

# **Annual Report & Financial Statements**

Omnis Managed Investments ICVC

For the year ended 30 September 2019

# Contents

	Page
<b>Omnis Managed Investments ICVC</b>	
Directory*	3
Authorised Corporate Director's ("ACD") Report*	4
Certification of Financial Statements by Directors of the Authorised Corporate Director*	8
Statement of the ACD's Responsibilities	9
Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary	10
Independent Auditor's Report to Shareholders	11
Accounting Policies and Financial Instruments	14
<b>Fund Investment Commentaries and Financial Statements*</b>	
Omnis Managed Adventurous Fund	21
Omnis Managed Balanced Fund	37
Omnis Managed Cautious Fund	54
Omnis Multi-Asset Income Fund	71
Omnis Multi-Manager Adventurous Fund	100
Omnis Multi-Manager Balanced Fund	118
Omnis Multi-Manager Cautious Fund	137
Omnis Multi-Manager Distribution Fund	155
General Information	175

\* Collectively, these comprise the Authorised Corporate Director's Report.

## Directory

### The Company and Head Office

Omnis Managed Investments ICVC  
 Washington House  
 Lydiard Fields  
 Swindon SN5 8UB  
 Incorporated in England and Wales  
 under registration number IC000674

Website address: [www.omnisinvestments.com](http://www.omnisinvestments.com)  
 (Authorised and regulated by the FCA)

### Directors and Secretary of the ACD

Kevin Chidwick  
 Peter Davis  
 Douglas Naismith  
 Dominic Sheridan  
 Toni Meadows (appointed 5 August 2019)  
 Andy Whipp (Secretary)

### Registrar

DST Financial Services International Limited  
 DST House  
 St Nicholas Lane  
 Basildon  
 Essex SS15 5FS

### Auditor

Deloitte LLP  
 Statutory Auditor  
 110 Queen Street  
 Glasgow, G1 3BX

### Customer Service Centre

Omnis Managed Investments ICVC  
 PO BOX 10191  
 Chelmsford CM99 2AP  
 Telephone: 0345 140 0070\*

### Depositary

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

### Authorised Corporate Director ("ACD")

Omnis Investments Limited  
 Washington House  
 Lydiard Fields  
 Swindon SN5 8UB  
 (Authorised and regulated by the FCA)

### Investment Managers

Octopus Investments Limited  
 33 Holborn  
 London EC1N 2HT  
 (Authorised and regulated by the FCA)

Newton Investment Management Limited  
 160 Queen Victoria Street  
 London EC4V 4LA  
 (Authorised and regulated by the FCA)

Threadneedle Asset Management Limited  
 78 Cannon Street  
 London EC4N 6AG  
 (Authorised and regulated by the FCA)

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

## Authorised Corporate Director's ("ACD") Report

We are pleased to present the Annual Report & Audited Financial Statements for Omnis Managed Investments ICVC for the year ended 30 September 2019.

### Authorised Status

Omnis Managed Investments ICVC ("the Company") is an investment company with variable capital incorporated in England and Wales under registered number IC000674 and authorised by the Financial Conduct Authority ("FCA") with effect from 20 May 2008. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

Head office: Washington House, Lydiard Fields, Swindon, SN5 8UB.

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.

### Cross Holdings

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

### Base Currency

The base currency of the Company is Pounds Sterling. Each Fund and Class is designated in 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.

**Authorised Corporate Director's ("ACD") Report (continued)****Investment Review  
Year to 30th September 2019**

In Sterling terms, the year to end September 2019 was generally good for most asset classes but this was in no small part due to the impact of Brexit uncertainty which has dragged the pound lower. Global economic growth is soft compared to history and has stayed within a narrow range for some years, whilst inflationary pressures have not surfaced in spite of low unemployment. The absence of inflation in a low growth world has allowed monetary authorities to keep interest rates low. This so called "lower for longer" environment has been a good backdrop for companies to grow their earnings and has generally supported stock market levels. However, the economic recovery since the global financial crisis of 2008 has been one of the longest but also the slowest in recent history. The positive environment relies heavily on the delicate balance of low growth, low inflation and supportive economic policies. This year there have been prolonged periods when investors have questioned the longevity of the current economic upswing and factors such as politics played a lead role in driving investor sentiment.

The uncertainty created by the developing trade war between the US and its major trading partners, particularly China, impacted the behaviour of many sectors of the economy, from consumers to manufacturers to government. In addition, the UK's inability to agree a pathway out of the European Union impacted decision-making as the relationship remains in limbo.

Earnings growth and companies buying back their own shares have supported equity markets for some years but this year witnessed very little earnings growth for the first time in a number of years. Investors have therefore been very sensitive towards economic policy changes as the continuation of the positive economic cycle needs the support of loose fiscal and monetary policy. For this reason, the year began in turbulent fashion as markets questioned the stated intention of the Federal Reserve in the US to raise interest rates. The fear being that more interest rate increases would impact economic growth prospects. The year was therefore permeated by periods in which investors fretted about the impact of policy changes and politics on growth. Although economic activity has slowed in many regions it has remained positive.

In the **UK**, Brexit or the lack of it dominated all our lives. The deal that the then Prime Minister, Theresa May, agreed with Europe failed to pass through parliament on a number of occasions, due to dislike of the terms around a back-stop for Ireland. This ultimately led to her resignation and replacement by Boris Johnson who, in spite of parliament, refused to remove the threat of a disorderly 'no deal' exit as a negotiating tool. The UK equity market is diverse and derives much of its earnings base from overseas markets. Although the uncertainty of Brexit did impact more domestically focused businesses, the overall market was able to generate positive returns, aided by this global earnings base and a healthy dividend yield of 5%.

Economic activity in **Europe** has slowed markedly during the period, causing the European Central Bank (ECB) to respond by cutting interest rates further into negative territory, restarting quantitative easing and committing to continue with asset purchases until it achieves its inflation target. This shift from a date-dependent to a state-dependent form of forward guidance is significant in that it could lead to a large expansion in the total size of assets purchased by the central bank. While those asset purchases may have a limited effect on their own, if combined with fiscal stimulus from the economies that can afford it, they could help to support growth. But the timing of any fiscal stimulus from Europe remains uncertain.

President Trump has a different style of leadership from what markets are used to dealing with. His willingness to communicate directly with the world in an unfiltered way via Twitter is something that has wrong footed markets a few times in the last year. His policies have undoubtedly given the

**Authorised Corporate Director's ("ACD") Report (continued)**

US economy a temporary boost and kept the US dollar strong. Activity is now slowing to below trend growth, not helped by the level of the dollar, and the on-going belief in tariffs as an instrument of trade policy which looks likely to cause a further slowdown. Given the proximity of the US election we expect the US and China to find a limited solution to their on-going dispute, but as at the end of the period this had not been forthcoming. Instead a new political uncertainty has been introduced with the start of impeachment hearings in September, 2019.

Even though unemployment remains at very low levels in the US, inflation has stayed low and this has afforded the Federal Reserve room to lower interest rates twice, effectively reversing the rate rise from the start of the 4th quarter of 2018, a move that had originally triggered a period of market volatility.

In **Japan**, the main domestic political event was the Upper House elections in July, which were won comfortably by Shinzo Abe's Liberal Democratic Party. However, the party fell just short of the two-thirds majority, which would have facilitated Mr Abe's pursuit of constitutional reform. For months, investors have been concerned by the potential impact of a planned hike in consumption tax. This rise came into place just after the end of the period, so it remains to be seen what impact it has on an economy that is already feeling the effects of the global slowdown in manufacturing. Faced with these risks, Japanese consumer confidence has continued to decline. The Bank of Japan resisted the temptation to ease policy and said it would review the outlook at its next meeting, perhaps hinting at further easing to come.

In **Asian and Emerging Markets**, the rate of slowdown in Chinese economic activity is a key factor with far wider global implications. China now represents a large proportion of global economic growth. In all areas Chinese growth has slowed to levels not seen for many years. As it progresses to being more domestic demand led and less reliant on capital spending directed by the government, this slowdown is understandable. If China can manage this transition successfully it would be to the benefit of the long-term stability of the region, but the reliance of global growth on China means that any factors seen to upset this progression impacts market behaviour. It is in this context that we must view the trade wars between the US and China, meaning that a resolution would be taken positively by markets.

**Fixed income** markets posted above average returns for the year, as government bond yields continued to fall (and prices rose) in most major markets. Concerns about future economic growth rates caused the yield curve to temporarily invert between 2 and 10 years, in both the UK and US. This is usually a sign of economic slowdown and a belief that interest rates are too high but thus far the environment remains supportive to bonds. With global growth within a tight range it has been good for corporate cashflows. This has seen spreads on corporate debt remain within a tight range when compared to government bond yields, which have been falling.

**Authorised Corporate Director's ("ACD") Report (continued)**

The local currency gains for government bond investors have been good for some years, but in an environment where yields are negative across the term structure in markets like Germany and Japan, it is difficult to see this positive trend continuing at the pace it has done in recent years.

**Brexit**

At the time of reporting, the UK remained in the process of negotiating its departure from the EU. The political and economic consequences are unknown and it is currently unclear how the UK's departure from the EU will affect aspects of the UK's regulatory regime. This may have an effect on the securities and foreign exchange markets (and therefore on the Omnis funds) in terms of volatility. Omnis distributes its funds entirely in the United Kingdom and is not reliant on, and does not utilise, cross-border, distribution provisions currently in place with other EU Member States.

Toni Meadows  
Chief Investment Officer  
Omnis Investments Limited

30 October 2019

*This review should be read in conjunction with the individual Omnis fund commentaries from the Investments Managers of the funds below.*

**Certification of Financial Statements by Directors of the Authorised  
Corporate Director  
For the year ended 30 September 2019**

**Director's 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 Omnis Investments 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.

Dominic Sheridan

Toni Meadows

**Directors, For and in Behalf of Omnis Investment Limited**

21 January 2020



## Statement of the ACD's Responsibilities

### For the year ended 30 September 2019

The Authorised Corporate Director ("ACD") of Omnis Managed Investments ICVC ("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") as amended, 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 ("United Kingdom Accounting Standards and applicable law") including Financial Reporting Standards 102 ("FRS 102") 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 (formerly Investment Management Association) ("IMA SORP") in May 2014; and
- give a true and fair view of the financial position of the 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 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 Accounting Standards and the IMA 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 IMA SORP and United Kingdom Accounting Standards and applicable law. 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 21 January 2020.

## Omnis Investments Limited

21 January 2020

**Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of Managed Investments ICVC For the year ended 30 September 2019**

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.

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

21 January 2020

**Independent auditor's report to the shareholders of  
Omnis Managed Investments of ICVC  
For the year ended 30 September 2019**

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Omnis Managed Investments ICVC (the 'Company'):

- give a true and fair view of the financial position of the Company as at 30 September 2019 and of the net revenue and expense and the net capital gains and losses on the property of the Company for the year ended 30 September 2019; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements of the Company which comprise the Accounting Policies and Financial Instrument and for each sub-fund:

- the Statement of Total Return;
- the Statement of Change in Net Assets Attributable to Shareholders;
- the Balance Sheet;
- the related notes; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), 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.

### 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.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the authorised corporate director's (ACD's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or

**Independent auditor's report to the shareholders of  
Omnis Managed Investments of ICVC (continued)  
For the year ended 30 September 2019**

- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company'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.

We have nothing to report in respect of these matters.

### **Other information**

The ACD is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of Depositary and ACD**

As explained more fully in the Statement of Depositary's Responsibilities and the Statement of ACD's Responsibilities, the Depositary is responsible for the safeguarding the property of the Company and the ACD 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 ACD 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 ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or have 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.

**Independent auditor's report to the shareholders of  
Omnis Managed Investments of ICVC (continued)  
For the year ended 30 September 2019**

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion:

- proper accounting records for the Company and the 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 30 September 2019 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

#### **Use of our report**

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.

#### **Deloitte LLP**

Statutory Auditor  
Edinburgh, United Kingdom

21 January 2020

## Accounting Policies and Financial Instruments

For the year ended 30 September 2019

### Accounting Basis, Policies and Valuation of Investments

#### 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 Financial Reporting Standard 102 ("FRS 102") and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of UK Authorised Funds issued by the Investment Management Association (now known as the Investment Association) in May 2014.

As described in the Certification of Financial Statements by Directors of the ACD on page 8, 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.

Rebates of annual management charges ("AMC") on underlying investments are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the charge on the underlying Fund.

Revenue from debt securities is accounted for on an effective yield basis. Accrued interest on purchase and sale contracts is recognised as revenue and transferred to revenue or capital as appropriate.

Distributions from Collective Investment Schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment and does not form part of the distributable revenue.

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

All revenue includes withholding taxes but excludes irrecoverable tax credits.

Any reported revenue from an offshore fund, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available.

Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

##### (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.

## Accounting Policies and Financial Instruments (continued)

For the year ended 30 September 2019

### 1. Accounting Basis and Policies (continued)

#### (d) Treatment of expenses

Expenses of the Funds are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the Funds with the exception of Omnis Multi-Manager Distribution Fund and Omnis Multi-Asset Income Fund which charges all expenses to capital.

Rebates on the fees payable to the ACD are accounted for on an accruals basis and recognised as revenue or capital in line with the treatment of the ACD fee on each fund. Rebates on the fees payable to the ACD are netted off against the expense to which they relate.

#### (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.

Overseas capital gains tax is recognised when paid and no provision is made for this.

#### (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 or interest distributions. Any revenue deficit is deducted from capital at year end.

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

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as a final distribution at the end of the annual accounting period.

Interim distributions may be made at the ACD's discretion and in line with the Prospectus.

## Accounting Policies and Financial Instruments (continued)

For the year ended 30 September 2019

### 1. Accounting Basis and Policies (continued)

#### (h) Basis of valuation of investments

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

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

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

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

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

#### (i) Exchange rates

Transactions in foreign currencies are recorded in Sterling at the rates ruling at the dates 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.

#### (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) 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.

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.



## Accounting Policies and Financial Instruments (continued)

For the year ended 30 September 2019

### 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 ACD maintains a detailed Risk Management Policy for identifying, measuring and documenting mitigation activities for those risks to which the Funds may be exposed.

Certain Funds are measured using the Value at Risk Methodology and the remainder using the Commitment Methodology.

Fund	Risk Measurement Method Used	Utilisation of the VaR Limit		
		Lowest	Highest	Average
Omnis Managed Adventurous Fund	Commitment	N/A	N/A	N/A
Omnis Managed Balanced Fund	Commitment	N/A	N/A	N/A
Omnis Managed Cautious Fund	Commitment	N/A	N/A	N/A
Omnis Multi-Asset Income Fund	Value at Risk	3.78%	5.05%	4.23%
Omnis Multi-Manager Adventurous Fund	Commitment	N/A	N/A	N/A
Omnis Multi-Manager Balanced Fund	Commitment	N/A	N/A	N/A
Omnis Multi-Manager Cautious Fund	Commitment	N/A	N/A	N/A
Omnis Multi-Manager Distribution Fund	Commitment	N/A	N/A	N/A

None of the Funds using the commitment method employ significant leverage.

The Value at Risk Methodology is Absolute VaR which is the maximum expected loss for the Portfolio over a 20-day holding period, one month, at a confidence level of 99%. VaR is calculated using a factor exposure model, based on two years' historic price data.

#### (a) Foreign currency risk

The revenue and capital value of the assets of the Funds can be significantly affected by currency translation movements.

The ACD has identified three principal areas where foreign currency risk could impact the Funds:

- Movements in rates affect the value of investments;
- Movements in rates affect the short term timing differences; and
- Movements in rates affect the revenue received.

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.

**Accounting Policies and Financial Instruments (continued)**  
For the year ended 30 September 2019**2. Derivatives and other financial instruments (continued)****(a) Foreign currency risk (continued)**

The Funds of the Company are not required to hedge their foreign currency risk, although they may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Funds of the Company do not hedge their foreign currency risk or such hedging is incomplete or unsuccessful, the value of the Funds 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 Funds of the Company in circumstances where no such hedging transactions are undertaken.

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

The interest rate risk is the risk that the value of the Funds 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 Funds of the Company's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed. The details of each Funds' interest rate risk profile is shown in note 13 or note 15 of the individual fund notes.

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

**(c) Credit risk**

The Funds may invest in interest-bearing securities. If any individual company fails to perform well, then the credit rating of that company may fall and the bonds would fall in price as a result of the perceived increased credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk. The ACD closely monitors the ratings of the bonds within the portfolio.

**(d) Liquidity risk**

The primary source of liquidity risk is the liability to shareholders for any cancellation of shares. The assets of the Funds comprise, in the main, of ready realisable securities, but, subject to the Regulations, the Funds of the Company may invest up to and including 10% of the Scheme Property of the Funds 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 Funds of 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 that Funds of the Company invest in such securities and instruments the terms of which are privately negotiated, the terms of these may contain restrictions regarding resale and transfer.

## Accounting Policies and Financial Instruments (continued)

For the year ended 30 September 2019

### 2. Derivatives and other financial instruments (continued)

#### (d) Liquidity risk (continued)

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 Funds of the Company's ability to purchase or sell such securities at a fair price may be delayed.

#### (e) Market price risk

The Funds of the Company invest primarily in equities, bonds, units in Collective Investment Schemes and derivatives. The values 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 in line with the objectives of each Fund. In addition, the management of the Funds of the Company complies with the FCA's COLL sourcebook, which includes rules prohibiting a holding greater than 20% of assets in any one Fund.

If the market prices had increased or decreased by 10% as at the balance sheet date, the net asset values of the Funds would have changed by the following amounts. These calculations are applied to non-derivative securities only.

Fund Name	Increase £'000	Decrease £'000
Omnis Managed Adventurous Fund	6,877	6,877
Omnis Managed Balanced Fund	29,244	29,244
Omnis Managed Cautious Fund	10,473	10,473
Omnis Multi-Asset Income Fund	34,348	34,348
Omnis Multi-Manager Adventurous Fund	5,387	5,387
Omnis Multi-Manager Balanced Fund	13,970	13,970
Omnis Multi-Manager Cautious Fund	8,371	8,371
Omnis Multi-Manager Distribution Fund	2,746	2,746

#### (f) Counterparty risk

Transactions in securities entered into by the Funds of 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 Managers minimise this risk by conducting trades through only the most reputable counterparties.

The ACD monitors the Funds' exposure to individual counterparties and applies limits which may not be exceeded.

**Accounting Policies and Financial Instruments (continued)**  
For the year ended 30 September 2019

**2. Derivatives and other financial instruments (continued)**

**(g) Default risk**

The Omnis Multi-Asset Income Fund invests in bonds that are at risk of default at any given time. The risk of default is mitigated by the regular monitoring of bonds internally and externally through ratings agencies. The Investment Manager seeks to minimise these risks by holding a diversified portfolio in line with the objectives of each Fund.

**(h) Derivatives and forward transactions**

All of the Funds may use derivatives for the purposes of efficient portfolio management and, where disclosed below, certain of the Funds' of the Company utilise derivative instruments for investment purposes.

**Multi-Asset Income Fund**

Forward Foreign Exchange – for the purpose of hedging against the potential negative effect of currency movements on the portfolio.

Future contracts – for the purpose of managing market price risk.

**(i) 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.

## Investment Manager's Report

For the year ended 30 September 2019

### Investment Objective

The Fund aims to achieve a return, over a five-year rolling period and after all fees and expenses, consisting primarily of capital growth (and potentially a low level of income) which exceeds that of a benchmark comprised of the FTSE-All Share TR Index (40%), Russell 1000 TR Index (15%), MSCI Daily (ex UK) EAFE TR Index (25%), MSCI Daily Net EM TR Index (15%) and ICE BoAML Sterling Broad Market TR Index (5%).

### Investment Policy

It is expected that exposure to equities will typically make at least 70% of the Fund's assets. However, investments will not be confined to any particular sector.

At least 70% of exposure will be achieved through investment in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates). The Fund may also invest in transferable securities, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may also be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against a composite benchmark for target return purposes based on the FTSE-All Share TR Index (40%), Russell 1000 TR Index (15%), MSCI Daily (ex UK) EAFE TR Index (25%), MSCI Daily Net EM TR Index (15%) and ICE BoAML Sterling Broad Market TR Index (5%).

### Portfolio Review

Over the period the fund returned 4.86% [source: Return after operating charges as per Comparative Table] and the benchmark returned 4.87% [source: Financial Express, bid to bid, net income reinvested].

The relative performance was largely in line with the benchmark. The underweight in fixed income detracted as did the below-benchmark stance in US equities as these stocks performed well over the 12-month period. More encouragingly, our global equity allocation added value.

Security selection was negative overall. Successful stock picks in emerging markets and Europe ex-UK were overshadowed by deduction from those in UK and Japanese equities.

