

Neptune Balanced Fund

Interim Report and Financial Statements | 30 June 2017

www.neptunefunds.com



Neptune Balanced Fund

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Neptune Balanced Fund

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/Units

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

Annual Management Charge

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

Bid Price/Offer Price

The price at which units of unit trusts are sold, or redeemed, by an investor is the bid price. The price at which units of unit trusts are bought by an investor is the offer price. Bid and offer prices only apply to unit trusts which have a dual pricing system.

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/unit class may receive a distribution, whereas in accumulation shares/units the distribution is reinvested into the value of the shares/units.

Equalisation

Equalisation applies to shares purchased during a distribution period, known as 'Group 2' units. It is the average amount of income included in the purchase price of all the Group 2 units 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 units revert to being Group 1 units 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/Units

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

Notes (continued)

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.

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/unit 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 Manager caps the OCF as a percentage of the average net asset value. The OCF percentage cap for each unit class is given in the Performance Record for the class. The OCF capping is entirely at the discretion of the Manager 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 funds based on how we believe each sector will perform.

UCITS (Undertakings for Collective Investments 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.

Unit Trust

A type of fund where money from a number of investors is pooled together and invested collectively in investments such as shares and bonds. Each investor owns a unit (or a number of them), the value of which depends on the value of the underlying investments owned by the fund. A unit trust allows investment to be diversified away from holding a single or small number of companies. A unit trust forms a distinct legal company by itself and tends to have a bid and an offer price.

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 Balanced Fund

Investment Objective

The investment objective of the Neptune Balanced Fund ('the Fund') is to generate a positive total return from investment predominantly in equities and bonds. There is no predetermined exposure to the two asset classes and there are no constraints on the regional, sectoral or geographical allocation policy adopted by the Fund.

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

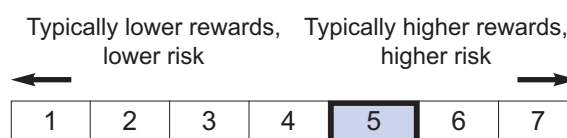
Derivative instruments and forward transactions may be used by the Manager for the purpose of efficient portfolio management (EPM).

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the Manager feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible 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 5 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.
- Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the borrower (i.e. the bond issuer). Bonds that produce a higher level of income usually also carry greater risk as such bond issuers may have difficulty in repaying their financial obligations.
- The Manager aims to remove the impact of changes in some exchange rates by hedging a currency transaction which can protect against such movements. However, if exchange rates move contrary to the Manager's expectations this can have a significantly negative impact on the value of your investment.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- 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.
- For a full list of the Fund's risks, please see the Prospectus.

Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune Balanced Fund returned 4.45% in the first half of 2017, versus the IA Mixed Investment 40-85% Shares sector average return of 5.44%. Since launch, the Fund is the top performer in its peer group, having delivered a return of 585.56% versus the sector average gain of 234.24%.*

Positive global economic data drove global stockmarkets higher over the first quarter of 2017. Emerging markets were the strongest performers, with India, China and Latin America outpacing their developed market peers. The Trump trade continued, buoyed by promised tax reforms, infrastructure spending and deregulation, although this lost momentum towards the end of March following Trump's failure to repeal Obamacare.

This worldwide recovery continued in the second quarter as global leading indicators peaked; strong PMI data from China enabled it to be the best performing market over the quarter. While investors were pre-occupied with a number of headline risks – the French election, Chinese tightening and Trump to name a few – Macron's triumph saw political risk in Europe significantly recede, allowing the strength of European corporates to shine through.

Manufacturing data in the US continued to accelerate, which allowed the Fed to continue raising rates. Expectations surrounding Trump's influence are now at rock bottom, which we believe gives his administration the potential to positively surprise when any pro-growth reforms are passed. Meanwhile in the UK, Theresa May's decision to call a snap election in the UK backfired, with the Conservatives losing their slim working majority. We continue to be wary of the UK consumer, with weak retail sales, consumer confidence and PMI data signalling the start of a slowdown.

