PROFIT *hunters*

ARTEMIS Global Income *Fund*

Manager's Report and Financial Statements for the year ended 31 July 2018

ARTEMIS

The PROFIT Hunter

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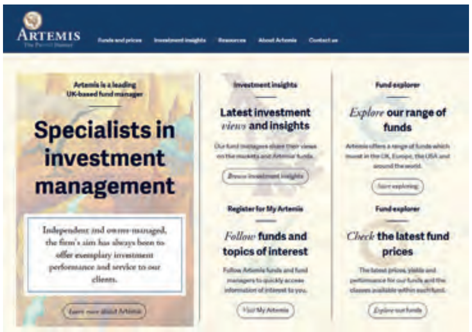

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- Market and fund insights
- Fund briefings and research articles
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- Fund literature

artemisfunds.com

General information

Company profile

Artemis is a leading UK-based fund manager, offering a range of funds which invest in the UK, Europe, the US and around the world.

As a dedicated, active investment house, we specialise in investment management for both retail and institutional investors across Europe.

Independent and owner-managed, Artemis opened for business in 1997. Its aim was, and still is, exemplary investment performance and client service. All Artemis' staff share these two precepts – and the same flair and enthusiasm for fund management.

The firm now manages some £29.7 billion* across a range of funds, two investment trusts, a venture capital trust and both pooled and segregated institutional portfolios.

Our managers invest in their own and their colleagues' funds. This has been a basic tenet of the Artemis approach since the firm started. It means that interests of our fund managers are directly aligned with those of our investors.

* Source: Artemis as at 31 August 2018.

Fund status

Artemis Global Income Fund was constituted by a Trust Deed dated 1 June 2010 and is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The fund belongs to the category of UCITS schemes as defined in the Collective Investment Schemes Sourcebook ('COLL') of the Financial Conduct Authority ('FCA').

Investment objective

The objective of the fund is to achieve a rising income combined with capital growth primarily from a portfolio of equities selected on a global basis.

Investment policy

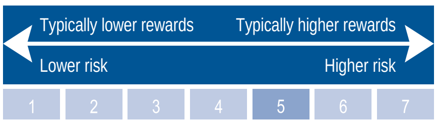
The manager actively manages the portfolio in order to achieve the objective with exposures to company shares, fixed interest securities and derivative instruments as appropriate. The manager will not be restricted in respect of choice of investments either by company size or industry, or in terms of the geographical split of the portfolio.

The fund may also invest in other asset classes eligible for a UCITS scheme to invest in including other transferable securities, units of collective investment schemes, money market instruments, cash and near cash, derivatives and forward transactions for investment purposes.

Buying and selling

Units may be bought and sold by contacting the manager by telephone, at the address on page 2 or via the website **artemisfunds.com**. Valuation of the fund takes place each business day at 12 noon on a forward pricing basis. Investors are reminded that past performance is not a guarantee of performance in the future and that the price of units and the revenue from them can fall as well as rise.

Risk and reward profile



- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the fund.
- The risk category shown is not guaranteed and may change over time.
- A risk indicator of "1" does not mean that the investment is "risk free".
- The indicator is not a measure of the possibility of losing your investment.

The risk indicator for the fund is as above because:

- The price of units, and the income from them, can fall and rise because of stock market and currency movements.
- Stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.
- A portion of the fund's assets may be invested in a currency other than the fund's accounting currency (sterling). The value of these assets, and the income from them, may decrease if the currency falls in relation to sterling, in which the fund is valued and priced.
- A portion of the fund's assets may be invested in new, emerging markets. Investment in emerging markets can involve greater risk than that usually associated with more established markets. This means that above-average rises and falls in unit prices can be expected.
- Investments in fixed interest securities are subject to market and credit risk and will be impacted by movements in interest rates. Interest rate movements are determined by a number of economic factors, in particular market expectations of future inflation.
- The fund can invest in higher-yielding bonds, which may increase the risk to your capital due to a higher likelihood of the company issuing the bonds failing to pay returns on investments. Changes to market conditions and interest rates can have a larger effect on the values of higher-yielding bonds than other bonds.

Prospectus

Copies of the most recent Prospectus are available free of charge from the manager at the address on page 2.

General information (continued)

Remuneration

Following an amendment to the UCITS Directive in the UK on 18 March 2016, all UCITS schemes are required to comply with the UCITS Remuneration Code. This includes a requirement to disclose, in the annual report of each scheme, details of the total amount of remuneration paid by the manager to its partners and staff for its financial year.

As the Artemis Global Income Fund (the 'fund') is a UCITS scheme, Artemis Fund Managers Limited ('AFML') as manager is required to make these disclosures. Artemis operates its remuneration policies and practices at a group level, which includes both Artemis Investment Management LLP and its subsidiary AFML. Details of the group remuneration policies are available on Artemis' website **artemisfunds.com**. Remuneration levels are set to attract, retain and motivate talented partners and staff and align long-term interests of partners and staff with those of our clients.

The remuneration policies which apply to all partners and staff across the group are overseen by the Remuneration Committee. The members of the Remuneration Committee are all non-executive officers. The Remuneration Committee is responsible for setting and overseeing the implementation of Artemis' remuneration policy, including approving the remuneration of partners and other senior staff. The Remuneration Committee will regularly review the remuneration policy to ensure it remains appropriate. The Remuneration Committee considers inputs from Artemis' Compliance and Risk functions when reviewing remuneration issues, including any risk adjustments or controls considered necessary. The Artemis remuneration period runs from 1 January to 31 December, therefore, the first full performance period subject to the UCITS Remuneration Code started on 1 January 2017 and ended on 31 December 2017. As a consequence, for certain partners and staff who are classified as 'Identified Staff' as their professional activities have a material impact on the risk profile of the firm, the payment of some of the variable remuneration (which may include profit share for partners) is deferred. Further, Artemis has the ability to reduce all or part of deferred variable remuneration that has been previously allocated to Identified Staff, before the end of the vesting period.

No staff are employed by AFML directly but are employed and paid by other entities of Artemis. Artemis has apportioned the total amount of remuneration paid to all 171 Artemis partners and staff in respect of AFML's duties performed for the UCITS schemes based on the number of funds. It has estimated that the total amount of remuneration paid in respect of duties for the fund for the year ended 31 December 2017 is £1,254,507, of which £327,834 is fixed remuneration and £926,673 is variable remuneration. No amount of remuneration, including any performance fees, was paid directly by the fund.

The aggregate amount of remuneration paid to UCITS Remuneration Code and Identified Staff that is attributable to duties for the fund for the year ended 31 December 2017 is £307,248. AFML Remuneration Code and Identified Staff are those senior individuals whose managerial responsibilities or professional activities could influence, and have a material impact on, the overall risk profile of each regulated entity and the funds it manages. For the purposes of UCITS Remuneration Code the AFML Remuneration Code staff are the members of Artemis' Management and Executive Committees, certain fund managers, the General Counsel, the Head of Compliance and the Head of Risk. This includes certain individuals who are partners in Artemis Investment Management LLP.

Tax information reporting

UK tax legislation requires fund managers to provide information to HM Revenue & Customs ('HMRC') on certain investors who purchase units in unit trusts. Accordingly, the fund may have to provide information annually to HMRC on the tax residencies of those unitholders that are tax resident outwith the UK, in those countries that have signed up to the OECD's ('Organisation for Economic Co-operation and Development') Common Reporting Standard for Automatic Exchange of Financial Account Information (the 'Common Reporting Standard'), or the United States (under the Foreign Account Tax Compliance Act, 'FATCA').

All new unitholders that invest in the fund must complete a certification form as part of the application form. Existing unitholders may also be contacted by the Registrar should any extra information be needed to correctly determine their tax residence. Failure to provide this information may result in the account being reported to HMRC.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders: gov.uk/ government/ publications/exchange-of information-account-holders.

Removal of initial charge

The fund's prospectus includes the ability for Artemis to apply an initial charge on investments into the fund. The prospectus also sets out the maximum amount of this charge for different unit classes in the fund, although in almost all cases the initial charge has been waived in its entirety for a number of years. The prospectus was updated on 6 June 2018 to make it clear that no initial charge will be levied in respect of the existing unit classes. For further information please contact our client services team on 0800 092 2051.

