	\$10.91	\$10.97	\$9.82
Class S US Dollar Distribution	\$9.14	\$9.58	\$8.93
Class SI Sterling Accumulation	£9.87	N/A	N/A

<b>Global Insurance Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class A Sterling Distribution	£14,240,918	£62,480,850	£90,078,144
Class B Sterling Accumulation	£11,298,798	£11,751,708	£13,957,506
Class E Sterling Distribution	£295,476,211	£205,077,102	£152,898,737
Class F Sterling Accumulation	£185,651,636	£140,355,150	£114,655,645
Class I Euro Accumulation	€84,427,229	€68,408,551	€37,563,608
Class I Euro Distribution	€7,757,432	€1,334,282	€1,231,223
Class I Hedged Euro Accumulation	€11,260,536	€19,362,396	€885,734
Class I Hedged US Dollar Accumulation	\$2,144,089	\$8,954,070	\$11,063,567
Class I Sterling Accumulation	£190,403,201	£153,998,346	£85,976,298
Class I Sterling Distribution	£143,831,636	£133,652,586	£67,345,856
Class I US Dollar Accumulation	\$12,432,210	\$249,577,609	\$134,785,947
Class I US Dollar Distribution	\$277,897,897	\$13,738,109	\$9,722,671
Class R Euro Accumulation	€3,507,030	€3,464,593	€4,251,866
Class R Euro Distribution	€17,024	€9,534	€121,797
Class R Sterling Accumulation	£5,262,336	£4,354,411	£3,244,955
Class R Sterling Distribution	£17,378,356	£13,838,152	£11,462,676
Class R US Dollar Accumulation	\$16,933,098	\$26,109,498	\$2,650,683
Class R US Dollar Distribution	\$62,199	\$59,263	\$45,194

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

<b>Global Insurance Fund</b> <small>continued</small>	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>	<b>NAV per share 31 December 2016</b>
Class A Sterling Distribution	£4.75	£4.77	£4.59
Class B Sterling Accumulation	£6.01	£5.94	£5.60
Class E Sterling Distribution	£4.93	£4.94	£4.72
Class F Sterling Accumulation	£6.31	£6.20	£5.82
Class I Euro Accumulation	€6.81	€6.78	€6.63
Class I Euro Distribution	€5.37	€5.45	€5.42
Class I Hedged Euro Accumulation	€11.96	€11.92	€11.33
Class I Hedged US Dollar Accumulation	\$12.48	\$12.14	\$11.35
Class I Sterling Accumulation	£6.11	£6.02	£5.66
Class I Sterling Distribution	£4.82	£4.84	£4.62
Class I US Dollar Accumulation	\$7.78	\$8.15	\$6.99
Class I US Dollar Distribution	\$6.14	\$6.55	\$5.71
Class R Euro Accumulation	€6.51	€6.52	€6.40
Class R Euro Distribution	€5.17	€5.27	€5.27
Class R Sterling Accumulation	£5.84	£5.79	£5.46
Class R Sterling Distribution	£4.64	£4.68	£4.49
Class R US Dollar Accumulation	\$7.44	\$7.83	\$6.75
Class R US Dollar Distribution	\$5.91	\$6.33	\$5.55

<b>Global Technology Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class A Euro	€3,616,843	€1,107,339	€106,479
Class A Sterling	£8,817,587	£7,164,688	£6,180,496
Class A US Dollar	\$38,667,901	\$54,532,442	\$24,102,084
Class I Euro	€75,346,847	€49,130,516	€17,681,840
Class I Hedged Euro Distribution	€48,769,459	€4,614,401	N/A
Class I Hedged Sterling	£60,651,143	£47,387,846	£12,292,760
Class I Hedged Swiss Franc	Sfr. 26,156,442	Sfr. 17,871,390	Sfr. 3,914,862
Class I Sterling	£819,267,119	£637,286,056	£426,103,658
Class I US Dollar	\$496,621,570	\$366,945,251	\$157,327,486
Class R Euro	€69,943,436	€26,250,934	€12,147,183
Class R Hedged Euro Accumulation	€32,529,696	€4,637,076	N/A
Class R Hedged Euro Distribution	€58,727,423	€50,771,499	€6,616,892
Class R Hedged Swiss Franc	Sfr. 6,950,411	Sfr. 2,889,965	Sfr. 148,721
Class R Sterling	£13,875,604	£10,457,242	£8,486,433
Class R US Dollar	\$447,231,349	\$309,533,578	\$133,399,949
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Euro	€38.23	€35.33	€27.29
Class A Sterling	£34.31	£31.36	£23.29
Class A US Dollar	\$43.70	\$42.42	\$28.78
Class I Euro	€34.76	€32.26	€24.91
Class I Hedged Euro Distribution	€11.66	€11.70	N/A

<b>Global Technology Fund</b> continued	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>	<b>NAV per share 31 December 2016</b>
Class I Hedged Sterling	£16.68	£16.54	£11.35
Class I Hedged Swiss Franc	Sfr. 16.95	Sfr. 17.05	Sfr. 11.84
Class I Sterling	£31.20	£28.64	£21.26
Class I US Dollar	\$39.74	\$38.74	\$26.27
Class R Euro	€33.27	€31.03	€23.97
Class R Hedged Euro Accumulation	€11.56	€11.65	N/A
Class R Hedged Euro Distribution	€17.08	€17.19	€11.96
Class R Hedged Swiss Franc	Sfr. 16.70	Sfr. 16.88	Sfr. 11.77
Class R Sterling	£29.86	£27.54	£20.46
Class R US Dollar	\$38.03	\$37.26	\$25.29

<b>Healthcare Blue Chip Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Euro Accumulation	€683	€645	€227,246
Class I Euro Distribution	€69,698	€645	€624
Class I Sterling Accumulation	£5,745,905	£3,415,960	£2,229,204
Class I Sterling Distribution	£2,028,486	£1,458,818	£1,181,031
Class I US Dollar Accumulation	\$1,520,513	\$1,138,965	\$980,425
Class I US Dollar Distribution	\$214,277	\$339,029	\$291,669
Class S Sterling Accumulation	£788,044	£2,221,039	£2,379,008
Class S Sterling Distribution	£2,447,411	£44,362,353	£54,393,681
Class S Sterling Hedged Distribution	£1,840,640	£2,495,782	£1,000
Class S US Dollar Accumulation	\$1,424,154	\$2,519,723	\$2,127,769
Class S US Dollar Distribution	\$263,758	\$289,042	\$226,229
Class SI Sterling Distribution	£42,048,443	N/A	N/A
Class SI US Dollar Distribution	\$35,235	N/A	N/A

	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€10.56	€9.97	€9.64
Class I Euro Distribution	€10.21	€9.72	€9.51
Class I Sterling Accumulation	£9.47	£8.85	£8.23
Class I Sterling Distribution	£9.16	£8.63	£8.12
Class I US Dollar Accumulation	\$12.07	\$11.97	\$10.17
Class I US Dollar Distribution	\$11.67	\$11.67	\$10.04
Class S Sterling Accumulation	£9.53	£8.88	£8.25
Class S Sterling Distribution	£9.22	£8.67	£8.15
Class S Sterling Hedged Distribution	£11.44	£11.64	£10.00
Class S US Dollar Accumulation	\$12.13	\$12.02	\$10.20
Class S US Dollar Distribution	\$11.74	\$11.73	\$10.07
Class SI Sterling Distribution	£8.09	N/A	N/A
Class SI US Dollar Distribution	\$10.30	N/A	N/A

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017	Net Asset Value Audited 31 December 2016
<b>Healthcare Opportunities Fund</b>			
Class A Euro	€6,437,436	€4,613,382	€5,660,000
Class A Sterling	£2,739,194	£3,651,200	£12,733,791
Class A US Dollar	\$8,901,388	\$9,693,834	\$11,726,600
Class I Euro	€88,800,055	€75,338,253	€63,851,863
Class I Euro Accumulation	€957	N/A	N/A
Class I Sterling	£903,328,668	£777,378,791	£559,411,671
Class I US Dollar	\$194,845,472	\$148,593,976	\$116,825,889
Class R Euro	€46,206,359	€49,016,637	€44,383,148
Class R Sterling	£10,815,591	£8,401,827	£9,179,078
Class R US Dollar	\$91,471,565	\$101,111,311	\$99,063,593
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Euro	€26.59	€23.52	€21.64
Class A Sterling	£23.86	£20.88	£18.47
Class A US Dollar	\$30.39	\$28.24	\$22.82
Class I Euro	€40.00	€35.02	€32.07
Class I Euro Accumulation	€9.57	N/A	N/A
Class I Sterling	£35.90	£31.08	£27.37
Class I US Dollar	\$45.73	\$42.05	\$33.83
Class R Euro	€38.21	€33.61	€30.93
Class R Sterling	£34.29	£29.84	£26.40
Class R US Dollar	\$43.68	\$40.36	\$32.62
<b>Income Opportunities Fund</b>			
	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class A1 Sterling Distribution	£8,237,125	£7,861,239	£162,638
Class A2 Sterling Accumulation	£7,140,427	£11,262,281	£476,492
Class B1 Sterling Distribution	£35,884,901	£40,257,356	£52,894,323
Class B2 Sterling Accumulation	£149,085,137	£163,933,979	£103,181,160
Class I Euro Accumulation	€978	€16,566	€972
Class I Euro Distribution	€977	€1,051	€973
Class I Euro Hedged Accumulation	€404,868	€1,429,716	€1,198
Class I Euro Hedged Distribution	€99,569	€492,961	€1,197
Class I US Dollar Accumulation	\$1,003	\$1,132	\$920
Class I US Dollar Distribution	\$1,462,434	\$928,724	\$460,726
Class R Euro Accumulation	€2,444,027	€912,071	€969
Class R Euro Distribution	€739,834	€1,042	€969
Class R Euro Hedged Accumulation	€5,784,483	€10,997,427	€1,193
Class R Euro Hedged Distribution	€5,317,424	€6,090,983	€1,192
Class R US Dollar Accumulation	\$2,692,823	\$2,624,206	\$917
Class R US Dollar Distribution	\$6,266,747	\$2,925,607	\$918
Class R US Dollar Hedged Accumulation	\$36,131,059	\$63,849,203	N/A
Class R US Dollar Hedged Distribution	\$24,104,958	\$39,211,334	N/A

<b>Income Opportunities Fund</b> continued	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>	<b>NAV per share 31 December 2016</b>
Class A1 Sterling Distribution	£1.29	£1.43	£1.34
Class A2 Sterling Accumulation	£2.04	£2.18	£1.95
Class B1 Sterling Distribution	£1.35	£1.50	£1.39
Class B2 Sterling Accumulation	£2.12	£2.25	£2.01
Class I Euro Accumulation	€2.36	€2.54	€2.35
Class I Euro Distribution	€1.50	€1.69	€1.63
Class I Euro Hedged Accumulation	€12.42	€13.30	€11.98
Class I Euro Hedged Distribution	€11.05	€12.38	€11.63
Class I US Dollar Accumulation	\$2.70	\$3.05	\$2.48
Class I US Dollar Distribution	\$1.72	\$2.03	\$1.72
Class R Euro Accumulation	€2.28	€2.45	€2.28
Class R Euro Distribution	€1.43	€1.61	€1.56
Class R Euro Hedged Accumulation	€12.26	€13.18	€11.93
Class R Euro Hedged Distribution	€10.95	€12.26	€11.58
Class R US Dollar Accumulation	\$2.60	\$2.95	\$2.41
Class R US Dollar Distribution	\$1.64	\$1.93	\$1.65
Class R US Dollar Hedged Accumulation	\$10.16	\$10.71	N/A
Class R US Dollar Hedged Distribution	\$9.49	\$10.46	N/A

<b>Japan Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class A Japanese Yen	¥346,211,375	¥460,804,469	¥643,533,064
Class A Sterling	£2,333,445	£2,961,829	£9,267,967
Class A US Dollar	\$4,609,286	\$4,354,038	\$4,803,779
Class I Euro	€4,373,140	€1,687,176	€3,954,566
Class I Hedged Euro	€47,802,457	€119,647,995	€65,095,522
Class I Hedged Sterling	£133,301,979	£219,918,938	£235,144,489
Class I Hedged Swiss Franc	Sfr. 10,240,094	Sfr. 14,620,863	Sfr. 13,390,423
Class I Hedged US Dollar	\$75,537,562	\$121,268,227	\$117,496,401
Class I Japanese Yen	¥7,750,010,142	¥11,046,371,075	¥10,405,209,892
Class I Sterling	£58,897,561	£76,652,134	£66,866,614
Class I US Dollar	\$24,415,681	\$31,054,945	\$20,100,267
Class R Euro	€747,599	€1,540,870	€318,719
Class R Hedged Euro	€28,506,947	€54,949,815	€53,583,594
Class R Hedged Sterling	£2,550,801	£4,284,369	£10,584,731
Class R Hedged Swiss Franc	Sfr. 7,000,568	Sfr. 10,880,702	Sfr. 11,897,431

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

<b>Japan Fund</b> <small>continued</small>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class R Hedged US Dollar	\$99,155,997	\$161,225,171	\$191,641,856
Class R Japanese Yen	¥3,693,299,004	¥5,935,548,192	¥5,969,631,542
Class R Sterling	£26,477	£31,306	£29,033
Class R US Dollar	\$1,731,083	\$3,810,994	\$3,677,512
Class SI Euro	€3,758,177	N/A	N/A
Class SI Hedged Euro	€12,143,808	N/A	N/A
Class SI Hedged Sterling	£8,560	N/A	N/A
Class SI Hedged US Dollar	\$15,343,231	N/A	N/A
Class SI Japanese Yen	¥1,257,004,371	N/A	N/A
Class SI Sterling	£905	N/A	N/A
Class SI US Dollar	\$13,768,493	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Japanese Yen	¥2,582.58	¥3,367.16	¥2,590.08
Class A Sterling	£18.49	£22.14	£18.00
Class A US Dollar	\$23.39	\$29.91	\$22.13
Class I Euro	€16.54	€20.14	€16.70
Class I Hedged Euro	€15.35	€20.09	€15.35
Class I Hedged Sterling	£19.34	£25.08	£19.02
Class I Hedged Swiss Franc	Sfr. 13.14	Sfr. 17.24	Sfr. 13.23
Class I Hedged US Dollar	\$20.13	\$25.64	\$19.24
Class I Japanese Yen	¥2,091.63	¥2,713.57	¥2,056.63
Class I Sterling	£14.97	£17.84	£14.30
Class I US Dollar	\$18.95	\$24.10	\$17.57
Class R Euro	€15.95	€19.53	€16.27
Class R Hedged Euro	€14.84	€19.51	€14.99
Class R Hedged Sterling	£18.54	£24.16	£18.42
Class R Hedged Swiss Franc	Sfr. 12.85	Sfr. 16.93	Sfr. 13.06
Class R Hedged US Dollar	\$19.36	\$24.79	\$18.69
Class R Japanese Yen	¥2,018.00	¥2,631.24	¥2,004.23
Class R Sterling	£14.45	£17.30	£13.93
Class R US Dollar	\$18.28	\$23.37	\$17.12
Class SI Euro	€6.76	N/A	N/A
Class SI Hedged Euro	€8.49	N/A	N/A
Class SI Hedged Sterling	£8.56	N/A	N/A
Class SI Hedged US Dollar	\$8.68	N/A	N/A
Class SI Japanese Yen	¥854.84	N/A	N/A
Class SI Sterling	£6.12	N/A	N/A
Class SI US Dollar	\$7.74	N/A	N/A



<b>Japan Value Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class C Hedged Sterling	N/A	£45,195,953	£35,343,044
Class I Euro	€863.57	N/A	N/A
Class I Hedged Euro	€800.67	N/A	N/A
Class I Hedged Sterling	£808	N/A	N/A
Class I Hedged US Dollar	\$820.07	N/A	N/A
Class I Japanese Yen	¥148,858	¥178,310	¥1,000
Class I Sterling	£880	N/A	N/A
Class I US Dollar	\$806.23	N/A	N/A
Class R Hedged Euro	€2,284,021	€5,398,484	€4,877,813
Class R Hedged Sterling	£88,046	£105,637	£83,628
Class R Hedged US Dollar	\$3,573,693	\$6,624,066	\$5,777,755
Class R Japanese Yen	¥30,118,822	¥54,296,038	¥24,609
Class R US Dollar	\$245	\$54,055	\$767
Class S Hedged Euro	€1,234	€1,484	€1,180
Class S Hedged Sterling	£7,649,776	£1,767,299	£2,581,809
Class S Hedged US Dollar	\$1,158,937	\$2,421,409	\$2,028,283
Class S Japanese Yen	¥66,373,251	¥96,065,181	¥40,968,588
Class S Sterling	£1,426,194	£107,775	£3,502
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class C Hedged Sterling	N/A	£2.01	£1.57
Class I Euro	€0.83	N/A	N/A
Class I Hedged Euro	€8.01	N/A	N/A
Class I Hedged Sterling	£8.08	N/A	N/A
Class I Hedged US Dollar	\$8.20	N/A	N/A
Class I Japanese Yen	¥105.20	¥126.01	¥100.00
Class I Sterling	£0.75	N/A	N/A
Class I US Dollar	\$0.95	N/A	N/A
Class R Hedged Euro	€1.92	€2.32	€1.86
Class R Hedged Sterling	£1.56	£1.87	£1.49
Class R Hedged US Dollar	\$2.62	\$3.10	\$2.43
Class R Japanese Yen	¥214.95	¥258.40	¥205.08
Class R US Dollar	\$1.95	\$2.30	\$1.75
Class S Hedged Euro	€1.98	€2.39	€1.90
Class S Hedged Sterling	£1.62	£1.93	£1.52
Class S Hedged US Dollar	\$2.72	\$3.19	\$2.49
Class S Japanese Yen	¥222.49	¥265.87	¥209.74
Class S Sterling	£1.59	£1.75	£1.46

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

North American Fund	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017	Net Asset Value Audited 31 December 2016
Class I Euro	€228,908,693	€161,624,156	€137,044,739
Class I Hedged Euro	€127,772,228	€161,909,558	€143,068,691
Class I Hedged Sterling	£99,220,308	£33,513,795	£24,723,714
Class I Hedged Swiss Franc	Sfr. 16,716,267	Sfr. 19,047,054	Sfr. 40,578,837
Class I Sterling	£211,080,727	£262,054,960	£237,741,115
Class I US Dollar	\$625,470,629	\$817,137,377	\$612,372,186
Class R Euro	€432,372	€530,578	€736,859
Class R Hedged Euro	€9,386,700	€13,494,782	€3,711,017
Class R Hedged Sterling	£1,562,991	£1,187,234	£792,878
Class R Sterling	£180,065	£229,798	£513,917
Class R US Dollar	\$42,537,510	\$44,716,006	\$35,909,067
Class S Euro	€965,803	€543,309	€467,677
Class S Hedged Euro	€438,423	€274,463	€58,237
Class S Hedged Sterling	£41,602,261	£47,296,353	£33,555,121
Class S Sterling	£440,741,133	£422,910,515	£319,133,775
Class S US Dollar	\$115,386,570	\$128,252,136	\$98,999,811
	NAV per share	NAV per share	NAV per share
Class I Euro	€18.64	€20.06	€18.25
Class I Hedged Euro	€19.78	€23.01	€18.80
Class I Hedged Sterling	£20.49	£23.61	£19.09
Class I Hedged Swiss Franc	Sfr. 11.08	Sfr. 12.93	Sfr. 10.62
Class I Sterling	£16.73	£17.81	£15.58
Class I US Dollar	\$21.30	\$24.09	\$19.25
Class R Euro	€17.91	€19.39	€17.73
Class R Hedged Euro	€18.98	€22.20	€18.22
Class R Hedged Sterling	£19.73	£22.86	£18.58
Class R Sterling	£16.07	£17.21	£15.13
Class R US Dollar	\$20.47	\$23.28	\$18.70
Class S Euro	€18.82	€20.22	€18.38
Class S Hedged Euro	€20.00	€23.22	€18.94
Class S Hedged Sterling	£20.71	£23.82	£19.24
Class S Sterling	£16.89	£17.95	£15.69
Class S US Dollar	\$21.51	\$24.28	\$19.39

<b>UK Absolute Equity Fund</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>	<b>Net Asset Value Audited 31 December 2016</b>
Class I Euro	€3,822,036	€2,866,546	€128
Class I Hedged Euro	€156,330,751	€189,470,567	€11,649,429
Class I Hedged US Dollar	\$71,783,096	\$62,733,293	\$4,843,512
Class I Sterling	£202,600,560	£192,132,380	£43,108,415
Class I US Dollar	\$14,730,314	\$12,418,272	\$106
Class R Euro	€1,340,694	€885,809	€172,033
Class R Hedged Euro	€39,179,831	€9,382,314	€148,715
Class R Hedged US Dollar	\$2,135,882	\$1,220,783	\$69,662
Class R Sterling	£3,561,094	£3,013,325	£286,465
Class R US Dollar	\$227,991	\$110,246	\$106
Class S Euro	€181	€184	€129
Class S Hedged Euro	€1,148,131	€606,307	€695
Class S Hedged US Dollar	\$3,089,029	\$3,949,660	\$2,809,759
Class S Sterling	£58,462,623	£66,875,831	£36,652,540
Class S US Dollar	\$163	\$174	\$107
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro	€22.92	€23.38	€16.38
Class I Hedged Euro	€25.60	€26.06	€17.66
Class I Hedged US Dollar	\$34.19	\$34.06	\$22.85
Class I Sterling	£20.56	£20.74	£14.06
Class I US Dollar	\$26.25	\$28.02	\$17.30
Class R Euro	€22.58	€23.15	€16.27
Class R Hedged Euro	€25.18	€25.76	€17.52
Class R Hedged US Dollar	\$33.58	\$33.62	\$22.63
Class R Sterling	£20.25	£20.54	£13.97
Class R US Dollar	\$25.86	\$27.75	\$17.19
Class S Euro	€23.15	€23.55	€16.48
Class S Hedged Euro	€25.92	€26.31	€17.80
Class S Hedged US Dollar	\$34.45	\$34.24	\$22.94
Class S Sterling	£20.76	£20.89	£14.14
Class S US Dollar	\$26.50	\$28.23	\$17.40