We were not expecting, and hence were not positioned for, the collapse across risk markets that occurred in the fourth quarter of 2018, not least because it coincided with decent economic growth, relatively muted inflationary pressures and expanding corporate profits across most regions. We felt that the sell-off was overdone, and that markets had been overly pessimistic in pricing in an economic recession at the end of last year. Our view indicated that the risk of a recession was fairly low and therefore we took advantage of the sell-off to build exposure in favoured assets at much cheaper prices.

However, in the second quarter of 2019, we reduced our overweight to equities. This was due to ongoing trade tensions, increasingly patchy economic data, falling earnings expectations, and our forecast of fewer rate cuts in the US and Europe than were priced in at that time.

## **Investment Manager's Report (continued)** For the year ended 30 September 2019

Over the period as a whole, the biggest portfolio adjustment was an increase to our position in UK equities. We thereby reduced our underweight to the UK. Despite concerns around the UK's political and economic prospects, we retain conviction in the opportunities of select stocks of UK domestic firms and non-commodity-based overseas earners.

We lowered the overweight to Europe ex-UK, following the significant outperformance of the underlying European equity strategies. Locking in profits against a background of slower growth and heightened trade risks seemed prudent, especially because of the high gearing of European companies to the global trade and industrial cycle, and our more conservative earnings expectations relative to consensus.

Elsewhere, we reduced our exposure to US equities, thereby moving further underweight here. By contrast, we increased the allocation to global equities.

Within fixed income, the biggest change was the increase in the holding to UK investment grade corporate bonds.

### **Outlook**

The economic cycle is clearly mature, but we do not believe that the end is imminent. Rather, it is being extended and redefined by a combination of structural factors leading to low interest rates, low inflation and ongoing moderate growth. That said, downside risks have become elevated since the re-escalation of trade tensions, and the increasing vulnerability of financial conditions and business sentiment.

Overall, we are modestly overweight on equities. With less constructive economic data, softer corporate earnings expectations and trade/geopolitical uncertainty on the one hand, and stimulative central bank policies on the other, retaining selective equity exposure feels appropriate. From a valuation perspective, equities are not as attractive as they were earlier this year following a strong rally in the first half.

At a regional level, our biggest overweights are in Asia ex-Japan and Japan. We anticipate strong risk-adjusted returns from Japanese equities, thanks to attractive valuations, and our above-consensus GDP, inflation and earnings growth forecasts, alongside a strong structural trend towards improving corporate governance.

Our biggest underweight is to the US. Following a robust first half, the economy can only look to the consumer and the fading fiscal bump for support, as manufacturing and capex stalls. Furthermore, headwinds from a stronger dollar, lower energy prices and the impact of tariffs have led to downward earnings revisions. As such, we believe that earnings will be muted for the remainder of the year, with near-zero profits growth for 2019.

Within fixed income, we favour corporate bonds over sovereigns. Credit markets look well placed to benefit from slow, but positive, global economic growth, as well as gentle inflation and accommodative central bank policies. Meanwhile, very low core government bond yields capture developments in economic data and central bank policies, and so offer poor diversification and limited prospective risk-adjusted returns.

### **Investment Manager**

Threadneedle Asset Management Limited  
21 October 2019

## Material Portfolio Changes

For the year ended 30 September 2019

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Threadneedle UK	3,508	Threadneedle Global Emerging	
Threadneedle Global Emerging		Markets Equity	1,855
Markets Equity	1,766	Threadneedle Japan	1,249
Threadneedle UK Select	1,407	Threadneedle UK	923
Threadneedle Japan	1,325	Threadneedle American Select	807
Threadneedle Global Select	764	Threadneedle European	725
Threadneedle American Select	578	Threadneedle UK Select	712
Threadneedle European	501	Threadneedle European Select	685
Threadneedle Asia	461	Threadneedle American	378
Threadneedle American	453	Threadneedle Asia	366
Threadneedle European Select	439	Threadneedle UK Extended Alpha	325

**Comparative Table**  
 As at 30 September 2019

	30/09/19 (p)	B Income 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	152.05	145.62	129.16
Return before operating charges*	8.64	9.99	19.93
Operating charges	(1.32)	(1.37)	(1.24)
Return after operating charges	7.32	8.62	18.69
Distributions	(2.27)	(2.19)	(2.23)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	157.10	152.05	145.62
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	4.81%	5.92%	14.47%
<b>Other information</b>			
Closing net asset value (£'000)	7,232	5,876	3,642
Closing number of shares	4,603,513	3,864,418	2,500,760
Operating charges	0.89%	0.91%	0.89%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)</b>			
Highest share price	163.04	157.03	149.41
Lowest share price	131.77	141.16	125.73



**Comparative Table (continued)**  
 As at 30 September 2019

	B Accumulation		
	30/09/19 (p)	30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	319.06	301.19	262.99
Return before operating charges*	18.29	20.71	40.73
Operating charges	(2.77)	(2.84)	(2.53)
Return after operating charges	15.52	17.87	38.20
Distributions	(4.77)	(4.54)	(4.55)
Retained distributions on accumulation shares	4.77	4.54	4.55
Closing net asset value per share	334.58	319.06	301.19
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	4.86%	5.93%	14.53%
<b>Other information</b>			
Closing net asset value (£'000)	61,984	56,988	49,200
Closing number of shares	18,526,061	17,861,265	16,335,003
Operating charges	0.89%	0.91%	0.89%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)</b>			
Highest share price	344.29	326.39	306.06
Lowest share price	276.50	293.42	256.01

**Performance Information**  
As at 30 September 2019

**Operating Charges**

Date	AMC (%)	Other expenses (%)	Synthetic expense ratio (%)	Rebates from underlying funds (%)	Transaction costs (%)	Total operating charge (%)
30/09/19						
Share Class B Income	0.75	0.06	1.04	(0.98)	0.02	0.89
Share Class B Accumulation	0.75	0.06	1.04	(0.98)	0.02	0.89
30/09/18						
Share Class B Income	0.75	0.06	1.06	(0.98)	0.02	0.91
Share Class B Accumulation	0.75	0.06	1.06	(0.98)	0.02	0.91

The Operating Charge is the ratio of the Fund’s total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take account of the ongoing charges incurred in the underlying CIUs and disclose as a Synthetic expense ratio.

**Risk and Reward Profile**  
As at 30 September 2019

	Typically lower rewards		Typically higher rewards				
	←—————→						
	Lower risk			Higher risk			
Share Class B	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 risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean ‘risk free’.
- The Fund appears as a “5” on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

**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 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Collective Investment Schemes 99.35% (99.49%)</b>			
734,940	Threadneedle American	2,931	4.23
325,884	Threadneedle American Extended Alpha	1,596	2.30
1,001,226	Threadneedle American Select	4,061	5.87
947,796	Threadneedle Asia	2,525	3.65
8,577	Threadneedle Asian Equity Income (Lux)	583	0.84
59,208	Threadneedle Emerging Market Bond	179	0.26
249,023	Threadneedle Emerging Market Local	214	0.31
622,958	Threadneedle European	1,808	2.61
1,264,979	Threadneedle European Select	4,749	6.86
68,887	Threadneedle European Smaller Companies	702	1.01
8,233,860	Threadneedle Global Emerging Markets Equity	10,442	15.09
259,681	Threadneedle Global Extended Alpha	891	1.29
635,067	Threadneedle Global Select	1,257	1.82
14,842	Threadneedle Global Smaller Companies (Lux)	434	0.63
133,402	Threadneedle High Yield Bond	257	0.37
7,596,033	Threadneedle Japan	5,580	8.06
791,278	Threadneedle Pan European Focus	2,705	3.91
292,114	Threadneedle Sterling Corporate Bond	380	0.55
7,546,062	Threadneedle UK	10,491	15.16
4,126,369	Threadneedle UK Equity Alpha Income	2,874	4.15
896,205	Threadneedle UK Extended Alpha	4,811	6.95
173,216	Threadneedle UK Mid 250	493	0.71
6,283,439	Threadneedle UK Select	7,957	11.50
251,865	Threadneedle UK Smaller Companies	848	1.22
		<b>68,768</b>	<b>99.35</b>
	<b>Portfolio of investments</b>	<b>68,768</b>	<b>99.35</b>
	Net other assets	448	0.65
	<b>Net assets</b>	<b>69,216</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated. They are Threadneedle Group Investments, made under standard commercial terms with no initial charge applied.

Comparative figures shown above in brackets relate to 30 September 2018.

Gross purchases for the year: £12,577,000 [2018: £15,348,000].

Total sales net of transaction costs for the year: £9,268,000 [2018: £7,693,000].

## Statement of Total Return

For the year ended 30 September 2019

	Note	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	2		2,648		2,495
Revenue	3	1,548		1,342	
Expenses	4	(522)		(469)	
Interest payable and similar charges	5	(1)		–	
Net revenue before taxation		1,025		873	
Taxation	6	(39)		(25)	
Net revenue after taxation			986		848
Total return before distributions			3,634		3,343
Distributions	7		(1,003)		(857)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>2,631</b>		<b>2,486</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		62,864		52,842
Amounts receivable on issue of Shares	11,033		12,619	
Amounts payable on cancellation of Shares	(8,211)		(5,880)	
		2,822		6,739
Change in net assets attributable to Shareholders from investment activities (see above)		2,631		2,486
Retained distributions on accumulation Shares		899		797
<b>Closing net assets attributable to Shareholders</b>		<b>69,216</b>		<b>62,864</b>

## Balance Sheet

As at 30 September 2019

	Note	30/09/19		30/09/18	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			68,768		62,546
Current assets:					
Debtors	8	637		538	
Cash and bank balances	9	83		125	
Total current assets			720		663
Total assets			69,488		63,209
<b>Liabilities:</b>					
Investment liabilities					
			–		–
Creditors:					
Distribution payable		(61)		(56)	
Other creditors	10	(211)		(289)	
Total creditors			(272)		(345)
Total liabilities			(272)		(345)
<b>Net assets attributable to Shareholders</b>					
			<b>69,216</b>		<b>62,864</b>

## Notes to the Financial Statements

### For the year ended 30 September 2019

#### 1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on page 14 to 16.

#### 2. Net capital gains

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
The net capital gains during the year comprise:		
Non-derivative securities	2,627	2,448
Rebates received from underlying funds	33	57
Transaction charges	(12)	(10)
<b>Net capital gains</b>	<b>2,648</b>	<b>2,495</b>

#### 3. Revenue

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Franked dividends from Collective Investment Schemes	916	784
Interest income from Collective Investment Schemes	34	40
Offshore funds dividends	–	9
Rebates received from underlying funds	598	509
<b>Total revenue</b>	<b>1,548</b>	<b>1,342</b>

#### 4. Expenses

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	486	434
	486	434
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	18	16
Safe custody fees	3	3
	21	19
<b>Other expenses</b>		
Audit fees	10	10
Professional fees	3	4
Publication fees	2	2
	15	16
<b>Total expenses</b>	<b>522</b>	<b>469</b>

Audit fees are £8,200 ex VAT (2018: £8,050).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 5. Interest payable and similar charges

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interest	1	–
<b>Total interest payable and similar charges</b>	<b>1</b>	<b>–</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Corporation tax	30	28
Deferred tax (Note 6 (c))	9	(3)
<b>Total taxation for the year (Note 6 (b))</b>	<b>39</b>	<b>25</b>

#### (b) Factors affecting the 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% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Net revenue before taxation	1,025	873
Net revenue for the year multiplied by the standard rate of corporation tax	205	175
<b>Effects of:</b>		
Capital income subject to taxation	10	(3)
Rebated capital expenses	7	12
Revenue not subject to corporation tax	(183)	(159)
<b>Total tax charge for the year</b>	<b>39</b>	<b>25</b>

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

#### (c) Deferred tax

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Provision at start of the year	15	18
Deferred tax charge in the year	9	(3)
<b>Provision at the end of the year</b>	<b>24</b>	<b>15</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 7. Distributions

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

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interim	417	282
Final	583	593
Add: Revenue paid on cancellation of Shares	24	25
Deduct: Revenue received on creation of Shares	(21)	(43)
<b>Net distribution for the year</b>	<b>1,003</b>	<b>857</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	986	848
Tax relief from capital*	17	9
<b>Net distribution for the year</b>	<b>1,003</b>	<b>857</b>

\* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on offshore capital gains and capital rebates from underlying funds.

Details of the distributions per Share are set out in the distribution tables on page 36.

### 8. Debtors

	30/09/19 £'000	30/09/18 £'000
Accrued revenue	338	264
Amounts due for rebates from underlying funds	168	152
Amounts receivable for creation of Shares	92	–
Sales awaiting settlement	39	122
<b>Total debtors</b>	<b>637</b>	<b>538</b>

### 9. Cash and bank balances

	30/09/19 £'000	30/09/18 £'000
Cash and bank balances	83	125
<b>Total cash and bank balances</b>	<b>83</b>	<b>125</b>



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 10. Other creditors

	30/09/19 £'000	30/09/18 £'000
Amounts payable for cancellation of Shares	–	132
Corporation tax payable	31	28
Deferred tax payable	24	15
Purchases awaiting settlement	96	62
	151	237
<i>Accrued expenses</i>		
Manager and Agents AMC fees	43	38
	43	38
<i>Depositary and Agents</i>		
Depositary fees	3	2
Safe custody fees	1	–
Transaction charges	2	1
	6	3
<i>Other accrued expenses</i>		
Audit fees	10	10
Publication fees	1	1
	11	11
<b>Total other creditors</b>	<b>211</b>	<b>289</b>

### 11. 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 Net Assets Attributable to Shareholders 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

As at the balance sheet date, the following had significant Shareholdings within the Fund:

Shareholders	30/09/19
Sterling ISA Managers (Nominees) Limited	58.6%

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class B Income	0.75
Share Class B 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:

	30/09/18	Issued	Cancelled	Converted	30/09/198
Share Class B Income	3,864,418	1,292,939	(553,844)	–	4,603,513
Share Class B Accumulation	17,861,265	2,980,509	(2,315,713)	–	18,526,061

### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: nil).

### 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 17 to 20 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2019 therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2019, 0.12% of the Fund's assets were interest bearing (2018: 0.20%).

Changes in interest rates would have no material impact on the valuation of 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 30 September 2019

### 15. Portfolio transaction costs

As the Fund only invests in Collective Investment Schemes, there are no associated broker transaction costs.

At the balance sheet date the average portfolio dealing spread was 0.00% (2018: 0.00%).

### 16. Post balance sheet events

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

### 17. Fair value disclosure

Valuation technique	30/09/19		30/09/18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	–	–	–	–
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	68,768	–	62,546	–
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	–	–	–	–
	<b>68,768</b>	<b>–</b>	<b>62,546</b>	<b>–</b>

## Distribution Table

As at 30 September 2019

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2018  
 Group 2 Shares purchased on or after 1 October 2018 to 31 March 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/19 (p)	Distribution paid 31/05/18 (p)
Share Class B Income				
Group 1	0.9325	–	0.9325	0.7418
Group 2	0.7573	0.1752	0.9325	0.7418
Share Class B Accumulation				
Group 1	1.9561	–	1.9561	1.5331
Group 2	1.5712	0.3849	1.9561	1.5331

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2019  
 Group 2 Shares purchased on or after 1 April 2019 to 30 September 2019

	Net revenue (p)	Equalisation (p)	Distribution payable 29/11/19 (p)	Distribution paid 30/11/18 (p)
Share Class B Income				
Group 1	1.3332	–	1.3332	1.4444
Group 2	0.8046	0.5286	1.3332	1.4444
Share Class B Accumulation				
Group 1	2.8156	–	2.8156	3.0088
Group 2	1.8608	0.9548	2.8156	3.0088

## Investment Manager's Report

For the year ended 30 September 2019

### Investment Objective

The Fund aims to achieve a return, over a five-year rolling period and after all fees and expenses, consisting primarily of capital growth (and potentially a low level of income) which exceeds a composite benchmark based on the FTSE-All Share TR Index (30%), Russell 1000 TR Index (15%), MSCI Daily (ex UK) EAFE TR Index (15%), MSCI Daily Net EM TR Index (10%), SONIA GBP 3-Month (5%), ICE BoAML Global Broad Market TR Index (5%) and ICE BoAML Sterling Broad Market TR Index (20%).

### Investment Policy

It is expected that at least 60% of exposures will be to equities and fixed interest investments. However, investments will not be confined to any particular sector.

At least 70% of exposure will be achieved through investment in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates). The Fund may also invest in transferable securities, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may also be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against a composite benchmark for target return purposes based on the FTSE-All Share TR Index (30%), Russell 1000 TR Index (15%), MSCI Daily (ex UK) EAFE TR Index (15%), MSCI Daily Net EM TR Index (10%), SONIA GBP 3-Month (5%), ICE BoAML Global Broad Market TR Index (5%) and ICE BoAML Sterling Broad Market TR Index (20%).

### Portfolio Review

Over the period the fund returned 6.51% [source: Return after operating charges as per Comparative Table] and the benchmark returned 6.67% [source: Financial Express, bid to bid, net income reinvested].

Both asset allocation and stock selection hampered relative performance. In the former camp, the underweight in UK fixed income and US equities detracted most, given the strong performance of these segments over the review period. However, the off-benchmark global equity and emerging-market (EM) debt allocations were beneficial.

Security selection detracted most in UK and Japanese equities, though our successful stock picks in EM and Europe ex-UK added some value.

We were not expecting, and hence not positioned for, the widespread sell-off in risk assets that occurred in Q4 2018, not least because it coincided with decent economic growth, relatively muted inflationary pressures and expanding corporate profits across most regions. We felt that the sell-off was overdone, and that markets had been overly pessimistic in pricing in an economic recession at the end of last year. Hence, we took advantage of the sell-off to build exposure in favoured assets at much cheaper prices. This strategy proved helpful in early 2019 as risk assets staged a meaningful recovery.

In Q2 2019, we reduced our overweight to equities, owing to ongoing trade tensions, increasingly patchy economic data, falling earnings expectations, and our forecast of fewer rate cuts in the US and Europe than were priced in at that time.

## **Investment Manager's Report (continued)** For the year ended 30 September 2019

Over the whole year, the biggest portfolio adjustment was an increase to our position in UK equities, which narrowed our underweight. Despite concerns around the UK's political and economic prospects, we retain conviction in the opportunities of select stocks of UK domestic firms and non-commodity-based overseas earners.

We lowered the overweight to Europe ex-UK, following the significant outperformance of the underlying European equity strategies. Locking in profits against a background of slower growth and heightened trade risks seemed prudent, especially because of the high gearing of European companies to the global trade and industrial cycle, and our more conservative earnings expectations relative to consensus.

Elsewhere, we increased the holdings in global and Asia ex-Japan equities.

Within fixed income, we increased exposure to UK government bonds. We switched some funds from UK short-dated corporate bonds to the medium-long-dated UK Corporate Bond Fund. We initiated a position in the new Threadneedle European Short-Term High Yield Bond (Lux) Fund. This allocation is premised on a credit-friendly economic backdrop, positive technicals and relatively strong company fundamentals. The resumption of the ECB's asset purchases should provide a further tailwind.

### **Outlook**

The economic cycle is clearly mature, but we do not believe that the end is imminent. Rather it is being extended and redefined by a combination of structural factors leading to low interest rates, low inflation and ongoing moderate growth. That said, downside risks have become elevated since the re-escalation of trade tensions, and the increasing vulnerability of financial conditions and business sentiment.

Overall, we are modestly overweight on equities. With less constructive economic data, softer corporate earnings expectations and trade/geopolitical uncertainty on the one hand, and stimulative central bank policies on the other, retaining selective equity exposure feels appropriate. From a valuation perspective, equities are not as attractive as they were earlier this year following a strong rally in the first half.

At a regional level, our biggest overweights are in Asia ex-Japan and Japan. We anticipate strong risk-adjusted returns from Japanese equities, thanks to attractive valuations and our above-consensus GDP, inflation and earnings growth forecasts, alongside the growing structural trend towards improving corporate governance.

Our biggest underweight is to the US. Following a robust first half, the economy can only look to the consumer and the fading fiscal bump for support, as manufacturing and capex stalls. Furthermore, headwinds from a stronger dollar, lower energy prices and the impact of tariffs have led to downward earnings revisions. As such, we believe that earnings will be muted for the remainder of the year, with near-zero profits growth for 2019.

Credit markets look well placed to benefit from slow, but positive, global economic growth, as well as gentle inflation and accommodative central bank policies. Meanwhile, very low core government bond yields capture developments in economic data and central bank policies, and so offer poor diversification and limited prospective risk-adjusted returns.

