

Annual Report & Financial Statements

FP Argonaut Funds

For the year ended 28 February 2017

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* Collectively these comprise the ACD's Report

Authorised Corporate Director's Report

We are pleased to present the Annual Report & audited Financial Statements for FP Argonaut Funds for the year ended 28 February 2017.

Authorised Status

FP Argonaut Funds ("the Company") is an investment company with variable capital incorporated in England and Wales under registered number IC000943 and authorised by the Financial Conduct Authority ("FCA") with effect from 12 March 2012. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

Head Office: The Head Office of the Company is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

The Head Office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

Structure of the Company

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class.

The Company is a UCITS scheme.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the FCA's Collective Investment Schemes Sourcebook ("COLL") and the investment objective and policy of the relevant Fund.

In the future there may be other Funds established.

Under the UCITS V and the UCITS Remuneration Code, Fund Partners as UCITS Manager, are required to disclose remuneration information (see pages 146 and 147) on how those whose actions have a material impact on the Fund are remunerated.

Under the requirements of UCITS V and the UCITS Remuneration Code, Fund Partners, as UCITS Manager, must establish and apply remuneration policies and practices for its staff that have a material impact on the risk profile of Fund Partners or the Fund.

Crossholdings

There were no shares in any sub-fund held by other sub-funds of the ICVC.

Important Events during the year

On 8 July 2016 the FP Argonaut European Enhanced Income Fund transferred to the Liontrust European Enhanced Income Fund and the FP Argonaut European Income Fund transferred to the Liontrust European Income Fund.

As a result of each Scheme of Arrangement, both the FP Argonaut European Enhanced Income Fund and FP Argonaut European Income Fund will commence the termination process in due course.

Base Currency:

The base currency of the Company and each Fund is Pounds Sterling.

Share Capital:

The minimum Share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The Share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

Certification of Financial Statements by Directors of the ACD
For the year ended 28 February 2017

Directors' Certification

This report has been prepared in accordance with the requirements of COLL, as issued and amended by the FCA. We hereby certify the report on behalf of the Directors of Fund Partners Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Funds consist predominately of securities that are readily realisable and, accordingly, the Funds have adequate resources to continue in operational existence for the foreseeable future.

P. Legg

V. Hoare

Fund Partners Limited

9 June 2017

Statement of the ACD's Responsibilities

For the year ended 28 February 2017

The Authorised Corporate Director (the "ACD") of FP Argonaut Funds ("the Company") is responsible for preparing the Annual Report and the Financial Statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the FCA's Collective Investment Schemes Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare Financial Statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company and each of its sub-funds for that period.

In preparing the Financial Statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK GAAP and the IA SORP have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the applicable IA SORP and UK GAAP. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited Financial Statements were approved by the Board of Directors of the ACD of the Company and authorised for issue on 9 June 2017.

Statement of the Depositary's Responsibilities

For the year ended 28 February 2017

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM") which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Report of the Depositary to the Shareholders of the Company

For the year ended 28 February 2017

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

Depositary
London

9 June 2017

Independent Auditor's Report to the Shareholders of FP Argonaut Funds

For the year ended 28 February 2017

We have audited the Financial Statements of FP Argonaut Funds ("the Company") for the year ended 28 February 2017 which comprise the Accounting Policies and Financial Instruments notes and for each sub-fund: the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the Distribution Tables and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

This report is made solely to the Company's Shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Depositary, the Authorised Corporate Director (ACD) and the Auditor

As explained more fully in the Depositary's Responsibilities Statement and the ACD's Responsibilities Statement, the Depositary is responsible for safeguarding the property of the Company and the ACD is responsible for the preparation of the Financial Statements. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with the requirements of the Collective Investment Schemes Sourcebook, applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the Financial Statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditor's Report to the Shareholders of FP Argonaut Funds (continued)
For the year ended 28 February 2017

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the financial position of the Company and its sub funds as at 28 February 2017 and of the net revenue/(expense) and the net capital gains/(losses) on the property of the Company and its sub funds for the year ended 28 February 2017; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and its sub funds have been kept and the Financial Statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the Annual Report for the year ended 28 February 2017 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the Financial Statements.

Deloitte LLP

Statutory Auditor
 Edinburgh, United Kingdom

9 June 2017

Accounting Policies and Financial Instruments

For the year ended 28 February 2017

1. Accounting basis and policies

(a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 "The Financial Reporting Standards Applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice ("SORP") for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014.

As described in the Certification of Financial Statements by Directors of the ACD on page 4, the ACD continues to adopt the going concern basis in the preparation of the Financial Statements of the Funds.

(b) Recognition of revenue

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend and are recognised net of attributable tax credits.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

Commissions from stock lending are recognised on an accruals basis and disclosed net of fees paid to the ACD and other parties.

(c) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

(d) Treatment of expenses

The FP Argonaut European Income Fund and the FP Argonaut European Enhanced Income Fund charge all their expenses to capital. The FP Argonaut Absolute Return Fund and the FP Argonaut European Alpha Fund charge all their expenses to revenue with the exception of those relating to the purchase which are charged against capital.

Performance fee

The Performance Fee will be calculated and accrued daily but will only become payable annually in arrears in respect of each discrete period of twelve months ending 31 December (the "Performance Period"). The Performance Fee will accrue daily as if each day were the end of a Performance Period, therefore if relevant; the fee will crystallise upon redemptions and will be paid to the Investment Manager at the end of Performance Period. There is no maximum value on the Performance Fee that could be taken. Full details can be found in the prospectus.

Accounting Policies and Financial Instruments (continued)

For the year ended 28 February 2017

1. Accounting basis and policies (continued)

(d) *Treatment of expenses (continued)*

The amount of Performance Fee payable in respect of each Performance Period is a Sterling amount equivalent to the product of:

- (a) the opening NAV;
- (b) the higher of:
 - the excess performance over 5% (the "Hurdle Rate"); and
 - the highest mid price, net of any performance fee, calculated at the end of any previous Performance Period (the "High Watermark"); the higher being the "Target Price";
- (c) the rate of the performance fee (being 20% of the outperformance of the Target Price); and
- (d) the average number of Shares in issue during the Calculation Period.

The accrual for a performance fee shall reflect the average number of Shares in issue during the Performance Period. However, where the actual number of shares in issue (on any day) is less than 95% of the average number of shares in issue shown on the performance fee calculation (which could occur where large redemptions of shares are placed relative to the number of shares in issue in that share class), the average number of shares in issue will be reset to the actual number of shares in issue.

There is no performance fee in the current year.

(e) *Allocation of revenue and expenses to multiple Share Classes and Funds*

Any revenue or expenses not directly attributable to a particular Share Class or fund will normally be allocated pro-rata to the net assets of the relevant Share Classes and Funds.

(f) *Taxation*

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Corporation tax is provided for on realised gains on non-reporting offshore funds less deductible expenses. Deferred tax is provided for on unrealised gains on non-reporting offshore funds less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Accounting Policies and Financial Instruments (continued)

For the year ended 28 February 2017

1. Accounting basis and policies (continued)

(g) *Distribution policy*

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of the Funds. Accordingly, the imposition of such charges may constrain the capital growth of the Funds.

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as a biannual distribution at the end of each accounting period, with the exception of the FP Argonaut European Income Opportunities Fund where distributions are paid quarterly.

Interim distributions may be made at the ACD's discretion.

(h) *Basis of valuation of investments*

Listed investments are valued at close of business 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.

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 value of derivative contracts is calculated with reference to the price/value of the underlying asset(s) and other relevant factors such as interest rates and volatility.

Non-observable entity specific data is only used where relevant observable market data is not available. Typically this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

(i) *Exchange rates*

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing mid market exchange rates ruling on that date.

(j) *Dilution adjustment*

The ACD may require a dilution adjustment on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution adjustment.

Accounting Policies and Financial Instruments (continued)

For the year ended 28 February 2017

1. Accounting basis and policies (continued)

(k) Equalisation

Equalisation applies only to Shares purchased during the distribution period (Group 2 Shares). It represents the accrued revenue included in the purchase price of the Shares.

After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the Shares for Capital Gains tax purposes.

(l) Set up costs

Set up costs are written off as they are incurred.

(m) Derivatives

Some of the Funds may enter into permitted transactions such as derivative contracts or forward foreign currency transactions. Where these transactions are used to protect or enhance revenue, the revenue and expenses are included within net revenue in the Statement of Total Return.

Premiums received on option contracts written out of the money are recognised as revenue when received. All other returns on option contracts, including premiums received on option contracts written in the money are treated as capital.

Where the transactions are used to protect or enhance capital, the gains/losses are treated as capital and included within gains/losses on investments in the Statement of Total Return. Any open positions in these types of transactions at the period end are included in the Balance Sheet at their mark to market value.

2. Derivatives and other financial instruments

In pursuing the investment objectives a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Company's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed below:

(a) Foreign currency risk

A significant portion of the Company's assets may be denominated in a currency other than the base currency of the Company or Class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares of the relevant Fund are valued and priced.

The Company is not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Company does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Company's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Company in circumstances where no such hedging transactions are undertaken.

Accounting Policies and Financial Instruments (continued)

For the year ended 28 February 2017

2. Derivatives and other financial instruments (continued)

(a) Foreign currency risk (continued)

Hedged Share Classes

A hedging policy is in place for the A Accumulation EUR and I Accumulation EUR Share Classes on FP Argonaut Absolute Return Fund and FP Argonaut European Enhanced Income Fund and for the A Accumulation USD Hedged and I Accumulation USD Hedged Share Classes on FP Argonaut Absolute Return Fund to hedge the currency risk between the GBP base currency of the Fund to the local currency of the share class to ensure that the risk from foreign currency is reduced for these share classes. There is also a policy in place for the I Accumulation GBP Share Class on FP Argonaut European Alpha Fund. Entering into a hedge transaction should mitigate the effect of exchange rate fluctuations between the base and hedged currency. Any gains or losses from the hedging instruments are treated as capital and included within the Statement of Total Return.

(b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Company's investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Company's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Company did not have any long term financial liabilities at the balance sheet date.

(c) Credit risk

The Company may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

(d) Liquidity risk

Subject to the Regulations, the Company may invest up to and including 10% of the Scheme Property of the Company in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Company's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Company invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Company's ability to purchase or sell such securities at a fair price may be impaired or delayed.

Accounting Policies and Financial Instruments (continued)

For the year ended 28 February 2017

2. Derivatives and other financial instruments (continued)

(e) *Market price risk*

The Company invests principally in equities, Collective Investment Schemes and derivatives. The value of these investments are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual equity or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Manager seeks to minimise these risks by holding a diversified portfolio of Collective Investment Schemes in line with the Company's objectives. In addition, the management of the Company complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 30% of assets in any one Fund.

(f) *Counterparty risk*

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

(g) *Fair value of financial assets and financial liabilities*

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(h) *Operational risk*

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot eliminate operational risks but, through the continual review and assessment of its control environment, by monitoring and responding to potential risks, they can be managed.

High level controls include effective segregation of duties, trade confirmation checking and reconciliation procedures, incident reporting and oversight of delegated functions.

(i) *Leverage*

In accordance with the IA SORP issued in May 2014, as ACD we are required to disclose any leverage of the Fund. Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives and in accordance with the commitment approach (CESR/10-788)) divided by the net asset value.

The Funds' exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Fund, after netting off derivative and security positions and is disclosed within the individual Funds' Financial Statements.

Accounting Policies and Financial Instruments (continued)**For the year ended 28 February 2017****2. Derivatives and other financial instruments (continued)****(j) *Stock lending***

The Funds may enter into stock lending, where these transactions are used to generate additional income. The revenue and expenses are included within net revenue in the Statement of Total Return. Collateral is obtained equal to the value of the securities transferred, to secure the obligation of the counterparty. There is no limit on the value of the Scheme Property of a Fund which maybe the subject of stock lending transactions.

Investment Manager's Report

For the year ended 28 February 2017

Investment Objective

To provide positive absolute returns in Sterling share class currency over a 3 year rolling period, utilising a variety of asset classes and regardless of market conditions. The Fund will not be managed against any formal benchmark.

Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 3 year rolling periods or in respect of any other time period.

Investment Policy

The Investment Adviser will seek to identify methodically those investments generally in European markets including the UK and Eastern Europe with the most and least attractive characteristics for investment. This assessment will be made with a view to being long on stocks with superior or underestimated earnings trends and being short on stocks with inferior or overestimated earnings trends.

Initially the investment process may involve the use of stock screening tools and meetings with company management teams or industry experts. The Investment Adviser then applies its stock research process to assess company and industry trends and management ability of specific companies in order to build a valuation model which assesses fair value versus current share price. The Investment Adviser uses this bottom-up approach to determine the appropriate investment exposure, if any, of the Fund (direct or through derivatives) to the listed equity securities of companies from those markets (without particular pre-defined portfolio weightings). Investments may also be made to a lesser extent in the corporate debt securities of those companies. The strategy will focus mainly on investing in the 'extremes' of the market i.e. investing in assets considered to be cheap and undervalued and conversely shorting expensive ones.

Investment strategies will be achieved through some use of derivative products (which will include contracts for difference (swaps), traded options and financial futures) in the pursuit of the investment objective. Direct investment will be made in equities and corporate debt securities for long exposure whereas exchange-traded financial derivative instruments and over-the-counter financial derivative instruments (together 'derivatives'), may be used strategically, for (additional) long and for short exposures. Short positions will be generated synthetically through derivatives, designed to allow the Fund to benefit economically from the fall in the price of the underlying securities to which the derivatives relate.

The Fund will use derivative instruments to generate additional income by systematically writing "out of the money" call options. For the year ended 28 February 2017 there were no "out of the money" call options.

The use of call options will constrain capital growth if the call options are exercised against the Fund when they are in the money. Additionally, the call options must be covered.

In pursuit of its investment policy, all or a substantial proportion of the Fund's assets may consist of cash, near cash, deposits, warrants and/or money market instruments; the Fund may also invest in government bonds and other transferable securities collective investment schemes (and use may be made of stock lending, borrowing, hedging techniques permitted by the FCA Rules).

In addition to a cash holding being maintained to contribute to the absolute return, substantial cash holdings could be required in support of derivatives to achieve the same economic return as holding the securities themselves.

Investment Manager's Report (continued)**For the year ended 28 February 2017****Investment Policy (continued)**

The Fund's over-the-counter financial derivatives may be transacted with a single counterparty and strategies may be generated through a single derivative contract. In all circumstances, however, the Fund will comply with the investment restrictions and limits set out in the Prospectus. Derivatives strategies are designed to have the same economic effect as if the Fund were investing directly in the equities underlying the derivatives.

In addition, the Fund has the ability to invest in transferable securities embedding derivatives such as convertible bonds and to employ techniques involving, foreign exchange forwards, futures, options, stock lending and contracts for difference for the purpose of efficient portfolio management. These strategies may be used for reducing risk, reducing cost or generating additional capital for the Fund.

The Fund aims to generate absolute returns from five principal strategies:

- Long investing where there is a strong conviction that the stock price will rise;
- Short investing where there is a strong conviction that the stock price will fall;
- Pair trades – a combination of long and short investments to minimise sector and market risk. This could take the form of arbitrage opportunities such as long corporate debt paired with short equity;
- Cash holdings of up to 100% of the portfolio; and
- Leverage to increase exposure to equity and corporate debt securities whether long or short but only to the extent permitted by the FCA Regulations.

Investment Review

2016 saw a reversal of a 3 year global deflationary scare and a recovery in commodity markets and an initial move of normalisation of bond yields. It also witnessed significant political uncertainty in the form of the Brexit referendum and the election of President Trump in the USA. Our process is to go long on stocks which are either experiencing positive earnings revisions (or will do so in the future) and short on those with negative earnings revisions (or those which will experience them in the future). When there is a macro-inflection point in which trends reverse in a way which cannot be analysed at the company specific level, this can be dangerous for the process (unless we can identify the change in a timely manner and believe it has sustainability which will allow for an investment opportunity) as previous winners can quickly reverse performance and *vice versa*.

The Fund aims to deliver attractive non-correlated returns. We do this by taking short positions (as well as long) in individual stocks. Without these short positions our returns wouldn't be lowly correlated to the market. But when our short positions rise faster than our long positions we end up delivering unattractive negative returns. This is what occurred in 2016 with it being difficult to generate returns from our short book owing to a combination of difficult to predict reversals of fortunes or a very high appetite for risk in the market. It is also worth noting that this inability to generate positive returns from shorting has been an industry wide phenomenon. We have responded to this not by changing our process which has hitherto worked well for a decade and a half but by cutting our gross exposure whilst our investment style was out of fashion.

Investment Manager's Report (continued)**For the year ended 28 February 2017****Investment Review (continued)**

As such it has been a very difficult and frustrating period for us and our investors. Whilst there would seem to be no obvious change in our ability to identify companies where profits are not efficiently forecast by the market, the price action in the market has often been on a less synchronised beat to our process than in previous years. There has been a growing obsession with short term trading around sector rotation based on historic correlations to the bond market to the extent that we have recently been asked whether stock prices are still correlated to the outlook for profits of the underlying company. It is our belief that this will always be the case over the medium and the longer term but over shorter time periods sentiment (which is inherently more difficult to predict) can account for significant market volatility which we must have the patience to weather.

We had a positive contribution to return from our long book however this was outweighed by the negative contribution from the short book. Top contributors to performance were Vestas Wind Systems, Marine Harvest and Grieg Seafood while top detractors were Casino, Standard Chartered and Unicredit.

Outlook

With European corporates having sailed through the volatility of last year and now posting net profit upgrades for the first time since 2010 with relatively inexpensive valuations, we are hopeful that our asset class might be at the beginning of a sustainable upswing. Given this benign global economic backdrop, valuations of equities and bonds should continue to converge longer term as should equity valuations between higher and lower quality stocks, given that profit growth should not now be so scarce. However, with an eye to the events of last year it is understandable that investors might want to keep their powder dry until after the French Presidential elections. Should Le Pen defy the pollsters, aside from the practicalities of commanding a majority in the French parliament and winning a referendum before France would exit the Euro, her election, like Trumps, might even turn out to be equity friendly should, as an initial compromise, the Eurozone adopt a more sympathetic attitude to fiscal stimulus. Therefore, it just may be possible that the era of bond and bond proxy equity outperformance is likely drawing to a close.

Investment Manager

Barry Norris

Argonaut Capital Partners LLP

12 April 2017

Net Asset Value per Share and Comparative Table

As at 28 February 2017

Performance Record

	A GBP Accumulation			A EUR Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)
Change in net assets per Share						
Opening net asset value per Share	190.23	191.34	172.44	163.75	166.22	150.21
Return before operating charges*	(36.63)	4.93	21.85	(33.17)	1.60	18.81
Operating charges	(3.00)	(6.04)	(2.95)	(2.57)	(4.07)	(2.80)
Return after operating charges	(39.63)	(1.11)	18.90	(35.74)	(2.47)	16.01
Distributions	–	–	–	–	–	–
Retained distributions on accumulation Shares	–	–	–	–	–	–
Closing net asset value per Share	150.60	190.23	191.34	128.01	163.75	166.22
*after direct transaction costs of:	0.57	0.21	0.06	0.47	0.22	0.08
Performance						
Return after operating charges	(20.83%)	(0.58%)	10.96%	(21.83%)	(1.49%)	10.66%
Other information						
Closing net asset value	£2,043,623	£7,750,473	£6,409,817	€185,357	€2,057,889	€231,871
Closing number of Shares	1,356,970	4,074,257	3,350,024	144,798	1,256,706	139,500
Operating charges	1.77%	1.70%	1.70%	1.83%	1.76%	1.70%
Performance fee	–	1.33%	–	–	0.72%	–
Direct transaction costs	0.33%	0.10%	0.03%	0.33%	0.13%	0.05%
Prices						
Highest Share price	191.70	213.58	197.41	165.03	184.71	171.06
Lowest Share price	151.53	187.81	159.87	129.06	161.78	138.75

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	A USD Accumulation		I GBP Accumulation		
	28/02/17	29/02/16	28/02/17	29/02/16	28/02/15
	(c)	(c)	(p)	(p)	(p)
Change in net assets per Share					
Opening net asset value per Share	94.80	100.00	200.07	201.27	180.13
Return before operating charges*	(16.67)	(3.46)	(38.70)	3.81	22.92
Operating charges	(1.45)	(1.74)	(1.78)	(5.01)	(1.78)
Return after operating charges	(18.12)	(5.20)	(40.48)	(1.20)	21.14
Distributions	–	–	–	–	–
Retained distributions on accumulation Shares	–	–	–	–	–
Closing net asset value per Share	76.68	94.80	159.59	200.07	201.27
*after direct transaction costs of:	0.33	0.28	0.58	0.22	0.06
Performance					
Return after operating charges	(19.11%)	(5.20%)	(20.23%)	(0.60%)	11.74%
Other information					
Closing net asset value	\$–	\$486,335	£64,418,925	£51,057,014	£49,001,063
Closing number of Shares	0	513,027	40,365,114	25,519,657	24,346,135
Operating charges	1.83%	1.76%	1.02%	0.95%	0.95%
Performance fee	–	–	–	1.44%	–
Direct transaction costs	0.33%	0.15%	0.33%	0.10%	0.03%
Prices					
Highest Share price	95.53	106.86	201.62	221.69	207.53
Lowest Share price	76.54	93.64	160.57	197.44	167.80

Share Class A USD Accumulation was launched 28 August 2015 and closed on 19 December 2016. The change in net assets per Share is shown to the closure date of 19 December 2016.

