

Neptune Investment Funds IV

Neptune Global Technology Fund
Neptune Japan Institutional Fund

Interim Report and Financial Statements | 30 June 2017

www.neptunefunds.com



Neptune Investment Funds IV

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Notes

Please read the following important notes and definitions to aid your understanding of the technical terms used in this annual report and financial statements.

Accumulation Shares

Shares that do not pay a dividend but reinvest any income earned from the fund's underlying holdings into the value of the shares. All Neptune funds have accumulation shares.

Annual Management Charge

The annual fee charged by Neptune, calculated on a daily basis, for managing the fund.

Distribution

This is the dividend that is paid to investors, based on the income earned from the fund's underlying holdings. Where applicable, investors in an income share class may receive a distribution, whereas in accumulation shares the distribution is reinvested into the value of the shares.

Equalisation

Equalisation applies to shares purchased during a distribution period, known as 'Group 2' shares. It is the average amount of income included in the purchase price of all the Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax, but must be deducted from the cost of the shares for capital gains tax purposes. The equalisation amount for each share class and distribution is shown in the distribution table. Group 2 shares revert to being Group 1 shares following the first distribution after their purchase.

Equities

These are shares in companies. Shareholders are the owners of a company and can vote on important matters such as the appointment of directors. They also participate in the potential increase in value of the company through increases in the value of its shares, if the company is successful for example. Neptune funds predominantly invest in equities.

Fair Value Hierarchy

The fair value hierarchy gives information on how the fair value of the underlying investments has been measured in arriving at the valuation of the assets in the fund:

Level 1 – the unadjusted quoted price in an active market for identical assets or liabilities that can be accessed at the measurement date (31 December 2016). This will generally include quoted equities, highly liquid bonds and exchange traded derivatives.

Level 2 – uses inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. This means the valuation has been derived using observable market inputs such as quoted prices for similar instruments, interest rates, yield curves and credit spreads.

Level 3 – valuation inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability. Level 3 assets might include unquoted equities.

Fixed Interest Investments

These are bond or debt securities issued by governments and companies that carry rights to a fixed rate of interest paid by the issuer to investors. At the end of the payment term, the issuer repays the capital sum.

Growth Fund

A fund seeking capital growth aims to maximise the value of the money invested, rather than specifically aiming to produce income. In contrast, a fund may seek to maximise income over capital growth. Neptune's fund range includes funds that seek capital growth, funds that seek to generate income and funds that aim to produce income and grow capital.

Income Shares

Income shareholders receive all the income generated by the fund's underlying holdings in the form of a distribution. This is in contrast to accumulation shares. These two choices are important: some investors want income so they opt for income shares. Other investors want growth so they opt for accumulation shares.

ISA (Individual Savings Account)

An ISA is a tax efficient means of investing. All UK tax payers are eligible to invest within an ISA. Due to their tax advantages, the Government limits how much investors can pay into an ISA in each tax year. The current ISA limit is £20,000 for tax year 2017/18, which can be invested in cash, shares or any combination of the two. All Neptune funds are eligible to be held in an ISA; Neptune, however, only offers stocks & shares ISAs. Investors can also transfer existing ISAs which are currently held with other fund providers into our funds.

Junior ISA (Junior Individual Savings Account)

Junior ISAs were launched by the Government to enable parents/guardians to invest in a tax friendly vehicle for their children.

Once a parent or guardian opens a Junior ISA for their child, anyone is able to make a contribution up to the annual limit. The current Junior ISA limit is £4,128 for the tax year 2017/18, which can be invested in cash, shares or any combination of the two. Neptune, however, only offers stocks & shares Junior ISAs. From the age of 16 a child can register to be their own contact. When the child reaches 18 their account is automatically converted into an 'adult' ISA and they are entitled to full access to their investments and savings. All Neptune funds are eligible to be held in a Junior ISA.

Macroeconomics

Analysis of a country or region's economy as a whole. Alongside global industry sector analysis and rigorous stockpicking, macroeconomics forms an important part of Neptune's investment process.

