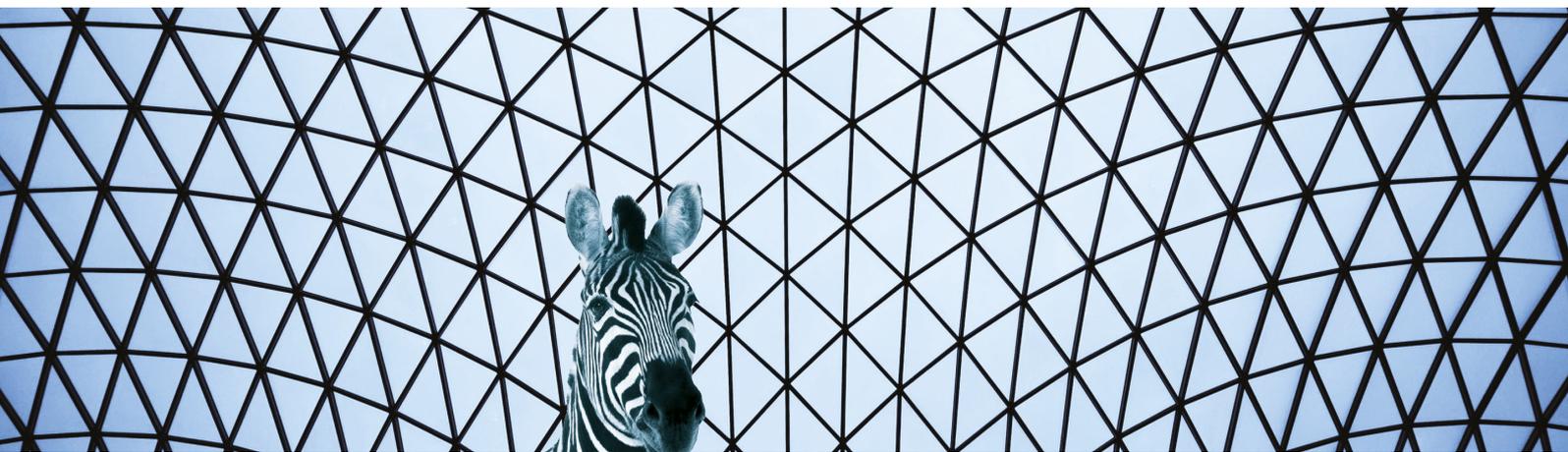


Investec Funds Series i *A UK based Investment Company*

Semi-annual short report | For the period ended 31 March 2014



Out of the Ordinary[®]

 **Investec**

Asset Management

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Investec Funds Series i

Short report for the period ended 31 March 2014

Introduction

The short report for the Investec Funds Series i is sent to you twice a year in May and November. A longer version, the long form Report and Accounts, is also produced and is available upon request. Both the short and the long reports are also available on our website www.investecassetmanagement.com.

This short report contains key information on each fund in turn. This includes a description of the fund's investment objective and policy, a record of its performance over the reporting period and how it is being invested and managed. We also outline the risk and reward profile, the costs that have been incurred and an outlook for the asset class or market of each fund. We hope that you find the report interesting and helpful.

Up to date fund prices are available online at www.investecassetmanagement.com

If you hold shares in any of the sub-funds in Investec Funds Series ii, Investec Funds Series iii or Investec Funds Series iv, the short reports are sent to you towards the end of the months stated below:

Investec Funds Series ii February and August

American Fund
Asia ex Japan Fund
Global Energy Fund
Global Free Enterprise Fund
Monthly High Income Fund

Investec Funds Series iii April and October

Emerging Markets Local Currency Debt Fund
Global Bond Fund
Global Dynamic Fund
Global Equity Fund
Global Gold Fund

Investec Funds Series iv January and July

Capital Accumulator Fund
Diversified Growth Fund
Emerging Markets Blended Debt Fund
Emerging Markets Equity Fund
Global Franchise Fund
Global Special Situations Fund
Multi-Asset Protector Fund
Multi-Asset Protector Fund 2
Short Dated Bond Fund
Target Return Fund

Please do not hesitate to call us on 020 7597 1900 if you have any questions.

Telephone calls may be recorded for training and quality assurance purposes.

The value of investments can fall as well as rise and you may get back less than you invested.

Performance overview

	Rolling 12 month performance (%)				
	31.03.13 to 31.03.14	31.03.12 to 31.03.13	31.03.11 to 31.03.12	31.03.10 to 31.03.11	31.03.09 to 31.03.10
Cautious Managed Fund A Accumulation	0.8	11.0	3.9	8.0	34.0
IMA Mixed Investment 20-60% Shares	3.8	10.8	1.4	5.6	29.1
Diversified Income Fund A Accumulation	-0.4	10.5	3.4	5.5	23.3
Diversified Income Fund Composite Index ¹	1.9	15.5	6.8	8.4	45.4
IMA Mixed Investment 20-60% Shares	3.8	10.8	1.4	5.6	29.1
Enhanced Natural Resources Fund A Accumulation	-10.2	-2.8	-13.2	14.9	31.2
MSCI ACW Select Nat Res Cap ²	-6.0	3.6	-12.4	17.7	49.9
Managed Growth Fund A Accumulation	10.5	17.4	-4.6	16.1	61.1
FTSE WMA Stock Market Growth TR ³	6.5	14.4	1.9	7.7	39.8
IMA Flexible Investment	5.3	12.9	-1.7	8.0	40.7
Strategic Bond Fund A Income	-2.0	3.1	2.5	3.5	24.0
IMA £ Strategic Bond	3.7	10.9	4.1	5.5	37.9
UK Alpha Fund A Accumulation	25.7	24.7	-0.5	10.7	50.5
FTSE All-Share	8.8	16.8	1.4	8.7	52.3
IMA UK All Companies	14.2	17.8	0.9	11.6	52.2
UK Smaller Companies Fund A Accumulation	47.3	16.8	5.0	41.7	70.2
Numis Small Cap (ex IT) plus AIM ⁴	29.0	28.0	-0.1	15.2	68.7
IMA UK Smaller Companies	30.6	20.6	2.5	29.6	56.6
UK Special Situations Fund A Accumulation	11.8	20.6	4.3	8.3	54.8
FTSE All-Share	8.8	16.8	1.4	8.7	52.3
IMA UK All Companies	14.2	17.8	0.9	11.6	52.2

Past performance should not be taken as a guide to the future and there is no guarantee that this investment will make profits, data is not audited. Returns will vary with market action, fee levels and taxes and in certain market conditions losses may be exaggerated.

Source: Lipper, total return, net of UK basic rate tax, no initial charge, net of fees in sterling. Index shown for performance comparison purposes only.

The performance of the funds' 'A', 'B', 'I', 'R' or 'S' share classes would be similar to that of the above share classes but will differ according to the tax and fees charged.

¹ 33% FTSE All-Share, 33% ML EU Ccy NF HY Cons L Hgd, 17% JPM GBI-EM, 17% EMBIG Global Div (pre 030912 33% FTSE All-Share, 33% ML GBP Broad Market, 33% Merrill Lynch European Currency High Yield GBP Hgd)

² Pre 01.04.13: 50% MSCI ACW Energy NR, 50% ACW Materials NR

³ On 7 January 2014 the FTSE APCIMS/Growth index was renamed

⁴ Pre 01.07.13 FTSE Small Cap ex IT

Cautious Managed Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide an income and grow the value of your investment over the long term.

The Fund seeks to invest conservatively in a broad range of shares of companies (up to 60% of the Fund's value at any time) and bonds (contracts to repay borrowed money which typically pay interest at fixed times) issued by governments, institutions or companies around the world.

The bonds invested in will predominantly be of investment grade (high quality) as rated by the credit rating agencies (companies that rate the ability of the issuers of bonds to repay borrowed money) but may also be below investment grade.

The Fund may use derivatives (financial contracts whose value is linked to the price of an underlying asset) with the aim of either reducing the risks or costs of managing the Fund or to increase its value or income in a way which is consistent with the Fund's risk level (i.e. not for speculative purposes).

The Investment Manager is free to choose how the Fund is invested and will not track an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because, although it invests in the shares of companies whose values have typically tended to fluctuate widely, it also invests significantly in bonds which have not typically fluctuated as much.

The following risk may not be fully captured by the Risk and Reward Indicator:

- The value of bonds tends to decrease when interest rates and/or inflation rises.
- Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to wide fluctuations in the value of any of these.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series i Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares. The Risk and Reward Indicator for all share classes in the Cautious Managed Fund changed from 5 to 4 over the period.

Performance record

The 'A' shares of the Fund returned 0.8% in the six months to 31 March 2014*. Over the same period the performance comparison index UK CPI (prior to 1 February 2014 composite index of 50% FTSE All Share and 50% BofA Merrill Lynch Sterling Broad Market) returned 2.6% and IMA Mixed Investment 20-60% Shares sector returned 3.1% in sterling terms**.

The total revenue distribution for the period in relation to 'A' (Net) income shares was 0.29 pence per share. This compares to a total of 0.89 pence share paid for the corresponding period in 2013.

Generally this fall in the level of income over the period is because equity investments purchased for the Fund, either in the case of the reinvestment of proceeds from the sales of previously held equities, or from investments made from new flows into the Fund, have been made into lower yielding equity investments. The same applies to the Fund's bond investments; the proceeds from maturing bonds and bonds sold and the investment of new flows were generally reinvested in lower-yielding bonds.

The asset mix of the Fund changed little during the period. The most significant movement was an increase in our exposure to gold bullion through an exchange-traded fund (ETF). Despite a significant fall in the price of gold, since its high in 2011, we believe the arguments for holding it remain as relevant as ever, namely that it acts as an alternative currency given our concern about unsustainable debt levels in developed countries.

Within the allocation to UK equities, we invested in holdings in BP, British American Tobacco, WM Morrison supermarkets and Tesco. In general, we believe that, after very strong performance in medium-sized and smaller companies, the best relative value is likely to be found in many of the largest companies in the stockmarket.

The large integrated oil companies have been poor generators of cash for many years, due to their ever increasing capital expenditure programmes. Evidence is mounting that management are now focusing on cash returns. With strong balance sheets, high dividend yields and low ratings, the attractions to investors are growing and BP looks particularly attractive in this regard.

British American Tobacco has underperformed recently, due to reductions in earnings estimates and longer-term concerns around the growth of e-cigarettes. The holding was established because of the high dividend yield and large discount to other consumer staples businesses, and significant scope for both top-line growth and margin enhancement.

Both Tesco and WM Morrison supermarkets have struggled, particularly against the competition from discount food retailers, such as Aldi and Lidl, and this has necessitated

significant changes in strategies at both companies. Each has suffered significant profit downgrades and shareholder sentiment towards them is poor. However, we believe the larger food retailers can fight back and regain some of their lost profitability.

We sold all of the Fund's holdings in Medtronic and Koninklijke Philips and reduced the holdings in Kingspan, Signet Jewelers and Grafton. All these stocks had performed well and were either at, or approaching, our assessment of fair value.

Significant purchases during the period comprised:

United Kingdom Treasury 4.75% 07/09/2015, United States Treasury Inflation Indexed 0.125% 15/01/2023, United Kingdom Treasury Inflation Linked 2.25% 07/03/2014, Source Physical Markets Gold P-ETC, United Kingdom Gilt 4% 07/09/2016.

Significant sales during the period comprised:

United Kingdom Treasury Inflation Linked 2.25% 07/03/2014, United States Treasury Inflation Indexed 1.75% 15/01/2028, United States Treasury Inflation Indexed 1.25% 15/04/2014, Kingspan, Signet Jewelers.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only.

Outlook

We remain concerned that the market is too sanguine in its belief that the threat of deflation around the world can be ignored. It is also our view that many governments are facing levels of debt which will prove hard to reduce comfortably. Consequently, we believe gold-related assets remain attractive as an alternative asset class.

Investors, we believe, are at risk of focusing too much on good corporate and economic news while minimising any threats. We continue to focus on the high level of corporate profitability and the unattractive valuations at which many equities trade. In our view, these leave little margin for error and that investors' confidence in central banks, to constantly introduce equity-friendly policies, is misplaced. Thus, we take a cautious approach, with a large allocation to cash and very short-dated government bonds, and believe it is imperative to retain this liquidity ahead of finding more attractively priced stocks.

The Outlook statement reflects the views of the output from our Value process and is therefore similar to that of the Investec UK Special Situations Fund.

The opinions expressed herein are as at April 2014.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 March, 30 September	31 May, 31 August, 30 November, 28/29 February

Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2013
'A' class – accumulation	1.59	1.60
'A' class – income	1.59	1.60
'I' class – accumulation	0.84	0.85
'I' class – income	0.84	0.85
'J' class – accumulation*	0.74	n/a
'R' class – accumulation*	1.09	1.10
'S' class – accumulation	0.09	0.10

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series Omnibus Prospectus.

Summary

Distributions

Share class	Distributions as at 31.03.14	Distributions as at 31.03.13
'A' class – accumulation	0.43	1.33
'A' class – income	0.29	0.89
'I' class – accumulation	0.79	1.12
'I' class – income	0.56	0.81
'J' class – accumulation	0.56	n/a
'R' class – accumulation	0.39	0.40
'S' class – accumulation	1.21	1.48

The Cautious Managed Fund distributes quarterly. The above distributions represent rates for the first two quarters of the accounting year, except for the 'R' share class as it was recently launched.