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	I EUR Accumulation			I USD Accumulation		
	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)
Change in net assets per Share						
Opening net asset value per Share	168.43	168.70	151.68	109.89	110.32	100.00
Return before operating charges*	(34.69)	2.84	18.58	(20.95)	1.42	11.13
Operating charges	(1.56)	(3.11)	(1.56)	(0.92)	(1.85)	(0.81)
Return after operating charges	(36.25)	(0.27)	17.02	(21.87)	(0.43)	10.32
Distributions	–	–	–	–	–	–
Retained distributions on accumulation Shares	–	–	–	–	–	–
Closing net asset value per Share	132.18	168.43	168.70	88.02	109.89	110.32
*after direct transaction costs of:	0.48	0.23	0.08	0.30	0.16	0.05
Performance						
Return after operating charges	(21.52%)	(0.16%)	11.22%	(19.90%)	(0.39%)	10.32%
Other information						
Closing net asset value	€64,579,757	€276,653,530	€5,848,402	\$4,465,276	\$5,676,459	\$562,752
Closing number of Shares	48,856,780	164,255,640	3,466,706	5,073,255	5,165,513	510,099
Operating charges	1.08%	1.01%	0.95%	1.08%	1.01%	0.95%
Performance fee	–	0.84%	–	–	0.72%	–
Direct transaction costs	0.33%	0.13%	0.05%	0.33%	0.15%	0.05%
Prices						
Highest Share price	169.74	190.24	173.51	110.75	123.22	113.56
Lowest Share price	133.26	166.32	140.63	88.53	108.51	92.07

Share Class I Accumulation USD was launched 7 April 2014. Opening net asset value per Share shown is the class launch price.

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	R GBP Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share			
Opening net asset value per Share	170.60	170.23	152.35
Return before operating charges*	(32.97)	4.36	19.35
Operating charges	(1.56)	(3.99)	(1.47)
Return after operating charges	(34.53)	0.37	17.88
Distributions	–	–	–
Retained distributions on accumulation Shares	–	–	–
Closing net asset value per Share	136.07	170.60	170.23
*after direct transaction costs of:	0.51	0.19	0.05
Performance			
Return after operating charges	(20.24%)	0.22%	11.74%
Other information			
Closing net asset value	£29,466,805	£134,653,279	£59,421,593
Closing number of Shares	21,655,111	78,931,265	34,905,749
Operating charges	1.02%	0.95%	0.95%
Performance fee	–	1.29%	–
Direct transaction costs	0.33%	0.10%	0.03%
Prices			
Highest Share price	171.92	190.95	175.53
Lowest Share price	136.91	168.36	141.91

Performance Information

As at 28 February 2017

Operating Charges

Date	Total Operating Charge figures excluding performance fee (%)	Performance fee (%)	Total Operating Charge figures (%)
28/02/17			
Share Class A GBP Accumulation	1.77	–	1.77
Share Class A EUR Accumulation	1.83	–	1.83
Share Class A USD Accumulation	1.83	–	1.83
Share Class I GBP Accumulation	1.02	–	1.02
Share Class I EUR Accumulation	1.08	–	1.08
Share Class I USD Accumulation	1.08	–	1.08
Share Class R GBP Accumulation	1.02	–	1.02
29/02/16			
Share Class A GBP Accumulation	1.70	1.33	3.03
Share Class A EUR Accumulation	1.76	0.72	2.48
Share Class A USD Accumulation	1.76	0.00	1.76
Share Class I GBP Accumulation	0.95	1.44	2.39
Share Class I EUR Accumulation	1.01	0.84	1.85
Share Class I USD Accumulation	1.01	0.72	1.73
Share Class R GBP Accumulation	0.95	1.29	2.24

The Operating Charge is the total expenses paid by the Fund in the year, annualised, against its average Net Asset Value. The Operating Charge will fluctuate as underlying costs change.

Performance Information (continued)**As at 28 February 2017****Performance Fee**

The Performance Fee will be calculated and accrued daily but will only become payable annually in arrears in respect of each discrete period of twelve months ending 31 December (the "Performance Period"). The Performance Fee will accrue daily as if each day were the end of a Performance Period, therefore if relevant; the fee may be payable upon redemptions and will be paid to the Investment Manager at the end of the Performance Period. There is no maximum value on the Performance Fee that could be taken. Full details can be found in the prospectus.

The amount of Performance Fee payable in respect of each Performance Period is a Sterling amount equivalent to the product of:

- (a) the opening NAV;
- (b) the higher of:
 - the excess performance over 5% (the "Hurdle Rate"); and
 - the highest mid price, net of any performance fee, calculated at the end of any previous Performance Period (the "High Watermark"); the higher being the "Target Price";
- (c) the rate of the performance fee (being 20% of the outperformance of the Target Price); and
- (d) the average number of Shares in issue during the Calculation Period.

The accrual for a performance fee shall reflect the average number of Shares in issue during the Performance Period. However, where the actual number of shares in issue (on any day) is less than 95% of the average number of shares in issue shown on the performance fee calculation (which could occur where large redemptions of shares are placed relative to the number of shares in issue in that share class), the average number of shares in issue will be reset to the actual number of shares in issue.

Risk and Reward Profile

As at 28 February 2017

	Typically lower rewards				Typically higher rewards		
	←				→		
	Lower risk				Higher risk		
Share Class A GBP Accumulation	1	2	3	4	5	6	7
Share Class A EUR Accumulation	1	2	3	4	5	6	7
Share Class I GBP Accumulation	1	2	3	4	5	6	7
Share Class I EUR Accumulation	1	2	3	4	5	6	7
Share Class I USD Accumulation	1	2	3	4	5	6	7
Share Class R GBP Accumulation	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Class A and I Shares above appear as a "4", "5" and "6" on the scale. This is because it invests in the shares of companies whose values tend to vary more widely. Additionally, the Class A Shares (depending on their currency denomination) may be affected by currency exchange rates.
- The Class R Shares above appear as a "4" on the scale. Although the Fund invests in the shares of companies (whose values tend to vary more widely), it uses derivatives which reduce the impact of variations in value.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Portfolio Statement

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
Equities 37.37% [31.57%]			
38,267	Eramet	1,667,803	1.08
196,907	Gamesa Tecnologica	3,514,124	2.27
661,820	Grieg Seafood	4,915,975	3.18
500,000	Infrastrutture Wireless Italiane	1,817,964	1.17
72,313	NKT	4,111,365	2.66
103,778	Nokian Renkaat	3,297,423	2.13
365,572	Norsk Hydro	1,664,776	1.08
248,745	Norway Royal Salmon	4,078,027	2.63
193,694	Oriflame	6,344,487	4.10
624,830	Outokumpu	4,983,316	3.22
153,711	Smurfit Kappa	3,292,522	2.12
32,573	Sunrise Communications	1,876,691	1.20
128,885	Sydbank	3,584,672	2.32
114,202	Vestas Wind Systems	6,809,156	4.40
42,554	Volkswagen Preference	5,089,009	3.29
147,278	YIT	817,449	0.52
		57,864,758	37.37
Collective Investment Schemes 11.43% [1.84%]			
8,179,744	SSgA Cash Management Fund	8,179,744	5.28
9,522,710	Standard Life Investments Sterling Liquidity Fund	9,522,710	6.15
		17,702,454	11.43
Contracts for Difference (0.24%) [(2.72%)]			
573,608	Acerinox	24,604	0.01
1,379,613	Aeroflot	527,326	0.34
819,090	AIXTRON	(238,504)	(0.15)
424,569	Assicurazioni Generali	(609,134)	(0.39)
301,196	BAE Systems	123,490	0.08
(4,339,138)	Banco Popular Espanol	278,119	0.18
38,595	Bayer	(111,999)	(0.07)
(60,393)	Casino Guichard	(177,658)	(0.11)
(135,490)	CEZ	(115,306)	(0.07)
(366)	Chocoladefabriken Lindt & Spruengli	(154,188)	(0.10)
(29,915)	Coloplast	(121,315)	(0.08)
94,617	CRH	4,120	0.00
(208,959)	Deutsche Bank	(69,522)	(0.04)
(1,714)	Emmi	6,099	0.00
(233,372)	Eutelsat	(351,680)	(0.23)
(182,806)	GAM	(165,698)	(0.11)
(724,220)	Inmarsat	(18,581)	(0.01)
(1,724,089)	Intesa Sanpaolo	71,130	0.05
136,773	KGHM Polska Miedz	(56,985)	(0.04)
9,734,916	Lloyds Banking	463,203	0.30

Portfolio Statement (continued)**As at 28 February 2017**

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
Contracts for Difference (continued)			
0	Mediobanca	—	0.00
1,028,822	Moneta Money Bank	139,806	0.09
963,455	Moscow Exchange	110,516	0.07
(198,950)	Norwegian Air Shuttle	200,219	0.13
151,654	Novo Nordisk	(54,404)	(0.04)
(53,347)	Novozymes	(166,870)	(0.11)
416,885	OCI	602,371	0.39
209,821	OTP Bank	116,754	0.07
35,038	Pandora	(234,113)	(0.15)
(37,166)	Reckitt Benckiser	(130,469)	(0.08)
135,236	Ryanair	—	0.00
(31,549)	Safran	(95,650)	(0.06)
(23,954)	Sanofi	(126,738)	(0.08)
539,725	Sberbank of Russia	(294,423)	(0.19)
(204,002)	SES	83,132	0.05
86,829	Shire	284,634	0.18
(805,346)	Snam	(126,719)	(0.08)
1,181,233	South32	(129,936)	(0.08)
1,050,075	SSAB	(34,928)	(0.02)
(37,191)	Symrise	(130,369)	(0.08)
230,827	Tate & Lyle	130,533	0.08
244,441	TCS Group	(78,573)	(0.05)
(252,286)	Tenaris	126,894	0.08
(697,524)	Terna	(151,718)	(0.10)
(304,362)	UniCredit	(126,360)	(0.08)
(314,048)	Vallourec	403,113	0.26
(43,459)	Viscofan	(66,186)	(0.04)
72,598	Voestalpine	77,027	0.05
21,906	X5 Retail	(7,922)	(0.01)
		(372,858)	(0.24)
Forward Currency Contracts 0.18% [(0.10%)]			
	Bought EUR100,935 for GBP86,034 Settlement 03/03/2017	157	0.00
	Bought EUR24,903,529 for GBP21,088,481 Settlement 30/03/2017	189,041	0.12
	Bought NOK23,661,622 for GBP2,270,184 Settlement 30/03/2017	3,863	0.00
	Bought SEK4,453,185 for GBP395,432 Settlement 30/03/2017	2,208	0.00
	Bought USD1,256,231 for GBP1,006,783 Settlement 30/03/2017	1,999	0.00
	Sold CHF2,991,630 for GBP2,381,498 Settlement 30/03/2017	(21,368)	(0.01)

Portfolio Statement (continued)

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
Forward Currency Contracts (continued)			
	Sold DKK165,837,166 for GBP18,889,035		
	Settlement 30/03/2017	(175,253)	(0.11)
	Sold EUR4,133,391 for GBP3,487,722		
	Settlement 30/03/2017	(43,838)	(0.03)
	Sold NOK52,223,092 for GBP5,010,278		
	Settlement 30/03/2017	(8,723)	(0.01)
	Sold PLN1,068,404 for GBP210,000		
	Settlement 30/03/2017	(1,205)	0.00
	Sold SEK83,263,951 for GBP7,448,457		
	Settlement 30/03/2017	13,547	0.01
Hedged Share Classes			
	Bought EUR68,910,689 for GBP58,537,977		
	Settlement 30/03/2017	339,166	0.22
	Bought USD4,555,307 for GBP3,665,167		
	Settlement 30/03/2017	(7,151)	0.00
	Sold EUR3,514,996 for GBP2,981,390		
	Settlement 30/03/2017	(21,814)	(0.01)
	Sold USD77,209 for GBP61,963		
	Settlement 30/03/2017	(38)	0.00
		270,591	0.18
	Portfolio of investments	75,464,945	48.74
	Net other assets	79,355,986	51.26
	Net assets	154,820,931	100.00

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Statements.

All investments are ordinary Shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 29 February 2016.

Gross purchases for the year: £441,834,351 [2016: £203,614,496] (See Note 16).

Total sales net of transaction costs for the year: £461,112,473 [2016: £123,059,365] (See Note 16).

At the year end, certain securities were on loan under a stock lending agreement (See Note 17).

Statement of Total Return

For the year ended 28 February 2017

	Note	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
		£	£	£	£
Income:					
Net capital (losses)/gains	2		(57,571,153)		2,982,558
Revenue	3	5,551,650		2,302,561	
Expenses	4	(8,268,503)		(6,980,546)	
Interest payable and similar charges	5	(10,546)		(5,591)	
Net expense before taxation		(2,727,399)		(4,683,576)	
Taxation	6	(85,704)		(28,842)	
Net expense after taxation			(2,813,103)		(4,712,418)
Total return before distributions			(60,384,256)		(1,729,860)
Distributions	7		129		1,281
Change in net assets attributable to Shareholders from investment activities			(60,384,127)		(1,728,579)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2017

	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
	£	£	£	£
Opening net assets attributable to Shareholders		415,186,345		119,609,678
Amounts receivable on issue of Shares	101,393,648		342,964,184	
Amounts payable on cancellation of Shares	(301,208,866)		(46,906,230)	
		(199,815,218)		296,057,954
Dilution adjustment		(166,069)		1,247,292
Change in net assets attributable to Shareholders from investment activities (see above)		(60,384,127)		(1,728,579)
Closing net assets attributable to Shareholders		154,820,931		415,186,345

Balance Sheet

As at 28 February 2017

	Note	28/02/17		29/02/16	
		£	£	£	£
Assets:					
Fixed assets:					
Investments			79,890,283		150,404,798
Current assets:					
Debtors	8	12,306,753		10,704,488	
Cash and bank balances	9	130,212,291		297,073,208	
Total current assets			142,519,044		307,777,696
Total assets			222,409,327		458,182,494
Liabilities:					
Investment liabilities			(4,425,338)		(23,385,485)
Creditors:					
Bank overdrafts	11	(60,272,156)		(11,879,434)	
Other creditors	10	(2,890,902)		(7,731,230)	
Total creditors			(63,163,058)		(19,610,664)
Total liabilities			(67,588,396)		(42,996,149)
Net assets attributable to Shareholders			154,820,931		415,186,345

Notes to the Financial Statements

For the year ended 28 February 2017

1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 11, 12, 13 and 14.

2. Net capital (losses)/gains

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
The net capital (losses)/gains during the year comprise:		
Currency (losses)/gains	(7,356,424)	1,031,775
Derivatives contract losses	(62,782,133)	(14,709,204)
Forward currency contract gains	11,015,463	8,162,117
Non-derivative security gains	5,415,045	10,974,862
Transaction charges	(198,650)	(24,411)
Contracts for difference financing charges	(3,664,454)	(2,452,581)
Net capital (losses)/gains	(57,571,153)	2,982,558

3. Revenue

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Bank interest	92,279	175,766
Offshore funds dividends	45,741	12,846
Overseas dividends	1,485,962	298,763
UK dividends	189,868	3,500
Stock lending income	88,304	42,441
Contracts for difference	3,649,496	1,769,245
Total revenue	5,551,650	2,302,561

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

4. Expenses

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Payable to the ACD, associates of the ACD, and agents of either of them		
AMC fees*	2,243,023	1,761,274
General administration charge	407,351	334,608
Printing, postage, stationery and typesetting costs	5,485	4,138
Publishing	1,596	–
Contracts for difference	5,361,543	2,157,533
Administration charge	146,339	92,692
	8,165,337	4,350,245
Payable to the Depositary, associates of the Depositary and agents of either of them		
Safe custody fees	12,453	6,042
	12,453	6,042
Other expenses		
FCA fees	508	–
Professional fees	90,205	44,999
Performance fees	–	2,579,260
	90,713	2,624,259
Total expenses	8,268,503	6,980,546

* FCA fees and Audit fees of £7,550 (+ VAT) for the year ended 28 February 2017 (2016: £7,375 (+ VAT)) have been borne by the ACD out of its general administration charge.

5. Interest payable and similar charges

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Interest	10,546	5,591
Total interest payable and similar charges	10,546	5,591

6. Taxation

(a) Analysis of the tax charge in the year

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Overseas tax	85,704	28,842
Total taxation for the year (Note 6 (b))	85,704	28,842

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

6. Taxation (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open-ended investment company of 20% (2016: 20%) is applied to the net expense before taxation. The differences are explained below:

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Net expense before taxation	(2,727,399)	(4,683,576)
Net expense for the year multiplied by the standard rate of corporation tax	(545,480)	(936,715)
Effects of:		
Movement in excess management expenses	875,051	1,013,220
Overseas tax	85,704	28,842
Revenue not subject to corporation tax	(329,571)	(76,505)
Total tax charge for the year	85,704	28,842

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,148,456 (2016: £1,274,686) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

7. Finance costs

Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares, and comprise:

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Interim	—	—
Interims	—	—
Add: Revenue paid on cancellation of Shares	10	1,804
Deduct: Revenue received on creation of Shares	(139)	(3,085)
Net distribution for the year	(129)	(1,281)
Reconciliation of net expense after taxation to distributions		
Net expense after taxation	(2,813,103)	(4,712,418)
Revenue deficit	2,812,974	4,711,137
Net distribution for the year	(129)	(1,281)

Details of the distributions per Share are set out in the distribution tables on pages 45 and 46.

8. Debtors

	28/02/17 £	29/02/16 £
Accrued bank interest	47	8,445
Accrued revenue	2,828	7,289
Amounts receivable for creation of Shares	12,054	4,400,262
Dilution adjustment receivable	11,463	31,135
Overseas withholding tax recoverable	71,909	28,835
Sales awaiting settlement	12,208,085	5,942,619
Prepaid expense	367	—
Contracts for difference	—	285,903
Total debtors	12,306,753	10,704,488

9. Cash and bank balances

	28/02/17 £	29/02/16 £
Cash and bank balances	39,649,862	234,786,894
Amount held at futures clearing houses and brokers	90,562,429	62,286,314
Total cash and bank balances	130,212,291	297,073,208

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

10. Other creditors

	28/02/17	29/02/16
	£	£
Amounts payable for cancellation of Shares	734,299	527,405
Corporation tax payable	39	39
Purchases awaiting settlement	1,914,345	4,250,030
	2,648,683	4,777,474
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	96,121	249,106
Administration charge	37,934	32,972
General administration charge	15,178	49,614
Printing, postage, stationery and typesetting costs	1,817	675
Registration fees	1,269	2,100
Publishing	1,596	–
Contracts for difference	182	182
	154,097	334,649
<i>Depositary and Agents</i>		
Safe custody fees	5,050	6,393
Transaction charges	51,506	24,566
	56,556	30,959
<i>Other accrued expenses</i>		
Legal and professional fees	30,140	8,888
Overdraft interest	1,426	–
Performance fees	–	2,579,260
	31,566	2,588,148
Total other creditors	2,890,902	7,731,230

11. Bank overdrafts

	28/02/17	29/02/16
	£	£
Bank overdrafts	1,355	27,389
Amounts overdrawn at futures clearing houses and brokers	60,270,801	11,852,045
Total bank overdrafts	60,272,156	11,879,434

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

12. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

Significant Shareholdings

Fund Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 31.77% of the Fund's shares in issue are under the control of a single nominee and its related parties.

13. Share Classes

The Share Class and ACD's Annual Management Charges applicable to each Fund are as follows:

	%
Share Class A GBP Accumulation	1.50
Share Class A EUR Accumulation	1.50
Share Class A USD Accumulation	1.50
Share Class I GBP Accumulation	0.75
Share Class I EUR Accumulation	0.75
Share Class I USD Accumulation	0.75
Share Class R GBP Accumulation	0.75

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	29/02/16	Issued	Cancelled	Converted	28/02/17
Share Class A GBP Accumulation	4,074,257	645,720	(2,251,049)	(1,111,958)	1,356,970
Share Class A EUR Accumulation	1,256,706	64,822	(1,176,730)	–	144,798
Share Class A USD Accumulation	513,027	–	(513,027)	–	–
Share Class I GBP Accumulation	25,519,657	30,969,692	(16,149,834)	25,599	40,365,114
Share Class I EUR Accumulation	164,255,640	29,963,957	(145,362,817)	–	48,856,780
Share Class I USD Accumulation	5,165,513	454,344	(546,602)	–	5,073,255
Share Class R GBP Accumulation	78,931,265	6,081,389	(64,566,819)	1,209,276	21,655,111

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

14. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2016: nil).

15. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 14 to 17 of the report.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency assets/(liabilities)	
	28/02/17	29/02/16
	£	£
Czech koruna	150,338	—
Danish krone	(764,287)	36,342,869
Euro	(875,157)	13,425,162
Hong Kong dollar	5	4
Hungarian forint	868,991	—
Norwegian krone	187,777	15,491,615
Polish zloty	(99)	—
Swedish krona	81,027	(3,340,134)
Swiss franc	(398,780)	2,538,155
Turkish lira	(267,292)	(220,223)
US dollar	(550,599)	35,398,738
Total foreign currency exposure	(1,568,076)	99,636,186
Sterling	156,389,007	315,550,159
Total net assets	154,820,931	415,186,345

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £142,552 (2016: decreased by £9,057,835). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £174,231 (2016: increased by £11,070,687). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

15. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	£
Currency Assets				
28/02/17				
Czech koruna	150,338	—	—	150,338
Danish krone	1,740,870	—	17,095,178	18,836,048
Euro	—	—	30,305,970	30,305,970
Hong Kong dollar	4	—	—	4
Hungarian forint	868,991	—	—	868,991
Norwegian krone	64	—	12,635,705	12,635,769
Polish zloty	211,107	—	—	211,107
Sterling	126,689,512	—	18,700,881	145,390,393
Swedish krona	58	—	9,882,318	9,882,376
Swiss franc	551,347	—	1,882,790	2,434,137
Turkish lira	—	—	—	—
US dollar	—	—	1,694,194	1,694,194
Total	130,212,291	—	92,197,036	222,409,327
29/02/16				
Danish krone	—	—	36,363,688	36,363,688
Euro	503,267	—	37,396,332	37,899,599
Hong Kong dollar	4	—	—	4
Norwegian krone	55	—	19,655,828	19,655,883
Sterling	296,031,212	—	29,559,287	325,590,499
Swedish krona	54	—	—	54
Swiss franc	481,806	—	2,618,858	3,100,664
Turkish lira	—	—	3,095	3,095
US dollar	56,810	—	35,512,198	35,569,008
Total	297,073,208	—	161,109,286	458,182,494

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

15. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities (continued)

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£	£	£	£
Currency Liabilities				
28/02/17				
Danish krone	—	—	711,300	711,300
Euro	46,582,786	—	2,285,134	48,867,920
Norwegian krone	9,699,174	—	8,723	9,707,897
Polish zloty	—	—	1,205	1,205
Sterling	—	—	1,581,461	1,581,461
Swedish krona	2,713,396	—	34,928	2,748,324
Swiss franc	—	—	451,420	451,420
Turkish lira	267,293	—	—	267,293
US dollar	1,009,507	—	2,242,069	3,251,576
Total	60,272,156	—	7,316,240	67,588,396
29/02/16				
Danish krone	3	—	20,816	20,819
Euro	7,790,137	—	16,684,300	24,474,437
Norwegian krone	547,954	—	3,616,314	4,164,268
Sterling	—	—	10,040,340	10,040,340
Swedish krona	3,317,925	—	22,263	3,340,188
Swiss franc	—	—	562,509	562,509
Turkish lira	223,318	—	—	223,318
US dollar	97	—	170,173	170,270
Total	11,879,434	—	31,116,715	42,996,149

During the year the ACD entered into derivative contracts on behalf of the Fund for Efficient Portfolio Management (EPM).

At the year end, a sensitivity analysis or value at risk approach is not significant given the level and nature of the derivatives held.

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

15. Derivatives and other financial instruments (continued)

(c) Market price risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following amounts. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the following amounts. These calculations have been applied to non-derivative securities only (see note 2(i) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

	Increase £	Decrease £
2017	7,556,721	7,556,721
2016	13,867,290	13,867,290

(d) Counterparty risk

The table below shows the counterparty risk as at the balance sheet date:

	Counterparty	Exposure	Collateral £	Asset Class
2017	State Street Bank and Trust	270,591	—	N/A
2016	State Street Bank and Trust	(399,694)	—	N/A

(e) Leverage

There was 178.07% leverage as at 28 February 2017, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****16. Portfolio transaction costs**

	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
	£	£	£	£
Analysis of total purchase costs				
Purchases in the year before transaction costs:				
Equities		441,242,235		203,252,851
		441,242,235		203,252,851
Commissions - Equities	346,471		163,878	
Taxes - Equities	245,645		197,767	
Total purchase costs		592,116		361,645
Gross purchase total		441,834,351		203,614,496
Analysis of total sale costs				
Gross sales in the year before transaction costs:				
Equities		461,508,196		123,158,410
		461,508,196		123,158,410
Commissions - Equities	(394,182)		(98,603)	
Taxes - Equities	(1,541)		(442)	
Total sale costs		(395,723)		(99,045)
Total sales net of transaction costs		461,112,473		123,059,365

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

16. Portfolio transaction costs (continued)

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

	01/03/16 to 28/02/17 %	01/03/15 to 29/02/16 %
Transaction costs as percentage of principal amounts		
Purchases - Commissions		
Equities	0.0785%	0.0806%
Purchases - Taxes		
Equities	0.0557%	0.0973%
Sales - Commissions		
Equities	0.0854%	0.0801%
Sales - Taxes		
Equities	0.0003%	0.0004%
	01/03/16 to 28/02/17 %	01/03/15 to 29/02/16 %
Transaction costs as percentage of average net asset value		
Commissions	0.2505%	0.1161%
Taxes	0.0836%	0.0876%

At the balance sheet date the average portfolio dealing spread was 0.12% (2016: 0.15%).

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****17. Stock Lending**

The Fund enters into stock lending arrangements with various counterparties. At the balance sheet date the bid value of securities on loan was £23,594,524 (2016: £11,581,377). The value of collateral held in respect of securities on loan was £24,961,820 (2016: £12,390,735).

Counterparty	28/02/17		29/02/16	
	Value of stock on loan	Collateral	Value of stock on loan	Collateral
	£	£	£	£
BNP Paribas Arbitrage SNC	–	–	907,295	906,066
CitiGroup Global Markets Inc	393,984	413,519	156,087	164,226
Credit Suisse Securities (Europe) Ltd	554,692	571,726	–	–
Deutsche Bank AG	873,494	943,314	1,268,245	1,438,270
Goldman Sachs International	9,538,186	10,040,891	3,419,559	3,764,247
JP Morgan Securities Plc	1,739,245	1,874,202	2,987,513	3,128,523
Merrill Lynch International	6,050,440	6,419,739	–	–
Morgan Stanley & Co. International Plc	–	–	455,860	502,572
Societe Generale SA	–	–	252,748	252,405
State Street Bank Gmbh (London Branch)	–	–	1,198,661	1,300,284
State Street Bank International GmbH	2,359,916	2,482,843	–	–
UBS AG	2,084,567	2,215,586	935,409	934,142
	23,594,524	24,961,820	11,581,377	12,390,735
Collateral by asset class				
Equities		5,051,299		90,159
Government bonds		986,935		7,733,974
Cash		18,923,586		4,566,602
		24,961,820		12,390,735
Analysis of stock lending income		01/03/16 to 28/02/17		01/03/15 to 29/02/16
Gross stock lending income		135,853		68,230
Fees paid to the ACD		(47,549)		(25,789)
		88,304		42,441

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

18. Post balance sheet events

There are no post balance sheet events which require adjustment at the year end.

19. Fair value disclosure

	28/02/17		29/02/16	
	Assets £	Liabilities £	Assets £	Liabilities £
Valuation technique				
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	57,864,758	—	131,015,096	—
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	22,025,525	(4,425,338)	19,389,702	(23,385,485)
Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability	—	—	—	—
	79,890,283	(4,425,338)	150,404,798	(23,385,485)

The valuation techniques and the ACD's policy is disclosed in note 1(h) on page 13.

Distribution Table**As at 28 February 2017****Interim Distribution in pence per Share**

Group 1 Shares purchased prior to 1 March 2016

Group 2 Shares purchased on or after 1 March to 31 August 2016

	Net revenue #	Equalisation #	Distribution paid 31/10/16 #	Distribution paid 31/10/15 #
Share Class A GBP Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class A EUR Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class A USD Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class I GBP Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class I EUR Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class I USD Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class R GBP Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

Rates are disclosed in pence/cents depending on Share Class currency.

Distribution Table (continued)

As at 28 February 2017

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 September 2016

Group 2 Shares purchased on or after 1 September 2016 to 28 February 2017

	Net revenue #	Equalisation #	Distribution payable 28/04/17 #	Distribution paid 30/04/16 #
Share Class A GBP Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class A EUR Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class A USD Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class I GBP Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class I EUR Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class I USD Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Share Class R GBP Accumulation				
Group 1	0.0000	—	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

Rates are disclosed in pence/cents depending on Share Class currency.

Securities Financing Transactions

As at 28 February 2017

1) Global Data

Proportion of securities and commodities on loan	28/02/17	
	GBP	%
Total lendable assets excluding cash and cash equivalents:	54,331,421	
Securities and commodities on loan	23,594,524	43.43%

Assets engaged in SFTs and total return swaps	28/02/17	
	GBP	%
Fund assets under management (AUM)	155,596,251	
Absolute value of assets engaged in:		
Securities lending	23,594,524	7.56%

2) Concentration Data

Top 10 Collateral Issuers

Name and value of collateral and commodities received	28/02/17	
	GBP	
Cash Collateral	18,923,586	
France, Republic of (Government)	468,854	
United Kingdom of Great Britain and Northern Ireland (Government)	410,189	
Banco Santander SA	198,067	
Kering SA	174,658	
Vodafone Group PLC	169,027	
Sky PLC	136,521	
BNP Paribas SA	124,363	
HSBC Holdings PLC	115,436	
Procter & Gamble Co	103,156	

Top Counterparties

Name and value of outstanding transactions	28/02/17	
	GBP	
Securities lending		
Goldman Sachs International	9,538,186	
Merrill Lynch International	6,050,440	
State Street Bank International GMBH	2,359,916	
UBS AG	2,084,567	
JP Morgan Securities PLC	1,739,245	
Deutsche Bank AG	873,494	
Credit Suisse Securities (Europe) Limited	554,692	
Citigroup Global Markets Limited	393,984	

Securities Financing Transactions (continued)

As at 28 February 2017

3) Aggregate Transaction Data**Type, Quality and Currency of Collateral**

Type	Quality	Currencies	28/02/17 GBP
Securities lending			
Bonds	Investment Grade	Sterling	544,883
Bonds	Investment Grade	Euro	407,019
Bonds	Investment Grade	US dollar	35,033
Equity	Traded on Recognised Exchange	Euro	1,523,990
Equity	Traded on Recognised Exchange	Sterling	1,040,907
Equity	Traded on Recognised Exchange	US dollar	1,288,154
Equity	Traded on Recognised Exchange	Norwegian krone	47,341
Equity	Traded on Recognised Exchange	Canadian dollar	5,695
Equity	Traded on Recognised Exchange	Danish krone	37,889
Equity	Traded on Recognised Exchange	Swedish krona	108,810
Equity	Traded on Recognised Exchange	Swiss franc	58,651
Equity	Traded on Recognised Exchange	Japanese yen	473,207
Equity	Traded on Recognised Exchange	Hong Kong dollar	392,017
Equity	Traded on Recognised Exchange	Australian dollar	44,870
Equity	Traded on Recognised Exchange	Singapore dollar	29,768
Cash Collateral	Cash	US dollar	2,808,349
Cash Collateral	Cash	Euro	16,115,237

Maturity Tenor of Collateral (remaining period to maturity)

Type 28/02/17	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open maturity	Total
Securities lending	18,923,586	0	0	14,123	13,254	959,558	5,051,299	24,961,820
	18,923,586	0	0	14,123	13,254	959,558	5,051,299	24,961,820

Counterparty Details

Type	Countries of counterparty establishment	Settlement and clearing	28/02/17 GBP
Securities lending	United Kingdom	Bi-lateral	19,840,705
Securities lending	Switzerland	Tri-party	2,215,586
Securities lending	United Kingdom	Tri-party	1,962,215
Securities lending	Germany	Tri-party	943,314

Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

Type 28/02/17	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open transactions	Total
Securities lending	0	0	0	0	0	0	23,594,524	23,594,524
	0	0	0	0	0	0	23,594,524	23,594,524

Securities Financing Transactions (continued)

As at 28 February 2017

4) Re-use of Collateral

The Fund does not engage in re-use of collateral.

5) Safekeeping of Collateral Received

Names and value of custodians safekeeping collateral	28/02/17 GBP
Bank of New York	88,013
JP Morgan	5,033,102
Number of custodians safekeeping collateral	2

6) Safekeeping of Collateral Granted

The Fund does not borrow stock from counterparties; therefore, no collateral has been granted.

7) Return and Cost

	Collective Investment Undertaking GBP	Manager of Collective Investment Undertaking GBP	Third Parties (e.g. lending agent) GBP	Total GBP
Securities lending				
28/02/17				
Gross return	3,014.74	1,004.91	1,004.91	5,024.56
% of total gross return	60.00%	20.00%	20.00%	

Investment Manager's Report

For the year ended 28 February 2017

Investment Objective

To achieve above average returns and attempt to perform a top quartile profile when measured against competing funds in the same sector.

Investment Policy

To aim to achieve its objective, the Fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Fund will invest predominantly in securities of companies incorporated in Continental Europe and Ireland. The Fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities exchange.

The Fund will not concentrate on any particular sector but will invest in a broad range of stocks without regard to market capitalisation. The Fund manager will however have regard to liquidity and tracking error.

The Fund may also invest in other transferable securities, units in Collective Investment Schemes, money market instruments and deposits.

The Fund may also make use of derivatives and forward transactions for the purpose of efficient portfolio management, including the use of hedging techniques and stock lending.

Investment Review

2016 saw a reversal of a 3 year global deflationary scare and a recovery in commodity markets and an initial move of normalisation of bond yields. It also witnessed significant political uncertainty in the form of the Brexit referendum and the election of President Trump in the USA. Our process is to go long on stocks which are either experiencing positive earnings revisions (or will do so in the future) and avoid those with negative earnings revisions (or those which will experience them in the future). When there is a macro-inflection point in which trends reverse in a way which cannot be analysed at the company specific level, this can be dangerous for the process (unless we can identify the change in a timely manner and believe it has sustainability which will allow for an investment opportunity) as previous winners can quickly reverse performance and vice versa.

The Fund is actively managed according to this earnings momentum process. This has previously allowed us to change our mind about investment opportunities when the facts change and navigate stock market cycles with different market leadership. However, whilst there would seem to be no obvious change in our ability to identify companies where profits are not efficiently forecast by the market, the price action in the market has often been on a less synchronised beat to our process than in previous years. There has been a growing obsession with short term trading around sector rotation based on historic correlations to the bond market to the extent that we have recently been asked whether stock prices are still correlated to the outlook for profits of the underlying company. It is our belief that this will always be the case over the medium and the longer term but over shorter time periods sentiment (which is inherently more difficult to predict) can account for significant market volatility which we must have the patience to weather. As such it has been a very difficult and frustrating period for us and our investors.

The main detractor to performance came from our stock selection. On the plus side, salmon stocks Marine Harvest (+19%) and Grieg Seafood (+73%) performed very well. On the negative side the deal for Pfizer to buy Irish domiciled Allergan (-27%) was derailed by the intervention of the US government¹.

¹ Bloomberg, 28/02/17.

Investment Manager's Report (continued)

For the year ended 28 February 2017

Outlook

With European corporates having sailed through the volatility of last year and now posting net profit upgrades for the first time since 2010 with relatively inexpensive valuations, we are hopeful that our asset class might be at the beginning of a sustainable upswing. Given this benign global economic backdrop, valuations of equities and bonds should continue to converge longer term as should equity valuations between higher and lower quality stocks, given that profit growth should not now be so scarce. However, with an eye to the events of last year it is understandable that investors might want to keep their powder dry until after the French Presidential elections. Should Le Pen defy the pollsters, aside from the practicalities of commanding a majority in the French parliament and winning a referendum before France would exit the Euro, her election, like Trumps, might even turn out to be equity friendly should, as an initial compromise, the Eurozone adopt a more sympathetic attitude to fiscal stimulus. Therefore, it just may be possible that the era of bond and bond proxy equity outperformance is likely drawing to a close.

Investment Manager:

Barry Norris

Argonaut Capital Partners LLP

12 April 2017

Net Asset Value per Share Price and Comparative Table

As at 28 February 2017

Performance Record

	A GBP Income			A GBP Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	143.64	141.74	141.94	299.91	295.41	295.81
Return before operating charges*	11.91	4.95	2.36	24.90	10.35	4.94
Operating charges	(2.81)	(2.80)	(2.56)	(5.87)	(5.85)	(5.34)
Return after operating charges	9.10	2.15	(0.20)	19.03	4.50	(0.40)
Distributions	(0.94)	(0.25)	–	(1.96)	(0.52)	–
Retained distributions on accumulation Shares	–	–	–	1.96	0.52	–
Closing net asset value per Share	151.80	143.64	141.74	318.94	299.91	295.41
*after direct transaction costs of:	0.85	0.20	0.19	1.78	0.43	0.39
Performance						
Return after operating charges	6.34%	1.52%	(0.14%)	6.35%	1.52%	(0.14%)
Other information						
Closing net asset value	£711,529	£987,802	£2,226,179	£63,805,056	£78,144,501	£101,227,077
Closing number of Shares	468,741	687,695	1,570,626	20,005,106	26,056,050	34,267,174
Operating charges	1.91%	1.90%	1.91%	1.91%	1.90%	1.91%
Direct transaction costs	0.58%	0.14%	0.14%	0.58%	0.14%	0.14%
Prices						
Highest Share price	156.46	154.87	146.70	327.62	323.36	305.72
Lowest Share price	135.63	130.31	113.37	283.18	272.08	236.28

Net Asset Value per Share Price and Comparative Table (continued)
As at 28 February 2017
Performance Record (continued)

	A EUR Accumulation			I GBP Income		
	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	158.02	167.19	147.44	145.67	143.28	142.69
Return before operating charges*	(1.83)	(6.10)	22.74	12.12	4.99	2.40
Operating charges	(2.78)	(3.07)	(2.99)	(1.36)	(1.34)	(1.22)
Return after operating charges	(4.61)	(9.17)	19.75	10.76	3.65	1.18
Distributions	(0.96)	(0.30)	–	(2.44)	(1.26)	(0.59)
Retained distributions on accumulation Shares	0.96	0.30	–	–	–	–
Closing net asset value per Share	153.41	158.02	167.19	153.99	145.67	143.28
*after direct transaction costs of:	0.84	0.29	0.30	0.87	0.21	0.19
Performance						
Return after operating charges	(2.92%)	(5.49%)	13.40%	7.39%	2.55%	0.83%
Other information						
Closing net asset value	€102,529	€1,534,328	€1,212,264	£93,483,151	£123,092,030	£94,498,990
Closing number of Shares	66,834	970,989	725,070	60,706,244	84,502,438	65,954,368
Operating charges	1.91%	1.90%	1.91%	0.91%	0.90%	0.91%
Direct transaction costs	0.58%	0.18%	0.19%	0.58%	0.14%	0.14%
Prices						
Highest Share price	164.33	188.06	167.25	159.97	157.49	147.57
Lowest Share price	138.44	143.80	121.75	138.00	132.76	114.49

Net Asset Value per Share Price and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	I GBP Accumulation			I GBP Accumulation (Hedged)
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (p)
Change in net assets per Share				
Opening net asset value per Share	258.72	252.28	250.13	100.00
Return before operating charges*	21.60	8.81	(2.69)	(2.63)
Operating charges	(2.42)	(2.37)	(2.16)	(0.79)
Return after operating charges	19.18	6.44	(3.48)	(3.42)
Distributions	(4.34)	(2.22)	(1.00)	(1.43)
Retained distributions on accumulation Shares	4.34	2.22	1.00	1.43
Closing net asset value per Share	277.90	258.72	96.52	96.58
*after direct transaction costs of:	1.54	0.37	0.33	0.56
Performance				
Return after operating charges	7.41%	2.55%	(3.48%)	(3.42%)
Other information				
Closing net asset value	£54,690,672	£82,603,864	£16,172,763	£16,182,757
Closing number of Shares	19,679,663	31,927,386	19,415,088	16,756,609
Operating charges	0.91%	0.90%	0.91%	0.91%
Direct transaction costs	0.58%	0.14%	0.14%	0.58%
Prices				
Highest Share price	285.41	278.28	258.74	103.58
Lowest Share price	245.10	234.59	201.05	87.14

Share Class I GBP Accumulation (Hedged) was launched 07/04/16.

