MARTIN CURRIE INVESTMENT FUNDS

INTERIM SHORT REPORT

INTERIM TO 31 AUGUST 2013

CONTENTS

MARTIN CURRIE INVESTMENT FUNDS

Martin Currie manages international equities for clients worldwide. From its headquarters in Edinburgh, the company manages both generalist and specialist portfolios for a range of institutions, charities and private investors.

Established in 1999, Martin Currie Investment Funds (Martin Currie IF) is an open-ended investment company (OEIC). Under the fund's umbrella structure, Martin Currie manages a range of funds focusing on global and regional equity markets. We target our resources to deliver both superior investment returns and exceptional service for investors.

INTRODUCTION

Further gains despite volatility
In the six months following our annual report at the end of February, global equities advanced by another 2.4% as measured by the bellwether MSCI AC World index. It was another eventful period, with the index posting four monthly rises punctuated by pullbacks in June and August.

As has become commonplace in recent years, a variety of macroeconomic issues influenced the direction of markets. The most significant of these was speculation over the likely duration of the third round of US quantitative easing, or 'QE3' as it has become known. Just as the introduction of QE3 has helped equities to rise powerfully over the last year, so has the prospect of its withdrawal led to nervousness among investors. Indeed, it was comments from the Federal Reserve hinting at a sooner-than-expected exit – albeit a gradual one – that prompted the pullbacks mentioned above.

We think the market has overreacted here. Investors always knew that quantitative easing wasn't going to last forever. More importantly, the Fed has been at pains to remind us that QE 'tapering' is contingent upon evidence of sustainable economic recovery in the US. Given that the US is the world's biggest economy, this is surely a good thing for the world's companies – and ultimately for their shareholders.

Abenomics and the Japanese market – the future still looks bright
Six months ago, I wrote about the exciting developments in Japan. Since then, the Japanese market has suffered a much-anticipated correction. Despite this setback, however, it still rose 5.8%* in sterling terms in the six months under review and finished August up 20.5% for the year to date – easily outperforming global equities over both periods.

Meanwhile, Prime Minister Abe has further strengthened his position. The Liberal Democratic Party's victory in the upper-house elections gives him a three-year window in which to enact his reform policies. This provides a supportive environment for equities. But even without his promised structural reforms, we believe the weaker yen and nascent improvement in the global economy would allow Japanese companies to deliver impressive earnings growth this year.

Longer term, the real test will be if 'Abenomics' can generate sustainable and controlled inflation, a return to which could spark a global rush of demand for Japanese equities. Already there have been signs that deflation has loosened its grip. And despite its powerful rally since last autumn, we think the Japanese market still looks extremely good value at current levels.

Global recession still unlikely this year
There have been a number of encouraging economic developments of late. The eurozone officially moved out of recession in the second quarter, the Chinese authorities are striking a more 'pro-growth' tone, and US economic data has continued to improve. All of this is in line with our view that we are in for several more years of slow and steady global growth.

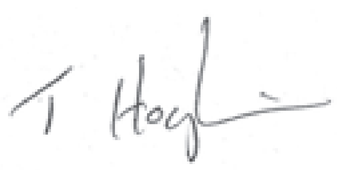
Careful stockpicking essential
The economic backdrop may sound less than inspiring, but there is still great potential out there for discerning stockpickers. As investors, we remain focused on well-run companies with solid potential for growth. This is because in every sector and region there will be winners and losers regardless of the prevailing conditions. It is our belief that a research-based stockpicking approach is always the best way to achieve outperformance over the long term, but it is especially appropriate in the current testing environment. Given that a multitude of companies have emerged from the financial crisis leaner and keener, with plenty of cash to return to shareholders, we are confident that careful stockpicking will be well rewarded in the coming months and years.

North America
Tom Walker, investment director, has stepped down from co-managing the North American Fund to concentrate on his portfolio-management role for the Martin Currie Global Portfolio Trust. Penny Kyle, investment director, has taken responsibility as lead manager on the Martin Currie North American Fund. Penny joined Martin Currie a year ago as co-manager on the fund, and she is now ready to take on this opportunity. Edward Wotherspoon moves from the sector research team to join the North American equities team as investment manager supporting Penny. These changes take effect from 1 October 2013.

Penny is a highly experienced portfolio manager who has managed North American equities for over 17 years. She joined Martin Currie from a leading sovereign wealth fund, for whom she was head of US equities. In that role, Penny achieved outstanding performance in both relative and risk-adjusted terms. Before this she was head of North American equities at Morley Fund Management, where she successfully developed the company's North American business.

And finally…
Long-form financial statements are available on request. If you would like a copy, please call us free on 0808 100 21 25 or write to the authorised corporate director at the address given.

If you have any questions, please call us free on the number above. You can find out more about Martin Currie at our website: www.martincurrie.com. While you're there, you can also check the performance, price and profile of any of our funds.



Toby Hogbin
Chairman
16 October 2013

Past performance is not a guide to future returns
Market and currency movements may cause the capital value of shares, and the income from them, to fall as well as rise and you may get back less than you invested when you decide to sell your shares.
Specific risk warnings for each fund can be found in the full Prospectus.
* Source: Lipper for Investment Management, bid to bid basis with net revenue reinvested over the six month period from to 31 August 2013.

ASIA PACIFIC FUND

FUND PROFILE

Launch date	14 February 1994	
Objective	To produce long-term capital growth by investment in any economic sector in all or any of the Middle East, the Indian sub-continent, Australia, New Zealand and the Far East, excluding Japan.	
Policy	The portfolio will consist primarily of transferable securities but the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the fund's objective.	
Risk profile	This fund may invest in emerging markets which tend to be more volatile than established stock markets. The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.	
Benchmark	MSCI AC Asia Pacific ex Japan index	
Fund size	£87 million	
Distribution	XD date	Payment date
	28/29 February	30 April
OCF	As at 31 August 2013	As at 28 February 2013
	'A' 1.79%	'A' 1.74%
	'B' 1.04%	'B' 0.99%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses. The indicator does not take into account the following risks of investing in this fund: Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment. Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.

INVESTMENT MANAGERS' REVIEW

The MSCI AC Asia ex Japan index fell 9.5%* during the period. Emerging Asian markets with current-account deficits, such as Indonesia, Thailand and India, were among the hardest hit amid speculation surrounding the exit timetable for US quantitative easing.

Against this backdrop, the fund fell 10.9%*. At the stock level, the main detractor from returns was Australian goldminer Newcrest Mining. A combination of production problems at a key mine, a falling gold price, and an announcement of asset write-downs weighed heavily on the stock. At time of writing, there has been some recovery in the gold price, but Newcrest remains a riskier proposition than previously, so we have trimmed the position. The sell-off in emerging markets affected our financial stocks listed on these markets. In particular, Thailand's Kasikornbank, Bank Rakyat in Indonesia, and Indian infrastructure finance company IDFC all fared badly. Lastly, not holding the Chinese internet portal Tencent was also detrimental to relative returns.

On the other side, our best performer was Chinese brewer Tsingtao, which the market rewarded for maintaining a relatively stable earnings base together with competition-beating growth in the local market. Another Chinese holding, the oil & gas company CNOOC, was also among our top contributors. The stock bounced back strongly after a poor first half of 2013, bolstered first by a better-than-expected set of results and then the tailwind of higher oil prices. Our list of top-five performers was completed by a diverse trio of financials stocks: E.Sun Financial in Taiwan; Global Logistic Properties, the Singapore-listed pan-Asian warehouse operator; and Macquarie Group in Australia.

We sold out of three holdings during the period: Astra International, the Indonesian automotive manufacturer; Henderson Land Development in Hong Kong; and Orion, the Korean confectionary company. On the purchase side, we initiated positions in Shin Corp, the conglomerate that owns Thai telco AIS; Weichai Power, the Chinese engine producer; PetroChina, the integrated oil company; and First Pacific, the Hong Kong conglomerate with interests in telecoms, food products and infrastructure.

Andrew Graham

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue reinvested), excluding the initial charge, on a calendar year basis, over the last five years.

	2013**	2012	2011	2010	2009	2008	Since launch†
Asia Pacific Fund 'A' share class	(3.09)	16.51	(9.80)	21.28	31.79	(32.69)	132.34
Asia Pacific Fund 'B' share class^	(2.62)	17.42	(9.18)	22.17	32.75	(32.30)	243.65
Benchmark*	0.50	17.24	(14.75)	22.14	54.61	(33.03)	148.83

* Source: Lipper for Investment Management. ** To 31 August 2013. ^ Launch date of 'B' share class 15 June 2002. † Launch date of unit trust 14 February 1994. Benchmark – MSCI AC Asia Pacific ex Japan index. Past performance is not a guide to future returns.