Manager

Artemis Fund Managers Limited *
Cassini House
57 St James's Street
London SW1A 1LD

Dealing information:
Artemis Fund Managers Limited
PO Box 9688
Chelmsford CM99 2AE
Telephone: 0800 092 2051
Website: artemisfunds.com

Investment adviser

Artemis Investment Management LLP *
Cassini House
57 St James's Street
London SW1A 1LD

Trustee and Depositary

(to 15 January 2018)
National Westminster Bank Plc †
Trustee & Depositary Services
Younger Building
1st Floor, 3 Redheughs Avenue
Edinburgh EH12 9RH

(from 15 January 2018)
J.P. Morgan Europe Limited †
25 Bank Street
Canary Wharf
London E14 5JP

Registrar

DST Financial Services International Limited (formerly International Financial Data Services (UK) Limited)*
DST House
St Nicholas Lane
Basildon
Essex SS15 5FS

Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

*Authorised and regulated by the FCA, 12 Endeavour Square, London E20 1JN.

† Authorised by the Prudential Regulation Authority ('PRA'), 20 Moorgate, London EC2R 6DA and regulated by the PRA and the FCA

Statement of the trustee's responsibilities for the period from 1 August 2017 to 15 January 2018

The trustee must ensure that the Artemis Global Income Fund (the 'scheme') is managed in accordance with COLL, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the scheme documents') as detailed below.

The trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the scheme and its investors. The trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the scheme in accordance with the Regulations.

The trustee must ensure that:

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

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

Report of the trustee to the unitholders of Artemis Global Income Fund for the period from 1 August 2017 to 15 January 2018

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Regulations and the scheme documents, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme.

National Westminster Bank Plc
Trustee & Depositary Services
Edinburgh

15 January 2018

Statement of the trustee's responsibilities in respect of the scheme and report of the trustee to the unitholders of Artemis Global Income Fund ('the Trust') for the period from 15 January 2018 to 31 July 2018

The trustee of Artemis Global Income Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Trust Deed and Prospectus (together 'the scheme documents') as detailed below.

General information (continued)

The trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors. The trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units is carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust'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 trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the scheme documents of the Trust; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

J.P. Morgan Europe Limited
London
25 September 2018

Statement of the manager's responsibilities

COLL requires the manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the fund and of its revenue and expenditure for the year.

In preparing the financial statements the manager is required to:

(i) select suitable accounting policies and then apply them consistently;

(ii) comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association in May 2014 ('SORP'):

(iii) follow applicable accounting standards;

(iv) keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;

(v) make judgements and estimates that are reasonable and prudent; and

(vi) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the fund will continue in operation.

The manager is responsible for the management of the fund in accordance with its Trust Deed, Prospectus and COLL.

The manager is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the manager

We hereby approve the Manager's Report and Financial Statements of the Artemis Global Income Fund for the year ended 31 July 2018 on behalf of Artemis Fund Managers Limited in accordance with the requirements of COLL as issued and amended by the FCA.

M J Murray R J Turpin
Director Director
Artemis Fund Managers Limited
London
25 September 2018

Independent auditor's report to the unitholders of the Artemis Global Income Fund

Opinion

We have audited the financial statements of the Artemis Global Income Fund ('the Fund') for the year ended 31 July 2018 which comprise the statement of total return, statement of change in net assets attributable to unitholders, balance sheet, distribution tables and the related notes 1 to 21, including a summary of significant accounting policies. 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 to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 July 2018 and of the net revenue and the net gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Trust Deed;
- the information given in the manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the manager

As explained more fully in the manager's responsibilities statement set out on page 4, the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the Fund's ability to

General information (continued)

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the unitholders of the Fund, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders of the Fund 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 Fund and the unitholders of the Fund as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh
25 September 2018

Notes:

1. The maintenance and integrity of the artemisfunds.com web site is the responsibility of the manager; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

- The fund returned 10.7%*, outperforming its peer group.
- US tech giants lead the gains in the wider global market.
- Questions of 'growth' versus 'value' are less clear cut.

Performance – As 'classic' income stocks struggle, the fund outpaces its peers…

It was a decent year for the fund. With a return of 10.7%, it significantly outperformed most of its peer group, where the average return was 6.8%.* The fund is in the top quartile of its peers (among the top 25%) over one year, five years and since its launch in 2010.

At the same time, it marginally lagged the 11.5%* advance in its benchmark, the MSCI All Country World Index. Although we always try to beat the market while adhering to our income target, markets have largely been driven by areas in which we can't invest: fast-growing, but non-dividend-paying technology stocks. Furthermore, our portfolio has a significant tilt towards both value and income stocks (it trades at a 20-25% discount to the wider global market with around a 3.5% prospective yield, considerably above the wider market) and both 'income' and 'value' had a rather underwhelming year to say the least. Set against that, however, good stockpicking and low exposure to underperforming areas such as tobacco, 'bond proxies' (equities whose dividend yields make them an alternative to holding bonds) and emerging markets (especially compared to some of our peers) drove performance.

In recent years, we have written of our expectation that the process of central banks moving from low to higher interest rates – and from quantitative easing to monetary tightening, especially in the US – would prove challenging for investors focused on high-yielding, dividend-paying equities. Equities always compete with bonds for investment capital. With the 10-year bond yield in the US now firmly above the dividend yield of the S&P 500 Index, investors hungry for income have a viable alternative. That wasn't the case when the 10-year US Treasury was yielding around 1.5% in 2012 – and again in 2016.

So to minimise our exposure to the likely victims of a nascent normalisation of monetary policy, in recent years we have navigated away from traditional income payers (such as utilities, food and beverage and telecoms) and towards shorter-duration stocks (those less sensitive to changes in interest rates). While we appreciate that investors (and we include ourselves) are prone to overestimating the impact macroeconomic factors will have on individual stock prices in the long run, we do think a reversal of the last decade's 'free money' policies will, in the short-to-medium term, hurt equity strategies that have hitherto done well. Unlimited monetary policy stimulus is not something that can be turned off without disrupting existing market equilibria. And we duly began to see some of that this year as 'classic' income stocks struggled.

While we look to produce an attractive total return, we also want to provide a higher-than-market yield and a growing distribution. This year, the portfolio paid a healthy distribution (towards the high end of its historic range) albeit one that was lower than it was last year. In large part, this is a product of sterling's volatility. On unitholders' behalf, we are continually gathering dividends from companies worldwide. We then convert the dividends we receive in non-sterling currencies back into a sterling account for later distribution. In the 2015-16 reporting period, the US dollar-sterling exchange rate averaged 1.46. The following year, sterling weakened due to the Brexit vote and the average rate fell to 1.27, thereby boosting the value of our overseas dividends in sterling terms. This year, the rate moved back to 1.35. The pattern for euro has been similar. So, just as the fund's dividend distribution increased when sterling fell, it has decreased as sterling has strengthened.

In tandem, we have also seen slowing dividend growth from the fund's holdings over the past two years. That has been a consequence of shifting the portfolio away from high-yielding bond proxies (which we anticipated would be most vulnerable to higher bond yields) and towards lower-yielding cyclical stocks and financials. That said, assuming that the portfolio remains unchanged (and that exchange rates remain broadly constant over the coming year) we would anticipate next year's distribution payment to be higher.

Review – Stockpicking amid a messy bull market…

Reading the press, one might think there is a massive bull market in equities. True, we are seeing the longest bull market on record in the US and Apple is now the first company whose market capitalisation exceeds US$1 trillion. This is headline-grabbing stuff. But it's a messy bull market. The ascent from March 2009 has been shallow rather than steep. While US equity indices continue to reach new highs, emerging-market equities have struggled, with the Chinese equity market falling into a bear market for the second time in the last three years. When the world's second-largest economy can't produce a proper, long-lasting bull market things aren't straightforward for global investors. The European market, meanwhile, traded in a narrow range while also showing a rather large dispersion in performance between the stocks that worked and those that didn't. Even in the US, market leadership was very narrow, with tech giants (such as the FAANG stocks – Facebook, Apple, Amazon, Netflix, Google) leading the way. The global economic cycle is also anything but synchronised. Growth in the US is surprisingly impressive (we

* Source: Lipper Limited, class I distribution units, bid to bid, in sterling with dividends reinvested. Benchmark is the MSCI All Country World Index.