### **Investment Manager**

Threadneedle Asset Management Limited  
21 October 2019

## Material Portfolio Changes

For the year ended 30 September 2019

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Threadneedle Sterling	27,237	Threadneedle Sterling	26,696
Threadneedle UK	16,941	Threadneedle Global Emerging	
Threadneedle Sterling Bond	10,604	Markets Equity	5,405
Threadneedle UK Select	5,406	Threadneedle Sterling Bond	4,293
Threadneedle Global Emerging		Threadneedle Japan	3,266
Markets Equity	5,343	Threadneedle European	3,039
Threadneedle Global Select	4,031	Threadneedle American	2,836
Threadneedle American	3,680	Threadneedle UK Equity Income	2,693
Threadneedle Japan	3,402	Threadneedle UK Select	2,533
Threadneedle Sterling		Threadneedle UK	2,234
Corporate Bond	2,256	Threadneedle American Select	1,686
Threadneedle Asia	2,014		

**Comparative Table**  
 As at 30 September 2019

	30/09/19 (p)	B Income 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	140.66	135.53	124.71
Return before operating charges*	10.28	8.02	13.82
Operating charges	(1.19)	(1.20)	(1.17)
Return after operating charges	9.09	6.82	12.65
Distributions	(1.79)	(1.69)	(1.83)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	147.96	140.66	135.53
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	6.46%	5.03%	10.15%
<b>Other information</b>			
Closing net asset value (£'000)	29,778	25,273	17,875
Closing number of shares	20,126,202	17,967,817	13,188,445
Operating charges	0.85%	0.86%	0.89%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)</b>			
Highest share price	151.33	144.57	138.95
Lowest share price	126.80	132.62	121.33



**Comparative Table (continued)**  
 As at 30 September 2019

	30/09/19 (p)	B Accumulation 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	278.14	264.77	240.33
Return before operating charges*	20.46	15.70	26.70
Operating charges	(2.35)	(2.33)	(2.26)
Return after operating charges	18.11	13.37	24.44
Distributions	(3.54)	(3.31)	(3.54)
Retained distributions on accumulation shares	3.54	3.31	3.54
Closing net asset value per share	296.25	278.14	264.77
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	6.51%	5.05%	10.17%
<b>Other information</b>			
Closing net asset value (£'000)	264,754	226,169	190,233
Closing number of shares	89,369,537	81,313,626	71,847,703
Operating charges	0.85%	0.86%	0.89%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)</b>			
Highest share price	300.91	283.57	269.21
Lowest share price	250.76	260.15	233.83

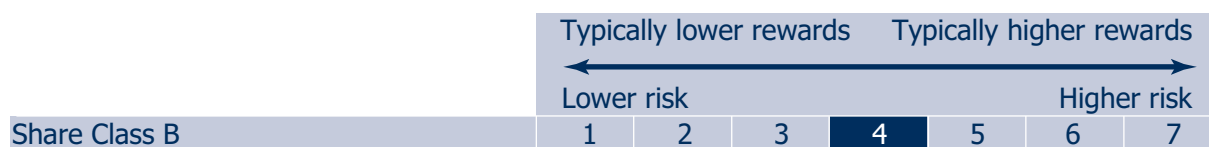
**Performance Information**  
As at 30 September 2019

**Operating Charges**

Date	AMC (%)	Other expenses (%)	Synthetic expense ratio (%)	Rebates from underlying funds (%)	Transaction costs (%)	Total operating charge (%)
30/09/19						
Share Class B Income	0.75	0.04	0.90	(0.84)	0.00	0.85
Share Class B Accumulation	0.75	0.04	0.90	(0.84)	0.00	0.85
30/09/18						
Share Class B Income	0.75	0.04	0.93	(0.86)	0.00	0.86
Share Class B Accumulation	0.75	0.04	0.93	(0.86)	0.00	0.86

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take account of the ongoing charges incurred in the underlying CIUs and disclose as a Synthetic expense ratio.

**Risk and Reward Profile**  
As at 30 September 2019



- 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 risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

**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 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Collective Investment Schemes 99.29% (99.28%)</b>			
4,477,974	Threadneedle American	17,858	6.06
43,570	Threadneedle American Absolute Alpha	1,014	0.34
1,106,868	Threadneedle American Extended Alpha	5,422	1.84
3,674,019	Threadneedle American Select	14,901	5.06
3,387,814	Threadneedle Asia	9,024	3.06
8,346	Threadneedle Asian Equity Income (Lux)	567	0.19
634,798	Threadneedle Emerging Market Bond	1,924	0.65
686,321	Threadneedle Emerging Market Local	1,321	0.45
2,197,717	Threadneedle European	6,377	2.17
2,033,662	Threadneedle European Select	7,635	2.59
14,390	Threadneedle European Short-Term High Yield Bond (Lux)	1,449	0.49
52,708	Threadneedle European Smaller Companies	537	0.18
8,453,201	Threadneedle Global Bond	10,163	3.45
367,114	Threadneedle Global Corporate Bond (Lux)	4,505	1.53
86,954	Threadneedle Global Emerging Market Short-Term Bonds (Lux)	1,256	0.43
22,876,005	Threadneedle Global Emerging Markets Equity	29,012	9.85
3,307,302	Threadneedle Global Select	6,548	2.22
60,259	Threadneedle Global Smaller Companies (Lux)	1,762	0.60
528,185	Threadneedle High Yield Bond	1,016	0.34
20,119,760	Threadneedle Japan	14,780	5.02
3,214,624	Threadneedle Pan European Focus	10,989	3.73
7,983,259	Threadneedle Sterling	7,975	2.71
58,712,841	Threadneedle Sterling Bond	36,660	12.45
6,462,836	Threadneedle Sterling Corporate Bond	8,400	2.85
3,133,504	Threadneedle Sterling Short-Dated Corporate Bond	3,394	1.15
34,820,534	Threadneedle UK	48,411	16.44
888,889	Threadneedle UK Absolute Alpha	1,230	0.42
3,408,148	Threadneedle UK Equity Income	3,607	1.23
2,316,064	Threadneedle UK Extended Alpha	12,432	4.22
555,229	Threadneedle UK Mid 250	1,581	0.54
14,859,422	Threadneedle UK Select	18,818	6.39
555,919	Threadneedle UK Smaller Companies	1,872	0.64
		<b>292,440</b>	<b>99.29</b>
	<b>Portfolio of investments</b>	<b>292,440</b>	<b>99.29</b>
	Net other assets	2,092	0.71
	<b>Net assets</b>	<b>294,532</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated. They are Threadneedle Group Investments, made under standard commercial terms with no initial charge applied.

Comparative figures shown above in brackets relate to 30 September 2018.

Gross purchases for the year: £90,418,000 [2018: £76,743,000].

Total sales net of transaction costs for the year: £63,459,000 [2018: £41,858,000].

## Statement of Total Return

For the year ended 30 September 2019

	Note	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	2		14,859		8,418
Revenue	3	5,727		4,805	
Expenses	4	(2,095)		(1,797)	
Interest payable and similar charges	5	–		(2)	
Net revenue before taxation		3,632		3,006	
Taxation	6	(239)		(251)	
Net revenue after taxation			3,393		2,755
Total return before distributions			18,252		11,173
Distributions	7		(3,457)		(2,833)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>14,795</b>		<b>8,340</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		251,442		208,108
Amounts receivable on issue of Shares	51,988		45,552	
Amounts payable on cancellation of Shares	(26,824)		(13,187)	
		25,164		32,365
Change in net assets attributable to Shareholders from investment activities (see above)		14,795		8,340
Retained distributions on accumulation Shares		3,131		2,629
<b>Closing net assets attributable to Shareholders</b>		<b>294,532</b>		<b>251,442</b>

## Balance Sheet

As at 30 September 2019

	Note	30/09/19		30/09/18	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			292,440		249,636
Current assets:					
Debtors	8	3,087		2,187	
Cash and bank balances	9	1,392		475	
Total current assets			4,479		2,662
Total assets			296,919		252,298
<b>Liabilities:</b>					
Investment liabilities					
			–		–
Creditors:					
Distribution payable		(207)		(206)	
Other creditors	10	(2,180)		(650)	
Total creditors			(2,387)		(856)
Total liabilities			(2,387)		(856)
<b>Net assets attributable to Shareholders</b>					
			<b>294,532</b>		<b>251,442</b>

## Notes to the Financial Statements

### For the year ended 30 September 2019

#### 1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 14 to 16.

#### 2. Net capital gains

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
The net capital gains during the year comprise:		
Currency losses	(2)	(2)
Non-derivative securities	14,554	8,068
Rebates received from underlying funds	315	359
Transaction charges	(8)	(7)
<b>Net capital gains</b>	<b>14,859</b>	<b>8,418</b>

#### 3. Revenue

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Bank interest	1	2
Franked dividends from Collective Investment Schemes	2,759	2,125
Interest income from Collective Investment Schemes	1,057	938
Offshore funds dividends	-	127
Rebates received from underlying funds	1,910	1,613
<b>Total revenue</b>	<b>5,727</b>	<b>4,805</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2019

**4. Expenses**

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	1,988	1,701
	1,988	1,701
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	75	64
Safe custody fees	13	11
	88	75
<b>Other expenses</b>		
Audit fees	10	10
Professional fees	5	7
Publication fees	4	4
	19	21
<b>Total expenses</b>	<b>2,095</b>	<b>1,797</b>

Audit fees are £8,200 ex VAT (2018: £8,050).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 5. Interest payable and similar charges

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interest	–	2
<b>Total interest payable and similar charges</b>	<b>–</b>	<b>2</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Corporation tax	250	245
Deferred tax (Note 6 (c))	(11)	6
<b>Total taxation for the year (Note 6 (b))</b>	<b>239</b>	<b>251</b>

#### (b) Factors affecting the 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% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Net revenue before taxation	3,632	3,006
Net revenue for the year multiplied by the standard rate of corporation tax	726	601
<b>Effects of:</b>		
Capital income subject to taxation	2	6
Non taxable UK dividends	(552)	–
Rebated capital expenses	63	72
Revenue not subject to corporation tax	–	(428)
<b>Total tax charge for the year</b>	<b>239</b>	<b>251</b>

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

#### (c) Deferred tax

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Provision at start of the year	32	26
Deferred tax charge in the year	(11)	6
<b>Provision at the end of the year</b>	<b>21</b>	<b>32</b>



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 7. Distributions

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

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interim	1,447	878
Final	2,034	2,032
Add: Revenue paid on cancellation of Shares	43	21
Deduct: Revenue received on creation of Shares	(67)	(98)
<b>Net distribution for the year</b>	<b>3,457</b>	<b>2,833</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	3,393	2,755
Tax relief from capital*	64	78
<b>Net distribution for the year</b>	<b>3,457</b>	<b>2,833</b>

\*Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on offshore capital gains and capital rebates from underlying funds.

Details of the distributions per Share are set out in the distribution tables on page 53.

### 8. Debtors

	30/09/19 £'000	30/09/18 £'000
Accrued revenue	1,465	1,093
Amounts due for rebates from underlying funds	596	516
Amounts receivable for creation of Shares	544	330
Sales awaiting settlement	481	247
Prepaid expenses	1	1
<b>Total debtors</b>	<b>3,087</b>	<b>2,187</b>

### 9. Cash and bank balances

	30/09/19 £'000	30/09/18 £'000
Cash and bank balances	1,392	475
<b>Total cash and bank balances</b>	<b>1,392</b>	<b>475</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 10. Other creditors

	30/09/19 £'000	30/09/18 £'000
Amounts payable for cancellation of Shares	538	70
Corporation tax payable	123	131
Deferred tax payable	21	32
Purchases awaiting settlement	1,289	246
	1,971	479
<i>Accrued expenses</i>		
Manager and Agents		
AMC fees	180	153
	180	153
<i>Depositary and Agents</i>		
Depositary fees	14	6
Safe custody fees	2	1
Transaction charges	2	1
	18	8
<i>Other accrued expenses</i>		
Audit fees	10	10
Publication fees	1	–
	11	10
<b>Total other creditors</b>	<b>2,180</b>	<b>650</b>

### 11. 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 Net Assets Attributable to Shareholders 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

As at the balance sheet date, the following had significant Shareholdings within the Fund:

Shareholders	30/09/19
Sterling ISA Managers (Nominees) Limited	64.2%

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class B Income	0.75
Share Class B 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:

	30/09/18	Issued	Cancelled	Converted	30/09/19
Share Class B Income	17,967,817	3,981,284	(1,822,899)	–	20,126,202
Share Class B Accumulation	81,313,626	16,729,508	(8,673,597)	–	89,369,537

### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: nil).

### 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 17 to 20 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2019 therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2019, 0.47% of the Fund's assets were interest bearing (2018: 0.19%).

Changes in interest rates would have no material impact on the valuation of 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 30 September 2019

### 15. Portfolio transaction costs

As the Fund only invests in Collective Investment Schemes, there are no associated broker transaction costs.

At the balance sheet date the average portfolio dealing spread was 0.00% (2018: 0.00%).

### 16. Post balance sheet events

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

### 17. Fair value disclosure

Valuation technique	30/09/19		30/09/18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	–	–	–	–
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	292,440	–	249,636	–
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	–	–	–	–
	<b>292,440</b>	<b>–</b>	<b>249,636</b>	<b>–</b>

## Distribution Table

As at 30 September 2019

### Interim Distribution in pence per Share

Group 1 Shares purchased prior to 1 October 2018

Group 2 Shares purchased on or after 1 October 2018 to 31 March 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/19 (p)	Distribution paid 31/05/18 (p)
Share Class B Income				
Group 1	0.7587	–	0.7587	0.5466
Group 2	0.6870	0.0717	0.7587	0.5466
Share Class B Accumulation				
Group 1	1.5002	–	1.5002	1.0685
Group 2	1.2983	0.2019	1.5002	1.0685

### Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 April 2019

Group 2 Shares purchased on or after 1 April 2019 to 30 September 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 29/11/19 (p)	Distribution paid 30/11/18 (p)
Share Class B Income				
Group 1	1.0280	–	1.0280	1.1453
Group 2	0.8360	0.1920	1.0280	1.1453
Share Class B Accumulation				
Group 1	2.0443	–	2.0443	2.2460
Group 2	1.4636	0.5807	2.0443	2.2460

## Investment Manager's Report

For the year ended 30 September 2019

### Investment Objective

The Fund aims to achieve a return, over a five-year rolling period and after all fees and expenses, consisting primarily of capital growth (and potentially a low level of income) which exceeds a composite benchmark based on the FTSE-All Share TR Index (20%), Russell 1000 TR Index (10%), MSCI Daily (ex UK) EAFE TR Index (10%), SONIA GBP 3-Month (10%), ICE BoAML Global Broad Market TR Index (15%) and ICE BoAML Sterling Broad Market TR Index (35%).

### Investment Policy

It is expected that at least 51% of the fund's exposures will be to cash, cash equivalents and fixed income investments. The balance of the fund's exposure will be to equities. Investments will not be confined to any particular sector.

At least 70% of exposure will be achieved through investment in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates). The remainder of the fund may be invested directly in transferable securities, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may also be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against a composite benchmark for target return purposes based on the FTSE-All Share TR Index (20%), Russell 1000 TR Index (10%), MSCI Daily (ex UK) EAFE TR Index (10%), SONIA GBP 3-Month (10%), ICE BoAML Global Broad Market TR Index (15%) and ICE BoAML Sterling Broad Market TR Index (35%).

### Portfolio Review

Over the period the fund returned 7.34% [source: Return after operating charges as per Comparative Table] and the benchmark returned 8.74% [source: Financial Express, bid to bid, net income reinvested].

The underperformance was driven by unfavourable security selection in UK equities. The choices in fixed income were also unhelpful. However, our successful stock picks in Europe ex-UK added some value.

Asset allocation slightly hampered relative performance. The underweight in fixed income and US equities detracted most, given the strong performance of these segments over the review period. However, the off-benchmark global equity allocation was beneficial.

We were not expecting, and hence not positioned for, the widespread sell-off in risk assets that occurred in Q4 2018, not least because it coincided with decent economic growth, relatively muted inflationary pressures and expanding corporate profits across most regions. We felt that the sell-off was overdone, and that markets had been overly pessimistic in pricing in an economic recession at the end of last year. Hence, we took advantage of the sell-off to build exposure in favoured assets at much cheaper prices. This strategy proved helpful in early 2019 as risk assets staged a meaningful recovery.

However, in the second quarter of 2019, we reduced our overweight to equities. This was due to ongoing trade tensions, increasingly patchy economic data, falling earnings expectations, and our forecast of fewer rate cuts in the US and Europe than were priced in at that time.

## Investment Manager's Report (continued)

For the year ended 30 September 2019

Over the period as a whole, the biggest portfolio adjustment was an increase to our position in UK equities, which resulted in our overweight widening. Despite concerns around the UK's political and economic prospects, we retain conviction in the opportunities of select stocks of UK domestic firms and non-commodity-based overseas earners.

We lowered the exposure to Europe ex-UK equities, moving from an overweight to an underweight. Following the significant outperformance of the underlying European equity strategies, locking in profits against a background of slower growth and heightened trade risks seemed prudent.

Elsewhere, we increased the holdings in global equities, but trimmed the allocation to US equities, thereby widening our underweight. We also reduced the off-benchmark holding in emerging-market stocks.

Within fixed income, the biggest change was the increase in the position to overseas debt, via the addition of a position in the new Threadneedle European Short-Term High Yield Bond (Lux) Fund. This allocation is premised on a credit-friendly economic backdrop, positive technicals and relatively strong company fundamentals. The resumption of the ECB's asset purchases should provide a further tailwind.

### Outlook

The economic cycle is clearly mature, but we do not believe that the end is imminent. Rather, it is being extended and redefined by a combination of structural factors, leading to low interest rates, low inflation and ongoing moderate growth. That said, downside risks have become elevated since the re-escalation of trade tensions, and the increasing vulnerability of financial conditions and business sentiment.

Overall, we are modestly overweight on equities. With less constructive economic data, softer corporate earnings expectations and trade/geopolitical uncertainty on the one hand, and stimulative central bank policies on the other, retaining selective equity exposure feels appropriate. From a valuation perspective, equities are not as attractive as they were earlier this year following a strong rally in the first half.

At a regional level, our biggest overweights are in Japan and the UK. We anticipate strong risk-adjusted returns from Japanese equities, thanks to attractive valuations, and our above-consensus GDP, inflation and earnings growth forecasts, alongside a strong structural trend towards improving corporate governance.

Our biggest underweight is to the US. Following a robust first half, the economy can only look to the consumer and the fading fiscal bump for support, as manufacturing and capex stalls. Furthermore, headwinds from a stronger dollar, lower energy prices and the impact of tariffs have led to downward earnings revisions. As such, we believe that earnings will be muted for the remainder of the year, with near-zero profits growth for 2019.

We are also underweight in Europe ex-UK, owing to the aforementioned outperformance of these funds. In addition, we are wary of the high gearing of European companies to the global trade and industrial cycle, and our earnings expectations are more conservative relative to consensus.

Credit markets look well placed to benefit from slow, but positive, global economic growth, as well as gentle inflation and accommodative central bank policies. Meanwhile, very low core government bond yields capture developments in economic data and central bank policies, and so offer poor diversification and limited prospective risk-adjusted returns.

### Investment Manager

Threadneedle Asset Management Limited  
21 October 2019

## Material Portfolio Changes

For the year ended 30 September 2019

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Threadneedle Sterling	10,732	Threadneedle Sterling	11,697
Threadneedle UK	4,993	Threadneedle Sterling Bond	2,543
Threadneedle Sterling Bond	3,571	Threadneedle Global Bond	2,052
Threadneedle European Short-Term High Yield Bond (Lux)	2,101	Threadneedle UK	1,947
Threadneedle Global Bond	2,019	Threadneedle Sterling Short Dated Corporate Bond	1,922
Threadneedle UK Select	1,463	Threadneedle European	1,913
Threadneedle American	1,442	Threadneedle UK Equity Income	1,440
Threadneedle UK Fixed Interest	1,236	Threadneedle American	1,214
Threadneedle Japan	1,066	Threadneedle Japan	1,091
Threadneedle Sterling Corporate Bond	1,054	Threadneedle Sterling Corporate Bond	700



## Comparative Table

As at 30 September 2019

	30/09/19 (p)	B Income 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	125.24	122.30	118.37
Return before operating charges*	10.20	5.30	6.48
Operating charges	(1.07)	(1.03)	(1.11)
Return after operating charges	9.13	4.27	5.37
Distributions	(1.34)	(1.33)	(1.44)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	133.03	125.24	122.30
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	7.29%	3.49%	4.54%
<b>Other information</b>			
Closing net asset value (£'000)	12,980	12,080	10,122
Closing number of shares	9,756,897	9,645,932	8,276,277
Operating charges	0.85%	0.83%	0.92%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)</b>			
Highest share price	134.70	127.87	125.22
Lowest share price	118.07	120.36	114.89

**Comparative Table (continued)**  
 As at 30 September 2019

	30/09/19 (p)	B Accumulation 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	224.83	217.23	207.77
Return before operating charges*	18.43	9.44	11.42
Operating charges	(1.93)	(1.84)	(1.96)
Return after operating charges	16.50	7.60	9.46
Distributions	(2.41)	(2.37)	(2.53)
Retained distributions on accumulation shares	2.41	2.37	2.53
Closing net asset value per share	241.33	224.83	217.23
* after direct transaction costs of:	0.00	0.00	0.00
<b>Performance</b>			
Return after operating charges	7.34%	3.50%	4.55%
<b>Other information</b>			
Closing net asset value (£'000)	92,972	84,010	82,213
Closing number of shares	38,525,565	37,365,414	37,847,042
Operating charges	0.85%	0.83%	0.92%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices (p)</b>			
Highest share price	243.09	228.13	221.00
Lowest share price	211.96	214.04	201.67

## Performance Information

As at 30 September 2019

### Operating Charges

Date	AMC (%)	Other expenses (%)	Synthetic expense ratio (%)	Rebates from underlying funds (%)	Transaction costs (%)	Total operating charge (%)
30/09/19						
Share Class B Income	0.75	0.05	0.73	(0.69)	0.01	0.85
Share Class B Accumulation	0.75	0.05	0.73	(0.69)	0.01	0.85
30/09/18						
Share Class B Income	0.75	0.05	0.76	(0.74)	0.01	0.83
Share Class B Accumulation	0.75	0.05	0.76	(0.74)	0.01	0.83

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take account of the ongoing charges incurred in the underlying CIUs and disclose as a Synthetic expense ratio.