PRICE & REVENUE

The table below shows the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, over the last five years.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2008	'A'	100.8p	51.76p	0.32p	'B'	104.7p	54.03p	0.94p
2009	'A'	89.84p	59.37p	0.66p	'B'	94.51p	62.10p	1.16p
2010	'A'	108.4p	81.72p	0.72p	'B'	115.0p	86.07p	1.35p
2011	'A'	111.2p	86.32p	0.53p	'B'	118.4p	92.02p	1.33p
2012	'A'	114.0p	96.96p	0.57p	'B'	122.6p	103.9p	1.42p
2013*	'A'	125.2p	104.6p	0.74p	'B'	134.8p	112.9p	1.66p

* To 31 August 2013

TOP TEN HOLDINGS (%)

	31 Aug 2013
Samsung Electronics	6.74
Taiwan Semiconductor Manufacturing	4.73
AIA	4.61
CNOOC	3.70
China Mobile	3.62
Commonwealth Bank of Australia	3.60
Woolworths	3.07
Macquarie	2.93
Hyundai Mobis	2.83
China Construction Bank	2.82

Number of holdings: 46

	28 Feb 2013
Samsung Electronics	7.26
Taiwan Semiconductor Manufacturing	4.58
AIA	4.16
Commonwealth Bank of Australia	3.45
China Mobile	3.45
CNOOC	3.32
Woolworths	3.13
Hyundai Mobis	2.93
Kasikornbank	2.91
China Construction Bank	2.87

Number of holdings: 45

COUNTRY ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
China	20.05	17.38
Australia	18.74	19.85
Hong Kong	16.03	15.50
South Korea	15.10	16.47
Taiwan	7.75	7.09
Singapore	6.76	6.20
Thailand	6.07	6.21
Malaysia	4.10	3.88
India	2.72	3.90
Indonesia	1.27	2.49
Cash and net other assets	1.41	1.03

Number of countries: 10

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Acc	109.7p	123.1p	(10.89)
'B'	Acc	118.6p	132.6p	(10.56)

* As detailed in the Long Report.

CHINA FUND

FUND PROFILE

Launch date	10 March 2010	
Objective	To produce long-term capital growth by investing in companies listed in China and companies or other entities with significant assets, investments, production activities, trading or other business interests in China, or which derive a significant part of their revenue from China.	
Policy	The portfolio will consist primarily of transferable securities but the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate, to meet the fund's objective.	
Risk profile	This is a single country fund, and therefore has a concentrated portfolio, which limits the room for risk diversification within the fund. The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.	
Benchmark	MSCI Zhong Hua index	
Fund size	£7 million	
Distribution	XD date	Payment date
	28/29 February	30 April
OCF	As at 31 August 2013	As at 28 February 2013
	'A' 2.48%	'A' 2.00%
	'B' 1.89%	'B' 1.49%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses. The indicator does not take into account the following risks of investing in this fund: Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment. Investment markets in China are at an early stage of development and Chinese companies may face the risk of political, social and religious instability amongst other factors. This means your money is at greater risk. Please note that over the review period the risk number changed once. From 1 March 2013 to 6 July 2013 the risk number was 7.

INVESTMENT MANAGER'S REVIEW

During the review period, the MSCI Zhong Hua index declined 6.2%* in sterling terms. Chinese stocks fell significantly at the end of June following an increase in the country's interbank lending rate. The rate, which is normally around 3–4%, rose to over 20% following reluctance from China's central bank to inject liquidity into the country's banking system.

The fund underperformed the benchmark, falling 7.1%* during the six months. The portfolio's biggest detractor was the steel-pipe manufacturer Chu Kong. Shares in the company weakened significantly in the second-quarter in anticipation that its interim results would fail to meet market estimates. Other notable poor performances came from materials firm China National Building Material, as cement prices fell in China, and China Minsheng Bank, which was negatively affected by the sharp squeeze in the interbank rate mentioned earlier. Meanwhile, holding company Jardine Strategies was another key laggard. Not holding the hotel and casino operator Galaxy Entertainment also detracted from the fund's relative returns.

By contrast, the top-contributing stock was CSPC Pharmaceutical. The company has transformed itself from a vitamins and antibiotics producer to a pharmaceutical firm with a portfolio containing some of China's best-selling drugs. Elsewhere, one of our highest active stock holdings, China State Construction, continued to deliver strong performance during the period, driven by new contract wins. Web-services company Baidu also helped returns. The firm's recent agreement to acquire app store 91 Wireless should help it become China's top mobile internet provider. Other notable outperformers included automotive manufacturer Geely Auto and oil & gas company CNOOC.

In terms of portfolio activity during the period, we bought three new positions: clothing manufacturer Esprit; oil-services firm Hilong; and web-services company Baidu (mentioned previously). We also made three outright sales: China Overseas Grand Ocean, the Chinese property developer; China Lilang, the menswear producer; and Chu Kong (mentioned previously).

James Chong

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue reinvested), excluding the initial charge, on a calendar year basis since launch of the fund.

	2013**	2012	2011	2010‡	2009	2008	Since launch†
China Fund 'A' share class	2.42	14.04	(25.78)	13.30	–	–	(1.78)
China Fund 'B' share class	2.76	14.61	(26.08)	13.90	–	–	(0.84)
Benchmark	2.12	19.24	(16.93)	6.50	–	–	7.73

* Source: Lipper for Investment Management. ** To 31 August 2013. † Launch date 10 March 2010. ‡ From 10 March 2010 to 31 December 2010.
Benchmark – MSCI Zhong Hua index. Past performance is not a guide to future returns.

PRICE & REVENUE

The table below shows the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, since launch of the fund.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2010†	'A'	114.4p	92.92p	0.00p	'B'	115.0p	93.19p	0.00p
2011	'A'	117.4p	77.88p	0.00p	'B'	118.1p	77.89p	0.51p
2012	'A'	96.20p	82.29p	0.32p	'B'	96.78p	82.56p	0.81p
2013*	'A'	108.1p	90.45p	0.69p	'B'	108.8p	91.24p	1.12p

† From launch 10 March 2010.
* To 31 August 2013.

TOP TEN HOLDINGS (%)

	31 Aug 2013
Industrial & Commercial Bank of China	6.94
AIA	6.39
China Construction Bank	5.92
CNOOC	5.67
China Mobile	4.99
Tencent	4.89
Hutchison Whampoa	4.44
Cheung Kong	3.75
Sun Hung Kai Properties	3.41
China Life Insurance	3.36

Number of holdings: 34

	28 Feb 2013
Industrial & Commercial Bank of China	6.81
AIA	6.06
China Construction Bank	5.96
CNOOC	4.80
China Mobile	4.59
China Life Insurance	4.04
Hutchison Whampoa	3.88
Cheung Kong	3.73
Sun Hung Kai Properties	3.61
BOC Hong Kong	3.32

Number of holdings: 34

SECTOR ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
Financials	45.22	47.93
Information technology	9.84	7.39
Industrials	7.99	8.10
Consumer discretionary	7.43	6.81
Utilities	7.14	7.28
Energy	6.85	6.39
Telecommunication services	4.99	4.59
Consumer staples	4.07	3.53
Materials	3.10	4.45
Healthcare	1.96	2.10
Cash and net other assets	1.41	1.43

Number of sectors: 10

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Acc	98.02p	105.6p	(7.18)
'B'	Acc	98.96p	106.3p	(6.90)

* As detailed in the Long Report.

EMERGING MARKETS FUND

FUND PROFILE

Launch date	13 September 1991	
Objective	To produce long-term capital growth by investment in a portfolio of securities worldwide in any economic sector, but it is anticipated that investment will generally be concentrated in what the investment manager considers to be the smaller and developing markets around the world.	
Policy	The portfolio will consist primarily of transferable securities but the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the fund's objective.	
Risk profile	This fund invests in emerging markets which tend to be more volatile than established stock markets. The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.	
Benchmark	MSCI Emerging Markets index	
Fund size	£16 million	
Distribution	XD date	Payment date
	28/29 February	30 April
OCF	As at 31 August 2013	As at 28 February 2013
	'A' 2.22%	'A' 2.14%
	'B' 1.72%	'B' 1.65%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

← Typically lower rewards, lower risk — Typically higher rewards, higher risk →

1	2	3	4	5	**6**	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses. The indicator does not take into account the following risks of investing in this fund: Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment. Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.