Investment review (continued)

could credibly reach 5% real growth in coming quarters) but it is slowing in Europe. At the same time, we have seen a number of outright blow-ups in emerging markets: Turkey, Argentina, South Africa and Brazil.

At the time of writing, the 100-year bond Argentina issued just last year has fallen by 30% over 2018 to date. At least there are still a few years for it to recoup some of the losses… Dollar-denominated, emerging-market debt is now yielding more than 4.75%, just a percentage point shy of the level in 2006. Brazil's 10-year bonds are yielding 12.3%. So, emerging markets are not having a great time. The fund has been underweight here for a number of years. In Europe, Italy sold fresh debt towards the end of August at the highest yield for four years. By contrast, yields on 10-year German bunds or 10-year US Treasuries are some 2-3% below their peak 2006 levels. Clearly, we are seeing a very de-synchronized risk appetite in markets, leading to a messy situation for risk-free rates (high in emerging markets and southern Europe, low in 'better-functioning' countries and economies). And risk-free rates matter to equities, particularly for equity income stocks. Any net present valuation of future free cashflows or dividends is dependent on the discount rate.

Some of this de-synchronisation is due to internal political instability (as in Brazil) or fear of the potential impact of trade wars. But some of it is also driven by a business and market cycle grown long in the tooth and by central banks normalizing rates (especially in the US). As the cycle matures, it is harder to find cheap stocks. So over the past couple of years we have tended to put more capital into those cheap stocks that we can find (our active bets are larger). This means more of the performance and volatility in the fund's performance comes from stock selection rather than from its sector or country positioning. And those stocks that performed best this year tended to do so for idiosyncratic, company-specific reasons rather than because they happened to tick the right style boxes. As the economic outlook and given the number of (potential) exogenous shocks, we have accepted being somewhat less confident in our convictions and hence we have spent even more time on identifying good stock stories.

Although the fund's portfolio currently combines cyclical holdings with stocks that are less sensitive to the cycle, cyclical names predominated among this year's best performers. Tokai Carbon, for example, made the biggest contribution to returns, its share price rising by 168% in sterling terms. It specialises in industrial carbons, manufacturing and selling graphite electrodes to the steel industry, carbon black to tyre manufacturers, fine carbon to makers of semiconductors and solar panels, brake pads for use in heavy machinery and linings for industrial ovens.

Our thesis for investing in Tokai is both top-down (positive industry trends) as well as stock-specific (self-help is underpinning free cashflow generation and what we hope will be a growing dividend). The strength in profitability has been driven by an increased demand for ultra-high power graphite electrodes as Beijing shifts steel producers away from environmentally damaging induction furnaces. But Tokai has also benefited from an aggressive restructuring that began in 2016 shortly after president and chief executive Nagasaka-san took the helm and made profound changes both to its cost structure and its culture. A classic example of a bottom-up 'special situations' thesis being helped by the strong tailwind of Chinese policymakers trying to clean up pollution issues. At a time when an acceleration in Chinese economic growth is rather doubtful we think there is a cushion of safety being on the side of the government's long-term plans. And Tokai is a clear beneficiary of a clean-up in the polluting steel sector.

Although we are underweight in emerging markets (and in China), our Chinese cement stocks (Anhui Conch Cement and Chinese Resources Cement) also contributed to performance. Two factors are at work here, one being a similar force as mentioned with Tokai Carbon. First, to reduce pollution, the Chinese government is favouring large regional producers and removing capacity by closing more polluting, second-tier, less efficient operators. Clearly, this is helpful for pricing. For us, investing in Chinese cement stocks is chiefly about these supply-side and environmental reforms driving up prices and increasing profitability among the respected, cleaner players (the stocks we hold). Profits have increased significantly despite low (or no) volume growth. Second, these names have benefited from not getting caught up in fears of a trade war. Cement's bulk and weight means it is not worth shipping around the world – regional players dominate local markets. So although trade wars might cool the Chinese economy, they would hit cement makers relatively less than manufacturers focused on exports.

Among our less cyclical holdings, we enjoyed excellent returns from long-standing holdings in three Italian telco and broadcast towers companies: INWIT, Rai Way and EI Towers, whose masts transmit TV and mobile-phone signals. These are classic infrastructure stocks with 15-year-plus contracts linked to inflation, predictable, growing dividends, and rather ungeared balance sheets. In part, their strength this year stemmed from a bid for EI Towers, in which we are the second-largest shareholder. Its largest shareholder, Mediaset, has joined forces with F2i, an infrastructure fund part-owned by the Italian government, to launch a takeover bid. The bid for EI Towers not only highlighted the value of the assets in this sector (we believe these stocks have been undervalued for years) but also fuelled speculation that the long-awaited consolidation of this industry had taken a step closer. In the medium term, we could see Rai Way and EI Towers merge, while INWIT merges or consolidates with one (or perhaps two) pan-European tower companies. Until this happens, we can continue to collect 3-4%

dividend yields (growing 5-10% a year). Although political turmoil in Italy affected these companies, the fact that share prices were largely unmoved despite a populist victory in the recent elections illustrates the defensive nature of these assets.

Obviously, not all of our stock picks worked. Maersk, the world's largest container shipping company, was damaged by Trump's tariffs (or the threat of them) and China's unwillingness to engage. As the rhetoric escalated, holdings geared into global trade suffered. Maersk's shares fell by 34% on the year, partly in anticipation that the friction caused by higher tariffs would slow the circulation of goods throughout the global economy. It didn't help that it was one of the largest victim of the NotPetya cyberattack. The costs were in the hundreds of millions of dollars and it paralysed Maersk's fleet of tankers. While it is easy to blame NotPetya for the company's troubles in the period it is actually a red herring. Our investment thesis had been predicated on a number of unprofitable container ships being scrapped, creating a healthier supply/demand balance and paving the way for higher freight rates in an increasingly oligopolistic market. We must admit that shipping capacity is stubbornly constant despite falling freight rates. We might be early, or we might be wrong. But – for now – we retain our holding.

The second largest negative, meanwhile, was memory producer Western Digital. Its earnings rose 8% year-on-year and it announced a $5 billion share buyback programme. Its cashflows are robust and it generates a healthy 3% yield. This, however, fell short of the market's expectations and its shares were punished. We retain our holding. The market remains unimpressed by the earnings it is making today, seemingly in the belief that oversupply or a cyclical downturn at some point in the future will destroy its pricing power. Our belief, however, is rather different: that the demand for memory products in general is simply too strong for the market's doomsday scenario on pricing to materialise. Every smartphone, every internet-connected device, every autonomous vehicle is fuelling demand for memory – and we think this process will transcend the business cycle. We appreciate that demand drives supply and that price deflation is a risk. At this point, however, the valuation more than reflects this.

Activity – Fewer cyclicals and financials…

Since mid-2016, our broad thesis has been that the US economy would continue to grow, that inflation would start to come through and that 10-year US Treasury yields were more likely to hit 3% than fall to 1%. That thesis – and the positioning that followed from it – has largely been proven correct. Yet after a strong year for returns (particularly given we can't hold the FAANGs) we are wary of complacency. With the US still setting new all-time highs – but with many other equity markets down markedly from their highs – we have to admit the global environment is not easy to navigate. We think valuations in emerging markets are rather interesting but for now we remain on the sidelines: the economic environment could still get worse. On the other hand, we are still underweight in the US but less so than we have been for a number of years.

Being pro-cyclical in an environment where growth is potentially threatened by a trade war, a tightening in financial conditions and a peaking global economy, is painful for us. So it seems prudent to be less exposed to the most economically sensitive areas than we were at the start of the year. We have, for instance, reduced our exposure to financials, particularly in Europe, where the ECB seems increasingly dovish. Despite very modest valuations in European banks we appreciate that without higher rates and the existence of a credit cycle, many of these banks don't really have a healthy business model. If global growth is cooling, the opportunity for the ECB to tighten policy is probably dwindling. We have also lowered the portfolio's exposure to banks in the US (from a peak of around 12% to around 8% today) and recycled some of the capital into oil stocks where we have been overweight for a year now.