The Neptune Balanced Fund benefited in particular from its large technology exposure in the first quarter of 2017, with our Chinese internet holdings and US names amongst the portfolio's top performers. Our US consumer discretionary picks also delivered

strong returns, with Amazon leading the pack. The emerging markets continued to rally, with our Indian, Chinese and Latin American exposure generating double-digit returns, however a large overweight to Russia, which continued to suffer from short-term headwinds, was a detractor from returns. The Fund reduced its US exposure in the second quarter, using the proceeds to add to our large-cap UK weighting, focusing on international earners set to benefit from sterling weakness, such as Unilever, Vodafone and BP. We continue to avoid UK domestic cyclicals, as weak retail sales, consumer confidence and PMI data reinforce our cautious outlook on the consumer.

The Fund continues to maintain a fixed income weighting of c. 15%, which we believe serves as ballast to the portfolio's higher emerging market equity weighting. We retain our significant exposure to financials, particularly in the US, which are key beneficiaries of rising interest rates. We continue to steer clear of "bond proxy" style companies which we believe are overvalued in this environment.

**Source: Morningstar, C Accumulation unit class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. The performance of other unit 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 Balanced Fund

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 %
	EQUITIES		
	UNITED KINGDOM		
	Basic Materials 2.29% (2016 - 0.00%)		
	Chemicals 1.03%		
150,000	Croda	5,872,500	1.03
	Mining 1.26%		
220,000	Rio Tinto	7,224,800	1.26
	Consumer Goods 2.28% (2016 - 1.93%)		
	Personal Goods 2.28%		
310,000	Unilever	13,040,150	2.28
	Financials 16.98% (2016 - 9.51%)		
	Banks 3.49%		
2,800,000	HSBC	19,980,800	3.49
	Collective Investment Schemes 9.97%		
3,849,000	Neptune China Fund 'C' Acc†	6,347,001	1.11
188,600	Neptune Global Special Situations Fund 'C' Acc†	241,219	0.04
1,671,000	Neptune Global Technology Fund 'C' Acc†	2,531,565	0.44
5,150,000	Neptune India Fund 'C' Acc†	12,215,800	2.14
6,687,000	Neptune Latin America Fund 'C' Acc†	6,597,394	1.15
1,309,000	Neptune Quarterly Income Fund 'C' Acc†	1,903,286	0.33
21,335,000	Neptune Russia & Greater Russia Fund 'C' Acc†	21,996,385	3.84
2,811,000	Neptune US Income Fund 'C' Acc†	5,155,374	0.90
114,000	Neptune US Mid Cap Fund 'C' Acc†	140,220	0.02
	Financial Services 1.64%		
2,000,000	Tullett Prebon	9,360,000	1.64
	Nonlife Insurance 1.88%		
95,000	Willis Towers Watson	10,735,947	1.88
	Health Care 0.00% (2016 - 1.00%)		
	Industrials 1.06% (2016 - 0.00%)		
	Aerospace & Defence 1.06%		
950,000	BAE Systems	6,056,250	1.06
	Oil & Gas 1.25% (2016 - 0.00%)		
	Oil & Gas Producers 1.25%		
1,600,000	BP	7,155,200	1.25
	Telecommunications 2.17% (2016 - 0.00%)		
	Fixed Line Telecommunications 1.04%		
2,025,000	BT	5,926,163	1.04
	Mobile Telecommunications 1.13%		
2,950,000	Vodafone	6,457,550	1.13
	CHILE 1.12% (2016 - 0.00%)		
800,000	Antofagasta	6,432,000	1.12
	CHINA 5.23% (2016 - 4.04%)		
100,000	Alibaba ADR	10,844,087	1.90
50,000	Baidu ADR	6,919,905	1.21
440,000	Tencent	12,126,938	2.12