Net Asset Value per Share Price and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	I EUR Accumulation			R GBP Income		
	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	165.77	173.66	151.62	164.01	161.32	160.64
Return before operating charges*	(1.76)	(6.36)	23.52	13.65	5.62	2.71
Operating charges	(1.42)	(1.53)	(1.48)	(1.53)	(1.51)	(1.37)
Return after operating charges	(3.18)	(7.89)	22.04	12.12	4.11	1.34
Distributions	(2.55)	(1.46)	(0.69)	(2.75)	(1.42)	(0.66)
Retained distributions on accumulation Shares	2.55	1.46	0.69	–	–	–
Closing net asset value per Share	162.59	165.77	173.66	173.38	164.01	161.32
*after direct transaction costs of:	0.91	0.30	0.31	0.98	0.23	0.21
Performance						
Return after operating charges	(1.92%)	(4.54%)	14.54%	7.39%	2.55%	0.84%
Other information						
Closing net asset value	€15,136,765	€18,086,162	€22,723,796	£11,532,906	£14,507,932	£9,226,021
Closing number of Shares	9,309,759	10,909,762	13,085,298	6,651,795	8,846,011	5,719,165
Operating charges	0.91%	0.90%	0.91%	0.91%	0.90%	0.91%
Direct transaction costs	0.58%	0.18%	0.19%	0.58%	0.14%	0.14%
Prices						
Highest Share price	172.85	196.82	173.31	180.11	177.32	166.14
Lowest Share price	145.75	150.78	125.99	155.38	149.48	128.90

Net Asset Value per Share Price and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	R GBP Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share			
Opening net asset value per Share	168.04	163.86	162.44
Return before operating charges*	14.03	5.72	2.81
Operating charges	(1.57)	(1.54)	(1.39)
Return after operating charges	12.46	4.18	1.42
Distributions	(2.82)	(1.44)	(0.67)
Retained distributions on accumulation Shares	2.82	1.44	0.67
Closing net asset value per Share	180.50	168.04	163.86
*after direct transaction costs of:	1.00	0.24	0.21
Performance			
Return after operating charges	7.41%	2.55%	0.87%
Other information			
Closing net asset value	£67,069,677	£78,597,557	£44,217,702
Closing number of Shares	37,157,614	46,772,927	26,984,716
Operating charges	0.91%	0.90%	0.91%
Direct transaction costs	0.58%	0.14%	0.14%
Prices			
Highest Share price	185.37	180.74	168.05
Lowest Share price	159.19	152.37	130.58

Performance Information

As at 28 February 2017

Operating Charges

Date	Total Operating Charge figures (%)
28/02/17	
Share Class A	1.91
Share Class I	0.91
Share Class R	0.91
29/02/16	
Share Class A	1.90
Share Class I	0.90
Share Class R	0.90

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk and Reward Profile

As at 28 February 2017

	Typically lower rewards				Typically higher rewards		
	←				→		
	Lower risk				Higher risk		
Share Class A	1	2	3	4	5	6	7
Share Class I	1	2	3	4	5	6	7
Share Class R	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Class A, I and R Shares above appear as "6" on the scale. This is partly because the Fund invests in the shares of companies, whose values tend to vary more widely. Additionally, the Class A and I Shares (depending on their currency denomination) may be affected by currency exchange rates.

Risk and Reward Profile (continued)

As at 28 February 2017

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Portfolio Statement

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
Austria 2.51% [3.05%]			
238,512	Voestalpine	8,058,071	2.51
		8,058,071	2.51
Belgium 0.00% [6.61%]			
Czech Republic 2.17% [0.00%]			
2,555,878	Moneta Money Bank	6,946,324	2.17
		6,946,324	2.17
Denmark 15.38% [10.98%]			
120,270	NKT	6,837,967	2.13
460,027	Novo Nordisk	13,191,072	4.11
67,019	Pandora	6,144,026	1.92
237,713	Sydbank	6,611,499	2.06
277,668	Vestas Wind Systems	16,555,618	5.16
		49,340,182	15.38
Finland 5.05% [5.00%]			
265,225	Nokian Renkaat	8,427,210	2.63
972,976	Outokumpu	7,759,946	2.42
		16,187,156	5.05
France 0.00% [4.95%]			
Germany 9.84% [2.64%]			
2,007,880	AIXTRON	5,561,964	1.74
146,145	Bayer	12,991,054	4.05
108,568	Volkswagen Preference	12,983,585	4.05
		31,536,603	9.84
Hungary 2.95% [0.00%]			
404,004	OTP Bank	9,451,890	2.95
		9,451,890	2.95
Ireland 7.58% [16.29%]			
359,481	CRH	9,776,762	3.05
388,464	Ryanair (Ireland Listing)	4,730,205	1.48
126,144	Ryanair (UK Listing)	1,538,171	0.48
383,882	Smurfit Kappa	8,222,834	2.57
		24,267,972	7.58

Portfolio Statement (continued)

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
Italy 11.16% [16.11%]			
804,592	Assicurazioni Generali	9,288,853	2.90
478,119	Banca Generali	9,308,518	2.90
78,003	Buzzi Unicem	1,557,276	0.49
1,404,481	FinecoBank	6,464,193	2.02
950,932	Mediobanca	6,130,643	1.91
158,022	Yoox	3,026,610	0.94
		35,776,093	11.16
Netherlands 4.11% [2.00%]			
822,307	OCI	13,172,751	4.11
		13,172,751	4.11
Norway 7.67% [10.23%]			
938,734	Grieg Seafood	6,972,882	2.18
441,890	Marine Harvest	6,224,768	1.94
293,590	Norway Royal Salmon	4,813,234	1.50
1,440,479	Norsk Hydro	6,559,790	2.05
		24,570,674	7.67
Poland 1.39% [0.00%]			
174,658	KGHM Polska Miedz	4,459,176	1.39
		4,459,176	1.39
Russia 4.83% [0.00%]			
1,298,668	Sberbank of Russia ADR** (UK Listing)	11,385,781	3.55
96,124	Sberbank of Russia ADR** (US Listing)	845,836	0.27
133,321	X5 Retail GDR*	3,246,244	1.01
		15,477,861	4.83
Spain 5.12% [9.43%]			
846,417	Acerinox	9,692,210	3.02
374,602	Gamesa Tecnologica	6,685,380	2.10
		16,377,590	5.12
Sweden 5.44% [0.00%]			
2,380,860	SSAB	7,588,241	2.37
493,931	Swedbank	9,828,043	3.07
		17,416,284	5.44
Switzerland 4.97% [2.09%]			
328,884	Oriflame	10,772,663	3.36
89,323	Sunrise Communications	5,146,339	1.61
		15,919,002	4.97
Turkey 0.00% [3.09%]			
United Kingdom 4.29% [2.43%]			
20,019,955	Lloyds Banking	13,747,703	4.29
		13,747,703	4.29

Portfolio Statement (continued)

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
United States 3.98% [5.00%]			
87,872	Shire ADR**	12,757,114	3.98
		12,757,114	3.98
Forward Currency Contracts (0.03%) [0.05%]			
	Bought EUR36 for GBP31 Settlement 03/03/2017	–	0.00
	Sold EUR8,513 for GBP7,179 Settlement 01/03/2017	(90)	0.00
Hedged Share Classes			
	Bought DKK1,337,490 for GBP152,871 Settlement 30/03/2017	884	0.00
	Bought EUR488,669 for GBP413,412 Settlement 30/03/2017	4,106	0.00
	Bought HUF10,296,669 for GBP28,262 Settlement 30/03/2017	249	0.00
	Bought NOK892,048 for GBP85,279 Settlement 30/03/2017	453	0.00
	Bought PLN33,246 for GBP6,533 Settlement 30/03/2017	39	0.00
	Sold CHF315,549 for GBP251,199 Settlement 30/03/2017	(2,248)	0.00
	Sold CZK10,838,272 for GBP339,685 Settlement 30/03/2017	(3,163)	0.00
	Sold DKK21,645,244 for GBP2,465,417 Settlement 30/03/2017	(22,874)	(0.01)
	Sold EUR8,846,966 for GBP7,490,178 Settlement 30/03/2017	(68,651)	(0.02)
	Sold HUF186,186,720 for GBP511,788 Settlement 30/03/2017	(3,751)	0.00
	Sold NOK14,253,114 for GBP1,367,442 Settlement 30/03/2017	(2,381)	0.00
	Sold PLN1,152,674 for GBP226,564 Settlement 30/03/2017	(1,300)	0.00
	Sold RUB69,931,715 for GBP961,974 Settlement 30/03/2017	7,904	0.00
	Sold SEK15,630,231 for GBP1,398,589 Settlement 30/03/2017	2,914	0.00
	Sold USD4 for GBP3 Settlement 30/03/2017	–	0.00
		(87,909)	(0.03)
	Portfolio of investments	315,374,537	98.41
	Net other assets	5,104,132	1.59
	Net assets	320,478,669	100.00

Portfolio Statement (continued)**As at 28 February 2017**

* GDR Global Depositary Receipts.

** ADR American Depositary Receipts.

The investments have been valued in accordance with note 1(i) of the Accounting Policies and Financial Statements.

All investments are ordinary Shares unless otherwise stated and admitted to official stock exchange listings.

Comparative figures shown above in square brackets relate to 29 February 2016.

Gross purchases for the year: £792,704,451 [2016: £385,590,892] (See Note 16).

Total sales net of transaction costs for the year: £887,986,536 [2016: £312,176,948] (See Note 16).

At the year end, certain securities were on loan under a stock lending agreement (See Note 17).

Statement of Total Return

For the year ended 28 February 2017

	Note	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
		£	£	£	£
Income:					
Net capital gains	2		16,464,147		3,830,337
Revenue	3	9,053,151		5,788,869	
Expenses	4	(3,950,776)		(4,234,790)	
Interest payable and similar charges	5	(105,216)		(23,089)	
Net revenue before taxation		4,997,159		1,530,990	
Taxation	6	646,087		333,260	
Net revenue after taxation			5,643,246		1,864,250
Total return before distributions			22,107,393		5,694,587
Distributions	7		(5,646,468)		(2,205,360)
Change in net assets attributable to Shareholders from investment activities			16,460,925		3,489,227

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2017

	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
	£	£	£	£
Opening net assets attributable to Shareholders		393,231,223		317,749,945
Amounts receivable on issue of Shares	56,065,623		114,885,918	
Amounts payable on cancellation of Shares	(147,831,254)		(44,704,037)	
		(91,765,631)		70,181,881
Dilution adjustment		(289,732)		294,441
Change in net assets attributable to Shareholders from investment activities (see above)		16,460,925		3,489,227
Retained distributions on accumulation Shares		2,841,884		1,515,729
Closing net assets attributable to Shareholders		320,478,669		393,231,223

Balance Sheet

As at 28 February 2017

	Note	28/02/17		29/02/16	
		£	£	£	£
Assets:					
Fixed assets:					
Investments			315,478,995		392,820,814
Current assets:					
Debtors	8	2,432,756		7,247,598	
Cash and bank balances	9	8,979,826		6,510,631	
Total current assets			11,412,582		13,758,229
Total assets			326,891,577		406,579,043
Liabilities:					
Investment liabilities			(104,458)		(180,183)
Creditors:					
Bank overdrafts	11	–		(6,161,112)	
Distribution payable		(1,211,122)		(712,339)	
Other creditors	10	(5,097,328)		(6,294,186)	
Total creditors			(6,308,450)		(13,167,637)
Total liabilities			(6,412,908)		(13,347,820)
Net assets attributable to Shareholders			320,478,669		393,231,223

Notes to the Financial Statements

For the year ended 28 February 2017

1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 11, 12, 13 and 14.

2. Net capital gains

The net capital gains during the year comprise:

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Currency losses	(1,528,456)	(356,007)
Forward currency contract losses	(1,289,182)	(1,046,971)
Non-derivative security gains	19,513,712	5,242,200
Transaction charges	(33,115)	(8,885)
Tax reclaims written off	(198,812)	—
Net capital gains	16,464,147	3,830,337

3. Revenue

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Bank interest	891	12,161
Overseas dividends	7,919,249	5,402,494
UK dividends	308,677	—
Stock lending income	348,924	241,918
Interest on Fokus Bank Reclaims	475,410	132,296
Total revenue	9,053,151	5,788,869

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

4. Expenses

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Payable to the ACD, associates of the ACD, and agents of either of them		
Administration charge	496	—
AMC fees*	3,425,965	3,701,981
General administration charge	388,935	381,551
Printing, postage, stationery and typesetting costs	9,659	14,738
Publishing	1,596	—
	3,826,651	4,098,270
Payable to the Depositary, associates of the Depositary and agents of either of them		
Safe custody fees	73,068	56,636
	73,068	56,636
Other expenses		
FCA fees	508	—
Professional fees	50,549	79,884
	51,057	79,884
Total expenses	3,950,776	4,234,790

* FCA fees and Audit fees of £7,550 + VAT for the year ended 28 February 2017 (2016: £7,375 + VAT) have been borne by the ACD out of its general administration charge.

5. Interest payable and similar charges

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Interest	105,216	23,089
Total interest payable and similar charges	105,216	23,089

6. Taxation

(a) Analysis of the tax credit in the year

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Overseas tax	(646,087)	(333,260)
Total taxation for the year (Note 6 (b))	(646,087)	(333,260)

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

6. Taxation (continued)

(b) Factors affecting tax credit for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open-ended investment company of 20% (2016: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Net revenue before taxation	4,997,159	1,530,990
Net revenue for the year multiplied by the standard rate of corporation tax	999,432	306,198
Effects of:		
Movement in excess management expenses	694,225	765,607
Overseas tax	(646,087)	(333,260)
Revenue not subject to corporation tax	(1,693,657)	(1,071,805)
Total tax credit for the year	(646,087)	(333,260)

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

The overseas tax balance includes Fokus Bank windfall receipts.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £3,071,772 (2016: £2,377,547) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

7. Finance costs

Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares, and comprise:

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Interim	1,488,809	1,065,684
Final	3,129,791	1,610,752
Add: Revenue paid on cancellation of Shares	1,425,075	225,000
Deduct: Revenue received on creation of Shares	(397,207)	(696,076)
Net distribution for the year	5,646,468	2,205,360
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	5,643,246	1,864,250
Equalisation on conversion of Shares	3,227	69,604
Net movement in revenue account	(5)	41
Revenue deficit	–	271,465
Net distribution for the year	5,646,468	2,205,360

Details of the distributions per Share are set out in the distribution tables on pages 78 and 79.

8. Debtors

	28/02/17 £	29/02/16 £
Accrued bank interest	32	83
Accrued revenue	118,972	27,796
Amounts receivable for creation of Shares	274,810	428,814
Overseas withholding tax recoverable	488,932	409,514
Sales awaiting settlement	1,549,643	6,370,921
Stock lending income	–	10,470
Prepaid expense	367	–
Total debtors	2,432,756	7,247,598

9. Cash and bank balances

	28/02/17 £	29/02/16 £
Cash and bank balances	8,979,826	6,510,631
Total cash and bank balances	8,979,826	6,510,631

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

10. Other creditors

	28/02/17	29/02/16
	£	£
Amounts payable for cancellation of Shares	784,069	461,558
Dilution adjustment payable	8,370	6,163
Purchases awaiting settlement	3,963,844	5,423,949
	4,756,283	5,891,670
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	240,024	288,527
Administration charge	496	–
General administration charge	26,376	34,124
Printing, postage, stationery and typesetting costs	1,817	675
Registration fees	1,269	2,100
Publishing	1,596	–
	271,578	325,426
<i>Depositary and Agents</i>		
Safe custody fees	43,607	58,937
Transaction charges	13,972	14,846
	57,579	73,783
<i>Other accrued expenses</i>		
Legal and professional fees	11,721	2,250
Overdraft interest	167	1,057
	11,888	3,307
Total other creditors	5,097,328	6,294,186

11. Bank overdrafts

	28/02/17	29/02/16
	£	£
Bank overdrafts	–	6,161,112
Total bank overdrafts	–	6,161,112

12. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

13. Share Classes

The Share Class and ACD's Annual Management Charges applicable to each Fund are as follows:

	%
Share Class A GBP Income	1.75
Share Class A GBP Accumulation	1.75
Share Class A EUR Accumulation	1.75
Share Class I GBP Income	0.75
Share Class I GBP Accumulation	0.75
Share Class I GBP Accumulation (Hedged)	0.75
Share Class I EUR Accumulation	0.75
Share Class R GBP Income	0.75
Share Class R GBP Accumulation	0.75

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	29/02/16	Issued	Cancelled	Converted	28/02/17
Share Class A GBP Income	687,695	85,817	(201,258)	(103,513)	468,741
Share Class A GBP Accumulation	26,056,050	1,548,186	(7,214,965)	(384,165)	20,005,106
Share Class A EUR Accumulation	970,989	191	(904,346)	–	66,834
Share Class I GBP Income	84,502,438	8,107,370	(32,056,235)	152,671	60,706,244
Share Class I GBP Accumulation	31,927,386	2,470,698	(15,064,644)	346,223	19,679,663
Share Class I GBP Accumulation (Hedged)	–	18,427,176	(1,701,154)	30,587	16,756,609
Share Class I EUR Accumulation	10,909,762	3,882,514	(5,482,517)	–	9,309,759
Share Class R GBP Income	8,846,011	1,178,095	(3,376,769)	4,458	6,651,795
Share Class R GBP Accumulation	46,772,927	4,691,627	(14,392,585)	85,645	37,157,614

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

14. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2016: nil).

15. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 14 to 17 of the report.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency assets	
	28/02/17	29/02/16
	£	£
Czech koruna	6,943,161	–
Danish krone	49,389,467	43,183,001
Euro	144,095,401	240,120,349
Hungarian forint	9,448,389	–
New Russian ruble	7,904	–
Norwegian krone	25,905,395	41,497,393
Polish zloty	4,457,915	–
Swedish krona	28,191,907	43
Swiss franc	5,146,127	8,221,929
Turkish lira	–	6,381,886
US dollar	26,232,829	52,174,792
Total foreign currency exposure	299,818,495	391,579,393
Sterling	20,660,174	1,651,830
Total net assets	320,478,669	393,231,223

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £27,256,227 (2016: decreased by £35,598,127). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £33,313,166 (2016: increased by £43,508,821). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

15. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
Currency Assets				
28/02/17				
Czech koruna	–	–	6,946,324	6,946,324
Danish krone	1	–	49,412,341	49,412,342
Euro	69	–	145,817,308	145,817,377
Hungarian forint	–	–	9,452,139	9,452,139
New Russian ruble	–	–	7,904	7,904
Norwegian krone	4	–	26,178,803	26,178,807
Polish zloty	–	–	4,459,215	4,459,215
Sterling	8,974,719	–	14,022,912	22,997,631
Swedish krona	46	–	28,191,861	28,191,907
Swiss franc	–	–	5,148,376	5,148,376
US dollar	4,987	–	28,274,568	28,279,555
Total	8,979,826	–	317,911,751	326,891,577
29/02/16				
Danish krone	–	–	43,183,001	43,183,001
Euro	6,502,341	–	239,080,951	245,583,292
Norwegian krone	4	–	41,498,136	41,498,140
Sterling	–	–	3,782,855	3,782,855
Swedish krona	43	–	–	43
Swiss franc	100	–	8,221,829	8,221,929
Turkish lira	2,131	–	12,132,859	12,134,990
US dollar	6,012	–	52,168,781	52,174,793
Total	6,510,631	–	400,068,412	406,579,043

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

15. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities (continued)

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Currency Liabilities				
28/02/17				
Czech koruna	—	—	3,164	3,164
Danish krone	—	—	22,874	22,874
Euro	—	—	1,714,828	1,714,828
Hungarian forint	—	—	3,751	3,751
Norwegian krone	—	—	273,412	273,412
Polish zloty	—	—	1,300	1,300
Sterling	—	—	2,344,606	2,344,606
Swiss franc	—	—	2,248	2,248
US dollar	—	—	2,046,725	2,046,725
Total	—	—	6,412,908	6,412,908
29/02/16				
Euro	38,994	—	5,423,949	5,462,943
Norwegian krone	747	—	—	747
Sterling	6,121,371	—	1,582,576	7,703,947
Turkish lira	—	—	180,183	180,183
Total	6,161,112	—	7,186,708	13,347,820

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market price risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following amounts. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the following amounts. These calculations have been applied to non-derivative securities only (see note 2(i) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

	Increase £	Decrease £
2017	31,546,245	31,546,245
2016	39,282,081	39,282,081

There was 97.86% leverage as at 28 February 2017, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

16. Portfolio transaction costs

	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
	£	£	£	£
Analysis of total purchase costs				
Purchases in the year before transaction costs:		791,453,671		384,749,576
Equities		791,453,671		384,749,576
Commissions - Equities	717,002		400,285	
Taxes - Equities	533,778		441,031	
Total purchase costs		1,250,780		841,316
Gross purchase total		792,704,451		385,590,892
Analysis of total sale costs				
Gross sales in the year before transaction costs:		888,846,275		312,504,710
Equities		888,846,275		312,504,710
Commissions - Equities	(856,520)		(327,084)	
Taxes - Equities	(3,219)		(678)	
Total sale costs		(859,739)		(327,762)
Total sales net of transaction costs		887,986,536		312,176,948

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****16. Portfolio transaction costs (continued)**

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/03/16 to 28/02/17 %	01/03/15 to 29/02/16 %
Transaction costs as percentage of principal amounts		
Purchases - Commissions		
Equities	0.0906%	0.1040%
Purchases - Taxes		
Equities	0.0674%	0.1146%
Sales - Commissions		
Equities	0.0964%	0.1047%
Sales - Taxes		
Equities	0.0004%	0.0002%
	01/03/16 to 28/02/17 %	01/03/15 to 29/02/16 %
Transaction costs as percentage of average net asset value		
Commissions	0.4343%	0.1996%
Taxes	0.1482%	0.1212%

At the balance sheet date the average portfolio dealing spread was 0.12% (2016: 0.17%).