Additions to the fund in this area included Japanese refiner Idemitsu Kosan. Formerly controlled by the Idemitsu family and its employees, it was only listed in 2006 and its former owners have hitherto been reluctant to relinquish control. Towards the end of the year under review, there was word of a long-rumoured tie-up with Showa Shell. This marks not just progress for the company – but also represents another step towards consolidating the once-fragmented refining industry in the world's third-largest oil user. One can credibly expect margins to expand in Japanese refineries and we think the stock deserves to be re-rated from here.

As we anticipated, US Treasury yields have nudged above 3% this year – but the share-price performance of some US banks (particularly the larger money-centre banks, rather than the better performing regional banks) hasn't followed in quite the way we had hoped. We still think valuations in this sector are attractive; the yields are supportive and dividend growth is impressive for the next few years. This is one of the most interesting dividend growth stories we can find in our global investment universe. But that these large banks seem unlikely to be re-priced by the market any time soon has tempered our enthusiasm. Many US banks are trading on forward price-to-earnings multiples lower than they were before Trump was elected. Clearly, the rise in bond yields – and the more favourable regulatory environment – should have led to a re-rating. Where we are seeing better performance, however, is among our regional lenders, such as Zions Bank, whose share price has proved more immediately responsive to higher bond yields. Zions is also responding well to rising oil prices (its subsidiary Amegy is active in Texas) and the broadening of the US recovery to embrace middle America.

Outlook – 'As good as it gets'?

The US economy grew at a rate of 4.1% in the second quarter, its best performance since 2014. US companies, meanwhile, reported their biggest jump in quarterly earnings since the financial crisis (an increase of more than 23% in the second quarter). This acceleration in both economic growth and earnings is, to some extent, being driven by tax reform in the US (the fourth-largest tax cut in the nation's history and the largest since the Reagan tax cuts of the early 1980s), the effects of which are only just kicking in.

But if the immediate past, as seen through the rear-view mirror of earnings reports and historic economic data, has been better than expected, this very strength feeds a recurrent worry: is this 'as good as it gets'? Some monetary indicators (the flattening of the US yield curve or a slowdown in the US money supply, for instance) are indicating that higher rates and the unwinding of quantitative easing will ultimately result in growth cooling. And while

it might be a case of 'this time is different', remember that economic growth in the US was fantastic in the quarters leading up to the 2000 sell-off, which was more about markets and valuations and less about the economy.

Growth in Europe is clearly weakening. And localised problems continue to emerge in a number of emerging markets, with flashpoints in Argentina, Brazil, Turkey and Indonesia. Although there is no systemic crisis, there is clearly an interaction between local political and economic dynamics and the stronger dollar (which both increases borrowing costs and pushes energy prices higher for developed markets). The dollar and interest rates are being driven higher. This could have negative impacts on financial systems and economies in emerging markets, where consumer borrowing is running at worryingly high levels.

As for US threats to impose further tariffs, we are aware that they are primarily designed to shore up support among the Republican Party's base ahead of mid-term elections in November. That said, too harsh rhetoric can in itself lead to market selloffs and slower growth in the economy (if companies stop investing due to uncertainty). We would not be surprised if there is a return to rationality at some point and perhaps even a market driven more by fundamentals and less by the White House. In the meantime, we proceed with caution and in the expectation that things could remain bumpy.

All of the issues that will define the future of the global economy and corporate earnings remain finely balanced. Will the Fed continue to tighten? Can China pull itself out of its recent slowdown? Will an outright trade war erupt? Economic data is strong in the US but asset prices aren't strong everywhere, especially in emerging markets (collapsing exchange rates and bear markets in a number of large developing economies). We are seeing a divergence between the US and the rest of the world.

One result of this uncertainty is the lack of any clear style trends. The question of 'growth' versus 'value' is no longer clear-cut. This increased uncertainty means we have, at the margin, taken some risk out of the portfolio. The portfolio trades at a 20-25% discount to the wider market while yielding a percentage point more (and with a dividend cover and expected earnings growth in line with that of the market). These are reassuring metrics. More importantly, we are focusing on stock-specifics, increasingly tilting the portfolio towards 'special situations' stocks with growing cash returns to their shareholders with somewhat less focus on the macroeconomic side of things.

Jacob de Tusch-Lec
Fund manager

Five largest purchases and sales for the year ended 31 July 2018

Purchases	Cost £'000	Sales	Proceeds £'000
Ping An Insurance Group Co. of China H shares	169,648	Ping An Insurance Group Co. of China H shares	284,392
General Motors	139,273	Western Digital	103,761
Schlumberger	101,776	BHP Billiton	99,095
Western Digital	99,422	Broadcom	93,653
Micron Technology	96,648	Banco do Brasil	92,115

Portfolio statement as at 31 July 2018

Investment	Holding	Valuation £'000	% of net assets
Equities 99.43% (101.26%)			
Australia 0.49% (2.77%)			
Fortescue Metals Group	5,163,085	12,685	0.30
South32	4,115,069	8,255	0.19
		20,940	**0.49**
Belgium 0.00% (0.33%)			
Brazil 0.90% (2.74%)			
Banco do Brasil	5,790,367	38,792	0.90
		38,792	**0.90**
Canada 0.00% (1.67%)			
China 5.77% (3.51%)			
Anhui Conch Cement H shares	22,731,000	110,557	2.57
Beijing Capital International Airport H shares	17,796,181	15,348	0.36
China Conch Venture Holdings	17,875,185	50,953	1.18
China Resources Cement Holdings	74,064,000	64,088	1.49
TravelSky Technology H shares	3,395,000	7,295	0.17
		248,241	**5.77**
Czech Republic 1.10% (1.25%)			
Moneta Money Bank	17,861,574	47,253	1.10
		47,253	**1.10**
Denmark 1.93% (4.00%)			
AP Moller - Maersk B shares	29,625	31,586	0.73
Danske Bank	2,290,371	51,446	1.20
		83,032	**1.93**
France 0.80% (4.87%)			
Amundi	393,176	20,710	0.48
Total	275,711	13,685	0.32
		34,395	**0.80**
Georgia 0.00% (1.37%)			
Germany 2.45% (4.50%)			
1&1 Drillisch	472,927	21,560	0.50
Bayer	359,532	30,391	0.71
Rheinmetall	467,005	42,497	0.99
Volkswagen Preference shares	80,983	10,925	0.25
		105,373	**2.45**
Ghana 0.34% (0.00%)			
Tullow Oil	6,475,165	14,776	0.34
		14,776	**0.34**

Investment	Holding	Valuation £'000	% of net assets
Hong Kong 0.00% (0.67%)			
India 0.00% (0.88%)			
Israel 6.27% (4.26%)			
Bank Hapoalim	9,869,981	53,511	1.25
Bank Leumi Le-Israel	15,825,375	76,612	1.78
Bezeq The Israeli Telecommunication Company	92,370,621	73,616	1.71
Mizrahi Tefahot Bank	1,490,443	22,119	0.51
Shikun & Binui	30,966,944	43,670	1.02
		269,528	**6.27**
Italy 9.61% (12.18%)			
EI Towers	2,706,434	136,771	3.18
Infrastrutture Wireless Italiane	21,371,750	132,290	3.08
Leonardo	2,045,169	18,383	0.43
Rai Way	23,525,184	104,313	2.42
Telecom Italia	42,523,807	21,565	0.50
		413,322	**9.61**
Japan 5.43% (5.30%)			
Idemitsu Kosan	1,784,100	60,996	1.42
Mitsubishi UFJ Financial Group	3,842,800	18,032	0.42
Tokai Carbon	11,055,000	154,343	3.59
		233,371	**5.43**
Luxembourg 2.45% (1.56%)			
Tenaris	7,557,100	105,444	2.45
		105,444	**2.45**
New Zealand 0.28% (0.28%)			
Metlifecare	3,742,214	11,815	0.28
		11,815	**0.28**
Norway 5.71% (5.56%)			
Aker BP	473,237	12,858	0.30
Borr Drilling	23,933,673	84,139	1.96
Ocean Yield	2,870,316	18,061	0.42
Storebrand	15,100,355	97,982	2.28
Yara International	962,435	32,511	0.75
		245,551	**5.71**
Poland 0.11% (0.00%)			
Polski Koncern Naftowy ORLEN	248,928	4,876	0.11
		4,876	**0.11**
Portugal 0.58% (0.00%)			
Galp Energia	1,606,142	25,095	0.58
		25,095	**0.58**
Russia 0.67% (1.13%)			
MMC Norilsk Nickel, ADR	577,565	7,549	0.18
Sberbank of Russia Preference shares	4,647,420	10,298	0.24
Sberbank of Russia, ADR	1,017,513	10,907	0.25
		28,754	**0.67**

