

# HSBC Investment Funds

Interim Report and Accounts

15 July 2017



# Company Information

**Company**

HSBC Investment Funds  
Registered in England with  
Company Number IC000073

**Registered Office**

8 Canada Square  
London E14 5HQ

**Directors**

The Authorised Corporate Director (ACD) is HSBC Global Asset Management (UK) Limited which is the sole director.

HSBC Global Asset Management (UK) Limited is authorised and regulated by the Financial Conduct Authority (FCA) and is a member of The Investment Association (IA).

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**HSBC Global Asset Management (UK) Limited - Directors**

C.A. Berman

C.S. Cheetham

A.S. Clark

A.C. Corfield

P.J.F. Glaze

J.M. Munro

T.J. Palmer (appointed 1 April 2017)

E.R Stokes (resigned 5 April 2017)

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## Market Review

**Welcome to the Interim Report for the HSBC Investment Funds Open-Ended Investment Company (OEIC). The report covers the period 16 January 2017 to 15 July 2017.**

**Please do take the time to look through the report and if you have any questions, contact our Customer Services on 0800 358 3011\*. In particular, please review the 'Important Changes to the Company and/or Fund Documentation' section on page 117, including a change to how we define 'Dealing Days'.**

**To help us continually improve our service, and in the interests of security, we may monitor and/or record your communications with us.**

**\*Lines are open 9am to 5pm Monday to Friday (excluding public holidays). If you also have shares in another HSBC OEIC, you will receive a separate statement and report when it is due.**

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### Economic Overview

The six months under review were characterised by a continuing economic recovery in most regions of the world, as well as improving corporate earnings. Central banks remained on divergent paths. Some were accommodative (such as the Bank of Japan, which maintained its negative interest rates), while the US Federal Reserve (Fed) raised rates twice in the first half of the year. Towards the end of the review period, however, the Bank of England and the European Central Bank were perceived as possibly becoming more hawkish (in favour of interest rate rises and less monetary easing). Moreover, the Fed – which had previously indicated another two hikes would be enacted in the second half of 2017 – softened its tone, given the weaker-than-expected economic data in the US. The 'reflationary' environment investors expected going into the new year – which would have included fiscal stimulus policy, such as tax cuts and increased government spending – did not fully materialise. Indeed, most regions still struggled with low inflation – the notable exception being the UK, where an unexpected general election failed to bring clarity to the Brexit process.

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### Global Equities

Equity markets around the globe had a strong first half of 2017, with several major indices reaching record highs. Stocks were boosted by an improved environment overall for economic data and corporate earnings, as well as reduced political risk in Europe, owing to the elections of moderate, pro-European Union candidates in the Netherlands and France. In the first half of the period under review, developed markets rallied as investors seemed ready to embrace the potential economic upsides of the new Trump presidency (which were presumed to include an easier regulatory environment, increased infrastructure spending and pro-business tax reform). Emerging market equities initially did not fare as well, in light of the protectionist policies of this new administration, but rallied as 2017 went on and the 'Trump trade' began to unwind. Despite OPEC's extending its production-cut agreement, the price of oil remained persistently low for much of the period, thanks in part to excess inventories in the US, which exerted pressure on the energy sector worldwide. Against this backdrop, nearly every region recorded gains for the six months. Overall, emerging markets significantly outperformed developed markets, and market leadership rotated away from the US in the first half, to Europe and Asia in the second half of the review period.

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### UK Equities

The UK equity markets netted modestly positive gains over the period but underperformed most Continental European markets and other global equities amid considerable volatility. Politics remained at the forefront following months of Brexit discussions, Prime Minister Theresa May called a general election in the hope of consolidating her party's majority. However, the gamble backfired when the Conservatives failed to keep their majority, and agreed to a controversial deal with Northern Ireland's Democratic Unionist Party, while Mrs May was left facing a leadership challenge at the end of the reporting period. The Bank of England (BoE) kept interest rates unchanged in the first half of the year, but the five-to-three vote in June 2017 was the most hawkish the BoE has appeared, with bank governor Mark Carney suggesting that monetary tightening may be on the horizon if the economy improved. First-quarter GDP growth was revised in June, to 0.2%, and forecasts for the second quarter stood at 0.3%, while sterling rose against the US dollar over the timeframe, all of which contributed to lacklustre share returns for UK equities.

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## UK Bonds

Yields on the 10-year gilt, the UK's benchmark government bond, ended the period essentially unchanged, albeit amid substantial volatility. The US Federal Reserve's interest-rate increases helped support the generally reflationary environment that kept bonds down for much of the period.

The Bank of England made no further changes to rates, officially maintaining its neutral stance, although not all meeting votes in 2017 were unanimous and some governors hinted at a more hawkish stance. Inflation in the UK moved higher in 2017, driven by higher food and fuel costs, and as a weaker pound began to make most consumer purchases more expensive. Long-term yields were also pushed down by strong demand in May for the Debt Management Office's issuance of £5 billion in 40-year gilts. Sluggish economic growth and lower consumer confidence helped drive up prices as the six-month period wore on.

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## European ex UK Equities

European equities made strong gains overall during the period, as EU countries announced economic growth in the first quarter and corporate earnings reports on the continent showed renewed vigour. Additionally, election results in the Netherlands and France boosted markets as, in each case, the more moderate pro-EU candidate emerged victorious against his far-right rival. The year had started with investors concerned about the future viability of the single-currency region, in the aftermath of Brexit and as the prominence of Euro-sceptic candidates suggested the possibility of referendums on EU membership in several countries. However, by the end of the first half of 2017, the eurozone had recorded some of the strongest stock market gains in the world. The notable exception to the strong performance of European equities was Russia, where the fall in the oil price made a large impact, as did news stories about the country's possible interference in the US elections.

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## US Equities

US equities advanced over the six-month period, with most major US indices achieving record highs along the way. With a newly inaugurated US president, Donald Trump, in January, investor sentiment was positive in anticipation of the potential pro-business stance of the Republican majority including tax reform and a less strict regulatory environment. Also supporting stock prices were the strong corporate earnings announced in the first quarter and expectations for higher corporate spending. As the first half of 2017 went on, President Trump had yet to enact his policies in a legislative capacity as healthcare and tax reform hamstrung the Republican Congress and investor sentiment waned. GDP growth for the first quarter was revised to 1.4%, and was reported at 2.6% for the second quarter. The unemployment rate fell in the first half of 2017, although inflation remained stubbornly low in light of lower energy costs, and wages remained under pressure. After increasing its target interest rate by 25 basis points (bps) in December 2016, the Fed announced two more 25-bps hikes in 2017, to bring the target rate to 1.25%, and that it would begin to scale down its massive balances from the bank bailouts that accompanied the global economic crisis nearly 10 years ago.

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## Japan Equities

Japanese equities gained over the reporting period, although returns were more restrained than in other Asian markets. The Bank of Japan maintained its negative interest rate of -0.1%, amid mixed economic news for much of the period. First-quarter GDP growth was revised down to 0.3%, although this was seen as a short-term technicality due to lower oil inventories. On the positive side, capital expenditure and consumer spending showed renewed vigour, and the International Monetary Fund revised its estimates for Japan's full-year economic growth upwards, to 1.2%. In early July, the Pacific nation agreed to a free trade deal with the European Union (EU), helping to offset some of the concerns around US President Donald Trump's rejection of the Trans-Pacific Partnership (TPP) trade deal soon after his inauguration. With the Japanese economy heavily reliant on exports, trade numbers were encouraging through most of the period, in part due to a more competitive yen and improving global economic growth. Exports to the US, China and the EU were all up as of May 2017, although imports were stronger than expected, resulting in the first trade deficit in two years.

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### **Asia (Excluding Japan) Equities**

Asia Pacific stock markets posted strong advances in the period under review, with many indices notching double-digit gains. As 2017 got underway, Asian equities seemed to shake off fears of trade protectionism under president-elect Trump and started to climb into positive territory. Economic growth throughout the region, including manufacturing and inflation data, showed signs of real progress that outweighed possible protectionism concerns, and, in May, the IMF announced it had increased its estimate for 2017 GDP growth to 5.5%. Among developed Asian markets, Hong Kong and Singapore saw the strongest gains. In emerging Asia, share markets recorded some of the best performance seen globally in the first half of 2017. China, Korea, Taiwan and India each saw strong index returns for the period (in both US dollar and local terms): in India, structural reforms continued to support equity prices, and, in South Korea, a smooth political transition, combined with strong demand for IT/mobile memory products, boosted shares. In China, equity markets were boosted by inclusion in the MSCI Emerging Markets index.

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### **Emerging Markets Equities**

Emerging market equities outperformed their developed market counterparts over the review period. Latin American equities overall had a strong six months. The Chilean stock market made gains in the double digits, on recovering copper prices and encouraging economic data. The country's central bank aggressively cut its benchmark interest rate to stimulate growth, with four reductions in the first six months of the year. While they ended the period in positive territory, Brazilian equities were volatile, with the stock market posting a dramatic one-day loss in May. Following the impeachment of President Dilma Rousseff, investors had been optimistic about the pro-reform agenda of new president Michel Temer's government, which was widely expected to contribute to economic recovery. However, Temer then fell under suspicion of corruption and was formally charged at the end of June. Brazil's GDP did show signs of growth but political turmoil overshadowed more positive economic data. Mexico saw a strong advance after initial fears about the new US administration's protectionist agenda and plans to build a border wall diminished. In emerging Europe, stocks in Greece, Poland, Turkey were up sharply, while Russia was down amid lower oil prices and ongoing controversy about its alleged role in the US presidential election. China joined the MSCI Emerging Markets index in June, creating the potential for significant new investment.

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*The above information refers to past performance and should not be seen as a reliable indication of future returns.*

*Information provided by HSBC Global Asset Management (UK) Limited, 15 July 2017.*

# Balanced

## Investment Objective

To obtain capital growth in the longer-term together with income.

## Investment Policy

To invest in a diverse portfolio of equities and bonds in the UK and overseas, together with money market instruments.

## Investment Strategy<sup>^</sup>

The Fund invests in a range of asset classes in order to meet its investment aim. The allocation to these asset classes will vary over time to reflect both the longer-term investment return expectations and the shorter-term tactical market view. Assets are currently allocated in line with longer-term expectations in the following proportions: 70% equities, 27.5% bonds and 2.5% cash, which includes 26% in UK equities and 44% in global equities. In the shorter-term each asset class (and sub-asset class) allocation may be increased or decreased by 10% to raise exposure to asset classes that are viewed as having a more positive outlook or to reduce exposure to those asset classes that are considered to have a less favorable outlook.

The desired allocation to each asset class will be achieved by investing in either collective investment schemes or direct securities. The Fund is actively managed but it may invest in collective investment schemes and classes of direct securities that in turn are managed with the aim of tracking an index, known as passive management. As at the date of this prospectus it is estimated that approximately 8% of the value of the Fund is invested directly in US equities with the aim to match the return of the S&P 500 Index and a further 20% of the value of the Fund is invested in collective investment schemes which in turn are passively managed and individually track a range of market specific, regional and global indices. It should be noted that this percentage will fluctuate based upon market movement and adjustments to the asset allocation to enable the Fund to meet its aim.

There is no limit to the percentage which can be invested in collective investment schemes and there is no limit to the percentage of the Fund which can be invested in other collective investment schemes managed by the ACD, or an associate.

<sup>^</sup> The Investment Strategy was updated from 1 February 2017.

## Portfolio Activity

The first half of 2017 saw growing momentum in the international equity markets, supported by strong macroeconomic data readings. Consequently, the portfolio retained a modest pro-risk stance, with a preference towards equities over government bonds. Within equities we maintained allocations to Japanese, European and emerging equities. In the fixed income space, we also retained our preference for emerging over developed markets.

In January, the portfolio benefitted from its preference for international equities and its limited allocation to UK Government bonds. In February, UK equities were reduced in favour of global equities and a broader range of corporate and emerging market bonds were added.

In March, we further reduced the allocation to UK equities in favour of global equities. The allocation to corporate bonds was reduced in favour of Government bonds. The overall allocation to emerging market bonds was also increased.

In April, we added to emerging market bonds after a pull-back in prices during April. Specifically, we purchased India bonds, where we had no previous allocation and where the underlying fundamentals appear attractive. We also added to the European equity allocation and did this by adding specifically to medium sized companies that typically have a greater domestic exposure.

In May, we increased the allocation to European equities adding to positions in mid cap stocks. This was funded by selling the remaining holding in World Financial stocks, where the momentum has faded.

Central bank rhetoric towards the end of the period lead to a pull-back in most global equity and bond markets. Overall though the portfolio's positioning was positive as it was tilted towards Asian, including Japanese and emerging equities that all managed to deliver positives returns in June.

During the reporting period, major purchases included: HSBC FTSE All World Index, HSBC GIF Global Emerging Market Bond Fund, HSBC GIF Global Emerging Market Local Debt Fund.

Major sales included: HSBC Japan Index fund, SPDR MSCI World Financials, Lloyds Banking Group Ord GBP0.10.

## Investment Performance

During the period under review, the value of the shares in the Fund increased by 3.23%.

(Source: Morningstar Direct, GBP, net of tax for the Accumulation C share class. Returns based on the NAV, which is a single price.

*Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.*

## Fund Particulars

as at 17 July 2017 (unaudited)

	Retail Income	Retail Accumulation	Income C
Price	142.4 xd	212.7p	142.1 xd
Distribution payable (on 15 September 2017) per share net	1.510000p	2.230000p	2.200000p
Current net estimated yield	1.12%	1.10%	2.01%
Annual ACD charge	1.50%	1.50%	0.55%
		Accumulation C	Institutional Accumulation
Price		220.3p	219.3p
Distribution payable (on 15 September 2017) per share net		3.360000p	4.030000p
Current net estimated yield		1.95%	2.51%
Annual ACD charge		0.55%	0.00%

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UNITED KINGDOM - 43.20% (51.38%)</b>			
Aon	607	63	0.02
AstraZeneca	29,828	1,490	0.39
Atkins (WS)	22,554	469	0.12
Aviva	542,593	2,873	0.76
BAE Systems	316,234	1,934	0.51
Barclays	1,756,113	3,661	0.96
BHP Billiton	114,454	1,494	0.39
BP	1,135,812	5,052	1.33
British American Tobacco	99,481	5,250	1.38
British Telecom Group	670,023	2,014	0.53
Centrica	1,399,438	2,886	0.76
Compass Group	206,849	3,281	0.86
Croda International	37,982	1,479	0.39
Essentra	367,670	2,026	0.53
European Investment Bank 2.15% 18/1/2027	£58,500,000	483	0.13
GlaxoSmithKline	382,184	6,147	1.62
Halfords Group	393,946	1,309	0.34
Howdens Joinery	210,434	883	0.23
+HSBC Corporate Bond Fund	3,320,143	7,623	2.01
+HSBC	734,409	5,388	1.42
+HSBC FTSE All World Index Fund	25,058,863	35,959	9.46
+HSBC Japan Index Fund	17,213,683	20,639	5.43
IMI	97,765	1,230	0.32
Imperial Brands	76,281	2,669	0.70
Informa	438,642	2,910	0.77
Lloyds Banking Group	2,646,865	1,772	0.47
Network Rail 4.625% 21/7/2020	£138,000	154	0.04
Prudential	206,882	3,645	0.96
Reckitt Benckiser	52,304	4,048	1.06
Rentokil Initial	360,320	988	0.26
Rio Tinto	98,232	3,386	0.89
Royal Bank of Scotland	636,140	1,606	0.42
Royal Dutch Shell A	17,110	351	0.09
Royal Dutch Shell B	204,579	4,218	1.11
Saga	586,299	1,218	0.32
Serco Group	1,028,917	1,151	0.30
Sophos Group	276,238	1,214	0.32
SSP Group	292,900	1,438	0.38
Treasury 1.5% 22/7/2047	£322,000	291	0.08
Treasury 1.75% 7/9/2022	£967,000	1,019	0.27
Treasury 2.25% 7/9/2023	£431,000	467	0.12
Treasury 2.5% 22/7/2065	£98,600	122	0.03
Treasury 2.75% 7/9/2024	£925,000	1,040	0.27
Treasury 3.25% 22/1/2044	£362,000	458	0.12
Treasury 3.5% 22/1/2045	£179,000	237	0.06

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Treasury 3.75% 22/7/2052	£381,000	567	0.15
Treasury 4.25% 7/12/2027	£819,000	1,052	0.28
Treasury 4.25% 7/6/2032	£852,000	1,140	0.30
Treasury 4.25% 7/3/2036	£233,200	322	0.08
Treasury 4.25% 7/9/2039	£450,000	638	0.17
Treasury 4.25% 7/12/2040	£341,000	490	0.13
Treasury 4.25% 7/12/2046	£477,000	723	0.19
Treasury 4.25% 7/12/2055	£842,000	1,411	0.37
Treasury 4.5% 7/3/2019	£732,000	782	0.21
Treasury 4.5% 7/12/2042	£137,000	207	0.05
Treasury 4.75% 7/3/2020	£798,000	891	0.23
Treasury 4.75% 7/12/2030	£246,000	340	0.09
Treasury 4.75% 7/12/2038	£296,000	445	0.12
Treasury 5% 7/3/2018	£400,000	412	0.11
Unilever	63,877	2,723	0.72
Vodafone Group	1,643,183	3,595	0.95
WHSmith	27,482	457	0.12
<b>Total United Kingdom</b>		<b>164,230</b>	<b>43.20</b>

### UNITED STATES - 8.00% (9.76%)

3M Co	1,116	181	0.05
Abbott Laboratories	2,713	101	0.03
AbbVie	2,852	159	0.04
Activision	1,109	51	0.01
Acuity Brands	97	15	0.00
Adobe Systems	986	110	0.03
Advanced Micro Devices	1,194	13	0.00
Aetna	613	73	0.02
Aflac	830	49	0.01
Agilent Technologies	964	45	0.01
AIG	1,842	90	0.02
Air Products & Chemicals	507	56	0.01
Akamai Techs	404	16	0.00
Alcoa Upstream	266	7	0.00
Alexion Pharmaceuticals	318	31	0.01
Allstate	915	62	0.02
Ally Financial	451	7	0.00
Alphabet A	497	371	0.10
Alphabet C	504	368	0.10
Altria Group	3,364	190	0.05
Amazon.com	678	519	0.14
Ameren	474	20	0.01
American Electric Power	948	49	0.01
American Express	1,413	92	0.02
American Tower	849	88	0.02
Ameriprise Financial	420	43	0.01

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
AmerisourceBergen	255	18	0.00
Amgen	1,325	179	0.05
Amphenol Corporation A	386	22	0.01
Anadarko Petroleum	950	32	0.01
Analog Devices	804	50	0.01
Annaly Mortgage Management	2,099	20	0.01
Anthem	514	76	0.02
Apache	810	30	0.01
Apple	9,057	1,032	0.27
Applied Materials	2,596	92	0.02
Archer Daniels Midland	1,261	40	0.01
Arconic	750	14	0.00
AT&T	10,851	301	0.08
Autodesk	411	34	0.01
Automatic Data Processing	726	56	0.01
Autozone	34	13	0.00
AvalonBay Communities	271	39	0.01
Avery Dennison	350	25	0.01
Baker Hughes	940	27	0.01
Bank of America	17,855	331	0.09
Bank of New York Mellon	1,826	73	0.02
Baxter International	1,045	50	0.01
BB&T Financial	1,291	44	0.01
Becton Dickinson	479	73	0.02
Bed Bath & Beyond	567	13	0.00
Berkshire Hathaway A	1	195	0.05
Berkshire Hathaway	1,980	256	0.07
Best Buy	735	31	0.01
Biogen IDEC	424	91	0.02
BioMarin Pharmaceutical	437	30	0.01
Bioverativ	214	10	0.00
BlackRock	179	60	0.02
Boeing	1,170	186	0.05
Boston Properties	429	40	0.01
Boston Scientific	3,324	71	0.02
Bristol Myers Squibb	2,945	124	0.03
Broadridge Financial Solutions	404	23	0.01
Brown & Brown	689	23	0.01
Brown-Forman B	714	26	0.01
Capital One Financial	910	57	0.01
Cardinal Health	671	40	0.01
Carnival	940	47	0.01
Casa Ley Contigent Rights	750	-	0.00
Caterpillar	812	68	0.02
CB Richard Ellis Group	661	19	0.01
CBS	917	45	0.01

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
CDK Global	269	13	0.00
Celgene	1,475	152	0.04
Centene	294	19	0.01
CenturyLink	1,193	21	0.01
Cerner	352	18	0.01
CH Robinson Worldwide	427	23	0.01
Charter Communications	274	72	0.02
Cheniere Energy	1,051	39	0.01
Chevron	3,227	258	0.07
Chicago Mercantile Exchange	676	62	0.02
China Biologic Products	2,461	192	0.05
Chipotle Mexican Grill	40	12	0.00
Cigna	497	66	0.02
Cimarex Energy	210	15	0.00
Cisco Systems	8,518	204	0.05
Citigroup	5,078	259	0.07
Citrix Systems	604	37	0.01
Clorox	228	23	0.01
CMS Energy	640	22	0.01
Coach	463	17	0.00
Coca-Cola	6,678	228	0.06
Cognizant Technology Solutions A	1,134	60	0.02
Colgate-Palmolive	1,769	98	0.03
Comcast A	8,411	252	0.07
Comerica	642	36	0.01
Computer Associates International	556	15	0.00
ConAgra Foods	1,328	34	0.01
Concho Resources	145	14	0.00
Conoco Phillips	2,183	72	0.02
Consolidated Packaging	8,526	-	0.00
Consolidation Edison (New York registered)	640	40	0.01
Constellation Brands A	232	35	0.01
Corning	2,376	56	0.01
Costco Wholesale	840	98	0.03
Coty	1,216	17	0.00
C. R. Bard	22	5	0.00
Crown Castle International	746	58	0.02
CSRA	619	16	0.00
CSX	1,979	83	0.02
Cummins	354	45	0.01
CVS Health	1,721	103	0.03
D.R.Horton	1,093	31	0.01
Danaher	1,111	72	0.02
Darden Restaurants	502	34	0.01
Deere & Company	429	41	0.01
Dell Technologies	421	20	0.01

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Dentsply Sirona	413	21	0.01
Devon Energy	952	23	0.01
Digital Realty Trust	160	14	0.00
Discover Financial Services	636	30	0.01
Discovery Communications A	504	10	0.00
Discovery Communications C	568	11	0.00
Dish Network	342	17	0.00
Disney (Walt)	2,767	222	0.06
Dollar General	286	16	0.00
Dollar Tree Stores	493	26	0.01
Dominion Resources	1,006	59	0.02
Dover	206	13	0.00
Dow Chemicals	2,063	104	0.03
Dr Pepper Snapple Group	356	25	0.01
DST Systems	188	9	0.00
DTE Energy	122	10	0.00
Duke Energy	1,005	64	0.02
Duke Realty	1,604	34	0.01
DuPont (E.I.) de Nemours	1,570	102	0.03
DXC Technology	764	46	0.01
E*Trade Financial	514	16	0.00
Eastman Chemicals	220	14	0.00
Eaton	945	58	0.02
eBay	2,036	58	0.02
Ecolab	602	61	0.02
Edgewell Personal Care	166	9	0.00
Edison International	704	42	0.01
Edwards Lifesciences	371	33	0.01
Electronic Arts	715	60	0.02
Eli Lilly & Co	1,749	113	0.03
Emerson Electric	1,369	63	0.02
Entergy	434	25	0.01
EOG Resources	1,032	72	0.02
EQT Corporation	465	22	0.01
Equinix Real Estate Investment Trust	190	64	0.02
Equity Residential	779	39	0.01
Essex Property Trust	125	24	0.01
Estee Lauder	271	20	0.01
Eversource Energy	478	22	0.01
Exelon	1,780	49	0.01
Expedia	275	32	0.01
Express Scripts A	1,393	66	0.02
Extra Space Storage	232	14	0.00
Exxon Mobil	7,048	438	0.12
F5 Networks	243	23	0.01
Facebook	3,872	473	0.12

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Fastenal	731	24	0.01
Fedex	492	82	0.02
Fidelity National Information	398	27	0.01
Fifth Third Bancorp	2,220	44	0.01
FirstEnergy	1,313	30	0.01
Fiserv	643	61	0.02
Flight International	62	-	0.00
Fluor New	488	17	0.00
Ford Motor	7,220	64	0.02
Fortive Corporation	672	33	0.01
Fortune Brands Home and Security	750	38	0.01
Franklin Resources	883	31	0.01
Freeport McMoRan	2,155	21	0.01
Frontier Communications	389	4	0.00
Gap	373	7	0.00
General Electric	14,916	305	0.08
General Mills	1,297	53	0.01
General Motors	2,810	78	0.02
Genuine Parts	500	32	0.01
Gilead Sciences	2,370	128	0.03
Global Payments	499	35	0.01
Goldman Sachs	620	108	0.03
Goodyear Tire & Rubber	468	13	0.00
Grainger W.W.	153	20	0.01
H&R Block	312	7	0.00
Halliburton	1,747	59	0.02
Harley-Davidson	357	14	0.00
Hartford Financial Services	971	40	0.01
HCA Holdings	443	29	0.01
Health Care Property Investors	1,142	28	0.01
Hess Corporation	658	22	0.01
Hewlett-Packard	3,164	42	0.01
HollyFrontier	303	6	0.00
Home Depot	2,188	256	0.07
Honeywell International	1,356	141	0.04
Host Marriott	1,878	26	0.01
HP	2,940	41	0.01
Humana	302	55	0.01
Illinois Tool Works	517	58	0.02
Illumina	269	35	0.01
Incyte	380	39	0.01
Intel	8,126	215	0.06
IntercontinentalExchange	840	42	0.01
International Business Machines	1,536	181	0.05
International Paper	820	36	0.01
Intuit	522	53	0.01

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Intuitive Surgical	94	68	0.02
Iron Mountain	864	23	0.01
Jabil Circuit	512	12	0.00
Jacobs Engineering Group	605	25	0.01
Johnson & Johnson	4,673	474	0.12
JPMorgan Chase & Co	5,960	420	0.11
Juniper Networks	1,404	31	0.01
Kellogg	794	40	0.01
KeyCorp	208	3	0.00
Keysight Technologies	509	16	0.00
Kimberly-Clark	728	69	0.02
Kimco Realty	936	14	0.00
Kinder Morgan	2,923	44	0.01
KLA Tencor	476	36	0.01
Kohl's	578	17	0.00
Kraft Heinz	1,228	80	0.02
Kroger	1,798	32	0.01
L3 Communications	331	43	0.01
Laboratory Corporation of America Holdings	417	49	0.01
Lam Research	76	9	0.00
Lamb Weston	448	15	0.00
Las Vegas Sands	929	43	0.01
Leggett & Platt	553	22	0.01
Lennar	321	13	0.00
Leucadia National Corporation	1,129	23	0.01
Level 3 Communications	459	20	0.01
Liberty Broadband A	107	7	0.00
Liberty Broadband C	249	17	0.00
Liberty Global C	1,294	32	0.01
Liberty Siriusxm Group	389	13	0.00
Liberty Siriusxm Group C	534	17	0.00
Limited Brands	321	11	0.00
Lincoln National	344	19	0.01
Lowe's Companies	1,671	97	0.03
Lululemon Athletica	173	8	0.00
M&T Bank	276	35	0.01
Macy's	627	11	0.00
Marathon Oil Company	1,700	15	0.00
Marathon Petroleum Corporation	1,123	46	0.01
Marriott International new A	645	50	0.01
Marriott International	96,061	-	0.00
Marsh & McLennan	1,130	68	0.02
Masco	1,207	36	0.01
Mastercard	1,766	172	0.05
Mattel	715	12	0.00
McDonald's	1,427	169	0.04

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
McKesson HBOC	422	54	0.01
Merck & Co	4,777	230	0.06
Metlife	1,643	70	0.02
MGM Resorts International	700	17	0.00
Michael Kors Holdings	349	9	0.00
MicronTechnology	1,757	43	0.01
Microsoft	12,872	716	0.19
Mohawk Industries	168	32	0.01
Molson Coors Brewing B	501	34	0.01
Mondelez International	2,872	96	0.03
Monsanto	924	83	0.02
Monster Beverage	764	30	0.01
Moody's	449	43	0.01
Morgan Stanley Dean Witter & Co	2,310	80	0.02
Motorola Solutions	460	31	0.01
Murphy Oil	1,347	26	0.01
Mylan	589	18	0.00
NASDAQ Stock Market	228	12	0.00
National-Oilwell	841	22	0.01
Navient	754	10	0.00
NetFlix	775	95	0.02
Network Appliance	888	30	0.01
New York Community Bancorp	1,160	12	0.00
Newell Brands	543	22	0.01
Newfield Exploration	316	7	0.00
Newmont Mining	1,049	27	0.01
News Corporation A	1,275	13	0.00
NextEra Energy	767	83	0.02
Nike B	2,153	95	0.02
Nisource	871	17	0.00
Noble Energy	911	20	0.01
Nordstrom	562	20	0.01
Norfolk Southern	636	60	0.02
Northern Trust	558	42	0.01
Northrop Grumman	413	84	0.02
Nucor	632	29	0.01
Nvidia	989	125	0.03
NVR	4	8	0.00
O'Reilly Automotive	153	22	0.01
Occidental Petroleum	1,406	64	0.02
Omnicom	585	36	0.01
Oracle	5,547	214	0.06
Paccar	788	41	0.01
Palo Alto Networks	182	19	0.01
Parker-Hannifin	186	23	0.01
Paychex	857	37	0.01

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
PayPal	2,217	97	0.03
PDC Contingent Rights	750	-	0.00
PepsiCo	2,479	218	0.06
Pfizer	10,187	260	0.07
PG&E	1,014	51	0.01
Philip Morris International	2,753	251	0.07
Phillips 66	802	50	0.01
Pioneer Natural Resources	293	36	0.01
PNC Financial Services Group	940	91	0.02
Polaris Industries	276	20	0.01
PPG Industries	650	56	0.01
PPL	1,517	43	0.01
Praxair	642	66	0.02
Priceline Group	89	133	0.03
Principal Financial Group	749	38	0.01
Procter & Gamble	4,182	278	0.07
Progressive	1,450	50	0.01
Prologis	1,342	60	0.02
Prudential Financial	940	80	0.02
Public Service Enterprise Group	1,076	35	0.01
Public Storage	286	45	0.01
Qualcomm	2,591	112	0.03
Quest Diagnostics	133	11	0.00
Raytheon	718	92	0.02
Regeneron Pharmaceuticals	139	54	0.01
Regions Financial	2,742	31	0.01
Republic Services A	756	37	0.01
Reynolds American	1,347	67	0.02
Rockwell Automation	361	46	0.01
Rockwell Coliins	611	52	0.01
Roper Technologies	39	7	0.00
Ross Stores	448	19	0.01
S&P Global	583	67	0.02
Salesforce.com	995	68	0.02
SBA Communications	279	29	0.01
Scana	470	23	0.01
Schlumberger	2,157	110	0.03
Schwab (Charles)	2,041	67	0.02
Sealed Air	583	21	0.01
Sempra Energy	536	46	0.01
ServiceNow	354	30	0.01
Sherwin-Williams	106	29	0.01
Simon Property	555	68	0.02
Skyworks Solutions	281	22	0.01
Southern	1,592	57	0.01
Southwest Airlines	678	32	0.01

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Splunk	296	14	0.00
Sprint	3,349	22	0.01
Stanley Black & Decker	390	44	0.01
Staples	1,765	14	0.00
Starbucks	2,529	114	0.03
State Street	787	55	0.01
Stryker	643	71	0.02
SunTrust Banks	1,251	54	0.01
Symantec	1,910	44	0.01
Synchrony Financial	1,486	33	0.01
Sysco	1,045	40	0.01
T Rowe Price Group	487	30	0.01
Target	1,186	48	0.01
Tesla Motors	238	60	0.02
Tesoro	215	16	0.00
Texas Instruments	1,883	118	0.03
The Mosaic Company	1,115	20	0.01
Thermo Fisher Scientific	690	95	0.02
Time Warner	1,469	112	0.03
TJX Companies	1,405	75	0.02
Toll Brothers	443	14	0.00
TransDigm Group	208	45	0.01
Travelers	657	63	0.02
TripAdvisor	395	12	0.00
Twenty-First Century Fox A	2,258	48	0.01
Twenty-First Century Fox B	663	14	0.00
Twitter	1,163	17	0.00
UDR	524	15	0.00
Ulta Beauty	71	14	0.00
Under Armour A	403	6	0.00
Under Armour C	706	10	0.00
Union Pacific	1,473	123	0.03
United Parcel Services	1,246	107	0.03
United Rentals	187	17	0.00
United Technologies	1,390	131	0.03
UnitedHealth Group	1,653	236	0.06
US Bancorp	3,261	130	0.03
US Treasury 1% 31/5/2018	\$265,000	202	0.05
US Treasury 1% 15/3/2019	\$100,000	76	0.02
US Treasury 1.625% 15/5/2026	\$300,000	217	0.06
US Treasury 2% 15/2/2022	\$852,000	657	0.17
US Treasury 2.25% 15/11/2024	\$322,000	248	0.07
US Treasury 2.5% 15/8/2023	\$100,000	79	0.02
US Treasury 2.5% 15/5/2024	\$323,000	253	0.07
US Treasury 3.375% 15/5/2044	\$230,000	192	0.05
US Treasury 4.375% 15/11/2039	\$325,000	314	0.08