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 12. Comparative Figures continued

<b>UK Value Opportunities Fund</b> (based on dealing NAV per share)	<b>Net Asset Value Audited</b> <b>31 December 2018</b>	<b>Net Asset Value Audited</b> <b>31 December 2017</b>	<b>Net Asset Value Audited</b> <b>31 December 2016</b>
Class I Sterling Accumulation	£84,998,425	£52,579,865	N/A
Class I Sterling Distribution	£46,510,036	£29,853,929	N/A
Class R Sterling Accumulation	£2,350,416	N/A	N/A
Class S Sterling Accumulation	£382,163,896	£318,726,236	N/A
Class S Sterling Distribution	£247,126,008	£159,313,766	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Sterling Accumulation	£10.40	£12.14	N/A
Class I Sterling Distribution	£10.34	£12.13	N/A
Class R Sterling Accumulation	£8.82	N/A	N/A
Class S Sterling Accumulation	£10.43	£12.15	N/A
Class S Sterling Distribution	£10.36	£12.15	N/A

### 13. Distributions

In the financial year ended 31 December 2018 the following Funds declared and paid distributions as follows:

<b>31 December 2018</b>	<b>Date declared</b>	<b>Date of payment</b>	<b>Rate per share</b>	<b>No. of shares</b>	<b>Amount</b>	<b>Relevant period</b>
<b>Asian Opportunities Fund</b>						
Class I US Dollar Distributing Shares					<b>US\$10</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.0777	108	\$8	01/01/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0648	11	€1	01/01/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0575	12	£1	01/01/2017 – 31/12/2017
Class I Euro Hedged Distribution Shares					<b>US\$3628</b>	
Class I Euro Hedged Distribution	02/01/2018	31/01/2018	€0.0618	48,509	€2,998	01/01/2017 – 31/12/2017
Class I Sterling Hedged Distribution Shares					<b>US\$659</b>	
Class I Sterling Hedged Distribution	02/01/2018	31/01/2018	£0.0678	7,069	£479	01/01/2017 – 31/12/2017
<b>Total Distributions for Asian Opportunities Fund</b>					<b>US\$4,298</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Emerging Markets Income Fund</b>						
Class R US Dollar Distributing Shares					<b>US\$139,677</b>	
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.1746	394,086	\$68,807	01/07/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.1291	33,276	£4,296	01/07/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.1454	6,699	€974	01/07/2017 – 31/12/2017
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.1900	299,849	\$56,971	01/01/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.1439	29,715	£4,276	01/01/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.1627	6,700	€1,090	01/01/2018 – 30/06/2018
<b>Class I US Dollar Distributing Shares</b>					<b>US\$3,661,529</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.1800	1,900,117	\$342,021	01/07/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.1331	9,531,383	£1,268,627	01/07/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.1499	179,718	€26,940	01/07/2017 – 31/12/2017
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.1939	193,174	\$37,456	01/01/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.1469	7,763,320	£1,140,432	01/01/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.1661	148,251	€24,624	01/01/2018 – 30/06/2018
<b>Class S US Dollar Distributing Shares</b>					<b>US\$3,598,081</b>	
Class S US Dollar Distribution	02/01/2018	31/01/2018	\$0.1842	84,867	\$15,633	01/07/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.1362	9,970,582	£1,357,665	01/07/2017 – 31/12/2017
Class S Euro Distribution	02/01/2018	31/01/2018	€0.1534	2,717	€417	01/07/2017 – 31/12/2017
Class S US Dollar Distribution	02/07/2018	31/07/2018	\$0.1969	48,429	\$9,536	01/01/2018 – 30/06/2018
Class S Sterling Distribution	02/07/2018	31/07/2018	£0.1491	8,815,782	£1,314,433	01/01/2018 – 30/06/2018
Class S Euro Distribution	02/07/2018	31/07/2018	€0.1686	17	€3	01/01/2018 – 30/06/2018
<b>Total Distributions for Emerging Markets Income Fund</b>					<b>US\$7,399,287</b>	

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European ex UK Income Fund</b>						
Class I Sterling Distribution Shares					<b>GBP£49,534</b>	
	02/01/2018	31/01/2018	£0.0285	126,707	£3,611	01/10/2017 – 31/12/2017
	03/04/2018	30/04/2018	£0.0840	132,143	£11,100	01/01/2018 – 31/03/2018
	02/07/2018	31/07/2018	£0.2178	132,093	£28,770	01/04/2018 – 30/06/2018
	01/10/2018	31/10/2018	£0.0451	134,208	£6,053	01/07/2018 – 30/09/2018
Class S Sterling Distribution Shares					<b>GBP£1,604,274</b>	
	02/01/2018	31/01/2018	£0.0285	4,284,196	£122,100	01/10/2017 – 31/12/2017
	03/04/2018	30/04/2018	£0.0844	4,286,486	£361,779	01/01/2018 – 31/03/2018
	02/07/2018	31/07/2018	£0.2189	4,243,544	£928,912	01/04/2018 – 30/06/2018
	01/10/2018	31/10/2018	£0.0453	4,226,993	£191,483	01/07/2018 – 30/09/2018
Class I Hedged Sterling Distribution Shares					<b>GBP£2,080</b>	
	02/01/2018	31/01/2018	£0.0323	4,838	£156	01/10/2017 – 31/12/2017
	03/04/2018	30/04/2018	£0.0957	4,838	£463	01/01/2018 – 31/03/2018
	02/07/2018	31/07/2018	£0.2507	4,840	£1,213	01/04/2018 – 30/06/2018
	01/10/2018	31/10/2018	£0.0510	4,842	£247	01/07/2018 – 30/09/2018
Class S Hedged Sterling Distribution Shares					<b>GBP£5,286,192</b>	
	02/01/2018	31/01/2018	£0.0323	11,359,219	£366,903	01/10/2017 – 31/12/2017
	03/04/2018	30/04/2018	£0.0960	12,135,098	£1,164,969	01/01/2018 – 31/03/2018
	02/07/2018	31/07/2018	£0.2516	12,356,905	£3,108,997	01/04/2018 – 30/06/2018
	01/10/2018	31/10/2018	£0.0512	12,603,954	£645,322	01/07/2018 – 30/09/2018
<b>Total Distributions for European ex UK Income Fund</b>					<b>EUR€7,860,316</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European Income Fund</b>						
Class R Euro Distributing Shares					<b>EUR€200</b>	
	02/01/2018	31/01/2018	€0.1102	112	€12	01/07/2017 – 31/12/2017
	02/01/2018	31/01/2018	\$0.1323	89	\$12	01/07/2017 – 31/12/2017
	02/01/2018	31/01/2018	£0.0978	142	£14	01/07/2017 – 31/12/2017
	02/01/2018	31/01/2018	Sfr.0.129	92	Sfr.12	01/07/2017 – 31/12/2017
	02/07/2018	31/07/2018	€0.3486	112	€39	01/01/2018 – 30/06/2018
	02/07/2018	31/07/2018	\$0.4070	90	\$36	01/01/2018 – 30/06/2018
	02/07/2018	31/07/2018	£0.3083	143	£44	01/01/2018 – 30/06/2018
	02/07/2018	31/07/2018	Sfr.0.4041	93	Sfr.38	01/01/2018 – 30/06/2018

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European Income Fund</b> continued						
					<b>EUR€43,421</b>	
Class I Euro Distributing Shares						
Class I Euro Distribution	02/01/2018	31/01/2018	€0.1129	112	€13	01/07/2017 – 31/12/2017
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.1356	89	\$12	01/07/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.1002	90,555	£9,074	01/07/2017 – 31/12/2017
Class I Swiss Franc Distribution	02/01/2018	31/01/2018	Sfr.0.1321	92	Sfr.12	01/07/2017 – 31/12/2017
Class I Euro Distribution	02/07/2018	31/07/2018	€0.3564	112	€13	01/01/2018 – 30/06/2018
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.4161	90	\$12	01/01/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.3152	92,758	£9,074	01/01/2018 – 30/06/2018
Class I Swiss Franc Distribution	02/07/2018	31/07/2018	Sfr.0.4132	93	Sfr.38	01/01/2018 – 30/06/2018
					<b>EUR€207</b>	
Class S Euro Distributing Shares						
Class S Euro Distribution	02/01/2018	31/01/2018	€0.1137	112	€13	01/07/2017 – 31/12/2017
Class S US Dollar Distribution	02/01/2018	31/01/2018	\$0.1365	89	\$12	01/07/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.1009	142	£14	01/07/2017 – 31/12/2017
Class S Swiss Franc Distribution	02/01/2018	31/01/2018	Sfr.0.133	92	Sfr.12	01/07/2017 – 31/12/2017
Class S Euro Distribution	02/07/2018	31/07/2018	€0.3589	112	€40	01/01/2018 – 30/06/2018
Class S US Dollar Distribution	02/07/2018	31/07/2018	\$0.4190	90	\$38	01/01/2018 – 30/06/2018
Class S Sterling Distribution	02/07/2018	31/07/2018	£0.3174	143	£45	01/01/2018 – 30/06/2018
Class S Swiss Franc Distribution	02/07/2018	31/07/2018	Sfr.0.4161	93	Sfr.39	01/01/2018 – 30/06/2018
<b>Total Distributions for European Income Fund</b>					<b>EUR€43,828</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Financial Opportunities Fund</b>						
					<b>US\$4,835</b>	
Class R US Dollar Distributing Shares						
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.0841	4,263	\$359	01/07/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.0622	13,516	£841	01/07/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.0700	5	–	01/07/2017 – 31/12/2017
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.1814	4,271	\$775	01/01/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.1374	14,131	£1,942	01/01/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.1554	5	1	01/01/2018 – 30/06/2018
					<b>US\$436,212</b>	
Class I US Dollar Distributing Shares						
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.0865	396,900	\$34,332	01/07/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0640	1,021,778	£65,394	01/07/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0720	83,923	€6,042	01/07/2017 – 31/12/2017
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.1872	448,535	€83,966	01/01/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.1418	1,077,042	€152,725	01/01/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.1603	110,305	€17,682	01/01/2018 – 30/06/2018
<b>Total Distributions for Financial Opportunities Fund</b>					<b>US\$441,047</b>	

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b>						
Class R US Dollar Distributing Shares					<b>US\$29,952</b>	
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.1042	4,756	\$496	01/10/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.0771	180	£14	01/10/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.0867	48,510	€4,206	01/10/2017 – 31/12/2017
Class R US Dollar Distribution	03/04/2018	30/04/2018	\$0.1071	4,756	\$509	01/01/2018 – 31/03/2018
Class R Sterling Distribution	03/04/2018	30/04/2018	£0.0764	183	£14	01/01/2018 – 31/03/2018
Class R Euro Distribution	03/04/2018	30/04/2018	€0.0871	48,513	€4,225	01/01/2018 – 31/03/2018
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.1196	7,114	\$851	01/04/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.0907	185	£17	01/04/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.1024	53,187	€5,446	01/04/2018 – 30/06/2018
Class R US Dollar Distribution	01/10/2018	31/10/2018	\$0.1138	45,816	\$5,214	01/07/2018 – 30/09/2019
Class R Sterling Distribution	01/10/2018	31/10/2018	£0.0873	187	£16	01/07/2018 – 30/09/2019
Class R Euro Distribution	01/10/2018	31/10/2018	€0.0980	54,386	€5,330	01/07/2018 – 30/09/2019
Class I US Dollar Distributing Shares					<b>US\$5,511,549</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.1062	169,388	\$17,989	01/10/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0785	10,466,844	£821,647	01/10/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0883	326,642	€28,843	01/10/2017 – 31/12/2017
Class I US Dollar Distribution	03/04/2018	30/04/2018	\$0.1092	183,311	\$20,018	01/01/2018 – 31/03/2018
Class I Sterling Distribution	03/04/2018	30/04/2018	£0.0779	10,879,690	£847,528	01/01/2018 – 31/03/2018
Class I Euro Distribution	03/04/2018	30/04/2018	€0.0888	330,045	€29,308	01/01/2018 – 31/03/2018
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.1220	157,432	\$19,207	01/04/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.0925	12,117,567	£1,120,875	01/04/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.1045	172,223	€17,997	01/04/2018 – 30/06/2018
Class I US Dollar Distribution	01/10/2018	31/10/2018	\$0.1153	180,802	\$20,846	01/07/2018 – 30/09/2019
Class I Sterling Distribution	01/10/2018	31/10/2018	£0.0884	13,377,396	£1,182,562	01/07/2018 – 30/09/2019
Class I Euro Distribution	01/10/2018	31/10/2018	€0.0993	185,170	€18,387	01/07/2018 – 30/09/2019
Class S US Dollar Distributing Shares					<b>US\$10,894,480</b>	
Class S US Dollar Distribution	02/01/2018	31/01/2018	\$0.0949	504,647	\$47,891	01/10/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.0702	26,400,941	£1,853,346	01/10/2017 – 31/12/2017
Class S Euro Distribution	02/01/2018	31/01/2018	€0.0789	10,370	€818	01/10/2017 – 31/12/2017
Class S US Dollar Distribution	03/04/2018	30/04/2018	\$0.0976	481,986	\$47,042	01/01/2018 – 31/03/2018
Class S Sterling Distribution	03/04/2018	30/04/2018	£0.0697	24,754,460	£1,725,386	01/01/2018 – 31/03/2018
Class S Euro Distribution	03/04/2018	30/04/2018	€0.0794	10,376	€824	01/01/2018 – 31/03/2018
Class S US Dollar Distribution	02/07/2018	31/07/2018	\$0.1091	432,584	\$47,195	01/04/2018 – 30/06/2018
Class S Sterling Distribution	02/07/2018	31/07/2018	£0.0827	26,333,818	£2,177,807	01/04/2018 – 30/06/2018
Class S Euro Distribution	02/07/2018	31/07/2018	€0.0934	10,382	€970	01/04/2018 – 30/06/2018
Class S US Dollar Distribution	01/10/2018	31/10/2018	\$0.1038	369,111	\$38,314	01/07/2018 – 30/09/2019
Class S Sterling Distribution	01/10/2018	31/10/2018	£0.0796	28,085,995	£2,235,645	01/07/2018 – 30/09/2019
Class S Euro Distribution	01/10/2018	31/10/2018	€0.0894	10,389	€929	01/07/2018 – 30/09/2019



31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b>						
Class I Hedged Sterling Distributing Shares					<b>GBP£1,033,159</b>	
Class I Hedged Sterling Distribution	02/01/2018	31/01/2018	£0.0923	2,297,709	£212,079	01/10/2017 – 31/12/2017
Class I Hedged Sterling Distribution	03/04/2018	30/04/2018	£0.0946	2,523,989	£238,769	01/01/2018 – 31/03/2018
Class I Hedged Sterling Distribution	02/07/2018	31/07/2018	£0.1053	2,787,907	£293,567	01/04/2018 – 30/06/2018
Class I Hedged Sterling Distribution	01/10/2018	31/10/2018	£0.0997	2,896,137	£288,745	01/07/2018 – 30/09/2019
Class S Hedged Sterling Distributing Shares					<b>GBP£128,059</b>	
Class S Hedged Sterling Distribution	02/01/2018	31/01/2018	£0.0914	131,430	£12,013	01/10/2017 – 31/12/2017
Class S Hedged Sterling Distribution	03/04/2018	30/04/2018	£0.0955	264,101	£25,222	01/01/2018 – 31/03/2018
Class S Hedged Sterling Distribution	02/07/2018	31/07/2018	£0.1065	427,655	£45,545	01/04/2018 – 30/06/2018
Class S Hedged Sterling Distribution	01/10/2018	31/10/2018	£0.1011	447,867	£45,279	01/07/2018 – 30/09/2019
Portfolio Currency Hedged Sterling Distribution Shares					<b>GBP£4,013,505</b>	
Portfolio Currency Hedged Sterling I Distribution	02/01/2018	31/01/2018	£0.1019	8,510,857	£867,256	01/10/2017 – 31/12/2017
Portfolio Currency Hedged Sterling I Distribution	03/04/2018	30/04/2018	£0.1029	7,884,370	£811,302	01/01/2018 – 31/03/2018
Portfolio Currency Hedged Sterling I Distribution	02/07/2018	31/07/2018	£0.1175	9,971,435	£1,171,644	01/04/2018 – 30/06/2018
Portfolio Currency Hedged Sterling I Distribution	01/10/2018	31/10/2018	£0.1122	10,368,123	£1,163,303	01/07/2018 – 30/09/2019
<b>Total Distributions for Global Convertible Fund</b>					<b>US\$23,426,299</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b>						
Class R Sterling Distributing Shares					<b>GBP£309,992</b>	
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.0231	9,362	\$216	01/10/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.0171	2,957,186	£50,568	01/10/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.0193	1,808	€35	01/10/2017 – 31/12/2017
Class R US Dollar Distribution	03/04/2018	30/04/2018	\$0.0285	8,251	\$235	01/01/2018 – 31/03/2018
Class R Sterling Distribution	03/04/2018	30/04/2018	£0.0203	3,734,803	£75,817	01/01/2018 – 31/03/2018
Class R Euro Distribution	03/04/2018	30/04/2018	€0.0232	437	€10	01/01/2018 – 31/03/2018
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.0424	8,266	\$350	01/04/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.0321	3,773,878	£121,141	01/04/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.0363	439	€16	01/04/2018 – 30/06/2018
Class R US Dollar Distribution	01/10/2018	31/10/2018	\$0.0213	10,504	\$224	01/07/2018 – 30/09/2019
Class R Sterling Distribution	01/10/2018	31/10/2018	£0.0163	3,781,658	£61,641	01/07/2018 – 30/09/2019
Class R Euro Distribution	01/10/2018	31/10/2018	€0.0183	442	€8	01/07/2018 – 30/09/2019