Neptune Balanced Fund

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 %
	HONG KONG 1.92% (2016 - 1.13%)		
7,150,000	Mandarin Oriental	10,990,673	1.92
	JAPAN 8.98% (2016 - 13.44%)		
250,000	CYBERDYNE	2,569,153	0.45
220,000	Dai-ichi Life	3,064,411	0.54
20,000	FANUC	2,976,365	0.52
250,000	Jafco	7,764,206	1.36
425,000	Japan Exchange	5,943,271	1.04
17,000	Keyence	5,763,775	1.01
390,000	Mitsubishi Estate	5,613,443	0.98
1,850,000	Mitsubishi Heavy Industries	5,849,859	1.02
155,000	Mitsui Fudosan	2,856,832	0.50
200,000	Sony	5,896,325	1.03
100,000	Sumitomo Mitsui Financial	3,010,070	0.53
	MAURITIUS 0.00% (2016 - 0.14%)		
	NETHERLANDS 1.25% (2016 - 0.00%)		
350,000	Royal Dutch Shell	7,171,500	1.25
	RUSSIA 0.49% (2016 - 0.00%)		
350,000	Sberbank of Russia ADR	2,776,322	0.49
	UNITED STATES 39.87% (2016 - 52.68%)		
26,000	Alphabet 'A' Shares	18,778,655	3.28
50,000	Altria	2,866,664	0.50
30,000	Amazon.com	22,542,588	3.94
105,000	Apple	11,623,338	2.03
230,000	Brown-Forman	8,641,059	1.51
180,000	CME 'A'	17,339,136	3.03
100,000	Comcast	2,994,953	0.52
90,000	Exxon Mobil	5,592,017	0.98
125,000	Facebook	14,547,134	2.54
130,000	Fortive	6,298,416	1.10
75,000	General Dynamics	11,378,433	1.99
280,000	General Electric	5,827,175	1.02
25,000	Home Depot	2,930,231	0.51
55,000	Honeywell	5,607,427	0.98
100,000	Johnson & Johnson	10,221,519	1.79
180,000	JPMorgan	12,640,289	2.21
300,000	Microsoft	15,831,566	2.77
70,000	NIKE	2,867,743	0.50
85,000	Palo Alto Networks	8,821,897	1.54
85,000	Procter & Gamble	5,697,229	1.00
125,000	Starbucks	5,619,871	0.98
65,000	SVB Financial	8,876,179	1.55
20,000	UnitedHealth	2,852,101	0.49
150,000	Visa	10,910,351	1.91
160,000	Wells Fargo	6,874,137	1.20

Neptune Balanced Fund

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 %
	FIXED INCOME		
	UNITED KINGDOM 11.99% (2016 - 12.04%)		
GBP3,600,000	United Kingdom Gilt Inflation Linked 1.25% 22/11/2017	5,122,031	0.90
GBP4,400,000	United Kingdom Gilt Inflation Linked 1.25% 22/11/2027	8,251,747	1.44
GBP6,000,000	United Kingdom Gilt Inflation Linked 0.125% 22/03/2029	8,453,102	1.48
GBP3,400,000	United Kingdom Gilt Inflation Linked 0.75% 22/03/2034	5,758,501	1.01
GBP3,200,000	United Kingdom Gilt Inflation Linked 2% 26/01/2035	8,490,400	1.48
GBP3,900,000	United Kingdom Gilt Inflation Linked 1.125% 22/11/2037	8,654,005	1.51
GBP4,400,000	United Kingdom Gilt Inflation Linked 0.625% 22/03/2040	8,855,936	1.55
GBP4,100,000	United Kingdom Gilt Inflation Linked 0.625% 22/11/2042	8,833,708	1.54
GBP3,700,000	United Kingdom Gilt Inflation Linked 0.125% 22/03/2046	6,182,675	1.08
	FORWARD FOREIGN EXCHANGE CONTRACTS 0.00% (2016 - 0.79%)		
	Portfolio of investments	554,288,952	96.88
	Net other assets	17,874,011	3.12
	Net assets	572,162,963	100.00

All holdings are ordinary shares or stocks unless otherwise stated.

†Represents investment in a Neptune Group Collective Investment Scheme product.

Stocks shown as ADRs represent American Depositary Receipts.

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

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

Purchases	Costs £
HSBC	18,802,639
Unilever	12,277,474
Willis Towers Watson	9,881,725
Neptune Russia & Greater Russia Fund 'C' Acct†	9,470,725
Tullett Prebon	9,319,592
Sales	Proceeds £
Walt Disney	17,207,308
Neptune India Fund 'C' Acct†	16,753,554
United Kingdom Treasury Bill 0% 16/01/2017	10,000,000
Merck & Co	9,610,174
Shiseido	9,148,735

†Represents investment in a Neptune Group Collective Investment Scheme product.