INVESTMENT MANAGERS' REVIEW

It was a difficult period for emerging-market equities, with the MSCI Emerging Markets index falling 11.7%* in sterling terms. The main driver of the fall was commentary from the US Federal Reserve on the 'tapering' of asset purchases. This also caused increased volatility in currencies and bond yields; emerging markets were hit particularly hard, with countries that have rising current-account deficits suffering the most. In this regard, Indonesia, Turkey and Brazil were among the worst performers. Of the larger regional markets Taiwan, Malaysia and China fared the best but still ended the period in negative territory. At the sector level, materials, financials, and utilities were the worst performers; IT, healthcare and telecommunications did best.

The fund fell by 14.7%* over the six months under review. Key detractors reflected the market's dominant macro themes. Thailand's Kasikornbank, for example, performed poorly on concerns that high current-account deficits and increasing government bond yields would lead to higher interest rates and ultimately to losses in its loan book. Other financial holdings to fare badly included IDFC in India – which was the portfolio's worst performer – and Bank Mandiri in Indonesia.

The top-performing stock was the South African pharmaceutical firm Aspen. The company has continued its global expansion, acquiring Dutch and US manufacturing units from Merck as well as a portfolio of emerging-market focused drugs. Another notable contributor was Chinese offshore oil & gas company CNOOC. After a weak first half this year, the stock has bounced back powerfully and was bolstered in August by the strengthening oil price and a consensus-beating set of results.

Key new purchases during the period were PTT Global Chemical, a Thai-based refinery; Dongfeng Motor, a Chinese manufacturer of Japanese cars; First Pacific, a Hong Kong-based holding company; TurkCell, a Turkish mobile phone operator; and Shin Corp, a Thai conglomerate. Among the sales, we exited Turkish bank Garanti, Brazilian multinational Petrobras and Korean firm Samsung Engineering.

Kim Catechis

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue reinvested), excluding the initial charge, on a calendar year basis, over the last five years.

	2013**	2012	2011	2010	2009	2008	Since launch†
Emerging Markets Fund 'A' share class	(10.40)	14.14	(16.95)	24.30	43.78	(43.40)	326.57
Emerging Markets Fund 'B' share class^	(10.13)	14.73	(16.60)	25.21	45.25	(43.10)	174.57
Benchmark	(5.36)	13.42	(17.57)	22.94	59.39	(35.18)	568.12

* Source: Lipper for Investment Management. ** To 31 August 2013. ^ Launch date of 'B' share class 15 June 2002. † Launch date of unit trust 13 September 1991. Benchmark – MSCI Emerging Markets index. Past performance is not a guide to future returns.

PRICE & REVENUE

The table below shows the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, over the last five years.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2008	'A'	236.9p	104.2p	0.00p	'B'	247.5p	109.4p	1.50p
2009	'A'	197.3p	118.8p	0.96p	'B'	209.0p	125.3p	2.23p
2010	'A'	238.7p	177.4p	0.23p	'B'	255.1p	188.4p	1.60p
2011	'A'	240.7p	182.5p	0.00p	'B'	257.3p	195.6p	0.85p
2012	'A'	230.0p	194.9p	0.75p	'B'	247.1p	209.6p	1.94p
2013*	'A'	244.3p	195.9p	0.66p	'B'	263.8p	211.8p	1.87p

* To 31 August 2013.

TOP TEN HOLDINGS (%)

	31 Aug 2013
Samsung Electronics	7.48
Taiwan Semiconductor Manufacturing	5.64
Industrial & Commercial Bank of China	4.16
CNOOC	3.86
Magnit GDR	3.41
Aspen Pharmacare	3.19
Hyundai Mobis	2.95
MTN	2.74
Grupo Financiero Banorte	2.60
Genting Malaysia	2.53

Number of holdings: 49

	28 Feb 2013
Samsung Electronics	8.00
Taiwan Semiconductor Manufacturing	5.05
Industrial & Commercial Bank of China	4.10
Credicorp	3.36
Petroleo-Brasileiro	3.11
Hyundai Mobis	3.04
Lenovo	2.98
CNOOC	2.79
Vale	2.75
Banco Itau	2.68

Number of holdings: 46

Stocks shown as GDR's represent Global Depositary Receipts.

COUNTRY ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
South Korea	14.49	16.20
China	13.17	11.58
Russia	10.25	6.74
Taiwan	9.32	7.62
Mexico	8.27	9.28
Brazil	8.06	13.68
Malaysia	6.35	5.60
South Africa	5.93	4.53
Thailand	4.31	4.10
India	3.79	5.20
Hong Kong	2.90	1.68
Peru	2.38	4.42
Indonesia	2.17	1.90
Colombia	2.09	2.30
United States	1.69	1.51
Chile	1.31	1.51
Turkey	1.25	1.47
Cash and net other assets	2.27	0.68

Number of countries: 17

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Acc	202.1p	237.0p	(14.73)
'B'	Acc	218.7p	255.9p	(14.54)

* As detailed in the Long Report.

EUROPEAN EQUITY INCOME FUND

FUND PROFILE

Launch date	6 May 1985 (on 1 March 2012, the fund mandate changed from that of a European Fund to a European Equity Income Fund).			
Objective	The fund aims to provide an income in excess of the benchmark as well as the potential for capital growth.			
Policy	This fund will invest in equities of companies listed in Continental Europe, but may also invest in companies listed in the UK. The fund may use derivatives for the purposes of risk reduction and efficient portfolio management.			
Risk profile	The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.			
Benchmark	MSCI Europe (ex UK) index			
Fund size	£22 million			
Distribution	XD date	Payment date		
	28/29 February	30 April		
	31 May	31 July		
	31 August	31 October		
	30 November	31 January		
OCF	As at 31 August 2013		As at 28 February 2013	
	Income	Accumulation	Income	Accumulation
	'A' 2.06%	'A' 2.06%	'A' 2.04%	'A' 2.00%
	'B' 1.33%	'B' 1.31%	'B' 1.35%	'B' 1.26%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses. The indicator does not take into account the following risks of investing in this fund: Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.

INVESTMENT MANAGER'S REVIEW

The fund finished in the top quartile of its peers for the six months to the end of August, rising 6.6%* versus gains of 4.1%* for the MSCI Europe ex UK index. Within the market, the best-performing sectors were consumer discretionary and financials; materials and consumer staples fared the worst.

In line with overall market trends, several of the fund's top-contributing stocks were from the consumer-discretionary sector, including the fund's best performer – the car-parts supplier Continental. Improving global trends for car-makers have been beneficial for the company, and the stock performed strongly during the period as investors became more comfortable with estimates and margin improvement. Also in the auto market, car-maker Daimler did well, with good results during the six months prompting an upgrade in its forecasts. Three companies from the financials sector also featured among our top contributors: Swedish investment firm Kinnevik; Finnish insurer Sampo; and French-based reinsurance company Scor.

The biggest detractor from fund performance was Swedish engineering group Atlas Copco, which supplies mining equipment. We sold the stock in July on concerns about the outlook for capital expenditure in the mining industry. The diversified miner Rio Tinto also fared badly against a backdrop of falling commodity prices which have been squeezing profit margins in the industry. Not holding several financials stocks, including UBS Namen, ING and AXA, also proved to be a drag on relative performance.

During the period we initiated new positions in two French-based companies: satellite provider Eutelsat and Kering, a multinational whose stable of luxury-goods brands includes Gucci. We also diversified the fund's bank holdings by taking a position in Italian bank Mediobanca.

Apart from the sale of Atlas Copco, we also exited the German broadcaster ProSiebenSat.1. The stock had been a great performer for the fund, but we could no longer justify further upside to our target price and sold.

Ross Watson

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue reinvested), excluding the initial charge, on a calendar year basis, over the last five years, or since launch.