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b> <small>continued</small>						
Class I Sterling Distributing Shares					<b>GBP£2,943,417</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.0239	2,099,024	\$50,167	01/10/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0177	27,988,487	£495,396	01/10/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0199	244,796	€4,871	01/10/2017 – 31/12/2017
Class I US Dollar Distribution	03/04/2018	30/04/2018	\$0.0294	2,203,564	\$64,785	01/01/2018 – 31/03/2018
Class I Sterling Distribution	03/04/2018	30/04/2018	£0.0210	29,289,611	£615,082	01/01/2018 – 31/03/2018
Class I Euro Distribution	03/04/2018	30/04/2018	€0.0240	258,593	€6,206	01/01/2018 – 31/03/2018
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.0438	2,073,661	\$90,826	01/04/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.0332	31,264,568	£1,037,984	01/04/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.0375	1,188,805	€44,580	01/04/2018 – 30/06/2018
Class I US Dollar Distribution	01/10/2018	31/10/2018	\$0.0220	2,124,080	\$46,730	01/07/2018 – 30/09/2019
Class I Sterling Distribution	01/10/2018	31/10/2018	£0.0169	31,531,601	£532,884	01/07/2018 – 30/09/2019
Class I Euro Distribution	01/10/2018	31/10/2018	€0.0190	1,459,791	€27,736	01/07/2018 – 30/09/2019
Class A Sterling Distributing Shares					<b>GBP£577,413</b>	
Class A Sterling Distribution	02/01/2018	31/01/2018	£0.0175	13,087,188	£229,026	01/10/2017 – 31/12/2017
Class A Sterling Distribution	03/04/2018	30/04/2018	£0.0207	5,939,114	£122,940	01/01/2018 – 31/03/2018
Class A Sterling Distribution	02/07/2018	31/07/2018	£0.0328	4,913,242	£161,154	01/04/2018 – 30/06/2018
Class A Sterling Distribution	01/10/2018	31/10/2018	£0.0166	3,873,067	£64,293	01/07/2018 – 30/09/2019
Class E Sterling Distributing Shares					<b>GBP£4,797,415</b>	
Class E Sterling Distribution	02/01/2018	31/01/2018	£0.0181	41,532,892	£751,745	01/10/2017 – 31/12/2017
Class E Sterling Distribution	03/04/2018	30/04/2018	£0.0214	55,077,792	£1,178,665	01/01/2018 – 31/03/2018
Class E Sterling Distribution	02/07/2018	31/07/2018	£0.0340	55,205,494	£1,876,987	01/04/2018 – 30/06/2018
Class E Sterling Distribution	01/10/2018	31/10/2018	£0.0172	57,559,178	£990,018	01/07/2018 – 30/09/2019
<b>Total Distributions for Global Insurance Fund</b>					<b>GBP£8,628,237</b>	
31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Healthcare Blue Chip Fund</b>						
Class I US Dollar Distributing Shares					<b>US\$20,158</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.1006	29,051	\$2,923	01/01/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0743	171,264	£12,725	01/01/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0837	67	€6	01/01/2017 – 31/12/2017
Class S Sterling Hedged Distributing Shares					<b>GBP£20,755</b>	
Class S Sterling Hedged Distribution	02/01/2018	31/01/2018	£0.0968	214,414	£20,755	01/01/2017 – 31/12/2017
Class S US Dollar Distributing Shares					<b>US\$519,395</b>	
Class S US Dollar Distribution	02/01/2018	31/01/2018	\$0.1010	24,642	\$2,489	01/01/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.0747	5,117,885	£382,306	01/01/2017 – 31/12/2017
<b>Total Distributions for Healthcare Blue Chip Fund</b>					<b>US\$568,109</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b>						
					<b>GBP£518,241</b>	
Class A1 Sterling Distribution						
Class A1 Sterling Distribution	02/01/2018	31/01/2018	£0.0150	5,499,293	£82,489	01/10/2017 – 31/12/2017
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.0203	1,512,958	\$30,713	01/10/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.0169	647	€11	01/10/2017 – 31/12/2017
Class A1 Sterling Distribution	03/04/2018	30/04/2018	£0.0150	6,465,360	£96,980	01/01/2018 – 31/03/2018
Class R US Dollar Distribution	03/04/2018	30/04/2018	\$0.0210	6,454,051	\$135,535	01/01/2018 – 31/03/2018
Class R Euro Distribution	03/04/2018	30/04/2018	€0.0171	915,361	€15,653	01/01/2018 – 31/03/2018
Class A1 Sterling Distribution	02/07/2018	31/07/2018	£0.0150	6,573,244	£98,599	01/04/2018 – 30/06/2018
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.0198	6,254,133	\$123,832	01/04/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.0175	874,342	€15,301	01/04/2018 – 30/06/2018
Class A1 Sterling Distribution	01/10/2018	31/10/2018	£0.0150	6,436,954	£96,554	01/07/2018 – 30/09/2019
Class R US Dollar Distribution	01/10/2018	31/10/2018	\$0.0196	5,359,018	\$105,037	01/07/2018 – 30/09/2019
Class R Euro Distribution	01/10/2018	31/10/2018	€0.0168	879,589	€14,777	01/07/2018 – 30/09/2019
					<b>GBP£1,415,977</b>	
Class B1 Sterling Distribution Shares						
Class B1 Sterling Distribution	02/01/2018	31/01/2018	£0.0155	26,899,410	£416,941	01/10/2017 – 31/12/2017
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.0210	458,494	\$9,628	01/10/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.1750	622	€11	01/10/2017 – 31/12/2017
Class B1 Sterling Distribution	03/04/2018	30/04/2018	£0.0155	29,988,532	£464,822	01/01/2018 – 31/03/2018
Class I US Dollar Distribution	03/04/2018	30/04/2018	\$0.0217	771,074	\$16,732	01/01/2018 – 31/03/2018
Class I Euro Distribution	03/04/2018	30/04/2018	€0.0177	629	€11	01/01/2018 – 31/03/2018
Class B1 Sterling Distribution	02/07/2018	31/07/2018	£0.0155	32,277,675	£500,304	01/04/2018 – 30/06/2018
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.0205	956,269	\$19,604	01/04/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.0181	636	€12	01/04/2018 – 30/06/2018
Class B1 Sterling Distribution	01/10/2018	31/10/2018	£0.0155	30,060,977	£465,945	01/07/2018 – 30/09/2019
Class I US Dollar Distribution	01/10/2018	31/10/2018	\$0.0202	905,275	\$18,287	01/07/2018 – 30/09/2019
Class I Euro Distribution	01/10/2018	31/10/2018	€0.0174	643	€11	01/07/2018 – 30/09/2019
					<b>EUR€199,728</b>	
Class R Euro Hedged Distribution Shares						
Class R Euro Hedged Distribution	02/01/2018	31/01/2018	€0.1250	496,639	€62,080	01/10/2017 – 31/12/2017
Class R Euro Hedged Distribution	03/04/2018	30/04/2018	€0.1250	631,735	€78,967	01/01/2018 – 31/03/2018
Class R Euro Hedged Distribution	02/07/2018	31/07/2018	€0.1250	469,453	€58,682	01/04/2018 – 30/06/2018
Class R Euro Hedged Distribution	01/10/2018	31/10/2018	€0.1250	441,324	€55,165	01/07/2018 – 30/09/2019
					<b>EUR€12,278</b>	
Class I Euro Hedged Distribution Shares						
Class I Euro Hedged Distribution	02/01/2018	31/01/2018	€0.1250	39,807	€4,976	01/10/2017 – 31/12/2017
Class I Euro Hedged Distribution	03/04/2018	30/04/2018	€0.1250	39,807	€4,976	01/01/2018 – 31/03/2018
Class I Euro Hedged Distribution	02/07/2018	31/07/2018	€0.1250	18,609	€2,326	01/04/2018 – 30/06/2018
Class I Euro Hedged Distribution	01/10/2018	31/10/2018	€0.1250	17,011	€2,126	01/07/2018 – 30/09/2019

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b>						
Class R US Dollar Hedged Distribution Shares					<b>US\$1,169,393</b>	
	02/01/2018	31/01/2018	\$0.1050	3,748,765	\$393,620	01/10/2017 – 31/12/2017
	03/04/2018	30/04/2018	\$0.1050	3,929,484	\$412,596	01/01/2018 – 31/03/2018
	02/07/2018	31/07/2018	\$0.1050	3,458,828	\$363,177	01/04/2018 – 30/06/2018
	01/10/2018	31/10/2018	\$0.1050	2,769,576	\$290,806	01/07/2018 – 30/09/2019
<b>Total Distributions for Income Opportunities Fund</b>					<b>GBP£3,937,807</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>UK Value Opportunities Fund</b>						
	02/01/2018	31/01/2018	£0.0618	2,461,140	£152,098	01/01/2017 – 31/12/2017
	02/01/2018	31/01/2018	£0.0740	13,119,891	£970,872	01/01/2017 – 31/12/2017
<b>Total Distributions for UK Value Opportunities Fund</b>					<b>GBP£1,122,970</b>	

In the financial year ended 31 December 2017 the following Funds declared and paid distributions as follows:

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Asian Opportunities Fund</b>						
	03/01/2017	31/01/2017	\$2.6684	110,798	\$295,654	01/01/2016 – 31/12/2016
<b>Total Distributions for Asian Opportunities Fund</b>					<b>US\$295,654</b>	

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Emerging Markets Income Fund</b>						
Class R US Dollar Distributing Shares					<b>US\$286,528</b>	
	03/01/2017	31/01/2017	\$0.1510	484,754	\$73,198	01/07/2016 – 31/12/2016
	03/01/2017	31/01/2017	£0.1222	462,517	£56,520	01/07/2016 – 31/12/2016
	03/01/2017	31/01/2017	€0.1432	99,548	€14,255	01/07/2016 – 31/12/2016
	03/07/2017	31/07/2017	\$0.1652	346,484	\$57,239	01/01/2017 – 30/06/2017
	03/07/2017	31/07/2017	£0.1272	423,204	£53,832	01/01/2017 – 30/06/2017
	03/07/2017	31/07/2017	€0.1448	7,900	€1,144	01/01/2017 – 30/06/2017
Class I US Dollar Distributing Shares					<b>US\$3,953,562</b>	
	03/01/2017	31/01/2017	\$0.1539	3,000,782	\$461,820	01/07/2016 – 31/12/2016
	03/01/2017	31/01/2017	£0.1245	9,607,545	£1,196,139	01/07/2016 – 31/12/2016
	03/01/2017	31/01/2017	€0.1459	41,675	€6,080	01/07/2016 – 31/12/2016
	03/07/2017	31/07/2017	\$0.1686	2,247,752	\$378,971	01/01/2017 – 30/06/2017
	03/07/2017	31/07/2017	£0.1298	9,615,047	£1,248,033	01/01/2017 – 30/06/2017
	03/07/2017	31/07/2017	€0.1478	39,500	€5,838	01/01/2017 – 30/06/2017

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Emerging Markets Income Fund</b> continued						
Class S US Dollar Distributing Shares					<b>US\$3,427,927</b>	
Class S US Dollar Distribution	03/01/2017	31/01/2017	\$0.1564	71,465	\$11,177	01/07/2016 – 31/12/2016
Class S Sterling Distribution	03/01/2017	31/01/2017	£0.1266	10,674,298	£1,351,366	01/07/2016 – 31/12/2016
Class S Euro Distribution	03/01/2017	31/01/2017	€0.1483	2,716	€403	01/07/2016 – 31/12/2016
Class S US Dollar Distribution	03/07/2017	31/07/2017	\$0.1712	65,368	\$11,191	01/01/2017 – 30/06/2017
Class S Sterling Distribution	03/07/2017	31/07/2017	£0.1318	10,135,567	£1,335,868	01/01/2017 – 30/06/2017
Class S Euro Distribution	03/07/2017	31/07/2017	€0.1501	2,716	€408	01/01/2017 – 30/06/2017
<b>Total Distributions for Emerging Markets Income Fund</b>					<b>US\$7,668,017</b>	

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European ex UK Income Fund</b>						
Class I Sterling Distribution	03/01/2017	31/01/2017	£0.0196	49,175	£964	01/10/2016 – 31/12/2016
Class S Sterling Distribution	03/01/2017	31/01/2017	£0.0196	585,111	£11,468	01/10/2016 – 31/12/2016
Class I Hedged Sterling Distribution	03/01/2017	31/01/2017	£0.0224	104	£2	01/10/2016 – 31/12/2016
Class S Hedged Sterling Distribution	03/01/2017	31/01/2017	£0.0224	4,339,887	£97,213	01/10/2016 – 31/12/2016
Class I Sterling Distribution	03/04/2017	28/04/2017	£0.0985	62,948	£6,200	31/12/2016 – 31/03/2017
Class S Sterling Distribution	03/04/2017	28/04/2017	£0.0988	2,693,016	£266,070	31/12/2016 – 31/03/2017
Class I Hedged Sterling Distribution	03/04/2017	28/04/2017	£0.1139	104	£12	31/12/2016 – 31/03/2017
Class S Hedged Sterling Distribution	03/04/2017	28/04/2017	£0.1142	9,404,974	£1,074,048	31/12/2016 – 31/03/2017
Class I Sterling Distribution	03/07/2017	31/07/2017	£0.1931	88,410	£17,072	01/04/2017 – 30/06/2017
Class S Sterling Distribution	03/07/2017	31/07/2017	£0.1938	3,219,911	£624,019	01/04/2017 – 30/06/2017
Class I Hedged Sterling Distribution	03/07/2017	31/07/2017	£0.2255	105	£24	01/04/2017 – 30/06/2017
Class S Hedged Sterling Distribution	03/07/2017	31/07/2017	£0.2262	9,847,154	£2,227,426	01/04/2017 – 30/06/2017
Class I Sterling Distribution	02/10/2017	31/10/2017	£0.0364	103,698	£3,775	01/07/2017 – 30/09/2017
Class S Sterling Distribution	02/10/2017	31/10/2017	£0.0366	4,281,787	£156,713	01/07/2017 – 30/09/2017
Class I Hedged Sterling Distribution	02/10/2017	31/10/2017	£0.0408	108	£4	01/07/2017 – 30/09/2017
Class S Hedged Sterling Distribution	02/10/2017	31/10/2017	£0.0408	10,859,772	£443,079	01/07/2017 – 30/09/2017
<b>Total Distributions for European ex UK Income Fund</b>					<b>EUR€5,626,621</b>	

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European Income Fund</b>						
Class R Euro Distributing Shares					<b>EUR€169</b>	
Class R Euro Distribution	03/01/2017	31/01/2017	€0.0690	107	€7	01/07/2016 – 31/12/2016
Class R US Dollar Distribution	03/01/2017	31/01/2017	\$0.0728	86	\$6	01/07/2016 – 31/12/2016
Class R Sterling Distribution	03/01/2017	31/01/2017	£0.0589	137	£8	01/07/2016 – 31/12/2016
Class R Swiss Franc Distribution	03/01/2017	31/01/2017	Sfr.0.0740	89	Sfr.7	01/07/2016 – 31/12/2016
Class R Euro Distribution	03/07/2017	31/07/2017	€0.3343	108	€36	01/01/2017 – 30/06/2017
Class R US Dollar Distribution	03/07/2017	31/07/2017	\$0.3813	86	\$33	01/01/2017 – 30/06/2017
Class R Sterling Distribution	03/07/2017	31/07/2017	£0.2933	137	£40	01/01/2017 – 30/06/2017
Class R Swiss Franc Distribution	03/07/2017	31/07/2017	Sfr.0.3659	89	Sfr.33	01/01/2017 – 30/06/2017
Class I Euro Distributing Shares					<b>EUR€32,750</b>	
Class I Euro Distribution	03/01/2017	31/01/2017	€0.0707	107	€8	01/07/2016 – 31/12/2016
Class I US Dollar Distribution	03/01/2017	31/01/2017	\$0.0746	86	\$6	01/07/2016 – 31/12/2016
Class I Sterling Distribution	03/01/2017	31/01/2017	£0.0603	66,932	£4,036	01/07/2016 – 31/12/2016
Class I Swiss Franc Distribution	03/01/2017	31/01/2017	Sfr.0.0758	89	Sfr.7	01/07/2016 – 31/12/2016
Class I Euro Distribution	03/07/2017	31/07/2017	€0.3399	108	€37	01/01/2017 – 30/06/2017
Class I US Dollar Distribution	03/07/2017	31/07/2017	\$0.3877	86	\$33	01/01/2017 – 30/06/2017
Class I Sterling Distribution	03/07/2017	31/07/2017	£0.2982	82,085	£24,478	01/01/2017 – 30/06/2017
Class I Swiss Franc Distribution	03/07/2017	31/07/2017	Sfr.0.3720	89	Sfr.33	01/01/2017 – 30/06/2017
Class S Euro Distributing Shares					<b>EUR€173</b>	
Class S Euro Distribution	03/01/2017	31/01/2017	€0.0711	107	€8	01/07/2016 – 31/12/2016
Class S US Dollar Distribution	03/01/2017	31/01/2017	\$0.0750	86	\$6	01/07/2016 – 31/12/2016
Class S Sterling Distribution	03/01/2017	31/01/2017	£0.0607	137	£8	01/07/2016 – 31/12/2016
Class S Swiss Franc Distribution	03/01/2017	31/01/2017	Sfr.0.0762	89	Sfr.7	01/07/2016 – 31/12/2016
Class S Euro Distribution	03/07/2017	31/07/2017	€0.3417	108	€37	01/01/2017 – 30/06/2017
Class S US Dollar Distribution	03/07/2017	31/07/2017	\$0.3897	86	\$34	01/01/2017 – 30/06/2017
Class S Sterling Distribution	03/07/2017	31/07/2017	£0.2998	138	£41	01/01/2017 – 30/06/2017
Class S Swiss Franc Distribution	03/07/2017	31/07/2017	Sfr.0.3740	89	Sfr.33	01/01/2017 – 30/06/2017
<b>Total Distributions for European Income Fund</b>					<b>EUR€33,092</b>	

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Financial Opportunities Fund</b>						
Class R US Dollar Distributing Shares					<b>US\$21,227</b>	
Class R US Dollar Distribution	03/01/2017	31/01/2017	\$0.0721	33,435	\$2,411	01/07/2016 – 31/12/2016
Class R Sterling Distribution	03/01/2017	31/01/2017	£0.0583	94,583	£5,514	01/07/2016 – 31/12/2016
Class R Euro Distribution	03/01/2017	31/01/2017	€0.0683	1,005	€69	01/07/2016 – 31/12/2016
Class R US Dollar Distribution	03/07/2017	31/07/2017	\$0.1797	36,243	\$6,513	01/01/2017 – 30/06/2017
Class R Sterling Distribution	03/07/2017	31/07/2017	£0.1383	28,208	£3,901	01/01/2017 – 30/06/2017
Class R Euro Distribution	03/07/2017	31/07/2017	€0.1575	1,912	€301	01/01/2017 – 30/06/2017
Class I US Dollar Distributing Shares					<b>US\$453,815</b>	
Class I US Dollar Distribution	03/01/2017	31/01/2017	\$0.0737	255,590	\$18,837	01/07/2016 – 31/12/2016
Class I Sterling Distribution	03/01/2017	31/01/2017	£0.0597	1,320,356	£78,825	01/07/2016 – 31/12/2016
Class I Euro Distribution	03/01/2017	31/01/2017	€0.0699	1,946	€136	01/07/2016 – 31/12/2016
Class I US Dollar Distribution	03/07/2017	31/07/2017	\$0.1845	355,949	\$65,673	01/01/2017 – 30/06/2017
Class I Sterling Distribution	03/07/2017	31/07/2017	£0.1420	1,471,491	£208,952	01/01/2017 – 30/06/2017
Class I Euro Distribution	03/07/2017	31/07/2017	€0.1618	1,995	€323	01/01/2017 – 30/06/2017
<b>Total Distributions for Financial Opportunities Fund</b>					<b>US\$475,042</b>	

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b>						
Class R US Dollar Distributing Shares					<b>US\$22,390</b>	
Class R US Dollar Distribution	03/01/2017	31/01/2017	\$0.1022	4,751	\$486	01/10/2016 – 31/12/2016
Class R Sterling Distribution	03/01/2017	31/01/2017	£0.0828	174	£14	01/10/2016 – 31/12/2016
Class R Euro Distribution	03/01/2017	31/01/2017	€0.0970	48,505	€4,705	01/10/2016 – 31/12/2016
Class R US Dollar Distribution	03/04/2017	28/04/2017	\$0.1087	4,752	\$517	31/12/2016 – 31/03/2017
Class R Sterling Distribution	03/04/2017	28/04/2017	£0.0867	176	£15	31/12/2016 – 31/03/2017
Class R Euro Distribution	03/04/2017	28/04/2017	€0.1016	48,506	€4,928	31/12/2016 – 31/03/2017
Class R US Dollar Distribution	03/07/2017	31/07/2017	\$0.1028	4,753	\$489	01/04/2017 – 30/06/2017
Class R Sterling Distribution	03/07/2017	31/07/2017	£0.0790	178	£14	01/04/2017 – 30/06/2017
Class R Euro Distribution	03/07/2017	31/07/2017	€0.0901	48,508	€4,371	01/04/2017 – 30/06/2017
Class R US Dollar Distribution	02/10/2017	31/10/2017	\$0.1053	4,754	\$501	01/07/2017 – 30/09/2017
Class R Sterling Distribution	02/10/2017	31/10/2017	£0.0786	179	£14	01/07/2017 – 30/09/2017
Class R Euro Distribution	02/10/2017	31/10/2017	€0.0892	48,510	€4,327	01/07/2017 – 30/09/2017
Class I US Dollar Distributing Shares					<b>US\$6,326,184</b>	
Class I US Dollar Distribution	03/01/2017	31/01/2017	\$0.1035	185,048	\$19,152	01/10/2016 – 31/12/2016
Class I Sterling Distribution	03/01/2017	31/01/2017	£0.0839	6,502,890	£545,592	01/10/2016 – 31/12/2016
Class I Euro Distribution	03/01/2017	31/01/2017	€0.0982	7,056,686	€692,967	01/10/2016 – 31/12/2016
Class I US Dollar Distribution	03/04/2017	28/04/2017	\$0.1178	159,987	\$18,846	31/12/2016 – 31/03/2017
Class I Sterling Distribution	03/04/2017	28/04/2017	£0.0939	7,538,189	£707,836	31/12/2016 – 31/03/2017
Class I Euro Distribution	03/04/2017	28/04/2017	€0.1101	8,775,917	€966,229	31/12/2016 – 31/03/2017
Class I US Dollar Distribution	03/07/2017	31/07/2017	\$0.1045	204,604	\$21,381	01/04/2017 – 30/06/2017
Class I Sterling Distribution	03/07/2017	31/07/2017	£0.0803	8,661,180	£695,493	01/04/2017 – 30/06/2017
Class I Euro Distribution	03/07/2017	31/07/2017	€0.0916	8,818,798	€807,802	01/04/2017 – 30/06/2017
Class I US Dollar Distribution	02/10/2017	31/10/2017	\$0.1070	193,604	\$20,716	01/07/2017 – 30/09/2017
Class I Sterling Distribution	02/10/2017	31/10/2017	£0.0799	9,901,949	£791,166	01/07/2017 – 30/09/2017
Class I Euro Distribution	02/10/2017	31/10/2017	€0.0907	324,341	€29,418	01/07/2017 – 30/09/2017

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b> continued						
Class S US Dollar Distributing Shares					<b>US\$8,855,684</b>	
Class S US Dollar Distribution	03/01/2017	31/01/2017	\$0.0937	485,589	\$45,500	01/10/2016 – 31/12/2016
Class S Sterling Distribution	03/01/2017	31/01/2017	£0.0760	19,731,699	£1,499,609	01/10/2016 – 31/12/2016
Class S Euro Distribution	03/01/2017	31/01/2017	€0.0889	2,651	€236	01/10/2016 – 31/12/2016
Class S US Dollar Distribution	03/04/2017	28/04/2017	\$0.1006	475,990	\$47,885	31/12/2016 – 31/03/2017
Class S Sterling Distribution	03/04/2017	28/04/2017	£0.0802	21,108,456	£1,692,898	31/12/2016 – 31/03/2017
Class S Euro Distribution	03/04/2017	28/04/2017	€0.0941	2,652	€250	31/12/2016 – 31/03/2017
Class S US Dollar Distribution	03/07/2017	31/07/2017	\$0.0929	456,392	\$42,399	01/04/2017 – 30/06/2017
Class S Sterling Distribution	03/07/2017	31/07/2017	£0.0714	23,934,284	£1,708,908	01/04/2017 – 30/06/2017
Class S Euro Distribution	03/07/2017	31/07/2017	€0.0814	8,654	€704	01/04/2017 – 30/06/2017
Class S US Dollar Distribution	02/10/2017	31/10/2017	\$0.0957	459,343	\$43,959	01/07/2017 – 30/09/2017
Class S Sterling Distribution	02/10/2017	31/10/2017	£0.0714	25,891,415	£1,848,647	01/07/2017 – 30/09/2017
Class S Euro Distribution	02/10/2017	31/10/2017	€0.0811	9,906	€803	01/07/2017 – 30/09/2017
Class I Hedged Sterling Distributing Shares					<b>GBP£781,060</b>	
Class I Hedged Sterling Distribution	03/01/2017	31/01/2017	£0.1092	1,810,148	£197,668	01/10/2016 – 31/12/2016
Class I Hedged Sterling Distribution	03/04/2017	28/04/2017	£0.0982	1,882,081	£184,820	31/12/2016 – 31/03/2017
Class I Hedged Sterling Distribution	03/07/2017	31/07/2017	£0.0917	2,068,812	£189,710	01/04/2017 – 30/06/2017
Class I Hedged Sterling Distribution	02/10/2017	31/10/2017	£0.0937	2,229,048	£208,862	01/07/2017 – 30/09/2017
Class S Hedged Sterling Distributing Shares					<b>GBP£647,223</b>	
Class S Hedged Sterling Distribution	03/01/2017	31/01/2017	£0.0954	6,494,539	£619,579	01/10/2016 – 31/12/2016
Class S Hedged Sterling Distribution	03/04/2017	28/04/2017	£0.1003	57,317	£5,749	31/12/2016 – 31/03/2017
Class S Hedged Sterling Distribution	03/07/2017	31/07/2017	£0.0925	114,381	£10,580	01/04/2017 – 30/06/2017
Class S Hedged Sterling Distribution	02/10/2017	31/10/2017	£0.0945	119,729	£11,314	01/07/2017 – 30/09/2017
Portfolio Currency Hedged Sterling Distribution Shares					<b>GBP£2,033,489</b>	
Portfolio Currency Hedged Sterling I Distribution	03/04/2017	28/04/2017	£0.0777	6,382,338	£495,908	31/12/2016 – 31/03/2017
Portfolio Currency Hedged Sterling I Distribution	03/07/2017	31/07/2017	£0.1020	7,045,562	£718,647	01/04/2017 – 30/06/2017
Portfolio Currency Hedged Sterling I Distribution	02/10/2017	31/10/2017	£0.1036	7,904,764	£818,934	01/07/2017 – 30/09/2017
<b>Total Distributions for Global Convertible Fund</b>					<b>US\$19,659,945</b>	