Notes (continued)

Negative Equalisation

Equalisation that is applied to each share class when in a deficit position, also known as 'negative equalisation', rather than applying a nil rate. Negative equalisation should be applied to avoid any possible distortion of distribution yields when comparing share class performance in a sub-fund.

Neptune Investment Funds IV

A number of Neptune funds which have a similar legal structure and investment powers but differing investment objectives. Together, these funds – sometimes referred to as sub-funds – make up the Neptune Investment Funds IV umbrella, which forms a distinct legal company.

OEIC (Open-Ended Investment Company)

A type of fund in the UK that is structured as a company and has the ability to invest in equities and to adjust its investment criteria and fund size. The price of the shares is based on the underlying holdings of the fund. There are no bid and offer prices on Neptune OEIC shares; buyers and sellers receive the same price but an initial charge may be payable. An OEIC allows investment to be diversified away from holding a single or small number of companies. The majority of Neptune funds are OEICs.

OEICs are also referred to as Investment Companies with Variable Capital (ICVC).

Operating Charge Figure (OCF)

A measure of the charges associated with managing and operating a fund and therefore reflective of the cost of investing in a particular fund. These costs consist primarily of management fees as well as legal, auditor and operational expenses. The figure excludes transaction costs and is provided for each share class available within a fund.

The OCF shows the annual expenses of the fund expressed as a percentage of the average net asset value, which helps you compare the annual expenses to other classes, funds and different schemes.

The ACD caps the OCF as a percentage of the average net asset value. The OCF percentage cap for each share class is given in the Performance Record for the class. The OCF capping is entirely at the discretion of the ACD and may cease at any time.

Sector

Globally, businesses can be classified into ten different sectors based on the nature of their industry. These are consumer discretionary, consumer staples, energy, financials, healthcare, industrials, information technology, materials, telecommunications and utilities. Neptune's investment process is based on sector industry analysis, investing our sub-funds based on how we believe each sector will perform.

Sub-Fund

A sub-fund, such as the Neptune Global Technology Fund, forms part of a wider group of funds which sit under the same umbrella known as an open-ended investment company. Each sub-fund has its own investment objective and is held separately from other sub-funds within the same umbrella.

UCITS (Undertakings for Collective Investment in Transferable Securities)

The UCITS legislation governs how a fund can be marketed in the European Union and is designed to allow cross border fund sales to investors of different nationalities.

To obtain UCITS status a fund must invest within defined but wide parameters. The fund may then be sold in any EU country, subject only to the marketing rules of that country and any necessary regulatory approval. All of Neptune's funds are UCITS compliant.

Yield

The amount of income generated by a fund's investments in relation to the price. Funds aiming to generate an income will seek to have a high yield whilst those funds focusing on capital growth typically have a smaller yield.

Neptune Investment Funds IV

Certification of the Financial Statements by Directors of the ACD

This report is signed in accordance with the requirements of the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority (FCA).

There were no shares in any sub-fund held by other sub-funds of the investment company with variable capital (ICVC).

For
Neptune Investment Management Limited (Neptune)
ACD of Neptune Investment Funds IV
17 August 2017

Neptune Global Technology Fund

Investment Objective

The investment objective of Neptune Global Technology Fund (the Fund) is to generate capital growth by investing predominantly in a concentrated portfolio of between 40-60 securities considered to be in the technology sector, without regional restriction.

Other eligible asset classes are collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

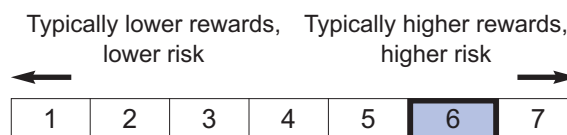
It is anticipated that derivatives instruments and forward transactions may be used by the ACD for efficient portfolio management.

The Fund has the facility to take tactical positions in cash or near cash and to use EPM within all share classes should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify and to be included in an Individual Savings Account.