Investment information (continued)

Investment	Holding	Valuation £'000	% of net assets
Singapore 0.00% (0.10%)			
South Africa 0.85% (0.00%)			
Anglo American	2,117,953	36,357	0.85
		36,357	**0.85**
South Korea 2.05% (0.00%)			
POSCO Chemtech	2,633,981	88,185	2.05
		88,185	**2.05**
Spain 2.74% (4.21%)			
Euskaltel	5,587,867	39,893	0.93
Naturgy Energy Group	425,116	8,817	0.20
Parques Reunidos Servicios Centrales	4,037,115	46,705	1.09
Repsol	1,484,496	22,446	0.52
		117,861	**2.74**
Sweden 1.94% (1.79%)			
Nordea Bank	8,477,755	69,027	1.61
Skandinaviska Enskilda Banken A shares	1,730,675	14,188	0.33
		83,215	**1.94**
Switzerland 0.20% (0.95%)			
Glencore	2,672,859	8,791	0.20
		8,791	**0.20**
Taiwan 1.25% (0.00%)			
Micro-Star International	12,970,505	33,757	0.79
Nanya Technology	10,182,982	19,838	0.46
		53,595	**1.25**
United Arab Emirates 0.24% (0.00%)			
Abu Dhabi National Oil Co. for Distribution	20,105,634	10,271	0.24
		10,271	**0.24**
United Kingdom 4.27% (5.99%)			
3i Group	2,420,079	23,044	0.54
CNH Industrial	4,797,493	42,657	0.99
Imperial Brands	2,431,100	70,672	1.64
Subsea 7	4,224,240	47,039	1.10
		183,412	**4.27**
United States of America 41.00% (29.39%)			
AbbVie	1,372,173	95,332	2.22
Bank of America	2,016,159	47,972	1.12
Best Buy	1,319,124	74,570	1.73
Blackstone Group LP	2,662,040	70,662	1.64
Broadcom	130,880	22,392	0.52
Carlyle Group LP	3,084,572	55,889	1.30
Citigroup	2,435,036	133,712	3.11
Comerica	763,291	56,022	1.30
Exxon Mobil	147,226	9,141	0.21
General Motors	5,331,386	152,574	3.55
GEO Group, REIT	2,764,042	53,966	1.26
Hess	1,047,190	51,457	1.20
Huntington Ingalls Industries	178,461	30,910	0.72

Investment	Holding	Valuation £'000	% of net assets
Intel	1,403,950	50,866	1.18
JPMorgan Chase	156,140	13,847	0.32
Juniper Networks	800,364	15,985	0.37
KKR	4,053,742	84,136	1.96
Las Vegas Sands	287,601	15,353	0.36
Micron Technology	2,263,264	91,129	2.12
Norfolk Southern	520,675	66,644	1.55
Occidental Petroleum	67,545	4,275	0.10
PACCAR	265,827	13,127	0.31
Reliance Steel & Aluminum	706,684	48,764	1.13
Schlumberger	740,483	38,011	0.88
Seagate Technology	1,021,779	41,918	0.98
Six Flags Entertainment	421,462	20,636	0.48
Synchrony Financial	2,822,387	63,253	1.47
Targa Resources	1,109,428	43,954	1.02
Verizon Communications	1,111,072	44,306	1.03
Wells Fargo	1,017,591	45,147	1.05
Western Digital	1,883,702	100,188	2.33
Zions Bancorporation	2,675,700	106,475	2.48
		1,762,613	**41.00**
Equities total		**4,274,858**	**99.43**
Forward currency contracts 0.06% ((0.71)%)			
Buy US Dollar 578,469,978 dated 10/09/2018		438,714	10.20
Sell Euro 488,810,000 dated 10/09/2018		(436,238)	(10.14)
Forward currency contracts total		**2,476**	**0.06**
Investment assets		4,277,334	99.49
Net other assets		21,764	0.51
Net assets attributable to unitholders		4,299,098	100.00

The comparative percentage figures in brackets are as at 31 July 2017.

Statement of total return for the year ended 31 July 2018

	Note	31 July 2018 £'000	31 July 2018 £'000	31 July 2017 £'000	31 July 2017 £'000
Income					
Net capital gains	3		317,899		470,389
Revenue	5	131,614		141,317	
Expenses	6	(32,633)		(28,338)	
Interest payable and similar charges	7	(626)		(784)	
Net revenue before taxation		98,355		112,195	
Taxation	8	(7,869)		(11,598)	
Net revenue after taxation			90,486		100,597
Total return before distributions			**408,385**		**570,986**
Distributions	9		(121,103)		(127,128)
Change in net assets attributable to unitholders from investment activities			287,282		443,858

Statement of change in net assets attributable to unitholders for the year ended 31 July 2018

	31 July 2018 £'000	31 July 2018 £'000	31 July 2017 £'000	31 July 2017 £'000
Opening net assets attributable to unitholders		3,614,128		3,162,230
Amounts receivable on issue of units	487,185		346,245	
Amounts payable on cancellation of units	(139,374)		(388,662)	
		347,811		(42,417)
Change in net assets attributable to unitholders from investment activities		287,282		443,858
Retained distributions on accumulation units		49,877		50,457
Closing net assets attributable to unitholders		4,299,098		3,614,128

Balance sheet as at 31 July 2018

	Note	31 July 2018 £'000	31 July 2017 £'000
Assets			
Fixed assets			
Investments	10	4,277,334	3,659,693
Current assets			
Debtors	11	26,837	20,768
Cash and bank balances	12	58,892	26,570
Total current assets		**85,729**	**47,338**
Total assets		**4,363,063**	**3,707,031**
Liabilities			
Investment liabilities	10	-	25,789
Creditors			
Bank overdraft	13	5,464	-
Distribution payable		50,703	58,157
Other creditors	14	7,798	8,957
Total creditors		**63,965**	**67,114**
Total liabilities		**63,965**	**92,903**
Net assets attributable to unitholders		4,299,098	3,614,128

Notes to the financial statements

1. Accounting policies

(a) Basis of accounting. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, in accordance with FRS 102 and the SORP.

(b) Valuation of investments. All investments have been valued at 12 noon on the last working day of the accounting period. Listed investments are valued at fair value which is deemed to be the bid or SETS price.

(c) Foreign exchange rates. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at 12 noon on the last working day of the accounting period. Revenue and expenditure transactions are translated at the rates of exchange ruling on the dates of the transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

(d) Derivatives. Where appropriate, certain permitted transactions such as derivatives or forward currency contracts are used for efficient portfolio management and investment purposes. Derivatives are valued at 12 noon on the last working day of the accounting period. Exchange traded derivatives are priced at fair value, which is deemed to be the bid price. Over-the-counter derivatives are priced at fair values using valuation models or data sourced from market data providers. Returns on derivative instruments are recognised as either revenue or capital depending on the nature and circumstances of each particular case. Any positions on such transactions open at the year end are reflected in the balance sheet at their marked to market value.

(e) Revenue. Dividends receivable from equity and non-equity shares, including Real Estate Investment Trusts, are credited to revenue, net of attributable tax credits, when the security is quoted ex-dividend. Dividends received as shares (scrip/stock dividends), to the extent that the value of such dividends is equal to the cash dividends, are treated as revenue. Special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. It is likely that where a special dividend results in a significant reduction in the capital value of a holding, then the dividend will generally be treated as capital, otherwise this will be recognised as revenue. Bank interest is recognised on an accruals basis.

(f) Expenses. All expenses (other than those relating to the purchase and sale of investments) are charged against revenue on an accruals basis. Costs arising from the filing of European withholding tax reclaims are charged to revenue but deducted from capital for the purpose of calculating the distribution. On receipt of any withholding tax reclaims, the relevant costs will be transferred back to revenue and deducted from the distribution.