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Valero Energy	853	44	0.01
Varian Medical Systems	213	17	0.00
Ventas	285	15	0.00
Vereit	1,551	10	0.00
VeriSign	351	26	0.01
Verizon Communications	7,179	239	0.06
Vertex Pharmaceuticals	410	41	0.01
VF	569	24	0.01
Viacom	1,038	28	0.01
Visa A	3,414	253	0.07
Vornado Realty Trust	486	36	0.01
Walgreens Boots Alliance	1,505	91	0.02
Wal-Mart Stores	2,673	156	0.04
Waste Management	935	53	0.01
WEC Energy Group	1,088	51	0.01
Wells Fargo & Co	8,423	354	0.09
Welltower	329	19	0.01
Western Digital	598	43	0.01
Western Union	1,665	24	0.01
Weyerhaeuser	1,599	41	0.01
Whirlpool	205	30	0.01
Whole Foods Market	477	15	0.00
WI Treasury Note 2.125% 30/6/2021	\$180,000	140	0.04
Williams Companies	1,725	41	0.01
Workday A	162	13	0.00
Wynn Resorts	106	11	0.00
Xcel Energy	1,291	45	0.01
Xerox	853	19	0.01
Xilinx	756	38	0.01
Xylem	637	27	0.01
Yum! China	879	25	0.01
Yum! Brands	773	43	0.01
Zimmer Holdings	465	47	0.01
Zoetis	464	22	0.01
<b>Total United States</b>		<b>30,397</b>	<b>8.00</b>
<b>AUSTRALIA - 0.04% (0.08%)</b>			
Australia (Government) 2.75% 21/4/2024	AUD\$113,000	69	0.02
Australia (Government) 4.75% 21/4/2027	AUD\$105,000	74	0.02
<b>Total Australia</b>		<b>143</b>	<b>0.04</b>
<b>AUSTRIA - 0.00% (0.25%)</b>			

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>BELGIUM - 0.31% (0.95%)</b>			
Belgium 2.25% 22/6/2023	€ 289,000	284	0.08
Belgium (Government) 5% 24/4/2018	€ 367,000	379	0.10
KBC Group	8,523	505	0.13
<b>Total Belgium</b>		<b>1,168</b>	<b>0.31</b>
<b>BERMUDA - 0.48% (0.12%)</b>			
Brilliance China Automotive Holdings	112,000	175	0.05
Haitong International Securities	302,000	134	0.04
Invesco	1,122	31	0.01
Lancashire	177,790	1,296	0.34
Marvell Technology Group	1,298	16	0.00
RenaissanceRe Holdings	151	16	0.00
Shenzhen International	91,000	121	0.03
Signet Jewelers	135	6	0.00
XL Group	590	20	0.01
<b>Total Bermuda</b>		<b>1,815</b>	<b>0.48</b>
<b>CANADA - 0.02% (0.09%)</b>			
Canada (Government) 1.5% 1/6/2026	C\$80,000	47	0.01
Canada (Government) 3.5% 1/12/2045	C\$36,000	27	0.01
<b>Total Canada</b>		<b>74</b>	<b>0.02</b>
<b>CAYMAN ISLANDS - 0.66% (0.73%)</b>			
3SBio	195,500	188	0.05
Alibaba Group	4,341	504	0.13
China Resources Land	88,000	201	0.05
CK Hutchison Holdings	32,500	320	0.09
Herbalife	179	10	0.00
Himax Technologies	25,281	156	0.04
Sands China	46,400	161	0.04
Tencent Holdings	35,100	979	0.26
<b>Total Cayman Islands</b>		<b>2,519</b>	<b>0.66</b>
<b>CHANNEL ISLANDS - 1.12% (1.22%)</b>			
Amdocs	385	19	0.00
Delphi Automotive	707	49	0.01
International Workplace Group	358,635	1,160	0.31
Wolseley	64,947	3,031	0.80
<b>Total Channel Islands</b>		<b>4,259</b>	<b>1.12</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>CHINA (INCLUDING HONG KONG) - 0.94% (1.15%)</b>			
AIA Group	122,000	693	0.18
BOC Hong Kong Holdings	130,500	473	0.13
China Construction Bank	410,700	257	0.07
China Life Insurance H	196,000	480	0.13
China Longyuan Power Group H	288,000	160	0.04
China Mobile (Hong Kong)	60,479	487	0.13
China Petroleum & Chemical	374,000	218	0.06
CNOOC	188,000	160	0.04
CSPC Pharmaceutical	78,000	89	0.02
Guangdong Investment	194,000	213	0.06
Huatai Securities H	53,400	82	0.02
Techtronic Industries	43,500	155	0.04
Xinyi Glass	116,000	92	0.02
<b>Total China (Including Hong Kong)</b>		<b>3,559</b>	<b>0.94</b>
<b>DENMARK - 0.31% (0.58%)</b>			
Danske Bank	17,770	537	0.14
Novo Nordisk B	20,114	657	0.17
<b>Total Denmark</b>		<b>1,194</b>	<b>0.31</b>
<b>FRANCE - 1.64% (2.65%)</b>			
AXA	27,359	604	0.16
Cap Gemini	6,523	532	0.14
Carrefour	23,788	453	0.12
France (Government) 0% 25/5/2022	€ 50,000	44	0.01
France (Government) 0.25% 25/11/2020	€ 50,000	45	0.01
France (Government) 1% 25/11/2018	€ 108,000	96	0.02
France (Government) 1% 25/5/2027	€ 100,000	89	0.02
France (Government) 3% 25/4/2022	€ 230,000	230	0.06
France (Government) 3.25% 25/5/2045	€ 70,000	80	0.02
France (Government) 4% 25/10/2038	€ 119,000	150	0.04
LVMH Moet Hennessy Louis 1.625% 20/12/2017	£142,000	143	0.04
Natixis Banques Populaires	82,604	443	0.12
Orange	39,899	499	0.13
Renault	6,471	472	0.12
Saint Gobain Nederland	12,467	521	0.14
Societe Generale	12,350	529	0.14
Total SA	19,662	745	0.20
Vinci	8,400	572	0.15
<b>Total France</b>		<b>6,247</b>	<b>1.64</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>GERMANY - 1.24% (1.89%)</b>			
Allianz (registered)	4,936	788	0.21
Bundesrepublik Deutschland 0% 15/8/2026	€ 50,000	42	0.01
Continental	2,480	426	0.11
Deutsche Post	17,876	534	0.14
Fresenius Se & Co KgaA	8,153	544	0.14
German (Government) 0.25% 15/2/2027	€ 100,000	85	0.02
German (Government) 4.25% 4/7/2039	€ 54,000	76	0.02
KFW 1.625% 5/6/2020	€ 220,000	226	0.06
KION Group	7,719	474	0.13
SAP	8,948	714	0.19
Siemens	7,539	793	0.21
<b>Total Germany</b>		<b>4,702</b>	<b>1.24</b>
<b>INDONESIA - 0.16% (0.21%)</b>			
Adaro Energy	583,800	55	0.01
Bank Negara Indonesia	-	-	0.00
Telekomunikasi Indonesia	848,200	224	0.06
United Tractor	92,100	147	0.04
XL Axiata	941,400	177	0.05
<b>Total Indonesia</b>		<b>603</b>	<b>0.16</b>
<b>IRELAND - 3.87% (3.81%)</b>			
Accenture	1,142	111	0.03
Adient	162	9	0.00
Allegion	256	16	0.01
Allergan	686	129	0.03
DCC (London listed)	30,699	2,149	0.57
Endo International	531	5	0.00
+^HSBC Global Liquidity Fund	2,238,659	2,239	0.59
+^HSBC MSCI Emerging Markets ETF	443,075	3,623	0.96
Ingersoll-Rand	660	47	0.01
^iShares DJ Euro STOXX MidCap UCITS ETF	94,619	4,823	1.27
^iShares MSCI Europe ex-UK UCITS ETF	46,477	1,298	0.34
Jazz Pharmaceuticals	127	15	0.00
Johnson Controls International	1,621	54	0.01
Mallinckrodt	258	9	0.00
Medtronic	2,519	171	0.05
Pentair	294	15	0.00
Perrigo	167	9	0.00
Weatherford International	2,453	8	0.00
<b>Total Ireland</b>		<b>14,730</b>	<b>3.87</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>ISRAEL - 0.01% (0.01%)</b>			
Check Point Software Technologies	294	26	0.01
<b>Total Israel</b>		<b>26</b>	<b>0.01</b>
<b>ITALY - 0.64% (1.63%)</b>			
BTP Italy 5% 1/3/2022	€ 226,000	234	0.06
BTP Italy 5% 1/8/2039	€ 12,000	14	0.00
Buoni Poliennali Del Tes 2.5% 1/12/2024	€ 104,000	95	0.03
Enel	157,720	686	0.18
Italy Buoni Poliennali Del Tesoro 0.1% 15/4/2019	€ 50,000	44	0.01
Italy Buoni Poliennali Del Tesoro 1.25% 1/12/2026	€ 420,000	340	0.09
Prysmian	18,217	431	0.11
UniCredit SpA	40,257	601	0.16
<b>Total Italy</b>		<b>2,445</b>	<b>0.64</b>
<b>JAPAN - 0.42% (1.20%)</b>			
Japan (5 Year Issue) 0.1% 20/6/2021	¥20,000,000	137	0.04
Japan (10 Year Issue) 0.1% 15/1/2019	¥30,000,000	204	0.05
Japan (10 Year Issue) 0.1% 20/12/2026	¥10,000,000	68	0.02
Japan (10 Year Issue) 0.6% 20/3/2023	¥27,150,000	191	0.05
Japan (30 Year Issue) 0.3% 20/6/2046	¥10,600,000	62	0.02
Japan (30 Year Issue) 1.8% 20/3/2043	¥29,150,000	245	0.06
Japan (Government) 1.3% 20/9/2019	¥26,250,000	184	0.05
Japan (Government) 1.8% 20/3/2032	¥60,800,000	500	0.13
<b>Total Japan</b>		<b>1,591</b>	<b>0.42</b>
<b>LIBERIA - 0.00% (0.00%)</b>			
Royal Caribbean Cruises	146	12	0.00
<b>Total Liberia</b>		<b>12</b>	<b>0.00</b>
<b>LUXEMBOURG - 28.55% (10.66%)</b>			
ArcelorMittal	18,061	347	0.09
+^HSBC (Lux) Indian Equity Fund	14,434	2,083	0.55
+^HSBC GIF Brazil Bond	232,500	1,802	0.47
+^HSBC GIF Economic Scale Index GEM Equity Fund	1,151,027	9,371	2.46
+^HSBC GIF Economic Scale Index US Equity Fund	191,871	6,220	1.64
+^HSBC GIF Frontier Markets Fund	472,912	6,571	1.73
+^HSBC GIF Global Emerging Markets Bond	1,828,378	19,161	5.04
+^HSBC GIF Global Emerging Markets Local Debt	2,815,202	21,404	5.63
+^HSBC GIF Global Real Estate Equity	2,108,540	15,859	4.17
+^HSBC GIF Global Short Duration High Yield Bond	1,233,884	12,491	3.28
+^HSBC GIF Global Yield Bond Fund	1,129,267	11,474	3.02
+^HSBC GIF India Fixed Income	164,526	1,445	0.38
L'Occitane International	131,500	224	0.06
Samsonite International	31,800	103	0.03
<b>Total Luxembourg</b>		<b>108,555</b>	<b>28.55</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>MALAYSIA - 0.10% (0.04%)</b>			
Lotte Chemical Titan	138,100	157	0.04
Tenaga Nasional	91,300	231	0.06
<b>Total Malaysia</b>		<b>388</b>	<b>0.10</b>
<b>NETHERLANDS - 1.17% (2.72%)</b>			
Bank Nederlandse Gemeenten 3.25% 29/11/2017	£138,000	139	0.04
Core Laboratories	238	19	0.00
ING Groep Certificates	49,834	684	0.18
Koninklijke Ahold Delhaize	27,803	418	0.11
Koninklijke DSM	8,184	456	0.12
Koninklijke Philips	20,213	562	0.15
Lyondell Basell Industries	622	41	0.01
Mobileye	592	29	0.01
Netherland (Government) 0.75% 15/7/2027	£50,000	44	0.01
Netherlands (Government) 1.25% 15/1/2018	£308,000	272	0.07
Netherlands (Government) 2.25% 15/7/2022	£5,000	5	0.00
Netherland (Government) 2.75% 15/1/2047	£30,000	35	0.01
NXP Semiconductors	450	38	0.01
Rabobank Nederland 3.25% 1/11/2017	£133,000	134	0.04
Randstad	9,763	431	0.11
RELX	31,064	484	0.13
Sensata Technologies	332	11	0.00
Unilever	15,235	660	0.17
<b>Total Netherlands</b>		<b>4,462</b>	<b>1.17</b>
<b>PHILIPPINES - 0.02% (0.05%)</b>			
Pilipinas Shell Petroleum	72,260	73	0.02
<b>Total Philippines</b>		<b>73</b>	<b>0.02</b>
<b>SINGAPORE - 0.37% (0.29%)</b>			
BOC Aviation	49,400	194	0.05
Broadcom	695	133	0.03
ComfortDelGro	167,000	211	0.06
DBS	16,400	193	0.05
Flex	2,284	29	0.01
Netlink NBN Trust	331,100	151	0.04
Singapore Exchange	59,400	246	0.07
Singapore Telecommunications	108,000	235	0.06
<b>Total Singapore</b>		<b>1,392</b>	<b>0.37</b>
<b>SOUTH KOREA - 0.75% (0.98%)</b>			
AmorePacific	868	172	0.04
BNK Financial Group	25,252	184	0.05
Cheil Jedang	908	217	0.06
Doosan Bobcat	7,784	185	0.05

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Hyundai Motor	2,457	254	0.07
KT&G	1,046	80	0.02
LG Household & Healthcare	72	45	0.01
Netmarble Games	1,601	157	0.04
Samsung Electronics	550	936	0.25
SK Hynix	9,623	461	0.12
SK Telecommunications	646	114	0.03
SK Telecommunications ADR	2,763	55	0.01
<b>Total South Korea</b>		<b>2,860</b>	<b>0.75</b>
<b>SPAIN - 0.34% (0.39%)</b>			
Banco Santander	151,469	768	0.20
Banco Santander Rights	180,209	15	0.00
Bonos y Obligaciones del Estado 1.6% 30/4/2025	€ 45,000	41	0.01
Bonos y Obligaciones del Estado 1.95% 30/4/2026	€ 125,000	114	0.03
Bonos y Obligaciones del Estado 4.1% 30/7/2018	€ 217,000	199	0.05
Bonos y Obligaciones del Estado 4.4% 31/10/2023	€ 127,000	136	0.04
Bonos y Obligaciones del Estado 5.15% 31/10/2044	€ 32,000	40	0.01
<b>Total Spain</b>		<b>1,313</b>	<b>0.34</b>
<b>SWEDEN - 0.12% (0.02%)</b>			
Sweden (Government) 1% 12/11/2026	SEK285,000	27	0.01
Volvo B	30,139	414	0.11
<b>Total Sweden</b>		<b>441</b>	<b>0.12</b>
<b>SWITZERLAND - 1.13% (1.46%)</b>			
Chubb	946	105	0.03
Nestlé (registered)	21,520	1,430	0.38
Novartis (registered)	17,299	1,094	0.29
Roche Holding participating	5,199	1,012	0.26
TE Connectivity	1,015	63	0.02
UBS Group	44,152	589	0.15
<b>Total Switzerland</b>		<b>4,293</b>	<b>1.13</b>
<b>TAIWAN - 0.43% (0.54%)</b>			
Catcher	13,000	126	0.03
Largan Precision	2,000	260	0.07
Mega Financial Holding	347,220	222	0.06
Taiwan Semiconductor Manufacturing	190,067	1,018	0.27
<b>Total Taiwan</b>		<b>1,626</b>	<b>0.43</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i> Holding</i>	<i> Bid value £'000</i>	<i> Total net assets %</i>
<b>FORWARD FOREIGN EXCHANGE CONTRACTS - 0.00% (-0.18%)</b>			
#Sold \$94,000 for £72,292 settled 11/10/2017		1	0.00
#Sold ¥320,900,000 for £2,195,843 settled 11/10/2017		15	0.00
#Sold £93,710 for ¥13,700,000 settled 11/10/2017		(1)	0.00
#Sold C\$125,000 for £74,226 settled 10/10/2017		(1)	0.00
#Sold AUD\$241,000 for £141,930 settled 10/10/2017		(1)	0.00
#Sold SEK298,000 for £26,432 settled 18/7/2017		(1)	0.00
#Sold SEK295,000 for £27,339 settled 19/10/2017		-	0.00
<b>Total Forward Foreign Exchange Contracts</b>		<b>12</b>	<b>0.00</b>
<b>Portfolio of investments</b>		<b>365,129</b>	<b>96.04</b>
<b>Net other assets</b>		<b>15,060</b>	<b>3.96</b>
<b>Net assets</b>		<b>380,189</b>	<b>100.00</b>
Total equities		343,362	94.04
Total forward foreign exchange contracts		12	0.00
Bond credit rating*			
AAA		923	0.25
AA+		1,565	0.43
AA		12,569	3.44
A+		277	0.08
BBB+		529	0.15
Unrated		5,892	1.61
<b>Total bonds</b>		<b>21,755</b>	<b>5.96</b>
<b>Portfolio of investments</b>		<b>365,129</b>	<b>100.00</b>

+related party

^investment scheme registered outside the UK

#unlisted

\*ratings supplied by Standard & Poor's

Figures in brackets denote the comparative percentage holdings as at 15 January 2017.

Unless otherwise stated, all investments are listed securities.

Total purchases for the period, including transaction charges, were £158,344,365.

Total sales for the period, net of transaction charges, were £159,595,870.

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Retail Income</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	140.40p	118.40p	122.00p	118.90p
Return before operating charges*	4.37p	25.72p	(0.19p)	6.35p
Operating charges	(1.16p)	(2.13p)	(2.09p)	(1.96p)
Return after operating charges*	3.21p	23.59p	(2.28p)	4.39p
Distributions on income share	(1.51p)	(1.59p)	(1.32p)	(1.29p)
Closing net asset value per share	142.10p	140.40p	118.40p	122.00p
*after direct transaction costs of:	0.08p	0.21p	0.08p	0.16p
<b>Performance</b>				
Return after charges	2.29%	19.92%	(1.87%)	3.69%
<b>Other information</b>				
Closing net asset value	£2,518,678	£2,421,429	£2,348,537	£21,299,175
Closing number of shares	1,772,634	1,724,994	1,982,806	17,461,296
Operating charges - OCF	1.75%	1.70%	1.70%	1.70%
Direct transaction costs	0.06%	0.17%	0.07%	0.14%
<b>Prices</b>				
Highest share price	146.50p	140.60p	132.70p	123.10p
Lowest share price	136.70p	114.10p	117.30p	113.20p
<b>Retail Accumulation</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	207.50p	173.00p	176.60p	170.40p
Return before operating charges*	6.42p	37.63p	(0.55p)	9.02p
Operating charges	(1.72p)	(3.13p)	(3.05p)	(2.82p)
Return after operating charges*	4.70p	34.50p	(3.60p)	6.20p
Distributions on accumulation share	(2.23p)	(2.33p)	(1.88p)	(1.85p)
Retained distributions on accumulation share	2.23p	2.33p	1.88p	1.85p
Closing net asset value per share	212.20p	207.50p	173.00p	176.60p
*after direct transaction costs of:	0.12p	0.31p	0.12p	0.24p
<b>Performance</b>				
Return after charges	2.27%	19.94%	(2.04%)	3.64%
<b>Other information</b>				
Closing net asset value	£45,952,955	£46,436,672	£42,252,879	£354,209,677
Closing number of shares	21,652,573	22,383,335	24,426,018	200,533,093
Operating charges - OCF	1.75%	1.70%	1.70%	1.70%
Direct transaction costs	0.06%	0.17%	0.07%	0.14%
<b>Prices</b>				
Highest share price	216.50p	207.20p	192.20p	177.70p
Lowest share price	201.90p	166.40p	169.70p	163.00p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Income C</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	140.10p	118.20p	122.00p	119.00p
Return before operating charges*	4.38p	25.63p	(0.38p)	6.28p
Operating charges	(0.48p)	(0.87p)	(0.84p)	(0.81p)
Return after operating charges*	3.90p	24.76p	(1.22p)	5.47p
Distributions on income share	(2.20p)	(2.86p)	(2.58p)	(2.47p)
Closing net asset value per share	141.80p	140.10p	118.20p	122.00p
*after direct transaction costs of:	0.08p	0.21p	0.08p	0.17p
<b>Performance</b>				
Return after charges	2.78%	20.95%	(1.00%)	4.60%
<b>Other information</b>				
Closing net asset value	£17,353,394	£17,844,376	£16,287,047	£301,438
Closing number of shares	12,238,052	12,738,241	13,784,715	247,061
Operating charges - OCF	0.78%	0.72%	0.72%	0.72%
Direct transaction costs	0.06%	0.17%	0.07%	0.14%
<b>Prices</b>				
Highest share price	146.80p	141.00p	133.10p	123.60p
Lowest share price	136.40p	113.70p	117.50p	113.50p
<b>Accumulation C</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	213.80p	176.60p	178.50p	170.50p
Return before operating charges*	6.73p	38.52p	(0.65p)	9.17p
Operating charges	(0.73p)	(1.32p)	(1.25p)	(1.17p)
Return after operating charges*	6.00p	37.20p	(1.90p)	8.00p
Distributions on accumulation share	(3.36p)	(4.29p)	(3.80p)	(3.54p)
Retained distributions on accumulation share	3.36p	4.29p	3.80p	3.54p
Closing net asset value per share	219.80p	213.80p	176.60p	178.50p
*after direct transaction costs of:	0.12p	0.32p	0.12p	0.24p
<b>Performance</b>				
Return after charges	2.81%	21.10%	(1.06%)	4.69%
<b>Other information</b>				
Closing net asset value	£2,829,298	£2,670,208	£1,968,603	£625,352
Closing number of shares	1,287,122	1,248,693	1,114,871	350,253
Operating charges - OCF	0.78%	0.72%	0.72%	0.72%
Direct transaction costs	0.06%	0.17%	0.07%	0.14%
<b>Prices</b>				
Highest share price	224.10p	213.50p	194.70p	179.40p
Lowest share price	208.20p	170.00p	174.20p	163.30p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Institutional Accumulation#</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	212.20p	174.10p	100.00p	N/A
Return before operating charges*	6.63p	38.15p	74.12p	N/A
Operating charges	(0.03p)	(0.05p)	(0.02p)	N/A
Return after operating charges*	6.60p	38.10p	74.10p	N/A
Distributions on accumulation share	(4.03p)	(5.50p)	(1.62p)	N/A
Retained distributions on accumulation share	4.03p	5.50p	1.62p	N/A
Closing net asset value per share	218.80p	212.20p	174.10p	N/A
*after direct transaction costs of:	0.12p	0.32p	0.12p	N/A
<b>Performance</b>				
Return after charges	3.11%	21.88%	74.10%	N/A
<b>Other information</b>				
Closing net asset value	£311,534,844	£312,196,904	£273,071,181	N/A
Closing number of shares	142,365,484	147,127,293	156,863,001	N/A
Operating charges - OCF	0.13%	0.07%	0.07%	N/A
Direct transaction costs	0.06%	0.17%	0.07%	N/A
<b>Prices</b>				
Highest share price	223.00p	211.90p	184.20p	N/A
Lowest share price	206.60p	167.60p	171.40p	N/A
#The Institutional Accumulation share class launched on 24 August 2015.				

## Statement of Total Return

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		<b>4,709</b>		35,037
Revenue	<b>7,312</b>		6,074	
Expenses	<b>(492)</b>		(465)	
Interest payable and similar charges	<b>(1)</b>		-	
Net revenue before taxation	<b>6,819</b>		5,609	
Taxation	<b>(259)</b>		(210)	
Net revenue after taxation		<b>6,560</b>		5,399
Total return before distributions		<b>11,269</b>		40,436
Distributions		<b>(6,643)</b>		(5,588)
Change in net assets attributable to shareholders from investment activities		<b>4,626</b>		34,848

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>381,570</b>		335,928
Amounts receivable on creation of shares	<b>751</b>		379	
Amounts payable on cancellation of shares	<b>(13,021)</b>		(14,536)	
		<b>(12,270)</b>		(14,157)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>4,626</b>		34,848
Retained distribution on accumulation shares		<b>6,263</b>		5,237
Closing net assets attributable to shareholders		<b>380,189</b>		361,856

## Balance Sheet

as at 15 July 2017 (unaudited)

	15.7.17		15.1.17	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>365,133</b>		361,979
Current assets				
Debtors	<b>3,392</b>		4,247	
Cash and bank balances	<b>12,465</b>		18,998	
Total current assets		<b>15,857</b>		23,245
Total assets		<b>380,990</b>		385,224
<b>Liabilities</b>				
Investment liabilities		<b>(4)</b>		(704)
Creditors				
Distribution payable on income shares	<b>(296)</b>		(147)	
Other creditors	<b>(501)</b>		(2,803)	
Total creditors		<b>(797)</b>		(2,950)
Total liabilities		<b>(801)</b>		(3,654)
Net assets attributable to shareholders		<b>380,189</b>		381,570

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.17</i>	<i>Distribution paid 15.9.16</i>
Group 1: Shares purchased prior to 16 January 2017				
Group 2: Shares purchased from 16 January 2017 to 15 July 2017				
<b>Retail Income</b>				
Group 1	1.510000	-	1.510000	1.160000
Group 2	1.500000	0.010000	1.510000	1.160000
<b>Retail Accumulation</b>				
Group 1	2.230000	-	2.230000	1.700000
Group 2	1.480000	0.750000	2.230000	1.700000
<b>Institutional Accumulation</b>				
Group 1	4.030000	-	4.030000	3.190000
Group 2	4.030000	0.000000	4.030000	3.190000
<b>Income C</b>				
Group 1	2.200000	-	2.200000	1.760000
Group 2	1.590000	0.610000	2.200000	1.760000
<b>Accumulation C</b>				
Group 1	3.360000	-	3.360000	2.640000
Group 2	1.700000	1.660000	3.360000	2.640000

# UK Growth & Income

## Investment Objective

To provide long-term capital and income growth by investing predominantly within the UK.

## Investment Policy

To invest predominantly in UK equities, fixed interest and other securities.

## Investment Strategy

To provide long-term capital and income growth through active stock selection to create a portfolio of about 40 stocks. The stock selection process is based on quantitative and qualitative factors, with fundamental research being the most important aspect.

## Portfolio Activity

UK equities had a poor start to the period but later advanced. The Technology and Industrial sectors, both overweight positions in the portfolio, gained whilst Energy, an underweight position, and Telecommunications lagged.

Contributors to performance included Sophos, a security software and hardware company, which reported solid FY16 results, driven by an acceleration of billings growth. The Wanna Cryptor software attack also highlighted the need for software protection. Atkins (WS), a multinational engineering, design, planning and architectural company, gained after a takeover offer from its Canadian rival, SNC-Lavalin.

Detractors from performance included Serco, a British outsourcing company, which saw downgrades after issuing 2018 guidance below analyst expectations, and BT, which was pressured due to regulatory issues surrounding its broadband network

Positions initiated: IMI, IWG, Rentokil, Royal Bank of Scotland and Saga. Positions sold: AA, Atkins (WS) and Kingfisher.

We favour being overweight in a diversified basket of risk assets, including equities (in particular Europe and selective emerging markets) and local currency emerging markets debt, whilst being underweight developed market government bonds. Positive global economic momentum and the potential for further sterling weakness supports the UK earnings outlook, given a large dependency on foreign earnings. Our portfolio aims to invest in companies with an attractive combination of profitability and valuation, quality companies typically having sustainable business models, strong balance sheets and good management. We believe this disciplined approach should help investors navigate short-term uncertainties.

## Investment Performance

During the period under review, the value of the share in the Fund increased by 4.21%.

(Source: Morningstar Direct, GBP, net of tax for the Accumulation C share class. Returns based on the NAV, which is a single price.)

*Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.*

## Fund Particulars

as at 17 July 2017 (unaudited)

	Retail Income	Retail Accumulation	Retail B Income	Retail B Accumulation
Price	73.64p xd	136.6p	79.42p xd	147.5p
Distribution payable (on 15 September 2017) per share net	1.640000p	2.970000p	1.760000p	3.210000p
Current net estimated yield	3.32%	3.16%	3.29%	3.14%
Annual ACD charge	1.50%	1.50%	0.60%	0.60%
	CTF Accumulation	Income C	Accumulation C	
Price	138.3p	76.98p xd	141.2p	
Distribution payable (on 15 September 2017) per share net	3.020000p	1.710000p	3.070000p	
Current net estimated yield	3.17%	3.29%	3.14%	
Annual ACD charge	1.50%	0.80%	0.80%	

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Oil &amp; Gas - 9.26% (11.68%)</b>			
BP	10,242,881	45,555	4.78
Royal Dutch Shell A	2,085,475	42,752	4.48
<b>Total Oil &amp; Gas</b>		<b>88,307</b>	<b>9.26</b>
<b>Basic Materials - 7.46% (8.81%)</b>			
BHP Billiton	1,058,096	13,808	1.45
Brenntag	254,914	11,189	1.17
Croda International	411,141	16,010	1.68
Rio Tinto	875,731	30,186	3.16
<b>Total Basic Materials</b>		<b>71,193</b>	<b>7.46</b>
<b>Industrials - 14.93% (13.21%)</b>			
BAE Systems	3,097,475	18,941	1.99
DCC (London listed)	193,956	13,577	1.42
Essentra	3,633,156	20,019	2.10
Howden Joinery Group	1,578,918	6,622	0.69
IMI	945,367	11,893	1.25
International Workplace Group	3,508,334	11,346	1.19
Legrand Promesses	191,942	10,448	1.09
Rentokil Initial	3,644,103	9,996	1.05
Serco Group	9,913,232	11,093	1.16
Wolseley	610,146	28,476	2.99
<b>Total Industrials</b>		<b>142,411</b>	<b>14.93</b>
<b>Consumer Goods - 15.20% (12.22%)</b>			
British American Tobacco	971,040	51,242	5.37
Imperial Brands	777,032	27,188	2.85
Reckitt Benckiser	523,171	40,493	4.25
Unilever	611,266	26,061	2.73
<b>Total Consumer Goods</b>		<b>144,984</b>	<b>15.20</b>
<b>Healthcare - 7.67% (7.23%)</b>			
AstraZeneca	256,247	12,802	1.34
GlaxoSmithKline	3,051,624	49,085	5.15
Roche Holding	57,846	11,261	1.18
<b>Total Healthcare</b>		<b>73,148</b>	<b>7.67</b>
<b>Consumer Services - 11.25% (12.19%)</b>			
Compass Group	2,063,067	32,720	3.43
Halfords Group	3,718,293	12,352	1.29
Informa	3,974,106	26,368	2.76
Saga	5,996,968	12,456	1.31
SSP Group	2,467,313	12,110	1.27
WHSmith	681,875	11,340	1.19
<b>Total Consumer Services</b>		<b>107,346</b>	<b>11.25</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i> Holding</i>	<i> Bid value £'000</i>	<i> Total net assets %</i>
<b>Telecommunications - 4.92% (6.17%)</b>			
British Telecom Group	5,428,503	16,321	1.71
Vodafone Group	13,989,897	30,610	3.21
<b>Total Telecommunications</b>		<b>46,931</b>	<b>4.92</b>
<b>Utilities - 3.03% (2.59%)</b>			
Centrica	14,016,902	28,903	3.03
<b>Total Utilities</b>		<b>28,903</b>	<b>3.03</b>
<b>Financials - 20.87% (20.28%)</b>			
Aviva	5,425,730	28,729	3.01
Barclays	17,045,072	35,530	3.72
+HSBC Holdings (London listed)	7,359,052	53,986	5.66
Lancashire Holdings	1,888,868	13,770	1.44
Lloyds Banking Group	25,161,864	16,841	1.77
Prudential	1,930,743	34,020	3.57
Royal Bank of Scotland Group	6,432,244	16,235	1.70
<b>Total Financials</b>		<b>199,111</b>	<b>20.87</b>
<b>Technology - 3.32% (2.94%)</b>			
Microsoft	371,835	20,683	2.17
Sophos Group	2,492,653	10,958	1.15
<b>Total Technology</b>		<b>31,641</b>	<b>3.32</b>
<b>Portfolio of investments</b>		<b>933,975</b>	<b>97.91</b>
<b>Net other assets</b>		<b>19,903</b>	<b>2.09</b>
<b>Net assets</b>		<b>953,878</b>	<b>100.00</b>

+related party

Figures in brackets denote the comparative percentage holdings as at 15 January 2017.

Unless otherwise stated, all investments are listed equities.

Total purchases for the period, including transaction charges, were £214,219,461.

Total sales for the period, net of transaction charges, were £208,616,899.