## Risk and Reward Profile

As at 30 September 2019

	Typically lower rewards		Typically higher rewards				
	←—————→						
	Lower risk			Higher risk			
Share Class B	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 risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

### 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 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Collective Investment Schemes 98.85% (99.28%)</b>			
984,201	Threadneedle American	3,925	3.70
34,024	Threadneedle American Absolute Alpha	792	0.75
386,152	Threadneedle American Extended Alpha	1,892	1.79
562,739	Threadneedle American Select	2,282	2.15
412,827	Threadneedle Asia	1,100	1.04
9,218	Threadneedle Asian Equity Income (Lux)	626	0.59
263,543	Threadneedle Emerging Market Bond	799	0.75
296,266	Threadneedle Emerging Market Local	570	0.54
939,675	Threadneedle European	2,727	2.57
568,114	Threadneedle European Select	2,133	2.01
20,763	Threadneedle European Short-Term High Yield Bond (Lux)	2,091	1.97
24,835	Threadneedle European Smaller Companies	253	0.24
10,936,829	Threadneedle Global Bond	13,149	12.41
236,854	Threadneedle Global Corporate Bond (Lux)	2,907	2.74
35,014	Threadneedle Global Emerging Market Short-Term Bonds (Lux)	506	0.48
166,320	Threadneedle Global Emerging Markets Equity	211	0.20
1,614,825	Threadneedle Global Select	3,197	3.02
30,983	Threadneedle Global Smaller Companies (Lux)	906	0.86
228,259	Threadneedle High Yield Bond	439	0.41
5,141,974	Threadneedle Japan	3,777	3.57
6,830,892	Threadneedle Sterling	6,824	6.44
12,402,034	Threadneedle Sterling Bond	16,935	15.98
5,246,579	Threadneedle Sterling Corporate Bond	6,819	6.44
1,726,850	Threadneedle Sterling Short-Dated Corporate Bond	1,870	1.77
8,431,527	Threadneedle UK	11,722	11.06
582,469	Threadneedle UK Absolute Alpha	806	0.76
1,120,249	Threadneedle UK Equity Income	1,186	1.12
445,015	Threadneedle UK Extended Alpha	2,389	2.25
4,381,492	Threadneedle UK Fixed Interest	6,416	6.06
182,083	Threadneedle UK Mid 250	519	0.49
3,236,147	Threadneedle UK Select	4,098	3.87
257,830	Threadneedle UK Smaller Companies	868	0.82
		<b>104,734</b>	<b>98.85</b>
<b>Portfolio of investments</b>		<b>104,734</b>	<b>98.85</b>
Net other assets		1,218	1.15
<b>Net assets</b>		<b>105,952</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated. They are Threadneedle Group Investments, made under standard commercial terms with no initial charge applied.

Comparative figures shown above in brackets relate to 30 September 2018.

Gross purchases for the year: £32,163,000 [2018: £31,703,000].

Total sales net of transaction costs for the year: £29,927,000 [2018: £30,551,000].

## Statement of Total Return

For the year ended 30 September 2019

	Note	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	2		6,472		2,301
Revenue	3	1,972		1,824	
Expenses	4	(800)		(733)	
Interest payable and similar charges	5	–		(2)	
Net revenue before taxation		1,172		1,089	
Taxation	6	(149)		(158)	
Net revenue after taxation			1,023		931
Total return before distributions			7,495		3,232
Distributions	7		(1,069)		(987)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>6,426</b>		<b>2,245</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		96,090		92,335
Amounts receivable on issue of Shares	18,027		14,189	
Amounts payable on cancellation of Shares	(15,530)		(13,553)	
		2,497		636
Change in net assets attributable to Shareholders from investment activities (see above)		6,426		2,245
Retained distributions on accumulation Shares		939		874
<b>Closing net assets attributable to Shareholders</b>		<b>105,952</b>		<b>96,090</b>

## Balance Sheet

As at 30 September 2019

	Note	30/09/19		30/09/18	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			104,734		95,394
Current assets:					
Debtors	8	941		1,129	
Cash and bank balances	9	637		301	
Total current assets			1,578		1,430
Total assets			106,312		96,824
<b>Liabilities:</b>					
Creditors:					
Distribution payable		(67)		(76)	
Other creditors	10	(293)		(658)	
Total creditors			(360)		(734)
Total liabilities			(360)		(734)
<b>Net assets attributable to Shareholders</b>			<b>105,952</b>		<b>96,090</b>

## Notes to the Financial Statements

For the year ended 30 September 2019

### 1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 14 to 16.

### 2. Net capital gains

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
The net capital gains during the year comprise:		
Currency gains/(losses)	–	(1)
Non-derivative securities	6,258	2,050
Rebates received from underlying funds	221	259
Transaction charges	(7)	(7)
<b>Net capital gains</b>	<b>6,472</b>	<b>2,301</b>

### 3. Revenue

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Bank interest	–	2
Franked dividends from Collective Investment Schemes	660	562
Interest income from Collective Investment Schemes	849	759
Offshore funds dividends	–	84
Rebates received from underlying funds	463	417
<b>Total revenue</b>	<b>1,972</b>	<b>1,824</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 4. Expenses

	01/10/18 to 30/09/19	01/10/17 to 30/09/18
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	751	687
	<b>751</b>	<b>687</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	28	26
Safe custody fees	5	4
	<b>33</b>	<b>30</b>
<b>Other expenses</b>		
Audit fees	10	9
Professional fees	2	4
Publication fees	4	3
	<b>16</b>	<b>16</b>
<b>Total expenses</b>	<b>800</b>	<b>733</b>

Audit fees are £8,200 ex VAT (2018: £8,050).

### 5. Interest payable and similar charges

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interest	–	2
<b>Total interest payable and similar charges</b>	<b>–</b>	<b>2</b>



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 6. Taxation

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
<b>(a) Analysis of the tax charge in the year</b>		
Corporation tax	154	159
Deferred tax (Note 6 (c))	(5)	(1)
<b>Total taxation for the year (Note 6 (b))</b>	<b>149</b>	<b>158</b>

### (b) Factors affecting the 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% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Net revenue before taxation	1,172	1,089
Net revenue for the year multiplied by the standard rate of corporation tax	234	218
<b>Effects of:</b>		
Capital income subject to taxation	2	4
Rebated capital expenses	45	52
Revenue not subject to corporation tax	(132)	(116)
<b>Total tax charge for the year</b>	<b>149</b>	<b>158</b>

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

### (c) Deferred tax

	01/10/18 to 30/09/19	01/10/17 to 30/09/18
Provision at start of the year	11	12
Deferred tax charge in the year	(5)	(1)
<b>Provision at the end of the year</b>	<b>6</b>	<b>11</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 7. Distributions

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

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interim	525	393
Final	544	601
Add: Revenue paid on cancellation of Shares	10	15
Deduct: Revenue received on creation of Shares	(10)	(22)
<b>Net distribution for the year</b>	<b>1,069</b>	<b>987</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	1,023	931
Tax relief from capital*	46	56
<b>Net distribution for the year</b>	<b>1,069</b>	<b>987</b>

\* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on offshore capital gains and capital rebates from underlying funds.

Details of the distributions per Share are set out in the distribution tables on page 70.

### 8. Debtors

	30/09/19 £'000	30/09/18 £'000
Accrued revenue	329	251
Amounts due for rebates from underlying funds	176	158
Amounts receivable for creation of Shares	188	196
Sales awaiting settlement	248	524
<b>Total debtors</b>	<b>941</b>	<b>1,129</b>

### 9. Cash and bank balances

	30/09/19 £'000	30/09/18 £'000
Cash and bank balances	637	301
<b>Total cash and bank balances</b>	<b>637</b>	<b>301</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 10. Other creditors

	30/09/19 £'000	30/09/18 £'000
Amounts payable for cancellation of Shares	50	219
Corporation tax payable	154	159
Deferred tax payable	6	11
Purchases awaiting settlement	–	196
	210	585
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	65	60
	65	60
<i>Depositary and Agents</i>		
Depositary fees	5	2
Safe custody fees	1	–
Transaction charges	1	–
	7	2
<i>Other accrued expenses</i>		
Audit fees	10	10
Publication fees	1	1
	11	11
<b>Total other creditors</b>	<b>293</b>	<b>658</b>

### 11. 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 Net Assets Attributable to Shareholders 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

As at the balance sheet date, the following had significant Shareholdings within the Fund:

Shareholders	30/09/19
Sterling ISA Managers (Nominees) Limited	57.3%
Zurich Assurance Ltd	29.1%

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class B Income	0.75
Share Class B 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:

	30/09/18	Issued	Cancelled	Converted	30/09/19
Share Class B Income	9,645,932	1,899,484	(1,788,519)		9,756,897
Share Class B Accumulation	37,365,414	6,952,132	(5,791,981)		38,525,565

### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: nil).

### 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 17 to 20 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2019 therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2019, 0.60% of the Fund's assets were interest bearing (2018: 0.31%).

Changes in interest rates would have no material impact on the valuation of 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 30 September 2019

### 15. Portfolio transaction costs

As the Fund only invests in Collective Investment Schemes, there are no associated broker transaction costs.

At the balance sheet date the average portfolio dealing spread was 0.53% (2018: 0.00%).

### 16. Post balance sheet events

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

### 17. Fair value disclosure

Valuation technique	30/09/19		30/09/18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	–	–	–	–
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	104,734	–	95,394	–
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	–	–	–	–
	<b>104,734</b>		<b>95,394</b>	

## Distribution Table

As at 30 September 2019

### Interim Distribution in pence per Share

Group 1 Shares purchased prior to 1 October 2018

Group 2 Shares purchased on or after 1 October 2018 to 31 March 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/19 (p)	Distribution paid 31/05/18 (p)
Share Class B Income				
Group 1	0.6506	–	0.6506	0.5426
Group 2	0.5013	0.1493	0.6506	0.5426
Share Class B Accumulation				
Group 1	1.1703	–	1.1703	0.9637
Group 2	1.0277	0.1426	1.1703	0.9637

### Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 April 2019

Group 2 Shares purchased on or after 1 April 2019 to 30 September 2019

	Net revenue (p)	Equalisation (p)	Distribution payable 29/11/19 (p)	Distribution paid 30/11/18 (p)
Share Class B Income				
Group 1	0.6862	–	0.6862	0.7879
Group 2	0.6467	0.0395	0.6862	0.7879
Share Class B Accumulation				
Group 1	1.2383	–	1.2383	1.4042
Group 2	1.0777	0.1606	1.2383	1.4042

## Investment Manager's Report

For the year ended 30 September 2019

### Investment Objective

The Fund aims to achieve a return consisting primarily of income and some capital growth which, after all fees and expenses and over a five-year rolling period, exceeds that of a composite benchmark based on the MSCI AC World TR Index (GBP) (60%) and the ICE BoAML Global Broad Market Hedged TR Index (GBP) (40%).

### Investment Policy

The investment policy of the Fund is to gain exposure through a flexible asset allocation to a broad diversified range of asset classes including, equities, fixed interest securities, currencies, cash, near cash and deposits, warrants and approved money market instruments as detailed in the Prospectus.

At least 70% of the exposure to these asset classes is expected to be achieved through investment in a combination of transferable securities, collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates), deposits and derivatives.

The Fund may also seek to gain exposure to the property or commodities markets through investment in eligible asset classes. The Fund will not have any restrictions on the proportion of the Fund allocated to any asset classes and may invest in any geographic or economic sectors of the world.

Derivatives may be used for investment purposes as well as for efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against a composite benchmark for target return purposes based on the MSCI AC World TR Index (GBP) (60%) and the ICE BoAML Global Broad Market Hedged TR Index (GBP) (40%).

### Portfolio Review

Over the period the fund returned 3.23% [source: Return after operating charges as per Comparative Table] and the benchmark returned 7.84% [source: Financial Express, bid to bid, net income reinvested].

During the period the fund generated net income of 4.71p per share in the A Income class and 5.53p per share in the A Accumulation class.

Alternatives and bonds were the key areas of strength and shielded the portfolio from a negative return within our equities bucket.

Within equities, the technology sector was the strongest contributor to performance as both Microsoft and Applied Materials pushed higher. Applied Materials is a beneficiary of growth in the semiconductor sector and the move towards electric vehicles.

In spite of political and social unrest in Hong Kong, Asian insurer, AIA Group was a standout performer within our financials bucket and was the top equity contributor. Its brand and powerful agency model, together with a focus on selling regular premium insurance into the developing Asian market provides a very strong structural demand for products and means the future opportunity for growth is strong.

**Investment Manager's Report (continued)**  
For the year ended 30 September 2019

It was the cyclical sectors, such as industrials, oil & gas and basic materials which performed worst. Among the main detractors were lithium miner Albemarle, with oil services business Schlumberger and oil producer Suncor also weak as the oil price declined. German telecommunications provider Telefonica Deutschland contributed negatively to performance as a competitive spectrum auction weighed on sentiment.

The area of renewables continues to be a core element of the portfolio. These business's stable and consistent cash flows provide the ability to pay a high and sustainable well covered dividend, irrespective of the economic backdrop. JLEN Environmental Assets and Greencoat UK Wind were standout performers over the period and we continue to maintain a constructive view on these assets going forward.

Within alternatives we increased our geographical diversification by initiating a position in US solar and Aquila European Renewables as well as initiating a position in legacy preference debt issued by US banks, which is benefitting from deregulation under the Trump administration through consolidation, which means they can access cheaper finance through a new position in EJFI Investments.

We sold Italian infrastructure stock Atlantia after a recovery in the share price following the collapse of Genoa's Morandi bridge last year. The stock has been a key contributor over the period but in our view there remains substantial political risk if Italy's government makes good on threats to strip Atlantia's toll-road operator, Autostrade per l'Italia, of its concession to run Italy's roads. German semiconductor manufacturer Infineon Technologies was also sold after its acquisition of rival Cypress Semiconductor, a key beneficiary of the move to electric vehicles this recent acquisition took the business away from that key attraction at a valuation that we felt was too high.

**Outlook**

It is too early to know if the US Federal Reserve's recent interest-rate cuts will have a material impact on the economic outlook. If global economic momentum continues to slow as we expect, and trade-war tensions between the US and China escalate, equity markets will face strong headwinds. Political developments are also potentially destabilising, with US President Trump facing an impeachment enquiry and UK Prime Minister Boris Johnson's suspension of parliament ahead of Brexit ruled unlawful.

Arguably, the outlook for bonds is worse. Yields have fallen and the value of bonds with negative yields, which guarantee buyers a loss if they hold the bond to maturity, has risen. We view the growth of negative-yielding debt, a disquieting feature of the post-financial crisis landscape, as a distress signal of sorts. Conversely, we are positive on the outlook for alternatives as we see many companies with sustainable, stable cash flows which are not dependent on economic growth.



**Investment Manager's Report (continued)**  
For the year ended 30 September 2019

Against this backdrop, we have positioned the portfolio cautiously, and while many may view a low allocation to bonds as a risk, our view is that the possibility of fiscal spending represents a threat to the bond market. Equities remain the largest asset class within the portfolio, albeit at the lower end of their historic range. Alternatives remain in favour: indeed, the Fund's weighting in alternatives with 'bond-like' profiles is close to an all-time high. However, we also own other attractive areas, such as music royalties, which offer the prospect of stable income, with little sensitivity to the economic cycle, as well as capital growth. Valuations have been depressed, owing to the impact of music piracy, but as the growth of streaming services, such as Spotify, makes music more accessible to consumers, we believe the industry should once again return to growth and see valuations expand.

**Newton Investment Management Limited**

21 October 2019

## Material Portfolio Changes

For the year ended 30 September 2019

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Greencoat UK Wind***	6,733	Greencoat UK Wind***	4,369
Renewables Infrastructure***	5,944	Whitebread	3,576
International Public Partnerships***	5,811	Bank Hapoalim	3,139
John Laing Environmental Assets***	4,006	Atlantia Spa	2,973
Star Entertainment	3,564	International Public Partnerships***	2,696
Gresham House Energy Storage Fund***	3,492	Renewables Infrastructure***	2,345
EJF Investments***	3,288	John Laing Infrastructure***	2,174
IRB InvIT***	3,074	Infineon Technologies	1,908
Colombia Government International 7.5% 26/08/2026	3,059	CA	1,687
British American Tobacco	3,051	AIB	1,644

\*\*\* Investment Trust.

**Comparative Table**  
 As at 30 September 2019

	30/09/19 (p)	A Income 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	113.13	114.20	106.41
Return before operating charges*	4.21	4.12	13.01
Operating charges	(0.73)	(0.76)	(0.76)
Return after operating charges	3.48	3.36	12.25
Distributions	(4.71)	(4.43)	(4.46)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	111.90	113.13	114.20
* after direct transaction costs of:	0.05	0.10	0.13
<b>Performance</b>			
Return after operating charges	3.07%	2.94%	11.51%
<b>Other information</b>			
Closing net asset value (£'000)	212,754	188,761	134,053
Closing number of shares	190,123,214	166,858,067	117,384,868
Operating charges	0.66%	0.67%	0.68%
Direct transaction costs	0.05%	0.09%	0.11%
<b>Prices (p)</b>			
Highest share price	114.65	117.10	118.45
Lowest share price	104.46	110.40	104.24

**Comparative Table (continued)**  
 As at 30 September 2019

	30/09/19 (p)	A Accumulation 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	130.79	126.97	113.72
Return before operating charges*	5.09	4.68	14.08
Operating charges	(0.86)	(0.86)	(0.83)
Return after operating charges	4.23	3.82	13.25
Distributions	(5.53)	(5.00)	(4.85)
Retained distributions on accumulation shares	5.53	5.00	4.85
Closing net asset value per share	135.02	130.79	126.97
* after direct transaction costs of:	0.06	0.11	0.14
<b>Performance</b>			
Return after operating charges	3.23%	3.01%	11.65%
<b>Other information</b>			
Closing net asset value (£'000)	140,937	100,292	50,116
Closing number of shares	104,385,727	76,678,843	39,469,139
Operating charges	0.66%	0.67%	0.68%
Direct transaction costs	0.05%	0.09%	0.11%
<b>Prices (p)</b>			
Highest share price	136.87	133.06	128.80
Lowest share price	120.95	124.15	111.44

## Performance Information

As at 30 September 2019

### Operating Charges

Date	AMC (%)	Other expenses (%)	Transaction costs (%)	Total operating charge (%)
30/09/2019				
Share Class A Income	0.60	0.06	0.00	0.66
Share Class A Accumulation	0.60	0.06	0.00	0.66
30/09/2018				
Share Class A Income	0.60	0.06	0.01	0.67
Share Class A Accumulation	0.60	0.06	0.01	0.67

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 30 September 2019

	Typically lower rewards		Typically higher rewards				
	←		→				
	Lower risk			Higher risk			
Share Class A	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 risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