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

17. Stock Lending

The Fund enters into stock lending arrangements with various counterparties. At the balance sheet date the bid value of securities on loan was £55,331,230 (2016: £67,782,486). The value of collateral held in respect of securities on loan was £58,362,082 (2016: £70,594,514).

Counterparty	28/02/17		29/02/16	
	Value of stock on loan	Collateral	Value of stock on loan	Collateral
	£	£	£	£
BNP Paribas Arbitrage SNC	4,574,245	4,795,409	2,572,054	2,568,567
CitiGroup Global Markets Inc	–	–	19,804	21,786
Credit Suisse Securities (Europe) Limited	310,692	320,233	1,171,551	1,236,556
Deutsche Bank AG	4,184,061	4,537,284	3,826,493	3,896,632
Goldman Sachs International	18,363,656	19,260,896	19,154,183	20,176,157
HSBC Bank Plc	2,715,884	2,828,528	465,385	490,656
JP Morgan Securities Plc	4,726,321	5,099,985	2,369,073	2,526,878
Merrill Lynch International	14,250,361	15,006,298	2,904,321	3,072,713
Morgan Stanley & Co. International Plc	2,031,457	2,075,650	13,919,356	14,206,607
Societe Generale SA	–	–	13,673,554	14,505,444
UBS AG	4,174,551	4,437,800	7,706,712	7,892,518
	55,331,230	58,362,082	67,782,486	70,594,514
Collateral by asset class				
Equities		18,004,024		22,707,967
Government bonds		10,773,016		31,274,045
Cash		29,585,042		16,612,502
		58,362,082		70,594,514
Analysis of stock lending income		01/03/16 to 28/02/17		01/03/15 to 29/02/16
Gross stock lending income		552,914		388,289
Fees paid to the ACD		(203,989)		(146,371)
		348,924		241,918

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

18. Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

19. Fair value disclosure

	28/02/17		29/02/16	
	Assets £	Liabilities £	Assets £	Liabilities £
Valuation technique				
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	315,462,446	–	392,820,814	–
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	16,549	(104,458)	–	(180,183)
Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability	–	–	–	–
	315,478,995	(104,458)	392,820,814	(180,183)

The valuation techniques and the ACD's policy is disclosed in note 1(h) on page 13.

Liabilities valued using observable market data are forward currency contracts which are valued using forward exchange rates.

Distribution Table

As at 28 February 2017

Interim Distribution in pence per Share

Group 1 Shares purchased prior to 1 March 2016

Group 2 Shares purchased on or after 1 March to 31 August 2016

	Net revenue #	Equalisation #	Distribution paid 31/10/16 #	Distribution paid 31/10/15 #
Share Class A GBP Income				
Group 1	0.4196	–	0.4196	0.2520
Group 2	0.0000	0.4196	0.4196	0.2520
Share Class A GBP Accumulation				
Group 1	0.8765	–	0.8765	0.5245
Group 2	0.0000	0.8765	0.8765	0.5245
Share Class A EUR Accumulation				
Group 1	0.4238	–	0.4238	0.2983
Group 2	0.0000	0.4238	0.4238	0.2983
Share Class I GBP Income				
Group 1	0.6723	–	0.6723	0.5080
Group 2	0.0000	0.6723	0.6723	0.5080
Share Class I GBP Accumulation				
Group 1	1.1916	–	1.1916	0.8933
Group 2	0.0000	1.1916	1.1916	0.8933
Share Class I GBP Accumulation (Hedged)				
Group 1	0.3842	–	0.3842	n/a
Group 2	0.1381	0.2461	0.3842	n/a
Share Class I EUR Accumulation				
Group 1	0.7010	–	0.7010	0.6111
Group 2	0.0000	0.7010	0.7010	0.6111
Share Class R GBP Income				
Group 1	0.7567	–	0.7567	0.5720
Group 2	0.0000	0.7567	0.7567	0.5720
Share Class R GBP Accumulation				
Group 1	0.7756	–	0.7756	0.5810
Group 2	0.0000	0.7756	0.7756	0.5810

Rates are disclosed in pence/cents depending on Share Class currency.

Share Class I GBP Accumulation (Hedged) launched on 7 April 2016.

Distribution Table (continued)
As at 28 February 2017
Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 September 2016

Group 2 Shares purchased on or after 1 September 2016 to 28 February 2017

	Net revenue #	Equalisation #	Distribution payable 30/04/17 #	Distribution paid 30/04/16 #
Share Class A GBP Income				
Group 1	0.5195	–	0.5195	0.0000
Group 2	0.0000	0.5195	0.5195	0.0000
Share Class A GBP Accumulation				
Group 1	1.0839	–	1.0839	0.0000
Group 2	0.0000	1.0839	1.0839	0.0000
Share Class A EUR Accumulation				
Group 1	0.5349	–	0.5349	0.0000
Group 2	0.0973	0.4376	0.5349	0.0000
Share Class I GBP Income				
Group 1	1.7723	–	1.7723	0.7540
Group 2	0.2368	1.5355	1.7723	0.7540
Share Class I GBP Accumulation				
Group 1	3.1468	–	3.1468	1.3255
Group 2	0.4661	2.6807	3.1468	1.3255
Share Class I GBP Accumulation (Hedged)				
Group 1	1.0435	–	1.0435	n/a
Group 2	0.1854	0.8581	1.0435	n/a
Share Class I EUR Accumulation				
Group 1	1.8440	–	1.8440	0.8452
Group 2	0.2241	1.6199	1.8440	0.8452
Share Class R GBP Income				
Group 1	1.9963	–	1.9963	0.8500
Group 2	0.2886	1.7077	1.9963	0.8500
Share Class R GBP Accumulation				
Group 1	2.0475	–	2.0475	0.8623
Group 2	0.4221	1.6254	2.0475	0.8623

Rates are disclosed in pence/cents depending on Share Class currency.

Share Class I GBP Accumulation (Hedged) launched on 7 April 2016.

Securities Financing Transactions (continued)

As at 28 February 2017

1) Global Data

Proportion of securities and commodities on loan	28/02/17	
	GBP	%
Total lendable assets excluding cash and cash equivalents:	260,652,893	
Securities and commodities on loan	55,331,230	21.23%
Assets engaged in SFTs and total return swaps	28/02/17	
	GBP	%
Fund assets under management (AUM)	320,478,669	
Absolute value of assets engaged in:		
Securities lending	55,331,230	17.27%

2) Concentration Data

Top 10 Collateral Issuers

Name and value of collateral and commodities received	28/02/17
	GBP
Cash Collateral	29,585,042
France, Republic of (Government)	4,948,993
United Kingdom of Great Britain and Northern Ireland (Government)	2,366,567
Germany, Federal Republic of (Government)	2,095,646
Netherlands, Kingdom of the (Government)	587,176
Red Electrica Corporacion SA	571,952
Sky PLC	560,941
Banco Santander SA	552,259
Eni SpA	543,703
Vodafone Group PLC	493,502

Top 10 Counterparties

Name and value of outstanding transactions	28/02/17
	GBP
Securities lending	
Goldman Sachs International	18,363,656
Merrill Lynch International	14,250,361
JP Morgan Securities PLC	4,726,321
BNP Paribas Arbitrage SNC	4,574,245
Deutsche Bank AG	4,184,061
UBS AG	4,174,551
HSBC Bank PLC	2,715,884
Morgan Stanley & Co International PLC	2,031,457
Credit Suisse Securities (Europe) LTD	310,692

Securities Financing Transactions (continued)

As at 28 February 2017

3) Aggregate Transaction Data***Type, Quality and Currency of Collateral***

			28/02/17
Type	Quality	Currencies	GBP
Securities lending			
Bonds	Investment Grade	Sterling	8,085,954
Bonds	Investment Grade	Euro	2,364,792
Bonds	Investment Grade	US dollar	319,587
Bonds	Investment Grade	Canadian dollar	2,684
Equity	Traded on Recognised Exchange	Euro	6,817,519
Equity	Traded on Recognised Exchange	Sterling	4,951,294
Equity	Traded on Recognised Exchange	US dollar	2,709,983
Equity	Traded on Recognised Exchange	Norwegian krone	140,000
Equity	Traded on Recognised Exchange	Canadian dollar	20,016
Equity	Traded on Recognised Exchange	Danish krone	222,408
Equity	Traded on Recognised Exchange	Swedish krona	320,248
Equity	Traded on Recognised Exchange	Swiss franc	134,370
Equity	Traded on Recognised Exchange	Japanese yen	1,430,437
Equity	Traded on Recognised Exchange	Hong Kong dollar	1,063,857
Equity	Traded on Recognised Exchange	Australian dollar	110,850
Equity	Traded on Recognised Exchange	Singapore dollar	83,040
Cash Collateral	Cash	Euro	29,585,042

Maturity Tenor of Collateral (remaining period to maturity)

Type 28/02/17	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open maturity	Total
Securities lending	29,585,042	0	449	6,007	1,747,003	9,019,557	18,004,024	58,362,082
	29,585,042	0	449	6,007	1,747,003	9,019,557	18,004,024	58,362,082

Counterparty details

Type	Countries of counterparty establishment	Settlement and clearing	28/02/17 GBP
Securities lending	Germany	Bi-lateral	1,114,294
Securities lending	Switzerland	Bi-lateral	74,321
Securities lending	United Kingdom	Bi-lateral	38,436,090
Securities lending	France	Tri-party	4,795,409
Securities lending	Germany	Tri-party	3,422,990
Securities lending	Switzerland	Tri-party	4,363,479
Securities lending	United Kingdom	Tri-party	6,155,499

Securities Financing Transactions (continued)

As at 28 February 2017

Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

Type 28/02/17	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open transactions	Total
Securities lending	0	0	0	0	0	0	55,331,230	55,331,230
	0	0	0	0	0	0	55,331,230	55,331,230

4) Re-use of Collateral

The Fund does not engage in re-use of collateral.

5) Safekeeping of Collateral Received

Names and value of custodians safekeeping collateral	28/02/17 GBP
Bank of New York	16,891
JP Morgan	18,720,486
Number of custodians safekeeping collateral	2

6) Safekeeping of Collateral Granted

The Fund does not borrow stock from counterparties; therefore, no collateral has been granted.

7) Return and Cost

	Collective Investment Undertaking GBP	Manager of Collective Investment Undertaking GBP	Third Parties (e.g. lending agent) GBP	Total GBP
Securities lending				
28/02/17				
Gross return	16,001	5,334	5,334	26,669
% of total gross return	60.00%	20.00%	20.00%	

Investment Manager's Report

For the year ended 28 February 2017

The FP Argonaut European Enhanced Income Fund will commence the termination process in due course and therefore there is no Investment Manager's Report.

Net Asset Value per Share and Comparative Table

As at 28 February 2017

Performance Record

	A GBP Income			A GBP Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	107.35	118.68	107.63	144.79	153.29	133.17
Return before operating charges*	(7.39)	(4.20)	17.23	(4.85)	(5.76)	23.29
Operating charges	(0.67)	(2.11)	(1.77)	(0.89)	(2.74)	(3.17)
Return after operating charges	(8.06)	(6.31)	15.46	(5.74)	(8.50)	20.12
Distributions	–	(5.02)	(4.41)	–	(6.52)	(6.65)
Retained distributions on accumulation Shares	–	–	–	–	6.52	6.65
Closing net asset value per Share	99.29	107.35	118.68	139.05	144.79	153.29
*after direct transaction costs of:	0.06	0.11	0.05	0.07	0.14	0.09
Performance						
Return after operating charges	(7.51%)	(5.32%)	14.36%	(3.96%)	(5.55%)	15.11%
Other information						
Closing net asset value	£0	£3,433,061	£6,870,900	£0	£7,220,371	£7,334,167
Closing number of Shares	0	3,197,941	5,789,598	0	4,986,922	4,784,466
Operating charges	1.70%	1.73%	1.75%	1.70%	1.73%	1.75%
Direct transaction costs	0.05%	0.09%	0.05%	0.05%	0.09%	0.05%
Prices						
Highest Share price	113.61	129.62	120.63	153.21	168.54	153.56
Lowest Share price	100.00	102.03	99.13	135.94	135.16	124.86

FP Argonaut European Enhanced Income Fund merged with Liontrust European Enhanced Income Fund on 8 July 2016.

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	A EUR Accumulation (Hedged)			I GBP Income		
	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	148.13	156.91	136.79	112.03	122.90	110.69
Return before operating charges*	(4.47)	(6.09)	24.36	(7.74)	(4.44)	18.24
Operating charges	(0.87)	(2.69)	(4.24)	(0.39)	(1.22)	(1.37)
Return after operating charges	(5.34)	(8.78)	20.12	(8.13)	(5.66)	16.87
Distributions	–	(6.53)	(5.87)	–	(5.21)	(4.66)
Retained distributions on accumulation Shares	–	6.53	5.87	–	–	–
Closing net asset value per Share	142.79	148.13	156.91	103.90	112.03	122.90
*after direct transaction costs of:	0.07	0.17	0.17	0.06	0.11	0.07
Performance						
Return after operating charges	(3.60%)	(5.61%)	14.71%	(7.26%)	(4.61%)	15.24%
Other information						
Closing net asset value	€0	€1,559,292	€976,057	£0	£61,505,923	£47,203,888
Closing number of Shares	0	1,052,685	622,054	0	54,902,423	38,408,972
Operating charges	1.73%	1.79%	1.75%	0.95%	0.98%	1.00%
Direct transaction costs	0.05%	0.11%	0.07%	0.05%	0.09%	0.05%
Prices						
Highest Share price	156.56	172.24	156.82	118.78	134.63	124.93
Lowest Share price	139.51	138.16	127.56	104.62	106.44	102.43

FP Argonaut European Enhanced Income Fund merged with Liontrust European Enhanced Income Fund on 8 July 2016.

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	I GBP Accumulation			I EUR Accumulation (Hedged)		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)
Change in net assets per Share						
Opening net asset value per Share	152.57	160.30	136.67	152.39	160.24	138.54
Return before operating charges*	(5.13)	(6.12)	26.39	(4.61)	(6.25)	24.74
Operating charges	(0.53)	(1.61)	(2.76)	(0.51)	(1.60)	(3.04)
Return after operating charges	(5.66)	(7.73)	23.63	(5.12)	(7.85)	21.70
Distributions	–	(6.84)	(7.01)	–	(6.68)	(5.96)
Retained distributions on accumulation Shares	–	6.84	7.01	–	6.68	5.96
Closing net asset value per Share	146.91	152.57	160.30	147.27	152.39	160.24
*after direct transaction costs of:	0.08	0.15	0.14	0.07	0.18	0.21
Performance						
Return after operating charges	(3.71%)	(4.82%)	17.29%	(3.36%)	(4.90%)	15.66%
Other information						
Closing net asset value	£0	£3,708,339	£946,222	€0	€119,110	€39,141
Closing number of Shares	0	2,430,564	590,299	0	78,160	24,427
Operating charges	0.95%	0.98%	1.00%	0.98%	1.04%	1.00%
Direct transaction costs	0.05%	0.09%	0.05%	0.05%	0.11%	0.07%
Prices						
Highest Share price	161.73	176.78	160.58	161.34	176.38	160.15
Lowest Share price	143.59	142.37	128.73	143.87	142.09	129.90

FP Argonaut European Enhanced Income Fund merged with Liontrust European Enhanced Income Fund on 8 July 2016.

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	R GBP Income			R GBP Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	132.48	145.33	130.95	153.39	161.18	139.11
Return before operating charges*	(9.16)	(5.23)	22.24	(5.17)	(6.17)	24.65
Operating charges	(0.46)	(1.44)	(2.31)	(0.53)	(1.62)	(2.58)
Return after operating charges	(9.62)	(6.67)	19.93	(5.70)	(7.79)	22.07
Distributions	–	(6.18)	(5.55)	–	(6.88)	(5.88)
Retained distributions on accumulation Shares	–	–	–	–	6.88	5.88
Closing net asset value per Share	122.86	132.48	145.33	147.69	153.39	161.18
*after direct transaction costs of:	0.07	0.13	0.12	0.08	0.15	0.13
Performance						
Return after operating charges	(7.26%)	(4.59%)	15.22%	(3.72%)	(4.83%)	15.87%
Other information						
Closing net asset value	£0	£24,510,542	£9,287,044	£0	£24,785,841	£15,859,434
Closing number of Shares	0	18,501,768	6,390,367	0	16,158,811	9,839,430
Operating charges	0.95%	0.98%	1.00%	0.95%	0.98%	1.00%
Direct transaction costs	0.05%	0.09%	0.05%	0.05%	0.09%	0.05%
Prices						
Highest Share price	140.45	159.22	147.75	161.92	177.72	161.46
Lowest Share price	123.71	125.87	121.26	143.75	143.13	131.04

FP Argonaut European Enhanced Income Fund merged with Liontrust European Enhanced Income Fund on 8 July 2016.

Performance Information

As at 28 February 2017

Operating Charges

Date	Total Operating Charge figures (%)
28/02/17	
Share Class A GBP	n/a
Share Class A EUR (Hedged)	n/a
Share Class I GBP	n/a
Share Class I EUR (Hedged)	n/a
Share Class R GBP	n/a
29/02/16	
Share Class A GBP	1.73
Share Class A EUR (Hedged)	1.79
Share Class I GBP	0.98
Share Class I EUR (Hedged)	1.04
Share Class R GBP	0.98

The Ongoing Charge Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Portfolio Statement

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
	Belgium 0.00% [4.27%]		
	Finland 0.00% [4.03%]		
	France 0.00% [10.62%]		
	Germany 0.00% [17.56%]		
	Greece 0.00% [0.00%]		
	Ireland 0.00% [2.42%]		
	Italy 0.00% [13.28%]		
	Luxembourg 0.00% [1.16%]		
	Netherlands 0.00% [3.52%]		
	Norway 0.00% [11.09%]		
	Portugal 0.00% [1.35%]		
	Spain 0.00% [4.05%]		
	Sweden 0.00% [11.72%]		
	Switzerland 0.00% [12.41%]		
	United Kingdom 0.00% [2.84%]		
	Forward Currency Contracts 0.00% [0.48%]		
	Option Contracts 0.00% [(0.12%)]		
	Portfolio of investments	0	0.00
	Net other assets	0	0.00
	Net assets	0	0.00

Comparative figures shown above in square brackets relate to 29 February 2016.

Gross purchases for the year: £7,588,317 [2016: £56,608,965] (See Note 16).

Total sales net of transaction costs for the year: £28,982,278 [2016: £7,442,141] (See Note 16).

Statement of Total Return

For the year ended 28 February 2017

	Note	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
		£	£	£	£
Income:					
Net capital losses	2		(8,491,766)		(11,937,956)
Revenue	3	4,908,346		4,857,771	
Expenses	4	(551,031)		(1,263,881)	
Interest payable and similar charges	5	(6,492)		(4,530)	
Net revenue before taxation		4,350,823		3,589,360	
Taxation	6	(226,515)		(215,082)	
Net revenue after taxation			4,124,308		3,374,278
Total return before distributions			(4,367,458)		(8,563,678)
Distributions	7		(4,626,877)		(4,530,838)
Change in net assets attributable to Shareholders from investment activities			(8,994,335)		(13,094,516)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2017

	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
	£	£	£	£
Opening net assets attributable to Shareholders		126,472,689		88,238,486
Residual balance payable to Liontrust European Enhanced Income Fund		(77,335)		
Inspecie transfer*		(109,701,587)		—
Amounts receivable on issue of Shares		12,166,257		71,893,880
Amounts payable on cancellation of Shares		(21,317,958)		(22,397,264)
		(9,151,701)		49,496,616
Dilution adjustment		(22,574)		233,284
Change in net assets attributable to Shareholders from investment activities (see above)		(8,994,335)		(13,094,516)
Retained distributions on accumulation Shares		1,474,843		1,598,819
Closing net assets attributable to Shareholders		—		126,472,689

* Amount due to Liontrust European Enhanced Income Fund.