31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b>						
Class R Sterling Distributing Shares					<b>GBP£212,527</b>	
Class R US Dollar Distribution	03/01/2017	31/01/2017	\$0.0299	8,137	\$243	01/10/2016 – 31/12/2016
Class R Sterling Distribution	03/01/2017	31/01/2017	£0.0242	2,550,208	£61,715	01/10/2016 – 31/12/2016
Class R Euro Distribution	03/01/2017	31/01/2017	€0.0284	23,130	€657	01/10/2016 – 31/12/2016
Class R US Dollar Distribution	03/04/2017	28/04/2017	\$0.0248	49,772	\$1,234	31/12/2016 – 31/03/2017
Class R Sterling Distribution	03/04/2017	28/04/2017	£0.0198	2,552,378	£50,537	31/12/2016 – 31/03/2017
Class R Euro Distribution	03/04/2017	28/04/2017	€0.0231	30,324	€700	31/12/2016 – 31/03/2017
Class R US Dollar Distribution	03/07/2017	31/07/2017	\$0.0291	16,777	\$488	01/04/2017 – 30/06/2017
Class R Sterling Distribution	03/07/2017	31/07/2017	£0.0224	2,603,182	£58,311	01/04/2017 – 30/06/2017
Class R Euro Distribution	03/07/2017	31/07/2017	€0.0255	7,243	€185	01/04/2017 – 30/06/2017
Class R US Dollar Distribution	02/10/2017	31/10/2017	\$0.0182	6,154	\$112	01/07/2017 – 30/09/2017
Class R Sterling Distribution	02/10/2017	31/10/2017	£0.0136	2,865,780	£38,975	01/07/2017 – 30/09/2017
Class R Euro Distribution	02/10/2017	31/10/2017	€0.0154	1,807	€28	01/07/2017 – 30/09/2017
Class I Sterling Distributing Shares					<b>GBP£1,917,955</b>	
Class I US Dollar Distribution	03/01/2017	31/01/2017	\$0.0307	1,701,523	\$52,237	01/10/2016 – 31/12/2016
Class I Sterling Distribution	03/01/2017	31/01/2017	£0.0249	14,566,358	£362,702	01/10/2016 – 31/12/2016
Class I Euro Distribution	03/01/2017	31/01/2017	€0.0292	227,268	€6,636	01/10/2016 – 31/12/2016
Class I US Dollar Distribution	03/04/2017	28/04/2017	\$0.0255	1,769,408	\$45,120	31/12/2016 – 31/03/2017
Class I Sterling Distribution	03/04/2017	28/04/2017	£0.0204	22,066,458	£450,156	31/12/2016 – 31/03/2017
Class I Euro Distribution	03/04/2017	28/04/2017	€0.0239	215,268	€5,145	31/12/2016 – 31/03/2017
Class I US Dollar Distribution	03/07/2017	31/07/2017	\$0.0298	1,800,517	\$53,655	01/04/2017 – 30/06/2017
Class I Sterling Distribution	03/07/2017	31/07/2017	£0.0230	24,904,246	£572,798	01/04/2017 – 30/06/2017
Class I Euro Distribution	03/07/2017	31/07/2017	€0.0262	241,535	€6,328	01/04/2017 – 30/06/2017
Class I US Dollar Distribution	02/10/2017	31/10/2017	\$0.0189	1,836,168	\$34,704	01/07/2017 – 30/09/2017
Class I Sterling Distribution	02/10/2017	31/10/2017	£0.0141	26,065,426	£367,523	01/07/2017 – 30/09/2017
Class I Euro Distribution	02/10/2017	31/10/2017	€0.0160	241,535	€3,865	01/07/2017 – 30/09/2017
Class A Sterling Distributing Shares					<b>GBP£1,340,046</b>	
Class A Sterling Distribution	03/01/2017	31/01/2017	£0.0246	19,642,929	£483,216	01/10/2016 – 31/12/2016
Class A Sterling Distribution	03/04/2017	28/04/2017	£0.0202	16,851,111	£340,392	31/12/2016 – 31/03/2017
Class A Sterling Distribution	03/07/2017	31/07/2017	£0.0229	14,216,575	£325,560	01/04/2017 – 30/06/2017
Class A Sterling Distribution	02/10/2017	31/10/2017	£0.0138	13,831,709	£190,878	01/07/2017 – 30/09/2017
Class E Sterling Distributing Shares					<b>GBP£2,964,719</b>	
Class E Sterling Distribution	03/01/2017	31/01/2017	£0.0254	32,407,795	£823,158	01/10/2016 – 31/12/2016
Class E Sterling Distribution	03/04/2017	28/04/2017	£0.0207	34,246,549	£708,904	31/12/2016 – 31/03/2017
Class E Sterling Distribution	03/07/2017	31/07/2017	£0.0236	36,740,769	£867,082	01/04/2017 – 30/06/2017
Class E Sterling Distribution	02/10/2017	31/10/2017	£0.0143	39,550,709	£565,575	01/07/2017 – 30/09/2017
<b>Total Distributions for Global Insurance Fund</b>					<b>GBP£6,435,247</b>	

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Healthcare Blue Chip Fund</b>						
Class I US Dollar Distributing Shares					<b>US\$20,422</b>	
Class I US Dollar Distribution	03/01/2017	31/01/2017	\$0.1173	29,051	\$3,408	01/01/2016 – 31/12/2016
Class I Sterling Distribution	03/01/2017	31/01/2017	£0.0949	144,985	£13,759	01/01/2016 – 31/12/2016
Class I Euro Distribution	03/01/2017	31/01/2017	€0.1112	66	€7	01/01/2016 – 31/12/2016
Class S US Dollar Distributing Shares					<b>US\$786,847</b>	
Class S US Dollar Distribution	03/01/2017	31/01/2017	\$0.1175	22,466	\$2,640	01/01/2016 – 31/12/2016
Class S Sterling Distribution	03/01/2017	31/01/2017	£0.0951	6,674,104	£634,707	01/01/2016 – 31/12/2016
<b>Total Distributions for Healthcare Blue Chip Fund</b>					<b>US\$807,269</b>	
31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b>						
Class A1 Sterling Distribution Shares					<b>GBP£99,597</b>	
Class A1 Sterling Distribution	03/01/2017	31/01/2017	£0.0150	121,771	£1,827	01/10/2016 – 31/12/2016
Class R US Dollar Distribution	03/01/2017	31/01/2017	\$0.0185	557	\$10	01/10/2016 – 31/12/2016
Class R Euro Distribution	03/01/2017	31/01/2017	€0.0176	620	€11	01/10/2016 – 31/12/2016
Class A1 Sterling Distribution	03/04/2017	28/04/2017	£0.0150	121,612	£1,824	31/12/2016 – 31/03/2017
Class R US Dollar Distribution	03/04/2017	28/04/2017	\$0.0188	563	\$11	31/12/2016 – 31/03/2017
Class R Euro Distribution	03/04/2017	28/04/2017	€0.0175	627	€11	31/12/2016 – 31/03/2017
Class A1 Sterling Distribution	03/07/2017	31/07/2017	£0.0150	1,431,875	£21,478	01/04/2017 – 30/06/2017
Class R US Dollar Distribution	03/07/2017	31/07/2017	\$0.0195	569	\$11	01/04/2017 – 30/06/2017
Class R Euro Distribution	03/07/2017	31/07/2017	€0.0171	633	€11	01/04/2017 – 30/06/2017
Class A1 Sterling Distribution	02/10/2017	31/10/2017	£0.0155	3,886,384	£60,239	01/07/2017 – 30/09/2017
Class R US Dollar Distribution	02/10/2017	31/10/2017	\$0.0208	913,939	\$19,010	01/07/2017 – 30/09/2017
Class R Euro Distribution	02/10/2017	31/10/2017	€0.0176	640	€11	01/07/2017 – 30/09/2017
Class B1 Sterling Distribution Shares					<b>GBP£1,927,727</b>	
Class B1 Sterling Distribution	03/01/2017	31/01/2017	£0.0150	38,061,685	£570,925	01/10/2016 – 31/12/2016
Class I US Dollar Distribution	03/01/2017	31/01/2017	\$0.0185	268,317	\$4,964	01/10/2016 – 31/12/2016
Class I Euro Distribution	03/01/2017	31/01/2017	€0.0176	598	€11	01/10/2016 – 31/12/2016
Class B1 Sterling Distribution	03/04/2017	28/04/2017	£0.0150	40,823,995	£612,360	31/12/2016 – 31/03/2017
Class I US Dollar Distribution	03/04/2017	28/04/2017	\$0.0188	268,322	\$5,044	31/12/2016 – 31/03/2017
Class I Euro Distribution	03/04/2017	28/04/2017	€0.0175	604	€11	31/12/2016 – 31/03/2017
Class B1 Sterling Distribution	03/07/2017	31/07/2017	£0.0150	26,499,428	£397,491	01/04/2017 – 30/06/2017
Class I US Dollar Distribution	03/07/2017	31/07/2017	\$0.0195	268,328	\$5,232	01/04/2017 – 30/06/2017
Class I Euro Distribution	03/07/2017	31/07/2017	€0.0171	610	€10	01/04/2017 – 30/06/2017
Class B1 Sterling Distribution	02/10/2017	31/10/2017	£0.0155	21,195,051	£328,523	01/07/2017 – 30/09/2017
Class I US Dollar Distribution	02/10/2017	31/10/2017	\$0.0208	407,487	\$8,476	01/07/2017 – 30/09/2017
Class I Euro Distribution	02/10/2017	31/10/2017	€0.0176	617	€11	01/07/2017 – 30/09/2017

31 December 2017	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b> continued						
Class R Euro Hedged Distribution Shares					<b>EUR€68,143</b>	
Class R Euro Hedged Distribution	03/01/2017	31/01/2017	€0.1250	103	€13	01/10/2016 – 31/12/2016
Class R Euro Hedged Distribution	03/04/2017	28/04/2017	€0.1250	104	€13	31/12/2016 – 31/03/2017
Class R Euro Hedged Distribution	03/07/2017	31/07/2017	€0.1250	32,705	€4,088	01/04/2017 – 30/06/2017
Class R Euro Hedged Distribution	02/10/2017	31/10/2017	€0.1250	512,234	€64,029	01/07/2017 – 30/09/2017
Class I Euro Hedged Distribution Shares					<b>EUR€8,589</b>	
Class I Euro Hedged Distribution	03/01/2017	31/01/2017	€0.1250	103	€13	01/10/2016 – 31/12/2016
Class I Euro Hedged Distribution	03/04/2017	28/04/2017	€0.1250	104	€13	31/12/2016 – 31/03/2017
Class I Euro Hedged Distribution	03/07/2017	31/07/2017	€0.1250	87,405	€10,926	01/04/2017 – 30/06/2017
Class I Euro Hedged Distribution	02/10/2017	31/10/2017	€0.1250	47,806	€5,976	01/07/2017 – 30/09/2017
Class R US Dollar Hedged Distribution Shares					<b>US\$306,555</b>	
Class R US Dollar Hedged Distribution	03/07/2017	31/07/2017	\$0.0250	282,555	\$7,064	01/04/2017 – 30/06/2017
Class R US Dollar Hedged Distribution	03/07/2017	31/07/2017	\$0.1000	2,994,913	\$299,491	01/07/2017 – 30/09/2017
<b>Total Distributions for Income Opportunities Fund</b>					<b>GBP£2,340,046</b>	

The following distributions were declared in respect of the Company on 2 January 2019 and are therefore not accrued in the financial statements for the financial year ended 31 December 2018:

2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>Emerging Markets Income Fund</b>					
Class R US Dollar Distributing Shares					<b>US\$63,018</b>
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.1956	289,108.70	\$56,550
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.1536	26,368.86	£4,050
Class R Euro Distribution	02/01/2019	31/01/2019	€0.1711	6,700.00	€1,146
Class I US Dollar Distributing Shares					<b>US\$1,454,011</b>
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.2016	86,431.93	\$17,425
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.1583	6,974,769.35	£1,104,106
Class I Euro Distribution	02/01/2019	31/01/2019	€0.1764	151,154.23	€26,664
Class S US Dollar Distributing Shares					<b>US\$1,732,521</b>
Class S US Dollar Distribution	02/01/2019	31/01/2019	\$0.2063	49,329.28	\$10,177
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.1620	8,348,720.24	£1,352,493
Class S Euro Distribution	02/01/2019	31/01/2019	€0.1805	17.04	€3
<b>Total Distributions for Emerging Markets Income Fund</b>					<b>US\$3,249,550</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>European ex UK Income Fund</b>					
Class I Sterling Distribution Shares					<b>GBP£15,204</b>
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.0645	235,720.67	£15,204
Class S Sterling Distribution Shares					<b>GBP£357,592</b>
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.0648	5,518,397.84	£357,592
Class I Hedged Sterling Distribution Shares					<b>GBP£356</b>
Class I Hedged Sterling Distribution	02/01/2019	31/01/2019	£0.0736	4,843.06	£356
Class S Hedged Sterling Distribution Shares					<b>GBP£945,316</b>
Class S Hedged Sterling Distribution	02/01/2019	31/01/2019	£0.0738	12,809,158.09	£945,316
<b>Total Distributions for European ex UK Income Fund</b>					<b>EUR€1,468,925</b>

2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>European Income Fund</b>					
Class R Euro Distributing Shares					<b>EUR€63</b>
Class R Euro Distribution	02/01/2019	31/01/2019	€0.1395	115.892	€16
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.1595	92.423	\$15
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.1252	147.634	£18
Class R Swiss Franc Distribution	02/01/2019	31/01/2019	Sfr.0.1572	95.985	Sfr.15
Class I Euro Distributing Shares					<b>EUR€1,767</b>
Class I Euro Distribution	02/01/2019	31/01/2019	€0.1438	115.978	€17
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.1644	92.495	\$15
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.1291	11,986.192	£1,547
Class I Swiss Franc Distribution	02/01/2019	31/01/2019	Sfr.0.1621	96.059	Sfr.16
Class S Euro Distributing Shares					<b>EUR€66</b>
Class S Euro Distribution	02/01/2019	31/01/2019	€0.1449	115.980	€17
Class S US Dollar Distribution	02/01/2019	31/01/2019	\$0.1656	92.500	\$15
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.1301	147.762	£19
Class S Swiss Franc Distribution	02/01/2019	31/01/2019	Sfr.0.1633	96.063	Sfr.16
<b>Total Distributions for European Income Fund</b>					<b>EUR€1,896</b>

2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>Financial Opportunities Fund</b>					
Class R US Dollar Distributing Shares					<b>US\$162,964</b>
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.1048	–	\$0
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.0823	11,701.991	£963
Class R Euro Distribution	02/01/2019	31/01/2019	€0.0917	5,490	€1
Class I US Dollar Distributing Shares					<b>US\$1,227</b>
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.1083	436,529.931	\$47,276
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.0851	982,983.047	£83,652
Class I Euro Distribution	02/01/2019	31/01/2019	€0.0948	85,231.593	€8,080
<b>Total Distributions for Financial Opportunities Fund</b>					<b>US\$164,191</b>
2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>Global Convertible Fund</b>					
Class R US Dollar Distributing Shares					<b>US\$10,169</b>
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.0996	45,817	\$4,563
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.0782	189	£15
Class R Euro Distribution	02/01/2019	31/01/2019	€0.0870	56,090	€4,880
Class I US Dollar Distributing Shares					<b>US\$1,471,556</b>
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.1020	213,042	\$21,730
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.0800	14,023,858	£1,121,909
Class I Euro Distribution	02/01/2019	31/01/2019	€0.0891	190,120	€16,940
Class S US Dollar Distributing Shares					<b>US\$2,649,517</b>
Class S US Dollar Distribution	02/01/2019	31/01/2019	\$0.0914	360,712	\$32,969
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.0717	28,617,047	£2,051,842
Class S Euro Distribution	02/01/2019	31/01/2019	€0.0798	10,391	€829
Class I Hedged Sterling Distributing Shares					<b>GBP£260,803</b>
Class I Hedged Sterling Distribution	02/01/2019	31/01/2019	£0.0872	2,990,857	£260,803
Class S Hedged Sterling Distributing Shares					<b>GBP£46,552</b>
Class S Hedged Sterling Distribution	02/01/2019	31/01/2019	£0.0882	527,801	£46,552
Portfolio Currency Hedged Sterling Distribution Shares					<b>GBP£1,032,949</b>
Portfolio Currency Hedged Sterling I Distribution	02/01/2019	31/01/2019	£0.0980	10,540,294	£1,032,949
<b>Total Distributions for Global Convertible Fund</b>					<b>US\$5,839,124</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 13. Distributions continued

2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>Global Insurance Fund</b>					
Class R Sterling Distributing Shares					<b>GBP£57,879</b>
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.0196	10,523	\$206
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.0154	3,744,528	£57,666
Class R Euro Distribution	02/01/2019	31/01/2019	€0.0172	3,292	€57
Class I Sterling Distributing Shares					<b>GBP£536,468</b>
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.0205	2,025,648	\$41,526
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.0161	29,853,983	£480,649
Class I Euro Distribution	02/01/2019	31/01/2019	€0.0179	1,444,883	€25,863
Class A Sterling Distributing Shares					<b>GBP£47,407</b>
Class A Sterling Distribution	02/01/2019	31/01/2019	£0.0158	3,000,425	£47,407
Class E Sterling Distributing Shares					<b>GBP£982,292</b>
Class E Sterling Distribution	02/01/2019	31/01/2019	£0.0164	59,895,839	£982,292
<b>Total Distributions for Global Insurance Fund</b>					<b>GBP£1,624,045</b>
2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>Healthcare Blue Chip Fund</b>					
Class I US Dollar Distributing Shares					<b>US\$36,442</b>
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.1472	18,361.315	\$2,703
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.1155	222,533.985	£25,703
Class I Euro Distribution	02/01/2019	31/01/2019	€0.1287	6,826.446	€879
Class S Sterling Hedged Distributing Shares					<b>GBP£24,504</b>
Class S Sterling Hedged Distribution	02/01/2019	31/01/2019	£0.1523	160,895.133	£24,504
Class S US Dollar Distributing Shares					<b>US\$505,307</b>
Class S US Dollar Distribution	02/01/2019	31/01/2019	\$0.1481	22,466.645	\$3,327
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.1163	263,095.912	£30,598
Class SI US Dollar Distribution	02/01/2019	31/01/2019	\$0.0890	3,420.892	\$304
Class SI Sterling Distribution	02/01/2019	31/01/2019	£0.0699	5,197,502.623	£363,305
<b>Total Distributions for Healthcare Blue Chip Fund</b>					<b>US\$572,958</b>

2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>Income Opportunities Fund</b>					
Class A1 Sterling Distribution Shares					<b>GBP£161,476</b>
Class A1 Sterling Distribution	02/01/2019	31/01/2019	£0.0150	6,404,731.43	£96,071
Class A1 USD Distribution	02/01/2019	31/01/2019	\$0.0191	3,825,852.87	\$73,074
Class A1 Euro Distribution	02/01/2019	31/01/2019	€0.0167	534,464.51	€8,926
<b>Class B1 Sterling Distribution Shares</b>					
Class B1 Sterling Distribution	02/01/2019	31/01/2019	£0.0155	26,597,169.128	£412,256
Class B1 US dollars Distribution	02/01/2019	31/01/2019	\$0.0197	851,093.237	\$16,767
Class B1 Euro Distribution	02/01/2019	31/01/2019	€0.0173	650.081	€11
<b>Class R Euro Hedged Distribution Shares</b>					
Class R Euro Hedged Distribution	02/01/2019	31/01/2019	€0.1250	485,764.76	€60,721
<b>Class I Euro Hedged Distribution Shares</b>					
Class I Euro Hedged Distribution	02/01/2019	31/01/2019	€0.1250	9,011.789	€1,126
<b>Class R US Dollar Hedged Distribution Shares</b>					
Class R US Dollar Hedged Distribution	02/01/2019	31/01/2019	\$0.1050	2,541,028.418	\$266,808
<b>Total Distributions for Income Opportunities Fund</b>					<b>GBP£851,937</b>
2019	Date declared	Date of payment	Rate per share	No. of shares	Amount
<b>UK Value Opportunities Fund</b>					
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.2497	4,502,110.616	£1,124,177
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.2674	23,880,030.946	£6,385,520
<b>Total Distributions for UK Value Opportunities Fund</b>					<b>GBP£7,509,697</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 14. FCA Side Letter Policy

The Financial Conduct Authority (FCA) in the United Kingdom, which regulates the Investment Manager, expects all investment managers authorised and regulated by the FCA to write to investors in the funds managed by them with details of any Side Letter that may have been entered into by the Investment Manager. The FCA considers a Side Letter to be an arrangement which can reasonably be expected to provide an investor with materially more favourable rights than other investors, such as enhanced redemption rights or the provision of portfolio information which are not generally available. The Investment Manager has confirmed to the Company that it is not aware or party to an arrangement whereby an investor has any preferential redemption terms. However in exceptional circumstances, for example where an investor seeds a new fund the Investment Manager has provided investors on the Funds' behalf with portfolio information and capacity commitments.