### 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 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Bonds 20.48% (19.71%)</b>			
<b>Argentina 0.44% (0.00%)</b>			
USD 3,892,000	Argentine Republic Government International 6.875% 22/04/2021	1,543	0.44
		<b>1,543</b>	<b>0.44</b>
<b>Australia 1.90% (2.07%)</b>			
AUD 4,840,000	Australia Government 3.25% 21/04/2029	3,188	0.90
AUD 5,740,000	New South Wales Treasury 3% 20/03/2028	3,552	1.00
		<b>6,740</b>	<b>1.90</b>
<b>Bolivia 0.24% (0.00%)</b>			
USD 1,100,000	Bolivian Government International 4.5% 20/03/2028	847	0.24
		<b>847</b>	<b>0.24</b>
<b>Canada 0.39% (0.04%)</b>			
USD 36,000	First Quantum Minerals 7% 15/02/2021	29	0.01
USD 1,649,000	Royal Bank of Canada 1.875% 05/02/2020	1,337	0.38
		<b>1,366</b>	<b>0.39</b>
<b>Cayman Islands 0.00% (0.39%)</b>			
<b>Chile 0.17% (0.32%)</b>			
USD 1,300,000	Nova Austral 8.25% 26/05/2021	608	0.17
		<b>608</b>	<b>0.17</b>
<b>China 0.06% (0.07%)</b>			
USD 241,000	Ctrip.com International 1.99% 01/07/2025	197	0.06
		<b>197</b>	<b>0.06</b>
<b>Colombia 0.83% (0.00%)</b>			
COP 11,406,800,000	Colombia Government International 7.5% 26/08/2026	2,928	0.83
		<b>2,928</b>	<b>0.83</b>
<b>Ecuador 0.33% (0.76%)</b>			
USD 218,000	Ecuador Government International 10.5% 24/03/2020	181	0.05
USD 1,241,000	Ecuador Government International 8.875% 23/10/2027	1,004	0.28
		<b>1,185</b>	<b>0.33</b>
<b>El Salvador 0.21% (0.25%)</b>			
USD 910,000	El Salvador Government International Bond 7.375% 01/12/2019	741	0.21
		<b>741</b>	<b>0.21</b>
<b>Ethiopia 0.20% (0.23%)</b>			
USD 860,000	Ethiopia International Bond 6.625% 11/12/2024	725	0.20
		<b>725</b>	<b>0.20</b>
<b>Germany 0.77% (0.00%)</b>			
EUR 1,500,000	Infineon Technologies 2.875% Perpetual	1,321	0.37
EUR 1,600,000	Infineon Technologies 3.625% Perpetual	1,408	0.40
		<b>2,729</b>	<b>0.77</b>

**Portfolio Statement (continued)**  
 As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Guatemala 0.00% (0.22%)</b>			
<b>India 0.22% (0.25%)</b>			
IDR 69,500,000	ECL Finance 9.05% 28/12/2019	781	0.22
		<b>781</b>	<b>0.22</b>
<b>Indonesia 0.51% (0.53%)</b>			
INR 30,133,000,000	Indonesia Treasury 8.25% 15/05/2036	1,789	0.51
		<b>1,789</b>	<b>0.51</b>
<b>Ireland 0.31% (0.38%)</b>			
GBP 1,080,000	Virgin Media Receivables Financing Notes I 5.5% 15/09/2024	1,104	0.31
		<b>1,104</b>	<b>0.31</b>
<b>Italy 0.17% (0.21%)</b>			
EUR 674,000	Nexi Capital 4.125% 01/11/2023	612	0.17
		<b>612</b>	<b>0.17</b>
<b>Japan 0.00% (0.23%)</b>			
<b>Mexico 2.25% (2.55%)</b>			
USD 880,000	Cemex 6.125% 05/05/2025	741	0.21
MXN 44,541,800	Mexican Bonos 6.5% 09/06/2022	1,823	0.52
MXN 121,604,100	Mexican Bonos 8% 07/11/2047	5,383	1.52
		<b>7,947</b>	<b>2.25</b>
<b>Netherlands 0.38% (1.29%)</b>			
EUR 577,000	InterXion Holding 4.75% 15/06/2025	553	0.16
EUR 324,000	InterXion Holding 4.75% 15/06/2025 Germany listed	311	0.09
USD 496,000	Petrobras Global Finance 6.875% 20/01/2040	464	0.13
		<b>1,328</b>	<b>0.38</b>
<b>Norway 0.38% (0.00%)</b>			
USD 1,657,000	SpareBank 1.75% 15/11/2019	1,344	0.38
		<b>1,344</b>	<b>0.38</b>
<b>Peru 0.93% (0.00%)</b>			
PEN 6,100,000	Peruvian Government International 5.7% 12/08/2024	1,628	0.46
PEN 5,982,000	Peruvian Government International 6.35% 12/08/2028	1,671	0.47
		<b>3,299</b>	<b>0.93</b>
<b>South Africa 0.49% (0.30%)</b>			
GBP 1,765,000	Investec 6.75% Perpetual	1,740	0.49
		<b>1,740</b>	<b>0.49</b>
<b>Switzerland 0.36% (0.00%)</b>			
EUR 1,372,000	UBS 4.75% 12/02/2026	1,285	0.36
		<b>1,285</b>	<b>0.36</b>

**Portfolio Statement (continued)**  
 As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 2.07% (3.05%)</b>			
GBP 159,000	Anglian Water Services Financing 4.125% 28/07/2020	287	0.08
GBP 647,753	Balfour Beatty 9.675% 01/07/2020	674	0.19
GBP 307,000	Ei 6.375% 15/02/2022	312	0.09
GBP 417,000	Mclaren Finance 5% 01/08/2022	396	0.11
GBP 702,336	Tesco Property Finance 3 5.744% 13/04/2040	911	0.26
GBP 134,000	Thames Water Utilities Finance 3.375% 21/07/2021	236	0.07
GBP 1,452,000	TP ICAP 5.25% 26/01/2024	1,549	0.44
GBP 616,500	Virgin Media Secured Finance 6.25% 28/03/2029	655	0.18
GBP 2,155,000	Vodafone 4.875% 03/10/2078	2,284	0.65
		<b>7,304</b>	<b>2.07</b>
<b>United States 6.87% (6.57%)</b>			
USD 1,572,000	Best Buy 5.5% 15/03/2021	1,322	0.37
USD 402,000	CCO 5.5% 01/05/2026	342	0.10
USD 220,000	CCO 5.875% 01/05/2027	189	0.05
USD 1,160,000	CEMEX Finance 6% 01/04/2024	967	0.27
USD 2,127,000	Redwood Trust 4.75% 15/08/2023	1,726	0.49
USD 2,135,913	Reynolds 5.75% 15/10/2020	1,735	0.49
USD 1,016,000	Sprint 7.125% 15/06/2024	888	0.25
USD 1,546,000	Sprint Capital 8.75% 15/03/2032	1,538	0.44
USD 1,483,000	T-Mobile USA 6% 01/03/2023	1,226	0.35
USD 10,600,000	United States Treasury 2% 15/02/2025	8,784	2.48
USD 4,535,300	United States Treasury Inflation Indexed 2.375% 15/01/2025	5,576	1.58
		<b>24,293</b>	<b>6.87</b>
<b>Equities 76.64% (76.94%)</b>			
<b>Australia 1.57% (0.97%)</b>			
459,121	Insurance Australia	1,983	0.56
1,503,449	Star Entertainment	3,588	1.01
		<b>5,571</b>	<b>1.57</b>
<b>Brazil 0.66% (0.61%)</b>			
380,753	Ambev**	1,427	0.40
275,050	CCR	924	0.26
		<b>2,351</b>	<b>0.66</b>
<b>Canada 0.64% (0.91%)</b>			
88,668	Suncor Energy	2,271	0.64
		<b>2,271</b>	<b>0.64</b>
<b>China 1.09% (1.68%)</b>			
9,134,500	China Harmony New Energy Auto	2,449	0.69
113,588	Hollysys Automation Technologies	1,399	0.40
		<b>3,848</b>	<b>1.09</b>
<b>Georgia 1.36% (1.92%)</b>			
113,920	Bank of Georgia	1,522	0.43
73,905	Georgia Capital	754	0.21
204,927	TBC Bank	2,529	0.72
		<b>4,805</b>	<b>1.36</b>



**Portfolio Statement (continued)**  
 As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Germany 3.66% (4.89%)</b>			
54,665	Brenntag AG	2,148	0.61
40,053	Deutsche Wohnen	1,188	0.34
26,042	HeidelbergCement	1,531	0.43
41,951	Hella KGaA Hueck	1,523	0.43
1,839,700	Telefonica Deutschland	4,160	1.18
17,233	Volkswagen Preference Shares	2,380	0.67
		<b>12,930</b>	<b>3.66</b>
<b>Guernsey 11.95% (10.87%)</b>			
1,207,106	Bluefield Solar Income***	1,581	0.45
4,329,571	Doric Nimrod Air Three Preference Shares	3,702	1.05
1,912,820	Doric Nimrod Air Two Preference Shares	3,424	0.97
6,952,774	Hipgnosis Songs Fund	7,439	2.10
4,526,310	International Public Partnerships***	6,961	1.97
2,088,903	NextEnergy Solar***	2,517	0.71
7,188,989	Renewables Infrastructure***	9,073	2.56
6,952,803	Tufton Oceanic Assets***	5,699	1.61
314,801	Volta Finance***	1,866	0.53
		<b>42,262</b>	<b>11.95</b>
<b>Hong Kong 3.39% (3.62%)</b>			
1,103,200	AIA	8,451	2.39
176,000	Link*	1,574	0.45
3,881,600	Man Wah	1,957	0.55
		<b>11,982</b>	<b>3.39</b>
<b>India 1.37% (0.75%)</b>			
6,590,000	IRB InvIT***	4,626	1.31
649,939	Vakrangee	225	0.06
		<b>4,851</b>	<b>1.37</b>
<b>Ireland 2.52% (2.98%)</b>			
97,057	CRH	2,697	0.76
6,179,005	Greencoat Renewables	6,204	1.76
		<b>8,901</b>	<b>2.52</b>
<b>Israel 0.00% (1.20%)</b>			
<b>Italy 0.00% (0.76%)</b>			
<b>Japan 0.92% (1.32%)</b>			
64,500	Ebara	1,390	0.39
105,700	Japan Tobacco	1,876	0.53
		<b>3,266</b>	<b>0.92</b>
<b>Jersey 3.35% (2.97%)</b>			
1,862,383	EJF Investments***	3,073	0.87
6,917,556	GCP Infrastructure Investments***	8,758	2.48
		<b>11,831</b>	<b>3.35</b>

**Portfolio Statement (continued)**  
 As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Luxembourg 3.40% (2.77%)</b>			
937,080	B&M European Value Retail	3,555	1.01
5,355,208	BBGI***	8,461	2.39
		<b>12,016</b>	<b>3.40</b>
<b>Macao 0.82% (0.73%)</b>			
786,400	Sands China	2,886	0.82
		<b>2,886</b>	<b>0.82</b>
<b>Mexico 1.68% (1.92%)</b>			
1,021,120	Kimberly-Clark de Mexico	1,660	0.47
1,787,400	Wal-Mart de Mexico	4,295	1.21
		<b>5,955</b>	<b>1.68</b>
<b>New Zealand 1.86% (2.00%)</b>			
2,389,431	SkyCity Entertainment	4,803	1.36
787,998	Spark New Zealand	1,768	0.50
		<b>6,571</b>	<b>1.86</b>
<b>Norway 0.18% (0.00%)</b>			
33,430	Mowi ASA	627	0.18
		<b>627</b>	<b>0.18</b>
<b>Singapore 0.56% (0.57%)</b>			
1,140,500	Mapletree Greater China Trust*	877	0.25
606,400	Parkway Life Trust*	1,110	0.31
		<b>1,987</b>	<b>0.56</b>
<b>South Korea 1.51% (0.99%)</b>			
109,766	Samsung Electronics Preference Shares	2,941	0.83
15,919	Samsung SDI	2,403	0.68
		<b>5,344</b>	<b>1.51</b>
<b>Switzerland 2.40% (4.05%)</b>			
170,847	ABB	2,726	0.77
32,916	Novartis	2,317	0.66
11,078	Zurich Insurance	3,444	0.97
		<b>8,487</b>	<b>2.40</b>
<b>Taiwan 0.83% (0.94%)</b>			
412,000	Taiwan Semiconductor Manufacturing	2,926	0.83
		<b>2,926</b>	<b>0.83</b>
<b>United Kingdom 22.86% (17.42%)</b>			
1,526,036	Aquila European Renewables Income Fund***	1,445	0.41
572,629	Ascential	2,170	0.61
630,509	BAE Systems	3,594	1.02
979,045	Barclays	1,472	0.42
2,404,830	Blackstone GSO Loan Financing***	1,649	0.47
143,592	British American Tobacco	4,319	1.22
820,921	Centrica	605	0.17
4,346,070	Civitas Social Housing*	3,755	1.06

**Portfolio Statement (continued)**  
 As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>United Kingdom 22.86% (17.42%) (continued)</b>			
71,817	Diageo	2,394	0.68
663,979	Dixons Carphone	790	0.22
69,392	Ferguson	4,122	1.16
7,484,040	Greencoat UK Wind***	10,747	3.04
3,488,672	Gresham House Energy Storage Fund***	3,628	1.02
75,564	Hikma Pharmaceuticals	1,662	0.47
83,128	Imperial Tobacco	1,520	0.43
592,535	Informa	5,048	1.43
7,856,809	John Laing Environmental Assets***	9,232	2.61
5,225,445	Lloyds Banking	2,828	0.80
244,261	Prudential	3,603	1.02
1,327,996	Royal Bank of Scotland	2,757	0.78
97,202	Royal Dutch Shell	2,329	0.66
2,227,529	Sdcl Energy Efficiency Income Trust	2,406	0.68
2,222,562	US Solar Fund	1,768	0.50
8,856,928	VPC Specialty Lending Investments***	7,015	1.98
		<b>80,858</b>	<b>22.86</b>
<b>United States 8.06% (10.10%)</b>			
45,863	Albemarle	2,588	0.73
28,624	Apple	5,202	1.47
84,978	Applied Materials	3,441	0.97
30,729	Citigroup	1,722	0.49
312,391	General Electric	2,266	0.64
16,496	Gilead Sciences	848	0.24
29,034	Las Vegas Sands	1,360	0.38
28,310	Microsoft	3,194	0.90
379,346	Redwood Trust*	5,055	1.43
654,445	Samsonite International	1,123	0.32
62,053	Schlumberger	1,720	0.49
		<b>28,519</b>	<b>8.06</b>
<b>Forward Currency Contracts 0.48% (0.16%)</b>			
	Bought EUR1,201,214 for GBP1,068,264 Settlement 13/11/2019	(4)	0.00
	Bought EUR2,993,069 for USD3,328,554 Settlement 13/12/2019	(39)	(0.01)
	Bought USD356,801 for AUD513,000 Settlement 16/10/2019	9	0.00
	Bought USD1,241,427 for GBP1,002,780 Settlement 13/11/2019	3	0.00
	Sold AUD10,477,600 for GBP5,795,010 Settlement 13/11/2019	62	0.02
	Sold EUR24,580,681 for GBP22,704,040 Settlement 13/11/2019	927	0.26

## Portfolio Statement (continued)

As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Forward Currency Contracts 0.48% (0.16%) (continued)</b>			
	Sold JPY241,608,486 for GBP1,830,103 Settlement 13/12/2019	12	0.00
	Sold USD72,524,465 for GBP59,514,951 Settlement 13/11/2019	759	0.21
		<b>1,729</b>	<b>0.48</b>
	<b>Portfolio of investments</b>	<b>345,209</b>	<b>97.60</b>
	<b>Net other assets</b>	<b>8,482</b>	<b>2.40</b>
	<b>Net assets</b>	<b>353,691</b>	<b>100.00</b>

\* Real Estate Investment Trust.

\*\* American Depository Receipts.

\*\*\* Investment Trust.

The investments have been valued in accordance with note 1(h) of the Accounting Policies and Financial Instruments. All investments are ordinary shares or bonds unless otherwise stated and admitted to official stock exchange listings. Comparative figures shown above in brackets relate to 30 September 2018.

Gross purchases for the year: £120,080,000 [2018: £173,471,000] (See note 15).

Total sales net of transaction costs for the year: £59,302,000 [2018: £66,152,000] (See note 15).

### Associated Bond Ratings as at 30 September 2019

	% of Total Net Assets
<b>Bond Rating</b>	
AAA	6.69
AA	0.00
A	1.01
BBB	4.67
BB	4.47
B	2.57
CCC	0.00
D	0.00
Not rated	1.20
<b>Bonds</b>	<b>20.61</b>
Uninvested Cash	3.09
Equities	76.30
Interest Rate Swaps and Forwards	0.00
<b>Net Assets</b>	<b>100.00</b>

The above information has been supplied by the Investment Manager. Bonds not rated are of investment grade, but rating not sought by issuer.

## Statement of Total Return

For the year ended 30 September 2019

	Note	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(213)		(805)
Revenue	3	14,865		10,444	
Expenses	4	(2,058)		(1,597)	
Interest payable and similar charges	5	(5)		(1)	
Net revenue before taxation		12,802		8,846	
Taxation	6	(952)		(667)	
Net revenue after taxation			11,850		8,179
Total return before distributions			11,637		7,374
Distributions	7		(13,502)		(9,527)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(1,865)</b>		<b>(2,153)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		289,053		184,169
Amounts receivable on issue of Shares	70,856		111,966	
Amounts payable on cancellation of Shares	(9,589)		(8,206)	
		61,267		103,760
Change in net assets attributable to Shareholders from investment activities (see above)		(1,865)		(2,153)
Retained distributions on accumulation Shares		5,236		3,277
<b>Closing net assets attributable to Shareholders</b>		<b>353,691</b>		<b>289,053</b>

## Balance Sheet

As at 30 September 2019

	Note	30/09/19		30/09/18	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			345,252		279,841
Current assets:					
Debtors	8	3,224		2,914	
Cash and bank balances	9	13,538		16,763	
Total current assets			16,762		19,677
Total assets			362,014		299,518
<b>Liabilities:</b>					
Investment liabilities					
			(43)		(12)
Creditors:					
Distribution payable		(2,264)		(1,723)	
Other creditors	10	(6,016)		(8,730)	
Total creditors			(8,280)		(10,453)
Total liabilities			(8,323)		(10,465)
<b>Net assets attributable to Shareholders</b>					
			<b>353,691</b>		<b>289,053</b>

## Notes to the Financial Statements

For the year ended 30 September 2019

### 1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 14 to 16.

### 2. Net capital losses

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
The net capital losses during the year comprise:		
Brokers commission on futures	–	(3)
Currency losses	(215)	(27)
Derivative contracts	–	62
Forward currency contracts	(3,459)	(1,491)
Non-derivative securities	3,475	689
Transaction charges	(14)	(35)
<b>Net capital losses</b>	<b>(213)</b>	<b>(805)</b>

### 3. Revenue

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Bank interest	16	3
Interest from Debt Securities	3,099	2,299
Interest income from Collective Investment Schemes	592	359
Offshore funds dividends	–	2
Overseas dividends	8,466	5,998
Scrip dividends	–	103
UK dividends	2,495	1,628
UK property income dividends	197	52
<b>Total revenue</b>	<b>14,865</b>	<b>10,444</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 4. Expenses

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	1,882	1,453
	<b>1,882</b>	<b>1,453</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	88	68
Safe custody fees	59	55
	<b>147</b>	<b>123</b>
<b>Other expenses</b>		
Audit fees	10	10
Professional fees	16	9
Publication fees	3	2
	<b>29</b>	<b>21</b>
<b>Total expenses</b>	<b>2,058</b>	<b>1,597</b>

Audit fees are £8,200 ex VAT (2018: £8,050).

### 5. Interest payable and similar charges

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interest	5	1
<b>Total interest payable and similar charges</b>	<b>5</b>	<b>1</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Corporation tax	480	354
Double tax relief	(77)	(72)
Irrecoverable overseas tax	543	315
Overseas capital gains tax	6	70
<b>Total taxation for the year (Note 6 (b))</b>	<b>952</b>	<b>667</b>



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 6. Taxation (continued)

#### (b) Factors affecting the 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% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Net revenue before taxation	12,802	8,846
Net revenue for the year multiplied by the standard rate of corporation tax	2,560	1,769
<b>Effects of:</b>		
Double taxation relief	(77)	(72)
Irrecoverable overseas tax	543	315
Overseas capital gains tax in capital	6	70
Revenue not subject to corporation tax	(2,080)	(1,415)
<b>Total tax charge for the year</b>	<b>952</b>	<b>667</b>

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 year or prior year.

### 7. Distributions

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

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interim	10,079	7,423
Final	3,749	2,631
Add: Revenue paid on cancellation of Shares	43	41
Deduct: Revenue received on creation of Shares	(369)	(568)
<b>Net distribution for the year</b>	<b>13,502</b>	<b>9,527</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	11,850	8,179
Expenses charged to capital	2,058	1,597
Tax relief from capital*	(412)	(319)
Capital gains tax	6	70
<b>Net distribution for the year</b>	<b>13,502</b>	<b>9,527</b>

\* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on capital expenses.