Balance Sheet**As at 28 February 2017**

	Note	28/02/17 £	£	29/02/16 £	£
Assets:					
Fixed assets:					
Investments			–	127,554,730	
Current assets:					
Debtors	8	364,916		2,146,860	
Cash and bank balances	9	543,334		1,825,030	
Total current assets			908,250		3,971,890
Total assets			908,250		131,526,620
Liabilities:					
Investment liabilities			–	(226,956)	
Creditors:					
Bank overdrafts	11	(220)		(2,550,793)	
Distribution payable		7		(1,630,502)	
Other creditors	10	(908,037)		(645,680)	
Total creditors			(908,250)		(4,826,975)
Total liabilities			(908,250)		(5,053,931)
Net assets attributable to Shareholders			–		126,472,689

Notes to the Financial Statements

For the year ended 28 February 2017

1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 11, 12, 13 and 14.

2. Net capital losses

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
The net capital losses during the year comprise:		
Currency gains	476,203	3,425,514
Derivatives contract gains/(losses)	148,587	(211,469)
Forward currency contract losses	(10,883,631)	(11,471,595)
Non-derivative security gains/(losses)	1,771,438	(3,671,155)
Transaction charges	(4,363)	(9,251)
Net capital losses	(8,491,766)	(11,937,956)

3. Revenue

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Bank interest	1,211	11,667
Overseas dividends	4,785,998	4,066,569
UK dividends	—	229,099
Stock lending income	31,328	49,609
Option premium income	89,809	500,827
Total revenue	4,908,346	4,857,771

4. Expenses

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Payable to the ACD, associates of the ACD, and agents of either of them		
Administration charge	28,369	70,565
AMC fees*	377,410	1,006,698
General administration charge	51,675	124,008
Printing, postage, stationery and typesetting costs	4,646	17,097
	462,100	1,218,368
Payable to the Depositary, associates of the Depositary and agents of either of them		
Safe custody fees	4,360	11,535
	4,360	11,535
Other expenses		
Professional fees	11,546	33,978
Closure costs	73,025	—
	84,571	33,978
Total expenses	551,031	1,263,881

* FCA fees and Audit fees of £5,285 + VAT for the year ended 28 February 2017 (2016: £7,375 + VAT) have been borne by the ACD out of its general administration charge.

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

5. Interest payable and similar charges

	01/03/16 to 28/02/17	01/03/15 to 29/02/16
	£	£
Interest	6,492	4,530
Total interest payable and similar charges	6,492	4,530

6. Taxation

(a) Analysis of the tax charge in the year

	01/03/16 to 28/02/17	01/03/15 to 29/02/16
	£	£
Overseas tax	226,515	215,082
Total taxation for the year (Note 6 (b))	226,515	215,082

(b) Factors affecting tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open-ended investment company of 20% (2016: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/03/16 to 28/02/17	01/03/15 to 29/02/16
	£	£
Net revenue before taxation	4,350,823	3,589,360
Net revenue for the year multiplied by the standard rate of corporation tax	870,165	717,872
Effects of:		
Expenses not deductible for tax purposes	28,961	6,273
Movement in excess management expenses	60,512	126,973
Overseas tax	226,515	215,082
Revenue not subject to corporation tax	(956,253)	(848,051)
Overseas tax expensed	(3,385)	(3,067)
Total tax charge for the year	226,515	215,082

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

6. Taxation (continued)

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £453,815 (2016: £393,524) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

7. Finance costs

Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares, and comprise:

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Interims	4,306,805	3,046,265
Final	—	2,283,240
Add: Revenue paid on cancellation of Shares	517,961	346,048
Deduct: Revenue received on creation of Shares	(197,889)	(1,144,715)
Net distribution for the year	4,626,877	4,530,838
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	4,124,308	3,374,278
Equalisation on conversion of Shares	(1)	(9)
Expenses charged to capital	551,053	1,263,881
Net movement in revenue account	(41,284)	(51)
Tax relief from capital	(7,199)	(107,261)
Net distribution for the year	4,626,877	4,530,838

Details of the distributions per Share are set out in the distribution tables on pages 104 and 105.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

8. Debtors

	28/02/17	29/02/16
	£	£
Accrued bank interest	—	66
Amounts receivable for creation of Shares	9	495,876
Overseas withholding tax recoverable	364,907	251,805
Sales awaiting settlement	—	1,398,678
Stock lending income	—	435
Total debtors	364,916	2,146,860

9. Cash and bank balances

	28/02/17	29/02/16
	£	£
Cash and bank balances	220,272	1,502,629
Amount held at futures clearing houses and brokers	323,062	322,401
Total cash and bank balances	543,334	1,825,030

10. Other creditors

	28/02/17	29/02/16
	£	£
Amounts payable for cancellation of Shares	7	511,586
Dilution adjustment payable	—	685
Funds payable to Liontrust European Enhanced Income Fund	843,723	—
	843,730	512,271
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	—	81,550
Administration charge	—	13,105
General administration charge	(2)	11,251
Printing, postage, stationery and typesetting costs	—	675
Registration fees	2,343	2,100
Closure costs	60,285	—
	62,626	108,681
<i>Depositary and Agents</i>		
Safe custody fees	—	11,987
Transaction charges	—	9,966
	—	21,953
<i>Other accrued expenses</i>		
Legal and professional fees	1,681	2,250
Overdraft interest	—	525
	1,681	2,775
Total other creditors	908,037	645,680

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

11. Bank overdrafts

	28/02/17	29/02/16
	£	£
Bank overdrafts	—	2,550,593
Amounts overdrawn at futures clearing houses and brokers	220	200
Total bank overdrafts	220	2,550,793

12. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

13. Share Classes

The Share Class and ACD's Annual Management Charges applicable to each Fund are as follows:

	%
Share Class A GBP Income	1.50
Share Class A GBP Accumulation	1.50
Share Class A EUR Accumulation	1.50
Share Class I GBP Income	0.75
Share Class I GBP Accumulation	0.75
Share Class I EUR Accumulation	0.75
Share Class R GBP Income	0.75
Share Class R GBP Accumulation	0.75

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

13. Share Classes (continued)

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	29/02/16	Issued	Cancelled	Converted	28/02/17
Share Class A GBP Income	3,197,941	163,505	(3,207,662)	(153,784)	—
Share Class A GBP Accumulation	4,986,922	2,003,629	(6,965,025)	(25,526)	—
Share Class A EUR Accumulation	1,052,685	—	(1,052,685)	—	—
Share Class I GBP Income	54,902,423	2,844,456	(57,791,397)	44,518	—
Share Class I GBP Accumulation	2,430,564	132,852	(2,564,016)	600	—
Share Class I EUR Accumulation	78,160	—	(78,160)	—	—
Share Class R GBP Income	18,501,768	1,315,676	(19,904,360)	86,916	—
Share Class R GBP Accumulation	16,158,811	2,560,146	(18,742,453)	23,496	—

14. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2016: £1,309,876).

15. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 14 to 17 of the report.

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****15. Derivatives and other financial instruments (continued)****(a) Foreign currency risk**

The table below shows the foreign currency risk profile at the balance sheet date:

	Net foreign currency assets	
	28/02/17	29/02/16
Currency	£	£
Danish krone	—	7
Euro	200,558	778,589
Norwegian krone	—	120,427
Swedish krona	65,281	187,149
Swiss franc	99,253	365,198
Total foreign currency exposure	365,092	1,451,370
Sterling	(365,092)	125,021,319
Total net assets	—	126,472,689

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £33,190 (2016: decreased by £131,943). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £40,566 (2016: increased by £161,263). These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

15. Derivatives and other financial instruments (continued)**(b) Interest rate risk profile of financial assets and liabilities**

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	£
Currency Assets				
28/02/17				
Norwegian krone	1	—	65,280	65,281
Sterling	542,929	—	9	542,938
Swiss franc	404	—	98,849	99,253
Total	543,334	—	364,916	908,250
29/02/16				
Danish krone	7	—	—	7
Euro	231,096	—	79,424,979	79,656,075
Norwegian krone	36,610	—	14,183,362	14,219,972
Sterling	322,036	—	4,088,988	4,411,024
Swedish krona	1,032,122	—	14,913,908	15,946,030
Swiss franc	203,001	—	17,090,353	17,293,354
US dollar	158	—	—	158
Total	1,825,030	—	129,701,590	131,526,620

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

15. Derivatives and other financial instruments (continued)**(b) Interest rate risk profile of financial assets and liabilities (continued)**

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
28/02/17	£	£	£	£
Currency Liabilities				
Euro	220	—	—	220
Sterling	—	—	908,046	908,046
Total	220	—	908,046	908,266
29/02/16				
Euro	335	—	132,005	132,340
Norwegian krone	—	—	15,599	15,599
Sterling	2,550,458	—	2,280,412	4,830,870
Swedish krona	—	—	12,108	12,108
Swiss franc	—	—	63,013	63,013
US dollar	—	—	1	1
Total	2,550,793	—	2,503,138	5,053,931

Notes to the Financial Statements (continued)
For the year ended 28 February 2017

16. Portfolio transaction costs

	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
	£	£	£	£
Analysis of total purchase costs				
Purchases in the year before transaction costs:				
Equities		7,570,079		56,489,864
		7,570,079		56,489,864
Commissions - Equities	14,303		97,207	
Taxes - Equities	3,935		21,894	
Total purchase costs		18,238		119,101
Gross purchase total		7,588,317		56,608,965
Analysis of total sale costs				
Gross sales in the year before transaction costs:				
Equities		29,029,076		7,456,349
		29,029,076		7,456,349
Commissions - Equities	(46,797)		(13,906)	
Taxes - Equities	(1)		(302)	
Total sale costs		(46,798)		(14,208)
Total sales net of transaction costs		28,982,278		7,442,141

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****16. Portfolio transaction costs (continued)**

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/03/16 to 28/02/17 %	01/03/15 to 29/02/16 %
Transaction costs as percentage of principal amounts		
Purchases - Commissions		
Equities	0.1889%	0.1721%
Purchases - Taxes		
Equities	0.0520%	0.0388%
Sales - Commissions		
Equities	0.0343%	0.1865%
Sales - Taxes		
Equities	0.0000%	0.0041%
	01/03/16 to 28/02/17 %	01/03/15 to 29/02/16 %
Transaction costs as percentage of average net asset value		
Commissions	0.0475%	0.0945%
Taxes	0.0031%	0.0189%

At the balance sheet date the average portfolio dealing spread was nil (2016: 0.13%).

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****17. Stock Lending**

The Fund entered into stock lending arrangements with various counterparties. At the balance sheet date the bid value of securities on loan was £0 (2016: £22,015,554). The value of collateral held in respect of securities on loan was £0 (2016: £23,168,636).

	28/02/17		29/02/16	
	Value of stock on loan	Cash collateral	Value of stock on loan	Cash collateral
	£	£	£	£
Counterparty				
Citigroup Global Markets Inc	—	—	1,607,456	1,658,156
Credit Suisse Securities (Europe) Limited	—	—	6,616,975	6,956,649
Deutsche Bank AG	—	—	3,332,951	3,528,076
Goldman Sachs International	—	—	393,231	410,935
JP Morgan Securities Plc	—	—	1,964,407	2,083,088
Morgan Stanley & Co. International Plc	—	—	3,713,314	3,909,521
Societe Generale SA	—	—	3,054,278	3,220,289
UBS AG	—	—	1,332,942	1,401,922
	—	—	22,015,554	23,168,636
Collateral by asset class				
Equities		—		7,384,747
Government bonds		—		8,933,344
		—		16,318,091
Analysis of stock lending income		01/03/16 to 28/02/17		01/03/15 to 29/02/16
Gross stock lending income		—		76,991
Fees paid to the ACD		—		(27,382)
		—		49,609

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****18. Post Balance Sheet Events**

There are no post balance sheet events which require adjustment at the year end.

19. Fair value disclosure

	28/02/17		29/02/16	
	Assets	Liabilities	Assets	Liabilities
	£	£	£	£
Valuation technique				
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	–	–	126,906,708	–
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	–	–	648,022	(226,956)
Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability	–	–	–	–
	–	–	127,554,730	(226,956)

The valuation techniques and the ACD's policy is disclosed in note 1(h) on page 13.

Distribution Table**As at 28 February 2017****First Interim Distribution in pence per Share**

Group 1 Shares purchased prior to 1 March 2016

Group 2 Shares purchased on or after 1 March to 31 May 2016

	Net revenue #	Equalisation #	Distribution paid 15/07/16 #	Distribution paid 15/07/15 #
Share Class A GBP Income				
Group 1	0.8883	—	0.8883	0.8120
Group 2	0.0000	0.8883	0.8883	0.8120
Share Class A GBP Accumulation				
Group 1	1.1980	—	1.1980	1.0470
Group 2	0.0000	1.1980	1.1980	1.0470
Share Class A EUR Accumulation				
Group 1	1.2593	—	1.2593	1.0763
Group 2	1.2593	0.0000	1.2593	1.0763
Share Class I GBP Income				
Group 1	0.9281	—	0.9281	0.8416
Group 2	0.0000	0.9281	0.9281	0.8416
Share Class I GBP Accumulation				
Group 1	1.2639	—	1.2639	1.0957
Group 2	0.0558	1.2081	1.2639	1.0957
Share Class I EUR Accumulation				
Group 1	1.2969	—	1.2969	1.0971
Group 2	1.2969	0.0000	1.2969	1.0971
Share Class R GBP Income				
Group 1	1.0974	—	1.0974	0.9966
Group 2	0.0000	1.0974	1.0974	0.9966
Share Class R GBP Accumulation				
Group 1	1.2705	—	1.2705	1.1039
Group 2	0.0000	1.2705	1.2705	1.1039

Rates are disclosed in pence/cents depending on Share Class currency.

Distribution Table (continued)**As at 28 February 2017****Second Interim Distribution in pence per Share**

Group 1 Shares purchased prior to 1 June 2016

Group 2 Shares purchased on or after 1 June to 8 July 2016

	Net revenue #	Equalisation #	Distribution paid 08/09/16 #
Share Class A GBP Income			
Group 1	2.9994	–	2.9994
Group 2	0.1815	2.8179	2.9994
Share Class A GBP Accumulation			
Group 1	4.0476	–	4.0476
Group 2	0.1690	3.8786	4.0476
Share Class A EUR Accumulation			
Group 1	3.7657	–	3.7657
Group 2	3.7657	0.0000	3.7657
Share Class I GBP Income			
Group 1	3.1336	–	3.1336
Group 2	0.2055	2.9281	3.1336
Share Class I GBP Accumulation			
Group 1	4.2707	–	4.2707
Group 2	0.3653	3.9054	4.2707
Share Class I EUR Accumulation			
Group 1	3.8827	–	3.8827
Group 2	3.8827	0.0000	3.8827
Share Class R GBP Income			
Group 1	3.7063	–	3.7063
Group 2	0.2325	3.4738	3.7063
Share Class R GBP Accumulation			
Group 1	4.2937	–	4.2937
Group 2	0.1814	4.1123	4.2937

Rates are disclosed in pence/cents depending on Share Class currency.

At the period end, there was no distribution as revenue was distributed to investors at closure date of 8 July 2016.

Investment Manager's Report

For the year ended 28 February 2017

The FP Argonaut European Income Fund will commence the termination process in due course and therefore there is no Investment Manager's Report.

Net Asset Value per Share and Comparative Table

As at 28 February 2017

Performance Record

	A GBP Income			A GBP Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	102.37	109.32	107.74	169.42	171.18	161.93
Return before operating charges*	4.30	0.74	7.75	13.15	1.10	11.93
Operating charges	(0.70)	(1.80)	(1.76)	(1.16)	(2.86)	(2.68)
Return after operating charges	3.60	(1.06)	5.99	11.99	(1.76)	9.25
Distributions	–	(5.89)	(4.41)	–	(9.27)	(6.65)
Retained distributions on accumulation Shares	–	–	–	–	9.27	6.65
Closing net asset value per Share	105.97	102.37	109.32	181.41	169.42	171.18
* after direct transaction costs of:	0.02	0.04	0.06	0.04	0.06	0.09
Performance						
Return after operating charges	3.52%	(0.97%)	5.56%	7.08%	(1.03%)	5.71%
Other information						
Closing net asset value	£0	£27,940,142	£46,102,725	£0	£15,169,599	£27,810,941
Closing number of Shares	0	27,292,053	42,173,876	0	8,953,975	16,246,750
Operating charges	1.83%	1.64%	1.65%	1.83%	1.64%	1.65%
Performance fee						
Direct transaction costs	0.02%	0.03%	0.06%	0.02%	0.03%	0.06%
Prices						
Highest Share price	114.02	117.55	111.67	195.19	184.07	171.79
Lowest Share price	102.02	97.53	95.97	169.09	158.38	146.71

FP Argonaut European Income Fund merged with Liontrust European Income Fund on 8 July 2016.

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	A EUR Accumulation			I GBP Income		
	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	148.96	161.66	134.66	109.76	116.30	113.84
Return before operating charges*	(0.32)	(10.24)	29.52	4.60	0.78	8.14
Operating charges	(0.79)	(2.46)	(2.52)	(0.44)	(1.04)	(1.02)
Return after operating charges	(1.11)	(12.70)	27.00	4.16	(0.26)	7.12
Distributions	–	(8.59)	(5.87)	–	(6.28)	(4.66)
Retained distributions on accumulation Shares	–	8.59	5.87	–	–	–
Closing net asset value per Share	147.85	148.96	161.66	113.92	109.76	116.30
* after direct transaction costs of:	0.03	0.07	0.12	0.02	0.04	0.07
Performance						
Return after operating charges	(0.75%)	(7.86%)	20.05%	3.79%	(0.22%)	6.25%
Other information						
Closing net asset value	€0	€144,471	€10,715	£0	£54,071,113	£69,354,481
Closing number of Shares	0	96,989	6,628	0	49,264,165	59,633,243
Operating charges	1.83%	1.64%	1.65%	1.08%	0.89%	0.90%
Performance fee						
Direct transaction costs	0.02%	0.04%	0.08%	0.02%	0.03%	0.06%
Prices						
Highest Share price	158.80	175.83	161.77	122.67	125.18	118.24
Lowest Share price	143.69	138.53	126.11	109.62	104.51	101.88

FP Argonaut European Income Fund merged with Liontrust European Income Fund on 8 July 2016.

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	I GBP Accumulation			I EUR Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (c)	29/02/16 (c)	28/02/15 (c)
Change in net assets per Share						
Opening net asset value per Share	180.89	181.42	170.33	153.11	164.94	136.38
Return before operating charges*	14.07	1.12	12.63	(1.36)	(10.44)	29.96
Operating charges	(0.73)	(1.65)	(1.54)	(0.47)	(1.39)	(1.40)
Return after operating charges	13.34	(0.53)	11.09	(1.83)	(11.83)	28.56
Distributions	–	(9.85)	(7.01)	–	(8.81)	(5.96)
Retained distributions on accumulation Shares	–	9.85	7.01	–	8.81	5.96
Closing net asset value per Share	194.23	180.89	181.42	151.28	153.11	164.94
* after direct transaction costs of:	0.04	0.06	0.10	0.03	0.07	0.12
Performance						
Return after operating charges	7.37%	(0.29%)	6.51%	(1.20%)	(7.17%)	20.94%
Other information						
Closing net asset value	£0	£1,128,318	£2,207,350	€0	€373,842	€322,347
Closing number of Shares	0	623,770	1,216,724	0	244,159	195,428
Operating charges	1.08%	0.89%	0.90%	1.08%	0.89%	0.90%
Performance fee						
Direct transaction costs	0.02%	0.03%	0.06%	0.02%	0.04%	0.08%
Prices						
Highest Share price	209.14	195.23	182.06	163.40	179.91	165.06
Lowest Share price	180.85	169.06	155.05	148.07	142.35	128.34

FP Argonaut European Income Fund merged with Liontrust European Income Fund on 8 July 2016.

Net Asset Value per Share and Comparative Table (continued)

As at 28 February 2017

Performance Record (continued)

	R GBP Income			R GBP Accumulation		
	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)	28/02/17 (p)	29/02/16 (p)	28/02/15 (p)
Change in net assets per Share						
Opening net asset value per Share	131.10	138.91	135.84	152.19	152.61	143.28
Return before operating charges*	5.50	0.91	9.83	11.82	0.96	10.62
Operating charges	(0.53)	(1.23)	(1.21)	(0.61)	(1.38)	(1.29)
Return after operating charges	4.97	(0.32)	8.62	11.21	(0.42)	9.33
Distributions	–	(7.49)	(5.55)	–	(8.28)	(5.88)
Retained distributions on accumulation Shares	–	–	–	–	8.28	5.88
Closing net asset value per Share	136.07	131.10	138.91	163.40	152.19	152.61
* after direct transaction costs of:	0.03	0.05	0.08	0.03	0.05	0.08
Performance						
Return after operating charges	3.79%	(0.23%)	6.35%	7.37%	(0.28%)	6.51%
Other information						
Closing net asset value	£0	£46,583,311	£23,394,009	£0	£16,579,725	£11,026,052
Closing number of Shares	0	35,532,131	16,841,378	0	10,894,290	7,225,003
Operating charges	1.08%	0.89%	0.90%	1.08%	0.89%	0.90%
Performance fee						
Direct transaction costs	0.02%	0.03%	0.06%	0.02%	0.03%	0.06%
Prices						
Highest Share price	141.27	149.48	141.21	164.95	164.23	153.15
Lowest Share price	130.39	124.84	121.58	151.51	142.22	130.43

FP Argonaut European Income Fund merged with Liontrust European Income Fund on 8 July 2016.