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Retail Income</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	72.60p	64.47p	68.86p	71.51p
Return before operating charges*	2.92p	11.71p	(0.79p)	0.88p
Operating charges	(0.60p)	(1.13p)	(1.19p)	(1.15p)
Return after operating charges*	2.32p	10.58p	(1.98p)	(0.27p)
Distributions on income share	(1.64p)	(2.45p)	(2.41p)	(2.38p)
Closing net asset value per share	73.28p	72.60p	64.47p	68.86p
*after direct transaction costs of:	0.10p	0.22p	0.10p	0.17p
<b>Performance</b>				
Return after charges	3.20%	16.41%	(2.88%)	(0.38%)
<b>Other information</b>				
Closing net asset value	£31,907,415	£33,198,426	£35,323,608	£235,102,272
Closing number of shares	43,541,293	45,726,050	54,788,766	341,420,578
Operating charges - OCF	1.64%	1.64%	1.64%	1.64%
Direct transaction costs	0.13%	0.32%	0.14%	0.24%
<b>Prices</b>				
Highest share price	76.91p	73.41p	76.58p	72.32p
Lowest share price	70.37p	60.70p	65.85p	63.65p
<b>Retail Accumulation</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	131.80p	113.00p	116.60p	116.90p
Return before operating charges*	5.28p	20.79p	(1.59p)	1.59p
Operating charges	(1.08p)	(1.99p)	(2.01p)	(1.89p)
Return after operating charges*	4.20p	18.80p	(3.60p)	(0.30p)
Distributions on accumulation share	(2.97p)	(4.32p)	(4.12p)	(3.92p)
Retained distributions on accumulation share	2.97p	4.32p	4.12p	3.92p
Closing net asset value per share	136.00p	131.80p	113.00p	116.60p
*after direct transaction costs of:	0.18p	0.39p	0.18p	0.28p
<b>Performance</b>				
Return after charges	3.19%	16.64%	(3.09%)	(0.26%)
<b>Other information</b>				
Closing net asset value	£43,789,987	£45,193,224	£46,289,185	£76,183,155
Closing number of shares	32,206,560	34,301,078	40,954,952	65,363,993
Operating charges - OCF	1.64%	1.64%	1.64%	1.64%
Direct transaction costs	0.13%	0.32%	0.14%	0.24%
<b>Prices</b>				
Highest share price	139.60p	131.40p	129.60p	119.40p
Lowest share price	127.70p	106.40p	113.60p	106.10p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Retail B Income</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Change in net assets per share				
Opening net asset value per share	77.90p	68.51p	72.70p	75.03p
Return before operating charges*	3.14p	12.51p	(0.85p)	0.93p
Operating charges	(0.24p)	(0.50p)	(0.77p)	(0.75p)
Return after operating charges*	2.90p	12.01p	(1.62p)	0.18p
Distributions on income share	(1.76p)	(2.62p)	(2.57p)	(2.51p)
Closing net asset value per share	79.04p	77.90p	68.51p	72.70p
*after direct transaction costs of:	0.11p	0.23p	0.11p	0.18p
<b>Performance</b>				
Return after charges	3.72%	17.53%	(2.23%)	0.24%
<b>Other information</b>				
Closing net asset value	£104,090,269	£105,209,207	£97,228,026	£107,812,783
Closing number of shares	131,700,284	135,065,386	141,923,215	148,291,286
Operating charges - OCF <sup>^</sup>	0.60%	0.60%	1.00%	1.00%
Direct transaction costs	0.13%	0.32%	0.14%	0.24%
<b>Prices</b>				
Highest share price	82.84p	78.77p	81.04p	76.07p
Lowest share price	75.53p	64.53p	69.85p	67.10p
^Prior year OCF have been amended to reflect capped OCF rate on share class.				

<b>Retail B Accumulation</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Change in net assets per share				
Opening net asset value per share	141.50p	120.20p	123.20p	122.80p
Return before operating charges*	5.74p	22.19p	(1.68p)	1.64p
Operating charges	(0.44p)	(0.89p)	(1.32p)	(1.24p)
Return after operating charges*	5.30p	21.30p	(3.00p)	0.40p
Distributions on accumulation share	(3.21p)	(4.63p)	(4.38p)	(4.15p)
Retained distributions on accumulation share	3.21p	4.63p	4.38p	4.15p
Closing net asset value per share	146.80p	141.50p	120.20p	123.20p
*after direct transaction costs of:	0.19p	0.41p	0.19p	0.29p
<b>Performance</b>				
Return after charges	3.75%	17.72%	(2.44%)	0.33%
<b>Other information</b>				
Closing net asset value	£5,178,109	£5,380,358	£5,021,280	£6,099,595
Closing number of shares	3,528,413	3,802,932	4,177,430	4,952,538
Operating charges - OCF <sup>^</sup>	0.60%	0.60%	1.00%	1.00%
Direct transaction costs	0.13%	0.32%	0.14%	0.24%
<b>Prices</b>				
Highest share price	150.50p	141.00p	137.30p	126.00p
Lowest share price	137.20p	113.20p	120.60p	111.90p
^Prior year OCF have been amended to reflect capped OCF rate on share class.				

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>CTF Accumulation</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	133.30p	114.20p	117.60p	117.80p
Return before operating charges*	5.31p	20.97p	(1.53p)	1.56p
Operating charges	(1.01p)	(1.87p)	(1.87p)	(1.76p)
Return after operating charges*	4.30p	19.10p	(3.40p)	(0.20p)
Distributions on accumulation share	(3.02p)	(4.38p)	(4.18p)	(3.97p)
Retained distributions on accumulation share	3.02p	4.38p	4.18p	3.97p
Closing net asset value per share	137.60p	133.30p	114.20p	117.60p
*after direct transaction costs of:	0.18p	0.39p	0.18p	0.28p
<b>Performance</b>				
Return after charges	3.23%	16.73%	(2.89%)	(0.17%)
<b>Other information</b>				
Closing net asset value	£559,926,088	£532,685,483	£439,604,029	£436,856,838
Closing number of shares	406,808,005	399,660,437	385,014,021	371,553,860
Operating charges - OCF <sup>^</sup>	1.50%	1.50%	1.50%	1.50%
Direct transaction costs	0.13%	0.32%	0.14%	0.24%
<b>Prices</b>				
Highest share price	141.30p	132.90p	130.90p	120.40p
Lowest share price	129.20p	107.50p	114.70p	107.00p

<sup>^</sup>Prior year OCF have been amended to reflect capped OCF rate on share class.

<b>Income C</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	75.62p	66.66p	70.67p	72.85p
Return before operating charges*	3.05p	12.14p	(0.88p)	0.90p
Operating charges	(0.35p)	(0.65p)	(0.65p)	(0.65p)
Return after operating charges*	2.70p	11.49p	(1.53p)	0.25p
Distributions on income share	(1.71p)	(2.53p)	(2.48p)	(2.43p)
Closing net asset value per share	76.61p	75.62p	66.66p	70.67p
*after direct transaction costs of:	0.10p	0.23p	0.10p	0.17p
<b>Performance</b>				
Return after charges	3.57%	17.23%	(2.16%)	0.35%
<b>Other information</b>				
Closing net asset value	£181,692,587	£187,981,195	£176,683,044	£11,665,900
Closing number of shares	237,179,834	248,584,862	265,042,805	16,507,627
Operating charges - OCF	0.91%	0.92%	0.92%	0.92%
Direct transaction costs	0.13%	0.32%	0.14%	0.24%
<b>Prices</b>				
Highest share price	80.32p	76.46p	78.80p	73.89p
Lowest share price	73.32p	62.79p	67.95p	65.21p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Accumulation C</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	135.70p	115.60p	118.30p	117.90p
Return before operating charges*	5.52p	21.24p	(1.57p)	1.48p
Operating charges	(0.62p)	(1.14p)	(1.13p)	(1.08p)
Return after operating charges*	4.90p	20.10p	(2.70p)	0.40p
Distributions on accumulation share	(3.07p)	(4.43p)	(4.19p)	(3.97p)
Retained distributions on accumulation share	3.07p	4.43p	4.19p	3.97p
Closing net asset value per share	140.60p	135.70p	115.60p	118.30p
*after direct transaction costs of:	0.19p	0.40p	0.18p	0.28p
<b>Performance</b>				
Return after charges	3.61%	17.39%	(2.28%)	0.34%
<b>Other information</b>				
Closing net asset value	£27,293,777	£27,936,741	£24,922,344	£9,170,921
Closing number of shares	19,418,502	20,585,177	21,562,846	7,750,089
Operating charges - OCF	0.91%	0.92%	0.92%	0.92%
Direct transaction costs	0.13%	0.32%	0.14%	0.24%
<b>Prices</b>				
Highest share price	144.20p	135.30p	132.00p	121.10p
Lowest share price	131.60p	108.90p	115.90p	107.50p

## Statement of Total Return

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		<b>16,367</b>		58,111
Revenue	<b>21,516</b>		18,389	
Expenses	<b>(6,023)</b>		(5,451)	
Net revenue before taxation	<b>15,493</b>		12,938	
Taxation	<b>(291)</b>		(260)	
Net revenue after taxation		<b>15,202</b>		12,678
Total return before distributions		<b>31,569</b>		70,789
Distributions		<b>(21,152)</b>		(18,029)
Change in net assets attributable to shareholders from investment activities		<b>10,417</b>		52,760

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>937,585</b>		825,072
Amounts receivable on creation of shares	<b>15,442</b>		14,255	
Amounts payable on cancellation of shares	<b>(23,517)</b>		(25,001)	
		<b>(8,075)</b>		(10,746)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>10,417</b>		52,760
Retained distribution on accumulation shares		<b>13,951</b>		11,381
Closing net assets attributable to shareholders		<b>953,878</b>		878,467

## Balance Sheet

as at 15 July 2017 (unaudited)

	15.7.17		15.1.17	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>933,975</b>		912,461
Current assets				
Debtors	<b>4,134</b>		25,870	
Cash and bank balances	<b>23,680</b>		22,292	
Total current assets		<b>27,814</b>		48,162
Total assets		<b>961,789</b>		960,623
<b>Liabilities</b>				
Creditors				
Distribution payable on income shares	<b>(7,088)</b>		(4,652)	
Other creditors	<b>(823)</b>		(18,386)	
Total liabilities		<b>(7,911)</b>		(23,038)
Net assets attributable to shareholders		<b>953,878</b>		937,585

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.17</i>	<i>Distribution paid 15.9.16</i>
Group 1: Shares purchased prior to 16 January 2017				
Group 2: Shares purchased from 16 January 2017 to 15 July 2017				
<b>Retail Income</b>				
Group 1	1.640000	-	1.640000	1.410000
Group 2	1.060000	0.580000	1.640000	1.410000
<b>Retail Accumulation</b>				
Group 1	2.970000	-	2.970000	2.470000
Group 2	1.400000	1.570000	2.970000	2.470000
<b>Retail B Income</b>				
Group 1	1.760000	-	1.760000	1.500000
Group 2	1.040000	0.720000	1.760000	1.500000
<b>Retail B Accumulation</b>				
Group 1	3.210000	-	3.210000	2.640000
Group 2	1.660000	1.550000	3.210000	2.640000
<b>CTF Accumulation</b>				
Group 1	3.020000	-	3.020000	2.510000
Group 2	1.520000	1.500000	3.020000	2.510000
<b>Income C</b>				
Group 1	1.710000	-	1.710000	1.460000
Group 2	1.020000	0.690000	1.710000	1.460000
<b>Accumulation C</b>				
Group 1	3.070000	-	3.070000	2.530000
Group 2	1.450000	1.620000	3.070000	2.530000

# Income

## Investment Objective

To provide an above average yield together with capital growth by investing predominantly in the UK.

## Investment Policy

To invest mainly in UK equities and a range of convertible stocks.

## Investment Strategy

To provide an above average yield together with capital growth through active stock selection to create a portfolio of about 40 stocks. The stock selection process is based on quantitative and qualitative factors, with fundamental research being the most important aspect.

## Portfolio Activity

UK equities had a poor start to the period but later advanced. The Technology and Industrial sectors, both overweight positions in the portfolio, gained whilst Energy, an underweight position, and Telecommunications lagged.

Contributors to performance included Atkins (WS), a multinational engineering, design, planning and architectural company, which gained after a takeover offer from its Canadian rival, SNC-Lavalin. Additionally, SSP saw continued momentum following better than expected results driven by operational improvements and FX tailwinds following the Brexit referendum.

Key detractors from performance included BT, which was pressured due to regulatory issues surrounding its broadband network, and BP, which fell along with the rest of the energy sector.

Positions initiated: Card Factory, IMI, IWG, Rentokil, Royal Bank of Scotland, Saga and Serco Group. Positions sold: AA, Atkins (WS), Kingfisher and Legrand.

We favour being overweight in a diversified basket of risk assets, including equities (in particular Europe and selective emerging markets) and local currency emerging markets debt, whilst being underweight developed market government bonds. Positive global economic momentum and the potential for further sterling weakness, supports the UK earnings outlook given a large dependency on foreign earnings. Our portfolio aims to invest in companies with an attractive combination of profitability and valuation, quality companies typically having sustainable business models, strong balance sheets and good management. We believe this disciplined approach should help investors navigate short-term uncertainties.

## Investment Performance

During the period under review, the value of the shares in the Fund increased by 3.85%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

*Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.*

## Fund Particulars

as at 17 July 2017 (unaudited)

	Retail Income	Retail Accumulation	Income C	Accumulation C
Price	335.3p xd	660.5p	352.0p xd	683.2p
Distribution payable (on 15 September 2017) per share net	8.100000p	15.590000p	8.490000p	16.100000p
Current net estimated yield	3.77%	3.58%	3.75%	3.55%
Annual ACD charge	1.50%	1.50%	0.80%	0.80%

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Oil &amp; Gas - 9.97% (12.70%)</b>			
BP	2,333,343	10,378	5.16
Royal Dutch Shell A	471,635	9,668	4.81
<b>Total Oil &amp; Gas</b>		<b>20,046</b>	<b>9.97</b>
<b>Basic Materials - 6.66% (6.99%)</b>			
BHP Billiton	241,562	3,152	1.57
Croda International	83,995	3,271	1.63
Rio Tinto	202,206	6,970	3.46
<b>Total Basic Materials</b>		<b>13,393</b>	<b>6.66</b>
<b>Industrials - 13.62% (11.35%)</b>			
BAE Systems	772,669	4,725	2.35
DCC (London listed)	40,709	2,850	1.42
Essentra	790,887	4,358	2.17
Howden Joinery Group	342,145	1,435	0.71
IMI	207,961	2,616	1.30
International Workplace Group	748,196	2,420	1.20
Rentokil Initial	789,592	2,166	1.08
Serco Group	1,406,279	1,574	0.78
Wolseley	112,563	5,253	2.61
<b>Total Industrials</b>		<b>27,397</b>	<b>13.62</b>
<b>Consumer Goods - 14.82% (12.57%)</b>			
British American Tobacco	213,716	11,278	5.61
Imperial Brands	220,393	7,712	3.83
Reckitt Benckiser	56,042	4,338	2.16
Unilever	151,919	6,477	3.22
<b>Total Consumer Goods</b>		<b>29,805</b>	<b>14.82</b>
<b>Healthcare - 8.77% (8.90%)</b>			
AstraZeneca	68,571	3,426	1.70
GlaxoSmithKline	723,322	11,635	5.79
Roche Holding participating	13,219	2,573	1.28
<b>Total Healthcare</b>		<b>17,634</b>	<b>8.77</b>
<b>Consumer Services - 12.34% (11.57%)</b>			
Card Factory	799,206	2,291	1.14
Compass Group	388,572	6,163	3.06
Halfords Group	804,889	2,674	1.33
Informa	853,581	5,663	2.82
Saga	1,294,309	2,688	1.34
SSP Group	520,981	2,557	1.27
WHSmith	166,872	2,775	1.38
<b>Total Consumer Services</b>		<b>24,811</b>	<b>12.34</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Telecommunications - 6.32% (8.25%)</b>			
BT Group	1,257,675	3,781	1.88
Vodafone Group	4,084,750	8,937	4.44
<b>Total Telecommunications</b>		<b>12,718</b>	<b>6.32</b>
<b>Utilities - 3.17% (3.01%)</b>			
Centrica	3,091,366	6,374	3.17
<b>Total Utilities</b>		<b>6,374</b>	<b>3.17</b>
<b>Financials - 21.42% (21.10%)</b>			
Aviva	1,163,847	6,163	3.07
Barclays	3,300,973	6,881	3.42
+HSBC Holdings (London listed)	1,561,135	11,452	5.69
Lancashire Holdings	510,943	3,725	1.85
Lloyds Banking Group	7,765,001	5,197	2.58
Prudential	404,357	7,125	3.54
Royal Bank of Scotland	1,009,919	2,549	1.27
<b>Total Financials</b>		<b>43,092</b>	<b>21.42</b>
<b>Technology - 2.73% (2.24%)</b>			
Computacenter	280,496	2,474	1.23
Microsoft	54,391	3,025	1.50
<b>Total Technology</b>		<b>5,499</b>	<b>2.73</b>
<b>Portfolio of investments</b>		<b>200,769</b>	<b>99.82</b>
<b>Net other assets</b>		<b>364</b>	<b>0.18</b>
<b>Net assets</b>		<b>201,133</b>	<b>100.00</b>

+related party

Percentages in brackets denote the comparative percentage holdings as at 15 January 2017.

Unless otherwise stated, all investments are listed equities.

Total purchases for the period, including transaction charges, were £35,501,598.

Total sales for the period, net of transaction charges, were £41,679,821.

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Retail Income</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	332.20p	294.20p	320.40p	333.60p
Return before operating charges*	12.24p	55.82p	(7.19p)	5.73p
Operating charges	(2.74p)	(5.16p)	(5.43p)	(5.42p)
Return after operating charges*	9.50p	50.66p	(12.62p)	0.31p
Distributions on income share	(8.10p)	(12.66p)	(13.58p)	(13.51p)
Closing net asset value per share	333.60p	332.20p	294.20p	320.40p
*after direct transaction costs of:	0.35p	0.72p	0.55p	0.59p
<b>Performance</b>				
Return after charges	2.86%	17.22%	(3.94%)	0.09%
<b>Other information</b>				
Closing net asset value	£82,628,215	£86,047,755	£84,436,793	£184,847,715
Closing number of shares	24,770,250	25,905,632	28,703,169	57,692,311
Operating charges - OCF	1.64%	1.65%	1.65%	1.65%
Direct transaction costs	0.10%	0.23%	0.17%	0.18%
<b>Prices</b>				
Highest share price	351.10p	336.50p	350.80p	342.40p
Lowest share price	320.40p	277.30p	301.50p	301.30p
<b>Retail Accumulation</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	638.90p	544.20p	567.80p	567.20p
Return before operating charges*	23.67p	104.35p	(13.92p)	9.93p
Operating charges	(5.27p)	(9.65p)	(9.68p)	(9.33p)
Return after operating charges*	18.40p	94.70p	(23.60p)	0.60p
Distributions on accumulation share	(15.59p)	(23.64p)	(24.31p)	(23.20p)
Retained distributions on accumulation share	15.59p	23.64p	24.31p	23.20p
Closing net asset value per share	657.30p	638.90p	544.20p	567.80p
*after direct transaction costs of:	0.68p	1.34p	0.98p	1.01p
<b>Performance</b>				
Return after charges	2.88%	17.40%	(4.16%)	0.11%
<b>Other information</b>				
Closing net asset value	£28,970,232	£29,256,983	£27,797,814	£35,034,785
Closing number of shares	4,407,726	4,579,147	5,108,145	6,170,670
Operating charges - OCF	1.64%	1.65%	1.65%	1.65%
Direct transaction costs	0.10%	0.23%	0.17%	0.18%
<b>Prices</b>				
Highest share price	675.40p	637.10p	621.90p	582.10p
Lowest share price	616.40p	513.00p	546.70p	523.90p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Income C</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	347.50p	305.50p	330.30p	341.40p
Return before operating charges*	12.79p	58.19p	(7.70p)	5.87p
Operating charges	(1.60p)	(3.01p)	(3.06p)	(3.11p)
Return after operating charges*	11.19p	55.18p	(10.76p)	2.76p
Distributions on income shares	(8.49p)	(13.18p)	(14.04p)	(13.86p)
Closing net asset value per share	350.20p	347.50p	305.50p	330.30p
*after direct transaction costs of:	0.37p	0.75p	0.55p	0.60p
<b>Performance</b>				
Return after charges	3.22%	18.06%	(3.26%)	0.81%
<b>Other information</b>				
Closing net asset value	£85,760,852	£88,135,106	£79,688,336	£6,957,798
Closing number of shares	24,486,699	25,364,248	26,085,303	2,106,620
Operating charges - OCF	0.92%	0.92%	0.92%	0.92%
Direct transaction costs	0.10%	0.23%	0.17%	0.18%
<b>Prices</b>				
Highest share price	368.30p	352.00p	362.60p	350.60p
Lowest share price	335.30p	288.20p	312.70p	310.00p
<b>Accumulation C</b>				
<b>Change in net assets per share</b>				
Opening net asset value per share	658.40p	556.70p	576.60p	571.80p
Return before operating charges*	24.44p	107.25p	(14.41p)	10.10p
Operating charges	(3.04p)	(5.55p)	(5.49p)	(5.30p)
Return after operating charges*	21.40p	101.70p	(19.90p)	4.80p
Distributions on accumulation share	(16.10p)	(24.26p)	(24.77p)	(23.46p)
Retained distributions on accumulation share	16.10p	24.26p	24.77p	23.46p
Closing net asset value per share	679.80p	658.40p	556.70p	576.60p
*after direct transaction costs of:	0.70p	1.37p	0.99p	1.02p
<b>Performance</b>				
Return after charges	3.25%	18.27%	(3.45%)	0.84%
<b>Other information</b>				
Closing net asset value	£3,773,260	£3,777,705	£3,353,065	£1,347,703
Closing number of shares	555,087	573,754	602,263	233,725
Operating charges - OCF	0.92%	0.92%	0.92%	0.92%
Direct transaction costs	0.10%	0.23%	0.17%	0.18%
<b>Prices</b>				
Highest share price	697.90p	656.50p	633.20p	590.50p
Lowest share price	635.40p	525.10p	558.80p	531.10p

## Statement of Total Return

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		<b>2,484</b>		14,441
Revenue	<b>5,042</b>		4,883	
Expenses	<b>(1,347)</b>		(1,309)	
Net revenue before taxation	<b>3,695</b>		3,574	
Taxation	<b>(59)</b>		(75)	
Net revenue after taxation		<b>3,636</b>		3,499
Total return before distributions		<b>6,120</b>		17,940
Distributions		<b>(4,962)</b>		(4,786)
Change in net assets attributable to shareholders from investment activities		<b>1,158</b>		13,154

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>207,218</b>		195,276
Amounts receivable on creation of shares	<b>2,357</b>		2,451	
Amounts payable on cancellation of shares	<b>(10,377)</b>		(10,541)	
		<b>(8,020)</b>		(8,090)
Dilution adjustment		-		12
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>1,158</b>		13,154
Retained distribution on accumulation shares		<b>777</b>		726
Closing net assets attributable to shareholders		<b>201,133</b>		201,078

## Balance Sheet

as at 15 July 2017 (unaudited)

	15.7.17		15.1.17	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>200,769</b>		204,486
Current assets				
Debtors	<b>1,017</b>		4,504	
Cash and bank balances	<b>3,741</b>		3,266	
Total current assets		<b>4,758</b>		7,770
Total assets		<b>205,527</b>		212,256
<b>Liabilities</b>				
Creditors				
Distribution payable on income shares	<b>(4,085)</b>		(2,788)	
Other creditors	<b>(309)</b>		(2,250)	
Total liabilities		<b>(4,394)</b>		(5,038)
Net assets attributable to shareholders		<b>201,133</b>		207,218

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.17</i>	<i>Distribution paid 15.9.16</i>
Group 1: Shares purchased prior to 16 January 2017				
Group 2: Shares purchased from 16 January 2017 to 15 July 2017				
<b>Retail Income</b>				
Group 1	8.100000	-	8.100000	7.330000
Group 2	4.790000	3.310000	8.100000	7.330000
<b>Retail Accumulation</b>				
Group 1	15.590000	-	15.590000	13.570000
Group 2	7.470000	8.120000	15.590000	13.570000
<b>Income C</b>				
Group 1	8.490000	-	8.490000	7.630000
Group 2	4.130000	4.360000	8.490000	7.630000
<b>Accumulation C</b>				
Group 1	16.100000	-	16.100000	13.900000
Group 2	8.140000	7.960000	16.100000	13.900000

# Monthly Income

## Investment Objective

To provide a monthly income rising over time together with capital growth.

## Investment Policy

To invest predominantly in a combination of UK equities and fixed income securities.

## Investment Strategy

The long-term allocation target is 70% equities and 30% fixed income. The Fund invests in many of the higher-yielding equities in the UK market.

## Portfolio Activity

UK equities had a poor start to the period but later advanced. The Technology and Industrial sectors, both overweight positions in the portfolio, gained whilst Energy, an underweight position, and Telecommunications lagged.

Contributors to performance included Atkins (WS), a multinational engineering, design, planning and architectural company, which gained after a takeover offer from its Canadian rival, SNC-Lavalin. Additionally, SSP Group saw continued momentum following better than expected results driven by operational improvements and FX tailwinds following the Brexit referendum.

Key detractors from performance included BT Group, which was pressured due to regulatory issues surrounding its broadband network, and BP, which fell along with the rest of the energy sector.

Positions initiated: Card Factory, IMI, IWG, Rentokil Initial, Royal Bank of Scotland, Saga and Serco Group. Positions sold: AA, Atkins (WS), Kingfisher and Legrand Promesses.

We favour being overweight in a diversified basket of risk assets, including equities (in particular Europe and selective emerging markets) and local currency emerging markets debt, whilst being underweight developed market government bonds. Positive global economic momentum and the potential for further sterling weakness, supports the UK earnings outlook given a large dependency on foreign earnings. Your portfolio aims to invest in companies with an attractive combination of profitability and valuation, quality companies typically having sustainable business models, strong balance sheets and good management. We believe this disciplined approach should help investors navigate short-term uncertainties.

The sterling corporates section had a positive absolute return over the reporting period following stable UK gilts and tighter credit spreads (difference between corporate bond and UK gilts yields) over the period.

The beta of the sterling corporates section has been kept slightly below 1, with some exposure to USD and Euro names. The Fund has remained well diversified by issuers, sectors and country of domicile with a focus on name selection; issues with relative value and within issuers' capital structure. We have kept an off-benchmark allocation in collateralised securities, which was slightly reduced over the period. All non-GBP exposure has been kept fully hedged back to sterling. We remain underweight Financials, (mainly senior banks and senior financial services), Consumer Services, Healthcare and Utilities. We keep Gilts exposure for duration management purposes.

In terms of activity, there were no large purchases of fixed income security while significant sales included: Wal-mart Stores 4.875% 19/1/2039, Standard Chartered Plc 4% variable rate 21/10/2025 and BPCE 5.25% 16/4/2029.

## Investment Performance

During the period under review, the value of the shares in the Fund increased by 3.82%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

*Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.*

## Fund Particulars

as at 17 July 2017 (unaudited)

	Retail Income	Retail Accumulation	Income C	Accumulation C
Price	151.5p xd	299.8p	156.9p xd	307.9p
Distribution payable (on 15 August 2017) per share net	0.420000p	0.900000p	0.500000p	0.950000p
Current net estimated yield	4.32%	4.26%	4.30%	4.36%
Annual ACD charge	1.25%	1.25%	0.55%	0.55%