	2013**	2012	2011	2010	2009	2008	Since launch†
European Equity Income Fund 'A'Inc share class^^	18.52	8.14	–	–	–	–	28.16
European Equity Income Fund 'B'Inc share class^^	19.14	8.95	–	–	–	–	29.80
European Equity Income Fund 'A'Acc share class†	18.47	18.71	(17.18)	8.81	19.26	(28.81)	1,375.27
European Equity Income Fund 'B'Acc share class^	19.10	19.59	(16.72)	9.66	20.08	(28.01)	125.33
Benchmark	15.75	17.68	(14.71)	5.75	20.09	(23.99)	n/a

* Source: Lipper for Investment Management. ** To 31 August 2013. ^ Launch date of 'B' Accumulation share class 15 June 2002. ^^ Launch date of the income share class is 1 March 2012. † Launch date of unit trust 6 May 1985. On 1 March 2012, the European Fund was converted to the European Equity Income Fund.
Benchmark – FTSE Europe (ex UK) index prior to 1 March 2012. MCSI Europe (ex UK) index from 1 March 2012. Past performance is not a guide to future returns..

PRICE & REVENUE

The table below shows the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, over the last five years.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2012^^	'A' Inc	263.7p	216.6p	8.78p	'B' Inc	284.6p	231.9p	9.38p
2013*	'A' Inc	313.8p	264.0p	9.08p	'B' Inc	339.8p	285.0p	9.82p
Year		**Highest price**	**Lowest price**	**Net revenue per share**		**Highest price**	**Lowest price**	**Net revenue per share**
2008	'A' Acc	299.8p	174.9p	1.01p	'B' Acc	310.8p	183.1p	3.70p
2009	'A' Acc	267.3p	166.0p	3.41p	'B' Acc	281.9p	174.3p	5.35p
2010	'A' Acc	274.7p	222.3p	1.66p	'B' Acc	291.9p	235.5p	3.49p
2011	'A' Acc	297.8p	207.0p	1.10p	'B' Acc	317.7p	221.1p	3.45p
2012	'A' Acc	273.1p	221.9p	10.97p	'B' Acc	294.5p	238.3p	14.24p
2013*	'A' Acc	332.5p	273.4p	9.46p	'B' Acc	360.1p	294.8p	10.22p

^^ Launch date of the income share class is 1 March 2012.
* To 31 August 2013.

TOP TEN HOLDINGS (%)

	31 Aug 2013
Roche	5.41
Nestlé	4.61
Total	4.34
Sanofi	3.90
Daimler	3.44
BNP Paribas	3.26
Deutsche Post	3.25
Allianz	3.20
Schneider Electric	3.17
DnB	2.97

Number of holdings: 43

	28 Feb 2013
Roche	5.28
Nestlé	4.91
DnB (formerly DnB NOR)	4.47
Total	4.16
Sanofi	4.00
Schneider Electric	3.40
Allianz	3.25
Daimler	3.17
ENI	3.08
Deutsche Post	2.70

Number of holdings: 41

COUNTRY ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
France	28.63	25.29
Germany	20.62	22.23
Switzerland	14.45	14.45
Sweden	7.67	9.64
Norway	6.12	7.83
Italy	5.83	5.03
Netherlands	4.69	4.42
United Kingdom	4.19	4.47
Finland	2.57	2.42
Belgium	2.22	1.61
Cash and net other assets	3.01	2.61

Number of countries: 10

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Inc	299.2p	288.5p	3.71
'A'	Acc	319.3p	299.6p	6.58
'B'	Inc	324.6p	311.8p	4.11
'B'	Acc	346.0p	323.4p	6.99

* As detailed in the Long Report.

GLOBAL ALPHA FUND

FUND PROFILE

Launch date	2 June 2006	
Objective	Unconstrained by sector or country allocations, the fund's aim is to provide superior long-term returns by investing in a concentrated portfolio of primarily large and medium-sized companies.	
Policy	The portfolio will consist primarily of transferable securities but the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the fund's objective.	
Risk profile	This fund may invest in emerging markets which tend to be more volatile than established stock markets. The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.	
Benchmark	Unconstrained (for performance comparison purposes – MSCI AC World index)	
Fund size	£74 million	
Distribution	XD date	Payment date
	28/29 February	30 April
OCF	As at 31 August 2013	As at 28 February 2013
	'A' 1.71%	'A' 1.71%
	'B' 0.96%	'B' 0.96%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses. The indicator does not take into account the following risks of investing in this fund: Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment. This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.

INVESTMENT MANAGERS' REVIEW

The fund performed strongly in the six months under review, rising 3.4%* compared with 2.4%* from the MSCI AC World index. The period was marked by spells of volatility, largely driven by concern over the future of the US quantitative-easing programme. The fund's outperformance was chiefly due to stock selection rather than regional or sector allocation. At the regional level, we had the greatest success relative to the global index in the two weakest areas of the market: emerging markets and Asia. As regards sectors, the biggest contributions to performance came from financials, industrials and materials.

At the stock level, Toyota Motor was our best performer. The Japanese car manufacturer benefited from a key model refresh in North America late last year and a much-improved competitive position thanks to the sharply weaker yen. Offering a similarly strong contribution was French aeronautical engineering firm Safran, after strong second-quarter results and a well-received capital markets day. Other good performers included a trio of US holdings: Discover Financial; LyondellBasell, the chemicals company; and CBS, the television network.

On the other side, emerging markets unsurprisingly accounted for three of the biggest negative contributors: Samsung Electronics in Korea; Sberbank of Russia; and Banorte, the Mexican bank. Samsung was by far the worst of these, as investors worried that as penetration of smartphones peaks, profitability will fall sharply. We decided to sell to realise the healthy profits the stock has made for the portfolio. Outside emerging markets, key detractors included the global diversified miner Rio Tinto and US tobacco giant Philip Morris; we maintained both positions, believing the investment cases remain intact.

The largest outright sales not already mentioned were all US stocks: Pfizer (pharmaceuticals), Baxter International (medical equipment), IBM and McDonald's. The largest new purchases were Japan Tobacco, Sanofi in France (pharmaceuticals), and a trio of US stocks: Procter & Gamble, AbbVie (pharmaceuticals) and AIG.

Paul Sloane

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue reinvested), excluding the initial charge, on a calendar year basis, over the last five years.

	2013**	2012	2011	2010	2009	2008	Since launch†
Global Alpha Fund 'A' share class	16.28	13.92	(14.54)	13.01	15.04	(33.11)	20.00
Global Alpha Fund 'B' share class	16.94	14.77	(13.83)	13.71	16.00	(32.44)	27.00
Benchmark #	14.78	11.67	(6.17)	16.77	20.56	(19.48)	62.80

* Source: Lipper for Investment Management. ** To 31 August 2013. † Launch date 2 June 2006.
# This fund is unconstrained, the MSCI AC World index is used for comparative purposes only. Past performance is not a guide to future returns.

PRICE & REVENUE

The table below shows the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, over the last five years.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2008	'A'	122.2p	69.40p	0.09p	'B'	123.6p	70.78p	0.97p
2009	'A'	95.70p	67.16p	0.48p	'B'	98.45p	68.66p	1.42p
2010	'A'	106.3p	87.59p	0.22p	'B'	110.1p	90.24p	0.90p
2011	'A'	108.5p	80.60p	0.00p	'B'	112.6p	84.03p	0.00p
2012	'A'	104.1p	90.75p	0.43p	'B'	109.5p	94.79p	1.20p
2013*	'A'	126.8p	104.2p	0.29p	'B'	134.0p	109.7p	1.10p

* To 31 August 2013.

TOP TEN HOLDINGS (%)

	31 Aug 2013
Apple	2.76
Procter & Gamble	2.58
HSBC	2.43
Chevron	2.40
Roche	2.24
Philip Morris International	2.18
Nestlé	2.07
AbbVie	1.95
Union Pacific	1.92
Safran	1.91

Number of holdings: 60

	28 Feb 2013
HSBC	2.69
Pfizer	2.64
Apple	2.61
Philip Morris International	2.49
Chevron	2.45
Toyota Motor	2.35
Nestlé	2.31
IBM	2.18
Roche	2.13
AIA	1.98

Number of holdings: 60

COUNTRY ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
United States	47.96	49.20
Japan	8.89	6.94
United Kingdom	8.65	11.20
France	8.11	4.81
Switzerland	7.53	7.69
China	4.11	3.52
Hong Kong	2.47	2.96
Russia	1.90	1.06
Norway	1.55	1.80
Israel	1.46	1.43
Sweden	1.38	1.34
Germany	1.27	1.26
Mexico	1.23	1.15
Taiwan	1.15	1.65
South Korea	–	1.79
Cash and net other assets	2.34	2.20

Number of countries: 14

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Acc	120.0p	116.1p	3.36
'B'	Acc	126.9p	122.3p	3.76

* As detailed in the Long Report.