Performance

Share class	Net Asset Value per share as at 31.03.14	Net Asset Value per share 30.09.13
'A' class – accumulation	365.53	362.61
'A' class – income	243.36	241.70
'I' class – accumulation	158.45	156.55
'I' class – income	111.87	111.11
'J' class – accumulation	101.39	n/a
'R' class – accumulation	108.17	107.04
'S' class – accumulation	153.23	150.99

Cautious Managed Fund (continued)

Share price range

Cautious Managed Fund 'A' Class (Net accumulation shares)[†]

Calendar year	2014 [†]	2013	2012
Highest Price	369.16	371.36	337.82
Lowest Price	358.77	340.04	309.87
Net revenue per accumulation share	0.43	1.35	3.70
Calendar year	2011	2010	2009
Highest Price	323.19	315.21	283.39
Lowest Price	296.88	274.28	204.73
Net revenue per accumulation share	4.36	4.41	6.47

Cautious Managed Fund 'A' Class (Net income shares)[†]

Calendar year	2014 [†]	2013	2012
Highest Price	246.07	247.86	226.32
Lowest Price	239.14	227.51	209.78
Net revenue per income share	0.29	0.90	2.44
Calendar year	2011	2010	2009
Highest Price	220.83	216.74	198.67
Lowest Price	202.30	191.10	146.38
Net revenue per income share	3.04	3.06	4.65

Cautious Managed Fund 'I' Class (Net accumulation shares)[†]

Calendar year	2014 [†]	2013	2012
Highest Price	159.95	159.95	145.09
Lowest Price	155.34	146.05	132.22
Net revenue per accumulation share	0.56	1.68	2.49
Calendar year	2011	2010	2009
Highest Price	137.51	133.59	119.45
Lowest Price	126.37	115.74	86.02
Net revenue per accumulation share	2.65	2.46	2.97

Cautious Managed Fund 'I' Class (Net income shares)^{(2) †}

Calendar year	2014 [†]	2013	2012
Highest Price	113.33	114.08	104.23
Lowest Price	110.07	104.59	96.43
Net revenue per income share	0.40	1.21	1.16
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per income share	-	-	-

Cautious Managed Fund 'J' Class (Net accumulation shares)^{(4) †}

Calendar year	2014 [†]	2013	2012
Highest Price	102.34	102.13	-
Lowest Price	99.39	99.20	-
Net revenue per accumulation share	0.40	0.16	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Cautious Managed Fund 'R' Class (Net accumulation shares)^{(3) †}

Calendar year	2014 [†]	2013 [†]	2012
Highest Price	109.21	109.43	-
Lowest Price	106.09	100.00	-
Net revenue per accumulation share	0.31	0.90	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Cautious Managed Fund 'S' Class (Net accumulation shares)[†]

Calendar year	2014 [†]	2013	2012
Highest Price	154.62	154.04	139.23
Lowest Price	150.10	140.17	126.17
Net revenue per accumulation share	0.76	2.52	3.23
Calendar year	2011	2010	2009
Highest Price	130.84	126.72	112.63
Lowest Price	120.31	109.20	80.91
Net revenue per accumulation share	3.29	3.02	3.30

[†]Up to 31 March 2014

[‡]Net revenue per share has been restated to reflect the cumulative distribution XD during the calendar year.

(1) Launched 1 March 2008

(2) Launched 2 May 2012

(3) Launched 2 January 2013

(4) Launched 4 October 2013

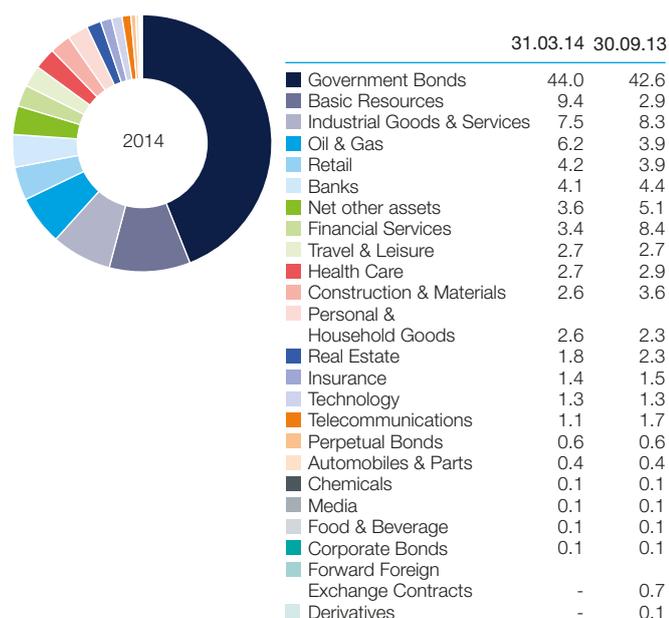
Portfolio analysis

Top 10 holdings (%)

Security	31.03.14
United Kingdom Treasury 4.75% 07/09/2015	16.8
Norway Government 5% 15/05/2015	7.7
Source Physical Markets Gold P-ETC	6.7
United Kingdom Treasury Inflation Linked 0.125% 29/09/2029	5.0
United Kingdom Treasury Inflation Linked 1.25% 22/11/2027	4.6
United States Treasury Inflation Indexed 0.125% 15/01/2023	4.2
United Kingdom Treasury Inflation Linked 1.25% 22/11/2017	2.9
Grafton	2.6
Royal Dutch Shell 'B' Shares	2.5
HSBC	2.4

Security	30.09.13
United Kingdom Treasury Inflation Linked 2.25% 03/07/2014	14.1
Norway Government 5% 15/05/2015	8.4
United Kingdom Treasury Inflation Linked 0.125% 29/09/2049	4.8
United Kingdom Treasury Inflation Linked 1.25% 22/11/2027	4.8
Source Physical Markets Gold P-ETC	4.8
United States Treasury Inflation Indexed 1.75% 15/01/2028	4.5
Grafton	3.3
United States Treasury Inflation Indexed 1.25% 15/04/2014	3.1
United Kingdom Treasury Inflation Linked 1.25% 22/11/2017	3.0
Signet Jewelers	2.5

Sector split (%)



Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

Fund specific change requiring notice

After consultation with the Depositary and in accordance with the requirements of Section 4.3 of the COLL, shareholders were given notice of following:

On 31 January 2014, of the update to investment policy of the Cautious Managed Fund to provide the fund with the potential for wider investment flexibility. This flexibility was to allow the fund, in addition to its existing investment powers, to invest in cash and near cash, money market instruments (tradable securities where money can be invested for short periods), deposits and derivatives (financial contracts whose value is linked to the price of an underlying asset) for investment purposes. The investment objective and risk profile of the Fund was unchanged. The update took place on 4 April 2014.

Fund specific change not requiring notice

- Cautious Managed J Accumulation Net GBP share class was launched on 4 October 2013

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Diversified Income Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide an income with the opportunity to grow the value of your investment over the long term.

The Fund attempts to reduce risk by investing around the world in a large range of bonds (contracts to repay borrowed money which typically pay interest at fixed times), shares of companies and related derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Fund invests mostly in bonds. These may be issued by companies or governments, have varying life-spans and be of investment grade (high quality) or below investment grade as rated by the credit rating agencies (companies that rate the ability of the issuers of bonds to repay borrowed money).

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because, whilst it invests in the shares of companies whose values have typically tended to fluctuate widely in the past, it also invests significantly in bonds which have not typically fluctuated as much.

The following risks may not be fully captured by the Risk and Reward Indicator:

- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.
- The Fund may invest in derivatives the prices of which can fluctuate widely. However, it is not intended that this will produce Fund returns that fluctuate more widely or increase the level of risk in the Fund.
- Some of the countries in which the Fund invests have less developed political, economic and legal systems. These markets carry a higher than average risk of investment and the Fund may have problems or delays in getting its investments back.

- The Fund's expenses are charged to the capital account of the Fund rather than to its income, which has the effect of increasing the Fund's income automatically reflected in the value of your shares (which may be taxable) whilst reducing its capital to an equivalent extent.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series i Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares. The Risk and Reward Indicator for the J Accumulation share class in the Diversified Income Fund changed from 5 to 4 over the period.

Performance record

The 'A' shares of the Fund returned 3.0% in the six months to 31 March 2014*. Over the same period the composite index (33% FTSE All-Share, 33% BofA European Currency non-financial High Yield Constrained Sterling Hedged, 17% JP Morgan EMBI Global Diversified, 17% JP Morgan GBI-EM Global Diversified) returned 3.7% and IMA Mixed Investment 20-60% Shares sector returned 3.1% in sterling terms.**

The total revenue distribution for the period in relation to 'A' (Net) income shares was 1.65 pence per share. This compares to a total of 1.88 pence share paid for the corresponding period in 2013.

Each of the components of the Fund contributed positively over the reporting period. Of these, the equity component and corporate debt (company bonds) contributed the most, making up approximately 45% each of the Fund's overall gain.

Corporate credit performed strongly over the period due to several underlying reasons and this was seen across all major markets. Primarily, the underlying macroeconomic backdrop remained supportive and also underwent a period of improvement across major economies, particularly into the end of 2013. This was seen best in Europe, which showed unexpected momentum in economic activity, even if it was from low levels. Short-lived and relatively contained episodes of financial market volatility (widely fluctuating values) also marked this period. Indeed, the strongly-flagged arrival of the US Federal Reserve's (Fed) tapering (scaling down of quantitative easing) during this period was received well by several assets classes, which included developed market corporate credit. Another strongly supportive force for corporate debt came from additional underlying investor flows into the asset class. It appears a good portion of these flows were recycled savings being withdrawn from emerging market assets, helped by developed markets looking relatively more appealing than emerging markets over the period. The Fund's holding of high yield corporate debt also produced a firm result, in line with the performance comparison index.

The Fund's equity component contributed a similar proportion as high yield credit, to the Fund's overall performance over the period. However, there were significant stock-picking gains here. The FTSE All-Share Index provided a total return of 4.8% over the period, while the Fund's equity component achieved 7.0%.

The blended emerging market debt holding contributed a return that was, largely, in line with that of the performance comparison index. It was another difficult period for emerging markets assets in general, but especially bonds. While the net total return outcome was essentially flat, this was against a backdrop of disappointing emerging market macroeconomic data, substantial investor outflows and flare-ups of geopolitical tensions. With such significant forces working against emerging market bonds during these months, to see a net positive performance contribution was, in our view, a sufficient outcome.

The Fund's currency exposure was not especially significant for returns. This period was exceptionally beneficial for sterling, which appreciated against the majority of G10 and liquid emerging market currencies. Indeed, emerging market currencies were under large pressure from a variety of sources over this period, with several posting significant losses against sterling.

Significant purchases during the period comprised:

New South Wales Treasury 6% 01/05/2020, Canadian Government Bond 5% 01/06/2014, Mexican Bonos 9.5% 18/12/2014, BP, Queensland Treasury 4.25% 21/07/2023.

Significant sales during the period comprised:

Aberforth Smaller Companies Trust, Queensland Treasury 3.5% 21/09/2017, New Zealand Government Bond 5.5% 15/04/2023, Mexican Bonos 8% 19/12/2013, William Hill 7.125% 11/11/2016.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only.

Outlook

The beginning of 2014 was marked with heightened investor fears surrounding weaker US economic data. The cause of this was a matter which certainly split opinion, with blame resting on infamous adverse weather conditions for this perceived temporary blip. Markets were hence buoyed by the US economy adding 192,000 jobs in March, with a further upward revision of an extra 37,000 jobs added from previous estimates.

Unless we see any drastic shocks to data, tapering appears to be on course, with quantitative easing anticipated to finally end around October. Refreshingly, the questions no longer surround tapering possibilities, but rather, the timing of interest rate hikes. The Fed adapted its forward guidance (a means of managing interest rate expectations) as it dispensed with the 6.5% unemployment rate threshold for a potential rate hiking. Instead, the Fed will factor in a broad range of indicators including inflation, labour and financial markets. 'Excess slack', the spare capacity within an economy, is now what seems to be driving the Fed's policy regarding interest rates. The excess slack in the US labour market is masked by the headline unemployment figure. There are 7 million people working part-time who would like a full-time job; wage-growth remains very low; the long-term unemployment rate remains relatively high; and the labour force participation rate is at its lowest level since 1978. To label the unemployment rate of 6.7% as misrepresentative would arguably be an understatement.

The threat of euro-zone deflation appears to be increasing with each passing month. Once a background concern, it now poses a serious threat to the euro-zone's fledgling recovery and looks set to dictate monetary policy in the short term. With a March inflation reading of 0.5%, the inflationary cushion is fast eroding and might well prompt action from the European Central Bank (ECB). ECB president, Mario Draghi, stepped up his dovish rhetoric after strongly hinting at the possibility of more QE in April's press conference. Nonetheless, it appears the ECB will only act if absolutely necessary as the 'messy' exit which is likely to ensue from such unconventional policy is enough to deter many. Away from the deflationary fears, the euro-zone recovery has continued to show signs of improvement, with manufacturers leading the way. Draghi faces a tough balancing act in combating deflation, while trying to limit any disruption to a recovery towards growth.

The economic policies introduced by Japanese prime minister, Shinzo Abe, and known as 'Abenomics', are set to come under the spotlight as the Japanese economy enters one of its more challenging periods. With a debt burden which has created the need for fiscal tightening and a dwindling working-age population imposing demographic challenges on Japan, the Bank of Japan's challenge to stoke inflation and generate sustainable growth could not be underestimated. Shinzo Abe, has publicly urged corporations to raise wages although a fall-off in consumption from the tax hike is only likely to heap further pressure on companies. Put simply, at this stage, Abenomics appears more likely to be stepped up than scaled back.

The outlook statement reflects the views of the output from our Multi-Asset process and is, therefore, similar to that of the Investec Strategic Bond Fund.

The opinions expressed herein are as at April 2014.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 March, 30 September	31 May, 31 August, 30 November, 28/29 February

Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2013
'A' Class – accumulation*	1.62	1.61
'A' Class – income*	1.62	1.61
'I' Class – accumulation*	0.87	0.86
'I' Class – income*	0.87	0.86
'J' Class – accumulation**	0.77	n/a
'J' Class – income**	0.77	n/a
'R' Class – accumulation**	1.12	1.11
'R' Class – income**	1.12	1.11

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

* The OCF shown here is an estimate of the charges, as there was a small change in the level of the costs since the Annual Report and Accounts were published.

**The OCF shown here is an estimate of the charges, as the share class was only recently launched.

Diversified Income Fund (continued)

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series Omnibus Prospectus.