Risk and Reward Profile

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



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Investing in only a select number of industries means your money may be at greater risk. This is because they do not have the diversification benefits of broader products.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune Global Technology Fund returned 14.66% in the six months under review, versus the Index's gain of 12.20% and peer group average of 13.84%.*

We have long adopted a 'barbell' approach to technology investing, whereby we focus on hyperscale winners and small niche operators, and this approach worked well in the first half of 2017. On the hyperscale side, Alibaba returned 52%, Tencent 39%, Facebook 25%, Amazon 23%, Priceline 21% and Google 12%. Our long-term thesis that digital markets tend to a 'winner-takes-most' structure appears to be playing out. The strongest piece of evidence in favour of this is that many of the largest tech companies in the world are growing at a *faster* pace in 2017 than they were three or four years ago. The 'law of large numbers' is supposed to see growth rates mechanically *come down* as firms become larger and they are required to grow from a larger base. Something else is happening. During the first quarter of 2017, Tencent grew revenues by 55% year on year (fastest since 2012); Google grew revenues by 24% (revenue growth was only 10% for 2013); and Facebook has grown advertising revenues more than 50% each year since 2013. Alibaba surprised the market during the first half by announcing that they expected to grow revenue in FY18 by 44-49%, against expectations of low-30s. We believe that these companies can continue to post strong revenue.

We also had success with a number of our niche operators. Ringcentral, which provides communication systems to small businesses, returned 69%. Pegasystems provides very large enterprises with powerful customer and process management software and some big deals saw the shares return 54% in the first half. Cybersecurity has long been one of the Fund's core themes. High-profile global attacks and outages, notably Wannacry and Petya, have affected everything from hospitals to shipping companies to law firms. We have invested in areas that are 'easy wins' for customers to reduce their vulnerabilities. Mimecast, an email security company with a large UK presence, returned 42% in the first half and NCC Group – a UK small-cap specialising in systems testing or 'ethical hacking' – returned 53%. We expect that incoming legislation – most notably the General Data Protection Regulation (GDPR) in Europe – and increased board-level awareness should combine to ensure that corporate cybersecurity spending remains robust.

Our biggest issue in the quarter was that we did not own enough Apple when the stock rallied 19%. We remain relatively bullish on Apple from a valuation perspective, but felt that an ~8.5% position was sufficient given our holdings in a number of Apple's suppliers. Apple makes up ~13.3% of the MSCI Global Technology Index so this relative underweight was a material headwind, but given we are only permitted to hold a maximum 10% in a single stock; we would have been underweight in any case. Our worst performing overweight was travel software provider Sabre (-17%) as we had not anticipated the amount of additional investment needed to ensure Sabre's products were market-ready. We have now exited the position.

At the very end of the second quarter, we witnessed something of a rotation from technology into financials as yields rose in the US. Valuations – while certainly elevated in some pockets – are not unreasonable relative to the market given tech's much higher revenue and earnings growth prospects.

We remain overweight the internet and software sectors as this is where we see the greatest opportunity for long-term capital appreciation. We took profits too early across our semiconductor holdings as we felt that valuations look to contain something of a 'takeout premium' in many cases, but will not be chasing them at current valuation levels.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific securities and sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune Funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Neptune Global Technology Fund