GLOBAL EQUITY INCOME FUND

FUND PROFILE

Launch date	1 September 1983 (on 1 November 2010 the fund mandate was changed from that of a UK Equity Income Fund to a Global Equity Income Fund).			
Objective	To provide an income return with some potential for capital appreciation. The portfolio will seek to provide an income in excess of the prospective dividend yield of the MSCI World index.			
Policy	The portfolio will consist primarily of transferable securities although the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the fund's objective.			
Risk profile	The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund may also be exposed to changes in currency rates. Some charges are deducted from the capital of the fund, which will affect its growth. These factors may affect the performance of the fund.			
Benchmark	Unconstrained (for performance comparison purposes – MSCI World index)			
Fund size	£105 million			
Distribution	XD date	Payment date		
	28/29 February	30 April		
	31 May	31 July		
	31 August	31 October		
	30 November	31 January		
OCF	As at 31 August 2013		As at 28 February 2013	
	Income	Accumulation	Income	Accumulation
	'A' 1.80%	'A' 1.80%	'A' 1.81%	'A' 1.75%
	'B' 1.05%	'B' 1.05%	'B' 1.03%	'B' 1.02%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past.
Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses.
The indicator does not take into account the following risks of investing in this fund:
Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
The level of income is not guaranteed.

INVESTMENT MANAGER'S REVIEW

The six months under review were a volatile but ultimately positive period for global equities. A series of macroeconomic issues dominated investor sentiment, notably the economic slowdown in China and the likely duration of quantitative easing in the US. In this environment, the fund gained 2.2%*, this compared with a 4.5%* rise in the MSCI World Index. By region, North America and Pan-European holdings were strongest, while emerging markets were the biggest detractors from returns. At the sector level, our industrials stocks were by far our best performers, those in consumer staples the worst.

Our top contributor was US aerospace and defence company Lockheed Martin. Strong first- and second-quarter results showed better-than-expected cashflow and margins. We sold the stock on concerns about the valuation and the outlook for US defence spending. Next best was another defence contractor, BAE Systems, rewarded for raising its dividend and its full-year earnings forecast as a deal with Saudi Arabia neared completion. French integrated oil company Total did well as its refining and marketing arm continued to benefit from a restructuring programme. Other top contributors included US stocks AbbVie (pharmaceuticals) and Paychex (payroll-services).

Three of our biggest performance detractors were from the staples sector: Philip Morris International, Nestlé and Woolworths. Tobacco giant Philip Morris fell after lowering its 2013 earnings expectations in July. Nestle also underperformed after disappointing the market. Its sales and profits were held back by weak demand from Europe. Australian retailer Woolworths was especially weak in May, dragged down by general concerns about growth in Australia. WorleyParsons, the Australian energy and mining-services group, and AT&T, the US telco, were also among the main negative contributors. We maintained all these holdings, believing the investment cases remain intact.

Aside from Lockheed Martin, the only outright sales during the period were Heinz, the US food company, ProSiebenSat.1, the German mass-media company, and Taiwan Semiconductor Manufacturing Company. We bought three new stocks: Eutelsat, the France-based satellite provider; Kinder Morgan, the US oil-and-gas pipeline company; and Shin Corp, the conglomerate that owns AIS, Thailand's leading mobile operator.

Alan Porter

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced. Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue re-invested), excluding the initial charge, on a calendar year basis, over the last five years.

	2013**	2012	2011	2010◆	2010❖	2009	2008	Since conversion^	Inception to conversion
Global Equity Income Fund 'A'Inc share class	14.99	8.94	0.73	4.90	6.79	26.61	(35.59)	32.36	(4.23)†
Global Equity Income Fund 'B'Inc share class	15.55	9.74	1.51	5.04	6.66	26.99	(35.10)	35.21	943.12†
Global Equity Income Fund 'A'Acc share class	14.91	8.96	0.79	4.86	7.36	25.92	(35.66)	32.32	(1.07)‡
Global Equity Income Fund 'B'Acc share class	15.49	9.73	1.53	5.04	7.21	26.65	(35.15)	35.15	1,002.23‡
Benchmark #	17.85	11.42	(4.31)	7.63	7.65	16.45	(17.39)	35.24	n/a

* Source: Lipper for Investment Management. ** To 31 August 2013. ◆ 1 November 2010 to 31 December 2010. ❖ 1 January 2010 to 31 October 2010. ^ Conversion to Martin Currie Global Equity Income Fund on 1 November 2010. † Launch date of unit trust 1 September 1983. ‡ Period from 16 January 2006 to 31 October 2010. Launch date of Accumulation share classes 16 January 2006.
# This fund is unconstrained. MSCI World index is used for comparative purposes only. Past performance is not a guide to future returns.

PRICE & REVENUE

The table below shows the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, over the last five years.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2008	'A' Inc	121.0p	63.35p	5.09p	'B' Inc	126.1p	66.45p	5.35p
2009	'A' Inc	87.82p	58.34p	4.30p	'B' Inc	92.9p	61.38p	4.43p
2010	'A' Inc	94.34p	79.34p	3.94p	'B' Inc	100.4p	84.20p	4.20p
2011	'A' Inc	97.90p	81.46p	3.61p	'B' Inc	104.7p	87.24p	3.82p
2012	'A' Inc	97.78p	88.48p	4.40p	'B' Inc	105.5p	95.26p	4.72p
2013*	'A' Inc	114.0p	94.98p	3.01p	'B' Inc	123.6p	102.7p	3.25p

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2008	'A' Acc	111.6p	61.38p	4.73p	'B' Acc	113.1p	62.62p	4.84p
2009	'A' Acc	90.09p	58.01p	4.24p	'B' Acc	92.57p	59.27p	4.36p
2010	'A' Acc	101.5p	83.02p	4.09p	'B' Acc	105.0p	85.59p	4.20p
2011	'A' Acc	106.5p	90.00p	3.91p	'B' Acc	110.6p	93.55p	4.06p
2012	'A' Acc	112.3p	100.7p	5.01p	'B' Acc	117.7p	105.2p	5.22p
2013*	'A' Acc	134.6p	111.5p	3.55p	'B' Acc	141.8p	117.1p	3.74p

* To 31 August 2013.

TOP TEN HOLDINGS (%)

	31 Aug 2013
Chevron	5.11
Pfizer	4.96
Roche	4.20
AT&T	4.20
Total	4.01
Nestlé	3.71
Sanofi	3.70
Novartis	3.39
Royal Dutch Shell 'B'	3.19
Philip Morris International	3.09

Number of holdings: 46

	28 Feb 2013
AT&T	5.48
Pfizer	5.07
Chevron	4.35
Nestlé	4.13
Novartis	3.97
Royal Dutch Shell 'B'	3.86
Sanofi	3.72
Total	3.72
Philip Morris International	3.52
Roche	3.27

Number of holdings: 47

COUNTRY ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
United States	35.05	36.34
United Kingdom	15.56	15.45
France	14.36	12.27
Switzerland	11.30	11.37
Germany	4.05	5.25
Canada	3.92	4.14
Sweden	3.27	2.84
Japan	2.98	3.14
Australia	2.73	3.46
Singapore	1.34	1.38
Thailand	1.31	–
Hong Kong	1.22	1.13
China	1.15	1.23
Taiwan	–	0.97
Cash and net other assets	1.76	1.03

Number of countries: 13

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Inc	105.3p	105.4p	(0.09)
'A'	Acc	127.2p	124.5p	2.17
'B'	Inc	114.5p	114.1p	0.35
'B'	Acc	134.2p	130.9p	2.52

* As detailed in the Long Report.

JAPAN FUND

FUND PROFILE

Launch date	14 September 1989	
Objective	To produce capital growth by investment in Japan in any economic sector.	
Policy	The portfolio will consist primarily of transferable securities but the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the fund's objective.	
Risk profile	This is a single country fund, and therefore has a concentrated portfolio, which limits the room for risk diversification within the fund. The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.	
Benchmark	Topix	
Fund size	£46 million	
Distribution	XD date	Payment date
	28/29 February	30 April
	31 August	31 October
OCF	As at 31 August 2013	As at 28 February 2013
	'A' 1.91%	'A' 1.80%
	'B' 1.17%	'B' 1.03%
	'H' 1.22%	'H' 1.11%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

← Typically lower rewards, lower risk — Typically higher rewards, higher risk →

1	2	3	4	5	**6**	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past.
Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses.
The indicator does not take into account the following risks of investing in this fund:
Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.