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UNITED KINGDOM - 75.61% (74.90%)</b>			
<b>Government Bonds - 1.64% (1.57%)</b>			
Treasury 3.25% 22/1/2044	£600,000	758	0.45
Treasury 3.5% 22/1/2045	£450,000	596	0.35
Treasury 3.75% 22/7/2052	£500,000	744	0.44
Treasury 4.5% 7/9/2034	£475,000	665	0.40
<b>Total Government Bonds</b>		<b>2,763</b>	<b>1.64</b>
<b>Corporate Bonds - 8.40% (8.31%)</b>			
Aviva 6.625% variable rate 3/6/2041	£450,000	516	0.31
Barclays Bank 10% 21/5/2021	£800,000	1,025	0.61
BAT International 7.25% 12/3/2024	£500,000	657	0.39
BG Energy Capital 6.5% variable rate 30/11/2072	£600,000	612	0.36
Centrica 4.375% 13/3/2029	£500,000	583	0.35
Eastern Power Networks 5.75% 8/3/2024	£891,000	1,098	0.65
Hammerson 6% 23/2/2026	£500,000	624	0.37
Imperial Tobacco 4.875% 7/6/2032	£112,000	134	0.08
Imperial Tobacco 8.125% 15/3/2024	£500,000	678	0.40
Legal and General Group 5.5% variable rate 27/6/2064	£221,000	235	0.14
Manchester Airport Group Funding 4.75% 31/3/2034	£317,000	396	0.23
Morrison (WM) Supermarkets 4.75% 4/7/2029	£409,000	470	0.28
Prudential 5.7% variable rate 19/12/2063	£300,000	339	0.20
RL Finance No.2 6.125% variable rate 30/11/2043	£250,000	278	0.16
Royal Bank of Scotland 6.125% 15/12/2022	\$1,000,000	839	0.50
Severn Trent Water Utilities 3.625% 16/1/2026	£633,000	703	0.42
SL Finance 6.75% variable rate perpetual	£400,000	470	0.28
Southern Gas 4.875% 21/12/2020	£624,000	700	0.42
SSE 3.875% variable rate perpetual	£178,000	183	0.11
Standard Life 5.5% variable rate 4/12/2042	£575,000	637	0.38
Tesco Property Finance 5.4111% 13/7/2044	£500,000	520	0.31
United Utilities 5.625% 20/12/2027	£430,000	567	0.34
Vodafone Group 5.625% 4/12/2025	£250,000	310	0.18
Western Power Distribution 3.875% 17/10/2024	£755,000	848	0.50
Zurich Finance 6.625% variable rate perpetual	£600,000	716	0.43
<b>Total Corporate Bonds</b>		<b>14,138</b>	<b>8.40</b>
<b>Permanent Interest Bearing Securities - 0.47% (0.45%)</b>			
Leeds Building Society 13.375% perpetual	£380,000	785	0.47
<b>Total Permanent Interest Bearing Securities</b>		<b>785</b>	<b>0.47</b>
<b>Oil &amp; Gas - 7.09% (9.20%)</b>			
BP	1,394,031	6,200	3.68
Royal Dutch Shell A	280,164	5,743	3.41
<b>Total Oil &amp; Gas</b>		<b>11,943</b>	<b>7.09</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Basic Materials - 5.05% (5.07%)</b>			
BHP Billiton	164,991	2,153	1.28
Croda International	59,796	2,329	1.38
Rio Tinto	116,722	4,023	2.39
<b>Total Basic Materials</b>		<b>8,505</b>	<b>5.05</b>
<b>Industrials - 6.13% (5.11%)</b>			
BAE Systems	509,545	3,116	1.85
Essentra	472,595	2,604	1.54
Howden Joinery	188,148	789	0.47
IMI	126,241	1,588	0.94
Rentokil Initial	470,924	1,292	0.77
Serco Group	839,052	939	0.56
<b>Total Industrials</b>		<b>10,328</b>	<b>6.13</b>
<b>Consumer Goods - 10.71% (9.10%)</b>			
British American Tobacco	130,261	6,874	4.08
Imperial Brands	134,791	4,716	2.80
Reckitt Benckiser	33,501	2,593	1.54
Unilever	90,652	3,865	2.29
<b>Total Consumer Goods</b>		<b>18,048</b>	<b>10.71</b>
<b>Healthcare - 5.10% (4.94%)</b>			
AstraZeneca	33,054	1,651	0.98
GlaxoSmithKline	431,483	6,941	4.12
<b>Total Healthcare</b>		<b>8,592</b>	<b>5.10</b>
<b>Consumer Services - 8.93% (8.16%)</b>			
Card Factory	488,832	1,402	0.83
Compass Group	231,947	3,679	2.19
Halfords Group	478,127	1,588	0.94
Informa	536,015	3,556	2.11
Saga	768,833	1,597	0.95
SSP Group	311,475	1,529	0.91
WHSmith	101,465	1,687	1.00
<b>Total Consumer Services</b>		<b>15,038</b>	<b>8.93</b>
<b>Telecommunications - 4.70% (6.12%)</b>			
BT Group	853,000	2,565	1.52
Vodafone Group	2,445,718	5,351	3.18
<b>Total Telecommunications</b>		<b>7,916</b>	<b>4.70</b>
<b>Utilities - 2.21% (2.25%)</b>			
Centrica	1,806,894	3,726	2.21
<b>Total Utilities</b>		<b>3,726</b>	<b>2.21</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Financials - 14.28% (13.84%)</b>			
Aviva	713,284	3,777	2.24
Barclays	2,007,551	4,185	2.49
+HSBC Holdings (London listed)	987,376	7,243	4.30
Lloyds Banking Group	4,981,251	3,334	1.98
Prudential	240,851	4,244	2.52
Royal Bank of Scotland Group	501,277	1,265	0.75
<b>Total Financials</b>		<b>24,048</b>	<b>14.28</b>
<b>Technology - 0.90% (0.78%)</b>			
Computacenter	171,210	1,510	0.90
<b>Total Technology</b>		<b>1,510</b>	<b>0.90</b>
<b>Total United Kingdom</b>		<b>127,340</b>	<b>75.61</b>
<b>UNITED STATES - 4.95% (4.98%)</b>			
<b>Corporate Bonds - 3.84% (4.12%)</b>			
AT&T 4.25% 1/6/2043	£600,000	631	0.37
AT&T 5.2% 18/11/2033	£200,000	238	0.14
Goldman Sachs Group 4.25% 29/1/2026	£761,000	853	0.51
+Household Finance Corporation (HSBC) 6.25% 19/8/2019	£500,000	554	0.33
McDonald's 6.375% 3/2/2020	£900,000	1,017	0.60
Metlife Global 2.875% 11/1/2023	£750,000	800	0.48
PepsiCo 2.5% 1/11/2022	£700,000	743	0.44
Time Warner Cable 5.25% 15/7/2042	£300,000	355	0.21
Verizon Communications 4.75% 17/2/2034	£483,000	558	0.33
Wal-Mart Stores 4.875% 19/1/2039	£75,000	103	0.06
Wells Fargo & Co. 4.875% 29/11/2035	£500,000	620	0.37
<b>Total Corporate Bonds</b>		<b>6,472</b>	<b>3.84</b>
<b>Technology - 1.11% (0.86%)</b>			
Microsoft	33,641	1,871	1.11
<b>Total Technology</b>		<b>1,871</b>	<b>1.11</b>
<b>Total United States</b>		<b>8,343</b>	<b>4.95</b>
<b>AUSTRALIA - 0.70% (0.68%)</b>			
<b>Corporate Bonds - 0.70% (0.68%)</b>			
APT Pipelines 4.25% 26/11/2024	£420,000	468	0.28
BHP Billiton Finance 6.5% variable rate 22/10/2077	£117,000	134	0.08
Macquarie Bank 3.5% 18/12/2020	£545,000	585	0.34
<b>Total Corporate Bonds</b>		<b>1,187</b>	<b>0.70</b>
<b>Total Australia</b>		<b>1,187</b>	<b>0.70</b>
<b>BELGIUM - 0.16% (0.15%)</b>			
<b>Corporate Bonds - 0.16% (0.15%)</b>			
Anheuser-Busch InBev 4% 24/9/2025	£230,000	263	0.16
<b>Total Corporate Bonds</b>		<b>263</b>	<b>0.16</b>
<b>Total Belgium</b>		<b>263</b>	<b>0.16</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>BERMUDA - 1.34% (1.42%)</b>			
<b>Financials - 1.34% (1.42%)</b>			
Lancashire Holdings	310,574	2,264	1.34
<b>Total Financials</b>		<b>2,264</b>	<b>1.34</b>
<b>Total Bermuda</b>		<b>2,264</b>	<b>1.34</b>
<b>CAYMAN ISLANDS - 1.71% (1.65%)</b>			
<b>Corporate Bonds - 1.71% (1.65%)</b>			
Affinity Water Programme Finance 4.5% 31/3/2036	£500,000	634	0.38
Heathrow Funding 4.625% 31/10/2046	£500,000	646	0.38
Yorkshire Power 7.25% 4/8/2028	£1,100,000	1,594	0.95
<b>Total Corporate Bonds</b>		<b>2,874</b>	<b>1.71</b>
<b>Total Cayman Islands</b>		<b>2,874</b>	<b>1.71</b>
<b>CHANNEL ISLANDS - 3.25% (1.96%)</b>			
<b>Corporate Bonds - 0.53% (0.50%)</b>			
Credit Suisse Funding Limited 3% 27/5/2022	£361,000	383	0.23
Gatwick Funding Limited 6.5% 2/3/2043	£109,000	171	0.10
Heathrow Funding 7.125% 14/2/2024	£260,000	333	0.20
<b>Total Corporate Bonds</b>		<b>887</b>	<b>0.53</b>
<b>Industrials - 2.72% (1.46%)</b>			
International workplace	446,348	1,444	0.86
Wolseley	67,261	3,139	1.86
<b>Total Industrials</b>		<b>4,583</b>	<b>2.72</b>
<b>Total Channel Islands</b>		<b>5,470</b>	<b>3.25</b>
<b>FRANCE - 4.00% (4.82%)</b>			
<b>Corporate Bonds - 4.00% (4.02%)</b>			
AXA 5.625% variable rate 16/01/2054	£800,000	916	0.54
Bouygues 5.5% 6/10/2026	£500,000	623	0.37
BPCE 5.25% 16/4/2029	£500,000	581	0.35
Electricite de France 5.5% 17/10/2041	£400,000	520	0.31
Electricite de France 5.875% variable rate perpetual	£200,000	200	0.12
Electricite de France 6% variable rate perpetual	£600,000	621	0.37
Electricite de France 6% 23/1/2114	£500,000	696	0.41
GDF Suez 4.625% variable rate perpetual	£500,000	521	0.31
Orange 5.875% variable rate perpetual	£571,000	630	0.37
RCI Banque 3% 9/5/2019	£250,000	258	0.15
Saint-Gobain 5.625% 15/11/2024	£200,000	247	0.15
Veolia Environnement 4.85% variable rate perpetual	£900,000	919	0.55
<b>Total Corporate Bonds</b>		<b>6,732</b>	<b>4.00</b>
<b>Industrials - 0.00% (0.80%)</b>			
<b>Total France</b>		<b>6,732</b>	<b>4.00</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>GERMANY - 0.31% (0.31%)</b>			
<b>Corporate Bonds - 0.31% (0.31%)</b>			
Munich Re Finance 7.625% variable rate 21/6/2028	£500,000	526	0.31
<b>Total Corporate Bonds</b>		<b>526</b>	<b>0.31</b>
<b>Total Germany</b>		<b>526</b>	<b>0.31</b>
<b>IRELAND - 2.32% (2.13%)</b>			
<b>Corporate Bonds - 1.30% (1.26%)</b>			
GE Capital UK Funding 4.125% 13/9/2023	£1,900,000	2,184	1.30
<b>Total Corporate Bonds</b>		<b>2,184</b>	<b>1.30</b>
<b>Industrials - 1.02% (0.87%)</b>			
DCC (London listed)	24,587	1,721	1.02
<b>Total Industrials</b>		<b>1,721</b>	<b>1.02</b>
<b>Total Ireland</b>		<b>3,905</b>	<b>2.32</b>
<b>ITALY - 0.44% (0.59%)</b>			
<b>Corporate Bonds - 0.44% (0.59%)</b>			
Enel Spa 6.625% variable rate 15/9/2076	£400,000	444	0.27
Telecom Italia 5.875% 19/5/2023	£250,000	289	0.17
<b>Total Corporate Bonds</b>		<b>733</b>	<b>0.44</b>
<b>Total Italy</b>		<b>733</b>	<b>0.44</b>
<b>LUXEMBOURG - 0.71% (0.70%)</b>			
<b>Corporate Bonds - 0.71% (0.70%)</b>			
Glencore Finance Europe 5.5% 3/4/2022	£250,000	289	0.17
Glencore Finance Europe 6.5% 27/2/2019	£500,000	540	0.32
Leonardo 8% 16/12/2019	£325,000	377	0.22
<b>Total Corporate Bonds</b>		<b>1,206</b>	<b>0.71</b>
<b>Total Luxembourg</b>		<b>1,206</b>	<b>0.71</b>
<b>MEXICO - 0.39% (0.40%)</b>			
<b>Government Bonds - 0.39% (0.34%)</b>			
United Mexican States (Govt of) 5.625% 19/3/2114	£621,000	655	0.39
<b>Total Government Bonds</b>		<b>655</b>	<b>0.39</b>
<b>Corporate Bonds - 0.00% (0.06%)</b>			
<b>Total Mexico</b>		<b>655</b>	<b>0.39</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>NETHERLANDS - 1.06% (0.99%)</b>			
<b>Corporate Bonds - 1.06% (0.99%)</b>			
Deutsche Telekom 8.875% 27/11/2028	£250,000	405	0.24
Petrobras Global Finance 6.625% 16/1/2034	£200,000	195	0.12
Petrobras International Finance 6.25% 14/12/2026	£400,000	405	0.24
Telefonica Europe 6.75% variable rate perpetual	£700,000	772	0.46
<b>Total Corporate Bonds</b>		<b>1,777</b>	<b>1.06</b>
<b>Total Netherlands</b>		<b>1,777</b>	<b>1.06</b>
<b>SWITZERLAND - 0.91% (1.22%)</b>			
<b>Healthcare - 0.91% (1.22%)</b>			
Roche Holding	7,891	1,536	0.91
<b>Total Healthcare</b>		<b>1,536</b>	<b>0.91</b>
<b>Total Switzerland</b>		<b>1,536</b>	<b>0.91</b>
<b>Forward Foreign Exchange Contracts - 0.00% (-0.04%)</b>			
<b>Portfolio of investments</b>		<b>164,811</b>	<b>97.86</b>
<b>Net other assets</b>		<b>3,599</b>	<b>2.14</b>
<b>Net assets</b>		<b>168,410</b>	<b>100.00</b>
Total equities		121,629	72.20
Bond credit ratings*			
AA		2,866	1.70
AA-		2,984	1.78
A+		743	0.44
A		2,381	1.41
A-		6,630	3.94
BBB+		13,984	8.29
BBB		4,748	2.83
BBB-		2,480	1.47
BB+		3,321	1.98
BB		1,660	0.99
BB-		600	0.36
Unrated		785	0.47
<b>Total bonds</b>		<b>43,182</b>	<b>25.66</b>
<b>Portfolio of investments</b>		<b>164,811</b>	<b>97.86</b>

+related party

\*ratings supplied by Standard & Poor's

Figures in brackets denote the comparative percentage holdings as at 15 January 2017.

Unless otherwise stated, all investments are listed securities.

Total purchases for the period, including transaction charges, were £20,694,100.

Total sales for the period, net of transaction charges, were £26,295,486.

**Comparative Table**

for the six months ended 15 July 2017 (unaudited)

<b>Retail Income</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	148.90p	133.70p	144.40p	145.90p
Return before operating charges*	5.36p	22.78p	(2.55p)	6.50p
Operating charges	(1.04p)	(1.99p)	(2.05p)	(2.04p)
Return after operating charges*	4.32p	20.79p	(4.60p)	4.46p
Distributions on income share	(2.52p)	(5.59p)	(6.10p)	(5.96p)
Closing net asset value per share	150.70p	148.90p	133.70p	144.40p
*after direct transaction costs of:	0.11p	0.24p	0.13p	0.20p
<b>Performance</b>				
Return after charges	2.90%	15.55%	(3.19%)	3.06%
<b>Other information</b>				
Closing net asset value	£49,013,165	£50,759,834	£50,010,027	£169,589,004
Closing number of shares	32,516,881	34,088,932	37,407,232	117,413,850
Operating charges - OCF	1.40%	1.40%	1.40%	1.40%
Direct transaction costs	0.07%	0.17%	0.09%	0.14%
<b>Prices</b>				
Highest share price	155.10p	150.90p	153.60p	148.80p
Lowest share price	144.80p	128.20p	135.00p	137.40p
<b>Retail Accumulation</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	289.90p	250.30p	259.30p	251.40p
Return before operating charges*	10.54p	43.38p	(5.27p)	11.46p
Operating charges	(2.04p)	(3.78p)	(3.73p)	(3.56p)
Return after operating charges*	8.50p	39.60p	(9.00p)	7.90p
Distributions on accumulation share	(5.15p)	(10.63p)	(11.13p)	(10.43p)
Retained distributions on accumulation share	5.15p	10.63p	11.13p	10.43p
Closing net asset value per share	298.40p	289.90p	250.30p	259.30p
*after direct transaction costs of:	0.21p	0.46p	0.23p	0.35p
<b>Performance</b>				
Return after charges	2.93%	15.82%	(3.47%)	3.14%
<b>Other information</b>				
Closing net asset value	£13,514,401	£14,072,775	£13,351,420	£24,727,866
Closing number of shares	4,529,265	4,854,592	5,335,029	9,536,778
Operating charges - OCF	1.40%	1.40%	1.40%	1.40%
Direct transaction costs	0.07%	0.17%	0.09%	0.14%
<b>Prices</b>				
Highest share price	305.30p	289.50p	277.30p	261.90p
Lowest share price	281.80p	240.10p	250.60p	243.10p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Income C</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	153.90p	137.10p	147.70p	148.30p
Return before operating charges*	5.43p	23.54p	(3.36p)	6.49p
Operating charges	(0.52p)	(0.98p)	(0.98p)	(1.01p)
Return after operating charges*	4.91p	22.56p	(4.34p)	5.48p
Distributions on income share	(2.71p)	(5.76p)	(6.26p)	(6.08p)
Closing net asset value per share	156.10p	153.90p	137.10p	147.70p
*after direct transaction costs of:	0.11p	0.25p	0.12p	0.20p
<b>Performance</b>				
Return after charges	3.19%	16.45%	(2.94%)	3.69%
<b>Other information</b>				
Closing net asset value	£97,124,538	£99,928,571	£96,931,803	£7,733,526
Closing number of shares	62,208,454	64,945,557	70,679,988	5,237,644
Operating charges - OCF	0.67%	0.67%	0.67%	0.68%
Direct transaction costs	0.07%	0.17%	0.09%	0.14%
<b>Prices</b>				
Highest share price	160.70p	155.60p	157.20p	151.30p
Lowest share price	149.60p	131.70p	138.80p	140.40p
<b>Accumulation C</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	296.80p	254.40p	262.50p	253.10p
Return before operating charges*	10.60p	44.25p	(6.31p)	11.14p
Operating charges	(1.00p)	(1.85p)	(1.79p)	(1.74p)
Return after operating charges*	9.60p	42.40p	(8.10p)	9.40p
Distributions on accumulation share	(4.98p)	(10.84p)	(11.29p)	(10.52p)
Retained distributions on accumulation share	4.98p	10.84p	11.29p	10.52p
Closing net asset value per share	306.40p	296.80p	254.40p	262.50p
*after direct transaction costs of:	0.22p	0.47p	0.23p	0.36p
<b>Performance</b>				
Return after charges	3.23%	16.67%	(3.09%)	3.71%
<b>Other information</b>				
Closing net asset value	£8,758,085	£8,983,943	£8,760,313	£1,756,142
Closing number of shares	2,858,031	3,026,833	3,443,654	669,021
Operating charges - OCF	0.67%	0.67%	0.67%	0.68%
Direct transaction costs	0.07%	0.17%	0.09%	0.14%
<b>Prices</b>				
Highest share price	313.30p	296.10p	281.10p	264.90p
Lowest share price	288.70p	244.40p	254.80p	245.80p

## Statement of Total Return

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		<b>2,216</b>		12,989
Revenue	<b>3,988</b>		4,093	
Expenses	<b>(801)</b>		(795)	
Net revenue before taxation	<b>3,187</b>		3,298	
Taxation	<b>(68)</b>		(48)	
Net revenue after taxation		<b>3,119</b>		3,250
Total return before distributions		<b>5,335</b>		16,239
Distributions		<b>(2,984)</b>		(3,182)
Change in net assets attributable to shareholders from investment activities		<b>2,351</b>		13,057

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>173,745</b>		169,054
Amounts receivable on creation of shares	<b>2,689</b>		1,154	
Amounts payable on cancellation of shares	<b>(10,762)</b>		(9,929)	
		<b>(8,073)</b>		(8,775)
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>2,351</b>		13,057
Retained distribution on accumulation shares		<b>387</b>		416
Closing net assets attributable to shareholders		<b>168,410</b>		173,752

## Balance Sheet

as at 15 July 2017 (unaudited)

	15.7.17		15.1.17	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>164,811</b>		168,348
Current assets				
Debtors	<b>1,672</b>		3,958	
Cash and bank balances	<b>2,742</b>		3,650	
Total current assets		<b>4,414</b>		7,608
Total assets		<b>169,225</b>		175,956
<b>Liabilities</b>				
Investment liabilities		-		(58)
Creditors				
Distribution payable on income shares	<b>(448)</b>		(803)	
Other creditors	<b>(367)</b>		(1,350)	
Total creditors		<b>(815)</b>		(2,153)
Total liabilities		<b>(815)</b>		(2,211)
Net assets attributable to shareholders		<b>168,410</b>		173,745

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.8.17</i>	<i>Distribution paid 15.8.16</i>
Group 1: Shares purchased prior to 16 June 2017				
Group 2: Shares purchased from 16 June 2017 to 15 July 2017				
<b>Retail Income</b>				
Group 1	0.420000	-	0.420000	0.440000
Group 2	0.000000	0.420000	0.420000	0.440000
<b>Retail Accumulation</b>				
Group 1	0.900000	-	0.900000	0.840000
Group 2	0.000000	0.900000	0.900000	0.840000
<b>Income C</b>				
Group 1	0.500000	-	0.500000	0.450000
Group 2	0.000000	0.500000	0.500000	0.450000
<b>Accumulation C</b>				
Group 1	0.950000	-	0.950000	0.850000
Group 2	0.000000	0.950000	0.950000	0.850000

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.7.17</i>	<i>Distribution paid 15.7.16</i>
Group 1: Shares purchased prior to 16 May 2017				
Group 2: Shares purchased from 16 May 2017 to 15 June 2017				
<b>Retail Income</b>				
Group 1	0.440000	-	0.440000	0.440000
Group 2	0.000000	0.440000	0.440000	0.440000
<b>Retail Accumulation</b>				
Group 1	0.920000	-	0.920000	0.840000
Group 2	0.000000	0.920000	0.920000	0.840000
<b>Income C</b>				
Group 1	0.500000	-	0.500000	0.450000
Group 2	0.000000	0.500000	0.500000	0.450000
<b>Accumulation C</b>				
Group 1	0.890000	-	0.890000	0.850000
Group 2	0.000000	0.890000	0.890000	0.850000

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.17</i>	<i>Distribution paid 15.6.16</i>
Group 1: Shares purchased prior to 16 April 2017				
Group 2: Shares purchased from 16 April 2017 to 15 May 2017				
<b>Retail Income</b>				
Group 1	0.460000	-	0.460000	0.440000
Group 2	0.000000	0.460000	0.460000	0.440000
<b>Retail Accumulation</b>				
Group 1	0.930000	-	0.930000	0.840000
Group 2	0.000000	0.930000	0.930000	0.840000
<b>Income C</b>				
Group 1	0.500000	-	0.500000	0.450000
Group 2	0.000000	0.500000	0.500000	0.450000
<b>Accumulation C</b>				
Group 1	0.890000	-	0.890000	0.850000
Group 2	0.000000	0.890000	0.890000	0.850000
Group 1: Shares purchased prior to 16 March 2017				
Group 2: Shares purchased from 16 March 2017 to 15 April 2017				
	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.5.17</i>	<i>Distribution paid 15.5.16</i>
<b>Retail Income</b>				
Group 1	0.500000	-	0.500000	0.440000
Group 2	0.000000	0.500000	0.500000	0.440000
<b>Retail Accumulation</b>				
Group 1	1.000000	-	1.000000	0.840000
Group 2	0.000000	1.000000	1.000000	0.840000
<b>Income C</b>				
Group 1	0.500000	-	0.500000	0.450000
Group 2	0.000000	0.500000	0.500000	0.450000
<b>Accumulation C</b>				
Group 1	0.920000	-	0.920000	0.850000
Group 2	0.000000	0.920000	0.920000	0.850000

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.4.17</i>	<i>Distribution paid 15.4.16</i>
Group 1: Shares purchased prior to 16 February 2017				
Group 2: Shares purchased from 16 February 2017 to 15 March 2017				
<b>Retail Income</b>				
Group 1	0.500000	-	0.500000	0.450000
Group 2	0.050000	0.450000	0.500000	0.450000
<b>Retail Accumulation</b>				
Group 1	1.000000	-	1.000000	0.850000
Group 2	0.370000	0.630000	1.000000	0.850000
<b>Income C</b>				
Group 1	0.500000	-	0.500000	0.450000
Group 2	0.000000	0.500000	0.500000	0.450000
<b>Accumulation C</b>				
Group 1	0.920000	-	0.920000	0.890000
Group 2	0.000000	0.920000	0.920000	0.890000

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.3.17</i>	<i>Distribution paid 15.3.16</i>
Group 1: Shares purchased prior to 16 January 2017				
Group 2: Shares purchased from 16 January 2017 to 15 February 2017				
<b>Retail Income</b>				
Group 1	0.200000	-	0.200000	0.350000
Group 2	0.180000	0.020000	0.200000	0.350000
<b>Retail Accumulation</b>				
Group 1	0.400000	-	0.400000	0.650000
Group 2	0.180000	0.220000	0.400000	0.650000
<b>Income C</b>				
Group 1	0.210000	-	0.210000	0.360000
Group 2	0.160000	0.050000	0.210000	0.360000
<b>Accumulation C</b>				
Group 1	0.410000	-	0.410000	0.670000
Group 2	0.200000	0.210000	0.410000	0.670000

## Gilt & Fixed Interest

### Investment Objective

To provide a regular and competitive level of income from an underlying portfolio of gilts and other highly-rated fixed interest securities.

### Investment Policy

To invest predominantly in British government stocks and other fixed interest stock whether issued in Great Britain or any other country in the world.

### Investment Strategy

The Gilt & Fixed Interest Fund invests in UK government securities and interest rate derivatives in order to achieve a better return than the market. This is achieved by changing the overall duration of the Fund and its yield curve positioning relative to the benchmark\*. It can also gain exposure to investment grade or high-yield credit through the use of credit default swaps.

### Portfolio Activity

The Fund made a positive absolute return over the reporting period on the back of a flattening yield curve with slightly falling longer dated bond yields and increasing short dated yields. Towards the end of the period, gilt yields have sold off because of the global momentum as well as hawkish comments from the various MPC members.

On a gross basis, the Fund outperformed the broad index. While the rates position did not have a significant impact with a small detraction due to a short underweight position earlier in the year and a positive impact thanks to a short overweight position during May, the small exposure to high quality corporate bonds had a positive effect as credit spreads have tightened over the period.

Recently gilt yields have lacked strong directional movement as there are divergent forces at play. While the macro fundamentals are beginning to look weak, the inflation expectation is still high. Gilts direction is expected to be more driven by internal factors due to the 'Brexit' negotiations and their uncertainties around the future path of the economy

In terms of activity, major purchases included: UK Treasury 2.5% 22/7/2065, KFW 1.625% 5/6/2020 and UK Treasury 4.25% 7/12/2055

Significant sales included: UK Treasury 5% 7/3/2018, UK Treasury 4.25% 7/12/2046 and UK Treasury 4.75% 7/12/2038.

### Investment Performance

During the period under review, the value of the shares in the Fund increased by 1.02%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

\*As the Fund has no official benchmark the indicative index is the FTSE All-Stocks index (for illustrative purposes only).

*Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.*

### Fund Particulars

as at 17 July 2017 (unaudited)

	Retail Income	Retail Accumulation	Institutional Income	Income C	Accumulation C
Price	72.55p xd	458.8p	72.89p xd	72.75p xd	466.8p
Distribution payable (on 15 September 2017) per share net	0.400000p	2.550000p	0.570000p	0.490000p	3.150000p
Current net estimated yield	2.20%	2.20%	3.10%	2.70%	2.70%
Annual ACD charge	0.75%	0.75%	0.00%	0.30%	0.30%

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>GOVERNMENT BONDS - 94.71% (96.03%)</b>			
KFW 1.625% 5/6/2020	£525,000	540	1.04
Network Rail 4.625% 21/7/2020	£985,000	1,102	2.13
Treasury 1.75% 7/9/2022	£2,496,000	2,630	5.08
Treasury 2.25% 7/9/2023	£569,000	617	1.19
Treasury 2.5% 22/7/2065	£441,000	546	1.05
Treasury 2.75% 7/9/2024	£710,000	798	1.54
Treasury 3.25% 22/1/2044	£213,000	269	0.52
Treasury 3.5% 22/1/2045	£942,000	1,249	2.41
Treasury 3.75% 22/7/2052	£735,000	1,093	2.11
Treasury 4.25% 7/12/2027	£1,819,000	2,337	4.51
Treasury 4.25% 7/6/2032	£3,390,000	4,534	8.75
Treasury 4.25% 7/3/2036	£1,570,000	2,167	4.18
Treasury 4.25% 7/9/2039	£1,680,000	2,383	4.60
Treasury 4.25% 7/12/2040	£1,915,000	2,750	5.31
Treasury 4.25% 7/12/2046	£2,397,000	3,633	7.01
Treasury 4.25% 7/12/2055	£3,469,000	5,813	11.22
Treasury 4.5% 7/3/2019	£5,660,000	6,048	11.67
Treasury 4.5% 7/12/2042	£676,000	1,023	1.98
Treasury 4.75% 7/3/2020	£5,900,000	6,587	12.72
Treasury 4.75% 7/12/2030	£560,000	774	1.49
Treasury 4.75% 7/12/2038	£760,000	1,144	2.21
Treasury 5% 7/3/2018	£1,000,000	1,030	1.99
<b>Total Government Bonds</b>		<b>49,067</b>	<b>94.71</b>
<b>CORPORATE BONDS - 3.54% (3.35%)</b>			
Bank Nederlandse Gemeenten 3.25% 29/11/2017	£780,000	788	1.52
Daimler AG 1.25% 1/12/2017	£500,000	501	0.97
Rabobank Nederland 3.25% 1/11/2017	£540,000	544	1.05
<b>Total Corporate Bonds</b>		<b>1,833</b>	<b>3.54</b>
<b>MONEY MARKET - 0.68% (0.11%)</b>			
+^HSBC Global Liquidity Fund	353,165	353	0.68
<b>Total Money Market</b>		<b>353</b>	<b>0.68</b>
<b>Portfolio of investments</b>		<b>51,253</b>	<b>98.93</b>
<b>Net other assets</b>		<b>554</b>	<b>1.07</b>
<b>Net assets</b>		<b>51,807</b>	<b>100.00</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

	<i>Bid value £'000</i>	<i>Total net assets %</i>
Total money market	353	0.68
Bond credit ratings*		
AAA	1,328	2.59
AA	48,527	94.68
A+	544	1.07
A	501	0.98
Total bonds	50,900	99.32
<b>Portfolio of investments</b>	<b>51,253</b>	<b>100.00</b>

+related party

^investment scheme registered outside the UK

\*ratings supplied by Standard &amp; Poor's

Figures in brackets denote the comparative percentage holdings as at 15 January 2017.

Unless otherwise stated, all investments are listed securities.

Total purchases for the period, including transaction charges, were £2,297,101.

Total sales for the period, net of transaction charges, were £5,950,558.

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Retail Income</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	72.48p	70.78p	72.96p	65.57p
Return before operating charges*	0.96p	4.05p	0.12p	9.66p
Operating charges	(0.33p)	(0.67p)	(0.64p)	(0.62p)
Return after operating charges*	0.63p	3.38p	(0.52p)	9.04p
Distributions on income share	(0.81p)	(1.68p)	(1.66p)	(1.65p)
Closing net asset value per share	72.30p	72.48p	70.78p	72.96p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	0.87%	4.78%	(0.71%)	13.79%
<b>Other information</b>				
Closing net asset value	£7,833,505	£8,401,267	£8,986,450	£28,319,175
Closing number of shares	10,834,905	11,591,359	12,696,984	38,812,381
Operating charges - OCF	0.90%	0.91%	0.90%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	75.22p	79.33p	74.27p	73.43p
Lowest share price	71.77p	70.20p	68.30p	65.53p
<b>Retail Accumulation</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	453.30p	434.70p	439.80p	387.70p
Return before operating charges*	5.97p	24.82p	0.78p	57.71p
Operating charges	(2.07p)	(4.14p)	(3.87p)	(3.64p)
Return after operating charges*	3.90p	20.68p	(3.09p)	54.07p
Distributions on accumulation share	(5.12p)	(10.38p)	(10.04p)	(9.84p)
Retained distributions on accumulation share	5.12p	8.30p	8.03p	7.87p
Closing net asset value per share	457.20p	453.30p	434.70p	439.80p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	0.86%	4.76%	(0.70%)	13.95%
<b>Other information</b>				
Closing net asset value	£19,003,088	£20,107,885	£21,807,538	£36,893,906
Closing number of shares	4,156,529	4,435,660	5,016,647	8,388,217
Operating charges - OCF	0.90%	0.91%	0.90%	0.91%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	470.90p	491.70p	447.70p	440.60p
Lowest share price	448.90p	431.10p	414.70p	387.50p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Institutional Income</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	72.81p	71.10p	73.30p	65.83p
Return before operating charges*	0.97p	4.07p	0.10p	9.75p
Operating charges	(0.01p)	(0.02p)	(0.02p)	(0.02p)
Return after operating charges*	0.96p	4.05p	0.08p	9.73p
Distributions on income share	(1.14p)	(2.34p)	(2.28p)	(2.26p)
Closing net asset value per share	72.63p	72.81p	71.10p	73.30p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.32%	5.70%	0.11%	14.78%
<b>Other information</b>				
Closing net asset value	£346,965	£1,562,083	£1,008,788	£1,307,343
Closing number of shares	477,690	2,145,496	1,418,826	1,783,670
Operating charges - OCF	0.03%	0.03%	0.03%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	75.72p	79.77p	74.63p	73.89p
Lowest share price	72.12p	70.53p	68.61p	65.80p
<b>Income C</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	72.68p	70.97p	73.17p	65.75p
Return before operating charges*	0.97p	4.06p	0.08p	9.66p
Operating charges	(0.16p)	(0.32p)	(0.30p)	(0.29p)
Return after operating charges*	0.81p	3.74p	(0.22p)	9.37p
Distributions on income share	(0.99p)	(2.03p)	(1.98p)	(1.95p)
Closing net asset value per share	72.50p	72.68p	70.97p	73.17p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.11%	5.27%	(0.30%)	14.25%
<b>Other information</b>				
Closing net asset value	£13,960,359	£14,506,559	£16,315,612	£1,319,892
Closing number of shares	19,256,422	19,959,576	22,988,731	1,803,963
Operating charges - OCF	0.42%	0.43%	0.43%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	75.51p	79.59p	74.48p	73.70p
Lowest share price	71.98p	70.40p	68.50p	65.71p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Accumulation C</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Change in net assets per share				
Opening net asset value per share	460.20p	439.60p	443.20p	389.40p
Return before operating charges*	5.99p	25.14p	0.67p	57.89p
Operating charges	(0.99p)	(2.00p)	(1.86p)	(1.77p)
Return after operating charges*	5.00p	23.14p	(1.19p)	56.12p
Distributions on accumulation share	(6.32p)	(12.68p)	(12.05p)	(11.61p)
Retained distributions on accumulation share	6.32p	10.14p	9.64p	9.29p
Closing net asset value per share	465.20p	460.20p	439.60p	443.20p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	1.09%	5.25%	(0.26%)	14.41%
<b>Other information</b>				
Closing net asset value	£10,663,309	£10,692,480	£10,272,554	£2,391,382
Closing number of shares	2,292,257	2,323,594	2,336,678	539,561
Operating charges - OCF	0.42%	0.43%	0.43%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	478.80p	498.40p	451.40p	444.10p
Lowest share price	455.80p	436.10p	418.70p	389.20p

## Statement of Total Return

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		240		4,479
Revenue	526		587	
Expenses	(179)		(195)	
Net revenue before taxation	347		392	
Taxation	-		-	
Net revenue after taxation		347		392
Total return before distributions		587		4,871
Distributions		(662)		(752)
Change in net assets attributable to shareholders from investment activities		(75)		4,119

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		55,270		58,391
Amounts receivable on creation of shares	1,134		3,000	
Amounts payable on cancellation of shares	(4,884)		(4,852)	
		(3,750)		(1,852)
Dilution adjustment		1		-
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(75)		4,119
Retained distribution on accumulation shares		361		324
Closing net assets attributable to shareholders		51,807		60,982

## Balance Sheet

as at 15 July 2017 (unaudited)

	15.7.17		15.1.17	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		51,253		54,989
Current assets				
Debtors	517		470	
Cash and bank balances	213		79	
Total current assets		730		549
Total assets		51,983		55,538
<b>Liabilities</b>				
Creditors				
Distribution payable on income shares	(140)		(206)	
Other creditors	(36)		(62)	
Total liabilities		(176)		(268)
Net assets attributable to shareholders		51,807		55,270

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.17</i>	<i>Distribution paid 15.9.16</i>
Group 1: Shares purchased prior to 16 April 2017				
Group 2: Shares purchased from 16 April 2017 to 15 July 2017				
<b>Retail Income</b>				
Group 1	0.400000	-	0.400000	0.340000
Group 2	0.190000	0.210000	0.400000	0.340000
<b>Retail Accumulation</b>				
Group 1	2.550000	-	2.550000	2.070000
Group 2	1.750000	0.800000	2.550000	2.070000
<b>Institutional Income</b>				
Group 1	0.570000	-	0.570000	0.460000
Group 2	0.570000	0.000000	0.570000	0.460000
<b>Income C</b>				
Group 1	0.490000	-	0.490000	0.410000
Group 2	0.200000	0.290000	0.490000	0.410000
<b>Accumulation C</b>				
Group 1	3.150000	-	3.150000	2.510000
Group 2	1.200000	1.950000	3.150000	2.510000

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.17</i>	<i>Distribution paid 15.6.16</i>
Group 1: Shares purchased prior to 16 January 2017				
Group 2: Shares purchased from 16 January 2017 to 15 April 2017				
<b>Retail Income</b>				
Group 1	0.410000	-	0.410000	0.330000
Group 2	0.140000	0.270000	0.410000	0.330000
<b>Retail Accumulation</b>				
Group 1	2.570000	-	2.570000	2.070000
Group 2	0.850000	1.720000	2.570000	2.070000
<b>Institutional Income</b>				
Group 1	0.570000	-	0.570000	0.460000
Group 2	0.570000	0.000000	0.570000	0.460000
<b>Income C</b>				
Group 1	0.500000	-	0.500000	0.400000
Group 2	0.210000	0.290000	0.500000	0.400000
<b>Accumulation C</b>				
Group 1	3.170000	-	3.170000	2.510000
Group 2	1.550000	1.620000	3.170000	2.510000

# Corporate Bond

## Investment Objective

To provide a regular and competitive level of income from an underlying portfolio of predominantly sterling corporate bonds.