Performance Information

As at 28 February 2017

Operating Charges

Date	Total Operating Charge figures (%)
28/02/17	
Share Class A	n/a
Share Class I	n/a
Share Class R	n/a
29/02/16	
Share Class A	1.64
Share Class I	0.89
Share Class R	0.89

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

FP Argonaut European Income Fund merged with Liontrust European Income Fund on 8 July 2016.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Portfolio Statement

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
	Finland 0.00% [3.27%]		
	France 0.00% [17.75%]		
	Germany 0.00% [20.74%]		
	Ireland 0.00% [3.32%]		
	Italy 0.00% [12.46%]		
	Luxembourg 0.00% [1.68%]		
	Netherlands 0.00% [0.99%]		
	Norway 0.00% [8.01%]		
	Portugal 0.00% [1.31%]		
	Spain 0.00% [4.03%]		
	Sweden 0.00% [14.63%]		
	Switzerland 0.00% [11.61%]		
	Portfolio of investments	0	0.00
	Net other assets	0	0.00
	Net assets	0	0.00

Comparative figures shown above in square brackets relate to 29 February 2016.

Gross purchases for the year: £5,910,531 [2016: £14,453,500] (See Note 16).

Total sales net of transaction costs for the year: £13,401,162 [2016: £23,278,646] (See Note 16).

Statement of Total Return

For the year ended 28 February 2017

	Note	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
		£	£	£	£
Income:					
Net capital gains/(losses)	2		6,733,225		(8,354,027)
Revenue	3	6,243,611		7,582,432	
Expenses	4	(835,513)		(2,021,792)	
Interest payable and similar charges	5	(9,298)		(10,510)	
Net revenue before taxation		5,398,800		5,550,130	
Taxation	6	(417,576)		2,115,415	
Net revenue after taxation			4,981,224		7,665,545
Total return before distributions			11,714,449		(688,482)
Distributions	7		(5,762,388)		(9,512,306)
Change in net assets attributable to Shareholders from investment activities			5,952,061		(10,200,788)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2017

	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
	£	£	£	£
Opening net assets attributable to Shareholders		161,876,322		180,137,294
Residual balance payable to Liontrust European Income Fund		(32,975)		
Inspecie transfer*		(162,505,316)		—
Amounts receivable on issue of Shares	6,873,883		20,271,308	
Amounts payable on cancellation of Shares	(13,323,808)		(30,216,061)	
		(6,449,925)		(9,944,753)
Dilution adjustment		(29,271)		(39,227)
Change in net assets attributable to Shareholders from investment activities (see above)		5,952,061		(10,200,788)
Retained distributions on accumulation Shares		1,189,104		1,923,756
Unclaimed distributions		—		40
Closing net assets attributable to Shareholders		—		161,876,322

*Amount due to Liontrust European Income Fund

Balance Sheet**As at 28 February 2017**

	Note	28/02/17		29/02/16	
		£	£	£	£
Assets:					
Fixed assets:					
Investments			–	161,547,130	
Current assets:					
Debtors	8	478,805		706,246	
Cash and bank balances	9	95,651		4,128,374	
Total current assets			574,456		4,834,620
Total assets			574,456		166,381,750
Liabilities:					
Creditors:					
Bank overdrafts	11	–		(1,133,031)	
Distribution payable		–		(2,438,917)	
Other creditors	10	(574,456)		(933,480)	
Total creditors			(574,456)		(4,505,428)
Total liabilities			(574,456)		(4,505,428)
Net assets attributable to Shareholders			–		161,876,322

Notes to the Financial Statements

For the year ended 28 February 2017

1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 11, 12, 13 and 14.

2. Net capital gains/(losses)

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
The net capital gains/(losses) during the year comprise:		
Currency (losses)/gains	(248,532)	105,561
Forward currency contract gains	299	–
Non-derivative security gains/(losses)	6,982,638	(8,457,834)
Transaction charges	(1,180)	(1,754)
Net capital gains/(losses)	6,733,225	(8,354,027)

3. Revenue

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Bank interest	708	4,663
Overseas dividends	6,234,371	6,864,192
Stock lending income	8,532	91,863
Interest on Fokus Bank Reclaims	–	621,714
Total revenue	6,243,611	7,582,432

4. Expenses

	01/03/16 to 29/02/17 £	01/03/15 to 29/02/16 £
Payable to the ACD, associates of the ACD, and agents of either of them		
AMC fees	557,741	1,778,973
General administration charge	67,009	181,436
Printing, postage, stationery and typesetting costs	5,959	18,317
Registration fees	12,170	2,100
	642,879	1,980,826
Payable to the Depositary, associates of the Depositary and agents of either of them		
Safe custody fees	5,450	17,483
	5,450	17,483
Other expenses		
Professional fees	106,343	23,483
Closure costs	80,841	–
	187,184	23,483
Total expenses	835,513	2,021,792

* FCA fees and Audit fees of £5,285 (+ VAT) for the year ended 28 February 2017 (2016: £7,375 + VAT) have been borne by the ACD out of its periodic charge.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

5. Interest payable and similar charges

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Interest	9,298	10,510
Total interest payable and similar charges	9,298	10,510

6. Taxation

(a) Analysis of the tax charge/(credit) in the year

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Overseas tax	417,576	(2,115,415)
Total taxation for the year (Note 6 (b))	417,576	(2,115,415)

The overseas tax balance includes Fokus Bank windfall receipts.

(b) Factors affecting tax charge/(credit) for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open-ended investment company of 20% is applied to the net revenue before taxation. The differences are explained below:

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Net revenue before taxation	5,398,800	5,550,130
Net revenue for the year multiplied by the standard rate of corporation tax	1,079,760	1,110,026
Effects of:		
Expenses not deductible for tax purposes	16,060	22,856
Movement in excess management expenses	106,537	192,853
Overseas tax	417,575	(2,115,415)
Revenue not subject to corporation tax	(1,198,163)	(1,321,939)
Overseas tax expensed	(4,193)	(3,796)
Total tax charge/(credit) for the year	417,576	(2,115,415)

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,680,887 (2016: £1,574,349) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

7. Finance costs

Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares, and comprise:

	01/03/16 to 28/02/17 £	01/03/15 to 29/02/16 £
Interim	5,591,656	6,269,806
Final	–	3,042,704
Add: Revenue paid on cancellation of Shares	265,889	682,976
Deduct: Revenue received on creation of Shares	(95,157)	(483,180)
Net distribution for the year	5,762,388	9,512,306
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	4,981,224	7,665,545
Equalisation on conversion of Shares	(6)	(1,572)
Expenses charged to capital	835,545	2,021,792
Net movement in revenue account	(26,139)	4
Tax relief from capital	(28,236)	(173,463)
Net distribution for the year	5,762,388	9,512,306

Details of the distributions per Share are set out in the distribution tables on pages 124 and 125.

8. Debtors

	28/02/17 £	29/02/16 £
Accrued bank interest	–	45
Amounts receivable for creation of Shares	(5)	154,125
Overseas withholding tax recoverable	478,809	467,052
Sales awaiting settlement	–	54,973
Stock lending income	–	30,051
Prepaid expense	1	–
Total debtors	478,805	706,246

9. Cash and bank balances

	28/02/17 £	29/02/16 £
Cash and bank balances	95,651	4,128,374
Total cash and bank balances	95,651	4,128,374

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

10. Other creditors

	28/02/17	29/02/16
	£	£
Amounts payable for cancellation of Shares	4	764,255
Dilution adjustment payable	5,074	6,052
Funds payable to Liontrust European Income Fund	497,117	–
	502,195	770,307
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	–	122,147
General administration charge	–	14,470
Printing, postage, stationery and typesetting costs	–	675
Registration fees	4,023	2,100
	4,023	139,392
<i>Depositary and Agents</i>		
Depositary fees	–	18,930
Safe custody fees	–	1,975
Expense buffer	68,204	–
	68,204	20,905
<i>Other accrued expenses</i>		
Legal and professional fees	–	2,250
Overdraft interest	–	626
Performance fees	34	–
	34	2,876
Total other creditors	574,456	933,480

11. Bank overdrafts

	28/02/17	29/02/16
	£	£
Bank overdrafts	–	1,133,031
Total bank overdrafts	–	1,133,031

12. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the year end.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

13. Share Classes

The Share Class and ACD's Annual Management Charges applicable to each Fund are as follows:

	%
Share Class A GBP Income	1.50
Share Class A GBP Accumulation	1.50
Share Class A EUR Accumulation	1.50
Share Class I GBP Income	0.75
Share Class I GBP Accumulation	0.75
Share Class I EUR Accumulation	0.75
Share Class R GBP Income	0.75
Share Class R GBP Accumulation	0.75

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	29/02/16	Issued	Cancelled	Converted	28/02/17
Share Class A GBP Income	27,292,053	85,606	(26,558,009)	(819,650)	—
Share Class A GBP Accumulation	8,953,975	145,924	(8,920,964)	(178,935)	—
Share Class A EUR Accumulation	96,989	—	(96,989)	—	—
Share Class I GBP Income	49,264,165	688,018	(50,055,080)	102,897	—
Share Class I GBP Accumulation	623,770	725	(638,234)	13,739	—
Share Class I EUR Accumulation	244,159	371,110	(615,269)	—	—
Share Class R GBP Income	35,532,131	2,820,965	(38,906,695)	553,599	—
Share Class R GBP Accumulation	10,894,290	977,272	(12,054,343)	182,781	—

14. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2016: £4,027,870).

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

15. Derivatives and other financial instruments

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

Currency	Net foreign currency assets	
	28/02/17	29/02/16
	£	£
Danish krone	5,312	4,834
Euro	210,272	110,271,680
Norwegian krone	59,372	13,028,905
Swedish korona	–	23,676,400
Swiss franc	203,852	19,134,600
Total foreign currency exposure	478,808	166,116,419
Sterling	(478,808)	(4,240,097)
Total net assets	–	161,876,322

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £43,528 (2016: decreased by £15,101,493). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £53,201 (2016: increased by £18,457,380). These calculations assume all other variables remain constant.

(b) Interest rate risk profile of financial assets and liabilities

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£	£	£	£
Currency Assets				
28/02/17				
Danish krone	–	–	5,312	5,312
Euro currency	–	–	210,269	210,269
Norwegian krone	–	–	59,372	59,372
Sterling	95,651	–	–	95,651
Swedish korona	–	–	–	–
Swiss franc	–	–	203,852	203,852
Total	95,651	–	478,805	574,456
29/02/16				
Danish krone	1	–	4,833	4,834
Euro	4,020,609	–	106,251,071	110,271,680
Norwegian krone	802	–	13,028,103	13,028,905
Sterling	–	–	265,331	265,331
Swedish krona	1,605	–	23,674,795	23,676,400
Swiss franc	105,356	–	19,029,244	19,134,600
Total	4,128,373	–	162,253,377	166,381,750

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

15. Derivatives and other financial instruments (continued)

(b) Interest rate risk profile of financial assets and liabilities (continued)

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Financial liabilities not carrying interest £	Total £
Currency Liabilities				
28/02/17				
Sterling	–	–	574,456	574,456
Total	–	–	574,456	574,456
29/02/16				
Sterling	1,133,031	–	3,372,397	4,505,428
Total	1,133,031	–	3,372,397	4,505,428

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

16. Portfolio transaction costs

	01/03/16 to 28/02/17		01/03/15 to 29/02/16	
	£	£	£	£
Analysis of total purchase costs				
Purchases in the year before transaction costs:				
Equities		5,895,331		14,430,625
		5,895,331		14,430,625
Commissions - Equities	11,790		21,995	
Taxes - Equities	3,410		880	
Total purchase costs		15,200		22,875
Gross purchase total		5,910,531		14,453,500
Analysis of total sale costs				
Gross sales in the year before transaction costs:				
Equities		13,421,732		23,316,784
		13,421,732		23,316,784
Commissions - Equities	(20,570)		(38,137)	
Taxes - Equities	–		(1)	
Total sale costs		(20,570)		(38,138)
Total sales net of transaction costs		13,401,162		23,278,646

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the year.

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****16. Portfolio transaction costs (continued)**

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

	01/03/16 to 28/02/17 %	01/03/15 to 29/02/16 %
Transaction costs as percentage of principal amounts		
Purchases - Commissions		
Equities	0.2000%	0.1524%
Purchases - Taxes		
Equities	0.0578%	0.0061%
Sales - Commissions		
Equities	0.0118%	0.1636%
Sales - Taxes		
Equities	0.0000%	0.0000%
	01/03/16 to 28/02/17 %	01/03/15 to 29/02/16 %
Transaction costs as percentage of average net asset value		
Commissions	0.0194%	0.0344%
Taxes	0.0020%	0.0005%

At the balance sheet date the average portfolio dealing spread was 0.00% (2016: 0.10%).

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

17. Stock Lending

The Fund enters into stock lending arrangements with various counterparties. At the balance sheet date the bid value of securities on loan was £0 (2016: £16,266,140). The value of collateral held in respect of securities on loan was £0 (2016: £17,114,703).

Counterparty	28/02/17		29/02/16	
	Value of stock on loan	Cash collateral	Value of stock on loan	Cash collateral
	£	£	£	£
Citigroup Global Markets Inc	—	—	127,078	131,086
Credit Suisse Securities (Europe) Limited	—	—	4,682,349	4,928,281
Deutsche Bank AG	—	—	3,989,523	4,206,852
Goldman Sachs International	—	—	2,967,206	3,103,481
Morgan Stanley & Co. International Plc	—	—	2,697,589	2,845,093
Societe Generale SA	—	—	1,705,087	1,797,676
UBS AG	—	—	97,308	102,234
	—	—	16,266,140	17,114,703
Collateral by asset class				
Equities		—		2,032,484
Government bonds		—		10,958,373
		—		12,990,857
Analysis of stock lending income		01/03/16 to 28/02/17		01/03/15 to 29/02/16
Gross stock lending income		—		187,559
Fees paid to the ACD		—		(95,696)
		—		91,863

18. Post Balance Sheet Events

There are no post balance sheet events which require adjustment at the year end.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

19. Fair value disclosure

	28/02/17		29/02/16	
	Assets £	Liabilities £	Assets £	Liabilities £
Valuation technique				
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	—	—	161,547,130	—
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	—	—	—	—
Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability	—	—	—	—
	—	—	161,547,130	—

The valuation techniques and the ACD's policy is disclosed in note 1(h) on page 13.

Distribution Table

As at 28 February 2017

First Interim Distribution in pence per Share

Group 1 Shares purchased prior to 1 March 2016

Group 2 Shares purchased on or after 1 March to 31 May 2016

	Net revenue #	Equalisation #	Distribution paid 15/08/16 #	Distribution paid 15/08/15 #
Share Class A GBP Income				
Group 1	0.8057	—	0.8057	0.7569
Group 2	0.0000	0.8057	0.8057	0.7569
Share Class A GBP Accumulation				
Group 1	1.3330	—	1.3330	1.1855
Group 2	0.0000	1.3330	1.3330	1.1855
Share Class A EUR Accumulation				
Group 1	1.1974	—	1.1974	1.1240
Group 2	1.1974	0.0000	1.1974	1.1240
Share Class I GBP Income				
Group 1	0.8647	—	0.8647	0.8060
Group 2	0.0000	0.8647	0.8647	0.8060
Share Class I GBP Accumulation				
Group 1	1.4249	—	1.4249	1.2578
Group 2	1.2639	0.1610	1.4249	1.2578
Share Class I EUR Accumulation				
Group 1	1.2286	—	1.2286	1.1530
Group 2	0.0155	1.2131	1.2286	1.1530
Share Class R GBP Income				
Group 1	1.0322	—	1.0322	0.9614
Group 2	0.0000	1.0322	1.0322	0.9614
Share Class R GBP Accumulation				
Group 1	1.1979	—	1.1979	1.0572
Group 2	0.5385	0.6594	1.1979	1.0572

Rates are disclosed in pence/cents depending on Share Class currency.

Distribution Table (continued)**As at 28 February 2017****Second Interim Distribution in pence per Share**

Group 1 Shares purchased prior to 1 June 2016

Group 2 Shares purchased on or after 1 June to 8 July 2016

	Net revenue #	Equalisation #	Distribution paid 08/09/16 #
Share Class A GBP Income			
Group 1	2.8423	—	2.8423
Group 2	0.1943	2.6480	2.8423
Share Class A GBP Accumulation			
Group 1	4.7074	—	4.7074
Group 2	0.4714	4.2360	4.7074
Share Class A EUR Accumulation			
Group 1	3.7843	—	3.7843
Group 2	3.7843	0.0000	3.7843
Share Class I GBP Income			
Group 1	3.0509	—	3.0509
Group 2	0.1481	2.9028	3.0509
Share Class I GBP Accumulation			
Group 1	5.0325	—	5.0325
Group 2	0.3724	4.6601	5.0325
Share Class I EUR Accumulation			
Group 1	3.8852	—	3.8852
Group 2	0.0000	3.8852	3.8852
Share Class R GBP Income			
Group 1	3.6428	—	3.6428
Group 2	0.3068	3.3360	3.6428
Share Class R GBP Accumulation			
Group 1	4.2317	—	4.2317
Group 2	0.2447	3.9870	4.2317

Rates are disclosed in pence/cents depending on Share Class currency.

At the period end, there will be no distribution as revenue was distributed to investor as closure date of 8 July 2016.

Investment Manager's Report

For the year ended 28 February 2017

Investment Objective

The Fund aims to provide an income in excess of the yield of the MSCI Europe ex UK Index, with long term capital growth.

Investment Policy

The Fund will invest in a concentrated portfolio of approximately 30-60 stocks. The Fund will invest predominantly in securities of companies incorporated in Europe (including up to 5% in UK companies).

The Fund may also invest in companies that are headquartered or quoted outside Europe which derive a significant part of their business from Europe and whose securities are listed or traded on an eligible securities or derivatives exchange. The Fund may also invest in emerging European markets including Russia and Eastern Europe.

The Fund is not constrained by any index weightings and will not concentrate on any particular country, sector or market capitalisation.

To aid liquidity, the Fund also has the ability to invest in assets such as American Depositary Receipts and Global Depositary Receipts.

The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments and deposits.

The Fund may make use of derivatives and forward transactions for the purposes of investment and for efficient portfolio management, including the use of hedging techniques and stock lending.

Performance of the Fund

The Fund was launched 30 December 2016 with the first live pricing date 3 January 2017. The Fund has returned 0.01% over the period.¹ Key contributors to performance have been Oriflame (+33%), Rai Way (+19%) and OCI (+8%). Main detractors to performance were Norilsk Nickel (-8%), Generali (-13%) and Norway Royal Salmon (-11%).²

Investment Review

The Fund was launched on 30 December 2016 and was fully invested by 3 January 2017. The Fund aims to deliver a yield comfortably ahead of the market by investing in companies where we believe there is scope for positive dividend surprise, primarily as a function of their underlying earnings / free cash flow profile. Importantly the capacity for dividend growth should be well above inflation. Typically the Fund will be buying companies that are in out of favour areas of the market or perhaps just overlooked- creating opportunities for the Fund to lock in attractive yields as well as the potential to generate capital returns. As at the end of February the gross underlying forecast yield for the portfolio was 5.4% versus the market's 3.4%, with a PE of 12x versus the market's 15x.²

During the two month period (to end February 2017) which this report covers the Fund had key overweight positions in Financials (primarily banks), Utilities and Telecoms. The key underweight positions were Healthcare, Energy, IT and Industrials. This positioning is a clear function of where we believe the most attractive yield and positive dividend surprise stocks are to be found. Our largest active stock positions were OCI (a Dutch-based global fertilizer and chemical business); Uniper (a German power generation utility); PostNL (the Dutch postal and logistics company); Norilsk Nickel (a Russian mining company listed in London); and ABN AMRO (Dutch retail bank).

Investment Manager's Report (continued)

For the year ended 28 February 2017

Investment Review (continued)

In terms of performance during the period the main positive contributors were Oriflame (Swedish cosmetics company, up 33%); Intl Consolidated Airlines (the owner of British Airways and Iberia, up 20%); Rai Way (Italian broadcast tower company, up 19%) and OCI (previously mentioned, up 8%).² On a sector basis, Banks, Consumer Staples, Energy (having a zero weight), and Industrials contributed positively. The largest negative contributor to performance was "cash" as the Fund was only invested on 3 January and so did not participate in the c.1% positive move in the market from 30 December to 3 January. Outside of this our significant underweight in Healthcare (zero) and IT detracted from performance. In Financials we had negative contributions from insurance and diversified financials.

Outlook

In terms of the outlook, 2017 has started far differently than any of the previous five years, in that the market and indeed every sector within the market, has seen earnings upgrades. Unlike bonds, equities are able to offer an increasing level of income commensurate with the rise in corporate profits. Such a backdrop then is positive for the outlook for dividend growth in Europe.