Details of the distributions per Share are set out in the distribution tables on page 98.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 8. Debtors

	30/09/19 £'000	30/09/18 £'000
Accrued bank interest	1	1
Accrued revenue	1,510	1,002
Amounts receivable for creation of Shares	1,713	1,840
Overseas withholding tax recoverable	–	65
Sales awaiting settlement	–	6
<b>Total debtors</b>	<b>3,224</b>	<b>2,914</b>

### 9. Cash and bank balances

	30/09/19 £'000	30/09/18 £'000
Cash and bank balances	13,538	16,763
<b>Total cash and bank balances</b>	<b>13,538</b>	<b>16,763</b>

### 10. Other creditors

	30/09/19 £'000	30/09/18 £'000
Amounts payable for cancellation of Shares	–	217
Corporation tax payable	223	177
Purchases awaiting settlement	5,577	8,170
	5,800	8,564
<i>Accrued expenses</i>		
Manager and Agents		
AMC fees	174	141
	174	141
<i>Depositary and Agents</i>		
Depositary fees	16	7
Safe custody fees	11	4
Transaction charges	4	4
	31	15
<i>Other accrued expenses</i>		
Audit fees	10	10
Publication fees	1	–
	11	10
<b>Total other creditors</b>	<b>6,016</b>	<b>8,730</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 11. 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 Net Assets Attributable to Shareholders 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

As at the balance sheet date, the following had significant Shareholdings within the Fund:

Shareholders	30/09/19
Sterling ISA Managers (Nominees) Limited	82.7%
Funds Direct Nominees Limited	17.3%

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class A Income	0.60
Share Class A Accumulation	0.60

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:

	30/09/18	Issued	Cancelled	Converted	30/09/19
Share Class A Income	166,858,067	28,836,756	(5,571,608)	–	190,123,215
Share Class A Accumulation	76,678,843	30,386,357	(2,679,473)	–	104,385,7273

### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: nil).

## Notes to the Financial Statements (continued)

### For the year ended 30 September 2019

#### 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 17 to 20 of the report.

##### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

Currency	Net foreign currency exposure	
	30/09/19 £'000	30/09/18 £'000
Australian Dollar	6,386	2,806
Brazilian Real	924	446
Canadian Dollar	2,270	2,629
Colombian Peso	2,947	–
Danish Krone	–	5
Euro	11,648	19,919
Hong Kong Dollar	18,477	17,353
Indian Rupee	5,666	2,934
Indonesian Rupiah	1,843	1,571
Israeli Sheqel	–	2,938
Japanese Yen	1,449	2,184
Mexican Peso	13,318	12,376
New Taiwan Dollar	3,252	–
New Zealand Dollar	6,619	5,825
Norwegian Krone	50	–
Singapore Dollar	1,987	1,642
South Korean Won	5,344	2,868
Swiss Franc	8,487	7,002
Taiwanese Dollar	–	3,009
Peruvian Sol	3,323	–
US Dollar	12,136	23,508
<b>Total foreign currency exposure</b>	<b>106,126</b>	<b>109,015</b>
Sterling	247,565	180,038
<b>Total net assets</b>	<b>353,691</b>	<b>289,053</b>

If GBP to foreign currency exchange rates had strengthened/increased or weakened/decreased by 10% as at the balance sheet date, the net asset value of the fund would have decreased or increased by £10,612,000 (2018: £10,902,000). These calculations assume all other variables remain constant.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

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

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

Currency Assets	Floating rate	Fixed rate	Financial assets	Total
	financial assets	financial assets	not carrying	
	£'000	£'000	interest	£'000
<b>30/09/19</b>				
Australian Dollar	48	6,740	5,674	12,462
Brazilian Real	–	–	924	924
Canadian Dollar	–	–	2,271	2,271
Colombian Peso	–	2,928	20	2,948
Euro	–	5,490	27,880	33,370
Hong Kong Dollar	38	–	18,439	18,477
Indian Rupee	–	781	4,884	5,665
Indonesian Rupiah	–	1,789	54	1,843
Japanese Yen	–	–	3,279	3,279
Mexican Peso	–	7,205	6,112	13,317
New Zealand Dollar	–	–	6,619	6,619
Norwegian Krone	–	–	627	627
Singapore Dollar	–	–	1,987	1,987
South Korean Won	–	–	5,344	5,344
Sterling	13,064	10,148	141,561	164,773
Swiss Franc	–	–	8,487	8,487
Taiwanese Dollar	310	–	2,943	3,253
Peruvian Sol	94	3,298	24	3,416
US Dollar	–	34,055	38,912	72,967
<b>Total</b>	<b>13,554</b>	<b>72,434</b>	<b>276,041</b>	<b>362,029</b>
<b>30/09/18</b>				
Australian Dollar	52	5,993	2,850	8,895
Brazilian Real	–	–	446	446
Canadian Dollar	–	–	2,629	2,629
Danish Krone	–	–	5	5
Euro	42	3,020	28,841	31,903
Hong Kong Dollar	31	–	17,322	17,353
Indian Rupee	–	729	2,204	2,933
Indonesian Rupiah	–	1,524	48	1,572
Israeli Sheqel	–	–	2,938	2,938
Japanese Yen	–	–	3,819	3,819
Mexican Peso	–	6,671	5,705	12,376
New Zealand Dollar	–	–	5,825	5,825
Singapore Dollar	–	–	1,642	1,642
South Korean Won	–	–	2,868	2,868
Sterling	20,015	7,007	160,949	187,971
Swiss Franc	–	–	8,044	8,044
Taiwanese Dollar	297	–	2,711	3,008
US Dollar	737	27,550	34,234	62,521
<b>Total</b>	<b>21,174</b>	<b>52,494</b>	<b>283,080</b>	<b>356,748</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 14. Derivatives and other financial instruments (continued)

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

Currency Liabilities	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>30/09/19</b>				
Euro	–	–	2,780	2,780
Norwegian Krone	–	–	576	576
Sterling	–	–	4,982	4,982
<b>Total</b>	<b>–</b>	<b>–</b>	<b>8,338</b>	<b>8,338</b>
<b>30/09/18</b>				
Australian Dollar	–	–	6,089	6,089
Euro	–	–	11,475	11,475
Japanese Yen	–	–	1,635	1,635
Sterling	–	–	7,933	7,933
US Dollar	–	–	38,044	38,044
<b>Total</b>	<b>–</b>	<b>–</b>	<b>65,176</b>	<b>65,176</b>

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

#### (c) Counterparty risk

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

Counterparty	Derivative exposure £'000	Collateral posted £'000	Collateral received £'000	Collateral asset class
<b>2019</b>				
Barclays	9	–	–	–
Citi	1	–	–	–
HSBC	988	900	–	Cash
JPMorgan Chase	2	–	–	–
NatWest	797	–	–	–
RBS	–	760	–	Cash
State Street Bank and Trust	–	–	70	Cash
<b>2018</b>				
JPMorgan Chase	122	–	–	–
NatWest	15	–	–	–
State Street Bank and Trust	209	–	–	–
UBS	223	–	–	–

#### (d) Leverage

There was 27.48% leverage as at 30 September 2019, 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.

	Average Leverage	Highest Leverage	Lowest Leverage	Leverage 30/09/19
Multi-Asset Income	28.79%	78.84%	20.82%	27.48%

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 15. Portfolio transaction costs

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		68,022		107,177
Bonds		21,235		47,818
Collective Investment Schemes		30,692		18,290
		119,949		173,285
Commissions – Equities	23		43	
Commissions – Derivatives	–		1	
Commissions – Collective Investment Schemes	2		4	
Taxes – Equities	93		133	
Taxes – Collective Investment Schemes	13		6	
Total purchase costs		131		187
<b>Gross purchase total</b>		<b>120,080</b>		<b>173,472</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		38,439		32,384
Bonds		9,615		27,203
Collective Investment Schemes		11,262		6,587
		59,316		66,174
Commissions – Equities	(10)		(13)	
Commissions – Derivatives	–		(2)	
Commissions – Collective Investment Schemes	(4)		(3)	
Taxes – Equities	–		(6)	
Taxes – Collective Investment Schemes	–		–	
Total sale costs		(14)		(24)
<b>Total sales net of transaction costs</b>		<b>59,302</b>		<b>66,150</b>

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

For the Fund's investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 15. Portfolio transaction costs (continued)

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.

	01/10/18 to 30/09/19 %	01/10/17 to 30/09/18 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases – Commissions		
Equities	0.0338	0.0399
Collective Investment Schemes	0.0065	0.0236
Purchases – Taxes		
Equities	0.1367	0.1243
Collective Investment Schemes	0.0424	0.0331
Sales – Commissions		
Equities	0.0260	0.0404
Collective Investment Schemes	0.0355	0.0500
Sales – Taxes		
Equities	0.0000	0.0179
Collective Investment Schemes	0.0000	0.0000
	<b>01/10/18 to 30/09/19 %</b>	<b>01/10/17 to 30/09/18 %</b>
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0124	0.0274
Taxes	0.0338	0.0599

At the balance sheet date the average portfolio dealing spread was 0.43% (2018: 0.41%).

### 16. Post balance sheet events

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



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 17. Fair value disclosure

Valuation technique	30/09/19		30/09/18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	286,079	–	235,879	–
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	59,173	(43)	43,962	(12)
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	–	–	–	–
	<b>345,252</b>	<b>(43)</b>	<b>279,841</b>	<b>(12)</b>

## Distribution Table

As at 30 September 2019

### First Distribution in pence per Share

Group 1 Shares purchased prior to 1 October 2018

Group 2 Shares purchased on or after 1 October 2018 to 31 December 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/19 (p)	Distribution paid 28/02/18 (p)
<b>Share Class A Income</b>				
Group 1	0.9669	–	0.9669	0.8851
Group 2	0.4632	0.5037	0.9669	0.8851
<b>Share Class A Accumulation</b>				
Group 1	1.1178	–	1.1178	0.9846
Group 2	0.5761	0.5417	1.1178	0.9846

### Second Distribution in pence per Share

Group 1 Shares purchased prior to 1 January 2019

Group 2 Shares purchased on or after 1 January 2019 to 31 March 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/19 (p)	Distribution paid 31/05/18 (p)
<b>Share Class A Income</b>				
Group 1	0.9509	–	0.9509	0.9170
Group 2	0.5047	0.4462	0.9509	0.9170
<b>Share Class A Accumulation</b>				
Group 1	1.1098	–	1.1098	1.0274
Group 2	0.5081	0.6017	1.1098	1.0274

### Third Distribution in pence per Share

Group 1 Shares purchased prior to 1 April 2019

Group 2 Shares purchased on or after 1 April 2019 to 30 June 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 30/08/19 (p)	Distribution paid 31/08/18 (p)
<b>Share Class A Income</b>				
Group 1	1.6000	–	1.6000	1.5941
Group 2	0.8180	0.7820	1.6000	1.5941
<b>Share Class A Accumulation</b>				
Group 1	1.8819	–	1.8819	1.7998
Group 2	1.0828	0.7991	1.8819	1.7998

## Distribution Table (continued)

As at 30 September 2019

### Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 July 2019

Group 2 Shares purchased on or after 1 July 2019 to 30 September 2019

	Net revenue (p)	Equalisation (p)	Distribution payable 29/11/19 (p)	Distribution paid 30/11/18 (p)
<b>Share Class A Income</b>				
Group 1	1.1909	–	1.1909	1.0327
Group 2	0.7024	0.4885	1.1909	1.0327
<b>Share Class A Accumulation</b>				
Group 1	1.4227	–	1.4227	1.1834
Group 2	0.7595	0.6632	1.4227	1.1834

## **Investment Manager's Report** For the year ended 30 September 2019

### **Investment Objective**

The Fund aims to achieve a return, over a five-year rolling period, and after all fees and expenses, consisting primarily of capital growth (and potentially a low level of income) which exceeds a composite benchmark based on the FTSE All-Share TR Index (40%), the Russell 1000 TR Index (15%), the MSCI Daily (ex UK) EAFE TR Index (25%), the MSCI Daily Net EM TR Index (15%) and the ICE BoAML Sterling Broad Market TR Index (5%).

### **Investment Policy**

It is expected that exposure to equities will make up the majority (defined as at least 51%) of the Fund's assets. However, investments will not be confined to any particular sector.

At least 70% of exposure will be achieved through investment in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates). The Fund may also invest in transferable securities, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purposes of hedging and efficient portfolio management.

### **Benchmark**

The performance of the Fund will be measured against a composite benchmark for target return purposes based on the FTSE All-Share TR Index (40%), the Russell 1000 TR Index (15%), the MSCI Daily (ex UK) EAFE TR Index (25%), the MSCI Daily Net EM TR Index (15%) and the ICE BoAML Sterling Broad Market TR Index (5%).

### **Portfolio Review**

Over the period the fund returned 1.38% [source: Return after operating charges as per Comparative Table] and the benchmark returned 4.87% [source: Financial Express, bid to bid, net income reinvested].

At the start of the period, we introduced two US exchange-traded funds (ETF) to the portfolio. SPDR US Dividend Aristocrat ETF aims to provide dividend growth, while Powershares Nasdaq 100 ETF focuses on investing in larger companies listed on the Nasdaq index of technology companies. To help us manage potential Brexit-related risks, we reduced the portfolio's exposure to medium-sized UK companies in favour of funds that invest in larger companies. November brought a change in tone about interest rates from the US Federal Reserve and a possible thaw in trade tensions between the US and China, leading us to continue rebuilding holdings that invest in Asian and emerging markets. Investment activity was limited in December as concerns about global growth, trade wars, weak corporate earnings and the US Government shutdown all contributed to market falls. Company sectors that are cyclical in nature, particularly energy and industrial, fell the most. A weak sterling compared with most major currencies helped cushion returns from the portfolio's overseas holdings.

As Brexit uncertainty continued into 2019, our main investment activity in January was to manage sterling exposure by adding to holdings in iShares FTSE 250 ETF and Merian Smaller Companies that both invest in smaller UK companies. February's strong market recovery was an opportunity to trim some holdings that invest in equities, including Vanguard US Opportunities. With the UK's exit from the European Union delayed to 31 October 2019, we trimmed holdings in less domestically oriented funds, including iShares FTSE 100 ETF, and instead added to the defensively minded Lindsell Train UK Equity. Hermes Asia ex Japan was one of the portfolio's main detractors when one of its core holdings, Chinese company Baudi, posted a first quarter loss.

**Investment Manager's Report (continued)**  
For the year ended 30 September 2019

As the likelihood of a hard Brexit increased once again in June, we reduced the portfolio's exposure to domestic UK. Towards the end of the period we took profits and exited from Franklin UK Managers' Focus following a rise in the fund's returns. We made a new investment in Ardevora Global Equity to broaden the portfolio's holdings in global funds. Other investment activity included trimming the holding in Artemis US Extended Alpha following its strong returns.

**Outlook**

We are encouraged by the resilience of the US consumer, and think it is more likely we are going through a patch of slowing growth rather than a protracted slowdown. In addition, it looks like central banks globally are prepared to use their monetary firepower to keep the global economy afloat. However, we are conscious that there remain key risks including a severe escalation in the trade war and a failure of central banks to accommodate appropriately. In Europe we would also note that whilst ECB monetary stimulus is welcomed, it must be accompanied by fiscal stimulus also (which is currently not happening), if it is to be effective. We therefore believe that an element of caution is still warranted on equities at this juncture. With regards to bonds, we maintain a preference for credit over sovereigns.

**Investment Manager**

Octopus Investments Limited  
21 October 2019

## Material Portfolio Changes

For the year ended 30 September 2019

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
iShares Core FTSE 100	2,997	Franklin UK Managers' Focus	2,000
SPDR S&P US Dividend Aristocrats	1,500	iShares Core FTSE 100	1,860
Legal & General UK Index	1,150	iShares FTSE 250	1,429
Schroder European Alpha Plus	1,121	Merian UK Smaller Companies	1,400
iShares Core GBP Corporate Bond	1,053	Ardevora UK Equity	1,100
iShares MSCI AC Far East ex-Japan	963	Schroder European Alpha Plus	821
Orbis Global Equity	950	Artemis US Extended Alpha	800
Vanguard FTSE 250	894	M&G Global Dividend	716
Invesco EQQQ Nasdaq 100	653	LF Majedie UK Equity	700
Artemis UK Select	550	iShares MSCI AC Far East ex-Japan	682

## Comparative Table

As at 30 September 2019

	B Income		
	30/09/2019	30/09/2018	30/09/2017
	(p)	(p)	(p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	152.21	144.34	128.20
Return before operating charges*	4.03	11.18	19.30
Operating charges	(1.96)	(2.03)	(1.88)
Return after operating charges	2.07	9.15	17.42
Distributions	(1.60)	(1.28)	(1.28)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	152.68	152.21	144.34
* after direct transaction costs of:	0.01	0.01	0.01
<b>Performance</b>			
Return after operating charges	1.36%	6.34%	13.59%
<b>Other information</b>			
Closing net asset value (£'000)	2,884	3,118	2,881
Closing number of shares	1,888,661	2,048,651	1,995,989
Operating charges	1.34%	1.35%	1.36%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices (p)</b>			
Highest share price	156.86	156.14	147.48
Lowest share price	134.00	143.00	126.62

**Comparative Table (continued)**  
 As at 30 September 2019

	B Accumulation		
	30/09/2019 (p)	30/09/2018 (p)	30/09/2017 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	213.61	200.85	176.82
Return before operating charges*	5.71	15.58	26.63
Operating charges	(2.76)	(2.82)	(2.60)
Return after operating charges	2.95	12.76	24.03
Distributions	(2.25)	(1.78)	(1.76)
Retained distributions on accumulation shares	2.25	1.78	1.76
Closing net asset value per share	216.56	213.61	200.85
* after direct transaction costs of:	0.01	0.01	0.01
<b>Performance</b>			
Return after operating charges	1.38%	6.35%	13.59%
<b>Other information</b>			
Closing net asset value (£'000)	51,454	58,749	62,550
Closing number of shares	23,759,690	27,502,277	31,142,081
Operating charges	1.34%	1.35%	1.36%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices (p)</b>			
Highest share price	221.21	217.82	203.96
Lowest share price	188.05	198.98	174.62



## Performance Information

As at 30 September 2019

### Operating Charges

Date	AMC (%)	Other expenses (%)	Synthetic expense ratio (%)	Rebates from underlying funds (%)	Transaction costs (%)	Total Operating charge (%)
30/09/19						
Share Class B Income	0.75	0.06	0.67	(0.15)	0.01	1.34
Share Class B Accumulation	0.75	0.06	0.67	(0.15)	0.01	1.34
30/09/18						
Share Class B Income	0.75	0.06	0.71	(0.17)	0.00	1.35
Share Class B Accumulation	0.75	0.06	0.71	(0.17)	0.00	1.35

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take account of the ongoing charges incurred in the underlying CIUs and disclose as a Synthetic expense ratio.

## Risk and Reward Profile

As at 30 September 2019

	Typically lower rewards		Typically higher rewards				
	←-----→						
	Lower risk			Higher risk			
Share Class B	1	2	3	4	5	6	7
					5		

- 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 risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "5" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

### 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 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Collective Investment Schemes 71.70% (73.22%)</b>			
82,307	Ardevora Global Equity	249	0.46
713,768	Ardevora UK Equity	1,778	3.27
1,166,108	Artemis Global Income	1,585	2.92
96,954	Artemis UK Select	550	1.01
833,373	Artemis US Extended Alpha	1,994	3.67
370,387	BlackRock European Dynamic	2,281	4.20
141,230	Eastspring Japan Dynamic	1,971	3.63
669,650	FP CRUX European Special Situations	1,916	3.53
63,430	Goldman Sachs Emerging Markets Equity Portfolio	983	1.81
1,004,865	Hermes Asia ex-Japan Equity	2,569	4.73
436,351	JOHCM Global Select	1,478	2.72
1,016,418	JOHCM UK Dynamic	3,050	5.61
522,203	Legal & General Pacific Index	926	1.70
879,704	Legal & General UK Index	2,830	5.21
599,190	LF Lindsell Train UK Equity	2,930	5.39
1,138,177	LF Majedie UK Equity	2,018	3.71
83,296	Matthews Asia Pacific Tiger	1,816	3.34
337,847	Merian UK Smaller Companies	568	1.05
120,135	Orbis Global Equity	1,981	3.65
14,447	RWC Global Emerging Markets	2,670	4.91
1,121,450	Schroder European Alpha Plus	822	1.51
2,376	Vanguard US Opportunities	1,995	3.67
		<b>38,960</b>	<b>71.70</b>

## Portfolio Statement (continued)

As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Exchange Traded Funds 27.45% (23.04%)</b>			
4,132	Invesco EQQQ Nasdaq 100	636	1.17
800,000	iShares Core FTSE 100	5,846	10.76
12,700	iShares Core GBP Corporate Bond	1,935	3.56
55,616	iShares Core MSCI Emerging Markets	1,221	2.25
9,934	iShares Core UK Gilts	144	0.27
2,500	iShares GBP Corporate Bond 0-5yr	265	0.49
7,000	iShares GBP Index-Linked Gilts	143	0.26
15,950	iShares MSCI AC Far East ex-Japan	658	1.21
74,309	iShares MSCI Japan	859	1.58
2,228	iShares MSCI Japan GBP Hedged	125	0.23
15,823	iShares MSCI Japan Small Cap	508	0.93
5,216	iShares S&P Small Cap 600	267	0.49
37,235	SPDR S&P US Dividend Aristocrats	1,715	3.16
12,000	Vanguard FTSE 250	377	0.69
25,000	Xtrackers Harvest CSI300	216	0.40
		<b>14,915</b>	<b>27.45</b>
	<b>Portfolio of investments</b>	<b>53,875</b>	<b>99.15</b>
	Net other assets	463	0.85
	<b>Net assets</b>	<b>54,338</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated.