Summary

Distributions

Share class	Distributions as at 31.03.14	Distributions as at 31.03.13
'A' Class – accumulation	5.31	5.82
'A' Class – income	1.65	1.88
'I' Class – accumulation	2.79	3.00
'I' Class – income	2.11	2.31
'J' Class – accumulation	2.02	-
'J' Class – income	2.01	-
'R' Class – accumulation	2.15	1.22
'R' Class – income	2.05	1.22

The Managed Distribution Fund distributes quarterly. The above distributions represent rates for the first two quarters of the accounting year, except for the 'R' share classes as they were recently launched.

Performance

Share class	Net Asset Value per share as at 31.03.14	Net Asset Value per share as at 30.09.13
'A' Class – accumulation	264.26	256.55
'A' Class – income	80.70	79.90
'I' Class – accumulation	138.67	133.75
'I' Class – income	103.26	101.85
'J' Class – accumulation	102.91	-
'J' Class – income	100.89	-
'R' Class – accumulation	105.96	102.51
'R' Class – income	100.51	99.26

Share price range

Diversified Income Fund 'A' Class (Net accumulation shares)[†]

Calendar year	2014 [†]	2013	2012 [†]
Highest Price	264.91	273.48	251.16
Lowest Price	258.80	251.08	234.93
Net revenue per accumulation share	2.80	10.88	7.84

	2011	2010	2009
Highest Price	238.41	231.16	216.08
Lowest Price	227.09	212.33	173.44
Net revenue per accumulation share	6.49	5.09	6.27

Diversified Income Fund 'A' Class (Net income shares)[†]

Calendar year	2014 [†]	2013	2012
Highest Price	81.77	86.97	81.72
Lowest Price	79.89	80.06	78.07
Net revenue per income share	0.87	3.45	2.58

	2011	2010	2009
Highest Price	81.28	79.43	75.98
Lowest Price	76.79	73.89	62.62
Net revenue per income share	2.16	1.75	2.21

Diversified Income Fund 'I' Class (Net accumulation shares)^{(1) †}

Calendar year	2014 [†]	2013	2012
Highest Price	139.01	142.53	130.46
Lowest Price	135.65	130.48	121.27
Net revenue per accumulation share	1.47	5.78	4.30

	2011	2010	2009
Highest Price	122.64	118.49	110.12
Lowest Price	116.90	108.29	88.44
Net revenue per accumulation share	3.61	2.67	3.79

Diversified Income Fund 'I' Class (Net income shares)^{(2) †}

Calendar year	2014 [†]	2013	2012
Highest Price	104.64	110.61	103.45
Lowest Price	102.11	102.08	98.71
Net revenue per income share	1.11	4.31	2.69

	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per income share	-	-	-

Diversified Income Fund 'J' Class (Net accumulation shares)^{(4) †}

Calendar year	2014 [†]	2013	2012
Highest Price	103.16	102.78	-
Lowest Price	100.66	99.92	-
Net revenue per accumulation share	1.09	0.93	-

	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Diversified Income Fund 'J' Class (Net income shares)^{(4) †}

Calendar year	2014 [†]	2013	2012
Highest Price	102.23	102.79	-
Lowest Price	99.75	99.92	-
Net revenue per income share	1.08	0.93	-

	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per income share	-	-	-

Diversified Income Fund 'R' Class (Net accumulation shares)^{(3) †}

Calendar year	2014 ¹	2013	2012
Highest Price	106.23	109.90	-
Lowest Price	103.69	100.00	-
Net revenue per accumulation share	1.13	4.36	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Diversified Income Fund 'R' Class (Net income shares)^{(3) †}

Calendar year	2014 ¹	2013	2012
Highest Price	101.84	107.83	-
Lowest Price	99.41	99.46	-
Net revenue per income share	1.08	4.25	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per income share	-	-	-

¹Up to 31 March 2014

[†]Net revenue per share has been restated to reflect the cumulative distribution XD during the calendar year.

(1) Launched 1 March 2008

(2) Launched 2 May 2012

(3) Launched 2 January 2013

(4) Launched 4 October 2013

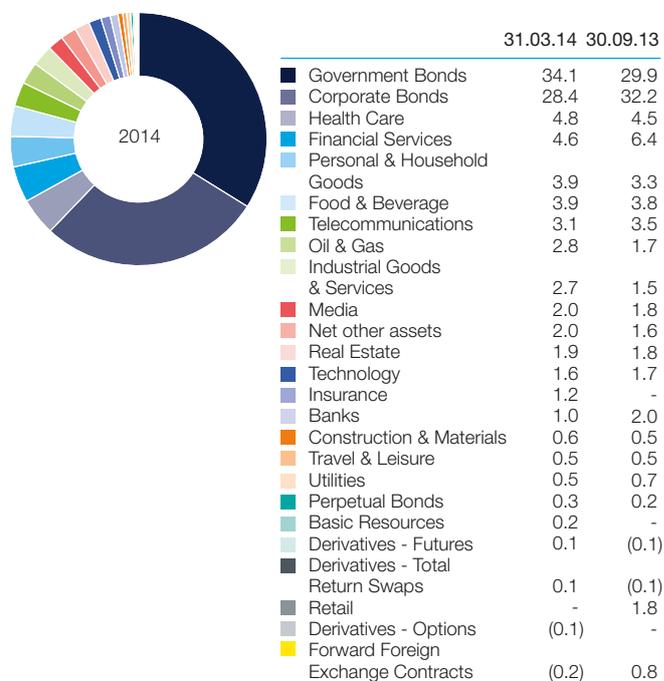
Portfolio analysis

Top 10 holdings (%)

Security	31.03.14
New South Wales Treasury 6% 01/05/2020	3.3
Queensland Treasury 6% 21/02/2018	2.5
F&C Commercial Property Trust	1.9
Mexican Bonos 9.5% 18/12/2014	1.8
Canadian Government Bond 5% 01/06/2014	1.8
Brazil Notas do Tesouro Nacional 10% 01/01/2017	1.3
Royal Dutch Shell 'B' Shares	1.3
John Laing Infrastructure Fund	1.3
GlaxoSmithKline	1.2
Nestle	1.2
Security	30.09.13
Aberforth Smaller Companies Trust	2.8
Queensland Treasury 6% 21/02/2018	2.0
F&C Commercial Property Trust	1.9
GlaxoSmithKline	1.3
Royal Dutch Shell 'B' Shares	1.2
Nestle	1.2
Vodafone	1.2
HSBC	1.1
Reckitt Benckiser	1.1
BT	1.0

¹A related party to the Fund

Sector split (%)



Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

Fund specific changes not requiring notice

- Diversified Income J Accumulation Net GBP share class was launched on 4 October 2013
- Diversified Income J Income Net GBP share class was launched on 4 October 2013

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Enhanced Natural Resources Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term. The Fund invests around the world primarily in the shares of companies that are expected to benefit from an increase in the prices of commodities and natural resources, and in related derivatives (financial contracts whose value is linked to the price of an underlying asset). This includes companies involved in mining, extracting, producing, processing, transporting or other activity relating to commodities and natural resources.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in the shares of companies linked to commodities and natural resources whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- There is a risk that the party with which the Fund contracts for a derivative transaction fails to meet its obligations to the Fund. This could lead to losses being made by the Fund.
- The Fund invests in a narrow range of investments and specialised sectors. This may lead to its returns fluctuating more widely than those of more broadly invested funds. It may also mean that there are times when the value of the Fund decreases even while more broadly invested funds are growing.
- The Fund invests in a smaller than average number of holdings relative to a typical fund. This may lead to the Fund's returns fluctuating more widely than those of other more broadly invested funds.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series i Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares. The Risk and Reward Indicator for all share classes in the Enhanced natural Resources Fund changed from 6 to 5 over the period.

Performance record

The 'A' shares of the Fund fell 3.02%* in the six months to 31 March 2014. Over the same period the MSCI ACWI Select Natural Resources Capped Index returned 1.35%**.

The Fund underperformed the index over the period due largely to our commodity exposure within the base and bulk metal sector. These metals were dragged down as concerns over Chinese GDP growth intensified and emerging market currencies sold off in early 2014. The Fund's net long exposure to copper and iron ore producers and mining companies suffered, following the sharp fall in copper prices in March 2014. China's first domestic bond default (where the issuer fails to make the required payment to the bond holder) fanned fears of further defaults in copper finance deals. Nevertheless, there have been signs of solid physical demand due to the lower prices. Our selective exposure to mining companies, who have shown capital discipline with an increased focus on shareholder returns, such as BHP Billiton and Rio Tinto, added to returns. The Fund's ability to protect against market declines, through our short exposure to Anglo American, KGHM and other names proved profitable.

Although we saw some near term risks from potentially disappointing Chinese demand, opportunities were still very much present in our broad universe. Within the metals subsector, we had higher weightings towards nickel, zinc, platinum and palladium, which had tighter market balances as a result of strength in real estate and automobile demand, rather than bulk commodities such as iron ore, coking coal and steel, which are infrastructure and construction related. The platinum industry in South Africa continues to suffer from labour strike activity and we calculate that current inventories are very tight. Exposure to precious metals marginally added to returns, thanks to these commodity holdings. Our gold equity exposure was flat over the period as the falling gold price, due in part to the US Federal Reserve (Fed) tapering its quantitative easing programme, had an adverse impact on our selective long exposure, but benefited our short exposure to high cost producers.

The Fund's energy exposure detracted from performance. However, this was largely due to one short position*** in Cheniere Energy. The company has benefited from increased market confidence in the profitability of the Sabine Pass liquefied natural gas terminal, which supported the share price, in turn hurting our short position. Excluding this holding, our US oil refining companies proved profitable as the spread between WTI and Brent crude oil widened into year end. Our oilfield services and exploration & production company exposure also contributed to performance, as the oil price remained mostly range bound between \$105 and \$112 per barrel. Our integrated oil & gas company holdings, notably our emerging market holdings, CNOOC and Gazprom, detracted from performance. These companies came under pressure in early 2014, in line with the broader sell-off in emerging market equities.

The agriculture and softs sector contributed to performance. Our positions in the protein and fertiliser sectors were the largest contributors over the period. Protein producers continued to benefit from rising meat prices and low grain costs, supporting our holdings in Tyson Foods, Sanderson Farms and BRF. Yara International performed strongly as the premium for nitrate fertiliser continued to grow. CF Industries and Agrium also performed strongly due to the high US nitrogen premium and improving market outlook. However, our short exposure to potash producers dragged on performance as perceptions for this structurally oversupplied market improved over the period.

Significant purchases during the period comprised:

Rio Tinto, Chevron, Franco-Nevada, MMC Norilsk Nickel ADR, Barrick Gold, Cameron International.

Significant sales during the period comprised:

Rio Tinto, Glencore Xstrata, Royal Dutch Shell 'B' Shares, MMC Norilsk Nickel ADR, ETFs Zinc, SM Energy, BHP Billiton, Valero Energy, Schlumberger.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only

***Short exposure: Building exposure to a security or market with the expectation that it will fall in value.

Outlook

Since May 2011 the natural resources equity subsector has faced challenges. However, the cycle is turning as commodity demand appears more resilient and robust. The recovery in the US, Europe and Japan, together with the move to more sustainable growth and production in China, in our opinion should present a more transparent demand picture.

A lot of companies have experienced significant management changes, which has seen focus shift away from growth towards profitability and free cashflow generation. We believe the sector remains relatively undervalued.

Although risks remain in the sector, principally China's transition to consumption-led growth, we have transitioned our exposure from construction-orientated commodities to consumption commodities, increasing leverage to more developed economies.

Our positive outlook for stronger crude oil prices is based on future robust demand from OECD nations combined with the corrosive effect of decline rates (IAM estimate of 5 – 6% for decline rates from new deepwater fields and slowing production growth of US unconventional oil), project delays, underinvestment and geopolitical disturbances. Our crude oil price analysis continues to be founded on four main inputs: supply (Opec and non-Opec), demand (OECD and non-OECD), marginal cost and inventory levels, from which we forecast Brent crude oil at \$112.50 per barrel for 2014.

Within the agriculture sector, ample grain and oilseed supply from the US and South America is likely to keep grain prices under pressure, which should keep prices subdued. We believe returns in protein producers who benefit from lower grain prices and trading houses whose earnings will rise on higher harvest volumes and better revenues from storage.

The opinions expressed herein are as at April 2014.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 March, 30 September	30 November

Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2013
'A' Class – accumulation	1.66	1.68
'B' Class – accumulation	2.16	2.18
'I' Class – accumulation	0.91	0.93
'J' Class – accumulation*	0.81	n/a
'R' Class – accumulation*	1.16	1.19

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series Omnibus Prospectus.

Summary

Distributions

Share class	Distributions as at 31.03.14	Distributions as at 31.03.13
'A' Class – accumulation	-	-
'B' Class – accumulation	-	-
'I' Class – accumulation	-	-
'J' Class – accumulation	-	-
'R' Class – accumulation*	-	-

As distributions are paid annually on 30 November, no distributions are payable with this interim short report.