INVESTMENT MANAGER'S REVIEW

Despite going through a sharp correction in May, which sparked three weeks of market falls, Japanese equities performed well during the period, with the Topix index rising by 5.8%* in sterling terms. The fund underperformed the benchmark, but rose by 4.5%* over the six months.

At the stock level, not holding the outperforming Softbank made the largest negative contribution to relative returns. Of stocks that were held, chemical engineering firm Showa Denko performed poorly as a result of sluggish results in the second quarter. Meanwhile, optical-products manufacturer Canon fell during the period following disappointing first-quarter results; however, we believe that the company's office-automation business is past the worst and we therefore retain a position. Other notable detractors included the real estate investment trust Industrial & Infrastructure and semiconductor producer Tokyo Electron.

The top-performing stock was electric-motor manufacturer Nidec. The company struggled in 2012, but business is now improving with strong growth coming through in motors for servers and autos. GMO Internet, a provider of internet services, also did well. The company's share price rose rapidly during the second quarter, taking valuation metrics to an excessive level. As a result, we sold the position. Elsewhere, Taiheiyo Cement was another key contributor after enjoying strong growth in domestic cement volumes. Likewise, CyberAgent (mobile advertising) and Nomura Holdings (financial services) performed strongly.

Among the notable purchases made during the period were Japan Tobacco, factory-automation business Nabtesco, telecommunications firm KDDI, air-conditioning maker Daiwa, and convenience-store operator FamilyMart. Aside from GMO Internet and Nomura Holdings (mentioned above), key outright sales included trading house Mitsui & Co, mobile-phone operator NTT Docomo, oil company Inpex, and real estate business NTT Urban Development.

John Millar

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue re-invested), excluding the initial charge, on a calendar year basis, over the last five years or since launch.

	2013**	2012	2011	2010	2009	2008	Since launch†
Japan Fund 'A' share class	17.73	2.04	(14.72)	21.31	(4.40)	(2.77)	63.42
Japan Fund 'B' share class‡	18.29	2.78	(14.06)	22.23	(3.67)	(2.01)	38.65
Japan Fund 'H' share class^	28.12	18.96	(18.44)	2.16	1.90	–	29.40
Benchmark	20.48	2.82	(11.85)	19.53	(6.70)	1.32	(15.16)

* Source: Lipper for Investment Management. ** To 31 August 2013. ‡ Launch date of 'B' share class 22 March 1999 ^ Launch date of 'H' share class 14 December 2009.
† Launch date of unit trust 14 September 1989.
Benchmark – Topix. Past performance is not a guide to future returns.

PRICE & REVENUE

The tables below show the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, over the last five years or since launch.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2008	'A'	118.6p	83.07p	0.02p	'B'	126.9p	89.12p	0.84p	'H'	–	–	–
2009^	'A'	112.9p	85.01p	0.28p	'B'	122.1p	91.52p	1.12p	'H'	102.7p	99.49p	0.00p
2010	'A'	127.6p	104.2p	0.32p	'B'	139.3p	112.9p	1.14p	'H'	115.8p	92.90p	0.68p
2011	'A'	128.2p	103.8p	0.34p	'B'	140.1p	113.9p	1.29p	'H'	112.7p	82.06p	0.92p
2012	'A'	119.2p	102.9p	0.71p	'B'	131.3p	113.5p	1.70p	'H'	103.4p	82.49p	1.24p
2013*	'A'	146.0p	107.9p	0.16p	'B'	162.3p	119.6p	1.17p	'H'	148.9p	100.9p	0.86p

^ Share class 'H' was launched 14 December 2009.
* To 31 August 2013.

TOP TEN HOLDINGS (%)

	31 Aug 2013
Mitsubishi UFJ Financial	4.21
Toyota Motor	3.91
Sumitomo Mitsui Financial	3.15
Nippon Steel & Sumitomo Metal	3.12
Nippon Telegraph & Telephone	3.10
Hitachi	2.62
Shin-Etsu Chemical	2.52
Honda Motor	2.48
Sumitomo Mitsui Trust	2.43
Mitsubishi Estate	2.40

Number of holdings: 59

	28 Feb 2013
Toyota Motor	5.15
Mitsubishi UFJ Financial	4.73
Sumitomo Mitsui Financial	3.68
Nippon Telegraph & Telephone	3.48
Mitsui	2.97
Honda Motor	2.89
Mitsubishi Estate	2.60
Orix	2.42
East Japan Railway	2.39
Takeda Pharmaceutical	2.20

Number of holdings: 66

SECTOR ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
Manufacturing	51.74	49.99
Finance & insurance	17.10	17.06
Transport & communications	11.10	13.53
Commerce	5.35	6.34
Services	4.78	1.29
Real estate	3.82	4.73
Electric power & gas	2.58	2.51
Construction	2.06	1.93
Mining	–	1.82
Forward currency contracts	0.02	(0.03)
Cash and net other assets	1.45	0.83

Number of sectors: 8

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013 *	Net asset value % change
'A'	Acc	129.3p	123.7p	4.53
'B'	Acc	144.0p	137.2p	4.96
'H'	Acc	129.2p	114.1p	13.23

* As detailed in the Long Report.

JAPAN ALPHA FUND

FUND PROFILE

Launch date	16 January 2006	
Objective	Unconstrained by any benchmark, the fund's aim is to provide capital growth by investment primarily in large and medium-sized Japanese companies.	
Policy	The portfolio will consist primarily of transferable securities but the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the fund's objective.	
Risk profile	This is a single country fund, and therefore has a concentrated portfolio, which limits the room for risk diversification within the fund. The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.	
Benchmark	Unconstrained (for performance comparison purposes – Topix)	
Fund size	£63 million	
Distribution	XD date	Payment date
	28/29 February	30 April
	31 August	31 October
OCF	As at 31 August 2013	As at 28 February 2013
	'A' 1.74%	'A' 1.74%
	'B' 0.99%	'B' 1.00%
	'H' 1.04%	'H' 1.05%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	**6**	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past.
Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses.
The indicator does not take into account the following risks of investing in this fund:
Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a large number of investments.

INVESTMENT MANAGERS' REVIEW

Despite going through a sharp correction in May, which sparked three weeks of market falls, Japanese equities performed well during the period. The fund did better still, rising 7.3%* compared with 5.8%* from the Topix index.

At the stock level, Taiheiyo Cement was by far the largest contributor, benefiting from strong growth in domestic cement volumes. Another of the top-performing stocks was Ebara, a manufacturer of pumps. Demand for its products is related to economic activity and has been picking up recently. Moreover, the company's US subsidiary, Elliot Ebara, has a solid 30% market share of pumps and compressors for refining plants that use shale gas as a feedstock; we believe that this business has significant potential for growth. Elsewhere, the internet service provider GMO Internet also did well. The company's share price rose rapidly during the second quarter, taking valuation metrics to an excessive level. As a result, we sold the position.

On the negative side, Endo Lighting was the biggest detractor from portfolio performance. The company had a poor second quarter; it imports from overseas plants, and the weak yen has been a headwind in the period. The holding in Hoosiers, a mid-sized real estate company focusing on condos, was also detrimental to returns. The stock is fairly volatile and pulled back sharply after a very strong first quarter. Meanwhile, H2O Retailing, an Osaka-based department-store firm, underperformed after the company gave a disappointing forecast for the current fiscal year in its full-year results. Of the stocks not held, the outperforming Softbank made one of the largest negative contributions to relative returns.

Purchases made in the six months included optical-products manufacturer Canon and telecommunications firm KDDI (both of which were later sold during the period), as well as Japan Tobacco, machine-tool business Okuma and holding company Mizuho Financial. Aside from those already mentioned, notable sales were insurer Tokio Marine, steel producer JFE holdings, and beverage company Kirin Holdings.

John-Paul Temperley

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue reinvested), excluding the initial charge, on a calendar year basis, over the last five years or since launch.