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	CHINA 3.64% (2016 - 5.24%)		
1,982	Alibaba ADR	214,930	2.15
5,400	Tencent	148,831	1.49
	FRANCE 0.00% (2016 - 1.08%)		
	GERMANY 2.52% (2016 - 3.49%)		
4,567	Infineon Technologies	75,246	0.75
2,185	SAP	177,006	1.77
	IRELAND 1.64% (2016 - 1.23%)		
1,733	Accenture	164,253	1.64
	ISRAEL 3.02% (2016 - 4.61%)		
2,936	CyberArk Software	112,680	1.13
5,773	Mellanox Technologies	189,045	1.89
	JAPAN 6.32% (2016 - 2.35%)		
400	Keyence	135,618	1.36
400	Nintendo	103,564	1.03
6,500	Sony	191,631	1.92
18,000	Sumco	201,322	2.01
	NETHERLANDS 1.00% (2016 - 1.25%)		
1,189	NXP Semiconductors	100,161	1.00
	SINGAPORE 1.00% (2016 - 1.24%)		
557	Broadcom	100,430	1.00
	TAIWAN 3.86% (2016 - 3.52%)		
5,021	Silicon Motion Technology ADR	192,971	1.93
7,207	Taiwan Semiconductor ADR	193,357	1.93
	UNITED KINGDOM 3.45% (2016 - 1.91%)		
6,687	EMIS	61,219	0.61
6,478	Mimecast	133,269	1.33
91,362	NCC	151,433	1.51
	UNITED STATES 72.62% (2016 - 71.93%)		
18,304	8x8	203,793	2.04
1,499	Adobe Systems	163,061	1.63
1,372	Alphabet	969,581	9.69
421	Amazon.com	316,348	3.16
4,803	Amdocs	236,625	2.37
1,579	ANSYS	146,506	1.46
7,451	Apple	824,814	8.24
3,533	Cisco Systems	85,477	0.85
9,216	Comcast	276,015	2.76
3,169	DXC Technology	191,847	1.92
4,250	Facebook	494,603	4.94
3,185	Intel	82,309	0.82
1,099	Lam Research	120,540	1.20
1,979	Mastercard	185,282	1.85
18,275	Microsoft	964,406	9.64
6,466	Oracle	250,101	2.50
1,085	Palo Alto Networks	112,609	1.13
3,245	Pegasystems	147,017	1.47

Neptune Global Technology Fund

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
131	Priceline	189,265	1.89
10,641	Rapid7	136,840	1.37
1,668	Red Hat	122,750	1.23
6,086	RingCentral	170,221	1.70
1,090	S&P Global	122,660	1.23
1,977	SPS Commerce	97,597	0.98
5,696	Visa	414,302	4.14
2,250	Xilinx	111,265	1.11
6,083	Zendesk	129,501	1.30
	Portfolio of investments	9,912,301	99.07
	Net other assets	92,904	0.93
	Net assets	10,005,205	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Stocks shown as ADRs represent American Depositary Receipts.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Microsoft	382,983
Alphabet	357,005
Comcast	303,164
Apple	282,263
Amdocs	235,058
Sales	Proceeds £
Alphabet	190,753
Microsoft	184,094
Apple	178,316
Sabre	157,355
Baidu ADR	144,860

Neptune Global Technology Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
C Accumulation			
2015 [†]	101.9	98.60	—
2016	134.5	85.14	0.0015
2017	156.7*	128.7*	—

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Accumulation			
31 December 2015	2,236,453	2,218,507	100.8
31 December 2016	7,573,289	5,848,867	129.5
30 June 2017	10,005,205	6,732,704	148.6

[†]Launched 16 December 2015.

*To 30 June 2017.

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	C Accumulation	148.6	—
3 January 2017	C Accumulation	128.7	—

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2017	C Accumulation	1.00
31 December 2016	C Accumulation	0.85

[‡]The OCF includes the annual management charges and other expenses. The OCF of the C share class is currently capped at 1.00% per annum of the relevant share class net asset value, by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 7.

Details of the distribution per share for the period are shown in the distribution table on page 13.

Status

Neptune Global Technology Fund is a sub-fund of Neptune Investment Funds IV which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains		1,105,237		463,202
Revenue	44,220		30,033	
Expenses	(42,137)		(19,021)	
Interest payable and similar charges	(15)		141	
Net revenue before taxation	2,068		11,153	
Taxation	(5,828)		(4,392)	
Net (expenses)/revenue after taxation		(3,760)		6,761
Total return before distributions		1,101,477		469,963
Distributions		(159)		(6,761)
Change in net assets attributable to shareholders from investment activities		1,101,318		463,202

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		7,573,289		2,236,453
Amounts received on issue of shares	4,056,997		3,961,467	
Amounts paid on cancellation of shares	(2,727,574)		(1,344,076)	
		1,329,423		2,617,391
Dilution adjustment charged		1,175		4,437
Change in net assets attributable to shareholders from investment activities		1,101,318		463,202
Retained distribution on accumulation shares		—		76
Closing net assets attributable to shareholders		10,005,205		5,321,559