## Investment Policy

To invest predominantly in corporate bonds and other fixed interest securities.

## Investment Strategy

The Corporate Bond Fund invests primarily in investment grade corporate bonds (but also can take exposure in sub investment grade bonds) in order to achieve a better return than the market. The Fund invests in a variety of fixed income securities including, but not limited to, fixed and floating rate securities, senior and subordinated securities, bullet, callable and perpetual securities denominated or hedged back into sterling. In addition, the Fund uses derivatives, both interest rate and credit, to achieve its aim.

The Investment Objective is achieved by changing the overall position of the Fund against its benchmark in respect to duration, yield curve and credit exposure.

## Portfolio Activity

The Fund had a positive absolute return over the reporting period following stable UK gilts and tighter credit spreads (difference between corporate bond and UK gilts yields) over the period. The Fund outperformed the reference benchmark, with positive contributions from issuer selection largely within Financials, Oil & Gas and Telecommunications whilst there was a negative impact from sector allocation as we kept an underweight in Financials which outperformed other sectors.

The Fund has been largely neutral duration over the period, however, we had a small overweight in May which was positive to performance. The beta of the Fund has been kept slightly below 1, with some exposure to USD and Euro names. The Fund has remained well diversified by issuers, sectors and country of domicile with a focus on name selection; issues with relative value and within issuers' capital structure. We have kept an off-benchmark allocation in collateralised securities, which was slightly reduced over the period. All non-GBP exposure has been kept fully hedged back to sterling. We remain underweight in Financials, (mainly senior banks and senior financial services), underweight in Consumer Services and Utilities and overweight in Telecommunications. We keep Gilts exposure for duration management purposes.

Our approach to issuer selection is driven by fundamental and valuation analysis. Within Financials and Utilities, the Fund aimed to select bonds with attractive valuations from the lower part of the capital structure of strong, high rated companies.

In terms of activity, major purchases included: Deutsche Bank AG 1.875% 28/2/2020, Wells Fargo & Co 2.125% 20/12/2023 and Saga PLC 3.375% 12/5/2024. Significant sales included: Annington Repack 5.3236% 10/1/2023, Siemens Financiering 4.2% 16/3/2047 and Deutsche Telekom International Finance 1.375% 30/1/2027.

## Investment Performance

During the period under review, the value of the shares in the Fund increased by 3.19%.

(Source: Morningstar Direct, GBP, UK net of tax, for the Accumulation C share class. Returns based on the NAV, which is a single price.)

*Please note that the above information refers to the past and that past performance is not a reliable indication of future returns.*

## Fund Particulars

as at 17 July 2017 (unaudited)

	Retail Income	Retail Accumulation	Institutional Income
Price	123.8p xd	276.9p	227.7p xd
Distribution payable (on 15 September 2017) per share net	0.810000p	1.820000p	2.130000p
Current net estimated yield	2.60%	2.60%	3.80%
Annual ACD charge	1.00%	1.00%	0.00%

	Institutional Accumulation	Income C	Accumulation C	Institutional Gross Accumulation
Price	320.9p	124.3p xd	284.6p	321.9p
Distribution payable (on 15 September 2017) per share net	2.970000p	1.040000p	2.360000p	2.990000p
Current net estimated yield	3.80%	3.40%	3.40%	3.87%
Annual ACD charge	0.00%	0.30%	0.30%	0.00%

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UNITED KINGDOM - 43.14% (43.88%)</b>			
<b>Government Bonds - 6.82% (7.60%)</b>			
Treasury 2.25% 7/9/2023	£1,970,000	2,136	0.18
Treasury 2.5% 22/7/2065	£2,220,000	2,751	0.23
Treasury 2.75% 7/9/2024	£2,020,000	2,270	0.19
Treasury 3.25% 22/1/2044	£4,665,000	5,897	0.51
Treasury 3.5% 22/1/2045	£8,700,000	11,534	0.99
Treasury 3.75% 7/9/2019	£4,000,000	4,295	0.37
Treasury 4.25% 7/6/2032	£2,775,000	3,712	0.32
Treasury 4.25% 7/3/2036	£1,500,000	2,071	0.18
Treasury 4.25% 7/9/2039	£1,200,000	1,702	0.15
Treasury 4.25% 7/12/2040	£3,950,000	5,671	0.49
Treasury 4.5% 7/9/2034	£11,975,000	16,764	1.44
Treasury 4.5% 7/12/2042	£4,060,000	6,144	0.53
Treasury 4.75% 7/12/2030	£4,370,000	6,042	0.52
Treasury 4.75% 7/12/2038	£5,540,000	8,336	0.72
<b>Total Government Bonds</b>		<b>79,325</b>	<b>6.82</b>
<b>Corporate Bonds - 36.45% (36.17%)</b>			
Abbey National Treasury Services 1.875% 17/2/2020	£2,400,000	2,451	0.21
Anglian Water 2.625% 15/6/2027	£2,800,000	2,769	0.24
Anglian Water 5.5% variable rate 10/10/2040	£5,580,000	5,635	0.48
Anglian Water 5.837% 30/7/2022	£22,000	27	0.00
Annington Funding 1.65% 12/7/2024	£5,091,000	4,484	0.39
Annington Funding 2.646% 12/7/2025	£2,758,000	2,757	0.24
Annington Funding 3.184% 12/7/2029	£4,104,000	4,120	0.35
Annington Funding 3.685% 12/7/2034	£4,032,000	4,060	0.35
Annington Funding 3.935% 12/7/2047	£1,800,000	1,833	0.16
Aviva 4.375% variable rate 12/9/2049	£2,000,000	2,042	0.18
Aviva 5.125% variable rate 4/6/2050	£2,979,000	3,229	0.28
Aviva 6.125% 14/11/2036	£2,000,000	2,346	0.20
Aviva 6.125% variable rate perpetual	£2,400,000	2,691	0.23
Aviva 6.625% variable rate 3/6/2041	£1,550,000	1,776	0.15
Aviva 6.875% variable rate 20/5/2058	£650,000	855	0.07
Barclays Bank 3.125% 17/1/2024	£6,667,000	6,895	0.59
Barclays Bank 3.25% 12/2/2027	£5,962,000	6,046	0.52
Barclays Bank 4.337% 10/1/2028	\$1,000,000	792	0.07
Barclays Bank 6.75% variable rate 16/1/2023	£5,500,000	5,619	0.48
Barclays Bank 7.25% variable rate perpetual	£1,800,000	1,912	0.16
Barclays Bank 7.875% variable rate perpetual	£2,750,000	2,989	0.26
Barclays Bank 9.5% 7/8/2021	£460,000	587	0.05
Barclays Bank 10% 21/5/2021	£3,550,000	4,547	0.39
Barclays Bank 14% variable rate perpetual	£1,060,000	1,284	0.11
BAT International Finance 2.25% 9/9/2052	£4,423,000	3,542	0.30
BAT International Finance 4% 23/11/2055	£1,430,000	1,653	0.14
BAT International Finance 6% 24/11/2034	£1,450,000	2,006	0.17

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
BAT International Finance 7.25% 12/3/2024	£800,000	1,051	0.09
BG Energy Capital 6.5% variable rate 30/11/2072	£11,070,000	11,287	0.97
BP Capital Markets 1.177% 12/8/2023	£6,968,000	6,710	0.58
BP Capital Markets 2.03% 14/2/2025	£4,583,000	4,585	0.39
BUPA Finance 2% 5/4/2024	£1,833,000	1,817	0.16
BUPA Finance 3.375% 17/6/2021	£275,000	295	0.02
BUPA Finance 5% 8/12/2026	£2,612,000	2,946	0.25
BUPA Finance 6.125% variable rate perpetual	£2,200,000	2,447	0.21
Canary Wharf 5.952% 22/1/2035	£700,000	982	0.08
Centrica 4.375% 13/3/2029	£2,835,000	3,303	0.28
Centrica 5.25% variable rate 10/4/2075	£1,500,000	1,603	0.14
Centrica 7% 19/9/2033	£4,460,000	6,705	0.58
Compass Group 2% 3/7/2029	£1,785,000	1,736	0.15
CYBG 3.125% variable rate 22/6/2025	£5,250,000	5,220	0.45
Direct Line 9.25% variable rate 27/4/2042	£1,000,000	1,289	0.11
Eastern Power Networks 5.75% 8/3/2024	£2,338,000	2,882	0.25
FCE Bank 2.727% 3/6/2022	£2,710,000	2,806	0.24
FCE Bank 2.759% 13/11/2019	£300,000	310	0.03
Friends Life Holdings 8.25% 21/4/2022	£3,000,000	3,859	0.33
Friends Life Holdings 12% 21/5/2021	£1,915,000	2,642	0.23
GKN 3.375% 12/5/2032	£1,646,000	1,627	0.14
GKN 5.375% 19/9/2022	£1,250,000	1,445	0.12
Glaxosmithkline 3.375% 20/12/2027	£1,730,000	1,925	0.17
Glaxosmithkline 5.25% 19/12/2033	£4,742,000	6,463	0.55
Glaxosmithkline 5.25% 10/4/2042	£4,281,000	6,126	0.53
Glaxosmithkline 6.375% 9/3/2039	£2,050,000	3,225	0.28
Go-Ahead Group 5.375% 29/9/2017	£50,000	50	0.00
Hammerson 6% 23/2/2026	£2,000,000	2,497	0.21
Hemingway Properties 10.375% 31/7/2023	£500,000	618	0.05
+HSBC Bank 5% 20/3/2023	£1,900,000	1,943	0.17
+HSBC Bank 5.75% 20/12/2027	£470,000	572	0.05
+HSBC Bank 6% 29/3/2040	£1,300,000	1,716	0.15
+HSBC Bank 6.375% variable rate 18/10/2022	£8,500,000	8,591	0.74
+HSBC Bank 6.5% 7/7/2023	£300,000	372	0.03
+HSBC Holdings 2.625% 16/8/2028	£5,719,000	5,720	0.49
+HSBC Holdings 4.041% variable rate 13/3/2028	\$8,000,000	6,343	0.54
+HSBC Holdings 4.375% 23/11/2026	\$5,000,000	3,973	0.34
+HSBC Holdings 4.75% variable rate perpetual	€1,800,000	1,577	0.14
+HSBC Holdings 6% variable rate perpetual	\$3,598,000	2,836	0.24
+HSBC Holdings 6.75% 11/9/2028	£2,500,000	3,284	0.28
+HSBC Holdings 7% 7/4/2038	£1,600,000	2,328	0.20
Hutchison Whampoa 5.625% 24/11/2026	£3,000,000	3,838	0.33
Imperial Brands Finance 4.875% 7/6/2032	£1,008,000	1,208	0.10
Imperial Brands Finance 5.5% 28/9/2026	£1,200,000	1,486	0.13
Imperial Brands Finance 8.125% 15/3/2024	£520,000	706	0.06
Imperial Brands Finance 9% 17/2/2022	£1,997,000	2,631	0.23

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Land Securities Capital Market 1.974% 8/2/2026	£3,767,000	3,806	0.33
Legal & General Group 5.375% variable rate 27/10/2045	£8,896,000	9,743	0.84
Legal & General Group 5.5% variable rate 27/6/2064	£3,147,000	3,345	0.29
Lloyds Banking Group 4.875% 30/3/2027	£2,200,000	2,757	0.24
Lloyds Banking Group 5.125% 7/3/2025	£1,500,000	1,872	0.16
Lloyds Banking Group 5.75% 9/7/2025	£500,000	551	0.05
Lloyds Banking Group 6% 8/2/2029	£1,250,000	1,753	0.15
Lloyds Banking Group 6.5% 17/9/2040	£395,000	630	0.05
Lloyds Banking Group 7.5% 15/4/2024	£1,530,000	2,075	0.18
Lloyds Banking Group 7.625% 22/4/2025	£260,000	350	0.03
Lloyds Banking Group 9.625% 6/4/2023	£3,500,000	4,811	0.41
Lloyds Banking Group 9.625% 6/4/2023	£300,000	412	0.04
Lloyds Banking Group variable rate perpetual	£1,502,000	1,561	0.13
London and Quadrant Housing Trust 2.25% 20/7/2029	£2,000,000	1,964	0.17
London and Quadrant Housing Trust 2.75% 20/7/2057	£2,663,000	2,591	0.22
London Power Networks 5.125% 31/3/2023	£184,000	217	0.02
Manchester Airport Group Funding 4.125% 2/4/2024	£3,700,000	4,188	0.36
Manchester Airport Group Funding 4.75% 31/3/2034	£833,000	1,041	0.09
Marks & Spencer 4.75% 12/6/2025	£2,895,000	3,220	0.28
Marks & Spencer 6.125% 6/12/2021	£500,000	586	0.05
Mitchells & Butler 6.469% 15/9/2030	£1,840,000	2,273	0.20
Morrison (WM) Supermarkets 4.75% 4/7/2029	£4,091,000	4,702	0.40
Motability Operations Group 2.375% 14/3/2032	£4,931,000	4,843	0.42
National Grid Gas 2.125% 22/9/2028	£3,750,000	3,632	0.31
National Grid Gas 2.625% 22/9/2038	£3,225,000	3,059	0.26
National Grid Gas 2.75% 22/9/2046	£7,229,000	6,831	0.59
National Westminster Bank 6.5% 7/9/2021	£720,000	843	0.07
Nationwide Building Society 2.25% 29/4/2022	£2,280,000	2,383	0.20
Nationwide Building Society 8.625% 29/3/2018	£2,163,000	2,276	0.20
NGG Finance 5.625% variable rate 18/6/2073	£1,997,000	2,256	0.19
Northern Powergrid 7.25% 15/12/2022	£5,110,000	6,524	0.56
Northumbrian Water Finance 1.625% 11/10/2026	£4,737,000	4,537	0.39
Places for People Homes 2.875% 17/8/2026	£5,495,000	5,314	0.46
Places for People Homes 5.09% 31/7/2043	£500,000	588	0.05
Prudential Corporation 5% variable rate 20/7/2055	£2,430,000	2,555	0.22
Prudential Corporation 5.7% variable rate 19/12/2063	£2,350,000	2,659	0.23
Prudential Corporation 11.375% variable rate 29/5/2039	£450,000	532	0.05
Rio Tinto Finance 4% 11/12/2029	£1,808,000	2,092	0.18
RL Finance Bonds No.2 6.125% variable rate 30/11/2043	£550,000	611	0.05
Royal Bank of Scotland 6.125% 15/12/2022	\$1,000,000	839	0.07
Royal Bank of Scotland 6.625% 17/9/2018	£1,050,000	1,116	0.10
Saga 3.375% 12/5/2024	£8,108,000	8,020	0.69
Santander UK Group Holdings 3.625% 14/1/2026	£4,140,000	4,398	0.38
Santander UK Group Holdings 6.75 variable rate perpetual	£2,285,000	2,382	0.20

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Santander UK Group Holdings 9.625% variable rate 30/10/2023	£2,310,000	2,551	0.22
Santander UK Group Holdings 10.125% variable rate 4/1/2023	£130,000	135	0.01
Scotland Gas Network 3.25% 8/3/2027	£1,000,000	1,077	0.09
Severn Trent Utilities Finance 1.125% 7/9/2021	£5,514,000	5,491	0.47
Severn Trent Water Utilities 3.625% 16/1/2026	£1,267,000	1,407	0.12
Severn Trent Water Utilities 6% 22/1/2018	£1,500,000	1,539	0.13
Standard Life 6.75% variable rate perpetual	£3,550,000	4,176	0.36
South Eastern Power Networks 5.5% 5/6/2026	£3,000,000	3,783	0.33
South Eastern Power Networks 6.375% 12/11/2031	£2,000,000	2,888	0.25
Southern Gas Network 4.875% 21/3/2029	£480,000	602	0.05
SP Manweb 4.875% 20/9/2027	£500,000	613	0.05
SSE 3.625% variable rate 16/9/2077	£2,500,000	2,519	0.22
SSE 3.875% variable perpetual	£3,439,000	3,529	0.30
SSE 4.75% variable rate 16/9/2077	\$2,550,000	2,000	0.17
SSE 8.375% 20/11/2028	£3,624,000	5,694	0.49
Standard Chartered 5.125% 6/6/2034	£3,030,000	3,261	0.28
Standard Chartered 7.75% 3/4/2018	£1,000,000	1,046	0.09
Standard Life 5.5% variable rate 4/12/2042	£1,225,000	1,358	0.12
Telereal Securitisation 4.0902% variable rate 10/12/2033	£1,950,000	2,045	0.18
Tesco Property Finance 5.6611% 13/10/2041	£2,000,000	2,123	0.18
Tesco Property Finance 5.744% 13/4/2040	£1,300,000	1,388	0.12
Tesco Property Finance 7.6227% 13/7/2039	£2,000,000	2,329	0.20
Unilever 1.125% 3/2/2022	£3,214,000	3,206	0.28
United Utilities 5.375% 14/5/2018	£750,000	777	0.07
United Utilities 5.75% 25/3/2022	£2,000,000	2,399	0.21
Virgin Media Secured Finance 5% 15/4/2027	£3,784,000	3,866	0.33
Vodafone Group 3% 12/8/2056	£3,577,000	3,029	0.26
Vodafone Group 3.375% 8/8/2049	£3,650,000	3,349	0.29
Western Power Distribution 3.625% 6/11/2023	£6,309,000	6,803	0.58
Western Power Distribution 3.875% 17/10/2024	£2,376,000	2,669	0.23
Western Power Distribution 5.75% 16/4/2032	£2,270,000	3,093	0.27
Yorkshire Building Society 4.125% variable rate 20/11/2024	£1,816,000	1,884	0.16
Zurich Finance 6.625% variable rate perpetual	£1,953,000	2,331	0.20
<b>Total Corporate Bonds</b>		<b>424,220</b>	<b>36.45</b>
<b>Corporate Preference - 0.00% (0.04%)</b>			
<b>Public Authorities - 0.00% (0.03%)</b>			
<b>Futures - -0.13% (0.04%)</b>			
ICF ICE Long Gilt Future September 2017	621	(1,505)	(0.13)
<b>Total Futures</b>		<b>(1,505)</b>	<b>(0.13)</b>
<b>Total United Kingdom</b>		<b>502,040</b>	<b>43.14</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UNITED STATES - 12.18% (12.93%)</b>			
<b>Corporate Bonds - 11.71% (12.93%)</b>			
American Honda Finance 1.3% 21/3/2022	£5,000,000	4,969	0.43
American International Group 5% 26/4/2023	£3,700,000	4,272	0.37
American International Group 6.765% 15/11/2017	£2,842,000	2,892	0.25
Amgen 4% 13/9/2029	£3,400,000	3,816	0.33
Amgen 5.5% 7/12/2026	£700,000	876	0.07
AT&T 3.15% 4/9/2036	£4,800,000	4,165	0.36
AT&T 3.55% 14/9/2037	£1,500,000	1,442	0.12
AT&T 4.25% 1/6/2043	£2,000,000	2,105	0.18
AT&T 4.375% 14/9/2029	£1,055,000	1,170	0.10
AT&T 5.2% 18/11/2033	£1,400,000	1,667	0.14
AT&T 7% 30/4/2040	£5,900,000	8,579	0.74
Bank of America 2.3% 25/7/2025	£3,143,000	3,156	0.27
Bank of America 5.5% 4/12/2019	£4,403,000	4,852	0.42
Bank of America 6.125% 15/9/2021	£1,150,000	1,362	0.12
Bank of America 7% 31/7/2028	£2,050,000	2,873	0.25
Brown Forman 2.6% 7/7/2028	£600,000	607	0.05
Cargill 5.375% 2/3/2037	£550,000	727	0.06
Citi Group 5.125% 12/12/2018	£9,034,000	9,520	0.82
Citi Group 6.25% 2/9/2019	£1,500,000	1,659	0.14
Comcast 5.5% 23/11/2029	£420,000	554	0.05
Digital Stout Holding 3.3% 19/7/2029	£1,964,000	1,948	0.17
General Electric Capital 5.5% 7/6/2021	£1,650,000	1,922	0.16
Goldman Sachs 4.25% 29/1/2026	£5,393,000	6,044	0.52
Merrill Lynch 5.5% 22/11/2021	£3,250,000	3,757	0.32
Metropolitan Life Global Funding 2.625% 5/12/2022	£3,577,000	3,789	0.33
Morgan Stanley 2.625% 9/3/2027	£2,906,000	2,895	0.25
National Capital Trust 5.62% variable rate perpetual	£657,000	690	0.06
Pfizer 6.5% 3/6/2038	£2,850,000	4,568	0.39
Procter & Gamble 1.8% 3/5/2029	£3,077,000	2,991	0.26
Prologis 2.25% 30/6/2029	£5,750,000	5,534	0.47
Time Warner Cable 5.25% 15/7/2042	£1,500,000	1,776	0.15
Time Warner Cable 5.25% 15/7/2042	£1,100,000	1,303	0.11
Toyota Motor Credit 1.125% 7/9/2021	£1,530,000	1,528	0.13
Verizon Communications 3.125% 2/11/2035	£1,900,000	1,803	0.15
Verizon Communications 4.75% 17/2/2034	£3,767,000	4,348	0.37
Wal-Mart Stores 4.875% 19/1/2039	£54,000	74	0.01
Wal-Mart Stores 5.625% 27/3/2034	£6,341,000	9,037	0.78
Wells Fargo & Co. 2% 28/7/2025	£3,248,000	3,214	0.28
Wells Fargo & Co. 2.125% 20/12/2023	£10,013,000	10,164	0.87
Wells Fargo & Co. 4.875% 29/11/2035	£4,200,000	5,211	0.45
Westfield America Manage 2.625% 30/3/2029	£2,500,000	2,421	0.21
<b>Total Corporate Bonds</b>		<b>136,280</b>	<b>11.71</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Public Authorities - 0.46% (0.00%)</b>			
Tennessee Valley Authority 5.625% 7/6/2032	£3,981,000	5,439	0.46
<b>Total Public Authorities</b>		<b>5,439</b>	<b>0.46</b>
<b>Futures - 0.01% (0.00%)</b>			
CBT US 10Yr Note Future September 2017	(290)	76	0.01
<b>Total Futures</b>		<b>76</b>	<b>0.01</b>
<b>Total United States</b>		<b>141,795</b>	<b>12.18</b>
<b>AUSTRALIA - 1.13% (1.38%)</b>			
<b>Corporate Bonds - 1.13% (1.38%)</b>			
BHP Billiton Finance 3.25% 25/9/2024	£965,000	1,054	0.09
BHP Billiton Finance 4.3% 25/9/2042	£2,000,000	2,435	0.21
BHP Billiton Finance 6.5% variable rate 22/10/2077	£1,789,000	2,053	0.18
Macquarie Bank 3.5% 18/12/2020	£1,091,000	1,171	0.10
National Australia Bank 7.125% variable rate 12/6/2023	£150,000	158	0.01
QBE Insurance Group 6.115% variable rate 24/5/2042	£1,279,000	1,429	0.12
Scentre Management 3.75% 23/3/2027	\$3,125,000	2,406	0.21
Scentre Management 3.875% 16/7/2026	£2,178,000	2,442	0.21
<b>Total Corporate Bonds</b>		<b>13,148</b>	<b>1.13</b>
<b>Total Australia</b>		<b>13,148</b>	<b>1.13</b>
<b>BELGIUM - 1.27% (0.39%)</b>			
<b>Corporate Bonds - 1.27% (0.39%)</b>			
Anheuser-Busch InBev 1.75% 7/3/2025	£2,194,000	2,158	0.19
Anheuser-Busch InBev 2.25% 24/5/2029	£5,135,000	4,976	0.43
Anheuser-Busch InBev 2.85% 25/5/2037	£3,390,000	3,303	0.28
Anheuser-Busch InBev 4% 24/9/2025	£1,412,000	1,616	0.14
Anheuser-Busch InBev 9.75% 30/7/2024	£1,800,000	2,715	0.23
<b>Total Corporate Bonds</b>		<b>14,768</b>	<b>1.27</b>
<b>Total Belgium</b>		<b>14,768</b>	<b>1.27</b>
<b>CANADA - 0.00% (0.03%)</b>			
<b>Corporate Bonds - 0.00% (0.03%)</b>			
<b>CAYMAN ISLANDS - 4.13% (3.69%)</b>			
<b>Corporate Bonds - 4.13% (3.69%)</b>			
SMFG Capital 10.231% variable rate perpetual	£765,000	1,226	0.11
Southern Water 4.5% variable rate 31/3/2038	£1,450,000	1,591	0.14
Thames Water Utilities Cayman Finance 1.875% 24/1/2024	£2,783,000	2,775	0.24
Thames Water Utilities Cayman Finance 2.375% 3/5/2023	£3,700,000	3,700	0.32
Thames Water Utilities Cayman Finance 2.625% 24/1/2032	£1,000,000	993	0.08
Thames Water Utilities Cayman Finance 2.875% 3/5/2027	£3,650,000	3,627	0.31
Thames Water Utilities Cayman Finance 4% 19/6/2025	£9,980,000	11,430	0.98
Thames Water Utilities Cayman Finance 5.5% 11/2/2041	£1,000,000	1,428	0.12

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Thames Water Utilities Cayman Finance 5.75% 13/9/2030	£2,274,000	2,639	0.23
Thames Water Utilities Cayman Finance 7.738% 9/4/2058	£4,500,000	9,488	0.82
Thames Water Utilities Cayman Finance variable rate 21/7/2025	£6,968,000	6,971	0.60
Virgolino De Oliveira Finance 10.5% 28/1/2018	\$243,000	13	0.00
Yorkshire Power 7.25% 4/8/2028	£589,000	854	0.07
Yorkshire Water Services 3.75% variable rate 22/3/2046	£1,230,000	1,315	0.11
<b>Total Corporate Bonds</b>		<b>48,050</b>	<b>4.13</b>
<b>Total Cayman Islands</b>		<b>48,050</b>	<b>4.13</b>

CHANNEL ISLANDS - 4.33% (5.83%)

Government Bonds - 0.00% (0.05%)

Corporate Bonds - 4.33% (5.78%)

AA Bond 4.2487% 31/7/2043	£2,500,000	2,657	0.23
AA Bond 4.7201% 2/7/2043	£1,350,000	1,393	0.12
AA Bond 6.269% 2/7/2043	£3,000,000	3,673	0.32
CPUK Finance 2.666% 28/2/2042	£700,000	720	0.06
CPUK Finance 3.588% 28/2/2042	£500,000	538	0.05
Credit Suisse Funding Limited 2.75% 8/8/2025	£4,096,000	4,194	0.36
Credit Suisse Funding Limited 3% 27/5/2022	£4,314,000	4,572	0.39
Gatwick Funding Limited 2.625% 7/10/2048	£2,000,000	1,818	0.16
Gatwick Funding Limited 6.5% 2/3/2043	£4,000,000	6,264	0.54
Heathrow Funding 2.75% 9/8/2051	£3,881,000	3,660	0.32
Heathrow Funding 4.625% 31/10/2046	£2,910,000	3,761	0.32
Heathrow Funding 5.225% variable rate 15/2/2025	£4,400,000	5,164	0.44
Heathrow Funding 5.875% 13/5/2041	£425,000	624	0.05
Heathrow Funding 6% 20/3/2020	£560,000	627	0.05
Heathrow Funding 6.45% 10/12/2033	£650,000	931	0.08
Heathrow Funding 6.75% 3/12/2026	£500,000	682	0.06
Heathrow Funding 7.125% 14/2/2024	£5,941,000	7,607	0.65
+HSBC Bank 5.862% variable rate perpetual	£1,350,000	1,489	0.13
<b>Total Corporate Bonds</b>		<b>50,374</b>	<b>4.33</b>
<b>Total Channel Islands</b>		<b>50,374</b>	<b>4.33</b>

DENMARK - 0.44% (0.76%)

Corporate Bonds - 0.44% (0.76%)

Danske Bank 5.375% 29/9/2021	£4,536,000	4,743	0.41
Dong Energy A/S 4.875% 12/1/2032	£260,000	323	0.03
<b>Total Corporate Bonds</b>		<b>5,066</b>	<b>0.44</b>
<b>Total Denmark</b>		<b>5,066</b>	<b>0.44</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>FRANCE - 9.16% (8.49%)</b>			
<b>Corporate Bonds - 8.82% (8.14%)</b>			
AXA SA 5.625% variable rate 16/1/2054	£4,650,000	5,323	0.46
AXA SA variable perpetual	£1,500,000	1,643	0.14
Banque Federative 0.875% 8/6/2020	£4,500,000	4,473	0.38
BPCE SA 5.25% 16/4/2029	£4,200,000	4,882	0.42
Credit Agricole 7.375% 18/12/2023	£850,000	1,104	0.09
Credit Agricole 8.125% variable rate perpetual	£150,000	169	0.01
Dexia Credit Local 2% 17/6/2020	£800,000	825	0.07
Electricite de France 5.5% 27/3/2037	£2,900,000	3,715	0.32
Electricite de France 5.5% 17/10/2041	£7,400,000	9,616	0.83
Electricite de France 5.875% 18/7/2031	£550,000	728	0.06
Electricite de France 5.875% variable rate perpetual	£8,000,000	8,015	0.69
Electricite de France 6% 23/1/2114	£6,500,000	9,043	0.78
Electricite de France 6% variable rate perpetual	£2,500,000	2,586	0.22
Electricite de France 6.125% 2/6/2034	£950,000	1,282	0.11
GDF Suez 4.625% variable rate perpetual	£2,000,000	2,084	0.18
Natixis SA 5.875% 24/2/2020	£8,700,000	9,745	0.84
Orange 5.25% 5/12/2025	£675,000	834	0.07
Orange 5.375% 22/11/2050	£1,200,000	1,715	0.15
Orange 5.75% variable rate perpetual	£3,239,000	3,565	0.31
Orange 5.875% variable rate perpetual	£3,558,000	3,923	0.34
Orange 8.125% 20/11/2028	£2,030,000	3,118	0.27
RCI Banque 3% 9/5/2019	£1,500,000	1,545	0.13
RCI Banque 3.25% 25/4/2018	£4,772,000	4,849	0.42
Societe Generale SA 8.875% variable rate perpetual	£775,000	822	0.07
Total Capital International SA 2.25% 17/12/2020	£4,072,000	4,242	0.36
Total Capital International SA 2.25% 9/6/2022	£1,800,000	1,886	0.16
Total SA 3.369% variable rate perpetual	£3,351,000	2,970	0.26
Veolia Environnement 4.85% variable rate perpetual	£7,000,000	7,147	0.61
Veolia Environnement 6.125% 29/10/2037	£550,000	799	0.07
<b>Total Corporate Bonds</b>		<b>102,648</b>	<b>8.82</b>
<b>Public Authorities - 0.34% (0.35%)</b>			
SNCF Reseau 4.83% 25/3/2060	£2,500,000	4,004	0.34
<b>Total Public Authorities</b>		<b>4,004</b>	<b>0.34</b>
<b>Total France</b>		<b>106,652</b>	<b>9.16</b>
<b>GERMANY - 4.34% (3.47%)</b>			
<b>Corporate Bonds - 4.33% (3.48%)</b>			
BASF SE 1.75% 11/3/2025	£5,833,000	5,826	0.50
Commerzbank International 6.625% 30/8/2019	£300,000	329	0.03
Daimler AG 1% 20/12/2019	£2,050,000	2,047	0.18
Daimler AG 1.5% 13/1/2022	£6,747,000	6,779	0.58
Daimler AG 2.375% 16/12/2021	£2,000,000	2,092	0.18
Daimler AG 2.75% 4/12/2020	£6,333,000	6,655	0.57