	2013**	2012	2011	2010	2009	2008	Since launch†
Japan Alpha Fund 'A' share class	21.14	2.83	(12.10)	25.00	1.77	(6.26)	3.90
Japan Alpha Fund 'B' share class	21.77	3.60	(11.46)	25.78	2.36	(5.79)	8.90
Japan Alpha Fund 'H' share class^	31.37	19.68	(15.68)	5.89	3.50	–	45.30
Benchmark #	20.48	2.82	(11.85)	19.53	(6.70)	1.32	1.93

* Source: Lipper for Investment Management. ** To 31 August 2013. ^ Share class 'H' was launched on 14 December 2009. † Launch date 16 January 2006.
# This fund is unconstrained. Topix is used for comparative purposes only. Past performance is not a guide to future returns.

PRICE & REVENUE

The tables below show the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, over the last five years or since launch.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2008	'A'	85.43p	56.73p	0.00p	'B'	86.47p	57.52p	0.06p	'H'	–	–	–
2009^	'A'	85.30p	56.80p	0.42p	'B'	86.96p	57.72p	0.84p	'H'	104.3p	99.47p	0.00p
2010	'A'	95.93p	75.83p	0.05p	'B'	98.41p	77.43p	0.41p	'H'	124.3p	97.00p	0.47p
2011	'A'	96.83p	80.34p	0.21p	'B'	99.59p	82.65p	0.73p	'H'	119.5p	89.40p	0.82p
2012	'A'	90.71p	79.53p	0.36p	'B'	94.05p	82.55p	1.02p	'H'	110.1p	89.60p	1.12p
2013*	'A'	118.2p	84.16p	0.20p	'B'	123.6p	87.77p	0.94p	'H'	168.6p	109.7p	1.05p

^ Share class 'H' was launched on 14 December 2009.
* To 31 August 2013.

TOP TEN HOLDINGS (%)

	31 Aug 2013
Mitsubishi UFJ Financial	5.73
Mizuho Financial	4.80
Nissan Motor	4.26
Japan Tobacco	3.90
Toyota Motor	3.64
Orix	3.39
Mitsubishi Estate	3.36
Shin-Etsu Chemical	2.82
Oriental Land	2.67
Daikin Industries	2.56

Number of holdings: 55

	28 Feb 2013
Mitsubishi UFJ Financial	6.57
Sumitomo Mitsui Financial	6.00
Orix	4.15
Toyota Motor	3.94
Nissan Motor	3.80
Mitsubishi Estate	3.31
Nippon Yusen	3.22
Tokio Marine	3.09
Tokyo Tatemono	3.00
Mitsui	2.98

Number of holdings: 52

SECTOR ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
Manufacturing	45.09	47.17
Finance & insurance	19.96	24.90
Transport & communications	11.35	7.93
Real estate	7.76	10.09
Services	7.03	–
Commerce	4.79	5.28
Construction	1.83	1.55
Electric power & gas	1.30	1.04
Forward currency contracts	0.33	(0.69)
Mining	–	2.09
Cash and net other assets	0.56	0.64

Number of sectors: 8

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Acc	103.7p	96.64p	7.31
'B'	Acc	108.7p	100.9p	7.73
'H'	Acc	145.0p	124.8p	16.19

* As detailed in the Long Report.

LATIN AMERICA FUND

FUND PROFILE

Launch date	1 November 2010	
Objective	To provide long term capital growth by investing directly or indirectly, primarily in equities of companies based in Latin America or carrying out significant business activities in the region.	
Policy	The portfolio will consist primarily of transferable securities. The investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the fund's objective.	
Risk profile	This fund may invest in emerging markets which tend to be more volatile than established stock markets. The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.	
Benchmark	Unconstrained (for performance comparison purposes – MSCI EM Latin America 10/40 index)	
Fund size	£4 million	
Distribution	XD date	Payment date
	28/29 February	30 April
OCF	As at 31 August 2013	As at 28 February 2013
	'A' 2.33%	'A' 2.17%
	'B' 1.85%	'B' 1.66%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses. The indicator does not take into account the following risks of investing in this fund: Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment. Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money is at greater risk.

INVESTMENT MANAGER'S REVIEW

Latin American markets endured a difficult six months, with the MSCI EM Latin America 10/40 index falling 20.4%* in sterling terms. The region's underperformance during the period was exacerbated by the US Federal Reserve's comments about the eventual 'tapering' of its monetary-stimulus programme, currency headwinds and large-scale protests in Brazil. Peru was the worst performer; Colombia fared the best, but still ended the period down by 12.7%.

Within this challenging investment environment, the fund fell 23.8%. The two biggest detractors from portfolio performance came from stocks not held: the Brazilian food company BRF and Mexican materials supplier Cemex. Of the companies held in the fund, the three worst performers were all Brazilian-based companies: Duratex (materials) and Petrobras (energy) and Valid (security-printing). For the latter, the company reported disappointing results for the second quarter which highlighted the challenges in the payment-means segment as banks continue to restrict the issuance of new credit cards. On the other side, the two top performers were Mexican companies: hypermarket group Comercial Mexicana and telecommunications company América Móvil.

There were three outright sales during the period. We exited our position in clothing retailer Restoque after operational challenges from the company's rollout of new clothing brands negatively affected its earnings performance. Restoque decided to focus on rectifying some of the problems and consequently slowed its ambitious expansion program. We also sold Peruvian goldminer Buenaventura. Our conviction in the company was eroded by project cancellations that limited the group's ability to grow reserves and production, a situation exacerbated by rising costs and the falling gold price. Elsewhere, we disposed of our holding in Brazilian power generator AES Tietê, as the utility's stock price had come close to our fair value. We made only one new purchase during the six months: the Brazilian petrochemical company Braskem.

Jeff Casson

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns.

PERFORMANCE (%)*

The table shows the total return (net revenue reinvested), excluding the initial charge, on a calendar year basis, since launch of the fund.

	2013**	2012	2011	2010‡	2009	2008	Since launch†
Latin America Fund 'A' share class	(17.10)	7.25	(21.21)	3.15	–	–	(27.75)
Latin America Fund 'B' share class	(16.81)	7.77	(20.80)	3.15	–	–	(26.75)
Benchmark #	(14.01)	5.00	(17.77)	4.38	–	–	(22.50)

* Source: Lipper for Investment Management. ** To 31 August 2013. ‡From 1 November 2010 to 31 December 2010. † Launch date 1 November 2010.
# This fund is unconstrained. MSCI EM Latin America 10/40 index is used for comparative purposes only. Past performance is not a guide to future returns.

PRICE & REVENUE

The table below shows the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, since launch of the fund.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2010‡	'A'	102.9p	95.62p	0.00p	'B'	102.9p	95.62p	0.00p
2011	'A'	104.4p	73.35p	0.00p	'B'	104.4p	73.81p	0.07p
2012	'A'	93.99p	76.07p	0.93p	'B'	94.58p	76.61p	1.37p
2013*	'A'	97.84p	71.11p	0.68p	'B'	98.93p	72.02p	1.12p

‡ From launch on 1 November 2010.
* To 31 August 2012.

TOP TEN HOLDINGS (%)

	31 Aug 2013
America Movil	7.63
Itau Unibanco (formerly Banco Itau)	7.13
Cia de Bebidas das Americas	6.69
Petroleo Brasileiro	6.37
Vale	6.17
Grupo Televisa	4.83
Grupo Financiero Banorte	4.53
Credicorp	3.54
Grupo Pao de Acucar	3.26
Cia Cervecerias Unidas	3.10

Number of holdings: 33

	28 Feb 2013
Banco Itau	7.24
Vale	6.76
America Movil	6.72
Cia de Bebidas das Americas	6.36
Petroleo-Brasileiro	5.56
Grupo Financiero Banorte	4.92
Grupo Televisa	3.80
Mexichem	3.44
CCR	3.26
Credicorp	3.07

Number of holdings: 36

COUNTRY ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
Brazil	59.53	60.55
Mexico	25.65	25.15
Colombia	4.75	4.07
Chile	4.44	4.15
Peru	3.54	4.28
Cash and net other assets	2.09	1.80

Number of countries: 5

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Acc	72.33p	93.12p	(22.33)
'B'	Acc	73.32p	94.15p	(22.12)

* As detailed in the Long Report.