### 15. Transaction Costs

During the financial year ended 31 December 2018 and 31 December 2017, the Funds incurred transaction costs in the purchase and sale of investments as follows:

	Currency	31 December 2018	31 December 2017
Asian Opportunities Fund	US\$	84,358	116,417
Asian Stars Fund	US\$	–	N/A
Automation & Artificial Intelligence Fund	US\$	216,492	185,229
Biotechnology Fund	US\$	450,320	730,149
China Stars Fund	US\$	21,101	N/A
Emerging Markets Growth Fund	US\$	–	254,633
Emerging Markets Income Fund	US\$	444,378	303,608
Emerging Market Stars Fund	US\$	30,034	N/A
European ex UK Income Fund	EUR€	83,159	513,619
European Income Fund	EUR€	13,251	29,752
Financial Opportunities Fund	US\$	87,130	230,116
Global Absolute Return Fund	US\$	–	N/A
Global Alpha Fund	US\$	–	199,978
Global Convertible Fund	US\$	5,856	10,998
Global Insurance Fund	GBP£	539,592	770,115
Global Technology Fund	US\$	2,214,026	3,342,826
Healthcare Blue Chip Fund	US\$	87,849	209,057
Healthcare Opportunities Fund	US\$	4,474,046	4,736,588
Income Opportunities Fund	GBP£	83,418	388,935
International Alpha Fund	US\$	–	9,579
Japan Fund	JPY¥	167,745,318	346,982,645
Japan Value Fund	JPY¥	3,907,384	7,832,482
North American Fund	US\$	1,117,290	1,494,874
UK Absolute Equity Fund	GBP£	1,358,109	1,561,880
UK Value Opportunities Fund	GBP£	2,541,304	3,067,002

For further information regarding the accounting policy for transaction costs please refer to Note 2.



## 16. Reconciliation to US GAAP

The following adjustments would be required to these financial statements in order to reflect the redemptions payable on 1 January 2019, as required by US GAAP. The adjustments relate to Automation & Artificial Intelligence Fund, Biotechnology Fund, Global Convertible Fund, Global Insurance Fund, Global Technology Fund, Healthcare Blue Chip Fund, Healthcare Opportunities Fund, Income Opportunities Fund, Japan Fund, North American Fund and UK Absolute Equity Fund. The effects of the adjustments for the remaining Funds are not material in the context of the financial statements.

	<b>Automation &amp; Artificial Intelligence Fund 2018 US\$</b>	<b>Biotechnology Fund 2018 US\$</b>	<b>Emerging Markets Income Fund 2018 US\$</b>	<b>Global Convertible Fund 2018 US\$</b>	<b>Global Insurance Fund 2018 GBP£</b>
Net Assets at 31 December 2018, under IFRS	320,391,297	430,532,260	159,477,722	727,576,847	1,202,546,132
Redemptions payable 1 January 2019	(1,856)	(29,669)	(10,031)	(25,133)	(116,211)
Net Assets at 31 December 2018, under US GAAP	320,389,441	430,502,591	159,467,691	727,551,714	1,202,429,921

	<b>Global Technology Fund 2018 US\$</b>	<b>Healthcare Blue Chip Fund 2018 US\$</b>	<b>Healthcare Opportunities Fund 2018 US\$</b>	<b>Income Opportunities Fund 2018 GBP£</b>	<b>Japan Fund 2018 JPY¥</b>
Net Assets at 31 December 2018, under IFRS	2,495,904,891	73,452,751	1,624,755,507	268,815,956	80,716,782,106
Redemptions payable 1 January 2019	(372,430)	(54,046)	(195,022)	(6,196)	(237,884,627)
Net Assets at 31 December 2018, under US GAAP	2,495,532,461	73,398,705	1,624,560,485	268,809,760	80,478,897,479

	<b>North American Fund 2018 US\$</b>	<b>UK Absolute Equity Fund 2018 GBP£</b>	<b>UK Value Opportunities Fund 2018 GBP£</b>
Net Assets at 31 December 2018, under IFRS	2,232,594,271	517,626,989	760,300,834
Redemptions payable 1 January 2019	(183,984)	(105,978)	(93,777)
Net Assets at 31 December 2018, under US GAAP	2,232,410,287	517,521,011	760,207,057

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 16. Reconciliation to US GAAP continued

The following adjustments would be required to these financial statements in order to reflect the redemptions payable on 1 January 2018, as required by US GAAP. The adjustments relate to Automation & Artificial Intelligence Fund, Biotechnology Fund, Global Convertible Fund, Global Insurance Fund, Global Technology Fund, Healthcare Blue Chip Fund, Healthcare Opportunities Fund, Income Opportunities Fund, Japan Fund, North American Fund and UK Absolute Equity Fund. The effects of the adjustments for the remaining Funds are not material in the context of the financial statements.

	<b>Automation &amp; Artificial Intelligence Fund 2017 US\$</b>	<b>Biotechnology Fund 2017 US\$</b>	<b>Global Convertible Fund 2017 US\$</b>	<b>Global Insurance Fund 2017 GBP£</b>
Net Assets at 31 December 2017, under IFRS	237,970,063	290,412,451	635,310,342	1,028,304,080
Redemptions payable 1 January 2018	(67,126)	(42,711)	(16,480)	(277,123)
Net Assets at 31 December 2017, under US GAAP	237,902,937	290,369,740	635,293,862	1,028,026,957

	<b>Global Technology Fund 2017 US\$</b>	<b>Healthcare Blue Chip Fund 2017 US\$</b>	<b>Healthcare Opportunities Fund 2017 US\$</b>	<b>Income Opportunities Fund 2017 GBP£</b>
Net Assets at 31 December 2017, under IFRS	1,866,248,771	77,272,315	1,482,215,514	321,648,365
Redemptions payable 1 January 2018	(2,434,423)	(17,514)	(4,928,410)	(1,442)
Net Assets at 31 December 2017, under US GAAP	1,863,814,348	77,254,801	1,477,287,104	321,646,923

	<b>Japan Fund 2017 JPY¥</b>	<b>North American Fund 2017 US\$</b>	<b>UK Absolute Equity Fund 2017 GBP£</b>
Net Assets at 31 December 2017, under IFRS	126,771,659,190	2,453,598,460	501,850,546
Redemptions payable 1 January 2018	(59,110,570)	(44,675)	(149,080)
Net Assets at 31 December 2017, under US GAAP	126,712,548,620	2,453,553,785	501,701,466

The following summarises the Company's financial highlights for the financial year ended 31 December 2018.

## Financial Highlights

For the financial year ended 31 December 2018

	Asian Opportunities Fund 31 December 2018 USD Class A US\$	Automation & Artificial Intelligence Fund 31 December 2018 USD Class I Accumulation US\$	Biotechnology Fund 31 December 2018 USD Class I US\$	China Stars Fund 31 December 2018 USD Class I Accumulation US\$
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment gain/(loss)*	0.01	–	(0.01)	–
Net realised and unrealised (loss)/gain	(50.64)	(1.14)	(0.84)	(1.34)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(50.63)	(1.14)	(0.85)	(1.34)
Net asset value at beginning of financial year	396.67	10.33	22.09	10.00
Net asset value at end of financial year	346.04	9.19	21.24	8.66
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(12.76)%	(11.04)%	(3.83)%	(13.40)%
Performance fee	–	–	(0.02)%	–
Total return after performance fee	(12.76)%	(11.04)%	(3.85)%	(13.40)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.47)%	(3.37)%	(0.89)%	(0.36)%
Performance fee	–	–	(0.02)%	–
Total expenses	(1.47)%	(3.37)%	(0.91)%	(0.36)%
<b>Net investment income/(loss) to average net assets:</b>				
Net investment income/(loss) before performance fee	0.68%	(0.30)%	(0.87)%	(0.23)%
Performance fee	–	–	(0.02)%	–
Total net investment income/loss	0.68%	(0.30)%	(0.89)%	(0.23)%

\* Average month-end shares outstanding were used for this calculation.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 16. Reconciliation to US GAAP continued

#### Financial Highlights continued

For the financial year ended 31 December 2018 continued

	Emerging Markets Income Fund 31 December 2018 USD Class I Accumulation US\$	Emerging Market Stars Fund 31 December 2018 USD Class I Accumulation US\$	European ex UK Income Fund 31 December 2018 EUR Class I Accumulation EUR€	European Income Fund 31 December 2018 EUR Class I Accumulation EUR€
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment income*	0.01	0.00	0.02	0.03
Net realised and unrealised (loss)/gain	(0.89)	(1.53)	(0.66)	(0.99)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(0.88)	(1.53)	(0.64)	(0.96)
Net asset value at beginning of financial year	12.45	10.00	11.42	12.59
Net asset value at end of financial year	11.57	8.47	10.78	11.63
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(7.07)%	(15.30)%	(5.19)%	(7.63)%
Performance fee	–	–	(0.43)%	–
Total return after performance fee	(7.07)%	(15.30)%	(5.61)%	(7.63)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.60)%	(0.16)%	(1.50)%	(1.18)%
Performance fee	–	–	(0.43)%	–
Total expenses	(1.60)%	(0.16)%	(1.94)%	(1.18)%
<b>Net investment income to average net assets:</b>				
Net investment income before performance fee	0.68%	0.01%	2.63%	2.84%
Performance fee	–	–	(0.43)%	–
Total net investment income	0.01	0.00	0.02	0.03

\* Average net assets held during the financial year were used for this calculation.

	<b>Financial Opportunities Fund 31 December 2018 USD Class I Accumulation US\$</b>	<b>Global Convertible Fund 31 December 2018 USD Class I Accumulation US\$</b>	<b>Global Insurance Fund 31 December 2018 GBP Class I Accumulation GBP£</b>	<b>Global Technology Fund 31 December 2018 USD Class I US\$</b>
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment income/(loss)*	–	0.05	0.01	(0.02)
Net realised and unrealised (loss)/gain	(2.69)	(0.16)	0.08	1.02
Distributions	(0.00)	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(2.69)	(0.11)	0.09	1.00
Net asset value at beginning of financial year	14.74	12.60	6.02	38.74
Net asset value at end of financial year	12.05	12.49	6.11	39.74
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(18.25)%	0.27%	1.86%	3.61%
Performance fee	–	(1.14)%	(0.36)%	(1.03)%
Total return after performance fee	(18.25)%	(0.87)%	1.50%	2.58%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	–	(0.19)%	(1.24)%	(1.39)%
Performance fee	–	(1.14)%	(0.36)%	(1.03)%
Total expenses	–	(1.33)%	(1.60)%	(2.41)%
<b>Net investment income/(loss) to average net assets:</b>				
Net investment income before performance fee	–	6.32%	1.01%	(0.74)%
Performance fee	–	(1.14)%	(0.36)%	(1.03)%
Total net investment income	–	5.17%	0.65%	(1.77)%

\* Average net assets held during the financial year were used for this calculation.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 16. Reconciliation to US GAAP continued

#### Financial Highlights continued

For the financial year ended 31 December 2018 continued

	Healthcare Blue Chip Fund 31 December 2018 USD Class I Accumulation US\$	Healthcare Opportunities Fund 31 December 2018 USD Class I US\$	Income Opportunities Fund 31 December 2018 GBP Class B2 Accumulation GBP£	Japan Fund 31 December 2018 JPY Class I JPY¥
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment income/(loss)*	0.01	(0.10)	0.03	0.01
Net realised and unrealised gain/(loss)	0.09	3.78	(0.16)	(621.95)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase/(decrease) in net asset value	0.10	3.68	(0.13)	(621.94)
Net asset value at beginning of financial year	11.97	42.05	2.25	2,713.57
Net asset value at end of financial year	12.07	45.73	2.12	2,091.63
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	0.84%	14.82%	(5.07)%	(22.92)%
Performance fee	–	(6.06)%	(0.81)%	–
Total return after performance fee	0.84%	8.76%	(5.88)%	(22.92)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.38)%	(9.23)%	(1.21)%	(1.59)%
Performance fee	–	(6.06)%	(0.81)%	0.00%
Total expenses	(1.38)%	(15.28)%	(2.02)%	(1.59)%
<b>Net investment (loss)/income to average net assets:</b>				
Net investment (loss)/income before performance fee	0.57%	(3.77)%	3.65%	0.73%
Performance fee	–	(6.06)%	(0.81)%	–
Total net investment (loss)/income	0.57%	(19.81)%	2.84%	0.73%

\* Average net assets held during the financial year were used for this calculation.

	Japan Value Fund 31 December 2018 JPY Class S JPY¥	North American Fund 31 December 2018 USD Class I US\$	UK Absolute Equity Fund 31 December 2018 GBP Class I GBP£	UK Value Opportunities Fund 31 December 2018 GBP Class I Accumulation GBP£
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment income*	0.01	–	–	–
Net realised and unrealised loss	(43.39)	(2.79)	(0.18)	(1.74)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net decrease in net asset value	(43.38)	(2.79)	(0.18)	(1.74)
Net asset value at beginning of financial year	265.87	24.09	20.74	12.14
Net asset value at end of financial year	222.49	21.30	20.56	10.40
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(16.32)%	(11.58)%	(0.87)%	(14.33)%
Performance fee	–	–	–	–
<b>Total return after performance fee</b>	<b>(16.32)%</b>	<b>(11.58)%</b>	<b>(0.87)%</b>	<b>(14.33)%</b>
Ratios to average net assets:				
Expenses to average net assets	(0.84)%	(1.08)%	(2.07)%	(0.90)%
Performance fee	–	–	–	–
<b>Total expenses</b>	<b>(0.84)%</b>	<b>(1.08)%</b>	<b>(2.07)%</b>	<b>(0.90)%</b>
Net investment (loss)/income to average net assets:				
Net investment (loss)/income before performance fee	1.05%	0.02%	(2.58)%	2.24%
Performance fee	–	–	–	–
<b>Total net investment (loss)/income</b>	<b>1.05%</b>	<b>0.00</b>	<b>(2.58)%</b>	<b>2.24%</b>

\* Average net assets held during the financial year were used for this calculation.

Financial Highlights are based on financial statements NAV per share.

The above shares classes represent the overall performance of each Fund. Other share classes may have a different performance depending on the specific characteristics of the share class.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 16. Reconciliation to US GAAP continued

#### Financial Highlights continued

The following summarises the Company's financial highlights for the financial year ended 31 December 2017.

For the financial year ended 31 December 2017

	Asian Opportunities Fund 31 December 2017 USD Class A US\$	Automation & Artificial Intelligence Fund 31 December 2017 USD Class I Accumulation US\$	Biotechnology Fund 31 December 2017 USD Class I US\$	Emerging Markets Growth Fund 31 December 2017 USD Class I US\$
For a participating share outstanding throughout the financial year ended 31 December 2017				
Net investment loss*	(0.02)	–	(0.02)	–
Net realised and unrealised gain	98.20	0.33	5.22	2.09
Distributions	(0.01)	–	–	–
Less Redemptions	–	–	–	(11.02)
Net increase/(decrease) in net asset value	98.17	0.33	5.20	(8.93)
Net asset value at beginning of financial year	298.50	10.00	16.89	8.93
Net asset value at end of financial year	396.67	10.33	22.09	–
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	36.03%	3.30%	31.66%	(100.00)%
Performance fee	(3.14)%	–	(0.87)%	–
Total return after performance fee	32.89%	3.30%	30.79%	(100.00)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.52)%	(0.34)%	(1.24)%	(1.40)%
Performance fee	(3.14)%	–	(0.87)%	–
Total expenses	(4.66)%	(0.34)%	(2.11)%	(1.40)%
<b>Net investment loss to average net assets:</b>				
Net investment income/(loss) before performance fee	0.71%	(0.25)%	(1.09)%	(0.01)%
Performance fee	(3.14)%	–	(0.87)%	–
Total net investment loss	(2.43)%	(0.25)%	(1.96)%	(0.01)%

\* Average month-end shares outstanding were used for this calculation.



	<b>Emerging Markets Income Fund 31 December 2017 USD Class I Accumulation US\$</b>	<b>European ex UK Income Fund 31 December 2017 EUR Class I Accumulation EUR€</b>	<b>European Income Fund 31 December 2017 EUR Class I Accumulation EUR€</b>	<b>Financial Opportunities Fund 31 December 2017 USD Class I Accumulation US\$</b>
For a participating share outstanding throughout the financial year ended 31 December 2017				
Net investment income*	0.02	0.03	0.03	0.01
Net realised and unrealised gain	2.39	1.05	0.93	2.82
Net increase in net asset value	2.41	1.08	0.96	2.83
Net asset value at beginning of financial year	10.04	10.34	11.63	11.91
Net asset value at end of financial year	12.45	11.42	12.59	14.74
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	24.00%	10.44%	8.25%	23.76%
Performance fee	0.00%	0.00%	0.00%	0.00%
Total return after performance fee	24.00%	10.44%	8.25%	23.76%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.60)%	(1.55)%	(1.43)%	(1.57)%
Performance fee	–	–	–	–
Total expenses	(1.60)%	(1.55)%	(1.43)%	(1.57)%
<b>Net investment income to average net assets:</b>				
Net investment income before performance fee	2.30%	3.13%	3.01%	1.04%
Performance fee	–	–	–	–
Total net investment income	2.30%	3.13%	3.01%	1.04%

\* Average month-end shares outstanding were used for this calculation.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 16. Reconciliation to US GAAP continued

#### Financial Highlights continued

For the financial year ended 31 December 2017 continued

	Global Alpha Fund 31 December 2017 USD Class I US\$	Global Convertible Fund 31 December 2017 USD Class I Accumulation US\$	Global Insurance Fund 31 December 2017 GBP Class I Accumulation GBP£	Global Technology Fund 31 December 2017 USD Class I US\$
For a participating share outstanding throughout the financial year ended 31 December 2017				
Net investment income/(loss)*	–	0.03	0.01	(0.01)
Net realised and unrealised gain	2.73	1.27	0.35	12.48
Less Redemptions	(16.08)	–	–	–
Net (decrease)/increase in net asset value	(13.35)	1.30	0.36	12.47
Net asset value at beginning of financial year	13.35	11.30	5.66	26.27
Net asset value at end of financial year	–	12.60	6.02	38.74
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(100.00)%	11.63%	6.36%	48.04%
Performance fee	–	(0.13)%	–	(0.57)%
Total return after performance fee	(100.00)%	11.50%	6.36%	47.47%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.11)%	(1.17)%	(1.13)%	(1.28)%
Performance fee	–	(0.13)%	–	(0.57)%
Total expenses	(1.11)%	(1.30)%	(1.13)%	(1.85)%
<b>Net investment income/(loss) to average net assets:</b>				
Net investment income before performance fee	(0.01)%	2.82%	0.80%	(0.72)%
Performance fee	–	(0.13)%	–	(0.57)%
Total net investment income	(0.01)%	2.69%	0.80%	(1.29)%

\* Average month-end shares outstanding were used for this calculation.

	Healthcare Blue Chip Fund 31 December 2017 USD Class I Accumulation US\$	Healthcare Opportunities Fund 31 December 2017 USD Class I US\$	Income Opportunities Fund 31 December 2017 GBP Class B2 Accumulation GBP£	International Alpha Fund 31 December 2017 USD Class SI Distribution US\$
For a participating share outstanding throughout the financial year ended 31 December 2017				
Net investment (loss)/income*	–	(0.01)	0.06	–
Net realised and unrealised gain	1.80	8.23	0.18	2.19
Less Redemptions	–	–	–	(12.06)
Net increase/(decrease) in net asset value	1.80	8.22	0.24	(9.87)
Net asset value at beginning of financial year	10.17	33.83	2.01	9.87
Net asset value at end of financial year	11.97	42.05	2.25	–
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	17.70%	24.34%	11.94%	(100.00)%
Performance fee	–	(0.04)%	–	0.00%
Total return after performance fee	17.70%	24.30%	11.94%	(100.00)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.34)%	(1.29)%	(1.14)%	(1.06)%
Performance fee	–	(0.04)%	–	–
Total expenses	(1.34)%	(1.33)%	(1.14)%	(1.06)%
<b>Net investment (loss)/income to average net assets:</b>				
Net investment (loss)/income before performance fee	(0.04)%	(0.59)%	6.45%	(0.20)%
Performance fee	–	(0.04)%	–	–
Total net investment (loss)/income	(0.04)%	(0.63)%	6.45%	(0.20)%

\* Average month-end shares outstanding were used for this calculation.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 16. Reconciliation to US GAAP continued

#### Financial Highlights continued

For the financial year ended 31 December 2017 continued

	Japan Fund 31 December 2017 JPY Class I JPY¥	Japan Value Fund 31 December 2017 JPY Class S JPY¥	North American Fund 31 December 2017 USD Class I US\$
For a participating share outstanding throughout the financial year ended 31 December 2017			
Net investment income*	0.01	0.01	–
Net realised and unrealised gain	656.93	56.12	4.84
Net increase in net asset value	656.94	56.13	4.84
Net asset value at beginning of financial year	2,056.63	209.74	19.25
Net asset value at end of financial year	2,713.57	265.87	24.09
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>			
Total return before performance fee	31.94%	26.76%	25.27%
Performance fee	–	–	(0.13)%
Total return after performance fee	31.94%	26.76%	25.14%
<b>Ratios to average net assets:</b>			
Expenses to average net assets	(1.47)%	(1.24)%	(1.15)%
Performance fee	–	–	(0.13)%
Total expenses	(1.47)%	(1.24)%	(1.28)%
<b>Net investment income/(loss) to average net assets:</b>			
Net investment income before performance fee	0.54%	0.97%	0.08%
Performance fee	–	–	(0.13)%
Total net investment income/(loss)	0.54%	0.97%	(0.05)%

\* Average month-end shares outstanding were used for this calculation.