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Deutsche Bank 1.875% 20/12/2019	£3,000,000	3,057	0.26
Deutsche Bank 1.875% 28/2/2020	£12,100,000	12,160	1.04
Munich Re 6.625% variable rate 26/5/2042	£6,600,000	7,887	0.68
Munich Re 7.625% variable rate 21/6/2028	£2,190,000	2,305	0.20
Volkswagen Leasing 1.375% 20/1/2025	€1,429,000	1,242	0.11
<b>Total Corporate Bonds</b>		<b>50,379</b>	<b>4.33</b>
<b>Futures - 0.01% (-0.01%)</b>			
EUX Euro Bund Future September 2017	(112)	167	0.01
<b>Total Futures</b>		<b>167</b>	<b>0.01</b>
<b>Total Germany</b>		<b>50,546</b>	<b>4.34</b>
<b>IRELAND - 4.70% (3.78%)</b>			
<b>Corporate Bonds - 2.29% (2.14%)</b>			
FCA Capital Ireland 1.625% 29/9/2021	£12,080,000	11,858	1.02
GE Capital UK Funding 4.125% 13/9/2023	£5,100,000	5,862	0.50
GE Capital UK Funding 5.125% 24/5/2023	£826,000	990	0.09
GE Capital UK Funding 5.875% 18/1/2033	£2,800,000	4,007	0.34
PGH Capital 4.125% 20/7/2022	£3,846,000	4,014	0.34
<b>Total Corporate Bonds</b>		<b>26,731</b>	<b>2.29</b>
<b>Financials - 2.41% (1.64%)</b>			
+^HSBC Global Liquidity	28,016,836	28,017	2.41
<b>Total Financials</b>		<b>28,017</b>	<b>2.41</b>
<b>Total Ireland</b>		<b>54,748</b>	<b>4.70</b>
<b>ITALY - 1.26% (1.25%)</b>			
<b>Corporate Bonds - 1.26% (1.25%)</b>			
Assicurazioni Generali 6.269% perpetual	£700,000	756	0.06
Atlantia 6.25% 9/6/2022	£3,000,000	3,618	0.31
Enel Spa 5% variable rate 15/1/2075	€1,786,000	1,688	0.15
Enel Spa 6.625% variable rate 15/9/2076	€2,223,000	2,468	0.21
Enel Spa 7.75% variable rate 10/9/2075	£850,000	961	0.08
Enel Spa 8.75% variable rate 24/9/2073	\$1,500,000	1,358	0.12
Intesa Sanpaolo 3.875% 14/7/2027	\$540,000	413	0.04
Intesa Sanpaolo 5.25% 28/1/2022	£350,000	391	0.03
Telecom Italia 5.875% 19/5/2023	£2,450,000	2,828	0.24
Telecom Italia 7.375% 15/12/2017	£200,000	205	0.02
<b>Total Corporate Bonds</b>		<b>14,686</b>	<b>1.26</b>
<b>Total Italy</b>		<b>14,686</b>	<b>1.26</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>JAPAN - 0.36% (1.09%)</b>			
<b>Corporate Bonds - 0.36% (1.09%)</b>			
East Japan Railway 4.5% 25/1/2036	£3,250,000	4,147	0.36
<b>Total Corporate Bonds</b>		<b>4,147</b>	<b>0.36</b>
<b>Total Japan</b>		<b>4,147</b>	<b>0.36</b>
<b>LUXEMBOURG - 0.49% (0.31%)</b>			
<b>Corporate Bonds - 0.49% (0.31%)</b>			
CNH Industrial Finance 1.375% 23/5/2022	€2,477,000	2,174	0.19
Glencore Finance Europe 5.5% 3/4/2022	£2,630,000	3,043	0.26
Glencore Finance Europe 6.5% 27/2/2019	£400,000	432	0.04
<b>Total Corporate Bonds</b>		<b>5,649</b>	<b>0.49</b>
<b>Total Luxembourg</b>		<b>5,649</b>	<b>0.49</b>
<b>MEXICO - 1.75% (1.86%)</b>			
<b>Government Bonds - 0.66% (0.62%)</b>			
United Mexican States 5.625% 19/3/2114	£7,229,000	7,621	0.66
<b>Total Government Bonds</b>		<b>7,621</b>	<b>0.66</b>
<b>Corporate Bonds - 1.09% (1.24%)</b>			
America Movil 4.948% 22/7/2033	£2,950,000	3,568	0.31
America Movil 5% 27/10/2026	£3,670,000	4,398	0.38
America Movil 5.75% 28/6/2030	£2,934,000	3,728	0.32
America Movil 6.375% variable rate 6/9/2073	£600,000	652	0.05
Petroleos Mexicanos 8.25% 2/6/2022	£300,000	369	0.03
<b>Total Corporate Bonds</b>		<b>12,715</b>	<b>1.09</b>
<b>Total Mexico</b>		<b>20,336</b>	<b>1.75</b>
<b>NETHERLANDS - 8.74% (8.92%)</b>			
<b>Corporate Bonds - 8.74% (8.92%)</b>			
ABN AMRO Bank NV 1% 30/6/2020	£2,400,000	2,398	0.21
BMW Finance 0.875% 16/8/2022	£2,428,000	2,368	0.20
Deutsche Telekom 1.25% 6/10/2023	£3,500,000	3,421	0.29
Deutsche Telekom 6.5% 8/4/2022	£2,370,000	2,913	0.25
E.ON International Finance 6% 30/10/2019	£4,150,000	4,610	0.40
E.ON International Finance 6.375% 7/6/2032	£8,058,000	11,281	0.97
EDP Finance 3.625% 15/7/2024	\$4,172,000	3,164	0.27
EDP Finance 6.625% 9/8/2017	£4,000,000	4,013	0.34
EDP Finance 8.625% 4/1/2024	£250,000	335	0.03
Enel Finance 5.625% 14/8/2024	£600,000	731	0.06
Enel Finance 5.75% 14/9/2040	£5,750,000	7,769	0.67
ING Bank 5.375% 15/4/2021	£500,000	578	0.05
Innogy Finance BV 5.5% 6/7/2022	£550,000	648	0.05
Innogy Finance BV 5.625% 6/12/2023	£400,000	486	0.04
Innogy Finance BV 6.25% 3/6/2030	£550,000	748	0.06
Innogy Finance BV 6.5% 20/4/2021	£800,000	947	0.08

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
ING Bank variable rate 29/5/2023	£1,400,000	1,463	0.12
Koninklijke 5.75% 17/9/2029	£4,223,000	5,358	0.46
LafargeHolcim Sterling Finance Netherlands 3% 12/5/2032	£3,649,000	3,563	0.31
Petrobras Global Finance 6.625% 16/1/2034	£2,000,000	1,947	0.17
Petrobras Global Finance 6.625% 16/1/2034	£1,153,000	1,122	0.10
Petrobras International Finance 6.25% 14/12/2026	£2,000,000	2,025	0.17
Rabobank Nederland 2.25% 23/3/2022	£4,000,000	4,167	0.36
Rabobank Nederland 4.625% 23/5/2029	£1,280,000	1,461	0.12
Rabobank Nederland 4.875% 10/1/2023	£150,000	175	0.02
Rabobank Nederland 5.375% 3/8/2060	£1,750,000	2,977	0.26
Royal KPN 5% 18/11/2026	£5,900,000	6,977	0.60
RWE Finance 4.75% 31/1/2034	£2,300,000	2,796	0.24
RWE Finance 6.125% 6/7/2039	£3,250,000	4,726	0.41
Swiss Reinsurance 6.3024% variable rate perpetual	£500,000	538	0.05
Telefonica Europe 6.75% variable rate perpetual	£4,000,000	4,409	0.38
Volkswagen Financial Services 1.75% 12/9/2022	£7,000,000	6,969	0.60
Volkswagen Financial Services 2.25% 12/4/2025	£4,661,000	4,641	0.40
<b>Total Corporate Bonds</b>		<b>101,724</b>	<b>8.74</b>
<b>Total Netherlands</b>		<b>101,724</b>	<b>8.74</b>
<b>NORWAY - 0.03% (0.07%)</b>			
<b>Corporate Bonds - 0.03% (0.07%)</b>			
Njord Gas Infrastructure 5.241% 30/9/2028	£351,312	350	0.03
<b>Total Corporate Bonds</b>		<b>350</b>	<b>0.03</b>
<b>Total Norway</b>		<b>350</b>	<b>0.03</b>
<b>SPAIN - 0.91% (0.95%)</b>			
<b>Corporate Bonds - 0.91% (0.95%)</b>			
Iberdrola Finance 6% 1/7/2022	£350,000	422	0.04
Telefonica Emisiones S.A.U 5.289% 9/12/2022	£5,000,000	5,855	0.50
Telefonica Emisiones S.A.U 5.445% 8/10/2029	£600,000	753	0.06
Telefonica Emisiones S.A.U 5.597% 12/3/2020	£3,200,000	3,557	0.31
<b>Total Corporate Bonds</b>		<b>10,587</b>	<b>0.91</b>
<b>Total Spain</b>		<b>10,587</b>	<b>0.91</b>
<b>SWEDEN - 0.00% (0.59%)</b>			
<b>Corporate Bonds - 0.00% (0.59%)</b>			
<b>Forward Foreign Exchange Contracts - 0.02% (-0.18%)</b>			
#Sold \$41,148,000 for £31,635,875 settled 11 October 2017		275	0.02
#Sold €37,620,000 for £33,077,152 settled 10 October 2017		104	0.01
#Sold £14,388,082 for €16,284,000 settled 10 October 2017		(115)	(0.01)
<b>Total Forward Foreign Exchange Contracts</b>		<b>264</b>	<b>0.02</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i> Holding</i>	<i> Bid value £'000</i>	<i> Total net assets %</i>
<b>Portfolio of investments</b>		<b>1,144,930</b>	<b>98.38</b>
<b>Net other assets</b>		<b>18,798</b>	<b>1.62</b>
<b>Net assets</b>		<b>1,163,728</b>	<b>100.00</b>
Total equities		28,017	2.45
Total forward foreign exchange contracts		264	0.02
Total future contracts		(1,262)	(0.11)
Bond credit ratings*			
AAA		6,382	0.56
AA+		8,496	0.74
AA		111,986	9.78
AA-		25,235	2.21
A+		61,183	5.34
A		96,832	8.46
A-		152,545	13.32
BBB+		273,244	23.87
BBB		189,978	16.59
BBB-		99,354	8.68
BB+		42,212	3.69
BB		12,724	1.11
BB-		8,960	0.78
B+		8,844	0.77
D		13	0.00
Unrated		19,923	1.74
<b>Total bonds</b>		<b>1,117,911</b>	<b>97.64</b>
<b>Portfolio of investments</b>		<b>1,144,930</b>	<b>100.00</b>

+related party

^investment scheme registered outside the UK

#unlisted

\*ratings supplied by Standard & Poor's

Percentages in brackets denote the comparative percentage holdings as at 15 January 2017.

Unless otherwise stated, all investments are listed securities.

Total purchases for the period, including transaction charges, were £637,224,772.

Total sales for the period, net of transaction charges, were £617,122,631.

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Retail Income</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	121.20p	114.20p	119.90p	110.90p
Return before operating charges*	4.36p	12.14p	(0.17p)	14.43p
Operating charges	(0.71p)	(1.39p)	(1.35p)	(1.32p)
Return after operating charges*	3.65p	10.75p	(1.52p)	13.11p
Distributions on income share	(1.65p)	(3.75p)	(4.18p)	(4.11p)
Closing net asset value per share	123.20p	121.20p	114.20p	119.90p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	3.01%	9.41%	(1.27%)	11.82%
<b>Other information</b>				
Closing net asset value	£13,996,811	£11,382,469	£12,211,847	£195,302,965
Closing number of shares	11,360,591	9,395,352	10,692,005	162,896,724
Operating charges - OCF	1.15%	1.15%	1.15%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	126.90p	129.70p	123.30p	121.30p
Lowest share price	120.60p	111.80p	113.10p	111.20p
<b>Retail Accumulation</b>				
Change in net assets per share	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Opening net asset value per share	267.30p	245.90p	251.00p	225.70p
Return before operating charges*	9.77p	26.04p	(0.53p)	29.71p
Operating charges	(1.57p)	(3.01p)	(2.86p)	(2.72p)
Return after operating charges*	8.20p	23.03p	(3.39p)	26.99p
Distributions on accumulation share	(3.68p)	(8.15p)	(8.53p)	(8.45p)
Retained distributions on accumulation share	3.68p	6.52p	6.82p	6.76p
Closing net asset value per share	275.50p	267.30p	245.90p	251.00p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	3.07%	9.37%	(1.35%)	11.96%
<b>Other information</b>				
Closing net asset value	£73,736,950	£11,748,625	£11,684,292	£21,152,320
Closing number of shares	26,762,191	4,394,977	4,752,007	8,428,118
Operating charges - OCF	1.15%	1.15%	1.15%	1.15%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	282.00p	282.90p	258.10p	252.20p
Lowest share price	266.20p	240.60p	242.60p	226.30p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Institutional Income</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	222.80p	209.90p	220.20p	203.80p
Return before operating charges*	8.05p	22.36p	(0.40p)	26.02p
Operating charges	(0.03p)	(0.06p)	(0.06p)	(0.06p)
Return after operating charges*	8.02p	22.30p	(0.46p)	25.96p
Distributions on income share	(4.32p)	(9.40p)	(9.84p)	(9.56p)
Closing net asset value per share	226.50p	222.80p	209.90p	220.20p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	3.60%	10.62%	(0.21%)	12.74%
<b>Other information</b>				
Closing net asset value	£758,593,206	£760,896,156	£161,919,023	£137,191,638
Closing number of shares	334,865,777	341,575,296	77,126,951	62,290,632
Operating charges - OCF	0.02%	0.03%	0.03%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	233.80p	238.60p	226.60p	223.40p
Lowest share price	221.90p	205.60p	209.30p	204.40p
<b>Institutional Accumulation</b>				
<b>Change in net assets per share</b>				
Opening net asset value per share	308.10p	280.90p	284.10p	253.20p
Return before operating charges*	11.24p	29.83p	(0.56p)	33.48p
Operating charges	(0.04p)	(0.08p)	(0.07p)	(0.07p)
Return after operating charges*	11.20p	29.75p	(0.63p)	33.41p
Distributions on accumulation share	(6.01p)	(12.76p)	(12.86p)	(12.53p)
Retained distributions on accumulation share	6.01p	10.21p	10.29p	10.02p
Closing net asset value per share	319.30p	308.10p	280.90p	284.10p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	3.64%	10.59%	(0.22%)	13.20%
<b>Other information</b>				
Closing net asset value	£49,915,968	£84,359,146	£100,662,798	£92,095,986
Closing number of shares	15,632,228	27,378,901	35,841,153	32,421,282
Operating charges - OCF	0.02%	0.03%	0.03%	0.03%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	326.50p	324.80p	292.20p	285.50p
Lowest share price	306.90p	275.00p	275.70p	253.90p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Income C</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	121.70p	114.70p	120.40p	111.40p
Return before operating charges*	4.37p	12.16p	(0.30p)	14.46p
Operating charges	(0.26p)	(0.51p)	(0.51p)	(0.50p)
Return after operating charges*	4.11p	11.65p	(0.81p)	13.96p
Distributions on income share	(2.11p)	(4.65p)	(4.89p)	(4.96p)
Closing net asset value per share	123.70p	121.70p	114.70p	120.40p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	3.38%	10.16%	(0.67%)	12.53%
<b>Other information</b>				
Closing net asset value	£179,855,260	£193,330,304	£158,665,755	£5,053,908
Closing number of shares	145,367,812	158,912,897	138,336,875	4,197,677
Operating charges - OCF	0.42%	0.43%	0.43%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	127.60p	130.30p	123.80p	122.00p
Lowest share price	121.20p	112.30p	114.40p	111.70p

<b>Accumulation C</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	273.80p	250.40p	254.10p	227.20p
Return before operating charges*	9.99p	26.61p	(0.53p)	29.97p
Operating charges	(0.59p)	(1.16p)	(1.08p)	(1.02p)
Return after operating charges*	9.40p	25.45p	(1.61p)	28.95p
Distributions on accumulation share	(4.78p)	(10.26p)	(10.45p)	(10.26p)
Retained distributions on accumulation share	4.78p	8.21p	8.36p	8.21p
Closing net asset value per share	283.20p	273.80p	250.40p	254.10p
*after direct transaction costs of:	0.00p	0.00p	0.00p	0.00p
<b>Performance</b>				
Return after charges	3.43%	10.16%	(0.63%)	12.74%
<b>Other information</b>				
Closing net asset value	£64,785,195	£49,179,027	£16,120,236	£11,453,143
Closing number of shares	22,875,551	17,959,621	6,437,264	4,507,831
Operating charges - OCF	0.42%	0.43%	0.43%	0.43%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
<b>Prices</b>				
Highest share price	289.70p	289.00p	261.30p	255.30p
Lowest share price	272.70p	245.20p	246.20p	227.80p

## Comparative Table

for the six months ended 15 July 2017 (unaudited)

<b>Institutional Gross Accumulation#</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
Change in net assets per share				
Opening net asset value per share	309.10p	319.20p	n/a	n/a
Return before operating charges*	11.24p	(10.07p)	n/a	n/a
Operating charges	(0.04p)	(0.03p)	n/a	n/a
Return after operating charges*	11.20p	(10.10p)	n/a	n/a
Distributions on accumulation share	(6.03p)	(5.77p)	n/a	n/a
Retained distributions on accumulation share	6.03p	5.77p	n/a	n/a
Closing net asset value per share	320.30p	309.10p	n/a	n/a
*after direct transaction costs of:	0.00p	0.00p	n/a	n/a
<b>Performance</b>				
Return after charges	3.62%	26.40%	n/a	n/a
<b>Other information</b>				
Closing net asset value	£22,844,223	£3,852,972	n/a	n/a
Closing number of shares	7,132,266	1,246,465	n/a	n/a
Operating charges - OCF	0.02%	0.01%	n/a	n/a
Direct transaction costs	0.00%	0.00%	n/a	n/a
<b>Prices</b>				
Highest share price	327.50p	323.30p	n/a	n/a
Lowest share price	307.90p	304.20p	n/a	n/a
#The Institutional Gross Accumulation share class was launched on 9 September 2016.				

## Statement of Total Return

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Income				
Net capital gains		<b>21,198</b>		35,610
Revenue	<b>18,051</b>		10,834	
Expenses	<b>(839)</b>		(539)	
Interest payable and similar charges	<b>(1)</b>		-	
Net revenue before taxation	<b>17,211</b>		10,295	
Taxation	-		-	
Net revenue after taxation		<b>17,211</b>		10,295
Total return before distributions		<b>38,409</b>		45,905
Distributions		<b>(20,774)</b>		(10,443)
Change in net assets attributable to shareholders from investment activities		<b>17,635</b>		35,462

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2017 (unaudited)

	15.7.17		15.7.16	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		<b>1,114,749</b>		461,264
Amounts receivable on creation of shares	<b>175,753</b>		41,638	
Amounts payable on cancellation of shares	<b>(147,974)</b>		(34,295)	
		<b>27,779</b>		7,343
Dilution adjustment		<b>478</b>		85
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		<b>17,635</b>		35,462
Retained distribution on accumulation shares		<b>3,087</b>		2,545
Closing net assets attributable to shareholders		<b>1,163,728</b>		506,699

## Balance Sheet

as at 15 July 2017 (unaudited)

	15.7.17		15.1.17	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		<b>1,146,550</b>		1,111,512
Current assets				
Debtors	<b>37,141</b>		21,416	
Cash and bank balances	<b>6,563</b>		3,821	
Total current assets		<b>43,704</b>		25,237
Total assets		<b>1,190,254</b>		1,136,749
<b>Liabilities</b>				
Investment liabilities		<b>(1,620)</b>		(2,460)
Creditors				
Distribution payable on income shares	<b>(8,736)</b>		(9,538)	
Other creditors	<b>(16,170)</b>		(10,002)	
Total creditors		<b>(24,906)</b>		(19,540)
Total liabilities		<b>(26,526)</b>		(22,000)
Net assets attributable to shareholders		<b>1,163,728</b>		1,114,749

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.17</i>	<i>Distribution paid 15.9.16</i>
Group 1: Shares purchased prior to 16 April 2017				
Group 2: Shares purchased from 16 April 2017 to 15 July 2017				
<b>Retail Income</b>				
Group 1	0.810000	-	0.810000	0.820000
Group 2	0.360000	0.450000	0.810000	0.820000
<b>Retail Accumulation</b>				
Group 1	1.820000	-	1.820000	1.760000
Group 2	0.970000	0.850000	1.820000	1.760000
<b>Institutional Income</b>				
Group 1	2.130000	-	2.130000	1.990000
Group 2	1.170000	0.960000	2.130000	1.990000
<b>Institutional Accumulation</b>				
Group 1	2.970000	-	2.970000	2.670000
Group 2	2.970000	0.000000	2.970000	2.670000
<b>Income C</b>				
Group 1	1.040000	-	1.040000	0.990000
Group 2	0.440000	0.600000	1.040000	0.990000
<b>Accumulation C</b>				
Group 1	2.360000	-	2.360000	2.170000
Group 2	1.840000	0.520000	2.360000	2.170000
<b>Institutional Gross Accumulation#</b>				
Group 1	2.990000	-	2.990000	N/A
Group 2	1.640000	1.350000	2.990000	N/A

#The Institutional Gross Accumulation share class was launched on 9 September 2016.

**Distribution Table (pence per share)**

for the six months ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution paid 15.6.17</i>	<i>Distribution paid 15.6.16</i>
Group 1: Shares purchased prior to 16 January 2017				
Group 2: Shares purchased from 16 January 2017 to 15 April 2017				
<b>Retail Income</b>				
Group 1	0.840000	-	0.840000	0.790000
Group 2	0.500000	0.340000	0.840000	0.790000
<b>Retail Accumulation</b>				
Group 1	1.860000	-	1.860000	1.710000
Group 2	0.820000	1.040000	1.860000	1.710000
<b>Institutional Income</b>				
Group 1	2.190000	-	2.190000	1.930000
Group 2	1.300000	0.890000	2.190000	1.930000
<b>Institutional Accumulation</b>				
Group 1	3.040000	-	3.040000	2.590000
Group 2	0.640000	2.400000	3.040000	2.590000
<b>Income C</b>				
Group 1	1.070000	-	1.070000	0.960000
Group 2	0.770000	0.300000	1.070000	0.960000
<b>Accumulation C</b>				
Group 1	2.420000	-	2.420000	2.110000
Group 2	1.530000	0.890000	2.420000	2.110000
<b>Institutional Gross Accumulation#</b>				
Group 1	3.040000	-	3.040000	N/A
Group 2	0.720000	2.320000	3.040000	N/A

#The Institutional Gross Accumulation share class was launched on 9 September 2016.

# Global Equity Income

## Investment Objective

To provide income by investing in a portfolio of global equities that also have the potential for long-term capital growth.

## Investment Policy

To substantially invest in equities and securities equivalent to equities of companies based in any country. Companies may be from developed and emerging markets and have a large or medium market value.

## Investment Strategy

The equity investment process considers the large and medium market value companies that make up the MSCI All Countries World Index. The process aims to identify companies that offer an attractive valuation but which also demonstrate an appropriate level of liquidity. Through fundamental research we investigate whether companies have the potential to sustain profitability and dividend income. Using our analysis we construct a fund portfolio that aims to provide a level of income which, for performance purposes, is above the yield of the MSCI All Countries World Index. Generally the fund will invest directly in equities and related securities but may use collective investment schemes as an efficient way to gain exposure to certain equity markets. The fund may use derivatives, typically exchange traded futures, with the aim of generating returns that are consistent with the fund portfolio in respect of cash flowing into the fund. The fund does not currently use currency forwards or other derivative instruments to hedge against movements in currency exchange rates.

## Portfolio Activity

The Fund launched 24 May 2017 and the Fund Manager has been investing in assets to meet the Fund objectives.

## Investment Performance

As the Fund only launched on 24 May 2017, there is no performance information available for this period.

## Fund Particulars

as at 17 July 2017 (unaudited)

	Institutional Income*	Institutional Accumulation*
Price	100.1p xd	100.8p
Distribution payable (on 15 September 2017) per share net	0.710000p	0.710000p
Current net estimated yield	3.30%	3.27%
Annual ACD charge	0.00%	0.00%
	Income C*	Accumulation C*
Price	100.0p xd	100.7p
Distribution payable (on 15 September 2017) per share net	0.710000p	0.710000p
Current net estimated yield	3.30%	3.28%
Annual ACD charge	0.75%	0.75%

\*The Fund was launched on 24 May 2017.

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Oil &amp; Gas - 6.42%</b>			
Exxon Mobil	16,750	1,040	2.35
Phillips 66	15,292	960	2.16
Royal Dutch Shell B	41,088	847	1.91
<b>Total Oil &amp; Gas</b>		<b>2,847</b>	<b>6.42</b>
<b>Basic Materials - 2.82%</b>			
Lyondell Basell Industries	10,726	704	1.59
Severstal	51,091	545	1.23
<b>Total Basic Materials</b>		<b>1,249</b>	<b>2.82</b>
<b>Industrials - 8.83%</b>			
3M Co	4,465	723	1.63
Amcor	134,283	1,270	2.86
Hubbell	11,340	1,003	2.26
Mitsubishi Electric	82,000	921	2.08
<b>Total Industrials</b>		<b>3,917</b>	<b>8.83</b>
<b>Consumer Goods - 8.61%</b>			
Altria Group	16,724	945	2.13
British American Tobacco	19,303	1,019	2.30
Kimberly-Clark	6,956	662	1.49
Nestlé (registered)	17,957	1,193	2.69
<b>Total Consumer Goods</b>		<b>3,819</b>	<b>8.61</b>
<b>Healthcare - 9.32%</b>			
Daiichi Sankyo	50,900	871	1.96
GlaxoSmithKline	51,608	830	1.87
Johnson & Johnson	13,564	1,375	3.10
Roche Holding participating	5,444	1,060	2.39
<b>Total Healthcare</b>		<b>4,136</b>	<b>9.32</b>
<b>Consumer Services - 4.62%</b>			
Autozone	1,834	710	1.60
Comcast	15,772	472	1.06
Omnicom	14,018	870	1.96
<b>Total Consumer Services</b>		<b>2,052</b>	<b>4.62</b>
<b>Telecommunications - 6.96%</b>			
China Mobile (Hong Kong)	94,000	756	1.71
NTT Docomo	48,800	874	1.97
Proximus	30,687	831	1.87
Vodafone Group	285,512	625	1.41
<b>Total Telecommunications</b>		<b>3,086</b>	<b>6.96</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Utilities - 2.52%</b>			
Red Electrica Corporation	69,691	1,120	2.52
<b>Total Utilities</b>		<b>1,120</b>	<b>2.52</b>
<b>Financials - 27.38%</b>			
American International Group	21,189	1,038	2.34
Aviva	87,462	463	1.04
AXA	34,079	752	1.69
Bank of China	1,188,000	441	1.00
China Overseas Land & Investments	202,000	501	1.13
Citigroup	14,623	745	1.68
Danske Bank	20,835	630	1.42
Deutsche Wohnen	35,362	1,039	2.34
+HSBC (London listed)	132,154	970	2.19
Industrial and Commercial Bank of China	1,891,000	974	2.20
ishares MSCI ACWI ETF	22,182	1,131	2.55
JPMorgan Chase & Co	17,077	1,204	2.71
Lloyds Banking Group	110,204	74	0.17
Prudential Financial	13,795	1,175	2.65
Societe Generale	2,601	111	0.25
Sumitomo Mitsui Financial Group	30,800	897	2.02
<b>Total Financials</b>		<b>12,145</b>	<b>27.38</b>
<b>Technology - 18.93%</b>			
Apple	10,858	1,237	2.79
Capgemini	8,067	658	1.48
Cisco Systems	35,863	861	1.94
Intel	33,651	891	2.01
International Business Machines	7,751	914	2.06
Microsoft	21,873	1,217	2.74
Oracle Japan	22,700	1,152	2.60
Otsuka	13,200	623	1.41
Taiwan Semiconductor Manufacturing	30,454	843	1.90
<b>Total Technology</b>		<b>8,396</b>	<b>18.93</b>
<b>Portfolio of investments</b>		<b>42,767</b>	<b>96.41</b>
<b>Net other assets</b>		<b>1,591</b>	<b>3.59</b>
<b>Net assets</b>		<b>44,358</b>	<b>100.00</b>

+related party

Unless otherwise stated, all investments are listed equities.

Total purchases for the period, including transaction charges, were £44,168,052.

Total sales for the period, net of transaction charges, were £1,213,068.

**Comparative Table**

for the period ended 15 July 2017 (unaudited)

<b>Institutional Incomet</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	100.00p	n/a	n/a	n/a
Return before operating charges*	0.59p	n/a	n/a	n/a
Operating charges	(0.03p)	n/a	n/a	n/a
Return after operating charges*	0.56p	n/a	n/a	n/a
Distributions on income share	(0.71p)	n/a	n/a	n/a
Closing net asset value per share	99.85p	n/a	n/a	n/a
*after direct transaction costs of:	0.14p	n/a	n/a	n/a
<b>Performance</b>				
Return after charges	0.56%	n/a	n/a	n/a
<b>Other information</b>				
Closing net asset value	£38,718,665	n/a	n/a	n/a
Closing number of shares	38,775,741	n/a	n/a	n/a
Operating charges - OCF (estimated)	0.05%	n/a	n/a	n/a
Direct transaction costs	0.14%	n/a	n/a	n/a
<b>Prices</b>				
Highest share price	103.60p	n/a	n/a	n/a
Lowest share price	100.00p	n/a	n/a	n/a
†The Fund was launched on 24 May 2017.				

<b>Institutional Accumulationt</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	100.00p	n/a	n/a	n/a
Return before operating charges*	0.64p	n/a	n/a	n/a
Operating charges	(0.04p)	n/a	n/a	n/a
Return after operating charges*	0.60p	n/a	n/a	n/a
Distributions on accumulation share	(0.71p)	n/a	n/a	n/a
Retained distributions on accumulation share	0.71p	n/a	n/a	n/a
Closing net asset value per share	100.60p	n/a	n/a	n/a
*after direct transaction costs of:	0.14p	n/a	n/a	n/a
<b>Performance</b>				
Return after charges	0.60%	n/a	n/a	n/a
<b>Other information</b>				
Closing net asset value	£1,885,790	n/a	n/a	n/a
Closing number of shares	1,875,000	n/a	n/a	n/a
Operating charges - OCF (estimated)	0.05%	n/a	n/a	n/a
Direct transaction costs	0.14%	n/a	n/a	n/a
<b>Prices</b>				
Highest share price	103.60p	n/a	n/a	n/a
Lowest share price	100.00p	n/a	n/a	n/a
†The Fund was launched on 24 May 2017.				

## Comparative Table

for the period ended 15 July 2017 (unaudited)

<b>Income Ct</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	100.00p	n/a	n/a	n/a
Return before operating charges*	0.61p	n/a	n/a	n/a
Operating charges	(0.16p)	n/a	n/a	n/a
Return after operating charges*	0.45p	n/a	n/a	n/a
Distributions on income share	(0.71p)	n/a	n/a	n/a
Closing net asset value per share	99.74p	n/a	n/a	n/a
*after direct transaction costs of:	0.14p	n/a	n/a	n/a
<b>Performance</b>				
Return after charges	0.45%	n/a	n/a	n/a
<b>Other information</b>				
Closing net asset value	£1,870,197	n/a	n/a	n/a
Closing number of shares	1,875,000	n/a	n/a	n/a
Operating charges - OCF (estimated)	0.90%	n/a	n/a	n/a
Direct transaction costs	0.14%	n/a	n/a	n/a
<b>Prices</b>				
Highest share price	103.50p	n/a	n/a	n/a
Lowest share price	100.00p	n/a	n/a	n/a
†The Fund was launched on 24 May 2017.				

<b>Accumulation Ct</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	100.00p	n/a	n/a	n/a
Return before operating charges*	0.66p	n/a	n/a	n/a
Operating charges	(0.16p)	n/a	n/a	n/a
Return after operating charges*	0.50p	n/a	n/a	n/a
Distributions on accumulation share	(0.71p)	n/a	n/a	n/a
Retained distributions on accumulation share	0.71p	n/a	n/a	n/a
Closing net asset value per share	100.50p	n/a	n/a	n/a
*after direct transaction costs of:	0.14p	n/a	n/a	n/a
<b>Performance</b>				
Return after charges	0.50%	n/a	n/a	n/a
<b>Other information</b>				
Closing net asset value	£1,883,509	n/a	n/a	n/a
Closing number of shares	1,875,000	n/a	n/a	n/a
Operating charges - OCF (estimated)	0.90%	n/a	n/a	n/a
Direct transaction costs	0.14%	n/a	n/a	n/a
<b>Prices</b>				
Highest share price	103.50p	n/a	n/a	n/a
Lowest share price	100.00p	n/a	n/a	n/a
†The Fund was launched on 24 May 2017.				

## Statement of Total Return

for the six months ended 15 July 2017 (unaudited)

	15.7.17*		15.1.17*	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(208)		n/a
Revenue	60		n/a	
Expenses	(7)		n/a	
Net revenue before taxation	53		n/a	
Taxation	(5)		n/a	
Net revenue after taxation		48		n/a
Total (expense) before distributions		(160)		n/a
Distributions		(49)		n/a
Change in net assets attributable to shareholders from investment activities		(209)		n/a

\*The Fund was launched on 24 May 2017.

## Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 15 July 2017 (unaudited)

	15.7.17*	
	£'000	£'000
Opening net assets attributable to shareholders		-
Amounts receivable on creation of shares	7,500	
Amounts payable on cancellation of shares	37,041	
		44,541
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(209)
Retained distribution on accumulation shares		26
Closing net assets attributable to shareholders		44,358

\*The Fund was launched on 24 May 2017.

## Balance Sheet

as at 15 July 2017 (unaudited)

	15.7.17*		15.1.17*	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		42,767		n/a
Current assets				
Debtors	1,092		n/a	
Cash and bank balances	792		n/a	
Total current assets		1,884		n/a
Total assets		44,651		n/a
<b>Liabilities</b>				
Creditors				
Distribution payable on income shares	(289)		n/a	
Other creditors	(4)		n/a	
Total liabilities		(293)		n/a
Net assets attributable to shareholders		44,358		n/a

\*The Fund was launched on 24 May 2017.

**Distribution Table (pence per share)**

for the period ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.9.17</i>	<i>Distribution paid 15.9.16</i>
Group 1: Shares purchased prior to 24 May 2017*				
Group 2: Shares purchased from 24 May 2017 to 15 July 2017				
<b>Institutional Income</b>				
Group 1	0.710000	-	0.710000	n/a
Group 2	0.020000	0.690000	0.710000	n/a
<b>Institutional Accumulation</b>				
Group 1	0.710000	-	0.710000	n/a
Group 2	0.710000	0.000000	0.710000	n/a
<b>Income C</b>				
Group 1	0.710000	-	0.710000	n/a
Group 2	0.710000	0.000000	0.710000	n/a
<b>Accumulation C</b>				
Group 1	0.710000	-	0.710000	n/a
Group 2	0.710000	0.000000	0.710000	n/a
*The Fund was launched on 24 May 2017.				

# Global High Income Bond

## Investment Objective

To provide a high level of income by investing in a portfolio of global bonds.

## Investment Policy

To substantially invest in a combination of higher yielding investment grade and below-investment grade bonds issued in any country, including developed and emerging markets. The bonds may be issued by public and private corporations, governments and government-related entities and denominated in a range of currencies. The bonds may make fixed or variable rate coupon payments.

## Investment Strategy

Through local market expertise and regional allocation, the investment process aims to identify bonds that offer an attractive income but which also fit the fund's desired overall risk profile. Through fundamental credit research we aim to identify bond issuers and sectors with the potential to sustain performance. Using our analysis we construct a fund portfolio that aims to provide a high level of income. For indicative purposes, a high level of income is defined as the quoted average yield of funds in the Investment Association peer group, which is the Sterling Strategic Bond sector. To provide a high level of income the fund will typically invest in a combination of a) investment grade bonds that are higher yielding but which have lower quality credit ratings; b) below-investment grade bonds that provide a high yield. Generally the fund will invest directly in bonds and related securities but may use collective investment schemes as an efficient way to gain exposure to certain types of bonds. The derivatives the fund may use include futures, options, interest rate swaps, credit default swaps, credit default swap indices and currency forwards. Derivatives may be used with the aim of hedging against interest rate risk, credit risk and currency movements but also with the aim of generating returns to assist the fund in meeting its investment objective. Credit default swaps and credit default swap indices may be used to express credit exposure and futures and interest rate swaps may be used with the aim of managing the fund's overall duration. Currency forwards will be used with the aim of substantially hedging against movements in the rate of exchange between Sterling and the currency in which the bonds and other assets are denominated.

## Portfolio Activity

The Fund launched 24 May 2017 and the Fund Manager has been investing in assets to meet the Fund objectives..

## Investment Performance

As the Fund only launched on 24 May 2017, there is no performance information available for this period.

## Fund Particulars

as at 17 July 2017 (unaudited)

	Institutional Income*	Institutional Accumulation*
Price	99.90p xd	100.3p
Distribution payable (on 15 August 2017) per share net	0.380000p	0.380000p
Current net estimated yield	4.20%	4.19%
Annual ACD charge	0.00%	0.00%
	Income C*	Accumulation C*
Price	99.79p xd	100.2p
Distribution payable (on 15 August 2017) per share net	0.380000p	0.380000p
Current net estimated yield	4.21%	4.19%
Annual ACD charge	0.63%	0.63%

\*The Fund was launched on 24 May 2017.

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>UNITED KINGDOM - 1.29%</b>			
<b>Corporate Bonds - 1.29%</b>			
Barclays Plc 2.875% 8/6/2020	\$200,000	154	0.81
FCE Bank 1.114% 13/5/2020	€100,000	90	0.48
<b>Total Corporate Bonds</b>		<b>244</b>	<b>1.29</b>
<b>Total United Kingdom</b>		<b>244</b>	<b>1.29</b>
<b>UNITED STATES - 32.73%</b>			
<b>Government Bonds - 1.94%</b>			
Treasury Note 2% 31/5/2024	\$250,000	190	1.00
Treasury Note Bond 3% 15/2/2047	\$228,000	177	0.94
<b>Total Government Bonds</b>		<b>367</b>	<b>1.94</b>
<b>Corporate Bonds - 30.79%</b>			
AbbVie Inc 4.7% 14/5/2045	\$30,000	25	0.13
Alcoa Inc 5.9% 1/2/2027	\$50,000	41	0.22
Ally Financial Inc 4.125% 13/2/2022	\$125,000	98	0.53
AMC Entertainment Holdings Inc 5.875% 15/11/2026	\$50,000	40	0.21
American Axle & Manufacturing 6.25% 1/4/2025	\$30,000	23	0.12
American Express 5.2% variable rate perpetual	\$40,000	31	0.16
American Tower 3.55% 15/7/2027	\$30,000	23	0.12
Antero Resources 5% 1/3/2025	\$70,000	52	0.27
Bank of America 4.183% 25/11/2027	\$300,000	234	1.23
Bank of America 8.125% variable rate perpetual	\$35,000	28	0.15
Blue Cube Spinco 10% 15/10/2025	\$35,000	33	0.17
Boise Cascade 5.625% 1/9/2024	\$30,000	24	0.13
Capital One Financial 5.55% variable rate perpetual	\$40,000	32	0.17
Capital One Financial FRN 12/5/2020	\$200,000	154	0.81
Care Capital Properties 5.125% 15/8/2026	\$50,000	38	0.20
Carrizo Oil & Gas 7.5% 15/9/2020	\$25,000	19	0.10
CCO Holdings -Capital Corp 5.875% 1/4/2024	\$75,000	61	0.32
CDW-CDW Finance 5% 1/9/2025	\$20,000	16	0.08
Centene 4.75% 15/1/2025	\$40,000	32	0.17
Central Garden & Pet 6.125% 15/11/2023	\$25,000	20	0.11
CF Industries 4.5% 1/12/2026	\$200,000	158	0.83
Change Healthcare Holdings 5.75% 1/3/2025	\$25,000	20	0.11
Chemours 5.375% 15/5/2027	\$40,000	31	0.16
Cheniere Corpus Christi Holdings 5.875% 31/3/2025	\$25,000	21	0.11
Citigroup 5.8% variable rate perpetual	\$35,000	28	0.15
Citigroup FRN 17/5/2024	\$200,000	153	0.81
Clearwater Paper 5.375% 1/2/2025	\$46,000	35	0.18
Commercial Metals 4.875% 15/5/2023	\$15,000	12	0.06
Commercial Metals 5.375% 15/7/2027	\$5,000	4	0.02
Continental Resources 5% 15/9/2022	\$40,000	30	0.16
DaVita HealthCare Partners 5% 1/5/2025	\$25,000	19	0.10
Diamond 1 Finance - Diamond 2 Finance 6.02% 15/6/2026	\$50,000	42	0.22

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
Diamondback Energy 5.375% 31/5/2025	\$50,000	39	0.21
Discovery Communications 1.9% 19/3/2027	€100,000	84	0.44
DISH DBS 5.875% 15/7/2022	\$70,000	58	0.31
Energy Transfer Equity 5.875% 15/1/2024	\$50,000	41	0.22
Energy Transfer Partners 3.6% 1/2/2023	\$200,000	154	0.81
EnLink Midstream Partners 5.45% 1/6/2047	\$100,000	76	0.40
EPR Properties 4.5% 1/6/2027	\$200,000	154	0.81
Equinix 5.875% 15/1/2026	\$50,000	42	0.22
ESH Hospitality 5.25% 1/5/2025	\$50,000	39	0.21
Fifth Third Bancorp 4.9% variable rate perpetual	\$40,000	31	0.16
First Data 5% 15/1/2024	\$35,000	28	0.15
Ford Motor Credit 2.425% 12/6/2020	\$200,000	153	0.81
Freeport Mcmoran 3.875% 15/3/2023	\$75,000	54	0.28
Fresenius Medical Care US Finance II 5.875% 31/1/2022	\$40,000	34	0.18
General Motors Financial 3.1% 15/1/2019	\$200,000	155	0.82
Genesis Energy 6.75% 1/8/2022	\$50,000	38	0.20
GLP Capital-GLP Financing II 5.375% 15/4/2026	\$5,000	4	0.02
Goldman Sachs Group 3.691% variable rate 5/6/2028	\$45,000	34	0.18
Goldman Sachs Group 5.375% variable rate perpetual	\$30,000	24	0.13
Goodyear Tire & Rubber 4.875% 15/3/2027	\$200,000	155	0.82
Goodyear Tire And Rubber 5% 31/5/2026	\$25,000	20	0.11
Gulfport Energy 6.375% 15/5/2025	\$50,000	38	0.20
HCA 5.25% 15/4/2025	\$125,000	103	0.54
HCA 5.5% 15/6/2047	\$25,000	20	0.11
Healthsouth 5.75% 1/11/2024	\$35,000	27	0.14
Herc Rentals 7.5% 1/6/2022	\$50,000	40	0.21
Hess Corp 4.30% 1/4/2027	\$200,000	148	0.78
Holly Energy Partners 6% 1/8/2024	\$50,000	40	0.21
Hyundai Capital America 3.1% 5/4/2022	\$30,000	23	0.12
International Paper 4.4% 15/8/2047	\$100,000	77	0.41
J2 Cloud Services 6% 15/7/2025	\$5,000	4	0.02
JPMorgan Chase 5.3% variable rate perpetual	\$200,000	159	0.84
Kaiser Aluminium 5.875% 15/5/2024	\$25,000	20	0.11
Kinder Morgan 5.05% 15/2/2046	\$100,000	76	0.40
Kindred Healthcare 6.375% 15/4/2022	\$25,000	19	0.10
Lennar 4.75% 30/5/2025	\$60,000	48	0.25
Level 3 Financing 5.375% 15/1/2024	\$50,000	40	0.21
LifePoint Health 5.375% 1/5/2024	\$50,000	40	0.21
Live Nation Entertainment 4.875% 1/11/2024	\$35,000	27	0.14
Match Group 6.375% 1/6/2024	\$25,000	21	0.11
Mednax 5.25% 1/12/2023	\$30,000	24	0.13
MGM Growth Properties 5.625% 1/5/2024	\$35,000	29	0.15
MGM Resorts International 4.625% 1/9/2026	\$35,000	27	0.14
Molina Healthcare 5.375% 15/11/2022	\$25,000	20	0.11
MPLX 5.2% 1/3/2047	\$100,000	78	0.41
MPT Operating-Finance 6.375% 1/3/2024	\$60,000	50	0.26

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
MSCI 5.75% 15/8/2025	\$25,000	21	0.11
Nustar Logistics 5.625% 28/4/2027	\$25,000	20	0.10
Owens Brockway 6.375% 15/8/2025	\$50,000	43	0.23
Owens Corning 4.3% 15/7/2047	\$30,000	22	0.12
Parsley Energy 5.375% 15/1/2025	\$25,000	19	0.10
PBF Holding 7% 15/11/2023	\$35,000	27	0.14
PulteGroup 5.5% 1/3/2026	\$25,000	20	0.10
Quintiles Transnational 4.875% 15/5/2023	\$30,000	24	0.13
Reynolds Group 5.125% 15/7/2023	\$50,000	40	0.21
Rose Rock Midstream 5.625% 15/11/2023	\$40,000	29	0.15
RSI Home Products 6.5% 15/3/2023	\$25,000	20	0.11
Sabine Pass Liquefaction 5.875% 30/6/2026	\$25,000	21	0.11
Santander Holdings USA 3.7% 28/3/2022	\$200,000	155	0.82
SBA Communications 4.875% 1/9/2024	\$25,000	19	0.10
Silgan Holdings 4.75% 15/3/2025	\$50,000	39	0.21
Sirius XM Radio 5% 1/8/2027	\$17,000	13	0.07
Sirius XM Radio 6% 15/7/2024	\$35,000	28	0.15
Six Flags Entertainment 4.875% 31/7/2024	\$25,000	19	0.10
SLM CORP 8% 25/3/2020	\$50,000	43	0.23
Southern Copper 5.25% 8/11/2042	\$75,000	57	0.30
Southwestern Energy 4.95% 23/1/2025	\$25,000	19	0.10
Sprint 7.875% 15/9/2023	\$50,000	44	0.23
Sprint Communications 7% 1/3/2020	\$50,000	42	0.22
Standard Industries 5.375% 15/11/2024	\$35,000	28	0.15
Steel Dynamics 5.25% 15/4/2023	\$25,000	20	0.10
T Mobile USA 6.5% 15/1/2026	\$100,000	84	0.44
Targa Resources Partners 5.125% 1/2/2025	\$50,000	39	0.21
Taylor Morrison Communities 5.875% 15/4/2023	\$50,000	41	0.22
Teacher Insurance & Annuity Association 4.27% 15/5/2047	\$100,000	78	0.41
Tenet Healthcare 4.5% 1/4/2021	\$75,000	58	0.31
Tenneco 5% 15/7/2026	\$20,000	15	0.08
THC Escrow III 5.125% 1/5/2025	\$14,000	11	0.06
Toll Bros Finance 4.875% 15/11/2025	\$25,000	20	0.10
Tribune Media 5.875% 15/7/2022	\$25,000	20	0.10
Universal Health Services 5% 1/6/2026	\$25,000	20	0.10
USG 4.875% 1/6/2027	\$25,000	19	0.10
WellCare Health Plans 5.25% 1/4/2025	\$25,000	20	0.10
Wells Fargo & Co. 5.875% variable rate perpetual	\$50,000	42	0.22
Westlake Chemical 3.6% 15/8/2026	\$200,000	151	0.80
Williams Partners 3.75% 15/6/2027	\$50,000	38	0.20
Windstream 7.75% 1/10/2021	\$10,000	7	0.04
WPX Energy 8.25% 1/8/2023	\$50,000	42	0.22
Zayo Group/Zayo Capital 6% 1/4/2023	\$25,000	20	0.11
ZF North America Capital 2.25% 26/4/2019	€100,000	90	0.47
<b>Total Corporate Bonds</b>		<b>5,839</b>	<b>30.79</b>
<b>Total United States</b>		<b>6,206</b>	<b>32.73</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>ARGENTINA - 1.84%</b>			
<b>Government Bonds - 1.00%</b>			
Argentina (Govt) 5.625% 26/1/2022	\$190,000	149	0.79
Argentina (Govt) 6.875% 26/1/2027	\$30,000	24	0.12
Argentina (Govt) 7.125% 28/6/2017	\$24,000	17	0.09
<b>Total Government Bonds</b>		<b>190</b>	<b>1.00</b>
<b>Corporate Bonds - 0.22%</b>			
YPF Sociedad Anonima 8.5% 23/3/2021	\$50,000	42	0.22
<b>Total Corporate Bonds</b>		<b>42</b>	<b>0.22</b>
<b>Public Authorities - 0.62%</b>			
Provincia De Buenos Aires 7.875% 15/6/2027	\$150,000	117	0.62
<b>Total Public Authorities</b>		<b>117</b>	<b>0.62</b>
<b>Total Argentina</b>		<b>349</b>	<b>1.84</b>
<b>AUSTRALIA - 1.13%</b>			
<b>Corporate Bonds - 1.13%</b>			
Cnooc Curtis Funding 4.5% 3/10/2023	\$200,000	164	0.87
Commonwealth Bank of Australia 3.9% 12/7/2047	\$40,000	31	0.16
FMG Resources August 2006 4.75% 15/5/2022	\$25,000	19	0.10
<b>Total Corporate Bonds</b>		<b>214</b>	<b>1.13</b>
<b>Total Australia</b>		<b>214</b>	<b>1.13</b>
<b>BAHAMAS - 0.15%</b>			
<b>Corporate Bonds - 0.15%</b>			
Silversea Cruise Finance 7.25% 1/2/2025	\$35,000	29	0.15
<b>Total Corporate Bonds</b>		<b>29</b>	<b>0.15</b>
<b>Total Bahamas</b>		<b>29</b>	<b>0.15</b>
<b>BERMUDA - 0.52%</b>			
<b>Corporate Bonds - 0.52%</b>			
Aircastle 5.5% 15/2/2022	\$60,000	49	0.26
IHS Markit 4.75% 15/2/2025	\$25,000	20	0.11
IHS Markit 5% 1/11/2022	\$35,000	29	0.15
<b>Total Corporate Bonds</b>		<b>98</b>	<b>0.52</b>
<b>Total Bermuda</b>		<b>98</b>	<b>0.52</b>
<b>BRAZIL - 0.82%</b>			
<b>Government Bonds - 0.40%</b>			
Brazil (Govt) 5.625% 7/1/2041	\$100,000	75	0.40
<b>Total Government Bonds</b>		<b>75</b>	<b>0.40</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Corporate Bonds - 0.42%</b>			
Centrais Electricas Brasil 6.875% 30/7/2019	\$100,000	81	0.42
<b>Total Corporate Bonds</b>		<b>81</b>	<b>0.42</b>
<b>Total Brazil</b>		<b>156</b>	<b>0.82</b>
<b>BRITISH VIRGIN ISLANDS - 1.60%</b>			
<b>Corporate Bonds - 1.60%</b>			
Sinopec Group Overseas 2015 3.25% 28/4/2025	\$200,000	151	0.79
State Grid Overseas Inv 2.25% 4/5/2020	\$200,000	153	0.81
<b>Total Corporate Bonds</b>		<b>304</b>	<b>1.60</b>
<b>Total British Virgin Islands</b>		<b>304</b>	<b>1.60</b>
<b>CANADA - 1.91%</b>			
<b>Corporate Bonds - 1.91%</b>			
Cascades 5.5% 15/7/2022	\$30,000	23	0.12
Enbridge 4.25% 1/12/2026	\$200,000	160	0.84
First Quantum Minerals 7% 15/2/2021	\$25,000	20	0.11
HudBay Minerals 7.25% 15/1/2023	\$50,000	40	0.21
Kinross Gold 4.5% 15/7/2027	\$25,000	19	0.10
Mattamy Group 6.875% 15/12/2023	\$25,000	20	0.11
New Gold 6.375% 15/5/2025	\$15,000	12	0.06
NOVA Chemicals 4.875% 1/6/2024	\$55,000	42	0.22
NOVA Chemicals 5.25% 1/6/2027	\$35,000	26	0.14
<b>Total Corporate Bonds</b>		<b>362</b>	<b>1.91</b>
<b>Total Canada</b>		<b>362</b>	<b>1.91</b>
<b>CAYMAN ISLANDS - 1.16%</b>			
<b>Corporate Bonds - 1.16%</b>			
Hutchison Whampoa 3.75% variable rate perpetual	€150,000	134	0.71
Park Aerospace Holdings 5.25% 15/8/2022	\$25,000	20	0.11
Vale Overseas 6.875% 21/11/2036	\$80,000	66	0.34
<b>Total Corporate Bonds</b>		<b>220</b>	<b>1.16</b>
<b>Total Cayman Islands</b>		<b>220</b>	<b>1.16</b>
<b>CHANNEL ISLANDS - 0.47%</b>			
<b>Corporate Bonds - 0.47%</b>			
Credit Suisse Funding Limited 1.25% 14/4/2022	€100,000	89	0.47
<b>Total Corporate Bonds</b>		<b>89</b>	<b>0.47</b>
<b>Total Channel Islands</b>		<b>89</b>	<b>0.47</b>
<b>CHILE - 0.42%</b>			
<b>Corporate Bonds - 0.42%</b>			
Codelco 3.75% 4/11/2020	€100,000	80	0.42
<b>Total Corporate Bonds</b>		<b>80</b>	<b>0.42</b>
<b>Total Chile</b>		<b>80</b>	<b>0.42</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>COLOMBIA - 0.76%</b>			
<b>Government Bonds - 0.61%</b>			
Columbia (Republic Of) 6.125% 18/1/2041	\$100,000	87	0.46
Columbia (Republic Of) 8.125% 21/5/2024	\$30,000	29	0.15
<b>Total Government Bonds</b>		<b>116</b>	<b>0.61</b>
<b>Corporate Bonds - 0.15%</b>			
Bancolombia S.A. 5.125% 11/9/2022	\$35,000	28	0.15
<b>Total Corporate Bonds</b>		<b>28</b>	<b>0.15</b>
<b>Total Colombia</b>		<b>144</b>	<b>0.76</b>
<b>CROATIA - 0.44%</b>			
<b>Government Bonds - 0.44%</b>			
Croatia (Govt) 6.625% 14/7/2020	\$100,000	84	0.44
<b>Total Government Bonds</b>		<b>84</b>	<b>0.44</b>
<b>Total Croatia</b>		<b>84</b>	<b>0.44</b>
<b>DOMINICAN REPUBLIC - 0.44%</b>			
<b>Government Bonds - 0.44%</b>			
Dominican (Republic Of) 6.6% 28/1/2024	\$100,000	84	0.44
<b>Total Government Bonds</b>		<b>84</b>	<b>0.44</b>
<b>Total Dominican Republic</b>		<b>84</b>	<b>0.44</b>
<b>EL SALVADOR - 0.09%</b>			
<b>Government Bonds - 0.09%</b>			
EL Salvador (Republic Of) 5.875% 30/1/2025	\$24,000	17	0.09
<b>Total Government Bonds</b>		<b>17</b>	<b>0.09</b>
<b>Total El Salvador</b>		<b>17</b>	<b>0.09</b>
<b>FRANCE - 6.75%</b>			
<b>Corporate Bonds - 6.75%</b>			
AXA SA 3.941% variable rate perpetual	€150,000	142	0.75
Banque Federative Credit Mutuel 3% 21/5/2024	€100,000	95	0.50
BNP Paribas 2.875% variable rate 20/3/2026	€150,000	139	0.73
BPCE SA 2.75% variable rate 8/7/2026	€200,000	184	0.97
Crown Euro Holdings SA 4% 15/7/2022	€100,000	97	0.51
Electricite de France 5.375% variable rate perpetual	€100,000	96	0.51
Elis SA 3% 30/4/2022	€100,000	90	0.47
Engie SA 4.75% variable rate perpetual	€100,000	98	0.52
Orange 4.25% variable rate perpetual	€100,000	93	0.49
Societe Generale 2.5% variable rate 16/9/2026	€100,000	91	0.48
Societe Generale SA 4.25% 19/8/2026	\$200,000	155	0.82
<b>Total Corporate Bonds</b>		<b>1,280</b>	<b>6.75</b>
<b>Total France</b>		<b>1,280</b>	<b>6.75</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>GERMANY - 1.47%</b>			
<b>Corporate Bonds - 1.47%</b>			
Commerzbank AG 7.75% 16/3/2021	€100,000	107	0.57
Deutsche Bank AG 2.7% 13/7/2020	\$30,000	23	0.12
Unitymedia Hessen 6.25% 15/1/2029	€150,000	148	0.78
<b>Total Corporate Bonds</b>		<b>278</b>	<b>1.47</b>
<b>Total Germany</b>		<b>278</b>	<b>1.47</b>
<b>HUNGARY - 0.76%</b>			
<b>Government Bonds - 0.76%</b>			
Hungary (Republic Of) 5.375% 21/2/2023	\$100,000	85	0.45
Hungary (Republic Of) 5.75% 22/11/2023	\$68,000	60	0.31
<b>Total Government Bonds</b>		<b>145</b>	<b>0.76</b>
<b>Total Hungary</b>		<b>145</b>	<b>0.76</b>
<b>INDIA - 0.81%</b>			
<b>Corporate Bonds - 0.81%</b>			
State Bank Of India 3.25% 24/1/2022	\$200,000	154	0.81
<b>Total Corporate Bonds</b>		<b>154</b>	<b>0.81</b>
<b>Total India</b>		<b>154</b>	<b>0.81</b>
<b>INDONESIA - 1.77%</b>			
<b>Government Bonds - 1.77%</b>			
Indonesia (Republic Of) 4.125% 15/1/2025	\$200,000	157	0.83
Indonesia (Republic Of) 5.875% 13/3/2020	\$100,000	83	0.44
Indonesia (Republic Of) 6.625% 17/2/2037	\$100,000	95	0.50
<b>Total Government Bonds</b>		<b>335</b>	<b>1.77</b>
<b>Total Indonesia</b>		<b>335</b>	<b>1.77</b>
<b>IRELAND - 1.36%</b>			
<b>Corporate Bonds - 1.36%</b>			
Aercap Ireland Capital 5% 1/10/2021	\$200,000	166	0.88
Bank Of Ireland 4.25% variable rate 11/6/2024	€100,000	92	0.48
<b>Total Corporate Bonds</b>		<b>258</b>	<b>1.36</b>
<b>Total Ireland</b>		<b>258</b>	<b>1.36</b>
<b>ITALY - 2.54%</b>			
<b>Corporate Bonds - 2.54%</b>			
Enel Spa 5% variable rate 15/1/2075	€100,000	95	0.50
Eni Spa 0.75% 17/5/2022	€150,000	133	0.70
Exor Spa 2.5% 8/10/2024	€100,000	92	0.49
Intesa Sanpaolo Spa 6.625% 13/9/2023	€150,000	161	0.85
<b>Total Corporate Bonds</b>		<b>481</b>	<b>2.54</b>
<b>Total Italy</b>		<b>481</b>	<b>2.54</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>IVORY COAST - 0.37%</b>			
<b>Government Bonds - 0.37%</b>			
Ivory Coast (Govt) 5.75% 31/12/2032	\$100,000	71	0.37
<b>Total Government Bonds</b>		<b>71</b>	<b>0.37</b>
<b>Total Ivory Coast</b>		<b>71</b>	<b>0.37</b>
<b>LEBANON - 0.21%</b>			
<b>Government Bonds - 0.21%</b>			
Lebanese (Republic Of) 5.45% 28/11/2019	\$20,000	15	0.08
Lebanese (Republic Of) 7.25% 23/3/2037	\$31,000	24	0.13
<b>Total Government Bonds</b>		<b>39</b>	<b>0.21</b>
<b>Total Lebanon</b>		<b>39</b>	<b>0.21</b>
<b>LUXEMBOURG - 12.30%</b>			
<b>Corporate Bonds - 2.58%</b>			
Actavis Funding SCS 4.75% 15/3/2045	\$20,000	17	0.09
CNH Industrial 6.25% 9/3/2018	€150,000	136	0.72
Dana Financing 5.75% 15/4/2025	\$20,000	16	0.08
Gazprom 7.288% 16/8/2037	\$100,000	90	0.48
Talanx Finanz AG 8.36% 15/6/2042	€200,000	230	1.21
<b>Total Corporate Bonds</b>		<b>489</b>	<b>2.58</b>
<b>Financials - 9.72%</b>			
+HGIF Global Asset Backed High Yield Bond	7,125	922	4.86
+HSBC Asset Backed Bond	8,643	921	4.86
<b>Total Financials</b>		<b>1,843</b>	<b>9.72</b>
<b>Total Luxembourg</b>		<b>2,332</b>	<b>12.30</b>
<b>MALAYSIA - 0.50%</b>			
<b>Corporate Bonds - 0.50%</b>			
Petronas Capital 7.875% 22/5/2022	\$100,000	94	0.50
<b>Total Corporate Bonds</b>		<b>94</b>	<b>0.50</b>
<b>Total Malaysia</b>		<b>94</b>	<b>0.50</b>
<b>MEXICO - 2.74%</b>			
<b>Government Bonds - 0.83%</b>			
United Mexican States (Govt) 3.5% 21/1/2021	\$100,000	80	0.42
United Mexican States (Govt) 4.75% 8/3/2044	\$34,000	26	0.14
United Mexico States (Govt) 6.75% 27/9/2034	\$13,000	12	0.06
United Mexico States (Govt) 4% 2/10/2023	\$50,000	40	0.21
<b>Total Government Bonds</b>		<b>158</b>	<b>0.83</b>

## Portfolio Statement

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Corporate Bonds - 1.91%</b>			
Comision Federal De Electricidad 4.875% 26/5/2021	\$200,000	163	0.86
Pemex Master 6.625% 15/6/2035	\$48,000	38	0.20
Petroleos Mexicanos 6.375% 4/2/2021	\$94,000	78	0.41
Petroleos Mexicanos 6.5% 13/3/2027	\$10,000	8	0.04
Petroleos Mexicanos 6.875% 4/8/2026	\$90,000	76	0.40
<b>Total Corporate Bonds</b>		<b>363</b>	<b>1.91</b>
<b>Total Mexico</b>		<b>521</b>	<b>2.74</b>
<b>NETHERLANDS - 6.77%</b>			
<b>Corporate Bonds - 6.77%</b>			
Aegon 4% variable rate 25/4/2044	€100,000	92	0.49
Alliander Finance 3.25% variable rate perpetual	€100,000	90	0.47
BMW Finance 1% 15/2/2022	€150,000	135	0.71
Kazmunaygas National 7% 5/5/2020	\$100,000	83	0.44
Lukoil International Finance 6.656% 7/6/2022	\$100,000	86	0.45
LyondellBasell Industries 4.625% 26/2/2055	\$100,000	75	0.40
Majapahit Holding 7.75% 20/1/2020	\$100,000	86	0.45
Petrobras Global Finance 7.375% 17/1/2027	\$115,000	94	0.50
Petrobras Global Finance BV 8.375% 23/5/2021	\$150,000	129	0.68
Petrobras International Finance 6.75% 27/1/2041	\$20,000	15	0.08
Telefonica Europe 7.625% variable rate perpetual	€100,000	104	0.55
Teva Pharmaceuticals 3.15% 1/10/2026	\$40,000	29	0.15
Volkswagen International Finance 5.125% variable rate perpetual	€175,000	169	0.89
Wolters Kluwer 2.5% 13/5/2024	€100,000	96	0.51
<b>Total Corporate Bonds</b>		<b>1,283</b>	<b>6.77</b>
<b>Total Netherlands</b>		<b>1,283</b>	<b>6.77</b>
<b>NIGERIA - 0.16%</b>			
<b>Government Bonds - 0.16%</b>			
Nigeria (Republic Of) 5.625% 27/6/2022	\$40,000	30	0.16
<b>Total Government Bonds</b>		<b>30</b>	<b>0.16</b>
<b>Total Nigeria</b>		<b>30</b>	<b>0.16</b>
<b>PERU - 0.51%</b>			
<b>Government Bonds - 0.36%</b>			
Peru (Republic Of) 4.125% 25/8/2027	\$64,000	53	0.28
Peru (Republic Of) 5.625% 18/11/2050	\$15,000	14	0.08
<b>Total Government Bonds</b>		<b>67</b>	<b>0.36</b>
<b>Corporate Bonds - 0.15%</b>			
Banco De Credito Del Peru 5.375% 16/9/2020	\$35,000	29	0.15
<b>Total Corporate Bonds</b>		<b>29</b>	<b>0.15</b>
<b>Total Peru</b>		<b>96</b>	<b>0.51</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>PHILIPPINES - 0.55%</b>			
<b>Government Bonds - 0.55%</b>			
Philippines (Republic Of) 9.5% 2/2/2030	\$19,000	23	0.12
Philippines (Republic Of) 4% 15/1/2021	\$100,000	81	0.43
<b>Total Government Bonds</b>		<b>104</b>	<b>0.55</b>
<b>Total Philippines</b>		<b>104</b>	<b>0.55</b>
<b>QATAR - 0.16%</b>			
<b>Government Bonds - 0.16%</b>			
Qatar (Govt) 9.75% 15/6/2030	\$25,000	30	0.16
<b>Total Government Bonds</b>		<b>30</b>	<b>0.16</b>
<b>Total Qatar</b>		<b>30</b>	<b>0.16</b>
<b>ROMANIA - 0.22%</b>			
<b>Government Bonds - 0.22%</b>			
Romania (Govt) 4.375% 22/8/2023	\$52,000	42	0.22
<b>Total Government Bonds</b>		<b>42</b>	<b>0.22</b>
<b>Total Romania</b>		<b>42</b>	<b>0.22</b>
<b>RUSSIA - 0.43%</b>			
<b>Government Bonds - 0.43%</b>			
Russia Eurobond 5% 29/4/2020	\$100,000	81	0.43
<b>Total Government Bonds</b>		<b>81</b>	<b>0.43</b>
<b>Total Russia</b>		<b>81</b>	<b>0.43</b>
<b>SAUDI ARABIA - 0.82%</b>			
<b>Government Bonds - 0.82%</b>			
Saudi Arabia (Govt) 2.375% 26/10/2021	\$208,000	156	0.82
<b>Total Government Bonds</b>		<b>156</b>	<b>0.82</b>
<b>Total Saudi Arabia</b>		<b>156</b>	<b>0.82</b>
<b>SOUTH AFRICA - 0.41%</b>			
<b>Government Bonds - 0.41%</b>			
South Africa (Republic Of) 4.665% 17/1/2024	\$100,000	77	0.41
<b>Total Government Bonds</b>		<b>77</b>	<b>0.41</b>
<b>Total South Africa</b>		<b>77</b>	<b>0.41</b>
<b>SOUTH KOREA - 0.84%</b>			
<b>Corporate Bonds - 0.42%</b>			
Posco 4.25% 28/10/2020	\$100,000	80	0.42
<b>Total Corporate Bonds</b>		<b>80</b>	<b>0.42</b>
<b>Public Authorities - 0.42%</b>			
Export Import Bank Korea 4% 29/1/2021	\$100,000	80	0.42
<b>Total Public Authorities</b>		<b>80</b>	<b>0.42</b>
<b>Total South Korea</b>		<b>160</b>	<b>0.84</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>SPAIN - 1.16%</b>			
<b>Corporate Bonds - 1.16%</b>			
Mapfre SA 5.921% variable rate 24/7/2037	€150,000	131	0.69
Santander Issuances 2.5% 18/3/2025	€100,000	89	0.47
<b>Total Corporate Bonds</b>		<b>220</b>	<b>1.16</b>
<b>Total Spain</b>		<b>220</b>	<b>1.16</b>
<b>SRI LANKA - 0.43%</b>			
<b>Government Bonds - 0.43%</b>			
Sri Lanka (Govt) 6.25% 4/10/2020	\$100,000	81	0.43
<b>Total Government Bonds</b>		<b>81</b>	<b>0.43</b>
<b>Total Sri lanka</b>		<b>81</b>	<b>0.43</b>
<b>TURKEY - 1.15%</b>			
<b>Government Bonds - 1.15%</b>			
Turkey (Republic Of) 6.875% 17/3/2036	\$150,000	128	0.66
Turkey (Republic Of) 7% 5/6/2020	\$110,000	92	0.49
<b>Total Government Bonds</b>		<b>220</b>	<b>1.15</b>
<b>Total Turkey</b>		<b>220</b>	<b>1.15</b>
<b>UNITED ARAB EMIRATES - 0.81%</b>			
<b>Corporate Bonds - 0.81%</b>			
Abu Dhabi National Energy 3.625% 12/1/2023	\$200,000	153	0.81
<b>Total Corporate Bonds</b>		<b>153</b>	<b>0.81</b>
<b>Total United Arab Emirates</b>		<b>153</b>	<b>0.81</b>
<b>URUGUAY - 0.23%</b>			
<b>Government Bonds - 0.23%</b>			
Uruguay (Oriental Republic Of) 4.375% 27/10/2027	\$54,000	44	0.23
<b>Total Government Bonds</b>		<b>44</b>	<b>0.23</b>
<b>Total Uruguay</b>		<b>44</b>	<b>0.23</b>
<b>VENEZUELA - 0.12%</b>			
<b>Government Bonds - 0.12%</b>			
Venezuela (Republic Of) 7.75% 13/10/2019	\$31,000	12	0.06
Venezuela (Republic Of) 11.95% 5/8/2031	\$30,000	11	0.06
<b>Total Government Bonds</b>		<b>23</b>	<b>0.12</b>
<b>Total Venezuela</b>		<b>23</b>	<b>0.12</b>
<b>Credit Default Swaps - (0.21%)</b>			
BNP 1% CDS 20/6/2022	USD 385,000	281	1.48
BNP 1% CDS 20/6/2022	(USD 385,000)	(294)	(1.55)
BNP 1% CDS 20/6/2022	USD 385,000	281	1.48
BNP 1% CDS 20/6/2022	(USD 385,000)	(294)	(1.55)
BNP 1% CDS 20/6/2022	USD 388,000	284	1.50
BNP 1% CDS 20/6/2022	(USD 388,000)	(297)	(1.57)
<b>Total Credit Default Swaps</b>		<b>(39)</b>	<b>(0.21)</b>