Neptune Balanced Fund

Fund Information

Net Asset Value

Date	Net asset value £	Units in issue	Net asset value pence per unit
A Income			
31 December 2014	19,934,299	4,023,022	495.5
31 December 2015	9,295,592	1,843,203	504.3
31 December 2016	5,190,911	917,924	565.5
30 June 2017	5,047,172	857,864	588.3
A Accumulation			
31 December 2014	721,313,659	129,887,497	555.3
31 December 2015	524,189,251	92,731,491	565.3
31 December 2016	416,052,211	65,635,601	633.9
30 June 2017	348,298,789	52,814,497	659.5
C Income			
31 December 2014†	2,778,944	2,383,979	116.6
31 December 2015	6,804,670	5,731,007	118.7
31 December 2016	7,900,288	5,910,624	133.7
30 June 2017	7,753,848	5,569,248	139.2
C Accumulation			
31 December 2014	107,498,931	89,466,104	120.2
31 December 2015	175,190,865	142,155,465	123.2
31 December 2016	218,210,911	156,678,856	139.3
30 June 2017	204,576,207	140,580,168	145.5
D Accumulation			
31 December 2014	9,780,690	9,264,721	105.6
31 December 2015	8,316,310	7,677,379	108.3
31 December 2016	6,985,657	5,701,166	122.5
30 June 2017	6,586,947	5,145,122	128.0

†Launched 1 March 2014.

Neptune Balanced Fund

Fund Information (continued)

Price and Income History

Accounting year	Highest buying price (p)	Lowest selling price (p)	Net income per unit (p)
A Income			
2014	506.2	463.4	2.1198
2015	550.7	467.7	—
2016	598.3	432.0	—
2017	635.3*	563.6*	—
A Accumulation			
2014	566.4	517.5	2.4461
2015	617.2	524.1	—
2016	670.7	484.2	—
2017	712.2*	631.8*	—
C Income			
2014	119.3	109.0	1.0245
2015	130.2	110.2	0.6065
2016	134.8	101.8	0.4910
2017	143.5*	133.3*	0.3684
C Accumulation			
2014	122.5	111.3	1.4408
2015	134.3	113.0	0.8108
2016	140.3	105.7	0.5095
2017	149.5*	138.8*	0.3835
D Accumulation			
2014	107.6	97.55	1.4324
2015	118.0	100.2	0.7425
2016	123.4	92.88	0.5477
2017	131.6*	122.1*	0.3945

*From 1 January to 30 June 2017.

Neptune Balanced Fund

Fund Information (continued)

Prices

Prices per unit as at 3 July 2017 (xd):

Units	Buying (p)	Selling (p)	Yield (%)
A Income	587.7	618.1	—
A Accumulation	658.8	692.9	—
C Income	139.1	139.3	0.35
C Accumulation	145.3	145.5	0.35
D Accumulation	127.9	128.1	0.43

Prices per unit as at 3 January 2017 (xd):

Units	Buying (p)	Selling (p)	Yield (%)
A Income	563.6	592.9	—
A Accumulation	631.8	664.6	—
C Income	133.3	133.5	0.54
C Accumulation	138.8	139.0	0.61
D Accumulation	122.1	122.3	0.65

Operating Charge Figure (OCF)

The total OCF per unit class are as follows:

Date	Unit Class	OCF [‡] %
30 June 2017	A Income	1.60
	A Accumulation	1.60
	C Income	0.83
	C Accumulation	0.83
	D Accumulation	0.74
31 December 2016	A Income	1.60
	A Accumulation	1.60
	C Income	0.82
	C Accumulation	0.82
	D Accumulation	0.73

[‡]The OCF includes the annual management charges and other expenses. The OCF of the A unit class is currently capped at 1.70% per annum, the C unit class is currently capped at 0.90% per annum and the D unit class is currently capped at 0.80% per annum of the relevant unit class net asset value by the Manager. This capping may cease at any time.

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 a unit trust and the income from it can fall as well as rise and may be affected by exchange rate variations.

Neptune Balanced Fund

Authorised Status

The Fund is an Authorised Unit Trust Scheme, established in December 1998 and is classified as a securities fund under the FCA Collective Investment Schemes Sourcebook (COLL).

Individual Savings Account (ISA) Eligibility

The Fund has been managed throughout the period to ensure that it is eligible to be included in an ISA.