	UK Absolute Equity Fund 31 December 2017 GBP Class I GBP£	UK Value Opportunities Fund 31 December 2017 GBP Class I Accumulation GBP£
For a participating share outstanding throughout the financial year ended 31 December 2017		
Net investment (loss)/income *	(0.10)	0.01
Net realised and unrealised gain	6.78	2.08
Net increase in net asset value	6.68	2.09
Net asset value at beginning of financial year	14.06	10.00
Net asset value at end of financial year	20.74	12.09
<b>Ratios</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>		
Total return before performance fee	55.81%	21.73%
Performance fee	(8.30)%	(0.83)%
Total return after performance fee	47.51%	20.90%
<b>Ratios to average net assets:</b>		
Expenses to average net assets	(1.79)%	(0.85)%
Performance fee	(8.30)%	(0.83)%
Total expenses	(10.09)%	(1.68)%
<b>Net investment (loss)/income to average net assets:</b>		
Net investment (loss)/income before performance fee	(1.87)%	2.14%
Performance fee	(8.30)%	(0.83)%
Total net investment (loss)/income	(10.17)%	1.31%

\* Average net assets held during the financial year were used for this calculation.

Financial Highlights are based on financial statements NAV per share.

The above shares classes represent the overall performance of each Fund. Other share classes may have a different performance depending on the specific characteristics of the share class.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 16. Reconciliation to US GAAP continued

ASC 740-10 'Accounting for Uncertainty in Income Taxes – an interpretation of ASC 740' clarifies the accounting for uncertainty in income taxes recognised in the Fund's financial statements in conformity with ASC 740 'Accounting for Income Taxes'.

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return.

In conformity with ASC 740-10, the Directors have analysed the Fund's tax positions to be taken for the financial year ended 31 December 2018 and have concluded that no provision for income tax is required in the financial statements.

For the financial year ended 31 December 2018 and 31 December 2017, the average volume of the Company's derivative activities based on their notional amounts and number of contracts, categorized by primary underlying risk, are as follows:

\* Amounts represent average notional balances of derivative instruments.

#### Asian Opportunities Fund

##### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	14,518	(14,518)	52,031	(52,031)

#### European ex UK Income Fund

##### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions EUR€	Short Positions EUR€	Long Positions EUR€	Short Positions EUR€
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	17,674,241	(17,674,241)	18,833,565	(18,833,565)

#### Healthcare Blue Chip Fund

##### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	307,336	(307,336)	229,648	(229,648)

**Global Convertible Fund****Average Balances of Derivative Instruments\***

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	1,863,989	(11,973,120)	1,863,989	(11,973,120)
Futures contracts	9,399,101	(17,456,657)	9,399,101	(17,456,657)
Swaps	–	–	–	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,743,281	(1,743,281)	1,743,281	(1,743,281)

**Global Insurance Fund****Average Balances of Derivative Instruments\***

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,407,654	(1,407,687)	1,558,295	(1,558,295)

**Global Technology Fund****Average Balances of Derivative Instruments\***

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Options	3,332,758	–	3,226,903	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	3,247,083	(3,247,083)	1,541,591	(1,541,591)

**Income Opportunities Fund****Average Balances of Derivative Instruments\***

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Futures contracts	9,974,267	(6,355,749)	28,589,300	(6,801,009)
Options	124,037	(88,002)	–	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	4,663,771	(4,663,771)	1,883,249	(1,883,249)

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 16. Reconciliation to US GAAP continued

#### Japan Fund

##### Average Balances of Derivative Instruments\*

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions JPY¥	Short Positions JPY¥	Long Positions JPY¥	Short Positions JPY¥
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	965,751,984	(965,751,984)	1,049,652,547	(1,049,652,547)

#### Japan Value Fund

##### Average Balances of Derivative Instruments\*

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions JPY¥	Short Positions JPY¥	Long Positions JPY¥	Short Positions JPY¥
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	287,087,971	(287,087,971)	470,024,808	(470,024,808)

#### North American Fund

##### Average Balances of Derivative Instruments\*

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	3,247,083	(3,247,083)	5,310,559	(5,310,559)

#### UK Absolute Equity Fund

##### Average Balances of Derivative Instruments\*

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	17,234,969	(11,951,645)	6,993,267	(5,630,363)
Futures contracts	–	(87,427,465)	–	(57,913,474)
Options	1,901,279	–		
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	6,791,198	(6,791,198)	4,044,725	(4,044,725)

#### UK Value Opportunities Fund

##### Average Balances of Derivative Instruments\*

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Options	–	–	616,110	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	18,732	(18,732)	27,647	(27,647)



The following tables identifies the net gain and loss amounts included in the Statement of Comprehensive Income from derivative contracts, categorised by primary underlying risk, for the financial year ended 31 December 2018 and 31 December 2017.

#### Asian Opportunities Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(161,585)	6,718	1,686	5,916

#### European ex UK Income Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) EUR€	Unrealised appreciation/ (depreciation) EUR€	Realised gain/(loss) EUR€	Unrealised appreciation/ (depreciation) EUR€
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(681,563)	438,665	(4,253,687)	505,206

#### Healthcare Blue Chip Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(148,605)	(9,564)	(17,199)	26,577

#### Global Convertible Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	22,803,687	8,268,472	(21,679,953)	(17,831,839)
Futures contracts	394,596	(74,854)	37,464	538,111
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(12,033,716)	287,267	6,468,626	984,875

Notes to the Financial Statements continued

For the financial year ended 31 December 2018

16. Reconciliation to US GAAP continued

## Global Insurance Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(73,395)	27,449	(2,477,090)	(54,219)

## Global Technology Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Options	31,451,384	(3,276,242)	624,600	(1,322,186)
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(22,663,971)	141,334	5,380,836	1,117,233

## Income Opportunities Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Futures contracts	(1,440,089)	501,134	(340,890)	130,340
Options	277,738	–	–	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	3,482,515	260,862	(2,265,486)	(640,607)

## Japan Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(3,160,451,640)	(819,216,541)	1,108,150,057	370,933,901

## Japan Value Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(220,582,652)	(38,101,925)	283,570,266	62,930,222

## North American Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(35,916,182)	(495,978)	25,179,190	586,420

## UK Absolute Equity Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	26,138,794	16,565,708	53,756,069	2,411,999
Futures contracts	26,732,940	3,912,730	(3,203,475)	(3,912,730)
Options	1,498,532	(1,688,596)	–	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	4,818,471	(771,378)	(1,918,413)	(582,954)

## UK Value Opportunities Fund

	For the financial year ended 31 December 2018		For the financial year ended 31 December 2017	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Futures contracts	–	–	(834,853)	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	–	–	–	–

For detailed information on the fair value of derivatives by contract type as included in the Statement of Financial Position as of 31 December 2018 please refer to the Portfolio Statements.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2018

### 17. Significant Events during the Financial year

On 12 January 2018, Japan Alpha Fund changed its name to Japan Value Fund.

On 15 January 2018, Japan Value Fund launched the following share classes: Class I Hedged Euro, Class I Hedged Sterling, Class I Hedged US Dollar, Class I Euro, Class I Sterling and Class I US Dollar.

On 16 January 2018, Biotechnology Fund launched a new share class: Class I Sterling Hedged.

On 2 March 2018, UK Value Opportunities Fund launched a new share class: Class R Sterling Accumulation.

On 22 March 2018, the Company issued a new Prospectus, which has been approved by the Central Bank. The main changes consist of the inclusion of provisions dealing with the implementation of the MiFID II Directive, the management of collateral for OTC financial derivative instruments, the General Data Protection Regulation ('GDPR'), and the use by the Funds of the Shanghai-Hong Kong and the Shenzhen-Hong Kong stock connect schemes.

On 23 March 2018, the following share classes were launched:

Japan Fund Class SI Hedged Euro  
 Japan Fund Class SI Hedged Sterling  
 Japan Fund Class SI Hedged US Dollar  
 Japan Fund Class SI Euro  
 Japan Fund Class SI Sterling  
 Japan Fund Class SI Japanese Yen  
 Japan Fund Class SI US Dollar  
 Healthcare Blue Chip Fund Class SI Sterling Distribution  
 Healthcare Blue Chip Fund Class SI US Dollar Distribution

On 29 June 2018, Emerging Market Stars Fund was launched and the following share classes were issued:

Emerging Market Stars Fund Class I Euro  
 Emerging Market Stars Fund Class I Sterling  
 Emerging Market Stars Fund Class I US Dollar  
 Emerging Market Stars Fund Class R Euro  
 Emerging Market Stars Fund Class R Sterling  
 Emerging Market Stars Fund Class R US Dollar  
 Emerging Market Stars Fund Class S Euro  
 Emerging Market Stars Fund Class S Sterling  
 Emerging Market Stars Fund Class S US Dollar

The Company issued a new Prospectus on 30 November 2018. The main changes related to the launch of a new Fund. The China Stars Fund the issued of new share classes and the conversion of existing share classes of Emerging Market Stars Fund and China Stars Fund to accumulation share classes.

On 7 December 2018, Global Convertible Fund launched a new share class: Class SI Sterling Accumulation.

On 7 December 2018, Healthcare Opportunities Fund launched a new share class: Class I Euro Accumulation.

On 19 December 2018, European Income Fund cancelled the listing and trading of the under mentioned securities:

European Income Fund Class R GBP Distribution Shares  
 European Income Fund Class I CHF Accumulation Shares  
 European Income Fund Class I CHF Distribution Shares  
 European Income Fund Class S GBP Accumulation Shares  
 European Income Fund Class I Euro Accumulation Shares  
 European Income Fund Class R GBP Accumulation Shares  
 European Income Fund Class I USD Accumulation Shares  
 European Income Fund Class S USD Accumulation Shares  
 European Income Fund Class R USD Distribution Shares  
 European Income Fund Class S Euro Distribution Shares  
 European Income Fund Class S GBP Distribution Shares  
 European Income Fund Class R CHF Accumulation Shares  
 European Income Fund Class S CHF Distribution Shares

European Income Fund Class I USD Distribution Shares  
 European Income Fund Class R Euro Distribution Shares  
 European Income Fund Class R CHF Distribution Shares  
 European Income Fund Class R Euro Accumulation Shares  
 European Income Fund Class I GBP Accumulation Shares  
 European Income Fund Class S Euro Accumulation Shares  
 European Income Fund Class S USD Distribution Shares  
 European Income Fund Class R USD Accumulation Shares  
 European Income Fund Class S CHF Accumulation Shares  
 European Income Fund Class I Euro Distribution Shares  
 European Income Fund Class I GBP Distribution Shares

On 31 December 2018, Global Absolute Return Fund was launched and the following share classes were issued:

Global Absolute Return Fund Class I US Dollar Accumulation Shares  
 Global Absolute Return Fund Class I Hedged Sterling Accumulation Shares  
 Global Absolute Return Fund Class I Hedged Euro Accumulation Shares  
 Global Absolute Return Fund Class S US Dollar Accumulation Shares  
 Global Absolute Return Fund Class S Hedged Sterling Accumulation Shares  
 Global Absolute Return Fund Class S Hedged Euro Accumulation Shares

On 31 December 2018, Asian Stars Fund was launched and the following share classes were issued:

Asian Stars Fund Class R US Dollar Accumulation Shares  
 Asian Stars Fund Class R Euro Accumulation Shares  
 Asian Stars Fund Class R Sterling Accumulation Shares  
 Asian Stars Fund Class I US Dollar Accumulation Shares  
 Asian Stars Fund Class I Euro Accumulation Shares  
 Asian Stars Fund Class I Sterling Accumulation Shares  
 Asian Stars Fund Class S US Dollar Accumulation Shares  
 Asian Stars Fund Class S Euro Accumulation Shares  
 Asian Stars Fund Class S Sterling Accumulation Shares

All share classes launched during the period were subsequently listed on the Official List of Euronext Dublin.

### 18. Subsequent Events

On 2 January 2019, Asian Opportunities Fund, Emerging Markets Income Fund, European ex UK Income Fund, European Income Fund, Financial Opportunities Fund, Global Convertible Fund, Global Insurance Fund and Healthcare Blue Chip Fund, Income Opportunities Fund and UK Value Opportunities Fund each declared a dividend as disclosed in Note 13.

On 17 January 2019, the European Income Fund terminated.

There have been no other events subsequent to the financial year end, which, in the opinion of the Directors of the Company, may have had an impact on the Financial Statements for the financial year ended 31 December 2018.

### 19. Portfolio changes

Significant portfolio movements include purchases and sales over 1% of the total purchases and sales for the financial year ended 31 December 2018. A complete listing of the purchases and sales during the financial year is available free of charge from the Company on request.

### 20. Approval of the Financial Statements

The Financial Statements were authorised by the Board of Directors on 4 April 2019.

## Statement of Significant Portfolio Movements (unaudited)

For the financial year ended 31 December 2018

### Asian Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Bank of the Philippine Islands	881	Cathay Financial	696
Yes Bank	792	Hatton National Bank	689
Public Bank	792	MCB Bank	670
Standard Chartered	761	United Bank	611
Vipshop ADR	652	Commonwealth Bank of Australia	583
Apollo Hospitals Enterprise	638	Security Bank	570
Alibaba ADR	618	Supalai	567
Fanhua ADR	612	Indus Motor	534
DBS	607	Keppel DC REIT	531
Bangkok Dusit Medical Services	604	Bank Tabungan Pensiunan Nasional	510
Indiabulls Housing Finance	491	Fanhua ADR	507
Bright Scholar Education ADR	443	Fortune Real Estate Investment Trust REIT	503
MCB Bank	406	Universal Medical Financial & Technical Advisory Services	487
China Construction Bank	396	Samsung Life Insurance	464
Shriram Transport Finance	393	Ciputra Development	435
Bajaj Finance	384	Bermaz Auto	397
IndusInd Bank	320	China Resources Phoenix Healthcare	395
Panin Financial	308	Largan Precision	381
Bank Rakyat Indonesia Persero	285	GT Capital	355
Oversea-Chinese Banking	284	Ping An Insurance	346
Chailease	274	Taiwan Semiconductor Manufacturing	331
My EG Services	267	Samsung Electronics	323
Commercial Bank of Ceylon	251	Commercial Bank of Ceylon	301
Astra International	239	Bright Scholar Education ADR	291
Tencent	228	Vipshop ADR	272
Shinhan Financial	220	Silverlake Axis	264
Axis Bank	213	Panin Financial	249
Summarecon Agung	211	Muangthai Capital	246
Oberoi Realty	188	Srisawad	243
Srisawad	182	Qudian ADR	243
Muangthai Capital	181	Manappuram Finance	240
CK Asset	177	Industrial & Commercial Bank of China	235
Manappuram Finance	175	China Construction Bank	233
Ayala Land	170	Sinopharm	203
Metropolitan Bank & Trust	159	Alibaba ADR	190
		Chailease	165
		IndusInd Bank	165
		BFI Finance Indonesia	163

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

**Automation & Artificial Intelligence Fund**

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Medtronic	8,157	Alphabet	6,051
Assa Abloy	7,247	Microsoft	6,034
Microsoft	6,811	Advanced Micro Devices	5,734
Taiwan Semiconductor Manufacturing ADR	6,775	Ocado	5,514
Komatsu	6,516	Disco	3,639
Caterpillar	5,720	Amazon.com	3,598
Amazon.com	5,693	Yaskawa Electric	3,580
Alibaba ADR	5,516	Xilinx	3,441
PayPal	4,972	Tokyo Electron	3,388
GrubHub	4,786	Aptiv	3,331
Illumina	4,676	Proto Labs	3,328
Alphabet	4,673	Baidu ADR	3,257
Yaskawa Electric	4,669	NVIDIA	3,171
Rockwell Automation	4,505	Shin-Etsu Chemical	3,163
Shimadzu	4,453	FANUC	3,100
Emerson Electric	4,299	Renishaw	3,092
Amphenol	4,285	Align Technology	3,021
Aptiv	4,267	Nitto Denko	2,907
Thermo Fisher Scientific	4,056	Renesas Electronics	2,891
Honeywell International	4,030	Taiwan Semiconductor Manufacturing	2,690
Intuitive Surgical	3,912	Cognex	2,681
Advanced Micro Devices	3,852	Honeywell International	2,503
Tokyo Electron	3,839	Soitec	2,426
Ansys	3,689	Microchip Technology	2,397
Cognex	3,675	Aspen Technology	2,275
Start Today	3,658	Analog Devices	2,259
Medidata Solutions	3,632	Keyence	2,194
NVIDIA	3,586	Start Today	2,141
AVEVA	3,486	Universal Display	1,966
Corning	3,381	Amphenol	1,832
TDK	3,198	Krones	1,698
Globalwafers	3,130	Isra Vision	1,614
Schneider Electric	3,033	PTC	1,565
Pure Storage	2,995	ASML	1,561
GMO Payment Gateway	2,987	Applied Materials	1,529
Coherent	2,964	Cree	1,407
Epiroc	2,900	Tesla	1,352
Ocado	2,866	Corning	1,335
Spotify Technology	2,830		
Align Technology	2,757		
Autodesk	2,702		
Harmonic Drive Systems	2,697		
Yahoo Japan	2,691		
Keyence	2,533		
Toyota Industries	2,446		

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### Biotechnology Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Alexion Pharmaceuticals	31,481	Pharming	34,514
Gilead Sciences	39,497	Amgen	24,216
Incyte	31,537	Celgene	22,473
Celgene	26,301	Gilead Sciences	21,765
Amgen	25,224	Wilson Therapeutics	21,564
Vertex Pharmaceuticals	22,064	Biogen	20,414
Regeneron Pharmaceuticals	21,487	Vertex Pharmaceuticals	19,929
Pharming	19,742	Cascadian Therapeutics	19,916
BeiGene ADR	18,992	Supernus Pharmaceuticals	15,496
Agios Pharmaceuticals	17,850	Jazz Pharmaceuticals	15,341
Jazz Pharmaceuticals	15,458	Viking Therapeutics	13,440
Evotec	14,818	TESARO	11,900
Sage Therapeutics	14,306	Exelixis	11,237
Sarepta Therapeutics	13,761	BioMarin Pharmaceutical	9,137
Biogen	13,332	Deciphera Pharmaceuticals	8,499
Genmab	13,221	Intercept Therapeutics	8,319
Alnylam Pharmaceuticals	13,076	Sarepta Therapeutics	8,272
ArGEN-X	12,886	Sage Therapeutics	8,210
Stemline Therapeutics	12,030	BeiGene ADR	7,397
Madrigal Pharmaceuticals	11,514	Aerie Pharmaceuticals	7,223
Biohaven Pharmaceutical	10,176	Shire ADR	7,190
Array BioPharma	10,099	Array BioPharma	7,095
BioMarin Pharmaceutical	8,633	Foundation Medicine	6,806
Takeda Pharmaceutical ADR	8,335	Ascendis Pharma	6,469
Aerie Pharmaceuticals	7,574	Evotec	6,437
Viking Therapeutics	7,398	Loxo Oncology	6,227
Intercept Therapeutics	7,327	Juno Therapeutics	6,042
GW Pharmaceuticals ADR	7,040	Regeneron Pharmaceuticals	5,748
Hansa Medical	6,749	Biohaven Pharmaceutical	5,613
ArGEN-X ADR	6,367	Galapagos	4,967
Aclaris Therapeutics	5,996	Bioverativ	4,678
Galapagos	5,955	Alexion Pharmaceuticals	4,448

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



**China Stars Fund\***

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Tencent	996	Ping An Insurance	255
Alibaba ADR	888	21Vianet ADR	133
Ping An Insurance	665	Baozun	94
China Construction Bank	639	Xiabuxiabu Catering	89
Phoenix New Media ADR	452	Shanghai Fosun Pharmaceutical	89
51job ADR	447	NetEase ADR	86
Midea	329	Caswell	81
China Resources Sanjiu Medical & Pharmaceutical	326	Gree Electric Appliances of Zhuhai	69
Dadi Early-Childhood Education	319	Longfor	66
China Foods	286	51job ADR	56
21Vianet ADR	284	Haier Electronics	55
China Resources Beer	280	Tencent	52
Gree Electric Appliances of Zhuhai	271	BYD	49
Hui Xian Real Estate Investment Trust Reits	253	Vitasoy International	45
China Merchants Bank	250	Wuxi Little Swan	42
West China Cement	249	Airtac International	34
NetEase ADR	234	Alibaba ADR	28
Samsonite International	205	China Yuhua Education	27
Tong Ren Tang Technologies	205	Shenzhen Inovance Technology	26
China Resources Pharmaceutical	201	Samsonite International	22
Silergy	188	Hui Xian Real Estate Investment Trust Reits	18
Longfor	188		
Ping An Insurance Group of China Class A	186		
China Yuhua Education	167		
Microport Scientific	157		
Yunnan Baiyao	150		
Fuyao Glass Industry	149		
BYD	146		
Shenzhen Inovance Technology	145		
Hangzhou Hikvision Digital Technology	133		
Jiangsu Hengrui Medicine	128		

\* China Stars Fund launched on 31 August 2018.