Comparative figures shown above in brackets relate to 30 September 2018.

Gross purchases for the year: £15,087,000 [2018: £16,076,000] (See note 15).

Total sales net of transaction costs for the year: £21,195,000 [2018: £24,419,000] (See note 15).

## Statement of Total Return

For the year ended 30 September 2019

	Note	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	2		(102)		3,459
Revenue	3	1,055		1,046	
Expenses	4	(454)		(518)	
Net revenue before taxation		601		528	
Taxation	5	-		-	
Net revenue after taxation			601		528
Total return before distributions			499		3,987
Distributions	6		(610)		(536)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(111)</b>		<b>3,451</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		61,867		65,431
Amounts receivable on issue of Shares	2,559		2,075	
Amounts payable on cancellation of Shares	(10,538)		(9,592)	
		(7,979)		(7,517)
Dilution adjustment		6		7
Change in net assets attributable to Shareholders from investment activities (see above)		(111)		3,451
Retained distributions on accumulation Shares		555		495
<b>Closing net assets attributable to Shareholders</b>		<b>54,338</b>		<b>61,867</b>

## Balance Sheet

As at 30 September 2019

	Note	30/09/19		30/09/18	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			53,875		59,553
Current assets:					
Debtors	7	1,111		740	
Cash and bank balances	8	148		2,816	
Total current assets			1,259		3,556
Total assets			55,134		63,109
<b>Liabilities:</b>					
Investment liabilities					
			–		–
Creditors:					
Bank overdrafts	10	(374)		–	
Distribution payable		(17)		(19)	
Other creditors	9	(405)		(1,223)	
Total creditors			(796)		(1,242)
Total liabilities			(796)		(1,242)
<b>Net assets attributable to Shareholders</b>					
			<b>54,338</b>		<b>61,867</b>

## Notes to the Financial Statements

### For the year ended 30 September 2019

#### 1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 14 to 16.

#### 2. Net capital (losses)/gains

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
The net capital (losses)/gains during the year comprise:		
Currency gains	4	2
Non-derivative securities	(145)	3,417
Rebates received from underlying funds	43	42
Transaction charges	(4)	(2)
<b>Net capital (losses)/gains</b>	<b>(102)</b>	<b>3,459</b>

#### 3. Revenue

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Bank interest	1	–
Franked dividends from Collective Investment Schemes	504	411
Offshore funds dividends	506	564
Overseas dividends	4	–
Rebates received from underlying funds	40	71
<b>Total revenue</b>	<b>1,055</b>	<b>1,046</b>

#### 4. Expenses

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	420	481
	420	481
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	16	18
Safe custody fees	3	4
	19	22
<b>Other expenses</b>		
Audit fees	10	10
Professional fees	3	3
Publication fees	2	2
	15	15
<b>Total expenses</b>	<b>454</b>	<b>518</b>

Audit fees are £8,200 ex VAT (2018: £8,050).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 5. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Corporation tax	–	–
<b>Total taxation for the year (Note 5 (b))</b>	<b>–</b>	<b>–</b>

#### (b) Factors affecting the 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% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Net revenue before taxation	601	528
Net revenue for the year multiplied by the standard rate of corporation tax	120	106
<b>Effects of:</b>		
Movement in excess management expenses	64	73
Non taxable overseas dividends	(92)	–
Non taxable UK dividends	(101)	–
Rebated capital expenses deductible for tax purposes	9	8
Revenue not subject to corporation tax	–	(187)
<b>Total tax charge for the year</b>	<b>–</b>	<b>–</b>

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 year 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 £665,920 (2018: £601,867) 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 30 September 2019

### 6. Distributions

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

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interim	272	154
Final	314	367
Add: Revenue paid on cancellation of Shares	30	20
Deduct: Revenue received on creation of Shares	(6)	(5)
<b>Net distribution for the year</b>	<b>610</b>	<b>536</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	601	528
Tax relief from capital*	9	8
<b>Net distribution for the year</b>	<b>610</b>	<b>536</b>

\* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on offshore capital gains and capital rebates from underlying funds.

Details of the distributions per Share are set out in the distribution tables on page 117.

### 7. Debtors

	30/09/19 £'000	30/09/18 £'000
Accrued revenue	3	2
Amounts due for rebates from underlying funds	21	22
Amounts receivable for creation of Shares	1	1
Sales awaiting settlement	1,086	715
<b>Total debtors</b>	<b>1,111</b>	<b>740</b>

### 8. Cash and bank balances

	30/09/19 £'000	30/09/18 £'000
Cash and bank balances	148	2,816
<b>Total cash and bank balances</b>	<b>148</b>	<b>2,816</b>



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 9. Other creditors

	30/09/19 £'000	30/09/18 £'000
Amounts payable for cancellation of Shares	106	121
Purchases awaiting settlement	250	1,052
	356	1,173
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	33	38
	33	38
<i>Depositary and Agents</i>		
Depositary fees	3	1
Safe custody fees	1	–
Transaction charges	1	–
	5	1
<i>Other accrued expenses</i>		
Audit fees	10	10
Publication fees	1	1
	11	11
<b>Total other creditors</b>	<b>405</b>	<b>1,223</b>

### 10. Bank overdrafts

	30/09/19 £'000	30/09/18 £'000
Bank overdrafts	374	–
<b>Total bank overdrafts</b>	<b>374</b>	<b>–</b>

### 11. 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 9.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year end are disclosed in notes 7 and 9.

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

As at the balance sheet date, the following had significant Shareholdings within the Fund:

<b>Shareholders</b>	<b>30/09/19</b>
Scottish Equitable Plc	56.1%

## Notes to the Financial Statements (continued)

### For the year ended 30 September 2019

#### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class B Income	0.75
Share Class B 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:

	30/09/18	Issued	Cancelled	Converted	30/09/19
Share Class B Income	2,048,651	52,826	(212,816)	–	1,888,661
Share Class B Accumulation	27,502,277	1,249,093	(4,991,680)	–	23,759,690

#### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: nil).

#### 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 17 to 20 of the report.

##### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2019 therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2019, 0.27% of the Fund's assets were interest bearing (2018: 4.55%).

Changes in interest rates would have no material impact on the valuation of 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 30 September 2019

**15. Portfolio transaction costs**

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Collective Investment Schemes		15,086		16,075
		15,086		16,075
Commissions – Collective Investment Schemes	1		1	
Total purchase costs		1		1
<b>Gross purchase total</b>		<b>15,087</b>		<b>16,076</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Collective Investment Schemes		21,197		24,422
		21,197		24,422
Commissions – Collective Investment Schemes	(2)		(3)	
Total sale costs		(2)		(3)
<b>Total sales net of transaction costs</b>		<b>21,195</b>		<b>24,419</b>

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 30 September 2019

### 15. Portfolio transaction costs (continued)

	01/10/18 to 30/09/19 %	01/10/17 to 30/09/18 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases – Commissions		
Collective Investment Schemes	0.0066	0.0062
Purchases – Taxes		
Collective Investment Schemes	0.0000	0.0000
Sales – Commissions		
Collective Investment Schemes	0.0094	0.0123
Sales – Taxes		
Collective Investment Schemes	0.0000	0.0000
	01/10/18 to 30/09/19 %	01/10/17 to 30/09/18 %
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0054	0.0062
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.08% (2018: 0.10%).

### 16. Post balance sheet events

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

### 17. Fair value disclosure

	30/09/19		30/09/18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Valuation technique</b>				
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	14,915	–	14,253	–
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	38,960	–	45,300	–
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	–	–	–	–
	<b>53,875</b>	<b>–</b>	<b>59,553</b>	<b>–</b>

## Distribution Table

As at 30 September 2019

### Interim Distribution in pence per Share

Group 1 Shares purchased prior to 1 October 2018

Group 2 Shares purchased on or after 1 October 2018 to 31 March 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/19 (p)	Distribution paid 31/05/18 (p)
Share Class B Income				
Group 1	0.7110	–	0.7110	0.3689
Group 2	0.2869	0.4241	0.7110	0.3689
Share Class B Accumulation				
Group 1	0.9978	–	0.9978	0.5132
Group 2	0.4586	0.5392	0.9978	0.5132

### Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 April 2019

Group 2 Shares purchased on or after 1 April 2019 to 30 September 2019

	Net revenue (p)	Equalisation (p)	Distribution payable 29/11/19 (p)	Distribution paid 28/11/18 (p)
Share Class B Income				
Group 1	0.8851	–	0.8851	0.9074
Group 2	0.4997	0.3854	0.8851	0.9074
Share Class B Accumulation				
Group 1	1.2490	–	1.2490	1.2657
Group 2	0.9209	0.3281	1.2490	1.2657

## **Investment Manager's Report** For the year ended 30 September 2019

### **Investment Objective**

The Fund aims to achieve a return, over a five-year rolling period and after all fees and expenses, consisting primarily of capital growth (and potentially a low level of income) which exceeds a composite benchmark based on the FTSE All-Share TR Index (30%), Russell 1000 TR Index (15%), MSCI Daily (ex UK) EAFE TR Index (15%), MSCI Daily Net EM TR Index (10%), SONIA GBP 3-Month (5%), ICE BoAML Global Broad Market (5%) and the ICE BoAML Sterling Broad Market (20%).

### **Investment Policy**

It is expected that at least 60% of Fund assets will be exposed to equities and fixed interest investments. However, investments will not be confined to any particular sector.

At least 70% of exposure will be achieved through investment in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates). The Fund may also invest in transferable securities, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may also be used for the purposes of hedging and efficient portfolio management.

### **Benchmark**

The performance of the Fund will be measured against a composite benchmark for target return purposes based on the FTSE All-Share TR Index (30%), Russell 1000 TR Index (15%), MSCI Daily (ex UK) EAFE TR Index (15%), MSCI Daily Net EM TR Index (10%), SONIA GBP 3-Month (5%), ICE BoAML Global Broad Market (5%) and the ICE BoAML Sterling Broad Market (20%).

### **Portfolio Review**

Over the period the fund returned 3.66% [source: Return after operating charges as per Comparative Table] and the benchmark returned 6.67% [source: Financial Express, bid to bid, net income reinvested].

The Omnis Multi-Manager Balanced Fund delivered a positive return in the period against a backdrop of rising equity markets.

At the start of the period, we adjusted the balance of equity investments in the portfolio by selling some of the holding in Goldman Sachs Emerging Markets, before adding to various holdings that invest in Asia and Japan following sharp equity market corrections. We increased the portfolio's exposure to bonds by introducing exchange-traded funds (ETF) that invest in US and UK government bonds. We also sold our remaining holding in Goldman Sachs Emerging Markets in November. The following month, we considered the trade dispute between the US and China might abate and so introduced the holding in iShares China Large Cap ETF. In the bond sub-portfolio, we reduced exposure to the US dollar by selling our remaining holdings in iShares Global High Yield ETF and iShares US Treasury Bond ETF.

We began 2019 by reducing the portfolio's exposure to equities by trimming the holding in iShares Japan ETF following recovery rallies in equity markets. As Brexit uncertainty continued, we re-introduced the holding in iShares 0-5yr Corporate Bond ETF to increase exposure to sterling bonds, whose prices would rise if yields fell. March's decision by the US Federal Reserve to indicate a pause in interest rate rises, and hence the likelihood of further bond yield rises, was an opportunity to further increase holdings that invest in bonds, including adding to our holdings TwentyFour

**Investment Manager's Report (continued)**  
For the year ended 30 September 2019

Corporate Bond and PIMCO Global Investment Grade Corporate Bond. Returns were generally mixed for funds that invest in alternative asset classes to equities and bonds, with H20 MultiReturns successful while Invesco Global Targeted Returns struggled.

In July, we reduced the balance of holdings that invest in equities as we took a more cautious investment approach. Later, when markets rallied we added to the holding in iShares FTSE 100 ETF and introduced iShares Core MSCI Emerging Markets ETF. In September, we completed our exit from Franklin UK Managers' Focus in order to reduce the portfolio's exposure to small and medium companies as Brexit uncertainty continued. We also added db x-trackers Harvest CSI300 ETF to the portfolio for its focus on the Chinese equity market.

**Outlook**

We are encouraged by the resilience of the US consumer, and think it is more likely we are going through a patch of slowing growth rather than a protracted slowdown. In addition, it looks like central banks globally are prepared to use their monetary firepower to keep the global economy afloat. However, we are conscious that there remain key risks including a severe escalation in the trade war and a failure of central banks to accommodate appropriately. In Europe we would also note that whilst ECB monetary stimulus is welcomed, it must be accompanied by fiscal stimulus also (which is currently not happening), if it is to be effective. We therefore believe that an element of caution is still warranted on equities at this juncture. With regards to bonds, we maintain a preference for credit over sovereigns.

**Investment Manager**

Octopus Investments Limited  
21 October 2019

## Material Portfolio Changes

For the year ended 30 September 2019

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
Schroder European Alpha Plus	4,372	Schroder European Alpha Plus	4,372
iShares USD Treasury Bond 7-10yr	3,553	iShares Core FTSE 100	4,042
Ardevora Global Equity	3,500	Franklin UK Managers Focus	3,960
iShares Core FTSE 100	3,282	iShares JPMorgan Emerging Markets	
Hermes Asia ex-Japan Equity	3,250	Local Government Bond	3,506
iShares GBP Corporate Bond 0-5yr	3,000	Artemis US Extended Alpha	3,250
iShares JPMorgan Emerging Markets		iShares USD Treasury Bond 7-10yr	2,959
Local Government Bond	2,320	Orbis Global Equity	2,680
PIMCO Global Investment		iShares Core UK Gilts	2,662
Grade Credit	2,150	Artemis Global Income	2,505
SPDR S&P US Dividend		iShares Core GBP Corporate Bond	2,392
Aristocrats	2,010		
iShares Core MSCI Japan	1,783		



**Comparative Table**  
 As at 30 September 2019

	30/09/19 (p)	B Income 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	140.50	135.23	123.48
Return before operating charges*	6.89	8.25	14.82
Operating charges	(1.80)	(1.83)	(1.68)
Return after operating charges	5.09	6.42	13.14
Distributions	(1.67)	(1.15)	(1.39)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	143.92	140.50	135.23
* after direct transaction costs of:	0.00	0.01	0.03
<b>Performance</b>			
Return after operating charges	3.63%	4.75%	10.64%
<b>Other information</b>			
Closing net asset value (£'000)	4,406	4,853	5,127
Closing number of shares	3,061,299	3,454,157	3,791,277
Operating charges	1.30%	1.31%	1.28%
Direct transaction costs	0.00%	0.01%	0.02%
<b>Prices (p)</b>			
Highest share price	145.89	143.52	137.65
Lowest share price	128.32	133.66	122.90

**Comparative Table (continued)**  
 As at 30 September 2019

	30/09/19 (p)	B Accumulation 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	210.18	200.60	181.30
Return before operating charges*	10.39	12.29	21.77
Operating charges	(2.70)	(2.71)	(2.47)
Return after operating charges	7.69	9.58	19.30
Distributions	(2.52)	(1.72)	(2.04)
Retained distributions on accumulation shares	2.52	1.72	2.04
Closing net asset value per share	217.87	210.18	200.60
* after direct transaction costs of:	0.00	0.02	0.04
<b>Performance</b>			
Return after operating charges	3.66%	4.78%	10.65%
<b>Other information</b>			
Closing net asset value (£'000)	141,793	161,304	174,236
Closing number of shares	65,082,016	76,746,488	86,858,405
Operating charges	1.30%	1.31%	1.28%
Direct transaction costs	0.00%	0.01%	0.02%
<b>Prices (p)</b>			
Highest share price	219.56	213.75	202.92
Lowest share price	191.95	198.26	180.46

## Performance Information

As at 30 September 2019

### Operating Charges

Date	AMC (%)	Other expenses (%)	Synthetic expense ratio (%)	Rebates from underlying funds (%)	Transaction costs (%)	Total operating charge (%)
30/09/19						
Share Class B Income	0.75	0.04	0.66	(0.15)	0.00	1.30
Share Class B Accumulation	0.75	0.04	0.66	(0.15)	0.00	1.30
30/09/18						
Share Class B Income	0.75	0.05	0.68	(0.17)	0.00	1.31
Share Class B Accumulation	0.75	0.05	0.68	(0.17)	0.00	1.31

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take account of the ongoing charges incurred in the underlying CIUs and disclose as a Synthetic expense ratio.

## Risk and Reward Profile

As at 30 September 2019

	Typically lower rewards		Typically higher rewards				
	←-----→						
	Lower risk			Higher risk			
Share Class B	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 risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

### 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 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Collective Investment Schemes 69.48% (72.58%)</b>			
1,144,342	Ardevora Global Equity	3,462	2.37
1,721,217	Ardevora UK Equity	4,289	2.93
3,029,493	Artemis US Extended Alpha	7,250	4.96
173,985	Baillie Gifford Japanese	3,085	2.11
1,661,900	BlackRock Asia Special Situations	3,073	2.10
944,033	BlackRock European Dynamic	5,813	3.98
213,175	Eastspring Japan Dynamic	2,975	2.03
1,530,061	FP CRUX European Special Situations	4,377	2.99
1,171,014	Hermes Asia ex-Japan Equity	2,993	2.05
3,707,278	Invesco Perpetual Global Targeted Returns	4,345	2.97
2,160,117	Janus Henderson UK Absolute Return	3,592	2.46
1,698,958	JOHCM UK Dynamic	5,099	3.49
905,101	LF Lindsell Train UK Equity	4,426	3.03
2,579,525	LF Majedie UK Equity	4,573	3.13
130,905	Matthews Asia Pacific Tiger	2,854	1.95
1,930,417	Merian UK Smaller Companies	3,243	2.22
56,835	Muzinich Global Tactical Credit	5,789	3.96
986,771	Natixis H2O MultiReturns	1,863	1.27
231,378	Orbis Global Equity	3,815	2.61
337,422	PIMCO Global Investment Grade Credit	7,278	4.98
15,585	RWC Global Emerging Markets	2,880	1.97
5,011,752	Schroder European Alpha Plus	3,674	2.51
59,703	TwentyFour Corporate Bond	7,396	5.06
4,089	Vanguard US Opportunities	3,434	2.35
		<b>101,578</b>	<b>69.48</b>

## Portfolio Statement (continued)

As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Exchange Traded Funds 26.07% (22.31%)</b>			
1,370,000	iShares Core FTSE 100	10,012	6.85
38,500	iShares Core GBP Corporate Bond	5,866	4.01
57,000	iShares Core MSCI Emerging Markets	1,251	0.85
20,000	iShares Core MSCI Japan	680	0.46
100,000	iShares Core UK Gilts	1,446	0.99
26,500	iShares GBP Corporate Bond 0-5yr	2,809	1.92
9,000	iShares Global High Yield Corporate Bond	688	0.47
7,500	iShares Global High Yield Corporate Bond GBP Hedged	742	0.51
30,000	iShares JPMorgan Emerging Markets Local Government Bond	1,443	0.99
7,000	iShares JPMorgan USD Emerging Markets Bond	641	0.44
14,500	iShares MSCI Japan GBP Hedged	815	0.56
4,500	iShares USD Treasury Bond 7-10yr	759	0.52
127,500	SPDR S&P US Dividend Aristocrats	5,874	4.02
80,000	Vanguard S&P 500	3,675	2.51
80,000	Xtrackers Harvest CSI300 GBP	689	0.47
85,000	Xtrackers Harvest CSI300 USD	729	0.50
		<b>38,119</b>	<b>26.07</b>
	<b>Portfolio of investments</b>	<b>139,697</b>	<b>95.55</b>
	Net other assets	6,502	4.45
	<b>Net assets</b>	<b>146,199</b>	<b>100.00</b>

The investments have been valued in accordance with note 1(h) the Accounting Policies and Financial Instruments.

All investments are Collective Investment Schemes unless otherwise stated.

Comparative figures shown above in brackets relate to 30 September 2018.

Gross purchases for the year: £52,588,000 [2018: £52,610,000] (See note 14).

Total sales net of transaction costs for the year: £75,106,000 [2018: £73,715,000] (See note 14).