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune Global Technology Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed Assets				
Investments		9,912,301		7,410,765
Current Assets				
Debtors	44,008		16,014	
Cash and bank balances	425,593		204,359	
Total current assets		469,601		220,373
Total assets		10,381,902		7,631,138
Liabilities				
Creditors				
Other creditors	(376,697)		(57,849)	
Total liabilities		(376,697)		(57,849)
Net assets attributable to shareholders		10,005,205		7,573,289

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Neptune Global Technology Fund

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence per share

Interim

Group 1 Shares purchased prior to 1 January 2017

Group 2 Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
<hr/>				
C Accumulation shares				
Group 1	—	—	—	0.0015
Group 2	—	—	—	0.0015

Investment Objective

The investment objective of the Neptune Japan Institutional Fund* (the Fund) is to generate capital growth by investing predominantly in a concentrated portfolio of approximately 40-60 Japanese securities.

Other eligible asset classes are collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivatives instruments and forward transactions may be used by the ACD for efficient portfolio management to maintain an active currency hedging strategy in respect of the portfolio's hedged share classes.

The Fund has the facility to take tactical positions in cash or near cash and to use EPM within all share classes should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to qualify and to be included in an Individual Savings Account.

*The name of the Fund was changed on 3 July 2017 to the Neptune Japan Equity Fund.

Risk and Reward Profile

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

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←			→			
1	2	3	4	5	6	7

- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- For the hedged share classes, the Fund Manager aims to remove the impact of changes in exchange rates between the yen and the base currency of the relevant class by hedging a currency transaction which can protect against such movements. This means the returns attributable to this share class will be similar to the yen return.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Please note that the Fund may use derivatives for the purpose of Efficient Portfolio Management (EPM). For more information and a full list of the Fund's risks, please see the Prospectus.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune Japan Institutional Fund's C sterling unhedged share class returned 8.53% in the first half of the year, against the TOPIX Index's gain of 6.02%.

The Fund did well out of a combination of being overweight in the industrials, materials and IT sectors, whilst simultaneously avoiding those sectors that underperformed such as energy, healthcare, utilities and telecoms. Our holdings in the chemical and construction sectors performed strongly as did Nintendo, our largest single holding, which rose by over 40% during the period. In contrast, our financial and real estate stocks, at best, marked time or declined which detracted from the overall return achieved by the Fund.

As seems to have become its habit, the TOPIX Index showed a split performance across the two quarters, falling in the first and rising in the second. This was largely a function of the Core 30 stock behavior, with the large capitalised firms proving to be followers of global events. In this case, yen strength early in the year was accompanied by geopolitical uncertainty emanating from Europe, including the UK, the Middle East and North Korea. In contrast, the smaller stocks collectively rose in each of the two quarters, being less exposed to non-Japanese factors. Overall, daily market share trading volume of around 2 billion remained restrained, with foreign investors largely absent.

However, once the yen weakened and geopolitical concerns eased early in the second quarter, the market regained its composure, helped by stronger than initially anticipated Japanese corporate earnings reports. These were announced from late April onwards and revealed that, on average, annual

company profits had grown by over 14% compared to expectations of only 6%.

Meanwhile, we still expect the yen to gradually weaken as interest rates elsewhere begin to be consistently raised, whilst those in Japan remain at current levels. Likewise, economic growth rates will show similar patterns as Japan drifts based on the lack of sustained wage growth and the country's negative demographics.

The Fund will remain overweight in large, well financed, industry dominant Japanese multinationals that are set to benefit most from the currency's likely weakening.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific securities and sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune Funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Neptune Japan Institutional Fund