Performance

Share class	Net Asset Value per share as at 31.03.14	Net Asset Value per share as at 30.09.13
'A' Class – accumulation	102.21	105.40
'B' Class – accumulation	97.44	100.81
'I' Class – accumulation	106.70	109.67
'J' Class – accumulation	97.38	-
'R' Class – accumulation	91.57	94.23

Enhanced Natural Resources Fund (continued)

Share price range

Enhanced Natural Resources Fund 'A' Class (Net accumulation shares)⁽¹⁾

Calendar year	2014 [†]	2013	2012
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-
	2011	2010	2009
Highest Price	-	-	95.77
Lowest Price	-	-	77.60
Net revenue per accumulation share	-	-	-

Enhanced Natural Resources Fund 'A' Class (Net accumulation shares)⁽⁴⁾

Calendar year	2014 [†]	2013	2012
Highest Price	105.28	118.10	126.06
Lowest Price	100.55	103.30	107.57
Net revenue per accumulation share	-	0.24	-
	2011	2010	2009
Highest Price	136.98	136.26	113.26
Lowest Price	109.11	109.04	77.77
Net revenue per accumulation share	-	-	0.02

Enhanced Natural Resources Fund 'B' Class (Net accumulation shares)⁽²⁾

Calendar year	2014 [†]	2013	2012
Highest Price	100.57	113.27	121.56
Lowest Price	95.88	98.93	103.57
Net revenue per accumulation share	-	-	-
	2011	2010	2009
Highest Price	135.48	135.05	106.42
Lowest Price	105.41	102.43	100.00
Net revenue per accumulation share	-	-	-

Enhanced Natural Resources Fund 'I' Class (Net accumulation shares)

Calendar year	2014 [†]	2013	2012
Highest Price	109.76	122.36	129.59
Lowest Price	104.93	107.26	110.74
Net revenue per accumulation share	-	1.12	0.92
	2011	2010	2009
Highest Price	139.86	138.11	113.67
Lowest Price	111.83	109.77	77.80
Net revenue per accumulation share	0.38	-	0.47

Enhanced Natural Resources Fund 'J' Class (Net accumulation shares)⁽⁷⁾

Calendar year	2014 [†]	2013	2012
Highest Price	100.13	103.67	-
Lowest Price	95.75	98.79	-
Net revenue per accumulation share	-	-	-
	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Enhanced Natural Resources Fund 'R' Class (Net accumulation shares)⁽⁶⁾

Calendar year	2014 [†]	2013	2012
Highest Price	94.29	104.58	-
Lowest Price	90.12	92.25	-
Net revenue per accumulation share	-	1.24	-
	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Enhanced Natural Resources Fund 'S' Class (Net accumulation shares)⁽¹⁾⁽³⁾⁽⁵⁾

Calendar year	2014 [†]	2013	2012
Highest Price	-	-	92.14
Lowest Price	-	-	84.64
Net revenue per accumulation share	-	-	-
	2011	2010	2009
Highest Price	101.40	-	97.45
Lowest Price	79.27	-	78.55
Net revenue per accumulation share	0.86	-	-

[†]Up to 31 March 2014

(1) Closed 27 April 2009

(2) Launched 9 November 2009

(3) Launched 4 January 2011

(4) Change of 'P' shares to 'A' shares 1 April 2011

(5) Closed on 22 March 2012

(6) Launched 2 January 2013

(7) Launched 4 October 2013

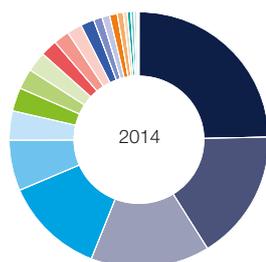
Portfolio analysis

Top 10 holdings (%)

Security	31.03.14
BHP Billiton	9.1
Chevron	5.0
Physical Palladium Source P-ETC	3.7
ConocoPhillips	3.5
Suncor Energy	3.3
Physical Platinum ETC	3.2
Franco-Nevada	2.6
Total	2.6
Marathon Oil	2.5
Anadarko Petroleum	2.5

Security	30.09.13
BHP Billiton	9.0
Suncor Energy	4.2
Physical Palladium Source P-ETC	4.1
Marathon Oil	3.1
Anadarko Petroleum	2.9
Rio Tinto	2.8
Royal Dutch Shell 'B' Shares	2.3
Zinc ETC	2.2
First Quantum Minerals	2.1
Total	2.1

Geographical split (%)



	31.03.14	30.09.13
United States	24.7	27.2
United Kingdom	16.5	18.4
Canada	14.9	10.3
Net other assets	12.6	7.7
Jersey	6.4	10.7
Ireland	3.7	4.1
Norway	2.9	4.5
France	2.6	2.1
Japan	2.5	1.3
Hong Kong	2.1	1.4
Australia	2.0	0.6
Brazil	1.9	1.7
Russia	1.7	2.4
South Africa	1.1	-
Luxembourg	1.0	1.6
Germany	0.9	-
Bermuda	0.8	1.9
Austria	0.5	-
Sweden	0.5	-
Cayman Islands	0.4	0.6
Derivatives - Contracts For Difference	0.1	-
Custodian Cash	0.1	-
Deposits	0.1	2.6
Derivatives - Options	0.1	-
Switzerland	-	0.9

Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

Fund specific changes not requiring notice

- Enhanced Natural Resources J Accumulation Net GBP share class was launched on 4 October 2013
- The Performance fee for the Enhanced Natural Resources Fund was removed with effect from 4 October 2013

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Managed Growth Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide an income and grow the value of your investment.

The Fund invests around the world primarily in the shares of investment companies or other funds and in related derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Fund may be up to 100% invested in other funds.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the risk and reward indicator scale. This is because the values of the investment companies and funds in which it invests tend to fluctuate widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The prices of investment trust shares that the Fund invests in can trade at a higher or lower level than their underlying value. This can lead to an increase in fluctuations in the value of the Fund which exceeds those of the underlying markets in which the investment trust invests. This may pose a greater risk to the value of the Fund.
- Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to wide fluctuations in the value of any of these.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series i Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares. The Risk and Reward Indicator for all share classes in the Managed Growth Fund changed from 6 to 5 over the period.

Performance record

The 'A' shares of the Fund returned 3.9% in the six months to 31 March 2014*. Over the same period the FTSE WMA Stock Market Growth Total Return Index returned 4.6% and the IMA Flexible Investment sector returned 3.4% in sterling terms**.

The six months under review included a strong fourth quarter 2013, in absolute and relative terms with a return of 4.8%, followed by a difficult first quarter of 2014 with a fall of 0.9%.

The US market, to which the Fund has an exposure of approximately 19% (including Global Allocation and Private Equity exposure), outperformed over the period under review. Meanwhile, Asia and emerging markets, to which the Fund has an exposure of 21% (including Global Allocation and Private Equity exposure), lagged. UK and European small and mid-cap funds continued to perform exceptionally well, as did technology, healthcare and property funds, along with a number of global and North American funds. Private equity funds and small- and mid- cap funds were also a source of outperformance.

Portfolio turnover continued to be modest and was largely the result of fund flows and corporate actions. Six holdings were added and three were sold, in addition to which a significant number of holdings were increased as a result of fund inflows. New holdings included Investec Global Endurance Equity Fund and Conventum Lyrical Fund (US equities). The number of holdings increased to 53. Cash holdings remain very low.

Exposure continues to be balanced between a significant core of liquid (easily tradable) and high-quality mainstream funds and smaller holdings in regional and thematic funds with the greatest potential for performance. Approximately 17.4% of the Fund is invested in global funds, 38.3% in general regional funds, 16.3% in small cap regional funds and 26.5% in global sector funds. Cash comprises 1.5%. Our strategy is to maintain broadly diversified exposure with the aim of delivering returns at least in line with global equity markets.

Significant purchases during the period comprised:

Investec Global Endurance Equity Fund, Conventum Lyrical Fund, RIT Capital Partners Fund, Investec Global Free Enterprise Fund, Investec Global Gold Fund.

Significant sales during the period comprised:

JPMorgan Flemming American Investment Trust, British Empire Securities and General Trust, CQS Rig Finance Fund, Royal Mail.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only.

Outlook

Flat markets in the first quarter of 2014 have been in line with our expectations and our view is that this will continue into the second quarter and beyond. However, there appears to be better short-term potential upside in some areas. Japan has performed poorly, despite modest valuations, strong earnings growth and steady upgrades to earnings forecasts. Low valuations, an end to fund outflows and an increased focus on investor returns potentially indicate that the bear market (where prices are falling with negative sentiment) in Asian and emerging markets equities should be over. Elsewhere, markets are held back by persistent downgrades to earnings forecasts, but this may end or reverse later in the year, heralding better market conditions. In addition, we believe the passage of time could make 2014 earnings growth more certain and 2015 more appealing, while persistent fund inflows underpin the upwards trend.

The opportunity for adding value, beyond the market, remains strong as the Fund continues to hold a broad range of well-managed, high-quality funds focused on areas of superior opportunity. Although exposure to open-end funds has been rising, most of the Fund remains invested in closed-end funds which, we believe, combine better performance with lower risk than comparable open-end counterparts, often trading at a discount to the net asset value. Exposure to the outperformance potential of mid- and small- caps is high, and also to growth areas such as healthcare and technology. Contrarian (against market consensus) exposure to Asia, emerging markets, Japan and resource equities adds to the potential for extra return. We remain optimistic about the medium- to long-term outlook.

The opinions expressed herein are as at April 2014.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 March, 30 September	30 November

Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2013
'A' Class – accumulation	1.59	1.60
'I' Class – accumulation	0.84	0.85
'R' Class – accumulation*	1.09	1.10
'S' Class – accumulation	0.09	0.10

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series Omnibus Prospectus.

Summary

Distributions

Share class	Distributions as at 31.03.14	Distributions as at 31.03.13
'A' Class – accumulation	-	-
'I' Class – accumulation ⁽¹⁾	-	-
'R' Class – accumulation	-	-
'S' Class – accumulation	-	-

As distributions are paid annually on 30 November, no distributions are payable with this interim short report.

Performance

Share class	Net Asset Value per share as at 31.03.14	Net Asset Value per share 31.03.13
'A' Class – accumulation	166.49	160.08
'I' Class – accumulation	144.50	138.42
'R' Class – accumulation	123.77	118.70
'S' Class – accumulation	155.19	148.13

Share price range

Managed Growth Fund 'A' Class (Net accumulation shares)

Calendar year	2014 [†]	2013	2012
Highest Price	171.40	168.43	134.32
Lowest Price	163.63	135.35	117.51
Net revenue per accumulation share	-	0.06	0.24

	2011	2010	2009
Highest Price	138.90	134.80	107.40
Lowest Price	113.82	102.96	65.78
Net revenue per accumulation share	-	-	0.62

Managed Growth Fund 'I' Class (Net accumulation shares)

Calendar year	2014 [†]	2013	2012
Highest Price	148.52	145.91	115.48
Lowest Price	141.85	116.38	100.29
Net revenue per accumulation share	-	1.00	0.99

	2011	2010	2009
Highest Price	118.10	114.24	90.46
Lowest Price	97.06	86.87	55.24
Net revenue per accumulation share	0.33	0.24	0.88

Managed Growth Fund (continued)

Managed Growth Fund 'R' Class (Net accumulation shares)⁽¹⁾

Calendar year	2014 [†]	2013	2012
Highest Price	127.28	125.05	-
Lowest Price	121.55	100.00	-
Net revenue per accumulation share	-	0.51	-
	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Managed Growth Fund 'S' Class (Net accumulation shares)

Calendar year	2014 [†]	2013	2012
Highest Price	159.28	156.43	122.89
Lowest Price	152.19	123.86	105.94
Net revenue per accumulation share	-	2.08	1.88
	2011	2010	2009
Highest Price	124.31	119.72	93.66
Lowest Price	102.44	90.23	56.85
Net revenue per accumulation share	1.35	1.22	1.58

[†]Up to 31 March 2014

(1) Launched 2 January 2013

Portfolio analysis

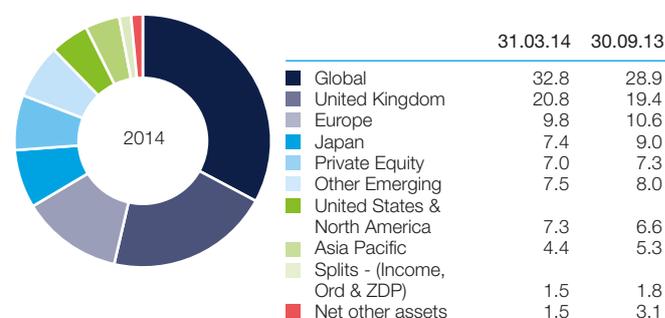
Top 10 holdings (%)

Security	31.03.14
Investec Global Free Enterprise Fund [†]	4.2
Baillie Gifford Japan Trust	3.9
JPMorgan Fleming European Smaller Companies Trust	3.8
Jupiter European Opportunities Fund	3.8
Schroder UK Mid Cap & Small Cap Fund	3.6
RIT Capital Partners Fund	3.6
Law Debenture Fund	3.3
Edinburgh Worldwide Investment Trust	3.3
BlackRock Smaller Companies Trust	3.0
Genesis Emerging Markets Fund	3.0
Security	30.09.13
Baillie Gifford Japan Trust	4.7
Jupiter European Opportunities Fund	4.4
JPMorgan Fleming European Smaller Companies Trust	3.9
Schroder UK Mid Cap & Small Cap Fund	3.8
Law Debenture Fund	3.6
Edinburgh Worldwide Investment Trust	3.6
Genesis Emerging Markets Fund	3.5
BlackRock Smaller Companies Trust	3.3
Schroder UK Growth Fund	3.2
Investec Global Free Enterprise Fund [†]	2.9

[†]A related party to the Fund

Geographical split (%)

This shows the underlying asset exposure. All investments are sterling dominated.



Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Strategic Bond Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide an income.

The Fund invests around the world primarily in bonds (contracts to repay borrowed money which typically pay interest at fixed times) issued by governments or companies.

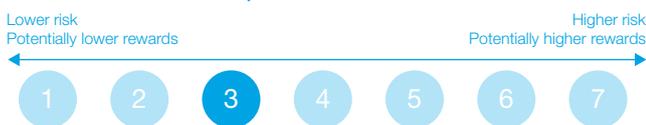
The Fund may use derivatives (financial contracts whose value is linked to the price of an underlying asset) for investment purposes.

The bonds invested in will primarily be of investment grade (high quality) as rated by credit rating agencies (companies that rate the ability of the issuers of bonds to repay borrowed money) but may also be below investment grade.

The Fund is managed to minimise any currency risk (a form of risk that arises from the change in price of one currency against another) in sterling.

The Investment Manager is free to choose how the Fund is invested and does not manage it with reference to an index.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the lower end of the Risk and Reward Indicator scale. This is because it invests in bonds whose returns tend to fluctuate more than those of cash funds but less than those of funds which invest in the shares of companies.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The value of bonds tends to decrease when interest rates and/or inflation rises.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed nor make any interest payments. This risk is greater than average where the Fund invests in a bond with a below investment grade credit rating.
- Some of the countries in which the Fund invests have less developed political, economic and legal systems. These markets carry a higher than average risk of investment and the Fund may have problems or delays in getting its investments back.