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### Emerging Markets Income Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Adani Ports & Special Economic Zone	3,304	Magnit	8,728
Malaysia Airports	2,866	First Abu Dhabi Bank	6,866
KB Financial	2,704	Power Grid of India	6,705
China Tower	2,691	Sberbank Pref	6,576
Mondi	2,616	Coronation Fund Managers	6,338
Coal India	2,344	China Mobile	5,853
Dubai Islamic Bank	2,200	Bank of China	5,824
Nova Ljubljanska Banka	1,974	Motherson Sumi Systems	5,680
Human Soft	1,627	Kangwon Land	5,515
Banco do Brasil	1,425	Tesco Lotus Retail Growth Freehold & Leasehold Property Fund	5,504
Lukoil	1,060	Far Eastone Telecommunications	5,297
NTPC	838	Guangdong Investment	4,934
Enerjia Enerji	830	LIC Housing Finance	4,927
Sberbank Pref	620	Mobile TeleSystems ADR	4,884
Tupras Turkiye Petrol Rafinerileri	595	Taiwan Semiconductor Manufacturing CCR	4,770
		Gazprom Neft ADR	4,442
		China Construction Bank	4,096
		KT&G	3,996
		Globaltrans Investment GDR	3,743
		Ambev	3,508
		Digital Telecommunications Infrastructure	3,447
		Life Healthcare	3,409
		Samsung Electronics	3,395
		Redefine Properties Reits	3,381
		Moneta Money Bank	3,272
		Bolsa Mexicana de Valores	3,134
		TAV Havalimanlari	3,004
		ICICI Bank	2,985
		Malayan Banking	2,785
		Haier Electronics	2,740
		Telefonica Brasil	2,661
		Dongbu Insurance	2,582
		CTCI	2,489
		Foschini Group	2,453
		Jiangsu Expressway	2,444
		Industrial & Commercial Bank of China	2,300
		Chicony Electronics	2,297
		Powszechny Zakład Ubezpieczen	2,217
		KT	1,989
		VTech	1,966
		China BlueChemical	1,933
			1,846

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## Emerging Market Stars Fund\*

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Tencent	1,044	Taiwan Semiconductor Manufacturing	184
Alibaba ADR	984	21Vianet ADR	144
Samsung Electronics	935	JD.com	141
Taiwan Semiconductor Manufacturing	803	BYD	135
Ping An Insurance	535	Alibaba ADR	133
Naspers	503	Apollo Hospitals Enterprise	125
Reliance Industries	446	Baozun	120
Housing Development Finance	387	Alsea	119
Samsung SDI	375	Mail.Ru	101
ICICI Bank	355	Sunny Optical Technology	100
21Vianet ADR	344	Itau Unibanco	98
Itau Unibanco	342	51job ADR	98
Sberbank of Russia ADR	339	Hangzhou Hikvision Digital Technology	97
NMC Health	330	Oil Search	96
Apollo Hospitals Enterprise	322	Xiabuxiabu Catering	94
SK Hynix	308	Shanghai Fosun Pharmaceutical	89
AIA	307	AIA Engineering	87
Oil Search	281	Banco Macro ADR	87
Shenzhen Inovance Technology	274	Shenzhen Inovance Technology	83
BYD	268	Inbody	80
SM Investments	260	Tencent	78
NetEase ADR	254	Crompton Greaves Consumer Electricals	73
Notre Dame Intermedica Participacoes	251	SM Investments	71
LandMark Optoelectronics	244	LandMark Optoelectronics	71
Phoenix Mills	239	NetEase ADR	67
51job ADR	232	ICICI Bank	62
Chroma ATE	231	Yoma Strategic	61
Kingpak Technology	227	Sberbank of Russia ADR	60
Antofagasta	226	X5 Retail GDR	56
Advanced Ceramic X	218	Kingpak Technology	51
Parag Milk Foods	212	Ping An Insurance	38
Yandex	209	Antofagasta	36
Microport Scientific	199	Phoenix Mills	33
Prestige Estates Projects	197		
CD Projekt	196		
eMemory Technology	192		
Grupo Financiero Banorte	190		
China Resources Sanjiu Medical & Pharmaceutical	172		
X5 Retail GDR	171		
Sunny Optical Technology	166		

\* Emerging Market Stars Fund launched on 29 June 2018.

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### European ex UK Income Fund

Purchases	Cost EUR€'000	Sales	Proceeds EUR€'000
Bayer	9,712	UPM-Kymmene	7,359
Bpost	7,912	Sunrise Communications	6,662
Kone	6,705	Novo Nordisk	6,649
Kuehne + Nagel	6,628	KBC	6,305
Siemens	6,120	TUI	5,907
Telenet	6,085	Atlantia	5,721
Gjensidige Forsikring	5,391	Getlink	5,230
Aena SME	4,906	Novartis	4,638
Brenntag	4,097	Roche	4,256
Novartis	3,920	Ei Towers	3,941
Svenska Handelsbanken	3,316	Nordea Bank	3,940
Deutsche Post	3,006	UBS	2,987
Cie Financiere Richemont	3,003	Enel	2,202
ING Groep	2,461	TOTAL	1,682
Sampo	2,171	Hannover Rueck	1,611
Scandinavian Tobacco	2,116	Sanofi	1,205
Nordea Bank	2,020	BASF	1,071
Enel	1,714	Red Electrica	1,003
TOTAL	1,620	Ferrovial	992
Hannover Rueck	1,606	Deutsche Telekom	896
Koninklijke	1,504	Kone	892
BASF	1,422	Muenchener Rueckversicherungs	818
PostNL	1,395		
Cia de Distribucion Integral Logista	1,226		
Sanofi	1,116		
NOS	1,066		

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## European Income Fund

Purchases	Cost EUR€'000	Sales	Proceeds EUR€'000
Royal Dutch Shell	499	Novartis	631
Bayer	416	Roche	616
Bpost	376	TOTAL	540
Kuehne + Nagel	352	Sanofi	522
Kone	343	Royal Dutch Shell	481
Telenet	318	Deutsche Telekom	470
PostNL	291	Enel	460
Gjensidige Forsikring	276	UPM-Kymmene	444
Aena	232	Novo Nordisk	430
Siemens	230	Red Electrica	425
National Grid	228	Sunrise Communications	420
British American Tobacco	137	Muenchener Rueckversicherungs	419
Novartis	105	KBC Bank	415
BT	94	Orange	410
Svenska Handelsbanken	75	Euskaltel	393
Hannover Rueck	62	Hannover Rueck	384
Imperial Brands	59	British American Tobacco	384
Koninklijke	51	Koninklijke	382
Enel	47	BT	371
Sunrise Communications	45	Imperial Brands	366
		NOS	364
		TUI Class D	364
		Ferrovial	360
		Sampo	358
		Kone	354
		Ei Towers	341
		BASF	338
		Atlantia	321
		Telenet	309
		Bayer	307
		Kuehne + Nagel	298
		ING Groep	296
		Svenska Handelsbanken	292
		Gjensidige Forsikring	280
		Nordea Bank Class A	273
		AstraZeneca	235
		UBS	234
		Siemens	217
		National Grid	212
		Aena Sme	208
		PostNL	200
		Bpost	181

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### Financial Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
PNC Financial Services Group	1,681	Bank of America	2,194
Oversea-Chinese Banking	1,332	KeyCorp	1,931
Goldman Sachs Group	1,200	Mastercard	1,920
East West Bancorp	1,177	Wells Fargo	1,787
DNB	1,107	JPMorgan Chase	1,714
OneSavings Bank	974	ING Groep	1,684
CaixaBank	961	BNP Paribas	1,600
Esquire Financial	927	Berkshire Hathaway Class B	1,513
China Construction Bank	920	Validus	1,436
Chailease	902	Credit Suisse	1,402
Indiabulls Housing Finance	889	US Bancorp	1,197
Shinhan Financial	866	Meta Financial	1,110
Standard Chartered	736	Commonwealth Bank of Australia	1,078
Yes Bank	694	Chubb	1,045
Public Bank	692	Mitsubishi UFJ Financial	1,014
Texas Capital Bancshares	652	HSBC	971
Bank of America	635	Allianz	958
US Bancorp	633	Wirecard	953
Arch Capital	617	Manappuram Finance	891
IntegraFin	588	Citigroup	877
Citizens Financial	580	Muangthai Capital	837
Banca Generali	569	Norwegian Finans Holdings	824
Bank Central Asia	556	Sampo	791
Citigroup	548	Pacific Premier Bancorp	781
Komplett Bank	527	PayPal	750
Banco Santander	511	China Construction Bank	744
JPMorgan Chase	499	IntegraFin	728
Prudential	486	Visa	706
Wells Fargo	481	Charter Court Financial Services	702
UBS	477	Danske Bank	695
Sumitomo Mitsui Financial	470	Citizens Financial	681
Lloyds Banking	453	Shinhan Financial	670
Housing Development Finance	445	Toronto-Dominion Bank	656
Bank of NT Butterfield & Son	442	Skandiabanken	649
Metropolitan Bank & Trust	434	Enterprise Financial Services	641
Pacific Premier Bancorp	429	Arch Capital	624
PayPal	420	Intrum	610
Swedbank	392	Lloyds Banking	587
Panin Financial	372	Swedbank	585
		Goldman Sachs Group	582
		Tisco Financial	552
		Banco Santander	551

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## Global Convertible Fund

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Mandatory Exchangeable Trust	181,352	Mandatory Exchangeable Trust	231,863
Elm B.V. 3.250% 13/06/2024	150,425	Elm B.V. 3.250% 13/06/2024	101,026
Teva Pharmaceuticals	121,389	Teva Pharmaceuticals	99,180
Volcan 4.125% 11/04/2020	76,529	America Movil 5.500% 17/09/2018	54,728
America Movil 5.500% 17/09/2018	38,284	Bayer Capital 5.625% 22/11/2019	41,122
NextEra Energy	35,514	Belden	38,410
Nutanix 0.000% 15/01/2023	35,187	NextEra Energy	34,841
Sempra Energy	30,982	Sempra Energy	30,446
Square 0.500% 15/05/2023	30,157	Square 0.500% 15/05/2023	30,032
Twitter 0.250% 15/6/2024	29,577	Mandatory Exchangeable Trust	29,519
Bayer Capital 5.625% 22/11/2019	29,051	Twitter 0.250% 15/6/2024	28,974
Belden	28,587	World Wrestling Entertainment 3.375% 15/12/2023	27,829
America Movil 0.000% 28/05/2020	28,008	Nutanix 0.000% 15/01/2023	26,178
RingCentral 0.000% 15/03/2023	27,030	Dycom Industries 0.750% 15/09/2021	25,864
CSG Systems International 4.250% 15/03/2036	26,820	Sony 0.000% 30/09/2022	25,290
Poseidon Finance 1 0.000% 01/02/2025	25,451	Hungarian National Asset Management 3.375% 02/04/2019	23,705
Hungarian National Asset Management 3.375% 02/04/2019	24,647	NXP Semiconductors 1.000% 01/12/2019	23,238
Exact Sciences 1.000% 15/01/2025	24,473	Premier Oil	23,165
Safran 0.000% 21/06/2023	24,403	Archer Obligations 0.000% 31/03/2023	22,891
Air Transport Services 1.125% 15/10/2024	24,313	Citrix System 0.500% 15/04/2019	22,337

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### Global Insurance Fund

Purchases	Cost GBP £'000	Sales	Proceeds GBP £'000
Arch Capital	42,394	Jardine Lloyd Thompson	64,399
Marsh & McLennan	32,934	Validus	61,664
Chubb	32,905	Topdanmark	11,826
Everest Re	22,772	Axis Capital	10,835
RenaissanceRe	19,167	WR Berkley	7,842
Direct Line Insurance	18,793	Marsh & McLennan	7,496
Essent	18,079	Markel	6,234
Travelers Cos	15,363	Fairfax Financial	5,083
Fairfax Financial	14,235	Everest Re	3,508
Alleghany	13,217	Muenchener Rueckversicherungs	3,478
WR Berkley	12,566	Progressive Corp	3,002
Hiscox	11,603	Aflac	2,253
Reinsurance of America	11,345	RenaissanceRe	2,163
Lancashire	11,294	Catco Reinsurance Opportunities Fund	2,106
Intact Financial	11,274	Arch Capital	2,071
First American Financial	8,895	Chubb	1,931
Berkshire Hathaway	8,894	Kinesis	1,698
Aon	8,836	Aon	1,397
Muenchener Rueckversicherungs	8,274	Alleghany	1,388
Ping An Insurance Group of China	7,352	Berkshire Hathaway	1,282
Hastings	6,781		
Jardine Lloyd Thompson	6,368		
Brown & Brown	6,342		
Markel	6,176		
Progressive Corp	6,143		
ProAssurance	6,019		
Sampo	5,101		
AIA	5,091		
AlphaCat Opportunities	4,202		

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## Global Technology Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Advanced Micro Devices	107,781	Advanced Micro Devices	147,797
Apple	84,211	Apple	94,590
Microsoft	77,741	Zendesk	78,844
Alibaba ADR	77,200	Facebook	72,952
Zendesk	71,938	Amazon.com	59,824
Amazon.com	67,791	Activision Blizzard	56,296
Taiwan Semiconductor Manufacturing	58,913	Red Hat	54,461
Arista Networks	57,517	Box	41,604
Intel	56,452	Twilio	33,442
PayPal	52,962	Amphenol	32,756
Nutanix	50,092	Electronic Arts	32,677
Alphabet Class A	49,699	CyberArk Software	31,819
Alphabet Class C	49,021	Cognex	31,435
ServiceNow	47,242	Microsoft	31,127
Mastercard	46,495	New Relic	30,941
Activision Blizzard	45,956	HubSpot	28,051
Autodesk	45,179	FANUC	27,877
Cognex	41,270	Nintendo	27,569
NVIDIA	39,309	Intel	27,081
GrubHub	39,282	Alteryx	26,787
Tencent	38,595	Xilinx	26,409
Dropbox	38,084	Mastercard	26,337
Amphenol	36,467	Universal Display	25,978
Pure Storage	36,210	Tokyo Electron	25,896
Twilio	35,330	Five9	25,323
Facebook	34,556	Splunk	25,106
Alteryx	34,427	Micron Technology	24,668
Micron Technology	33,841	Baidu ADR	23,493
Adobe Systems	31,374	MuleSoft	23,044
ANSYS	31,363	Lumentum	22,814
Xilinx	30,714	Corning	22,785
2U	30,418	Nutanix	22,585
Globalwafers	29,470	Cloudera	22,074
Monolithic Power Systems	29,399	8x8	22,063
Universal Display	29,092	Renesas Electronics	21,628
Tokyo Electron	27,889	Everbridge	21,431
8x8	27,502	Alphabet Class A	21,034
Corning	27,306	Alphabet Class C	20,147
Dolby Laboratories	26,662		
Altair Engineering	26,292		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### Healthcare Blue Chip Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Johnson & Johnson	6,385	Johnson & Johnson	6,105
Agilent Technologies	5,910	Agilent Technologies	5,609
Thermo Fisher Scientific	4,825	Thermo Fisher Scientific	5,108
Medtronic	4,527	Eli Lilly	4,541
AstraZeneca	4,346	Laboratory of America	3,484
CVS Health	3,900	Bayer	3,208
Novo Nordisk	3,789	Anthem	3,194
Amgen	3,604	Fresenius Medical Care	3,102
Eli Lilly	3,578	Vertex Pharmaceuticals	3,046
Merck	3,405	Merck	3,045
Quest Diagnostics	3,139	Varian Medical Systems	2,967
Jazz Pharmaceuticals	2,794	Centene	2,783
HCA Healthcare	2,783	Baxter International	2,671
Grifols	2,625	Biogen	2,626
Gilead Sciences	2,545	Alexion Pharmaceuticals	2,517
Alexion Pharmaceuticals	2,453	Boston Scientific	2,514
Baxter International	2,392	PerkinElmer	2,503
ResMed	2,167	Stryker	2,490
Incyte	1,934	Gilead Sciences	2,404
Varian Medical Systems	1,905	AstraZeneca	2,236
Shire	1,562	Becton Dickinson	2,030
Exelixis	1,366	Abbott Laboratories	2,026
Takeda Pharmaceutical	1,285	BioMarin Pharmaceutical	1,785
Abbott Laboratories	1,129	Shire	1,623
Boston Scientific	814	Danaher	1,593
Bio-Rad Laboratories	799	Aetna	1,483
		Bio-Rad Laboratories	1,202
		Exelixis	958

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### Healthcare Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Johnson & Johnson	301,491	Johnson & Johnson	286,827
Medtronic	177,368	Novartis	192,390
Merck & Co	171,105	Merck & Co	185,021
Abbott Laboratories	143,210	Amgen	107,783
Northern Trust Global Funds – US Dollar Fund	140,000	Medtronic	103,055
UnitedHealth	139,934	UnitedHealth	102,817
AstraZeneca	135,979	Abbott Laboratories	97,708
Thermo Fisher Scientific	126,382	Centene	94,709
Amgen	107,906	Baxter International	93,536
Novo Nordisk	107,180	Edwards Lifesciences	92,969
Novartis	103,988	Stryker	89,682
Intuitive Surgical	94,713	AstraZeneca	84,770
Baxter International	89,622	Nektar Therapeutics	80,628
Roche	82,535	Thermo Fisher Scientific	78,017
Stryker	76,054	Illumina	76,729
Universal Health Services	73,836	Molina Healthcare	76,530
Incyte	61,357	Bayer	59,868
Molina Healthcare	61,285	Laboratory of America	59,742
Boston Scientific	59,406	Amarin	55,737
HCA Healthcare	55,183	Cooper Cos	55,169
Biogen	55,132	Fresenius Medical Care	54,116
Cooper Cos	51,950	Anthem	53,460
Centene	51,703	Intuitive Surgical	52,460
Teleflex	48,223	Incyte	48,786
Wellcare Health Plans	47,875	LivaNova	47,399
Hill-Rom	45,238	Wellcare Health Plans	47,196
Laboratory of America	44,774	Teladoc	47,195
Neurocrine Biosciences	43,334	Alexion Pharmaceuticals	45,879
Agios Pharmaceuticals	43,257	ICU Med	44,911
LivaNova	42,381	Biogen	43,564
Vertex Pharmaceuticals	38,835	Dynavax Technologies	42,776
Amarin	38,276	Teleflex	42,490
		Accelaron Pharma	40,963
		HCA Healthcare	40,031
		New Steris	38,641

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### Income Opportunities Fund

Purchases	Cost GBP£'000	Sales	Proceeds GBP£'000
Amigo Luxembourg 7.625% 15/01/2024	4,856	Validus	4,515
Mitsubishi UFJ Financial	3,723	Societe Generale	4,278
Aegon FRN 31/12/2049	3,709	SVB Financial	3,666
Golub Capital BDC	3,541	Danske Bank	3,066
HSBC Bank FRN 31/12/2049	3,188	Mitsubishi UFJ Financial	2,895
International Personal Finance	2,639	Hastings	2,689
CaixaBank	2,473	Sainsbury's Bank FRN 23/11/2027	2,648
Axactor FRN 23/06/2021	2,429	Axactor FRN 23/06/2021	2,435
SLM	2,376	Helical Bar Jersey 4.000% 17/06/2019	2,303
Songa Container FRN 14/12/2021	2,353	IntegraFin	2,008
Phoenix FRN 31/12/2049	2,246	Xafinity	1,960
Mogo Finance 9.500% 10/07/2022	2,202	Bank of Montreal FRN 15/06/2020	1,765
Amigo	2,189	BNP Paribas	1,764
Arch Capital	2,150	Schroders	1,727
Bank of NT Butterfield & Son	2,025	Mortgage Advice Bureau	1,688
Provident Financial 7.000% 04/06/2023	2,000	National Australia Bank FRN 08/11/2018	1,666
Pension Insurance 5.625% 20/09/2030	1,994	Blackstone GSO Loan Financing	1,620
HSBC Bank FRN 31/12/2049	1,752	Citigroup FRN 07/12/2018	1,568
Chenavari Capital Solutions	1,697	UBS FRN 07/12/2018	1,568
Burford Capital Finance 6.125% 12/08/2025	1,629	ABN AMRO Bank 2.500% 18/12/2018	1,500
Barclays FRN 31/12/2049	1,509	ING Groep	1,447
IntegraFin	1,382	Golub Capital BDC	1,438
Sumitomo Mitsui Financial	1,365	Barclays FRN 31/12/2049	1,412
Shawbrook 8.500% 28/10/2025	1,344	Australia & New Zealand Banking FRN 16/11/2018	1,324
Wachovia Capital Trust III FRN 31/12/2049	1,271	Intesa Sanpaolo	1,279
Rothsay Life FRN 31/12/2049	1,223	Prudential 1.750% 27/11/2018	1,251
National Westminster Bank FRN 31/12/2049	1,190	PNC Financial Services Group	1,205
P2P Global Investments PLC	1,145	Bank of America	1,200
International Personal Finance 5.750% 07/04/2021	1,034	Pension Insurance 6.500% 03/07/2024	1,114
Greencoat Renewables	1,005	Main Street Capital	1,002
ING Groep	969	Santander UK 7.375% 29/12/2049	979
HSBC Bank FRN 31/12/2049	949	Sumitomo Mitsui Financial	943
Deutsche Bank 0.000% 31/10/2034	926	Brit Insurance 6.625% 09/12/2030	902
Oversea-Chinese Banking	921	KBC	868
PennantPark Floating Rate Capital	920	Paragon Banking 6.125% 30/01/2022	836
AJ Bell	908		