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	BASIC MATERIALS 19.64% (2016 - 17.53%)		
	<i>Chemicals 17.97%</i>		
459,300	Kansai Paint	8,147,926	2.71
1,492,700	Mitsubishi Chemical	9,544,824	3.17
744,500	Mitsubishi Gas Chemical	12,152,391	4.03
303,100	Nippon Paint	8,860,825	2.94
122,700	Shin-Etsu Chemical	8,583,508	2.85
1,059,500	Toray Industries	6,849,863	2.27
	<i>Industrial Metals & Mining 1.67%</i>		
375,800	JFE	5,035,528	1.67
	CONSUMER GOODS 14.91% (2016 - 13.48%)		
	<i>Automobiles & Parts 6.14%</i>		
276,100	NGK Spark Plug	4,533,338	1.51
658,900	NSK	6,345,222	2.11
188,050	Toyota Motor	7,605,889	2.52
	<i>Leisure Goods 8.77%</i>		
336,200	Bandai Namco	8,834,061	2.93
67,925	Nintendo	17,586,465	5.84
	FINANCIALS 14.46% (2016 - 14.64%)		
	<i>Banks 3.74%</i>		
210,200	Sumitomo Mitsui Financial	6,327,167	2.10
179,100	Sumitomo Mitsui Trust	4,949,996	1.64
	<i>Financial Services 5.17%</i>		
938,000	Daiwa Securities	4,290,012	1.42
191,200	Jafco	5,938,065	1.97
1,154,900	Nomura	5,348,750	1.78
	<i>Life Insurance 1.74%</i>		
376,500	Dai-ichi Life Insurance	5,244,321	1.74
	<i>Real Estate Investment & Services 3.81%</i>		
395,300	Mitsubishi Estate	5,689,729	1.89
313,000	Mitsui Fudosan	5,768,958	1.92
	INDUSTRIALS 37.44% (2016 - 37.24%)		
	<i>Construction & Materials 13.66%</i>		
935,500	Haseko	8,770,795	2.91
1,042,500	Shimizu	8,533,404	2.83
6,609,700	Sumitomo Mitsui Construction	5,455,848	1.81
2,458,300	Sumitomo Osaka Cement	8,995,925	2.99
1,333,500	Taisei	9,401,912	3.12
	<i>Electronic & Electrical Equipment 5.55%</i>		
945,000	Hitachi	4,476,733	1.49
36,100	Keyence	12,239,546	4.06
	<i>General Industrials 1.03%</i>		
1,664,500	Toshiba	3,108,515	1.03
	<i>Industrial Engineering 17.20%</i>		
793,000	Amada	7,063,864	2.35
834,750	Chiyoda	3,789,655	1.26
70,900	Daikin Industries	5,584,072	1.85

Neptune Japan Institutional Fund

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
39,075	FANUC	5,815,073	1.93
302,900	Komatsu	5,945,337	1.98
1,275,000	Mitsubishi Heavy Industries	4,031,661	1.34
1,683,000	NTN	5,973,558	1.98
1,000,400	OKUMA	7,328,626	2.43
513,900	Toshiba Plant Systems & Services	6,260,319	2.08
	OIL & GAS 2.23% (2016 - 2.35%)		
	<i>Oil & Gas Producers 2.23%</i>		
1,990,000	JX	6,711,418	2.23
	TECHNOLOGY 5.93% (2016 - 4.78%)		
	<i>Technology Hardware & Equipment 5.93%</i>		
1,192,000	Fujitsu	6,783,262	2.25
357,500	Oki Electric Industry	3,909,961	1.30
642,000	Sumco	7,180,503	2.38
	DERIVATIVES 2.94% (2016 - (1.40%))		
	<i>Forward Currency Contracts 2.94%</i>		
	Bought EUR2 for JPY221 Settlement 05/07/2017	0	0.00
	Bought EUR4,090,178 for JPY504,045,084 Settlement 18/07/2017	127,458	0.04
	Sold EUR1,099 for JPY138,350 Settlement 03/07/2017	(14)	0.00
	Sold EUR56,257 for JPY6,946,355 Settlement 18/07/2017	(1,659)	0.00
	Bought GBP204,606,157 for JPY28,399,777,697 Settlement 18/07/2017	9,223,043	3.06
	Sold GBP300 for JPY42,757 Settlement 03/07/2017	(6)	0.00
	Sold GBP11,934,101 for JPY1,664,773,352 Settlement 18/07/2017	(480,901)	(0.16)
	Bought USD1,321 for JPY147,671 Settlement 03/07/2017	2	0.00
	Bought USD16 for JPY1,780 Settlement 05/07/2017	0	0.00
	Bought USD56,956 for JPY6,245,211 Settlement 18/07/2017	902	0.00
	Sold USD35,713 for JPY3,923,797 Settlement 18/07/2017	(512)	0.00
	Portfolio of investments	293,865,138	97.55
	Net other assets	7,367,504	2.45
	Net assets	301,232,642	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The top five purchases and all sales for the six months are as follows:

Purchases	Cost £
Sumco	3,683,308
Jafco	2,162,670
Nintendo	1,878,811
Mitsubishi Gas Chemical	1,655,610
Keyence	1,535,516

Sales	Proceeds £
Daikin Industries	3,221,650
Keyence	6,037

Neptune Japan Institutional Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
C Accumulation Hedged GBP			
2015†	100.5p	77.88p	—
2016	91.17p	63.90p	0.7385p
2017	96.72p*	87.59p*	0.5367p**
C Accumulation Hedged EUR			
2015††	103.2¢	82.06¢	—
2016	96.42¢	67.37¢	0.7777¢
2017	101.8¢*	92.51¢*	0.5766¢**
C Accumulation Hedged USD			
2015†	100.5¢	77.76¢	—
2016	94.19¢	64.86¢	1.3255¢
2017	100.5¢*	90.80¢*	0.6741¢**
C Accumulation GBP			
2015†	100.5p	83.71p	—
2016	127.4p	76.57p	1.0395p
2017	135.9p*	121.2p*	0.8338p**
D Accumulation GBP			
2017†††	105.3p*	98.73p*	0.0720p**

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Accumulation Hedged GBP			
31 December 2015	53,460,167	62,583,359	85.42
31 December 2016	247,607,374	281,404,901	87.99
30 June 2017	192,654,297	200,986,475	95.85
C Accumulation Hedged EUR			
31 December 2015	786,876	1,186,190	66.34
31 December 2016	1,242,646	1,556,632	79.83
30 June 2017	3,549,843	4,002,558	88.69
C Accumulation Hedged USD			
31 December 2015	116,277	201,000	57.85
31 December 2016	1,026,835	1,389,619	73.89
30 June 2017	16,313	21,247	76.78
C Accumulation GBP			
31 December 2015	303,027	321,953	94.12
31 December 2016	1,685,973	1,378,563	122.3
30 June 2017	105,011,165	79,498,221	132.1
D Accumulation GBP			
30 June 2017	1,024	1,000	102.4

†Launched 22 June 2015.

††Launched 27 July 2015.

†††Launched 3 May 2017.

*To 30 June 2017.

**To 31 August 2017.

Neptune Japan Institutional Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
3 July 2017	C Accumulation Hedged GBP	96.29p	0.79
	C Accumulation Hedged EUR	101.4¢	0.81
	C Accumulation Hedged USD	100.1¢	1.08
	C Accumulation GBP	131.7p	0.91
	D Accumulation GBP	102.1p	0.07
3 January 2017	C Accumulation Hedged GBP	88.09p	0.84
	C Accumulation Hedged EUR	93.09¢	0.84
	C Accumulation Hedged USD	91.04¢	1.46
	C Accumulation GBP	121.2p	0.86
	D Accumulation GBP	—	—

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF† %
30 June 2017	C Accumulation Hedged GBP	0.91
	C Accumulation Hedged EUR	0.89
	C Accumulation Hedged USD	0.87
	C Accumulation GBP	0.84
	D Accumulation GBP	0.74
31 December 2016	C Accumulation Hedged GBP	0.90
	C Accumulation Hedged EUR	0.90
	C Accumulation Hedged USD	0.90
	C Accumulation GBP	0.88
	D Accumulation GBP	—

†The OCF includes the annual management charges and other expenses. The OCF of the C share class is currently capped at 1.00% per annum and the D share class is currently capped at 0.90% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 15.

Details of the distributions per share for the period are shown in the distribution table on page 23.