Certification of the Financial Statements by the Directors of the Manager

This report is signed in accordance with the requirements of COLL of the FCA Handbook.

The Directors of Neptune Investment Management Limited approved these financial statements on 17 August 2017.

For
Neptune Investment Management Limited
Manager of
Neptune Balanced Fund
17 August 2017

Neptune Balanced Fund

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		26,251,154		(11,269,012)
Revenue	4,427,833		5,102,453	
Expenses	(3,800,751)		(4,153,857)	
Interest payable and similar charges	(8,884)		(4,005)	
Net revenue before taxation	618,198		944,591	
Taxation	(454,568)		(476,894)	
Net revenue after taxation		163,630		467,697
Total return before distributions		26,414,784		(10,801,315)
Distributions		(582,616)		(762,324)
Change in net assets attributable to unitholders from investment activities		25,832,168		(11,563,639)

Statement of Change in Net Assets Attributable to Unitholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to unitholders		654,339,978		723,796,688
Amounts received on issue of units	108,051,337		62,489,044	
Less: Amounts paid on cancellation of units	(216,620,045)		(128,949,594)	
		(108,568,708)		(66,460,550)
Stamp duty reserve tax*		—		236
Change in net assets attributable to unitholders from investment activities		25,832,168		(11,563,639)
Retained distribution on accumulation units		559,423		702,834
Unclaimed distributions		102		356
Closing net assets attributable to unitholders		572,162,963		646,475,925

*Abolished from 30 March 2014 for unit trusts, this represents aged refunds.

The opening net assets attributable to unitholders 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 Balanced Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investment assets		554,288,952		632,741,357
Current assets				
Debtors	5,067,616		2,162,031	
Cash and bank balances	20,112,536		22,347,179	
Total other assets		25,180,152		24,509,210
Total assets		579,469,104		657,250,567
Liabilities				
Creditors				
Bank overdrafts	—		(862)	
Distribution payable on income units	(20,517)		(6,531)	
Other creditors	(7,285,624)		(2,903,196)	
Total liabilities		(7,306,141)		(2,910,589)
Net assets attributable to unitholders		572,162,963		654,339,978

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.

Notes to the Financial Statements

for the six months ended 30 June 2017 (unaudited)

Accounting Basis, Policies and Valuation of Investments

The interim Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of Authorised Trusts 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. In this regard, comparative figures from previous periods are prepared to the same standards as the current period, unless otherwise stated.

As described in the Certification of Financial Statements by Directors of the Manager on page 13, the Manager continues to adopt the going concern basis in the preparation of the Financial Statements of the Fund.

Basis of valuation of investments

Listed investments are valued at mid day bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period.

Market value is defined by the SORP as fair value which is the bid value of each security.

Collective Investment Schemes are valued at quoted bid prices for dual priced funds and at quoted prices for single priced funds, on the last business day of the accounting period.

Unlisted or suspended investments are valued by the Investment Manager taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The fair value of derivative instruments is marked to market value. The forward currency contracts are valued at the prevailing forward exchange rates.

Neptune Balanced Fund

Distribution Table

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

Interim

Group 1-Units purchased prior to 1 January 2017

Group 2-Units purchased on or after 1 January 2016 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Income units				
Group 1	—	—	N/A	—
Group 2	—	—	N/A	—
A Accumulation units				
Group 1	—	—	N/A	—
Group 2	—	—	N/A	—
C Income units				
Group 1	0.3684	—	0.3684	0.3805
Group 2	0.2319	0.1365	0.3684	0.3805
C Accumulation units				
Group 1	0.3835	—	0.3835	0.3949
Group 2	0.1663	0.2172	0.3835	0.3949
D Accumulation units				
Group 1	0.3945	—	0.3945	0.3944
Group 2	0.2806	0.1139	0.3945	0.3944

Neptune Balanced Fund

General Information and Contacts

Buying and Selling of Units

The Manager will accept orders to buy or sell units 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 units 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 unitholders, where applicable, on 31 August 2017.

Report and Financial Statements

This document is a full report of Neptune Balanced Fund 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 unit classes of the Fund met the requirements for ISA qualification as determined by the HM Revenue & Customs ISA Regulations.

Contacts

The Manager and Investment Manager:
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(Authorised and regulated by the Financial Conduct Authority (FCA))

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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.