- The Fund's expenses are charged to the capital account of the Fund rather than to its income, which has the effect of increasing the Fund's income (which may be taxable) whilst reducing its capital to an equivalent extent. This could constrain future capital and income growth.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series i Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class income shares. The Risk and Reward Indicator for all share classes in the Strategic Bond Fund changed from 4 to 3 over the period.

Performance record

The 'A' shares of the Fund returned 0.6% in the six months to 31 March 2014*. Over the same period, the BofA Merrill Lynch Sterling Broad Market TR Index returned 1.3% and the IMA £ Strategic Bond sector returned 3.6% in sterling terms**.

The total revenue distribution for the period in relation to 'A' (Net) income shares was 1.97 pence per share. This compares to a total of 2.06 pence share paid for the corresponding period in 2013.

The underperformance of the Fund's interest rate component can be attributed mostly to the Fund's lower exposure to sterling interest rates, relative to the performance comparison index, as UK bond markets were relatively stable. Similarly, the Fund's short positions (a position designed to benefit from negative performance) in both US treasury bonds and Japanese government bonds did not make any significant contributions to performance relative to the performance comparison index. Nonetheless, these positions were valuable in reducing interest rate risk for the Fund.

Over the period, the key positive contributor came from corporate credit holdings, while the largest detractor of relative performance was from the interest rate exposure of the Fund. The Fund's foreign currency exposure and holdings of emerging market debt both made relatively minor negative contributions.

Corporate credit performed strongly over the period and this was experienced across all major markets. However, for investment grade bonds (those with a credit rating of BBB or higher), the strong performance in the UK market was not as pronounced. Indeed, there were better opportunities in other markets for excess returns. There were several underlying causes for the relatively strong performance from corporate credit. The macroeconomic backdrop remained supportive and underwent a period of improvement across major economies, particularly into the end of 2013. This was also against a backdrop of only short-lived and relatively contained episodes of financial market volatility (widely fluctuating values). Indeed, the strongly-flagged arrival of the US Federal Reserve's (Fed) tapering (scaling down of quantitative easing) during this period was received particularly well by several assets classes, which included developed market corporate credit. Another strongly supportive force for corporate debt

Strategic Bond Fund (continued)

came from additional underlying investor flows into the asset class. It appears a good portion of these flows were recycled savings being withdrawn from emerging market assets, helped by developed markets looking relatively more appealing than emerging markets over the period.

Indeed, while emerging market debt had been under considerable stress earlier in 2013, the six months to March 2014 essentially saw a flat return from the market. This was a period of volatility, encompassing falls in asset prices and accompanying sharp recoveries. The Fund's emerging market bond component largely matched this outcome over the entire period.

Significant purchases during the period comprised:

United Kingdom Treasury 1.25% 22/07/2018, United States Treasury Note 2% 15/11/2021, Verizon Communications 3.25% 17/02/2026, Pfizer 5.75% 03/06/2021, Verizon Communications 7.75% 01/12/2030.

Significant sales during period comprised:

United Kingdom Treasury 1.75% 07/09/2022, United Kingdom Treasury 3.75% 22/07/2052, United Kingdom Treasury 1.25% 22/07/2018, Sweden Government 3.5% 01/06/2022, BASF 5.875% 31/03/2017.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only.

Outlook

The beginning of 2014 was marked with heightened investor fears surrounding weaker US economic data. The cause of this weaker data was a matter of debate, with some blaming the infamous adverse weather conditions for the perceived temporary blip. Markets were hence buoyed by the US economy adding 192,000 jobs in March, with a further upward revision of an extra 37,000 jobs added from previous estimates.

Unless we see any drastic shocks to data, tapering appears to be on course, with quantitative easing anticipated to finally end around October. Refreshingly, the questions no longer surround tapering possibilities, but rather, the timing of interest-rate hikes. The Fed adapted its forward guidance (a means of managing interest rate expectations) as it dispensed with the 6.5% unemployment rate threshold for a potential rate hiking. Instead, the Fed will factor in a broad range of economic indicators including inflation, labour and financial markets. 'Excess slack', the spare capacity within an economy, is now what seems to be driving the Fed's policy regarding interest rates. The excess slack in the US labour market is masked by the headline unemployment figure. There are 7 million people working part-time who would like a full-time job; wage-growth remains very low; the long-term unemployment rate remains relatively high; and the labour force participation rate is at its lowest level since 1978. To label the unemployment rate of 6.7% as misrepresentative would arguably be an understatement.

The threat of euro-zone deflation appears to be increasing with each passing month. Once a background concern, it now poses a serious threat to the euro-zone's fledgling recovery and looks set to dictate monetary policy in the short term. With a March inflation reading of 0.5%, the inflationary cushion is fast eroding and might well prompt action from the European Central Bank (ECB). ECB president, Mario Draghi, stepped up his dovish rhetoric after strongly hinting at the possibility of more QE in April's press conference. Nonetheless, it appears the ECB will only act if absolutely necessary as the 'messy' exit which is likely to ensue from such unconventional policy is enough to deter many. Away from the deflationary fears, the euro-zone recovery has continued to show signs of improvement, with manufacturers leading the way. Draghi faces a tough balancing act in combating deflation, while trying to limit any disruption to a recovery towards growth.

The economic policies introduced by Japanese prime minister, Shinzo Abe, and known as 'Abenomics', are set to come under the spotlight as the Japanese economy enters one of its more challenging periods. With a debt burden which has created the need for fiscal tightening and a dwindling working-age population imposing demographic challenges on Japan, the Bank of Japan's challenge to stoke inflation and generate sustainable growth could not be underestimated. Shinzo Abe, has publicly urged corporations to raise wages although a fall-off in consumption from the tax hike is only likely to heap further pressure on companies. Put simply, at this stage, Abenomics appears more likely to be stepped up than scaled back.

The outlook statement reflects the views of the output from our Multi-Asset process and is, therefore, similar to that of the Investec Diversified Income Fund.

The opinions expressed herein are as at April 2014.

Fund facts

Interim/Annual accounting dates	Income payment dates	
31 March, 30 September	31 May, 31 August, 30 November, 28/29 February	
Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2,013
'A' Class – accumulation	1.10	1.11
'A' Class – income	1.10	1.11
'I' Class – accumulation	0.60	0.60
'I' Class – income	0.60	0.60
'R' Class – accumulation*	0.85	0.85
'R' Class – income*	0.85	0.85
'S' Class – gross accumulation	0.10	0.11
'S' Class – income	-	0.11

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series Omnibus Prospectus.

Summary

Distributions

Share class	Distributions as at 31.03.14	Distributions as at 31.03.13
'A' Class – net accumulation	3.73	3.78
'A' Class – net income	1.97	2.06
'I' Class – net accumulation	1.72	1.71
'I' Class – net income	1.61	1.69
'R' Class – net accumulation	1.63	0.85
'R' Class – net income	1.60	0.84
'S' Class – gross accumulation	3.03	2.99
'S' Class – net income	-	1.69

The Strategic Bond Fund distributes quarterly. The above distributions represent rates for the first two quarters of the accounting year, except for the 'R' share classes as they were recently launched.

Performance

Share class	Net Asset Value per share as at 31.03.14	Net Asset Value per share as at 30.09.13
'A' Class – accumulation	226.08	225.40
'A' Class – income	117.47	119.11
'I' Class – accumulation	101.89	101.35
'I' Class – income	97.00	98.18
'R' Class – accumulation	97.98	97.73
'R' Class – income	94.09	95.29
'S' Class – gross accumulation	146.16	144.41
'S' Class – income	-	98.38

Share price range

Strategic Bond Fund 'A' Class (Net accumulation shares)[†]

Calendar year	2014 [†]	2013	2012
Highest Price	227.08	234.10	232.52
Lowest Price	224.67	223.54	219.31
Net revenue per accumulation share	1.60	7.91	6.21
Calendar year	2011	2010	2009
Highest Price	222.71	223.16	205.04
Lowest Price	212.83	205.09	167.67
Net revenue per accumulation share	6.40	7.82	8.61

Strategic Bond Fund 'A' Class (Net income shares)[†]

Calendar year	2014 [†]	2013	2012
Highest Price	119.08	125.78	127.09
Lowest Price	117.86	118.76	122.18
Net revenue per income share	0.84	4.23	3.43
Calendar year	2011	2010	2009
Highest Price	127.02	128.98	123.46
Lowest Price	119.88	121.12	104.38
Net revenue per income share	3.61	4.64	5.32

Strategic Bond Fund 'I' Class (Net accumulation shares)^{(2) †}

Calendar year	2013 ^{†4}	2013	2012
Highest Price	102.36	105.04	104.03
Lowest Price	101.18	100.50	99.94
Net revenue per accumulation share	0.76	3.53	2.14
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Strategic Bond Fund 'I' Class (Net income shares)[†]

Calendar year	2014 [†]	2013	2012
Highest Price	98.35	103.45	104.30
Lowest Price	97.23	97.94	100.20
Net revenue per income share	0.69	3.48	3.12
Calendar year	2011	2010	2009
Highest Price	104.19	105.78	101.99
Lowest Price	98.32	99.31	86.15
Net revenue per income share	3.38	4.12	4.51

Strategic Bond Fund 'R' Class (Net accumulation shares)^{(3) †}

Calendar year	2014 [†]	2013	2012
Highest Price	98.46	101.43	-
Lowest Price	97.57	96.99	-
Net revenue per accumulation share	0.74	3.38	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

Strategic Bond Fund 'R' Class (Net income shares)^{(3) †}

Calendar year	2014 [†]	2013	2012
Highest Price	95.37	100.50	-
Lowest Price	94.34	95.06	-
Net revenue per income share	0.70	3.32	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per income share	-	-	-

Strategic Bond Fund 'S' Class (Gross accumulation shares)⁽¹⁾

Calendar year	2014 [†]	2013	2012
Highest Price	146.81	148.92	146.59
Lowest Price	144.72	143.13	136.26
Gross revenue per accumulation share	1.32	6.29	5.94
Calendar year	2011	2010	2009
Highest Price	136.81	135.88	122.98
Lowest Price	131.65	123.21	99.13
Gross revenue per accumulation share	6.33	7.02	6.71

Strategic Bond Fund 'S' Class (Net income shares)⁽⁴⁾

Calendar year	2014 ¹	2013	2012
Highest Price	-	103.44	104.06
Lowest Price	-	98.26	99.89
Net revenue per income share	-	2.55	3.43
	2011	2010	2009
Highest Price	103.92	105.64	101.22
Lowest Price	98.02	99.13	85.48
Net revenue per income share	3.70	4.65	4.87

¹Up to 31 March 2014

²Net revenue per share has been restated to reflect the cumulative distribution XD during the calendar year.

(1) Launched 30 January 2009

(2) Launched 2 May 2012

(3) Launched 2 January 2013

(4) Closed 11 December 2013

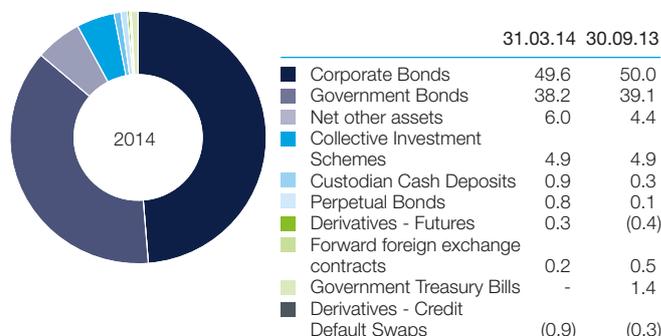
Portfolio analysis

Top 10 holdings (%)

Security	31.03.14
United Kingdom Treasury 3.75% 22/07/2052	17.1
United Kingdom Treasury 1.75% 07/09/2022	8.3
Province of Ontario Canada 4% 02/06/2021	4.6
Investec Global Strategy Emerging Markets Local Currency Dynamic Debt \$ Fund [†]	2.5
Investec Global Strategy Emerging Markets Local Currency Dynamic Debt £ Fund [†]	2.5
Qatar Government 6.55% 09/04/2019	2.2
United Kingdom Treasury Inflation Linked 2.5% 26/07/2016	1.9
JPMorgan Chase 4.95% 25/03/2020	1.0
Casino Guichard Perrachon 4.481% 12/11/2018	1.0
Carlsberg Breweries 7.25% 28/11/2016	1.0
Security	30.09.13
United Kingdom Treasury 3.75% 22/07/2052	15.6
United Kingdom Treasury 1.75% 07/09/2022	10.3
Province of Ontario Canada 4% 02/06/2021	4.1
Investec Global Strategy Emerging Markets Local Currency Dynamic Debt £ Fund [†]	2.5
Investec Global Strategy Emerging Markets Local Currency Dynamic Debt \$ Fund [†]	2.5
United Kingdom Treasury Inflation Linked 2.5% 26/07/2016	1.6
Qatar Government 6.55% 09/04/2019	1.6
Sweden Government 3.5% 01/06/2022	1.4
Reed Elsevier 5.625% 20/10/2016	1.0
Volkswagen Financial Services 2% 23/10/2015	0.9

[†]A related party to the Fund

Sector split (%)



Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

Fund specific changes not requiring notice

- Strategic Bond S Income Net GBP share class was closed on 11 December 2013

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

UK Alpha Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests primarily in the shares of UK companies or in related derivatives (financial contracts whose value is linked to the price of an underlying asset).

The Fund invests in a relatively small number of UK companies and seeks to invest in shares which offer good potential for growth and income.

The Investment Manager is free to choose how the Fund is invested and will not track an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the higher end of the Risk and Reward Indicator scale. This is because it invests in the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The investments of the Fund are primarily concentrated in one country. This may mean that there are times when the value of the Fund decreases even while more broadly invested funds are growing.
- The Fund invests in a smaller than average number of holdings relative to other funds. This may lead to the Fund's returns fluctuating more widely than those of other more broadly invested funds.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series i Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares.