The Fund continues to focus on those areas and companies in the market whose dividend potential is underestimated. Indeed as at the end of the first quarter, the stocks in the portfolio had seen their dividends upgraded by 8% for this year. We look forward to the year ahead.

¹Lipper, (30/12/16-28/02/2017), FP Argonaut European Income Opportunities Fund R Acc, mid to mid, net taxes and income reinvested.

²Bloomberg, 28/02/2017

Investment Manager

Greg Bennett

Argonaut Capital Partners LLP

10 April 2017

Net Asset Value per Share and Comparative Table

As at 28 February 2017

Performance Record

	R GBP Income 28/02/17 (p)	R GBP Accumulation 28/02/17 (p)
Change in net assets per Share		
Opening net asset value per Share	100.00	100.00
Return before operating charges*	0.49	0.46
Operating charges	(0.18)	(0.18)
Return after operating charges	0.31	0.28
Distributions	(0.19)	(0.19)
Retained distributions on accumulation Shares	–	0.19
Closing net asset value per Share	100.12	100.28
* after direct transaction costs of:	0.10	0.10
Performance		
Return after operating charges	0.31%	0.28%
Other information		
Closing net asset value	£200,475	£152,240
Closing number of Shares	200,241	151,819
Operating charges	0.99%	0.99%
Direct transaction costs	0.09%	0.09%
Prices		
Highest Share price	101.57	101.54
Lowest Share price	98.50	98.50

The fund was launched 30 December 2016. Opening net asset value per Share shown is the class launch price.

Performance Information

As at 28 February 2017

Operating Charges

Date	Total Operating Charge figures (%)
28/02/17	
Share Class R GBP Income	0.99
Share Class R GBP Accumulation	0.99

The Fund was launched 30 December 2016.

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk and Reward Profile

As at 28 February 2017

	Typically lower rewards ← Typically higher rewards →						
	Lower risk				Higher risk		
Share Class R GBP Income	1	2	3	4	5	6	7
Share Class R GBP Accumulation	1	2	3	4	5	6	7

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a "5" on the scale. This is because it invests in the shares of companies whose values tend to vary more widely.

Risk Warning

An investment in an Open-Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of Shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Portfolio Statement

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
Austria 4.46%			
365	Erste Bank	8,579	2.44
217	Porr	7,106	2.02
		15,685	4.46
Belgium 7.78%			
563	bpost	11,274	3.20
207	KBC	10,204	2.90
175	KBC Ancora	5,916	1.68
		27,394	7.78
Czech Republic 5.67%			
4,014	Moneta Money Bank	10,909	3.10
1,049	O2 Czech Republic	9,050	2.57
		19,959	5.67
Denmark 7.11%			
755	Scandinavian Tobacco	10,617	3.01
267	Sydbank	7,426	2.11
469	Tryg	7,015	1.99
		25,058	7.11
Finland 3.02%			
335	Nokian Renkaat	10,644	3.02
		10,644	3.02
Germany 6.09%			
50	Bayerische Motoren Werke	3,606	1.02
83	Daimler	4,861	1.38
1,135	Uniper	13,002	3.69
		21,469	6.09
Hungary 2.45%			
6,331	Magyar Telekom Telecommunications	8,623	2.45
		8,623	2.45
Italy 11.85%			
572	Assicurazioni Generali	6,604	1.87
126	Ei Towers	5,223	1.48
2,307	FinecoBank	10,618	3.01
1,738	Poste Italiane	8,971	2.55
2,823	RAI Way	10,351	2.94
		41,767	11.85

Portfolio Statement (continued)

As at 28 February 2017

Holdings or Nominal Value	Investments	Market value £	% of Total Net Assets
Netherlands 21.85%			
653	ABN AMRO	12,044	3.42
918	ING	10,198	2.89
920	OCI	14,738	4.18
3,595	PostNL	12,641	3.59
420	Van Lanschot	7,083	2.01
2,841	VimpelCom ADR**	9,360	2.66
310	Wereldhave*	10,913	3.10
		76,977	21.85
Norway 4.09%			
1,201	Grieg Seafood	8,921	2.53
335	Norway Royal Salmon	5,492	1.56
		14,413	4.09
Poland 1.00%			
318	Asseco Poland	3,524	1.00
		3,524	1.00
Portugal 2.95%			
2,181	NOS SGPS	10,377	2.95
		10,377	2.95
Russia 4.89%			
925	MMC Norilsk Nickel ADR**	11,856	3.37
647	Mobile Telesystems ADR**	5,340	1.52
		17,196	4.89
Spain 2.96%			
1,101	Mediaset Espana Comunicacion	10,417	2.96
		10,417	2.96
Switzerland 2.63%			
283	Oriflame	9,270	2.63
		9,270	2.63
United Kingdom 7.65%			
201	Imperial Tobacco	7,624	2.16
2,248	International Consolidated Airlines	12,059	3.42
10,593	Lloyds Banking	7,274	2.07
		26,957	7.65
	Portfolio of investments	339,730	96.45
	Net other assets	12,519	3.55
	Net assets	352,249	100.00

* Real Estate Investment Trust.

** ADR American Depositary Receipts.

Gross purchases for the period: £387,508.

Total sales net of transaction costs for the period: £49,292.

Statement of Total Return

For the period ended 28 February 2017

	Note	30/12/16 to 28/02/17	
		£	£
Income:			
Net capital losses	2		836
Revenue	3	673	
Expenses	4	(405)	
Interest payable and similar charges	5	(50)	
Net revenue before taxation		218	
Taxation	6	(29)	
Net revenue after taxation			189
Total return before distributions			1,025
Distributions	7		(594)
Change in net assets attributable to Shareholders from investment activities			431

Statement of Change in Net Assets Attributable to Shareholders

For the period ended 28 February 2017

	30/12/16 to 28/02/17	
	£	£
Opening net assets attributable to Shareholders		—
Amounts receivable on issue of Shares	366,003	
Amounts payable on cancellation of Shares	(14,012)	
		351,991
Change in net assets attributable to Shareholders from investment activities (see above)		431
Retained distributions on accumulation Shares		294
Closing net assets attributable to Shareholders		352,716

Balance Sheet**As at 28 February 2017**

	Note	28/02/17	
		£	£
Assets:			
Fixed assets:			
Investments			339,730
Current assets:			
Debtors	8	29,609	
Cash and bank balances	9	2,814	
Total current assets			32,423
Total assets			372,153
Liabilities:			
Creditors:			
Distribution payable		(387)	
Other creditors	10	(19,050)	
Total creditors			(19,437)
Total liabilities			(19,437)
Net assets attributable to Shareholders			352,716

Notes to the Financial Statements

For the year ended 28 February 2017

1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 11, 12, 13 and 14.

2. Net capital losses

	30/12/16 to 28/02/17 £
The net capital losses during the period comprise:	
Currency losses	(3,939)
Non-derivative security gains	1,514
Transaction charges rebate	2,757
Transaction charges	(2,828)
Breach Compensation	3,332
Net capital gains	836

3. Revenue

	30/12/16 to 28/02/17 £
Overseas dividends	575
UK dividends	98
Total revenue	673

4. Expenses

	30/12/16 to 28/02/17 £
Payable to the ACD, associates of the ACD, and agents of either of them	
Administration charge	4,833
AMC fees*	309
AMC's fee rebate	(143)
Investment Manager subsidy	(15,846)
Printing, postage, stationery and typesetting costs	1,800
Registration fees	485
	(8,562)
Payable to the Depositary, associates of the Depositary and agents of either of them	
Depositary's fees	2,762
Safe custody fees	10
	2,772
Other expenses	
Professional fees	6,195
	6,195
Total expenses	405

* FCA fees and Audit fees of £5,285 + VAT for the period ended 28 February 2017 have been borne by the ACD out of its periodic charge.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

5. Interest payable and similar charges

	30/12/16 to 28/02/17 £
Interest	50
Total interest payable and similar charges	50

6. Taxation

(a) Analysis of the tax charge in the period

	30/12/16 to 28/02/17 £
Overseas tax	29
Total taxation for the period (Note 6 (b))	29

(b) Factors affecting tax charge for the period

The tax assessed for the period is different from that calculated when the standard rate of corporation tax for an open-ended investment company of 20% is applied to the net revenue before taxation. The differences are explained below:

	30/12/16 to 28/02/17 £
Net revenue before taxation	218
Net revenue for the period multiplied by the standard rate of corporation tax	44
Effects of:	
Movement in excess management expenses	91
Overseas tax	29
Revenue not subject to corporation tax	(135)
Total tax charge for the year	29

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior period.

(d) Factors that may affect future tax charges

At the period end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £91 in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the period.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

7. Finance costs

Distributions

The distributions take account of revenue received on the creation of Shares and revenue deducted on the cancellation of Shares, and comprise:

	30/12/16 to 28/02/17 £
Final	681
Add: Revenue paid on cancellation of Shares	11
Deduct: Revenue received on creation of Shares	(98)
Net distribution for the period	594
Reconciliation of net revenue after taxation to distributions	
Net revenue after taxation	189
Expenses charged to capital	405
Net distribution for the period	594

Details of the distributions per Share are set out in the distribution table on page 143.

8. Debtors

	28/02/17 £
Accrued revenue	98
Dilution adjustment receivable	603
Overseas withholding tax recoverable	69
Sales awaiting settlement	10,236
Investment manager subsidy	18,603
Total debtors	29,609

9. Cash and bank balances

	28/02/17 £
Cash and bank balances	2,814
Total cash and bank balances	2,814

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****10. Other Creditors**

	28/02/17
	£
<i>Accrued expenses</i>	
<i>Manager and Agents</i>	
AMC fees	230
AMC's fee rebate	(143)
Administration charge	4,833
Printing, postage, stationery and typesetting costs	1,800
Registration fees	485
	7,205
<i>Depository and Agents</i>	
Depository fees	2,762
Safe custody fees	10
Transaction charges	2,828
	5,600
<i>Other accrued expenses</i>	
Professional fees	6,195
Overdraft interest	50
	6,245
Total other creditors	19,050

11. Related party transactions

Management fees paid to the ACD are disclosed in note 4 and amounts due at the period end are disclosed in note 10.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the period end are disclosed in notes 8 and 10.

The ACD and its associates (including other authorised investment funds managed by the ACD) have no Shareholdings in the Company at the period end.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

11. Related party transactions (continued)**Significant Shareholdings**

Fund Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 56.03% and 28.08% of the Fund's shares in issue are under the control of two individual shareholders and their related parties.

12. Share Classes

The Share Class and ACD's Annual Management Charges applicable to each Fund are as follows:

	%
Share Class R GBP Income	0.65
Share Class R GBP Accumulation	0.65

Each Share Class has equal rights in the event of the wind up of any Fund.

The reconciliation of the opening and closing numbers of shares of each class is shown below:

	30/12/16	Issued	Cancelled	Converted	28/02/17
Share Class R GBP Income	–	214,286	(14,045)	–	200,241
Share Class R GBP Accumulation	–	151,819	–	–	151,819

13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date.

Notes to the Financial Statements (continued)**For the year ended 28 February 2017****14. Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 14 to 17 of the report.

(a) Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

	Net foreign currency assets
	28/02/17
Currency	£
Czech koruna	19,959
Danish krone	25,155
Euro currency	228,070
Hungarian forint	8,645
Norwegian krone	14,418
Polish zloty	3,538
Swedish krona	9,271
Swiss franc	23
US dollar	26,630
Total foreign currency exposure	335,709
Sterling	17,007
Total net assets	352,716

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £30,519. If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £37,301. These calculations assume all other variables remain constant.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

14. Derivatives and other financial instruments (continued)**(b) Interest rate risk profile of financial assets and liabilities**

The table below shows the interest rate risk profile at the balance sheet date:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
28/02/17	£	£	£	£
Currency Assets				
Sterling	2,241	—	34,203	36,444
Czech koruna	—	—	19,959	19,959
Danish krone	97	—	25,058	25,155
Euro currency	338	—	227,733	228,071
Hungarian forint	22	—	8,623	8,645
Norwegian krone	4	—	14,413	14,417
Polish zloty	13	—	3,524	3,537
Swedish krona	2	—	9,270	9,272
Swiss franc	23	—	—	23
US dollar	74	—	26,556	26,630
Total	2,814	—	369,339	372,153

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
28/02/17	£	£	£	£
Currency Liabilities				
Sterling	—	—	19,437	19,437
Total	—	—	19,437	19,437

Changes in interest rates would have no material impact to the valuation of floating rate financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

(c) Market price risk

If market prices had increased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following amounts. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the following amounts. These calculations have been applied to non-derivative securities only (see note 2(i) for an explanation of the Fund's leverage during the period). These calculations assume all other variables remain constant.

	Increase £	Decrease £
2017	33,973	33,973

(d) Leverage

There was 99.30% leverage as at 28 February 2017, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

15. Portfolio transaction costs

	30/12/16 to 28/02/17	
	£	£
Analysis of total purchase costs		
Purchases in the year before transaction costs:		
Equities		387,232
		387,232
Commissions - Equities	101	
Taxes - Equities	175	
Total purchase costs		276
Gross purchase total		387,508
Analysis of total sale costs		
Gross sales in the period before transaction costs:		
Equities		49,309
		49,309
Commissions - Equities	(17)	
Taxes - Equities	—	
Total sale costs		(17)
Total sales net of transaction costs		49,292

The portfolio transaction costs table above includes direct transaction costs suffered by the Fund during the period.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment in Collective Investment Scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Notes to the Financial Statements (continued)

For the year ended 28 February 2017

15. Portfolio transaction costs (continued)

Transaction costs as percentage of principal amounts

Purchases - Commissions	30/12/16 to 28/02/17 %
Equities	0.0261%
Purchases - Taxes	
Equities	0.0452%
Sales - Commissions	
Equities	0.0345%
Sales - Taxes	
Equities	0.0000%

Transaction costs as percentage of average net asset value

Commissions	30/12/16 to 28/02/17 %
Taxes	0.0381%
	0.0565%

At the balance sheet date the average portfolio dealing spread was 0.18%.

16. Post balance sheet events

There are no post balance sheet events which require adjustments at the period end.

17. Fair value disclosure

Valuation technique

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Inputs are unobservable (ie for which market data is unavailable) for the asset or liability

	28/02/17	
	Assets	Liabilities
	£	£
	339,730	—
	—	—
	—	—
	339,730	—

* The valuation techniques and the ACD's policy is disclosed in note 1(h) on page 13.

Distribution Table**As at 28 February 2017****Final Distribution in pence per Share**

Group 1 Shares purchased prior to 30 December 2016

Group 2 Shares purchased on or after 30 December 2016 to 28 February 2017

	Net revenue (p)	Equalisation (p)	Distribution payable 13/04/17 (p)
Share Class R GBP Income			
Group 1	0.1933	–	0.1933
Group 2	0.1886	0.0047	0.1933
Share Class R GBP Accumulation			
Group 1	0.1933	–	0.1933
Group 2	0.1354	0.0579	0.1933

General Information

Classes of Shares

The Company can issue different classes of shares in respect of any Fund. Holders of Income shares are entitled to be paid the revenue attributable to such shares, in respect of each annual or interim accounting period. Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Valuation Point

The valuation point for each Fund is 12 noon, on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

Buying and Selling Shares

The ACD will accept orders to deal in the shares on normal business days between 9:00 am and 5:00 pm. Instructions to buy or sell shares may be either in writing to: Fund Partners Limited – Argonaut, PO Box 11954, Chelmsford CM99 2DR or by telephone on 01268 447 403* (UK only) or +44 (0) 1268 447 403* (from outside the UK). A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Prices

The prices of shares for each class in each Fund will be posted via a link on www.fundpartners.co.uk and can also be obtained by telephoning the Administrator on 01268 447 403* (UK only) or +44 (0) 1268 447 403* (from outside the UK) during the ACD's normal business hours.

Report

The annual report of the Company will normally be published within two months of each annual accounting period, although the ACD reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period and the interim report will be published within two months of each interim accounting period.

Interim account period ended	31 August
Annual account period ended	28 February

Distribution Payment Dates

FP Argonaut European Alpha Fund		FP Argonaut European Income Opportunities Fund	
Interim	31 October	Interim	15 July, 15 October, 15 January
Annual	30 April	Annual	15 April
FP Argonaut Absolute Return Fund			
Interim	31 October		
Annual	30 April		

* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

General Information (continued)

Significant Changes

On 8 July 2016 the FP Argonaut European Enhanced Income Fund transferred to the Liontrust European Enhanced Income Fund and the FP Argonaut European Income Fund transferred to the Liontrust European Income Fund.

As a result of each Scheme of Arrangement, both the FP Argonaut European Enhanced Income Fund and FP Argonaut European Income Fund will commence the termination process in due course.

Depositary Fee Changes

With effect from 1 December 2016, the Depositary fee will increase for the following funds:

FP Argonaut European Alpha Fund

FP Argonaut Absolute Return Fund

Previous Depositary Fee	Rate (%)	New Depositary fee	Rate (%)
All	0.015 + VAT	All	0.02 + VAT
Minimum fee	£10,000 +VAT	Minimum fee	£15,000 + VAT

Other Significant Information

Under the UCITS V and the UCITS Remuneration Code, Fund Partners as UCITS Manager, are required to disclose how those whose actions have a material impact on the Fund are remunerated.

The remuneration strategy across Fund Partners is governed by the Fund Partners' Board and Fund Partners has chosen not to establish a Remuneration Committee. The Fund Partners' Board has established a Remuneration Policy designed to ensure the UCITS Remuneration Code in the UK Financial Authority handbook is met proportionately for all UCITS Remuneration Code Staff.

Fund Partners considers its activities as non complex due to the fact that regulation limits the UCITS strategies conducted and the scope of investment in such a way that investor risk is mitigated. The discretion of Fund Partners and the portfolio manager is strictly controlled within certain pre-defined parameters as determined in the prospectus of each UCITS. In its role as an UCITS Manager, Fund Partners deems itself as lower risk due to the nature of the activities it conducts. Fund Partners does not pay any form of variable remuneration currently. Therefore Fund Partners have provided a basic overview of how staff whose actions have a material impact on the Fund are remunerated.

General Information (continued)

Other Significant Information (continued)

Fund Partners Ltd					
February 2017	Number of Beneficiaries	Total remuneration paid	Fixed remuneration	Variable remuneration paid	Carried interest paid by the AIF
Total remuneration paid by FP during the financial year	44	1,807,966	1,807,966	0	0
Remuneration paid to employees of FP who have a material impact on the risk profile of the UCITS	8	586,578	586,578	0	0
Senior Management	8	586,578	586,578	0	0
Control functions	7	497,567	497,567	0	0
Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	1	89,012	89,012	0	0

The only material change to the adopted remuneration policy, since the previous year end, is the identification of new risk takers and inclusion of delegates required by UCITS.

General Information (continued)

Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Document (KIID), Supplementary Information Document (SID) and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

Data Protection

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

Effects of Personal Taxation

Investors should be aware that unless their shares are held within an ISA, or switched between Funds in this OEIC, selling shares is treated as a disposal for the purpose of Capital Gains Tax.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

Contact Information

The Company and Head Office

FP Argonaut Funds
Cedar House, 3 Cedar Park,
Cobham Road,
Wimborne,
Dorset, BH21 7SB
Incorporated in England and Wales
under registration number IC000943.
Website address: www.fundpartners.co.uk
(Authorised and regulated by the FCA)

Authorised Corporate Director ("ACD")

Fund Partners Limited
Cedar House, 3 Cedar Park,
Cobham Road,
Wimborne,
Dorset, BH21 7SB
(Authorised and regulated by the FCA
and a member of the Investment
Association)

Directors of the ACD

J. Gardner (Resigned 25 November 2016)
V. Hoare
I. Hobday (Appointed 19 January 2017)
L. Isaacs (Appointed 4 May 2016
resigned 17 January 2017)
K. Lavery (Resigned 25 November 2016)
P. Legg
M. Wood (Appointed 29 March 2017)

Company Secretary of the ACD

P. Legg

Non executive Directors

P. Wilcox

Registrar

International Financial Data Services Limited
Head Office:
IFDS House,
St Nicholas Lane,
Basildon,
Essex, SS15 5FS

Depositary

State Street Trustee Limited
20 Churchill Place,
London, E14 5HJ
(Authorised and regulated by the FCA)

Customer Service Centre

Fund Partners Ltd - Argonaut
PO Box 11954
Chelmsford, CM99 2DR
Telephone: 01268 447 403* (UK only)
+44 (0) 1268 447 403* (from outside the UK)
Fax: 01268 441 498

Investment Manager

Argonaut Capital Partners LLP
3rd Floor, Montpelier House,
106 Brompton Road,
London, SW3 1JJ
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Auditor

Deloitte LLP
Statutory Auditor
Saltire Court,
20 Castle Terrace,
Edinburgh, EH1 2DB

* Please note that telephone calls may be recorded for monitoring and training purposes, and to confirm investors' instructions.