(g) Taxation. Corporation tax is charged at a rate of 20% on the excess taxable revenue of the fund. In general, the tax accounting treatment follows that of the principal amount. Deferred tax is provided for all timing differences that have originated but not reversed at the balance sheet date other than those recorded as permanent differences. Deferred tax is provided for at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

2. Distribution policy

The fund shall distribute all available revenue, after deduction of expenses properly chargeable against revenue. The manager and the trustee have agreed that 100% of the annual management charge is to be transferred to capital for the purpose of calculating the distribution, as permitted by COLL. The distribution currently payable reflects this treatment. The manager may from time to time, smooth the distribution payments during the accounting period with the balance of revenue (if any) being paid in respect of the final distribution. Gains and losses on investments, derivatives and currencies, whether realised or unrealised, if taken to capital are not available for distribution. The fund is not more than 60% invested in qualifying investments (as defined in section 468L, Income and Corporation Taxes Act 1988) and where applicable will pay a dividend distribution. With the exception of the manager's annual management charge, which is directly attributable to each unit class, all income and expenses are apportioned to each unit class pro-rata to the value of the net assets of the relevant unit class on the day that the income or expense is recognised. Distributions which have remained unclaimed by unitholders for six years are credited to the capital property of the fund.

3. Net capital gains

	31 July 2018 £'000	31 July 2017 £'000
Non-derivative securities	313,485	481,452
Forward currency contracts	8,365	(22,109)
Capital transaction charges	(34)	(59)
Currency (losses)/gains	(3,917)	11,105
Net capital gains	317,899	470,389

4. Direct transaction costs

For purchases and sales of equities, broker commissions, transfer taxes and stamp duty are paid by the fund on each transaction and are summarised below. Bonds have no separately identifiable transaction costs; these costs form part of the dealing price.

	Year ended 31 July 2018					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	5,097,987	1,647	1,988	5,101,622	0.03	0.04
Sales						
Equities	4,801,290	1,490	720	4,799,080	0.03	0.01
Total		3,137	2,708			
Percentage of fund average net assets		0.08%	0.07%			

	Year ended 31 July 2017					
	Principal £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases						
Equities	5,863,609	2,892	3,948	5,870,449	0.05	0.07
Sales						
Equities	5,887,468	3,012	509	5,883,947	0.05	0.01
Bonds	30,238	-	-	30,238	-	-
Total		5,904	4,457			
Percentage of fund average net assets		0.17%	0.13%			

During the year the fund incurred £34,000 (2017: £59,000) in capital transaction charges.

Dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.13% (2017: 0.15%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

5. Revenue

	31 July 2018 £'000	31 July 2017 £'000
Overseas dividends	124,024	129,897
UK dividends	7,407	10,973
Stock dividends	123	-
Bank interest	60	21
Interest on debt securities	-	421
Interest on Denkavit tax reclaims	-	5
Total revenue	131,614	141,317

6. Expenses

	31 July 2018 £'000	31 July 2017 £'000
Payable to the manager, associates of the manager and agents of either of them:		
Annual management charge	30,605	26,516
Other expenses:		
Safe custody fees	755	594
Trustee fees	389	412
Registration fees	374	329
Administration fees	301	270
Operational fees	200	208
Auditor's remuneration: audit fees*	9	9
Total expenses	32,633	28,338

All expenditure stated above is inclusive of irrecoverable VAT where applicable.
* The amount disclosed above includes VAT at the rate of 20%. The audit fee (excluding VAT) accrued during the year was £8,250 (2017: £7,500).

7. Interest payable and similar charges

	31 July 2018 £'000	31 July 2017 £'000
Interest payable	626	784
Total interest payable and similar charges	626	784

8. Taxation

	31 July 2018 £'000	31 July 2017 £'000
a) Analysis of the tax charge for the year		
Irrecoverable overseas tax	7,869	11,624
Denkavit tax reclaims	-	(26)
Total taxation (note 8b)	7,869	11,598
b) Factors affecting the tax charge for the year		
Net revenue before taxation	98,355	112,195
Corporation tax at 20% (2017: 20%)	19,671	22,439
Effects of:		
Irrecoverable overseas tax	7,869	11,624
Unutilised management expenses	3,964	2,747
Utilisation of non-trade deficit carried forward	113	68
Denkavit tax reclaims	-	(26)
Non-taxable stock dividends	(25)	-
Income taxable in different periods	(85)	96
Overseas withholding tax expensed	(415)	(437)
Non-taxable UK dividends	(1,481)	(2,195)
Non-taxable overseas dividends	(21,742)	(22,718)
Tax charge for the year (note 8a)	7,869	11,598

c) Provision for deferred tax
No provision for deferred tax has been made in the current or prior accounting year.

d) Factors that may affect future tax charges
The fund has not recognised a deferred tax asset of £8,455,000 (2017: £4,491,000) arising as a result of having unutilised management expenses of £42,277,000 (2017: £22,454,000) and non-trade loan relationship deficits of £567,000 (2017: £337,000). It is unlikely that the fund will obtain relief for these in the future so no deferred tax asset has been recognised.

9. Distributions

	31 July 2018 £'000	31 July 2017 £'000
Interim dividend distribution	37,619	32,782
Final dividend distribution	85,256	96,034
	122,875	128,816
Add: amounts deducted on cancellation of units	1,564	2,406
Deduct: amounts added on issue of units	(3,336)	(4,094)
Distributions	121,103	127,128
Movement between net revenue and distributions		
Net revenue after taxation	90,486	100,597
Annual management charge paid from capital	30,605	26,516
Other expenses paid from capital	13	14
Undistributed revenue brought forward	2	3
Undistributed revenue carried forward	(3)	(2)
	121,103	127,128

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. Details of the distributions per unit are set out in the distribution tables on page 25.

10. Fair value hierarchy

All investments are designated at fair value through profit or loss on initial recognition. The following table provides an analysis of these investments based on the fair value hierarchy in accordance with FRS 102 which reflects the reliability and significance of the information used to measure their fair value.

The disclosure is split into the following categories:
Level 1 – Investments with unadjusted quoted prices in an active market;
Level 2 – Investments whose fair value is based on inputs other than quoted prices that are either directly or indirectly observable;
Level 3 – Investments whose fair value is based on inputs that are unobservable (i.e. for which market data is unavailable).

	31 July 2018		31 July 2017	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	4,274,858	-	3,659,693	-
Level 2	2,476	-	-	25,789
Total	4,277,334	-	3,659,693	25,789

11. Debtors

	31 July 2018 £'000	31 July 2017 £'000
Amounts receivable for issue of units	9,436	1,499
Overseas withholding tax recoverable	9,077	8,364
Sales awaiting settlement	4,427	6,769
Accrued revenue	3,895	4,127
Prepaid expenses	2	3
Income tax recoverable	-	6
Total debtors	26,837	20,768

12. Cash and bank balances

	31 July 2018 £'000	31 July 2017 £'000
Amounts held in JPMorgan Liquidity Funds – Sterling Liquidity Fund (Institutional dist.)	51,625	3,590
Cash and bank balances	7,267	50
Collateral held with UBS	-	22,930
Total cash and bank balances	58,892	26,570

13. Bank overdraft

	31 July 2018 £'000	31 July 2017 £'000
Collateral pledged with UBS	5,464	-
Total bank overdraft	5,464	-

14. Other creditors

	31 July 2018 £'000	31 July 2017 £'000
Accrued annual management charge	2,685	2,321
Purchases awaiting settlement	2,418	6,117
Amounts payable for cancellation of units	1,942	-
Accrued other expenses	753	519
Total other creditors	7,798	8,957

15. Contingent liabilities and commitments

There were no contingent liabilities or outstanding commitments at the current or prior year end.

16. Contingent assets

Following the ruling on Denkavit's case with the European Court of Justice regarding taxation withheld on overseas dividends, the manager has taken steps to make claims with certain European tax authorities for repayment of taxation suffered by the fund on dividend revenue. Due to uncertainty regarding the likely success of claims made in other countries, it is not possible to estimate the potential amount of overseas tax that may be received by the fund, if any. Therefore, the financial statements presented for the year ended 31 July 2018 do not reflect any further amounts that may be received.