Performance record

The 'A' shares of the Fund returned 15.1% in the six months to 31 March 2014 *. Over the same period the FTSE All-Share Index returned 4.8% and IMA UK All Companies returned 7.5%**.

On 21 March 2014, the UK Blue Chip Fund merged into the UK Alpha Fund.

UK equity markets posted strong gains over the period as positive economic data underpinned investor sentiment. Despite what was a difficult opening month for global equities in 2014, as nervous investors expressed concerns about emerging market currencies, markets proved resilient, with a number of global benchmark indices, including the FTSE-100 Index hitting new highs in the first quarter.

The biggest contribution to performance over the period came from the services sector, where we have a large overweight position, relative to the performance comparison index. Within support services, Quindell Portfolio was a top contributor over the period, with significant contract wins boosting confidence about the company's growth opportunities. Film and television production company, Entertainment One also performed well with its portfolio of film and entertainment rights becoming increasingly valuable, as broadcasters pay more to channel customers for both their offline and online product offerings.

Financials benefited from good stock selection over the period. The Fund's exposure to Bank of Georgia and Paragon proved beneficial to relative returns, offsetting the negative impact from real estate, where we could not capitalise on strong performance, due to the Fund's underweight position in the sector. Insurers contributed marginally to returns, but the sector suffered towards the end of the period on the back of chancellor George Osborne's 2014 budget statement outlining changes to the annuities market.

The technology sector was a positive contributor to returns, owing largely to good stock selection. Pace, a set-top box manufacturer, notably gained after investors reacted positively to its acquisition of US company, Aurora Networks, while an expansion of its media server business into Europe also filtered through to better results.

Industrials lagged behind in relative terms, largely due to the drag from the oil and gas sector, and in particular from BP. Elsewhere, the Fund's exposure to luxury fashion house, Burberry, detracted from returns as the departure of the group's chief executive officer unnerved investors. Having an underweight position in the healthcare sector weighed on overall relative performance, with positive contribution from Shire offset by not holding AstraZeneca, which performed well.

Significant purchases during the period comprised:

BP, Rio Tinto, BT, Prudential, Shire, Bovis Homes, Reed Elsevier, WPP, Greene King, Entertainment One, Lloyds Banking, Compass, National Express, Close Brothers, BAE Systems, Diageo, Babcock International, Berkeley, DCC, ITV, Hays, Direct Line Insurance, DS Smith, Quindell Portfolio, IG, Old Mutual, HellermannTyton, Pace, Essentra, Ashtead, Burberry, Dragon Oil, Resolution, Paragon, Bank of Georgia, TUI Travel, Jupiter Fund Management, Amerisur Resources, London Stock Exchange, easyJet, Playtech, IMI, Inchcape, Persimmon, Signet Jewelers, William Hill.

Significant sales during the period comprised:

Vodafone, BP, Sports Direct International, Galliford Try, easyJet.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index shown for performance comparison purposes only.

UK Alpha (continued)

Outlook

The recent unsettled passage of play has not significantly changed the views we outlined at the start of the year. We continue to believe that while the improved economic outlook will draw in new supply and potentially cause a rise in interest rates, this should be counterbalanced by increased demand as employment recovers and drives personal consumption. In summary, our central case is that the UK is experiencing a normal economic recovery.

From a valuation perspective, we acknowledge that, after the market's rise, absolute valuations are not as compelling as they were at the start of 2013 having risen on many metrics to around their historical average. However, compared to other asset classes, we believe equities still look highly attractive. For example, we have consistently noted the disparity between the return available from equities and that available from 10-year UK gilts. While this gap has closed somewhat, the current 8% earnings yield on equities, compared to just under 3% on UK gilts, represents a significant premium.

Within the market we focus on well-run, attractively valued companies benefiting from positive operating momentum. We continue to identify such companies across the market spectrum and, indeed, the broadening-out of the UK economic recovery is opening up new investment opportunities across a wider range of sectors. In particular, we have recently increased our exposure to the UK financial services sector where domestic players are gaining from the severe shake-out of competition, alongside the gradual pick up in demand, while global players are demonstrating that London remains a centre for innovative financial products.

The opinions expressed herein are as at April 2014.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 March, 30 September	30 November

Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2013
'A' Class – accumulation*	1.61	1.61
'I' Class – accumulation*	0.86	0.86
'I' Class – income*	0.86	0.86
'J' Class – accumulation**	0.76	n/a
'R' Class – accumulation**	1.11	1.13
'S' Class – accumulation*	0.11	0.11

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

* The OCF shown here is an estimate of the charges, as there was a small change in the level of the costs since the Annual Report and Accounts were published.

**The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series Omnibus Prospectus.

Summary

Distributions

Share class	Distributions as at 31.03.14	Distributions as at 31.03.13
'A' Class – accumulation	-	-
'I' Class – accumulation	-	-
'I' Class – income	-	-
'J' Class – accumulation	-	-
'R' Class – accumulation	-	-
'S' Class – accumulation	-	-

As distributions are paid annually on 30 November, no distributions are payable with this interim short report.

Performance

Share class	Net Asset Value per share as at 31.03.14	Net Asset Value per share as at 30.09.13
'A' Class – accumulation	1,916.40	1,663.75
'I' Class – accumulation	158.53	137.12
'I' Class – income	285.03	246.49
'J' Class – accumulation	98.47	-
'R' Class – accumulation	140.33	121.62
'S' Class – accumulation	1,909.61	1,645.62

Share price range

UK Alpha Fund 'A' Class (Net accumulation shares)

Calendar year	2014 [†]	2013	2012
Highest Price	1,979.82	1,846.64	1,352.88
Lowest Price	1,813.15	1,372.37	1,100.95
Net revenue per accumulation share	-	15.73	19.97
	2011	2010	2009
Highest Price	1,295.27	1,227.67	1,049.31
Lowest Price	984.71	972.16	680.60
Net revenue per accumulation share	12.79	11.21	17.10

UK Alpha Fund 'I' Class (Net accumulation shares)⁽¹⁾

Calendar year	2014 [†]	2013	2012
Highest Price	163.69	152.49	110.85
Lowest Price	149.81	112.48	89.81
Net revenue per accumulation share	-	2.24	0.93
	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Alpha Fund 'I' Class (Net income shares)

Calendar year	2014 ¹	2013	2012
Highest Price	294.31	274.17	202.54
Lowest Price	269.35	205.53	167.85
Net revenue per income share	-	4.06	4.27
Calendar year	2011	2010	2009
Highest Price	198.66	188.08	162.12
Lowest Price	149.47	150.95	107.07
Net revenue per income share	2.44	3.04	3.75

UK Alpha Fund 'J' Class (Net accumulation shares)⁽⁴⁾

Calendar year	2014 ¹	2013	2012
Highest Price	101.66	-	-
Lowest Price	97.43	-	-
Net revenue per accumulation share	-	-	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Alpha Fund 'R' Class (Net accumulation shares)⁽³⁾

Calendar year	2014 ¹	2013	2012
Highest Price	145.09	135.20	-
Lowest Price	132.81	99.91	-
Net revenue per accumulation share	-	1.69	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Alpha Fund 'S' Class (Net accumulation shares)⁽²⁾

Calendar year	2014 ¹	2013	2012
Highest Price	1,970.76	1,833.58	1,322.66
Lowest Price	1,802.33	1,342.49	1,067.47
Net revenue per accumulation share	-	37.41	36.24
Calendar year	2011	2010	2009
Highest Price	1,232.20	116.55	97.97
Lowest Price	945.36	91.61	62.86
Net revenue per accumulation share	29.27	2.53	2.68

¹Up to 31 March 2014

(1) Launched 2 May 2012

(2) Consolidation 18 July 2011

(3) Launched 2 January 2013

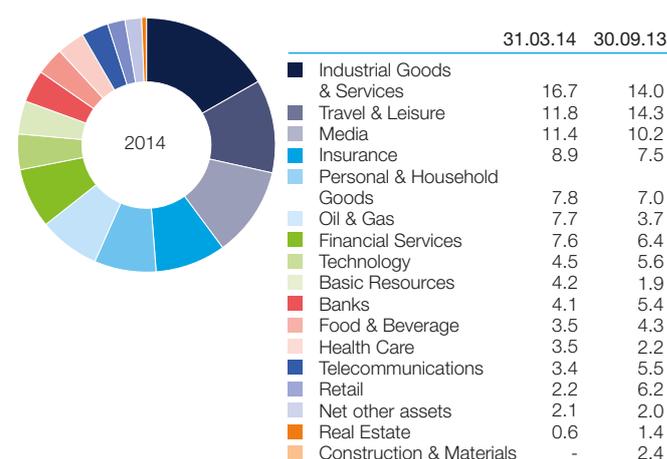
(4) Launched 27 February 2014

Portfolio analysis

Top 10 holdings (%)

Security	31.03.14
BP	5.4
Prudential	4.3
Rio Tinto	4.2
Shire	3.5
BT	3.4
Bovis Homes	3.3
Reed Elsevier	3.3
WPP	3.2
Lloyds Banking	2.9
Entertainment One	2.9
Security	30.09.13
Vodafone	5.5
Prudential	4.3
Lloyds Banking	4.1
WPP	3.6
Burberry	2.9
Signet Jewelers	2.9
Compass	2.8
Babcock International	2.8
DS Smith	2.7
Reed Elsevier	2.6

Sector split (%)



UK Alpha (continued)

Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

Fund specific changes requiring notice

After consultation with the Depositary and in accordance with the requirements of Section 4.3 of the COLL, shareholders were given notice of the following:

- On 3 February 2014 of the proposed merger, subject to shareholder approval of the UK Blue Chip Fund into the UK Alpha Fund. Shareholder approval was given at the extraordinary general meeting on 7 March 2014 and the merger took place on 21 March 2014.

Fund specific changes not requiring notice

- UK Alpha J Accumulation Net GBP share class was launched on 27 February 2014

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

UK Blue Chip Fund

Please note, this Fund merged into the UK Alpha Fund on 21 March 2014 and is no longer available for investment.

Performance record

The 'A' shares of the Fund returned 1.9% from 1 January 2014 to 20 March 2014*. In the same period the FTSE All-Share Index fell 1.3% and IMA UK All Companies sector returned 0.17% in sterling terms**. On the 21 March 2014, the Investec UK Blue Chip Fund merged into the Investec UK Alpha Fund. This commentary covers the period to 20 March 2014.

UK equity markets posted strong gains over the period as positive economic data underpinned investor sentiment. Despite what was a difficult opening month for global equities in 2014 as nervous investors expressed concerns about emerging market currencies, markets proved resilient, with a number of global benchmark indices, including the FTSE 100 Index hitting new highs in the first quarter.

The biggest contribution to performance over the period, came from the services sector, where we have a large overweight position relative to the performance comparison index. Within support and services, Quindell Portfolio was a top contributor over the period, with significant contract wins boosting confidence about the company's growth opportunities. Film and television production company, Entertainment One also performed well with its portfolio of film and entertainment rights becoming increasingly valuable as broadcasters pay more to channel customers for both their offline and online product offerings.

Financials benefited from good stock selection over the period. The Fund's exposure to Close Brothers and Paragon proved beneficial to relative returns, offsetting the negative impact from real estate, where we could not capitalise on strong performance due to the Fund's underweight position in the sector. Insurers contributed marginally to returns, but the sector suffered towards the end of the period on the back of chancellor George Osborne's 2014 budget statement outlining changes to the annuities market.

The technology sector was a positive contributor to returns, owing largely to good stock selection. Pace, a set-top box manufacturer notably gained after investors reacted positively to its acquisition of US company, Aurora Networks, while an expansion of its media server business into Europe also filtered through to better results.

The consumers supersector was the main detractor from performance over the period under review, largely owing to poor stock selection within the food and beverages sector. In addition, having an underweight position in the healthcare sector weighed on overall relative performance, with the positive contribution from Shire offset by not holding AstraZeneca, which performed well. Elsewhere, the Fund's exposure to luxury fashion house, Burberry detracted from returns as the departure of the group's chief executive officer unnerved investors.

Significant purchases during the period comprised:

BT, Greene King, Lloyds Banking, Direct Line Insurance, Entertainment One.

Significant sales during the period comprised:

BP, Royal Dutch Shell 'B' Shares, Vodafone, HSBC, British American Tobacco, Prudential, Shire, Rio Tinto, GlaxoSmithKline, BT, WPP, Reed Elsevier, Babcock International, Lloyds Banking, Unilever, Entertainment One, Compass, National Express, Berkeley, Bovis Homes, Diageo, BHP Billiton, Quindell Portfolio, Close Brothers, Hays, Greene King, DS Smith, Signet Jewelers, ITV.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index shown for performance comparison purposes only.

Fund facts

Interim/Annual accounting dates	Income payment dates
31 March, 30 September	30 November

Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2013
'A' Class – accumulation	-	1.60
'I' Class – accumulation*	-	0.85
'I' Class – income	-	0.85
'R' Class – accumulation*	-	1.10
'S' Class – accumulation	-	0.10

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series Omnibus Prospectus.

Summary

Distributions

Share class	Distributions as at 21.03.14 ¹	Distributions as at 31.03.13
'A' Class – accumulation	4.45	-
'I' Class – accumulation	1.27	-
'I' Class – income	2.06	-
'R' Class – accumulation	1.03	-
'S' Class – accumulation	2.10	-

¹On 21 March the UK Blue Chip Fund merged with the UK Alpha Fund. This distribution represents the period up until the merger date.