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## Japan Fund

Purchases	Cost JPY¥'000	Sales	Proceeds JPY¥'000
Mitsubishi UFJ Financial	5,309,614	Toyota Motor	6,836,317
Sumitomo Mitsui Financial	3,907,091	Katitas	6,686,183
Sanken Electric	3,714,950	Dai-ichi Life	5,022,083
Arata	3,497,955	Mitsubishi UFJ Financial	4,484,012
Toshiba	3,354,516	Sumitomo Mitsui Trust	4,254,743
CKD	3,140,883	Kumagai Gumi	3,835,495
Fuji Media	3,137,870	Mitsui Fudosan	3,730,094
Hitachi Chemical	3,099,162	Kawasaki Heavy Industries	3,589,556
Jafco	2,970,208	Nippon Thompson	3,516,230
Kawasaki Heavy Industries	2,749,783	TDK	3,446,260
Mitsui Fudosan	2,722,560	Fuji Media	3,192,549
Takeda Pharmaceutical	2,708,539	Toshiba	2,707,108
Kyocera	2,682,789	Daiwabo	2,422,865
Toray Industries	2,432,035	IDOM	2,337,183
Toyota Motor	2,414,557	Sumitomo Mitsui Financial	2,288,055
Nippon Chemi-Con	2,350,983	Optorun	2,218,796
Sekisui Chemical	2,338,241	Tokio Marine	2,192,798
TDK	2,249,285	Mercari	2,108,734
Dai-ichi Life	2,243,215	Hitachi Metals	2,084,955
Optorun	2,216,111	Nishimoto	2,078,769
Maxell	2,149,158	Toray Industries	1,967,007
QB Net	2,135,831	NTT Urban Development	1,960,417
Nippon Electric Glass	2,059,499	Maxell	1,950,812
Topre	2,042,770	NGK Insulators	1,845,521
NGK Insulators	2,020,122	Shimachu	1,797,942
Aeon Mall	2,005,153	West Japan Railway	1,784,812
Nippon Suisan Kaisha	1,991,434	Open House	1,730,100
LIXIL	1,941,390	Kyocera	1,711,094
T. Hasegawa	1,875,052	Subaru	1,596,419
Mercari	1,853,404	Sumitomo Heavy Industries	1,568,658
West Japan Railway	1,818,307	Amada	1,559,083
Mitsubishi Electric	1,788,231	Konami	1,513,527
Mabuchi Motor	1,746,382	Kyoei Steel	1,499,957
Alpine Electronics	1,599,170	JXTG	1,448,039
Acom	1,574,527		
Subaru	1,573,136		
Kumagai Gumi	1,563,808		
Nishio Rent All	1,488,120		
Konami	1,419,148		
Glory	1,418,116		
Dena	1,396,409		
SBS	1,389,860		
Sumitomo Heavy Industries	1,338,522		
Eizo	1,322,090		
Katitas	1,307,828		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### Japan Value Fund

Purchases	Cost JPY¥'000	Sales	Proceeds JPY¥'000
Japan Post	217,064	Toyota Motor	439,975
Toshiba	133,838	Mitsubishi UFJ Financial	259,306
Mitsubishi Electric	119,668	Tokio Marine	247,414
Toray Industries	103,998	Nippon Telegraph & Telephone	228,393
Toppan Printing	97,836	TDK	227,479
Nippon Electric Glass	95,922	Sumitomo Mitsui Financial	213,351
Nichicon	77,375	Japan Post	208,401
Jafco	70,798	Mitsubishi Heavy Industries	204,895
Kyocera	59,627	Denso	198,577
Denso	56,885	Mitsui Fudosan	179,899
Mitsubishi UFJ Financial	52,110	Toshiba Plant Systems & Services	157,216
Cosel	49,309	Iida	155,364
TDK	48,815	Hitachi Metals	155,137
Alpine Electronics	43,992	Sumitomo Osaka Cement	146,523
Hitachi High-Technologies	43,178	Hitachi Capital	145,563
Sumitomo Electric Industries	42,900	Japan Airlines	143,936
Tokyo Ohka Kogyo	40,590	Shizuoka Gas	138,179
JSP	32,513	Tokyo Ohka Kogyo	136,311
Sumitomo Mitsui Financial	30,823	Taikisha	135,038
Tokyo Broadcasting System	19,608	Nippon Shokubai	131,080
Gecoss	16,963	Shinmaywa Industries	130,450
		Medikit	128,454
		Metawater	127,927
		Sumitomo Electric Industries	127,751
		Dydo Drinco	125,470
		Bank of Kyoto	125,011
		Inabata	119,390
		Kyocera	118,190
		TKC	113,170
		Lintec	113,154
		SKY Perfect JSAT	110,021
		Daiwa Industries	108,022
		Toshiba	107,093
		Inpex	106,897
		Mitsubishi UFJ Lease & Finance	104,624
		Japan Petroleum Exploration	102,666
		NHK Spring	98,992
		Nissin Kogyo	94,477
		Aeon Mall	93,085
		Alpine Electronics	91,321
		Tokyo Broadcasting System	90,517
		Showa Aircraft Industry	83,801
		Chudenko	83,616
		HI-LEX	82,217
		H2O Retailing	80,263
		Nitto Kohki	77,628
		Noritz	76,138

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## North American Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
eBay	69,666	Union Pacific	98,959
Altria	69,194	Validus	94,960
SS&C Technologies	67,556	Berkshire Hathaway	76,151
GrubHub	63,908	Anthem	68,661
Cognizant Technology Solutions	63,793	Apple	58,886
Autodesk	60,128	Ametek	52,532
Danaher	59,020	Facebook	51,839
Stericycle	58,076	Spirit Airlines	49,658
Berkshire Hathaway	56,967	Amdocs	48,910
Altaba	50,558	Medtronic	45,163
Mohawk Industries	45,805	Amazon.com	43,047
Suncor Energy	44,553	Alphabet	43,037
Flex	39,173	Citigroup	39,515
Wayfair	36,636	Flex	38,453
Booz Allen Hamilton	35,027	S&P Global	37,003
Taylor Morrison Home	34,065	Expedia	35,550
Canadian Natural Resources	33,703	Canadian Natural Resources	29,950
Arch Capital	33,310	Interpublic Group of Companies	29,265
Alphabet	32,880	Kirby	27,983
Texas Pacific Land Trust	26,615	Wells Fargo	27,930
Anthem	25,393	GCI Liberty	27,889
Copa Airlines	25,279	United Technologies	25,508
Keysight Technologies	25,230	Keysight Technologies	24,922
MDC	24,858	Charles Schwab	24,594
Citigroup	23,358	Dolby Laboratories	24,553
United Technologies	22,731	Jeld-Wen	22,753
Chubb	17,812	Accenture	20,374
Amazon.com	17,426	Suncor Energy	20,287
Expedia	17,088	Booz Allen Hamilton	18,749
Charles Schwab	14,581	ICON	17,982
Pfizer	14,080	Altaba	17,957
		Pfizer	17,439
		Cognizant Technology Solutions	15,874
		Bank of America	14,304

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### UK Absolute Equity Fund

Purchases	Cost GBP£'000	Sales	Proceeds GBP£'000
World Wrestling Entertainment	42,006	World Wrestling Entertainment	47,213
Northern Trust Global Funds - Sterling	40,000	First Derivatives	33,560
Pearson	26,159	Entertainment One	31,953
Experian	25,193	Lloyds Banking	28,772
Lloyds Banking	25,158	Mosaic	23,454
Paypal	22,168	Experian	22,446
Mosaic	21,960	FDM	21,954
Burberry	20,449	Sophos	20,881
Unilever	19,557	Paypal	20,656
Craneware	19,160	Paragon Banking	20,163
Entertainment One	18,767	GB	18,294
Diageo	17,210	Vesuvius	18,264
Royal Bank of Scotland	16,574	Burberry	17,897
Games Workshop	16,178	Sage Group	17,012
AVEVA	15,925	Burford Capital	15,770
Weight Watchers	12,511	Syncona	15,300
Manchester United	12,099	AVEVA	15,199
Pretium Resources	11,619	Forterra	15,108
Burford Capital	10,983	Royal Bank of Scotland	15,105
Codemasters	9,433	B&M European Value Retail	14,886
Victrex	8,203	Craneware	11,217
Paragon Banking	7,203	Manchester United	10,724
FDM	6,240	Weight Watchers	9,919
Vesuvius	5,110	Cairn Homes	9,748
Genus	4,973	Games Workshop	9,056
		TT Electronics	8,600
		Microgen	7,844
		Codemasters	7,611
		Renishaw	7,533
		Frontier Developments	7,201
		Coats	6,926
		HomeServe	6,868
		Victrex	6,613
		Countryside Properties	6,409
		Breedon	6,140

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



## UK Value Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Mondi	19,062	Hays	11,514
TT Electronics	17,234	Fenner	10,917
Synthomer	16,788	RSA Insurance	10,504
Restore	16,097	Hill & Smith	9,533
Lloyds Banking	15,008	Royal Dutch Shell	9,340
Rhi Magnesita	14,287	Gamma Communications	9,328
Charter Court Financial Services	13,809	SThree	8,963
Alliance Pharma	12,707	Jardine Lloyd Thompson	8,437
MJ Gleeson	12,617	IG	8,122
IG Design	12,614	TP ICAP	8,073
Computacenter	12,527	Super	7,974
Morgan Advanced Materials	12,422	Biffa	7,651
International Consolidated Airlines	12,132	Conviviality	7,368
Polypipe	11,617	CYBG	7,246
Marshalls	11,515	ITV	7,204
Close Brothers	10,916	On The Beach	7,146
IG	10,767	Lancashire	7,134
Schroders	10,578	Headlam	7,074
Royal Dutch Shell	10,296	Shire	6,972
Cranswick	9,993	JD Sports Fashion	6,972
Standard Chartered	9,535	888	6,842
Costain	9,414	Bank of Georgia	6,606
3i	9,160	De La Rue	6,470
Kier	9,137	Photo-Me International	5,927
Renew	8,754	Avon Rubber	5,897
Vesuvius	8,681	Savills	5,889
CYBG	8,497	DiscoverIE	5,872
Coats	8,354	Hilton Food	5,496
De La Rue	8,323	XLMedia	4,863
WH Smith	8,242	Dignity	4,519
Serica Energy	8,070	Standard Chartered	4,386
DiscoverIE	8,068	Alliance Pharma	4,097
Hill & Smith	8,028	SSP	4,067
Johnson Service	7,761	Taptica International	3,984
Redde	7,683	Softcat	3,115
Morgan Sindall	7,647	Vesuvius	2,937
Bellway	7,574	WH Smith	2,934
JD Sports Fashion	7,523		
Redrow	7,303		
Marlowe	7,282		
XLMedia	7,144		

## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2018

### UK Value Opportunities Fund continued

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
OneSavings Bank	7,065		
Aviva	6,740		
Watkin Jones	6,669		
Speedy Hire	6,646		
Forterra	6,348		
Trifast	6,297		
Legal & General	6,240		
Central Asia Metals	6,149		
James Fisher & Sons	5,910		

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## Information for Investors (Unaudited)

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### Information for Investors in the Federal Republic of Germany (unaudited)

The Prospectus, the Key Investor Information Document ('KIID'), the Memorandum and Articles of Association of the Company and the annual and semi-annual reports of the Company and a complete listing of the purchases and sales during the period, each in paper form, as well as the Net Asset Value per Share, issue and redemption prices and any switching prices are available and may be obtained free of charge at the office of the German Paying and Information Agent.

### Information for Investors in Switzerland (unaudited)

The Company has appointed BNP Paribas Securities Services Paris, Succursale de Zurich, Switzerland as representative and paying agent for Switzerland. For redeemable participating shares distributed in Switzerland, the performance place is at BNP Paribas Securities Services' address. Investors, can obtain free of charge, the prospectus, the simplified prospectus (both also available for potential investors), and the last annual and interim reports, in German and a list of the purchases and sales made on behalf of the Company, from the representative at the above address and the official publications for the Company are published in Fund info.

Following a directive of the Swiss Funds Association dated 27 July 2004, the Company is required to supply performance data in conformity with the said directive. This data can be found under each of the Fund reports.

Please note that all references to a specific index are for comparative purposes only.

Past performance is no indication of current or future performance. The value of an investment can fall as well as rise as a result of market fluctuations and investors may not get back the amount originally invested. The performance data does not take account of the commissions and costs incurred on the issue and redemption of redeemable participating shares.

Investors should contact the Swiss representative at the above address should they require additional information, e.g. on performance including the composition of the relevant indices where applicable.

## Information for Investors (Unaudited) continued

### Total Expense Ratio

Pursuant to a guideline from the Swiss Funds Association dated January 2006, the Company is required to publish a Total Expense Ratio (TER) for the financial year ended 31 December 2018.

The TERs for each Fund for the last two financial years are as follows:

Name of Fund	31 December 2018		31 December 2017	
	TER (excluding performance fee) in %	TER (including performance fee) in %	TER (excluding performance fee) in %	TER (including performance fee) in %
Asian Opportunities Fund	1.17	1.17	1.21	4.34
Asian Stars Fund	N/A	N/A	N/A	N/A
Automation & Artificial Intelligence Fund	0.72	0.72	0.73	0.73
Biotechnology Fund	0.28	0.62	1.35	2.20
China Stars Fund	0.19	0.19	N/A	N/A
Emerging Markets Growth Fund	N/A	N/A	1.20	1.20
Emerging Markets Income Fund	1.14	1.14	1.15	1.15
Emerging Market Stars Fund	0.57	0.57	N/A	N/A
European ex UK Income Fund	0.73	1.18	0.78	0.78
European Income Fund	0.87	0.87	0.90	0.90
Financial Opportunities Fund	1.13	1.13	1.17	1.17
Global Absolute Return Fund	N/A	N/A	N/A	N/A
Global Alpha Fund	N/A	N/A	0.75	0.75
Global Convertible Fund	1.01	1.44	1.00	1.14
Global Insurance Fund	0.91	1.10	0.96	0.96
Global Technology Fund	1.31	2.23	1.27	1.75
Healthcare Blue Chip Fund	0.79	0.79	0.87	0.87
Healthcare Opportunities Fund	1.23	2.10	1.20	1.24
Income Opportunities Fund	1.03	1.73	1.00	1.00
International Alpha Fund	N/A	N/A	0.78	0.78
Japan Fund	1.32	1.32	1.30	1.31
Japan Value Fund	0.74	0.74	0.48	0.48
North American Fund	0.82	0.83	0.86	0.99
UK Absolute Equity Fund	1.19	1.19	1.14	9.50
UK Value Opportunities Fund	0.75	0.75	0.77	1.69

Total Expense Ratio is calculated after an adjustment for swing pricing.

### PEA Compliance (unaudited)

The European Income Fund is Plan d'Épargne en Actions ('PEA') eligible. For the purpose of eligibility requirement of Article L-221-31 of the French Monetary and Financial Code, the Fund must at all times during the financial year ended 31 December 2018 be invested in more than 75% of PEA eligible assets. PEA eligible assets are defined as equity or equity equivalent securities, which have their registered office in a country which is a member of the EU or the European Economic Area.

	% PEA Eligible Assets 31 December 2018	% PEA Eligible Assets 31 December 2017
European Income Fund*	0%	85.77%
European Income (Ex UK) Fund	85.92%	83.40%

\* There were no investments held by the Fund on the last valuation day.

## Appendix I – Remuneration Disclosures (unaudited)

The Company has designed and implements a remuneration policy which is intended to comply with the provisions of the UCITS Directive and ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD (ESMA/2016/411) (the 'ESMA Remuneration Guidelines') each of which may be amended from time to time. The Company's remuneration policy includes measures to avoid conflicts of interest.

The Company's remuneration policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Company. The result of this categorisation is such that the remuneration policy will only be applicable to non-executive Directors and individuals carrying out control functions.

As the Company does not have any employees and it does not pay any variable remuneration to any of the Directors of the Company, the pay-out process rules are not applicable to the Company. On this basis and on the basis of proportionality, (i.e. the Company's size, internal organisation, nature, the scope and complexity of its activities), the Directors have decided to disapply the remuneration committee requirement. The Directors are satisfied that this disapplication is reconcilable with the risk profile, risk appetite and the strategy of the Company. The Directors remuneration is disclosed in the Statement of Comprehensive Income.

The board of Directors of the Company in its supervisory function (being the body with ultimate decision-making authority in the Company and comprising the supervisory and managerial functions) is responsible for, and oversees, the implementation of the remuneration policy.

As the Company delegates' investment management functions in respect of the Company, it will, in accordance with the requirements of the ESMA Remuneration Guidelines, ensure that:

- a. the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Remuneration Guidelines; or
- b. appropriate contractual arrangements are put in place to ensure that the delegates apply in a proportionate manner the remuneration rules as detailed in the UCITS Directive as amended such that there is no circumvention of the remuneration rules set out in the ESMA Remuneration Guidelines.

## Appendix II – Securities Financing Transactions Regulation (unaudited)

The Securities Financing Transactions Regulation ('SFTR') came into effect on 12 January 2016. Article 13 requires information to be provided as to the use of securities financing transactions ('SFTs') and Total Return Swaps ('TRSs').

A Securities Financing Transaction ('SFT') is defined as per Article 3 (11) of the SFTR as: a repurchase transaction, securities or commodities lending and securities or commodities borrowing; a buy-sell back transaction or sell-buy back transaction; or a margin lending transaction.

As at 31 December 2018, the Company held the following types of SFTs: Total Return Swaps (including CFDs). The amount of securities and commodities on loan as a proportion of total lendable assets (excluding cash and cash equivalents) was 0.00% as at 31 December 2018.

### Global Data

Type of Asset	Absolute Amount	Proportion of AUM (%)
<b>Contracts for difference</b>		
Global Convertible Fund	\$73,515,932	7.77%
UK Absolute Equity Fund	£571,115,160	55.32%

### Concentration Data

	Collateral Issuers	Volume of the collateral securities and commodities
1	UBS AG	\$33,012,349
2	Credit Suisse	£18,141,187

The gross volume of outstanding trades with each counterparty across all SFTs is as follows:

Contracts for difference	Counterparty	Gross volume of outstanding trades*
Global Convertible Fund	UBS AG	\$73,515,932
UK Absolute Equity Fund	Credit Suisse	£571,534,060

\* Gross volume of outstanding transactions expressed as market value of open derivative contracts at the reporting date.

### Aggregate transaction data

Contracts for difference	Type/Quality of collateral	Currency	Maturity tenor (collateral)	Maturity tenor (SFTs/Total Return Swaps)	Country of counterparty establishment (not collateral)	Settlement and clearing
<b>Global Convertible Fund</b>						
UBS AG	Cash	Multiple	>1 year	>1 year	Switzerland	Bilateral
<b>UK Absolute Equity Fund</b>						
Credit Suisse	Cash	USD, GBP, EUR	>1 year	>1 year	Ireland	Bilateral

The share of collateral that is reused is 0.00%.

## Safekeeping

Prime Broker	Collateral assets safe-kept
Credit Suisse	Cash Collateral
UBS AG	Cash, Bonds, Equity, Collateral

The proportion of collateral held in segregated accounts, in pooled accounts or any other accounts is 100.00%.

## Return/(Costs)

Contracts for difference	Absolute Returns		Overall returns
	Return	Cost	%
Global Convertible Fund	\$31,086,712	-\$3,960,709	100
UK Absolute Equity Fund	£44,234,755	-£15,017,291	100

## Management and Administration

### Directors (all non-executive):

David Astor (GB)\*  
Robert Bovet (MT)\* (Chairman)  
James Cayzer-Colvin (GB)  
Ronan Daly (IE)\*  
David Hammond (IE)\*  
Charles Scott (GB)\*

\* Directors independent of the Investment Manager

### Investment Manager and Global Distributor:

#### **Polar Capital LLP**

16 Palace Street  
London SW1E 5JD  
United Kingdom

### Administrator, Registrar, Transfer

#### Agent and Company Secretary:

#### **Northern Trust Fund Administration Services (Ireland) Limited**

Georges Court  
54–62 Townsend Street  
Dublin D02 R156  
Ireland

### Legal Advisers:

as to Irish law

#### **Dillon Eustace**

33 Sir John Rogerson's Quay  
Dublin D02 XK09  
Ireland

### Sponsoring Broker:

#### **Davy Stockbroker**

Davy House  
49 Dawson Street  
Dublin D02 PY05  
Ireland

### Swiss Paying Agent/Representative:

#### **BNP Paribas Securities Services Paris**

Succursale de Zurich  
Selnaustrasse 16  
8002 Zürich  
Switzerland

### French Centralising and Paying Agent:

#### **BNP Paribas Securities Services**

66 Rue de la Victoire  
75009 Paris  
France

### Registered Office:

#### **Georges Court**

54–62 Townsend Street  
Dublin D02 R156  
Ireland

### Company Registration Number:

**348391**

### Depository:

#### **Northern Trust Fiduciary Services (Ireland) Limited**

Georges Court  
54–62 Townsend Street  
Dublin D02 R156  
Ireland

### Independent Auditor:

#### **Deloitte Ireland LLP**

Chartered Accountants & Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin D02 AY28  
Ireland

### Swedish Paying Agent:

#### **SEB Merchant Banking**

Sergels Tog 2, ST H1  
10640 Stockholm  
Sweden

### German Paying and Information Agent:

#### **Deutsche Bank AG**

Taunusanlage 12  
60325  
Frankfurt am Main  
Germany

### Austrian Paying Agent:

#### **Meinl Bank AG**

Bauernmarkt 2  
1014 Vienna  
Austria

### Governance and Monitoring Services:

#### **Bridge Consulting Limited**

Ferry House  
48–53 Mount Street Lower  
Dublin D02 PT98  
Ireland