17. Reconciliation of unit movements

Class	Units in issue at 31 July 2017	Units issued	Units cancelled	Units converted	Units in issue at 31 July 2018
I distribution	2,191,131,529	259,137,384	(64,278,376)	2,632,585	2,388,623,122
I accumulation	1,058,162,227	162,597,986	(44,624,958)	(1,063,772)	1,175,071,483
R distribution	27,313,014	3,442,780	(2,012,987)	(393,193)	28,349,614
R accumulation	57,781,902	3,479,003	(8,378,665)	(666,709)	52,215,531

18. Risk disclosures

The fund's financial instruments comprise equities, derivatives, cash balances and liquid resources which include debtors and creditors. The fund holds such financial assets in accordance with its investment objective and policy as set out on page 1. The fund is exposed to a number of risks that are associated with the financial instruments and markets in which it invests. The most significant risks to which the fund is exposed to are market risk, credit and counterparty risk and liquidity risk.

(a) Market risk

Market risk, which includes interest rate risk, currency risk, other price risk and leverage risk, arises mainly from uncertainty about future values of financial instruments in the fund's investment portfolio. The fund, in order to meet its investment objective and policy, invests predominantly in equities and bonds and maintains an appropriate spread of investments in accordance with COLL, the Trust Deed and the Prospectus to seek to reduce the risks arising from factors specific to a particular company or sector. The manager's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long-term investments. There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the fund disclosed in the balance sheet.

(i) Interest rate risk

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. Bond yields (and as a consequence bond prices) are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, governments' fiscal positions, short-term interest rates and international market comparisons. As part of the continuing review of the portfolio, the manager monitors and reviews these factors. As the majority of the fund's financial assets are non-interest bearing, the fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates.

(ii) Currency risk

The majority of the net assets of the fund are denominated in currencies other than sterling, and therefore the balance sheet and total return can be affected by currency movements. Therefore, the manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to currency risk is reduced. The gain on forward currency contracts for the year was £8,365,000 (2017: loss of £22,109,000).

Revenue received in foreign currencies is converted into sterling on or near the date of receipt.

The exposure to each currency is shown in the table below.

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
31 July 2018				
US Dollar	1,781,069	3,157	438,714	2,222,940
Euro	844,147	4,092	(436,238)	412,001
Norwegian Krone	292,590	1,678	-	294,268
Israeli New Shekel	269,528	561	-	270,089
Hong Kong Dollar	248,241	29	-	248,270
Japanese Yen	233,371	786	-	234,157
Sterling	153,640	8,387	-	162,027
Korean Won	88,185	-	-	88,185
Danish Krone	83,032	1,129	-	84,161
Swedish Krona	83,215	-	-	83,215
Taiwan Dollar	53,595	97	-	53,692
Czech Koruna	47,253	901	-	48,154
Brazilian Real	38,792	133	-	38,925
Australian Dollar	20,940	-	-	20,940
New Zealand Dollar	11,815	-	-	11,815
Russian Rouble	10,298	492	-	10,790
UAE Dirham	10,271	-	-	10,271
Polish Zloty	4,876	156	-	5,032
Swiss Franc	-	166	-	166
31 July 2017				
US Dollar	1,082,974	1,680	479,457	1,564,111
Euro	1,092,187	4,944	(505,246)	591,885
Sterling	252,871	(32,269)	-	220,602
Norwegian Krone	201,016	1,821	-	202,837
Japanese Yen	190,873	854	-	191,727
Israeli New Shekel	154,004	247	-	154,251
Hong Kong Dollar	151,066	805	-	151,871
Danish Krone	144,615	750	-	145,365
Brazilian Real	99,126	1,126	-	100,252

Currency	Investments £'000	Net other assets/ (liabilities) £'000	Forward currency contracts £'000	Total £'000
Swedish Krona	64,578	-	-	64,578
Czech Koruna	45,222	-	-	45,222
Russian Rouble	40,842	-	-	40,842
Canadian Dollar	40,324	-	-	40,324
Swiss Franc	34,413	170	-	34,583
Indian Rupee	31,748	-	-	31,748
Australian Dollar	20,183	-	-	20,183
New Zealand Dollar	10,004	-	-	10,004
Singapore Dollar	3,647	-	-	3,647
Taiwan Dollar	-	83	-	83
Polish Zloty	-	13	-	13

A five per cent increase in the value of the fund's foreign currency exposure would have the effect of increasing the return and net assets by £206,854,000 (2017: £169,676,000). A five per cent of decrease would have an equal and opposite effect.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those relating to interest rate risk, currency risk and credit and counterparty risk), whether caused by factors specific to an investment or wider issues affecting the market generally. The value of equities is dependent on a number of factors, arising from the performance of the company itself and matters arising in the wider market (for example the state of the underlying economy and current government policy). The portfolio is invested in securities domiciled in a number of countries and will be exposed to market movements in the relevant country arising from changes in the local economy and government decisions. As part of the continuing review of the portfolio, the manager monitors and reviews these factors. A five per cent increase in the value of the fund's portfolio would have the effect of increasing the return and net assets by £213,867,000 (2017: £181,695,000). A five per cent decrease would have an equal and opposite effect.

(iv) Leverage risk

Leverage is defined as any method by which the fund can increase its exposure by borrowing cash or securities or from leverage that is embedded in derivative positions. The manager is required to calculate and monitor the level of leverage of a fund, expressed as a percentage of the exposure of the fund and its net asset value under the commitment method.

The fund can use cash borrowing (subject to restrictions as set out in its Prospectus and COLL) and financial derivatives as sources of leverage. A result of 100% indicates that no leverage has been used.

As at 31 July 2018 and 31 July 2017 the leverage ratios of the fund were:

	2018 %	2017 %
Sum of the notionals	121.8	127.8
Commitment	109.2	113.7

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into with the fund, resulting in a financial loss. From time to time, the fund may be subject to short-term credit risk with counterparties pending settlement of investment transactions. The manager has a pre-approved list of counterparties it uses for investment transactions, which is reviewed on a regular basis. The largest counterparty risk is with JP Morgan Chase N.A. ('JP Morgan'), the fund's custodian and banker, who holds the fund's investments and maintains the bank accounts. Bankruptcy or insolvency of JP Morgan may cause the fund's rights with respect to securities and cash held by the custodian to be delayed or limited. The trustee receives and reviews a semi-annual report on the internal controls in place at JP Morgan. The fund is also exposed to counterparty risk through holding specific financial instruments.

The manager is permitted to use one or more separate counterparties for derivative transactions. The fund may enter into transactions in over-the-counter ('OTC') markets that expose it to the creditworthiness of its counterparties and their ability to satisfy the terms of such contracts. Where the fund enters into derivative contracts, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the fund could experience delays in liquidating the position and may incur significant losses. There may be a risk that a counterparty will be unable to meet its obligations with regard to the return of the collateral and may not meet other payments due to the fund. To minimise such risk the manager will assess the creditworthiness of any counterparty that it engages. On a daily basis the manager assesses the level of assets with each counterparty to ensure that the exposure is within the defined limits in accordance with the requirements stipulated in COLL and the Prospectus. The derivatives held at the year end are disclosed in the portfolio statement and UBS AG ('UBS') is the counterparty for forward currency contracts. Aside from the custodian, the derivative counterparties and brokers where trades are pending settlement, there were no significant concentrations of credit and counterparty risk as at 31 July 2018 or 31 July 2017.

Counterparty and collateral exposure

	Forward currency contracts £'000	Total gross exposure £'000	Net collateral (held)/pledged £'000
31 July 2018			
UBS	2,476	2,476	(5,464)
31 July 2017			
UBS	(25,789)	(25,789)	22,930

Only cash collateral is pledged or held by the fund.

(c) Liquidity risk

Some of the fund's financial instruments can include securities that are not listed on a recognised stock exchange and which may not always be readily realisable. However, from time to time, liquidity in any market or in a specific security can be affected by economic events. As a result, the fund may not be able to realise these investments quickly at their fair value to respond to any further liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In order to manage liquidity requirements, the fund seeks to maintain sufficient cash to pay creditors. Liquidity risk limits are set by reference to two key metrics: market liquidity and investor concentration. These measures will, in combination, identify instances where the fund may be unable to meet investor redemptions. Market liquidity considers a fund's liquidity compared against the daily average liquidity over the previous twelve months. Investor concentration considers the proportion of the fund that is realisable within a redemption cycle measured against the largest unitholder.