NORTH AMERICAN FUND

FUND PROFILE

Launch date	1 September 1983	
Objective	To produce capital growth by investment in the United States of America and Canada.	
Policy	The portfolio will consist primarily of transferable securities but the investment manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the fund's objective.	
Risk profile	This fund invests predominantly in a single country, and therefore has a concentrated portfolio, which limits the room for risk diversification within the fund. The fund may hold some investments in smaller companies, which may be less liquid than larger companies, meaning that their share price may be more volatile. The fund will also be exposed to changes in currency rates. These factors may affect the performance of the fund.	
Benchmark	MSCI North America index.	
Fund size	£200 million	
Distribution	XD date	Payment date
	28/29 February	30 April
OCF	As at 31 August 2013	As at 28 February 2013
	'A' 1.71%	'A' 1.67%
	'B' 0.96%	'B' 0.92%
	'H' 1.01%	'H' 0.98%

The Ongoing Charges Figure (OCF) is the total expenses paid by each share class in the period, annualised, against its average net asset value. The OCF can fluctuate as underlying costs change.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The shaded area in the table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk ← → Typically higher rewards, higher risk

1	2	3	4	5	6	7

This fund is ranked at this level because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk class can lose you money and extreme market circumstances can mean you suffer severe losses. The indicator does not take into account the following risks of investing in this fund: Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.

INVESTMENT MANAGERS' REVIEW

North American equities outperformed global indices in the six months under review. Although concern about the eventual withdrawal of quantitative easing (QE) prompted spells of volatility, the benchmark index rose 6.2%* over the period. Consumer-discretionary and healthcare stocks were strongest, while those in the materials sector were weakest.

Against this backdrop, the fund rose 5.3%*. Our top performers were from a diverse group of sectors. Best by some distance was health insurer WellPoint. The company reported better-than-expected first and second quarters, driven by lower medical costs, and twice raised its 2013 profit forecast. It is also seen as a beneficiary of the expected interest-rate rise that would accompany a withdrawal of QE. Defence company Lockheed Martin and retailer L Brands also performed strongly on the back of good results. Other top contributors included financials AIG and Discover Financial, as the underlying environment for credit and employment in the US continued to improve.

On the other side, the main detractor from performance was tobacco giant Philip Morris, after weaker volumes led to a worse-than-forecast drop in its second-quarter profit. Pharmaceutical group AbbVie, by contrast, posted good results, but weakened in response to newsflow concerning competitors. IT outsourcer Cognizant suffered on worries over the impact proposed US immigration reforms would have on its profit margins. Fellow IT holding Oracle also underperformed, hit by slower corporate spending on IT. Lastly, Emerson Electric damaged relative returns by rallying after we had sold it. It is a well-run company, but it trades on a premium valuation, and we believe it will be increasingly reliant on organic growth rather than margin expansion to drive EPS growth – difficult to achieve in the current environment.

The other outright sales were IBM, McDonald's and Quanta Services, the power infrastructure provider. New additions to the portfolio over the period were AbbVie, the pharmaceuticals company, Procter & Gamble, eBay, and IHS, the research firm.

Penny Kyle

*Source: Lipper for Investment Management. Bid to Bid basis with net revenue re-invested over the six months to 31 August 2013. These figures do not include initial charges. If these were included, performance figures would be reduced.
Past performance is not a guide to future returns..

PERFORMANCE (%)*

The table shows the total return (net revenue reinvested), excluding the initial charge, on a calendar year basis, over the last five years or since launch.

	2013**	2012	2011	2010	2009	2008	Since launch†
North American Fund 'A' share class	21.20	7.91	(7.27)	18.01	13.89	(21.20)	799.24
North American Fund 'B' share class^	21.74	7.51	(5.41)	18.91	14.69	(20.59)	90.87
North American Fund 'H' share class^^	17.73	11.86	(6.05)	13.67	9.51	–	54.01
Benchmark	20.67	10.49	1.30	19.63	15.16	(13.88)	1,875.03

* Source: Lipper for Investment Management. ** To 31 August 2013. ^ Launch date of 'B' share class 15 June 2002. ^^ Launch date of 'H' share class 3 September 2009.
† Launch date of unit trust 1 September 1983.
Benchmark – MSCI North America index. Past performance is not a guide to future returns.

PRICE & REVENUE

The table below shows the highest and lowest prices and the net revenue on a calendar year basis, in pence per share, over the last five years or since launch.

Year		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share		Highest price	Lowest price	Net revenue per share
2008	'A'	165.7p	104.1p	0.00p	'B'	173.3p	109.3p	0.39p	'H'	–	–	–
2009^	'A'	143.9p	103.2p	0.00p	'B'	152.2p	108.5p	0.96p	'H'	110.7p	87.39p	0.00p
2010	'A'	167.6p	135.6p	0.00p	'B'	178.6p	143.5p	0.36p	'H'	125.6p	101.5p	0.08p
2011	'A'	173.5p	135.1p	0.00p	'B'	185.7p	144.8p	0.53p	'H'	135.9p	105.7p	0.28p
2012	'A'	174.1p	153.7p	0.00p	'B'	188.1p	165.6p	1.01p	'H'	137.1p	117.8p	0.68p
2013*	'A'	214.8p	168.0p	0.21p	'B'	233.5p	181.9p	1.68p	'H'	161.0p	134.0p	1.24p

^ Share class 'H' was launched on 3 September 2009.
* To 31 August 2013.

TOP TEN HOLDINGS (%)

	31 Aug 2013
Apple	4.84
Chevron	3.27
Pfizer	3.21
American International	3.15
Google	3.14
PNC Financial Services	2.89
CVS Caremark	2.89
Praxair	2.84
AbbVie	2.84
JPMorgan Chase	2.84

Number of holdings: 40

	28 Feb 2013
Apple	4.25
Chevron	3.45
Pfizer	3.41
Google	3.33
Philip Morris International	3.32
Oracle	3.19
United Technologies	3.11
JPMorgan Chase	3.00
Praxair	2.99
IBM	2.96

Number of holdings: 40

SECTOR ALLOCATION (%)

	31 Aug 2013	28 Feb 2013
Information technology	20.22	21.19
Financials	16.20	15.28
Industrials	11.28	13.82
Healthcare	10.99	8.11
Energy	10.79	11.24
Consumer staples	10.68	8.28
Consumer discretionary	8.45	10.24
Materials	6.98	6.83
Telecommunication services	2.21	2.57
Utilities	1.87	1.89
Forward currency contracts	0.01	(0.01)
Cash and net other assets	0.32	0.56

Number of sectors: 10

SUMMARY OF FUND PERFORMANCE

	Share type	Net asset value at 31 Aug 2013*	Net asset value at 28 Feb 2013*	Net asset value % change
'A'	Acc	203.4p	189.3p	7.45
'B'	Acc	221.2p	205.2p	7.80
'H'	Acc	155.8p	141.5p	10.11

* As detailed in the Long Report.

DIRECTORY

THE COMPANY

Martin Currie Investment Funds ICVC
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES

Authorised by the Financial Conduct Authority as a collective investment scheme

AUTHORISED CORPORATE DIRECTOR

Martin Currie Unit Trusts Limited
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES

Authorised and regulated by the Financial Conduct Authority
A member of the Investment Management Association

DIRECTORS OF THE AUTHORISED CORPORATE DIRECTOR

T C Hogbin (Chairman)
A Burnett (Appointed 5 March 2013, resigned 7 June 2013)
J Hill (Appointed 6 March 2013)
P Hughes
G Logan (Resigned 30 September 2013)
J P Pickard
A Sowerby
G Spence (Resigned 31 March 2013)

DEPOSITARY

State Street Trustees Limited
525 Ferry Road
Edinburgh EH5 2AW

Authorised and regulated by the Financial Conduct Authority

INVESTMENT MANAGER

Martin Currie Investment Management Limited
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ES

Authorised and regulated by the Financial Conduct Authority
A member of the Investment Management Association

REGISTRAR AND ADMINISTRATOR

International Financial Data Services UK Ltd
IFDS House
St Nicolas Lane
Basildon, Essex SS15 5FS

Authorised and regulated by the Financial Conduct Authority

AUDITORS

Deloitte LLP
Lomond House
9 George Square
Glasgow G2 1QQ

How to contact us

Helpline **0808 100 2125**

Dealing **0845 602 5016**

Fax **0870 888 3035**

www.martincurrie.com

Martin Currie Unit Trusts Ltd
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ES

Please note that calls to the above number will be recorded

Past performance is not a guide to future returns. Markets and currency movements may cause the value of shares, and revenue from them, to fall as well as rise and you may get back less than you invested when you decide to sell your shares.

Martin Currie Unit Trusts Ltd, registered in Scotland (no 104896), Registered office: Saltire Court, 20 Castle Terrace, Edinburgh EH1 2ES

Authorised and regulated by the Financial Conduct Authority. A member of the Investment Management Association.