**Portfolio Statement**

as at 15 July 2017 (unaudited)

<i>Security</i>	<i>Holding</i>	<i>Bid value £'000</i>	<i>Total net assets %</i>
<b>Forward Foreign Exchange Contracts - 0.81%</b>			
#Sold \$24,663,615 for £19,000,000 settled 2 August 2017		161	0.85
#Sold €4,333,968 for \$4,954,040 settled 2 August 2017		(9)	(0.05)
#Sold £100,000 for \$130,789 settled 2 August 2017		-	-
#Sold \$72,000 for COP\$221,596,000 settled 24 August 2017		1	0.01
<b>Total Forward Foreign Exchange Contracts</b>		<b>153</b>	<b>0.81</b>
<b>Portfolio of investments</b>		<b>17,582</b>	<b>92.72</b>
<b>Net other assets</b>		<b>1,381</b>	<b>7.28</b>
<b>Net assets</b>		<b>18,963</b>	<b>100.00</b>
Total Money market funds		1,843	10.48
Total Forward Foreign Exchange Contracts		153	0.87
Total Credit Default Swaps		(39)	(0.22)
Bond Credit ratings <sup>^</sup>			
AAA		367	2.09
AA		80	0.45
AA-		442	2.51
A+		535	3.04
A		90	0.51
A-		142	0.81
BBB+		2,007	11.42
BBB		2,635	14.99
BBB-		3,445	19.59
BB+		1,582	9
BB		1,537	8.74
BB-		1,156	6.57
B+		680	3.87
B		503	2.86
B-		172	0.98
CCC		17	0.1
CCC-		23	0.13
UR		212	1.21
<b>Total bonds</b>		<b>15,625</b>	<b>88.87</b>
<b>Portfolio of investments</b>		<b>17,582</b>	<b>100.00</b>

+related party

#unlisted

Unless otherwise stated, all investments are listed securities.

<sup>^</sup>rating supplied by Standard & Poor's

Total purchases for the period, including transaction charges, were £18,228,958.

Total sales for the period, net of transaction charges, were £609,523.

## Comparative Table

for the period ended 15 July 2017 (unaudited)

<b>Institutional Incomet</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	100.00p	n/a	n/a	n/a
Return before operating charges*	0.08p	n/a	n/a	n/a
Operating charges	(0.03p)	n/a	n/a	n/a
Return after operating charges*	0.05p	n/a	n/a	n/a
Distributions on income share	(0.38p)	n/a	n/a	n/a
Closing net asset value per share	99.67p	n/a	n/a	n/a
*after direct transaction costs of:	0.00p	n/a	n/a	n/a
<b>Performance</b>				
Return after charges	0.05%	n/a	n/a	n/a
<b>Other information</b>				
Closing net asset value	£4,734,289	n/a	n/a	n/a
Closing number of shares	4,750,000	n/a	n/a	n/a
Operating charges - OCF (estimated)	0.10%	n/a	n/a	n/a
Direct transaction costs	0.00%	n/a	n/a	n/a
<b>Prices</b>				
Highest share price	102.40p	n/a	n/a	n/a
Lowest share price	99.81p	n/a	n/a	n/a
†The Fund was launched on 24 May 2017.				

<b>Institutional Accumulationt</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	100.00p	n/a	n/a	n/a
Return before operating charges*	0.08p	n/a	n/a	n/a
Operating charges	(0.03p)	n/a	n/a	n/a
Return after operating charges*	0.05p	n/a	n/a	n/a
Distributions on accumulation share	(0.38p)	n/a	n/a	n/a
Retained distributions on accumulation share	0.38p	n/a	n/a	n/a
Closing net asset value per share	100.05p	n/a	n/a	n/a
*after direct transaction costs of:	0.00p	n/a	n/a	n/a
<b>Performance</b>				
Return after charges	0.05%	n/a	n/a	n/a
<b>Other information</b>				
Closing net asset value	£4,752,339	n/a	n/a	n/a
Closing number of shares	4,750,000	n/a	n/a	n/a
Operating charges - OCF (estimated)	0.10%	n/a	n/a	n/a
Direct transaction costs	0.00%	n/a	n/a	n/a
<b>Prices</b>				
Highest share price	102.40p	n/a	n/a	n/a
Lowest share price	99.81p	n/a	n/a	n/a
†The Fund was launched on 24 May 2017.				

**Comparative Table**

for the period ended 15 July 2017 (unaudited)

<b>Income Ct</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	100.00p	n/a	n/a	n/a
Return before operating charges*	0.09p	n/a	n/a	n/a
Operating charges	(0.14p)	n/a	n/a	n/a
Return after operating charges*	(0.05p)	n/a	n/a	n/a
Distributions on income share	(0.38p)	n/a	n/a	n/a
Closing net asset value per share	99.57p	n/a	n/a	n/a
*after direct transaction costs of:	0.00p	n/a	n/a	n/a
<b>Performance</b>				
Return after charges	(0.05%)	n/a	n/a	n/a
<b>Other information</b>				
Closing net asset value	£4,729,355	n/a	n/a	n/a
Closing number of shares	4,750,000	n/a	n/a	n/a
Operating charges - OCF (estimated)	0.83%	n/a	n/a	n/a
Direct transaction costs	0.00%	n/a	n/a	n/a
<b>Prices</b>				
Highest share price	102.40p	n/a	n/a	n/a
Lowest share price	99.72p	n/a	n/a	n/a
†The Fund was launched on 24 May 2017.				

<b>Accumulation Ct</b>	<b>15.7.17</b>	<b>15.1.17</b>	<b>15.1.16</b>	<b>15.1.15</b>
<b>Change in net assets per share</b>				
Opening net asset value per share	100.00p	n/a	n/a	n/a
Return before operating charges*	0.09p	n/a	n/a	n/a
Operating charges	(0.14p)	n/a	n/a	n/a
Return after operating charges*	(0.05p)	n/a	n/a	n/a
Distributions on accumulation share	(0.38p)	n/a	n/a	n/a
Retained distributions on accumulation share	0.38p	n/a	n/a	n/a
Closing net asset value per share	99.95p	n/a	n/a	n/a
*after direct transaction costs of:	0.00p	n/a	n/a	n/a
<b>Performance</b>				
Return after charges	(0.05%)	n/a	n/a	n/a
<b>Other information</b>				
Closing net asset value	£4,747,405	n/a	n/a	n/a
Closing number of shares	4,750,000	n/a	n/a	n/a
Operating charges - OCF (estimated)	0.83%	n/a	n/a	n/a
Direct transaction costs	0.00%	n/a	n/a	n/a
<b>Prices</b>				
Highest share price	102.40p	n/a	n/a	n/a
Lowest share price	99.72p	n/a	n/a	n/a
†The Fund was launched on 24 May 2017.				

## Statement of Total Return

for the period ended 15 July 2017 (unaudited)

	15.7.17*		15.1.17*	
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(65)		n/a
Revenue	78		n/a	
Expenses	(12)		n/a	
Interest payable and similar charges	(2)		n/a	
Net revenue before taxation	64		n/a	
Taxation	-		n/a	
Net revenue after taxation		64		n/a
Total return before distributions		(1)		n/a
Distributions		(72)		n/a
Change in net assets attributable to shareholders from investment activities		(73)		n/a

\*The Fund was launched on 24 May 2017.

## Statement of Change in Net Assets Attributable to Shareholders

for the period ended 15 July 2017 (unaudited)

	15.7.17*	
	£'000	£'000
Opening net assets attributable to shareholders		-
Amounts receivable on creation of shares	19,000	
		19,000
Change in net assets attributable to shareholders from investment activities (see Statement of Total Return above)		(73)
Retained distribution on accumulation shares		36
Closing net assets attributable to shareholders		18,963

\*The Fund was launched on 24 May 2017.

## Balance Sheet

as at 15 July 2017 (unaudited)

	15.7.17*		15.1.17*	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investments		17,630		n/a
Current assets				
Debtors	229		n/a	
Cash and bank balances	1,204		n/a	
Total current assets		1,433		n/a
Total assets		19,063		n/a
<b>Liabilities</b>				
Investment liabilities		(48)		n/a
Creditors				
Distribution payable on income shares	(36)		n/a	
Other creditors	(16)		n/a	
Total creditors		(52)		n/a
Total liabilities		(100)		n/a
Net assets attributable to shareholders		18,963		n/a

\*The Fund was launched on 24 May 2017.

**Distribution Table (pence per share)**

for the period ended 15 July 2017 (unaudited)

	<i>Net income</i>	<i>Equalisation</i>	<i>Distribution payable 15.8.17</i>	<i>Distribution paid 15.8.16</i>
Group 1: Shares purchased prior to 24 May 2017*				
Group 2: Shares purchased from 24 May 2017 to 15 July 2017				
<b>Institutional Income</b>				
Group 1	0.380000	-	0.380000	n/a
Group 2	0.380000	0.000000	0.380000	n/a
<b>Institutional Accumulation</b>				
Group 1	0.380000	-	0.380000	n/a
Group 2	0.380000	0.000000	0.380000	n/a
<b>Income C</b>				
Group 1	0.380000	-	0.380000	n/a
Group 2	0.380000	0.000000	0.380000	n/a
<b>Accumulation C</b>				
Group 1	0.380000	-	0.380000	n/a
Group 2	0.380000	0.000000	0.380000	n/a
*The Fund was launched on 24 May 2017.				

# General Information

## How to Buy, Sell or Switch Your Investment

- Call our Dealers on 0800 358 3011\*  
or
- Write to our Administration Office at: HSBC Global Asset Management (UK) Limited, PO Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG.
- A list of the Business Days which are not Dealing Days will be published in relation to each Fund on the ACD's website; [www.assetmanagement@hsbc.com](mailto:www.assetmanagement@hsbc.com).

## Switching Your Investment

- Some discounts are available for switching between our OEIC Funds.
- Switching from one OEIC Fund to another may create a capital gains tax liability.

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current KIID (in conjunction with the Supplementary Information Document (SID)) and Prospectus accompanied by the latest Annual Report and the most recent Interim Report, if published thereafter. Further details of our switching discounts may be obtained by:-

- Telephoning our Customer Services, on 0800 358 3011\*

## Minimum Additional Subscription

- The minimum additional subscription is £500 for retail share classes except those for UK Growth and Income Retail B share classes which is £100, the Income C and Accumulation C share classes which is £1,000 and Institutional share classes which is £1,000,000.

## Selling your Investment

You can sell or make a withdrawal at any time.

- You must take at least £100 each time.
- We reserve the right to request that you leave the minimum investment of £1,000 or close the investment.
- Settlement is normally made within 3 business days from the receipt of your instructions.

## When We Will Buy or Sell Your Investment

Share prices are calculated at 12 noon each business day. The price at which shares are bought or sold depends on when we receive your instructions.

- Before 12 noon. That day's share prices will be used.
- After 12 noon. The following business day's prices will be used.

We will send you a contract note within 24 hours of the transaction. This confirms the transaction was made.

## Cancellation Rights

- In certain circumstances we will send you a cancellation notice. If so this will be sent within 7 days of making your investment.
- Return this notice to us within 30 days if you do not wish to proceed with your investment.
- It is possible to receive back less than your original investment, if the value of your shares has fallen.

## Publication of Prices

The prices of shares are updated daily on the following websites: [www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)

Alternatively you can call our Investments Helpline on 0800 358 3011.\*

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## Prospectus

The Prospectus provides further details on our OEICs. For a copy of the latest Prospectus (available free of charge):-

- Telephone our Customer Services on 0800 358 3011\*
  - Write to our Administration Office
- 

## Income

Income is distributed or accumulated in the following way:-

- If you hold income shares, income will be distributed to you on the payment dates shown for each of the Funds in the table on pages 123-124.
- If you hold accumulation shares, income will be retained within the Fund. No additional shares will be bought. The price of shares will reflect the income received.

We must disclose details of such distributions to HM Revenue and Customs (HMRC). The distribution also needs to be disclosed on your tax return.

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## Income Tax

A tax voucher is sent to all shareholders when distributions are paid or accumulated which will aid completion of tax returns.

### Interest Distributions:

From 6 April 2017, any income that is distributed from our funds as interest is paid or accumulated gross of tax to all shareholders. This follows the announcement from the UK Government in 2016 of its intention to remove the requirement for tax to be deducted from interest distributions of open-ended investment companies.

A Personal Savings Allowance currently applies for UK individual taxpayers. This means that no tax is payable on savings income, which includes interest distributions, of up to £1,000 for basic rate taxpayers and up to £500 for higher rate taxpayers. This allowance is not available for additional rate taxpayers. UK taxpayers, including basic rate taxpayers, are liable to pay UK tax on savings income above the allowance, subject to the starting rate of tax for savings.

For UK corporate shareholders, interest distributions will be paid without the deduction of tax. Such shareholders will be subject to corporation tax on the gross amount of the distribution or accumulation.

For non-UK resident shareholders, interest distributions will be paid without the deduction of tax. Tax may or may not be payable depending on the shareholder's tax position and the provisions of any relevant double tax treaty with the UK.

### Dividend Distributions:

A dividend allowance applies for UK resident individual shareholders which charges the first £5,000 of dividends received in the tax year at 0%. A UK resident individual shareholder will have to pay income tax at the applicable basic, higher or additional rate (depending on the shareholder's individual tax position) on dividend income in excess of the £5,000 allowance. Note that dividend income within the £5,000 allowance will still count towards basic, higher and additional rate bands and may therefore affect the rate of income tax that a shareholder pays on dividends they receive in excess of the £5,000 allowance. In the Spring Budget 2017 the Government announced that from 6 April 2018 the dividend allowance will reduce to £2,000.

Where a corporate shareholder receives a dividend distribution from a Fund, such a shareholder should apportion the amount of the distribution (by way of a formula) between that part representing the Fund's income subject to corporation tax and that part representing the Fund's other income. Only that part which represents the income subject to corporation tax in the Fund will be liable to corporation tax (in the hands of the corporate shareholder) and will be treated as an annual payment received after deduction of income tax at the basic rate. That deemed income tax will be available to offset against the corporation tax liability of the shareholder or may be repaid subject to certain restrictions.

For non-UK resident shareholders, tax may or may not be payable depending on the shareholder's tax position and the provisions of any relevant double tax treaty with the UK.

This information is based on our understanding of current UK law and HM Revenue & Customs practice which may be subject to retrospective change. The future basis and rates of taxation may change without warning. Shareholders are recommended to consult their professional advisers if they are in any doubt as to their individual tax position.

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### **Capital Gains Tax**

You will not need to pay capital gains tax unless your net gains from all sources exceed the annual exemption limit. The limit for the 2017/2018 tax year is £11,300.

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\*To help us continually improve our service, and in the interests of security, we may monitor and/or record your communications with us.

Lines are open Monday to Friday from 9am to 5pm (excluding public holidays).

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## Important Notes

**The Interim Report covers the period 16 January 2017 to 15 July 2017.**

**Investments in stocks and shares can go down as well as up and investors may not get back the amount they originally invested. This can affect the price of shares within open-ended investment companies and the income from them.**

**Past performance should not be seen as an indication of future returns.**

**Your holding in an open-ended investment company must be regarded as a medium to long-term investment; this means for at least five years.**

**Where overseas securities are held the prices and income may also be affected by changes in currency exchange rates. It is possible that the value of an investment may fall below its original level.**

**Investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets. These risks include the possibility of failed or delayed settlement, registration and custody of securities and the level of investor protection offered.**

**Where a Fund holds gilts or other fixed interest securities, the value of the underlying assets is strongly affected by interest rate fluctuations and by changes in the credit ratings of the underlying issuer of the assets. There is a risk that both the relative yield and the capital value of these may be reduced if interest rates go up.**

**Please note any reference to "Fund" or "Funds" means a sub fund of the Company.**

**This report is issued in the UK by HSBC Global Asset Management (UK) Limited, authorised and regulated by the Financial Conduct Authority.**

**There are risks involved in investing in HSBC Investment Funds. Please refer to the Prospectus, Key Investor Information Document (KIID) and Supplementary Information Document (SID) for further details.**

**The information in this report is based on our understanding of current law and HM Revenue and Customs practice as at 15 July 2017 (unaudited). Both law and practice may of course change.**

The views expressed are those of HSBC Global Asset Management (UK) Limited and do not constitute investment advice. No liability can be accepted for recipients acting independently on its content.

The Company is authorised and regulated by the Financial Conduct Authority and is structured as an umbrella company, in that the Company proposes to issue shares linked to different Funds which have been established. The Company is a UCITS scheme.

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after the purchase price of the shares has been paid for.

### Accounting Policies

The interim financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by The Investment Association in May 2014.

**A.C. Corfield**

**A.S. Clark**

**Director**

**Director**

**For and on behalf of HSBC Global Asset Management (UK) Limited Authorised Corporate Director  
29 August 2017**

# Important Changes to the Company and/or Fund Documentation

The following changes to the Company have resulted in the ACD (Authorised Corporate Director) making changes to the Company's Instrument of Incorporation and its Prospectus.

## Amendments to the Company's Instrument of Incorporation

Part 2: The Global Equity Income Fund and the Global High Income Bond Fund have been added. These Funds launched on 24 May 2017.

## Amendments to the Company Prospectus

The Prospectus has been amended to include the changes detailed below.

### Introduction

FCA product reference number has been added.

### Definitions

The definition for 'Dealing Day' has been expanded to indicate that the ACD may operate a non-dealing day on a day on which the stock exchanges and/or regulated markets in countries where a sub-fund of the Company is materially invested are closed for normal trading.

Note that the expansion of this definition has not at this time altered the number of non-dealing days that apply for most of the sub-funds of the Company with the exception of the Global High Income Bond Fund, launched on 24 May 2017, which operates non-dealing days on certain US public holidays in addition to UK public holidays.

### Constitution of the Funds

FCA product reference number for each sub-fund has been added to the table.

Global Equity Income Fund and Global High Income Bond Fund have been added to the Current Funds table. These sub-funds launched on 24 May 2017.

### Share Classes

Wording has been added to clarify that following the Finance Bill 2017 the price of Net Shares is now calculated gross of tax on income. Therefore, there is no distinction between Gross Shares and Net Shares.

The Global Equity Income Fund and Global High Income Bond Fund have been added to the table to clarify the Share Classes currently offered in these sub-funds.

### Dealing in Shares

We have amended the information for the opening hours of the Share dealing lines. We have advised how to obtain a list of Business Days which are not Dealing Days in relation to each sub-fund.

We have explained that the price that Shareholders receive for the Corporate Bond Fund, Gilt & Fixed Interest Fund and the Global High Income Bond Fund is calculated gross of tax on the income received by the sub-fund.

### Valuation

We have advised how to obtain a list of Business Days which are not Dealing Days in relation to each sub-fund.

### Risks

New risk wording has been added for the following types of security (please refer to the latest Prospectus for details of the risks):

High Yield Fixed Income Securities

Convertible Securities

Contingent Convertible Securities

Asset Backed Securities

The risk wording for cluster munitions/anti-personnel mines has been extended to include reference to depleted uranium shieldings and ammunition.

### **Management and Administration**

The list of directors of the ACD has been updated to reflect that Philip Glaze and Timothy J Palmer have been appointed as directors and Edmund R Stokes has resigned as a director. Timothy Palmer is also a director of HSBC Investment Funds (Luxembourg).

Additional clarification of the conflicts of interest of the Depositary has been provided.

The Investment Manager section had been updated to advise that the ACD has appointed HSBC Global Asset Management (USA) Inc as discretionary investment manager for the Global High Income Bond Fund.

Wording has been provided to explain that where the sub-funds of the Company invest in another UCITs or Non-UCITs operated by the ACD or an associate the effect of 'double charging' will be limited by investing in a share class which has an AMC of 0% (where possible).

### **Fees and Expenses**

The table showing the Annual Management Charge, Registration Fee and Ongoing Charges Figure has been updated for all sub-funds with updated OCFs where applicable.

The charges information for the Global Equity Income Fund and Global High Income Bond Fund have been added to the relevant tables.

The table showing dilution adjustment figures has been updated and wording has been included showing the date of the rates and that more up to date information may be available. Estimated dilution adjustment rates have been added for the Global Equity Income Fund and Global High Income Bond Fund.

Wording has been added to advise that where the ACD appoints an associate or other party to act as investment manager for a sub-fund, the investment manager may receive a proportion of any Annual Management Charges for that sub-fund, as agreed between the ACD and the investment manager.

### **Taxation**

The taxation section has been updated to reflect changes following the Finance Bill 2017, additional clarification of the personal savings allowance under UK legislation, the reduction of the dividend allowance under UK legislation that will come into effect from 6 April 2018, an update to FATCA date, and the removal of all text concerning the European Savings Directive.

### **General Information**

The Global Equity Income Fund and Global High Income Bond Fund have been added to the table showing details for the annual reports and distributions.

The discretionary investment management agreement between the ACD and HSBC Global Asset Management (USA) Inc in respect of the Global High Income Bond Fund has been added to the list of material contracts.

### **Appendix 1 - Individual Fund Information**

The investment strategy has been added for each sub-fund.

The SRRI has been updated for the Balanced Fund, Corporate Bond Fund and the Monthly Income Fund.

The list of Risk Categories for each fund have been updated where necessary to add reference to new risks.

The Global Equity Income Fund and Global High Income Bond Fund have been added to Appendix 1.

### **Appendix 2 – Historical Fund Performance**

The table showing the historic performance of each of the sub-funds of the Company has been updated and the fund performance is now calculated using Accumulation C Shares rather than Retail Income Shares.

### **Appendix 3 – Investment Powers and Restrictions**

The relevant wording has been updated to replace 'government and public securities issued or guaranteed by any one body' with 'invested in transferable securities or approved money-market instruments issued or guaranteed by a single state, local authority or public international'.

The Global Equity Income Fund and Global High Income Bond Fund have been added to the relevant sections.

We have added wording to clarify that the ACD has determined that the sub-funds of the Company will not invest in securities issued by companies that the ACD considers after reasonable enquiries, to be involved in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel mines and/or depleted uranium shieldings and ammunition.

### **Appendix 4 – Eligible Securities Markets and Eligible Derivatives Markets**

Details of the Eligible Securities Markets and Eligible Derivatives Markets have been added for the Global Equity Income Fund and Global High Income Bond Fund.

## Other Information

### **Equalisation**

Revenue received by the Fund during the distribution period is reflected in the price of shares until the revenue is distributed. The cost of Group 2 shares bought during a distribution period will therefore include an element of revenue.

Equalisation represents the average amount of accrued revenue included in the purchase price of all Group 2 shares sold in the year, which is refunded as part of a shareholder's first distribution. This amount is treated as a capital repayment for tax purposes. It is not liable to income or corporation tax and is deducted from the original cost of the shares for capital gains tax purposes.

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## Corporate Shareholders

A corporate shareholder will receive the distribution shown below on their tax voucher as follows:

Fund	Date payable/paid	Share class	Investment income	
			Franked	Unfranked
Corporate Bond	15.9.17	Retail Income	0.00%	100.00%
	15.9.17	Retail Accumulation	0.00%	100.00%
	15.9.17	Institutional Accumulation	0.00%	100.00%
	15.9.17	Institutional Income	0.00%	100.00%
	15.9.17	Institutional Gross Accumulation	0.00%	100.00%
	15.9.17	Income C	0.00%	100.00%
	15.9.17	Accumulation C	0.00%	100.00%
	15.6.17	Retail Income	0.00%	100.00%
	15.6.17	Retail Accumulation	0.00%	100.00%
	15.6.17	Institutional Accumulation	0.00%	100.00%
	15.6.17	Institutional Income	0.00%	100.00%
	15.6.17	Institutional Gross Accumulation	0.00%	100.00%
	15.6.17	Income C	0.00%	100.00%
	15.6.17	Accumulation C	0.00%	100.00%
Gilt & Fixed Interest	15.9.17	Retail Income	0.00%	100.00%
	15.9.17	Retail Accumulation	0.00%	100.00%
	15.9.17	Institutional Income	0.00%	100.00%
	15.9.17	Income C	0.00%	100.00%
	15.9.17	Accumulation C	0.00%	100.00%
	15.6.17	Retail Income	0.00%	100.00%
	15.6.17	Retail Accumulation	0.00%	100.00%
	15.6.17	Institutional Income	0.00%	100.00%
	15.6.17	Income C	0.00%	100.00%
	15.6.17	Accumulation C	0.00%	100.00%
Global High Income Bond	15.8.17	Institutional Accumulation	0.00%	100.00%
	15.8.17	Institutional Income	0.00%	100.00%
	15.8.17	Income C	0.00%	100.00%
	15.8.17	Accumulation C	0.00%	100.00%

All other Funds in this OEIC have a 100% franked distribution shown on their tax voucher.

## Risk and Reward Profile

Fund	Rating*
Balanced	4†
UK Growth & Income	5
Income	5
Monthly Income	4††
Gilt & Fixed Interest	4
Corporate Bond	4†††
Global Equity Income	5
Global High Income Bond	3

**Lower risk** **Higher risk**

←—————→

Typically lower rewards Typically higher rewards

1	2	3	4	5	6	7
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†The previous risk rating for this Fund was 5 up until 10 March 2017.

††The previous risk rating for this Fund was 5 up until 17 February 2017.

†††The previous risk rating for this Fund was 3 up until 17 February 2017.

### \*More About this Rating

The rating is based on price volatility over the last five years, and is an indicator of absolute risk. Historical data may not be a reliable indication for the future. The rating is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest rating does not mean a risk-free investment.

For further information on the specific risks applicable to each Fund please visit [www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk).

# Directory

**The Company**

HSBC Investment Funds, 78 St James's Street, London SW1A 1EJ

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**Authorised Corporate Director (ACD) and Head Office**

HSBC Global Asset Management (UK) Limited, 78 St. James's Street, London SW1A 1EJ

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**Investment Manager**

HSBC Global Asset Management (UK) Limited, 78 St. James's Street, London SW1A 1EJ

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**Depositary**

State Street Trustees Limited, 525 Ferry Road, Edinburgh EH5 2AW

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**Regulator**

Financial Conduct Authority (FCA), 25 North Colonnade, Canary Wharf, London E14 5HS

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**Auditor**

KPMG LLP, 15 Canada Square, London E14 5GL

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**Registrar**

HSBC Global Asset Management (UK) Limited (delegated to Northern Trust Global Services Limited)  
50 Bank Street, Canary Wharf, London, E14 5NT

Telephone: 0800 358 3011\*  
+44 800 358 3011 (Overseas)\*

\*Lines are open 9am to 5pm Monday to Friday (excluding public holidays).

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**Administrator** (delegated to Northern Trust Global Services Limited) - postal address

PO Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG

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**Website**

[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)

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To help us continually improve our services, and in the interests of security, we may monitor and/or record your communications with us.

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## Quick Reference Guide to HSBC Investment Funds

Name of OEIC Fund	Balanced	UK Growth & Income	Income	Monthly Income
Number of distributions per year	2	2	2	12
Distribution dates	15 Mar 15 Sep	15 Mar 15 Sep	15 Mar 15 Sep	Each month
Lump sum minimum investment level	£1,000	£1,000	£1,000	£1,000
Regular saver minimum investment level	£50	£50	£50	£50
Authorised Corporate Director charge % †	1.50	1.50	1.50	1.25
Available as an ISA	Yes	Yes	Yes	Yes
In ISA can income be paid	Yes	Yes	Yes	Yes
Income shares available	Yes	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes	Yes
Historic research of files*	£25 per hour including VAT - all Funds			
Duplicate tax voucher*	£25 per voucher including VAT - all Funds			
Duplicate tax vouchers* (more than one)	£25 per voucher including VAT - all Funds			

\* Charges for additional services. The ACD reserves the right to apply these charges and amend them subject to the annual rate of the retail price index.

† The above information relates only to retail share classes. Other share classes may differ.

## Quick Reference Guide to HSBC Investment Funds

Name of OEIC Fund	Gilt & Fixed Interest	Corporate Bond	Global Equity Income	Global High Income Bond
Number of distributions per year	4	4	4	12
Distribution dates	15 Mar, 15 Jun, 15 Sep, 15 Dec	15 Mar, 15 Jun, 15 Sep, 15 Dec	15 Mar, 15 Jun, 15 Sep, 15 Dec	Each month
Lump sum minimum investment level	£1,000	£1,000	£1,000,000	£1,000,000
Regular saver minimum investment level	£50	£50	n/a	n/a
Authorised Corporate Director charge % †	0.75	1.00	0.75	0.63
Available as an ISA	Yes	Yes	Yes	Yes
In ISA can income be paid	Yes	Yes	Yes	Yes
Income shares available	Yes	Yes	Yes	Yes
Accumulation shares available	Yes	Yes	Yes	Yes
Historic research of files*	£25 per hour including VAT - all Funds			
Duplicate tax voucher*	£25 per voucher including VAT - all Funds			
Duplicate tax vouchers* (more than one)	£25 per voucher including VAT - all Funds			

\* Charges for additional services. The ACD reserves the right to apply these charges and amend them subject to the annual rate of the retail price index.

† The above information relates only to retail share classes or C share classes as applicable. Other share classes may differ.

Issued by HSBC Global Asset Management (UK) Limited.  
Authorised and regulated by the Financial Conduct Authority.

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**[www.assetmanagement.hsbc.com/uk](http://www.assetmanagement.hsbc.com/uk)**

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