Status

Neptune Japan Institutional Fund is a sub-fund of Neptune Investment Funds IV which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains/(losses)		23,941,227		(62,296,537)
Revenue	3,141,529		2,214,923	
Expenses	(1,213,562)		(737,569)	
Interest payable and similar charges	(17,858)		—	
Net revenue before taxation	1,910,109		1,477,354	
Taxation	(314,149)		(221,492)	
Net revenue after taxation		1,595,960		1,255,862
Total return before distributions		25,537,187		(61,040,675)
Distributions		(473,010)		(1,255,902)
Change in net assets attributable to shareholders from investment activities		25,064,177		(62,296,577)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		251,562,828		54,666,347
In specie transfer*		—		110,070,870
Amounts received on issue of shares	34,865,842		45,621,345	
Amounts paid on cancellation of shares	(7,141,446)		(737,064)	
		27,724,396		44,884,281
Dilution adjustment charged		48,320		55,931
Change in net assets attributable to shareholders from investment activities		25,064,177		(62,296,577)
Retained distribution on accumulation shares		678,418		1,207,217
Notional exchange adjustment		(3,845,497)		28,023,504
Closing net assets attributable to shareholders		301,232,642		176,611,573

*Assets transferred from the Neptune Japan Opportunities Fund.

As the Fund is denominated in Japanese Yen, all prior year figures have been restated using average exchange rates throughout the year, with a balancing notional exchange adjustment added.

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		294,348,230		226,466,819
Current assets				
Debtors	98,618		554,820	
Cash and bank balances	14,730,228		28,313,583	
Total current assets		14,828,846		28,868,403
Total assets		309,177,076		255,335,222
Liabilities				
Investment liabilities		(483,092)		(3,524,705)
Creditors				
Other creditors	(7,461,342)		(247,689)	
Total other liabilities		(7,461,342)		(247,689)
Total liabilities		(7,944,434)		(3,772,394)
Net assets attributable to shareholders		301,232,642		251,562,828

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence/cents per share

Interim

Group 1 Shares purchased prior to 1 January 2017

Group 2 Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
C Accumulation Hedged				
shares GBP (p)				
Group 1	0.5367	—	0.5367	0.5150
Group 2	—	0.5367	0.5367	0.5150
C Accumulation Hedged				
shares EUR (¢)				
Group 1	0.5766	—	0.5766	0.5290
Group 2	—	0.5766	0.5766	0.5290
C Accumulation Hedged				
shares USD (¢)				
Group 1	0.6741	—	0.6741	0.9149
Group 2	0.3995	0.2746	0.6741	0.9149
C Accumulation				
shares GBP (p)				
Group 1	0.8338	—	0.8338	0.6733
Group 2	0.2136	0.6202	0.8338	0.6733
D Accumulation				
shares GBP (p)				
Group 1	0.0720	—	0.0720	—
Group 2	0.0720	—	0.0720	—

Neptune Investment Funds IV

General Information and Contacts

Authorised Status

Neptune Investment Funds IV ('the Company') is an investment company with variable capital under regulation 12 (Authorisation) of the Open-Ended Investment Companies (OEIC) Regulations 2001, authorised and regulated by the FCA. It is structured as an umbrella company and comprises two securities schemes Funds; further Funds may be added in the future. You, as a shareholder, are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of his Shares.

Buying and Selling of Shares

The ACD will accept orders to buy or sell shares on normal business days between 9.00am and 5.00pm (UK time) and transactions will be effected at prices determined by the next following valuation. Instructions to buy or sell shares may be either in writing to:

Neptune Investment Management Limited,
PO Box 9004,
Chelmsford,
Essex
CM99 2WR

or by telephone on 0800 587 5051.

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Distributions

Where a distribution is to be paid, it has been calculated as at 30 June 2017 and distributed to shareholders, where applicable, on 31 August 2017.

Report and Financial Statements

This document is a full report of Neptune Investment Funds IV for the six months ended 30 June 2017.

Other Information

The information in this report is designed to enable you to make an informed judgement on the activities of the Fund during the period it covers and the results of those activities at the end of the period.

Individual Savings Account (ISA) Status

During the period under review, all of the share classes of the Funds met the requirements for ISA qualification as determined by the HM Revenue & Customs ISA Regulations.

Contacts

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Neptune Investment Management Limited is authorised and regulated by the FCA. FCA no. 416015.
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VAT registration no. 887 1263 92.