UK Blue Chip Fund (continued)

Performance

Share class	Net Asset Value per share as at 31.03.14	Net Asset Value per share as at 30.09.13
'A' Class – accumulation	-	702.30
'I' Class – accumulation	-	124.08
'I' Class – income	-	202.40
'R' Class – accumulation	-	114.78
'S' Class – accumulation	-	150.89

Share price range

UK Blue Chip Fund 'A' Class (Net accumulation shares)

Calendar year	2014 [†]	2013 [†]	2012
Highest Price	795.16	755.46	608.63
Lowest Price	733.45	613.88	518.13
Net revenue per accumulation share	-	11.94	12.12
Calendar year	2011	2010	2009
Highest Price	590.11	570.85	483.38
Lowest Price	468.21	447.86	332.43
Net revenue per accumulation share	8.74	8.40	10.39

UK Blue Chip Fund 'I' Class (Net accumulation shares)⁽¹⁾

Calendar year	2014 [†]	2013	2012
Highest Price	140.95	133.73	106.90
Lowest Price	129.91	107.86	90.65
Net revenue per accumulation share	-	2.98	1.19
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Blue Chip Fund 'I' Class (Net income shares)

Calendar year	2014 [†]	2013	2012
Highest Price	229.93	218.16	178.68
Lowest Price	211.92	180.27	155.83
Net revenue per income share	-	4.98	4.88
Calendar year	2011	2010	2009
Highest Price	180.62	174.50	149.16
Lowest Price	140.12	138.79	105.00
Net revenue per income share	4.03	0.54	4.32

UK Blue Chip Fund 'R' Class (Net accumulation shares)⁽²⁾

Calendar year	2014 [†]	2013	2012
Highest Price	130.25	123.64	-
Lowest Price	120.08	99.95	-
Net revenue per accumulation share	-	2.47	-
Calendar year	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Blue Chip Fund 'S' Class (Net accumulation shares)

Calendar year	2014 [†]	2013	2012
Highest Price	171.94	162.92	129.25
Lowest Price	158.35	130.44	109.13
Net revenue per accumulation share	-	4.65	4.28
Calendar year	2011	2010	2009
Highest Price	121.94	117.69	98.20
Lowest Price	97.64	91.68	66.71
Net revenue per accumulation share	3.53	3.21	3.24

[†]Up to 20 March 2014

(1) Launched 2 May 2012

(2) Launched 2 January 2013

Portfolio analysis

Top 10 holdings (%)

We have not provided top ten holdings as at the end of the reporting period as the fund merged into the UK Alpha Fund on 21 March 2014.

Security	30.09.13
Royal Dutch Shell 'B' Shares	5.3
HSBC	5.1
Vodafone	5.0
British American Tobacco	4.9
BP	4.6
GlaxoSmithKline	3.4
Prudential	3.3
Unilever	3.0
WPP	2.7
Rio Tinto	2.3

Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

Fund specific change requiring notice

After consultation with the Depositary and in accordance with the requirements of Section 4.3 of the COLL, shareholders were given notice of the following:

- On 3 February 2014 of the proposed merger, subject to shareholder approval of the UK Blue Chip Fund into the UK Alpha Fund. Shareholder approval was given at the extraordinary general meeting on 7 March 2014 and the merger took place on 21 March 2014.

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

UK Smaller Companies Fund

Summary of the Fund's investment objective and policy

The Fund aims to grow the value of your investment over the long term.

The Fund invests primarily in the shares of UK smaller companies and in related derivatives (financial contracts whose value is linked to the price of an underlying asset).

UK smaller companies are companies considered to be small based on the size of their issued capital (the value of all shares held by their shareholders added together) and which are included in the Numis Smaller Companies plus AIM (excluding Investment Trusts) Index.

The Investment Manager is free to choose how the Fund is invested within the limits of its investment policy and will not track an index.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Risk and Reward profile*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests into the shares of companies, whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The investments of the Fund are primarily concentrated in one country. This may mean that there are times when the value of the Fund decreases even while more broadly invested funds are growing.
- It may not be possible to sell smaller company shares as easily as those of larger companies. This could mean that their value fluctuates more widely and that the price obtained for these investments when they are sold is less than expected.
- The Fund invests in a smaller than average number of holdings relative to other funds. This may lead to the Fund's returns fluctuating more widely than those of other more broadly invested funds.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series i Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares. The Risk and Reward Indicator for all share classes in the UK Smaller Companies Fund changed from 6 to 5 over the period.

Performance record

The 'A' shares of the Fund returned 25.4% in the six months to 31 March 2014*. Over the same period the Numis Small-Cap (ex-IT) plus AIM index returned 11.4% and IMA UK Smaller Companies sector returned 14.7% in sterling terms. **

With the UK economy continuing to move from strength-to-strength it was a strong period of returns for UK equity, and small-cap companies in particular. Moreover, the Fund strongly outperformed the performance comparison index over the period.

The top performer was Plus500. The Fund supported the 2013 initial public offering of this brokerage company, on the premise that marketing effectiveness would be significantly improved by the credibility that a London Stock Exchange listing would provide. The company subsequently reported very strong third-quarter earnings results and that it had met its fourth-quarter budget early. Fund stalwart, Utilitywise, soared in price as investors increasingly recognised the extremely strong growth prospects for this broker of utilities to small- and medium-sized enterprises.

Our exposure to Quindell Portfolio also added to relative returns. Shares in the software and service provider, almost doubled in value as the company continued to beat earnings expectations as contract wins led to strong earnings growth. The stock's strong return was also helped by greater optimism in management and the group's business model.

The largest detractor from performance was our overweight exposure, relative to the index, to Sierra Rutile. The company's first quarter 2014 pre-tax profit plunged from the same period in 2013, as market conditions for the company proved challenging, due to the weak market price for rutile (a mineral used in the manufacture of certain optical elements). Other detractors from returns included logistics company, China Chaintek United, and digital media company, Perform.

By sector, the Fund holds relative overweight positions in software and computer services, general retailers and media and underweight positions in food producers, oil and gas producers and pharmaceuticals and biotechnology.

Significant purchases during the period comprised:

National Express, Dixons Retail, Keller, Telecom Plus, Tungsten.

Significant sales during the period comprised:

Blinkx, Quindell Portfolio, Optimal Payments, Blur, Vectura.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

**Index and IMA sector shown for performance comparison purposes only.

Outlook

We continue to believe that while the improved economic outlook will draw in new supply and potentially cause a rise in interest rates, this should be counterbalanced by increased demand as employment recovers and drives personal consumption. In summary, our central case is that we believe the UK is experiencing a normal economic recovery.

From a valuation perspective, we acknowledge that, after the market's rise, absolute valuations are not as compelling as they were at the start of 2013 having risen on many metrics to around their historical average. However, compared to other asset classes, we believe equities still look highly attractive. For example, we have consistently noted the disparity between the return available from equities and that available from 10-year UK gilts. While this has closed somewhat, the 8% earnings yield on equities, compared to just under 3% on UK gilts, represents a significant premium.

While it is more difficult to find undervalued stocks, we are beginning to find new opportunities in sectors which have been left behind in this multi-year rally.

Within the market we focus on well-run, attractively valued companies benefiting from positive operating momentum. We continue to identify such companies across the market spectrum and, indeed, the broadening-out of the UK economic recovery is opening up new investment opportunities across a wider range of sectors.

The opinions expressed herein are as at April 2014.

Fund facts

[Interim/Annual accounting dates](#)

[Income payment dates](#)

31 March, 30 September

30 November

Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2013
'A' Class – accumulation	1.59	1.60
'A' Class – income	1.59	1.60
'I' Class – accumulation	0.84	0.85
'I' Class – income	0.84	0.85
'R' Class – accumulation*	1.09	1.11
'S' Class – accumulation	0.09	0.10
'S' Class – income	0.09	0.10

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

*The OCF shown here is an estimate of the charges, as the share class was only recently launched.

The Fund's Annual Report and Accounts for each financial year will include details on the exact charges made.

For more information about charges, please see section 7 of the Investec Fund Series Omnibus Prospectus.

Summary

Distributions

Share class	Distributions as at 31.03.14	Distributions as at 31.03.13
'A' Class – accumulation	-	-
'A' Class – income	-	-
'I' Class – accumulation	-	-
'I' Class – income	-	-
'R' Class – accumulation	-	-
'S' Class – accumulation	-	-
'S' Class – income	-	-

As distributions are paid annually on 30 November, no distributions are payable with this interim short report.

Performance

Share class	Net Asset Value per share as at 31.03.14	Net Asset Value per share as at 30.09.13
'A' Class – accumulation	3,702.80	2,944.43
'A' Class – income	3,440.32	2,735.72
'I' Class – accumulation	172.16	136.44
'I' Class – income	4,987.89	3,951.39
'R' Class – accumulation	156.79	124.36
'S' Class – accumulation	3,903.10	3,080.94
'S' Class – income	3,494.34	2,757.20

Share price range

UK Smaller Companies Fund 'A' Class (Net accumulation shares)

Calendar year	2014*	2013	2012
Highest Price	3,782.68	3,408.57	2,342.89
Lowest Price	3,421.80	2,374.54	1,887.31
Net revenue per accumulation share	-	-	-

	2011	2010	2009
Highest Price	2,141.10	1,926.95	1,472.62
Lowest Price	1,776.99	1,357.50	788.21
Net revenue per accumulation share	-	5.71	8.49

UK Smaller Companies Fund 'A' Class (Net income shares)

Calendar year	2014*	2013	2012
Highest Price	3,514.59	3,167.00	2,177.66
Lowest Price	3,179.28	2,207.07	1,754.29
Net revenue per income share	-	-	-

	2011	2010	2009
Highest Price	1,989.58	1,790.58	1,372.97
Lowest Price	1,651.21	1,265.67	743.05
Net revenue per income share	-	5.30	7.95

UK Smaller Companies Fund (continued)

UK Smaller Companies Fund 'I' Class (Net accumulation shares)⁽²⁾

Calendar year	2014 ¹	2013	2012
Highest Price	175.78	158.16	107.91
Lowest Price	158.78	109.38	91.41
Net revenue per accumulation share	-	0.51	0.42
	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Smaller Companies Fund 'I' Class (Net income shares)

Calendar year	2014 ¹	2013	2012
Highest Price	5,092.80	4,583.01	3,137.73
Lowest Price	4,600.98	3,180.30	2,524.54
Net revenue per income share	-	14.27	18.94
	2011	2010	2009
Highest Price	2,874.79	2,577.24	1,971.02
Lowest Price	2,387.49	1,821.17	1,063.55
Net revenue per income share	18.17	22.22	21.29

UK Smaller Companies Fund 'R' Class (Net accumulation shares)⁽³⁾

Calendar year	2014 ¹	2013	2012
Highest Price	160.11	144.14	-
Lowest Price	144.70	99.90	-
Net revenue per accumulation share	-	0.33	-
	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Smaller Companies Fund 'S' Class (Net accumulation shares)⁽¹⁾

Calendar year	2014 ¹	2013	2012
Highest Price	3,983.20	3,579.56	2,424.17
Lowest Price	3,593.74	2,457.22	1,923.81
Net revenue per accumulation share	-	31.01	30.13
	2011	2010	2009
Highest Price	2,166.75	129.00	96.83
Lowest Price	1,800.68	89.67	51.36
Net revenue per accumulation share	28.48	1.82	1.49

UK Smaller Companies Fund 'S' Class (Net income shares)⁽¹⁾

Calendar year	2014 ¹	2013	2012
Highest Price	3,565.26	3,203.97	2,191.50
Lowest Price	3,216.66	2,221.37	1,761.95
Net revenue per income share	-	28.03	27.59
	2011	2010	2009
Highest Price	2,015.28	149.98	114.40
Lowest Price	1,666.96	105.95	61.72
Net revenue per income share	26.48	2.14	1.81

¹Up to 31 March 2014
⁽¹⁾ Consolidation 18 July 2011
⁽²⁾ Launched 2 May 2012
⁽³⁾ Launched 2 January 2013

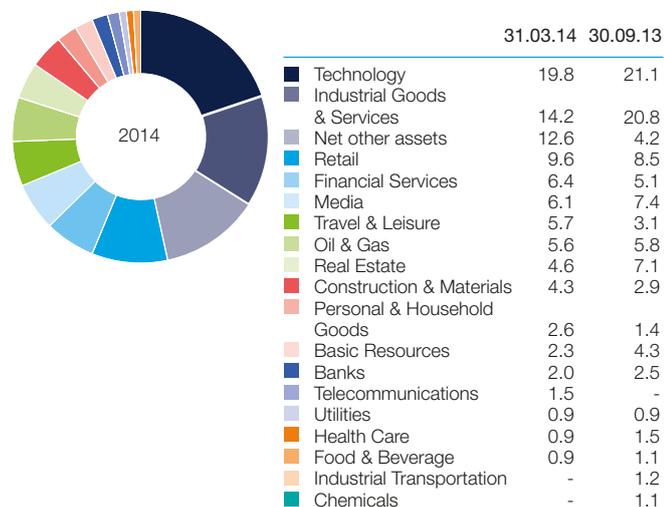
Portfolio analysis

Top 10 holdings (%)

Security	31.03.14
Quindell Portfolio	3.8
Plus500	3.2
National Express	3.0
Dixons Retail	2.4
Utilitywise	2.4
Entertainment One	2.1
Amerisur Resources	2.1
Optimal Payments	2.0
Keller	2.0
Bovis Homes	2.0

Security	30.09.13
Blinkx	3.3
Quindell Portfolio	3.3
Optimal Payments	3.2
Sierra Rutile	3.1
Entertainment One	2.3
Amerisur Resources	2.3
Blur	2.0
Utilitywise	2.0
Staffline	1.8
Regeneris	1.7

Sector split (%)



Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

UK Special Situations Fund

Summary of the Fund's investment objective and policy

The Fund aims to provide an income and to grow the value of your investment over the long term.

The Fund invests primarily in the shares of companies in the UK and in related derivatives (financial contracts whose value is linked to the price of an underlying asset). The Fund will use a contrarian approach (investing in a way that is likely to be different to current general market views) in selecting investments.

The Investment Manager is free to choose how the Fund is invested. However, the FTSE All-Share Index is taken into account when the Fund's investments are selected.

Full details on this Fund's investment objective and policy can be found in the Prospectus.

Risk and Reward profiles*



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean 'risk free'.