19. Related party transactions

The manager is deemed to be a related party. All transactions and balances associated with the manager are disclosed within the statement of total return, statement of change in net assets attributable to unitholders and the balance sheet on page 15 and notes 6, 9, 11 and 14 on pages 18 to 20 including all issues and cancellations where the manager acted as principal.

The balance due from the manager as at 31 July 2018 in respect of these transactions was £4,809,000 (2017: due to £822,000).

20. Unit classes

The annual management charge on each unit class is as follows:

I distribution	0.75%
I accumulation	0.75%
R distribution	1.50%
R accumulation	1.50%

The net asset value per unit and the number of units in each class are given in the comparative tables on page 26. The distributions per unit class are given in the distribution tables on page 25. All classes have the same rights.

21. Post balance sheet event

Since 31 July 2018, the net asset values per unit, on a bid basis, have changed as follows:

	Net asset value per unit (p)		
	24 September 2018	31 July 2018	Movement
I distribution	105.83	105.01	0.8%
I accumulation	145.12	143.99	0.8%
R distribution	99.53	98.87	0.7%
R accumulation	136.58	135.67	0.7%

Distribution tables

Interim dividend distribution for the six months ended 31 January 2018 (paid on 29 March 2018) in pence per unit.

Group 1 – Units purchased prior to 1 August 2017.
Group 2 – Units purchased from 1 August 2017 to 31 January 2018.

	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 29 March 2018	Distribution per unit (p) 31 March 2017
I distribution				
Group 1	0.9549	-	0.9549	0.9292
Group 2	0.4131	0.5418	0.9549	0.9292
I accumulation				
Group 1	1.2721	-	1.2721	1.1938
Group 2	0.5509	0.7212	1.2721	1.1938
R distribution				
Group 1	0.9044	-	0.9044	0.8867
Group 2	0.4206	0.4838	0.9044	0.8867
R accumulation				
Group 1	1.2056	-	1.2056	1.1399
Group 2	0.5888	0.6168	1.2056	1.1399

Corporate unitholders should note that:

1. 100.00% of the revenue distribution is received as franked investment income.

2. 0.00% of the revenue distribution is received as an annual payment received after deduction of income tax at the lower rate and may be liable to corporation tax. It is not franked investment income.

Final dividend distribution for the six months ended 31 July 2018 (payable on 28 September 2018) in pence per unit.

Group 1 - Units purchased prior to 1 February 2018.
Group 2 - Units purchased from 1 February 2018 to 31 July 2018.

	Net revenue per unit (p)	Equalisation per unit (p)	Distribution per unit (p) 28 September 2018	Distribution per unit (p) 29 September 2017
I distribution				
Group 1	2.0992	-	2.0992	2.6231
Group 2	1.0911	1.0081	2.0992	2.6231
I accumulation				
Group 1	2.8221	-	2.8221	3.4028
Group 2	1.5888	1.2333	2.8221	3.4028
R distribution				
Group 1	1.9802	-	1.9802	2.4935
Group 2	0.6022	1.3780	1.9802	2.4935
R accumulation				
Group 1	2.6639	-	2.6639	3.2367
Group 2	1.3527	1.3112	2.6639	3.2367

Corporate unitholders should note that:

1. 100.00% of the revenue distribution is received as franked investment income.

2. 0.00% of the revenue distribution is received as an annual payment received after deduction of income tax at the lower rate and may be liable to corporation tax. It is not franked investment income.

Equalisation applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of all group 2 units and is refunded to holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Comparative tables

	I distribution			I accumulation		
	2018	2017	2016	2018	2017	2016
Change in net assets per unit (p)						
Opening net asset value per unit	**97.69**	**85.21**	**80.73**	**130.13**	**109.49**	**100.22**
Return before operating charges *	11.18	16.80	8.00	14.95	21.63	10.06
Operating charges	(0.81)	(0.77)	(0.64)	(1.09)	(0.99)	(0.79)
Return after operating charges	10.37	16.03	7.36	13.86	20.64	9.27
Distributions	(3.05)	(3.55)	(2.88)	(4.09)	(4.60)	(3.60)
Retained distributions on accumulation units	-	-	-	4.09	4.60	3.60
Closing net asset value per unit	**105.01**	**97.69**	**85.21**	**143.99**	**130.13**	**109.49**
* after direct transaction costs of	(0.14)	(0.28)	(0.21)	(0.19)	(0.36)	(0.27)
Performance						
Return after charges	10.62%	18.81%	9.12%	10.65%	18.85%	9.25%
Other information						
Closing net asset value (£'000)	2,508,195	2,140,461	1,772,346	1,692,033	1,376,976	1,291,812
Closing number of units	2,388,623,122	2,191,131,529	2,080,045,768	1,175,071,483	1,058,162,227	1,179,842,069
Operating charges	0.80%	0.80%	0.81%	0.80%	0.80%	0.81%
Direct transaction costs	0.14%	0.29%	0.27%	0.14%	0.29%	0.27%
Prices						
Highest offer unit price (p)	108.64	104.51	88.80	145.41	135.58	111.50
Lowest bid unit price (p)	94.14	83.14	70.84	126.57	106.82	88.94

	R distribution			R accumulation		
	2018	2017	2016	2018	2017	2016
Change in net assets per unit (p)						
Opening net asset value per unit	**92.67**	**81.45**	**77.76**	**123.53**	**104.72**	**96.58**
Return before operating charges *	10.57	16.02	7.64	14.13	20.64	9.61
Operating charges	(1.49)	(1.42)	(1.18)	(1.99)	(1.83)	(1.47)
Return after operating charges	9.08	14.60	6.46	12.14	18.81	8.14
Distributions	(2.88)	(3.38)	(2.77)	(3.87)	(4.38)	(3.46)
Retained distributions on accumulation units	-	-	-	3.87	4.38	3.46
Closing net asset value per unit	**98.87**	**92.67**	**81.45**	**135.67**	**123.53**	**104.72**
* after direct transaction costs of	(0.13)	(0.26)	(0.20)	(0.18)	(0.34)	(0.26)
Performance						
Return after charges	9.80%	17.93%	8.31%	9.83%	17.96%	8.43%
Other information						
Closing net asset value (£'000)	28,028	25,312	24,181	70,842	71,379	73,891
Closing number of units	28,349,614	27,313,014	29,688,319	52,215,531	57,781,902	70,557,515
Operating charges	1.55%	1.55%	1.56%	1.55%	1.55%	1.56%
Direct transaction costs	0.14%	0.29%	0.27%	0.14%	0.29%	0.27%
Prices						
Highest offer unit price (p)	107.04	103.62	88.47	142.69	134.50	111.14
Lowest bid unit price (p)	88.86	79.46	67.95	119.54	102.16	85.36

* Direct transaction costs are stated after deducting the amounts collected in relation to expected dealing costs added to issue of units and subtracted from the cancellation of units.

Class I performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis Global Income Fund	203.2	85.1	43.8	10.7	3.7
MSCI All Country World Index	154.4	78.1	53.8	11.5	5.3
Sector average	124.6	56.6	41.3	6.8	3.2
Position in sector	1/14	1/28	16/37	7/46	23/47
Quartile	1	1	2	1	2

* Data from 19 July 2010, due to the fixed price period of the fund. Source: Lipper Limited, class I distribution units, bid to bid in sterling to 31 July 2018. All performance figures show total returns with dividends reinvested, percentage growth. Sector is IA Global Equity Income.

Class R performance

	Since launch *	5 years	3 years	1 year	6 months
Artemis Global Income Fund	185.7	78.4	40.6	9.8	3.4
MSCI All Country World Index	154.4	78.1	53.8	11.5	5.3

* Data from 19 July 2010, due to the fixed price period of the fund. Source: Lipper Limited, class R distribution units, bid to bid in sterling to 31 July 2018. All performance figures show total returns with dividends reinvested, percentage growth.

Ongoing charges

Class	31 July 2018
I distribution	0.80%
I accumulation	0.80%
R distribution	1.55%
R accumulation	1.55%

Ongoing charges shows the annual operating expenses of each unit class as a percentage of the average net assets of that class for the preceding 12 months.

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