The value of your investment can fall as well as rise and you are not certain of making profits; losses may be made.

The Fund appears towards the middle of the Risk and Reward Indicator scale. This is because it invests in the shares of companies whose values tend to fluctuate more widely.

The following risks may not be fully captured by the Risk and Reward Indicator:

- The investments of the Fund are primarily concentrated in one country. This may mean that there are times when the value of the Fund decreases even while more broadly invested funds are growing.
- A proportion of the Fund's expenses are charged to the capital account of the Fund rather than to its income, which has the effect of increasing the Fund's income automatically reflected in the value of your shares (which may be taxable) whilst reducing its capital to an equivalent extent.

The Risk and Reward profile is taken from the Key Investor Information Document.

The full list of the Fund's risks are contained in Appendix VII of the Investec Funds Series i Prospectus.

*Please note that the Risk and Reward profile section is based on sterling 'A' class accumulation shares. The Risk and Reward Indicator for all share classes in the UK Special Situations Fund changed from 6 to 5 over the period.

Performance record

The 'A' shares of the Fund returned 5.8% in the 6 months to 31 March 2014*. Over the same period the FTSE All-Share Index returned 4.8%** and IMA UK All Companies** sector returned 7.5% in sterling terms.

Signet Jewelers, performed particularly well over the period as its proposed purchase of Zale, another jeweller, was given the all clear by US regulators. Within retail, we also started to buy Tesco, who are starting to be taken seriously once again by the very discount stores who have been poaching their market share. Moreover, our overweight exposure to Grafton and SIG, both buildings materials groups, performed well over the period as investors began to factor in a substantial recovery in the UK construction industry.

More negatively, Avon Products, a consumer goods company, was the largest detractor after weak earnings and weak emerging market currencies, which relate to approximately 75% of sales. The US Securities and Exchange Commission's rejection of Avon's proposed settlement of a bribery charge further increased investor jitters. Telecommunications company, Vodafone, was sold during the period as value looked stretched in light of its anticipated disposal of US subsidiary, Verizon. Meanwhile, we have been adding to some other existing large-cap names where we see value, such as oil and gas companies, BP and Royal Dutch Shell.

Significant purchases during the period comprised:

United Kingdom Gilt 4.75% 07/09/2015, HSBC, Royal Dutch Shell 'B' Shares, Tesco, BG.

Significant sales during the period comprised:

Vodafone, United Kingdom Treasury 2.25% 07/03/2014, Signet Jewelers, BT, Grafton.

*Source: Morningstar, total return, net of UK basic rate tax, no initial charge, net of fees in sterling.

****Index and IMA sector shown for performance comparison purposes only. nly.

Outlook

The UK market edged higher with, once again, mid-caps outperforming the FTSE 100 Index. The bulls (market optimists) seem to have changed their story – previously it was low valuations driving markets higher. Now it is the strongly growing UK economy and recovering US economy which is expected to drive earnings. This seems a convenient message and one which ignores both the flat earnings profile and high valuations with which we are now faced.

The Fund focuses on stocks which are significantly out of favour, but which offer hope that a recovery in operating profits and share price will be generated. We hold a mix of stocks from diverse sectors and the performance of the Fund is typically more dependent on individual companies being run better rather than strong underlying economic conditions.

We remain, as always, focused on purchasing out of favour companies, which are cheap on our assessment of their normalised level of profits and which have sound balance sheets. There seems to be slightly more stock dispersion in the UK market, which provides us with the opportunity to investigate some new ideas while continuing to reduce some of our large long-term holdings.

The outlook statement reflects the views of the output from our Value process and is, therefore, similar to that of the Investec Cautious Managed Fund.

The opinions expressed herein are as at April 2014.

Fund facts

Interim/Annual accounting dates

31 March, 30 September

Income payment dates

30 November

Share class	Ongoing charges as per the Key Investor Information Document (%)	
	2014	2013
'A' Class – accumulation	1.59	1.60
'A' Class – income	1.59	1.60
'B' Class – accumulation	1.09	1.10
'B' Class – income	1.09	1.10
'I' Class – accumulation	0.84	0.85
'I' Class – income	0.84	0.85
'J' Class – accumulation*	0.74	n/a
'R' Class – accumulation*	1.09	1.10
'S' Class – accumulation	0.09	0.10

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund and is based on the expenses of the Fund's Annual Report and Accounts.

The Fund's annual report for each financial year will include details on the exact charges made.

*The ongoing charges figure shown here is an estimate of the charges, as the share class was only recently launched.

For more information about charges, please see section 7 of the Investec Fund Series i Prospectus.

Summary

Distributions

Share class	Distributions as at 31.03.14	Distributions as at 31.03.13
'A' Class – accumulation	-	-
'A' Class – income	-	-
'B' Class – accumulation	-	-
'B' Class – income	-	-
'I' Class – accumulation	-	-
'I' Class – income	-	-
'J' Class – accumulation	-	-
'R' Class – accumulation	-	-
'S' Class – accumulation	-	-

As distributions are paid annually on 30 November, no distributions are payable with this interim short report.

Performance

Share class	Net Asset Value (p) per share as at 31.03.14	Net Asset Value (p) per share as at 30.09.13
'A' Class – accumulation	1,033.84	976.52
'A' Class – income	428.89	405.04
'B' Class – accumulation	1,084.56	1,021.88
'B' Class – income	441.28	415.71
'I' Class – accumulation	163.20	153.58
'I' Class – income	132.99	125.13
'J' Class – accumulation	106.05	n/a
'R' Class – accumulation	125.02	117.80
'S' Class – accumulation	1,072.57	1,005.75

Share price range

UK Special Situations Fund 'A' Class (Accumulation shares)

Calendar year	2014 [†]	2013	2012
Highest Price	1,055.07	1,030.34	826.17
Lowest Price	999.25	831.99	719.88
Net revenue per accumulation share	-	21.03	21.14
Calendar year	2011	2010	2009
Highest Price	766.87	734.08	656.68
Lowest Price	645.66	607.79	396.48
Net revenue per accumulation share	17.99	15.91	16.51

UK Special Situations Fund 'A' Class (Income shares)

Calendar year	2014 [†]	2013	2012
Highest Price	437.70	427.43	352.32
Lowest Price	414.54	352.70	313.50
Net revenue per income share	-	8.92	9.21
Calendar year	2011	2010	2009
Highest Price	343.27	328.59	301.34
Lowest Price	283.45	278.64	186.69
Net revenue per income share	8.05	7.30	7.81

UK Special Situations Fund 'B' Class (Accumulation shares)

Calendar year	2014 [†]	2013	2012
Highest Price	1,106.32	1,079.54	861.20
Lowest Price	1,047.47	867.43	746.82
Net revenue per accumulation share	-	24.37	23.90
Calendar year	2011	2010	2009
Highest Price	793.58	757.70	674.42
Lowest Price	668.47	625.80	405.51
Net revenue per accumulation share	20.45	18.06	18.23

UK Special Situations Fund (continued)

UK Special Situations Fund 'B' Class (Income shares)

Calendar year	2014 ¹	2013	2012
Highest Price	450.14	439.24	361.34
Lowest Price	426.19	361.43	320.41
Net revenue per income share	-	10.08	10.26
	2011	2010	2009
Highest Price	350.92	335.05	306.67
Lowest Price	289.33	284.12	189.83
Net revenue per income share	9.04	8.19	8.50

UK Special Situations Fund 'I' Class (Accumulation shares)

Calendar year	2014 ¹	2013	2012
Highest Price	166.44	162.35	129.18
Lowest Price	157.56	130.12	111.75
Net revenue per accumulation share	-	3.84	3.73
	2011	2010	2009
Highest Price	118.60	113.16	100.72
Lowest Price	99.92	93.46	60.81
Net revenue per accumulation share	3.12	2.70	2.93

UK Special Situations Fund 'I' Class (Income shares)⁽¹⁾

Calendar year	2014 ¹	2013	2012 ¹
Highest Price	135.63	132.30	108.71
Lowest Price	128.40	108.69	96.23
Net revenue per income share	-	3.16	3.21
	2011	2010	2009
Highest Price	100.46	-	-
Lowest Price	86.75	-	-
Net revenue per income share	0.73	-	-

UK Special Situations Fund 'J' Class (Accumulation shares)⁽⁴⁾

Calendar year	2014 ¹	2013	2012
Highest Price	108.14	105.46	-
Lowest Price	102.36	98.92	-
Net revenue per accumulation share	-	-	-
	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Special Situations Fund 'R' Class (Accumulation shares)⁽³⁾

Calendar year	2014 ¹	2013	2012
Highest Price	127.53	124.45	-
Lowest Price	120.75	100.96	-
Net revenue per accumulation share	-	2.69	-
	2011	2010	2009
Highest Price	-	-	-
Lowest Price	-	-	-
Net revenue per accumulation share	-	-	-

UK Special Situations Fund 'S' Class (Accumulation shares)⁽²⁾

Calendar year	2014 ¹	2013	2012
Highest Price	1,093.15	1,065.04	841.04
Lowest Price	1,034.37	847.42	722.60
Net revenue per accumulation share	-	28.33	26.97
	2011	2010	2009
Highest Price	764.04	120.97	106.62
Lowest Price	644.21	99.43	63.72
Net revenue per accumulation share	23.04	3.39	3.33

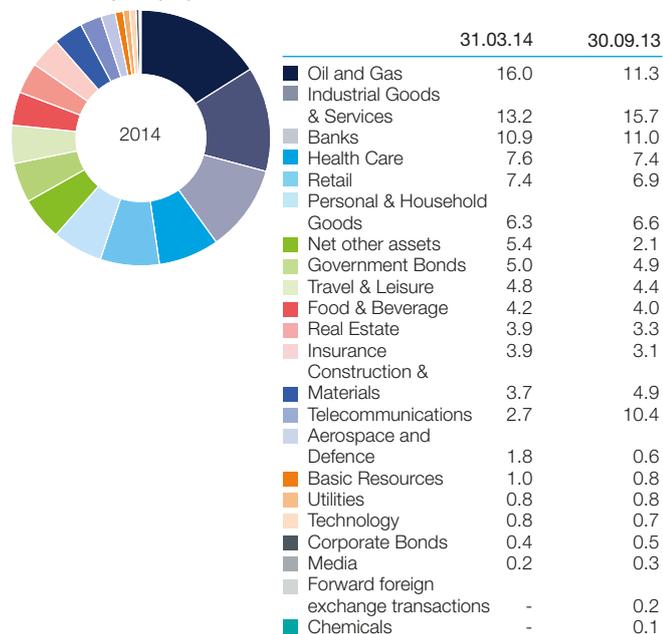
¹Up to 31 March 2014
⁽¹⁾ Launched 15 July 2011
⁽²⁾ Consolidation 18 July 2011
⁽³⁾ Launched 2 January 2013
⁽⁴⁾ Launched 4 October 2013

Portfolio analysis

Top 10 holdings (%)

Security	31.03.14
Royal Dutch Shell	8.5
HSBC	8.3
GlaxoSmithKline	7.6
BP	5.6
United Kingdom Treasury 4.75% 07/09/2015	4.9
Unilever	4.2
Grafton	4.2
British American Tobacco	3.3
QinetiQ	3.1
Direct Line Insurance	3.1
Security	30.09.13
HSBC	8.0
GlaxoSmithKline	7.5
Royal Dutch Shell	6.9
Vodafone	5.7
Grafton	5.6
Signet Jewelers	5.0
United Kingdom Treasury 2.25% 07/03/2014	4.9
BT	4.7
BP	4.4
Unilever	4.0

Sector split (%)



Other information

Please refer to the important information section at the back for changes which generally apply across the Investec Fund Series.

Fund specific changes not requiring notice

- UK Special Situations J Accumulation Net GBP share class was launched on 4 October 2013

There have been no fundamental changes to the Company or the Fund that required shareholder approval or any other significant other changes to the operation of the Company or Fund requiring pre-notification.

More information about the activities and performance of the Fund for this and previous periods can be obtained from the ACD.

Important information

Changes made requiring notice

After consultation with the Depositary and in accordance with the requirements of Section 4.3 of the COLL, shareholders were given notice of the following:

- On 31 July 2013 of the removal of publication of fund share prices from the Financial Times, effective 1 December 2013.

Report and Accounts

Please contact Investec Fund Managers Limited for the long form report and accounts of the OEIC.

Share class conversion

For share class conversions within the same Fund it may be necessary, at the discretion of the ACD and only when it is in the interests of shareholders for accounting purposes to do so, defer the completion of such conversions to a subsequent valuation point or ultimately to the valuation point immediately following the end of the relevant Fund's accounting period. If such a deferral is required, the ACD will notify the Shareholder requesting the conversion as soon as practicable and will discuss with the Shareholder the timing for the completion of the conversion.

Other changes

- The fees of rating agencies (such as Standard & Poor's) was added to the list of fees in the Company's Prospectus that may be taken from the General Administration Charge with effect from 4 October 2013.
- The minimum redemption amount for S Share Class was reduced from £100,000,000 to £1,000,000 with effect from 4 October 2013.
- The ICE Futures Canda Exchange, ICE Futures USA Exchange and ICE Futures Europe Exchange were added to the Prospectus as eligible derivatives markets with effect from 4 October 2013.
- The Bulgarian Exchange and Croatia (Zagreb) Exchange were added to the prospectus as they became eligible as a result of joining EU.

Additional information

ISA status

During the year under review, the shares of the funds met the requirements for eligibility to be held in a stocks and shares ISA as determined by the regulations which govern ISAs.

Investec Fund Managers Limited offer the 'A' shares of the funds through its own ISA plan.

Distributions

Where a distribution is to be paid, it has been calculated as at 31 March 2014 and will be distributed to shareholders, where applicable, on 31 May 2014.

For accumulation shares payments are deemed to be paid on 31 May 2014.

Telephone calls

Telephone calls may be recorded for training and quality assurance purposes.



Authorised Corporate Director (ACD)

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Out of the Ordinary[®]

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Asset Management