## Statement of Total Return

For the year ended 30 September 2019

	Note	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	2		3,065		6,817
Revenue	3	3,042		2,799	
Expenses	4	(1,210)		(1,380)	
Net revenue before taxation		1,832		1,419	
Taxation	5	(12)		–	
Net revenue after taxation			1,820		1,419
Total return before distributions			4,885		8,236
Distributions	6		(1,836)		(1,434)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>3,049</b>		<b>6,802</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		166,157		179,363
Amounts receivable on issue of Shares	2,507		2,739	
Amounts payable on cancellation of Shares	(27,264)		(24,125)	
		(24,757)		(21,386)
Dilution adjustment		20		21
Change in net assets attributable to Shareholders from investment activities (see above)		3,049		6,802
Retained distributions on accumulation Shares		1,730		1,357
<b>Closing net assets attributable to Shareholders</b>		<b>146,199</b>		<b>166,157</b>

## Balance Sheet

As at 30 September 2019

	Note	30/09/19		30/09/18	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			139,697		157,665
Current assets:					
Debtors	7	610		604	
Cash and bank balances	8	6,673		8,106	
Total current assets			7,283		8,710
Total assets			146,980		166,375
<b>Liabilities:</b>					
Investment liabilities					
			–		–
Creditors:					
Distribution payable		(26)		(22)	
Other creditors	9	(755)		(196)	
Total creditors			(781)		(218)
Total liabilities			(781)		(218)
<b>Net assets attributable to Shareholders</b>					
			<b>146,199</b>		<b>166,157</b>

## Notes to the Financial Statements

### For the year ended 30 September 2019

#### 1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 14 to 16.

#### 2. Net capital gains

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
The net capital gains during the year comprise:		
Currency losses	(7)	(101)
Non-derivative securities	2,997	6,845
Rebates received from underlying funds	79	78
Transaction charges	(4)	(5)
<b>Net capital gains</b>	<b>3,065</b>	<b>6,817</b>

#### 3. Revenue

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Bank interest	7	6
Franked dividends from Collective Investment Schemes	1,091	779
Interest income from Collective Investment Schemes	25	37
Offshore funds dividends	1,755	1,757
Overseas dividends	10	–
Rebates received from underlying funds	154	216
Unfranked dividends from Collective Investment Schemes	–	4
<b>Total revenue</b>	<b>3,042</b>	<b>2,799</b>



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 4. Expenses

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	1,141	1,302
	<b>1,141</b>	<b>1,302</b>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	43	49
Safe custody fees	8	10
	<b>51</b>	<b>59</b>
<b>Other expenses</b>		
Audit fees	10	10
Professional fees	4	6
Publication fees	3	3
	<b>17</b>	<b>19</b>
<b>Total expenses</b>	<b>1,209</b>	<b>1,380</b>

Audit fees are £8,200 ex VAT (2018: £8,050).

### 5. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Corporation tax	12	—
<b>Total taxation for the year (Note 5 (b))</b>	<b>12</b>	<b>—</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 5. Taxation (continued)

#### (b) Factors affecting the 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% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Net revenue before taxation	1,832	1,419
Net revenue for the year multiplied by the standard rate of corporation tax	366	284
<b>Effects of:</b>		
Movement in excess management expenses	(13)	13
Non taxable overseas dividends	(139)	–
Non taxable UK dividends	(218)	–
Rebated capital expenses deductible for tax purposes	16	–
Relief for indexation on UK Gilts	–	15
Revenue taxable in different periods	–	(312)
<b>Total tax charge for the year</b>	<b>12</b>	<b>–</b>

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

#### (c) Deferred tax

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Provision at start of the year	(13)	–
Deferred tax charge in the year	13	13
<b>Provision at the end of the year</b>	<b>–</b>	<b>13</b>

#### (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 £nil (2018: £12,964) 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 30 September 2019

### 6. Distributions

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

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interim	921	661
Final	862	735
Add: Revenue paid on cancellation of Shares	59	44
Deduct: Revenue received on creation of Shares	(6)	(6)
<b>Net distribution for the year</b>	<b>1,836</b>	<b>1,434</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	1,820	1,419
Tax relief from capital*	16	15
<b>Net distribution for the year</b>	<b>1,836</b>	<b>1,434</b>

\* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on offshore capital gains.

Details of the distributions per Share are set out in the distribution tables on page 136.

### 7. Debtors

	30/09/19 £'000	30/09/18 £'000
Accrued revenue	15	37
Amounts due for rebates from underlying funds	94	66
Amounts receivable for creation of Shares	1	–
Income tax recoverable	–	1
Sales awaiting settlement	500	500
<b>Total debtors</b>	<b>610</b>	<b>604</b>

### 8. Cash and bank balances

	30/09/19 £'000	30/09/18 £'000
Cash and bank balances	6,673	8,106
<b>Total cash and bank balances</b>	<b>6,673</b>	<b>8,106</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 9. Other creditors

	30/09/19 £'000	30/09/18 £'000
Amounts payable for cancellation of Shares	149	94
Corporation tax payable	(5)	(16)
Purchases awaiting settlement	500	–
	644	78
<i>Accrued expenses</i>		
Manager and Agents AMC fees	91	102
	91	102
<i>Depositary and Agents</i>		
Depositary fees	7	4
Safe custody fees	1	1
Transaction charges	1	–
	9	5
<i>Other accrued expenses</i>		
Audit fees	10	10
Publication fees	1	1
	11	11
<b>Total other creditors</b>	<b>755</b>	<b>196</b>

### 10. 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 9.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year end are disclosed in notes 7 and 9.

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

As at the balance sheet date, the following had significant Shareholdings within the Fund:

Shareholders	30/09/19
Scottish Equitable Plc	37.2%
Zurich Assurance Ltd	36.0%

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 11. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class B Income	0.75
Share Class B 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:

	30/09/18	Issued	Cancelled	Converted	30/09/19
Share Class B Income	3,454,157	251,775	(644,633)	–	3,061,299
Share Class B Accumulation	76,746,488	1,053,542	(12,718,014)	–	65,082,016

### 12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: nil).

### 13. 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 17 to 20 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2019 therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2019, 4.56% of the Fund's assets were interest bearing (2018: 4.88%).

Changes in interest rates would have no material impact on the valuation of 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 30 September 2019

#### 14. Portfolio transaction costs

Analysis of total purchase costs	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
Purchases in the year before transaction costs:				
Collective Investment Schemes		52,586		52,604
		52,586		52,604
Commissions – Collective Investment Schemes	1		6	
Total purchase costs		1		6
<b>Gross purchase total</b>		<b>52,587</b>		<b>52,610</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Collective Investment Schemes		75,110		73,726
		75,110		73,726
Commissions – Collective Investment Schemes	(2)		(11)	
Total sale costs		(2)		(11)
<b>Total sales net of transaction costs</b>		<b>75,108</b>		<b>73,715</b>

Transaction costs as percentage of principal amounts	01/10/18 to 30/09/19	01/10/17 to 30/09/18
	%	%
Purchases – Commissions		
Collective Investment Schemes	0.0021	0.0114
Purchases – Taxes		
Collective Investment Schemes	0.0000	0.0000
Sales – Commissions		
Collective Investment Schemes	0.0021	0.0149
Sales – Taxes		
Collective Investment Schemes	0.0000	0.0000

Transaction costs as percentage of average net asset value	01/10/18 to 30/09/19	01/10/17 to 30/09/18
	%	%
Commissions	0.0018	0.0098
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.00% (2018: 0.05%).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 15. Post balance sheet events

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

### 16. Fair value disclosure

Valuation technique	30/09/19		30/09/18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	38,119	–	37,080	–
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	101,578	–	120,585	–
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	–	–	–	–
	<b>139,697</b>	<b>–</b>	<b>157,665</b>	<b>–</b>

## Distribution Table

As at 30 September 2019

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2018  
 Group 2 Shares purchased on or after 1 October 2018 to 31 March 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/19 (p)	Distribution paid 31/05/18 (p)
Share Class B Income				
Group 1	0.8260	–	0.8260	0.5304
Group 2	0.2803	0.5457	0.8260	0.5304
Share Class B Accumulation				
Group 1	1.2358	–	1.2358	0.7879
Group 2	0.7538	0.4820	1.2358	0.7879

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2019  
 Group 2 Shares purchased on or after 1 April 2019 to 30 September 2019

	Net revenue (p)	Equalisation (p)	Distribution payable 29/11/19 (p)	Distribution paid 30/11/18 (p)
Share Class B Income				
Group 1	0.8483	–	0.8483	0.6240
Group 2	0.3798	0.4685	0.8483	0.6240
Share Class B Accumulation				
Group 1	1.2839	–	1.2839	0.9291
Group 2	0.8702	0.4137	1.2839	0.9291



## Investment Manager's Report

For the year ended 30 September 2019

### Investment Objective

The Fund aims to achieve a return, over a five-year rolling period and after all fees and expenses, consisting primarily of capital growth (and potentially a low level of income) which exceeds a composite benchmark based on the FTSE All-Share TR Index (20%), Russell 1000 TR Index (10%), MSCI Daily (ex UK) EAFE TR Index (10%), SONIA GBP 3-Month (10%), ICE BoAML Global Broad Market TR Index (15%) and ICE BoAML Sterling Broad Market TR Index (35%).

### Investment Policy

It is expected that at least 51% of the fund's exposures will be to cash, cash equivalents and fixed income investments. The balance of the fund's exposure will be to equities. Investments will not be confined to any particular sector.

At least 70% of exposure will be achieved through investment in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates). The remainder of the fund may be invested directly in transferable securities, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may also be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against a composite benchmark for target return purposes based on the FTSE All-Share TR Index (20%), Russell 1000 TR Index (10%), MSCI Daily (ex UK) EAFE TR Index (10%), SONIA GBP 3-Month (10%), ICE BoAML Global Broad Market TR Index (15%) and ICE BoAML Sterling Broad Market TR Index (35%).

### Portfolio Review

Over the period the fund returned 7.06% [source: Return after operating charges as per Comparative Table] and the benchmark returned 8.74% [source: Financial Express, bid to bid, net income reinvested].

At the start of the period we added to holdings that invest in local currency emerging market bonds, as we believed they were priced attractively. We funded this by selling the remaining holdings in Hermes Multi-Strategy Credit and Muzinich Global Tactical Credit. Emerging markets strengthened somewhat in November as Brexit uncertainty continued and sterling weakened and this gave us the opportunity to add further to the holding. As the US dollar and global government bonds strengthened during December we reduced our holdings in iShares Index Linked Gilt ETF and BlackRock Overseas Corporate Bond Tracker.

We began 2019 by introducing a new holding, iShares UK Gilts All Stocks Index ETF, after bond yields rallied. We funded this by reducing the holding in the 'cash like' iShares UK Gilts 0-5yr ETF. We made a new investment in CZ Absolute Alpha, an equity fund that aims to take advantage of market fluctuations. In March, we added another new investment, Man GLG Strategic Bond, which has demonstrated strong credit selections and a sound government bond trading record over a number of years. We funded this by exiting our holding in the Henderson Strategic Bond.

In Q2 we completed our switch from Henderson UK Absolute Return to CZ Absolute Alpha as we preferred its market neutral strategy, which should provide greater protection if equities weakened. We also switched the holding in iShares Core UK Gilt ETF to Lyxor Core UK Gilt ETF, a similar fund but with lower management charges.

**Investment Manager's Report (continued)**  
For the year ended 30 September 2019

Investment activity was fairly limited in the last three months of the period. An unconvincing outcome to the G20 international summit in Osaka led us to take a more cautious investment approach by reducing the holding in iShares MSCI Europe ex UK ETF. We took advantage of August's market falls by adding to the holding in iShares MSCI Japan GBP Hedged ETF. As relative stability returned to equity markets in September, we added to the holding in Vanguard S&P 500 ETF.

**Outlook**

We are encouraged by the resilience of the US consumer, and think it is more likely we are going through a patch of slowing growth rather than a protracted slowdown. In addition, it looks like central banks globally are prepared to use their monetary firepower to keep the global economy afloat. However, we are conscious that there remain key risks including a severe escalation in the trade war and a failure of central banks to accommodate appropriately. In Europe we would also note that whilst ECB monetary stimulus is welcomed, it must be accompanied by fiscal stimulus also (which is currently not happening), if it is to be effective. We therefore believe that an element of caution is still warranted on equities at this juncture. With regards to bonds, we maintain a preference for credit over sovereigns.

**Investment Manager**

Octopus Investments Limited  
21 October 2019

## Material Portfolio Changes

For the year ended 30 September 2019

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
iShares UK Gilts All Stocks Index	9,150	iShares Core UK Gilts	9,708
Lyxor Actuaries UK Gilts	6,572	iShares UK Gilts 0-5yr	5,034
iShares Core FTSE 100	2,923	iShares GBP Index-Linked Gilts	4,321
iShares MSCI Japan	2,545	Janus Henderson UK Absolute Return	2,857
iShares JPMorgan USD Emerging Markets Bond	2,311	BlackRock Overseas Corporate Bond Tracker	2,850
CZ Absolute Alpha	2,300	iShares Core GBP Corporate Bond	2,602
iShares MSCI Japan GBP Hedged	2,300	Royal London International Government Bond	2,475
Allianz Gilt Yield	2,200	iShares MSCI Japan	2,196
BlackRock European Dynamic	2,150	FP CRUX European Special Situations	2,100
Man Strategic Bond	2,100	Merian UK Smaller Companies	2,050

**Comparative Table**  
 As at 30 September 2019

	30/09/19 (p)	B Income 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	124.67	121.59	118.55
Return before operating charges*	10.38	5.71	6.01
Operating charges	(1.61)	(1.57)	(1.46)
Return after operating charges	8.77	4.14	4.55
Distributions	(1.48)	(1.06)	(1.51)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	131.96	124.67	121.59
* after direct transaction costs of:	0.01	0.02	0.02
<b>Performance</b>			
Return after operating charges	7.04%	3.40%	3.84%
<b>Other information</b>			
Closing net asset value (£'000)	3,817	4,544	4,892
Closing number of shares	2,892,720	3,645,062	4,023,375
Operating charges	1.28%	1.27%	1.21%
Direct transaction costs	0.01%	0.01%	0.02%
<b>Prices (p)</b>			
Highest share price	133.00	127.14	124.41
Lowest share price	118.71	120.12	116.13

**Comparative Table (continued)**  
 As at 30 September 2019

	B Accumulation		
	30/09/19 (p)	30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	194.24	187.84	180.90
Return before operating charges*	16.23	8.83	9.18
Operating charges	(2.51)	(2.43)	(2.24)
Return after operating charges	13.72	6.40	6.94
Distributions	(2.32)	(1.64)	(2.30)
Retained distributions on accumulation shares	2.32	1.64	2.30
Closing net asset value per share	207.96	194.24	187.84
* after direct transaction costs of:	0.01	0.03	0.03
<b>Performance</b>			
Return after operating charges	7.06%	3.41%	3.84%
<b>Other information</b>			
Closing net asset value (£'000)	82,277	90,167	101,324
Closing number of shares	39,563,407	46,419,603	53,941,769
Operating charges	1.28%	1.27%	1.21%
Direct transaction costs	0.01%	0.01%	0.02%
<b>Prices (p)</b>			
Highest share price	208.10	196.74	190.76
Lowest share price	184.96	185.57	177.21

**Performance Information**  
As at 30 September 2019

**Operating Charges**

Date	AMC (%)	Other expenses (%)	Synthetic expense ratio (%)	Rebates from underlying funds (%)	Transaction costs (%)	Total operating charge (%)
30/09/19						
Share Class B Income	0.75	0.05	0.56	(0.09)	0.01	1.28
Share Class B Accumulation	0.75	0.05	0.56	(0.09)	0.01	1.28
30/09/18						
Share Class B Income	0.75	0.05	0.55	(0.09)	0.01	1.27
Share Class B Accumulation	0.75	0.05	0.55	(0.09)	0.01	1.27

The Operating Charge is the ratio of the Fund’s total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take account of the ongoing charges incurred in the underlying CIUs and disclose as a Synthetic expense ratio.

**Risk and Reward Profile**  
As at 30 September 2019

	Typically lower rewards		Typically higher rewards				
	←—————→						
	Lower risk			Higher risk			
Share Class B	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 risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean ‘risk free’.
- The Fund appears as a “4” on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

**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 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Collective Investment Schemes 67.16% (62.96%)</b>			
2,093,571	Allianz Gilt Yield	4,282	4.97
966,142	Ardevora UK Equity	2,407	2.80
1,396,752	Artemis US Extended Alpha	3,343	3.88
1,041,396	BlackRock European Dynamic	1,831	2.13
521,377	BlackRock Overseas Corporate Bond Tracker	885	1.03
2,974,600	BlackRock Overseas Government Bond Tracker	4,319	5.02
2,205	CZ Absolute Alpha	2,183	2.54
128,481	Eastspring Japan Dynamic	1,793	2.08
650,559	FP CRUX European Special Situations	1,861	2.16
1,869,986	Invesco Perpetual Global Targeted Returns	2,192	2.55
4,711,595	iShares UK Gilts All Stocks Index	8,825	10.25
1,038,430	JOHCM UK Dynamic	3,116	3.62
429,773	LF Lindsell Train UK Equity	2,101	2.44
20,410	Lyxor / Chenavari Credit	2,106	2.45
1,214,936	Majedie UK Equity	2,154	2.50
1,980,221	Man Strategic Bond	2,178	2.53
471,170	Merian UK Smaller Companies	792	0.92
7,618	Natixis ASG Managed Futures	830	0.96
158,498	PIMCO Global Investment Grade Credit	3,419	3.97
27,865	TwentyFour Corporate Bond	3,452	4.01
3,035	Vanguard US Opportunities	2,549	2.96
11,124	Winton Absolute Return Futures	1,196	1.39
		<b>57,814</b>	<b>67.16</b>

## Portfolio Statement (continued)

As at 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Exchange Traded Funds 30.07% (34.35%)</b>			
590,244	iShares Core FTSE 100	4,314	5.01
2,427	iShares Core GBP Corporate Bond	370	0.43
54,581	iShares JPMorgan Emerging Markets Local Government Bond	2,625	3.05
23,800	iShares JPMorgan USD Emerging Markets Bond	2,180	2.53
29,448	iShares MSCI AC Far East ex-Japan	1,214	1.41
40,839	iShares MSCI Europe ex-UK	1,187	1.38
121,970	iShares MSCI Japan	1,409	1.64
30,029	iShares MSCI Japan GBP Hedged	1,687	1.96
13,132	iShares USD Treasury Bond 7-10yr	2,216	2.57
44,222	Lyxor Core FTSE Actuaries UK Gilts	6,604	7.67
45,477	Vanguard S&P 500	2,089	2.42
		<b>25,895</b>	<b>30.07</b>
	<b>Portfolio of investments</b>	<b>83,709</b>	<b>97.23</b>
	Net other assets	2,385	2.77
	<b>Net assets</b>	<b>86,094</b>	<b>100.00</b>

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

All investments are Collective Investment Schemes unless otherwise stated.

Comparative figures shown above in brackets relate to 30 September 2018.

Gross purchases for the year: £49,875,000 [2018: £51,044,000] (See note 15).

Total sales net of transaction costs for the year: £63,912,000 [2018: £65,599,000] (See note 15).



## Statement of Total Return

For the year ended 30 September 2019

	Note	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	2		4,752		2,584
Revenue	3	1,827		1,732	
Expenses	4	(707)		(808)	
Interest payable and similar charges	5	–		(1)	
Net revenue before taxation		1,120		923	
Taxation	6	(99)		(84)	
Net revenue after taxation			1,021		839
Total return before distributions			5,773		3,423
Distributions	7		(1,026)		(845)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>4,747</b>		<b>2,578</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		94,711		106,216
Amounts receivable on issue of Shares	1,913		2,524	
Amounts payable on cancellation of Shares	(16,234)		(17,394)	
		(14,321)		(14,870)
Dilution adjustment		12		14
Change in net assets attributable to Shareholders from investment activities (see above)		4,747		2,578
Retained distributions on accumulation Shares		945		773
<b>Closing net assets attributable to Shareholders</b>		<b>86,094</b>		<b>94,711</b>

## Balance Sheet

As at 30 September 2019

	Note	30/09/19		30/09/18	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			83,709		92,167
Current assets:					
Debtors	8	62		1,096	
Cash and bank balances	9	2,586		2,574	
Total current assets			2,648		3,670
Total assets			86,357		95,837
<b>Liabilities:</b>					
Investment liabilities					
			–		–
Creditors:					
Distribution payable		(28)		(32)	
Other creditors	10	(235)		(1,094)	
Total creditors			(263)		(1,126)
Total liabilities			(263)		(1,126)
<b>Net assets attributable to Shareholders</b>					
			<b>86,094</b>		<b>94,711</b>

## Notes to the Financial Statements

### For the year ended 30 September 2019

#### 1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 14 to 16.

#### 2. Net capital gains

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
The net capital gains during the year comprise:		
Currency (losses)/gains	(16)	19
Non-derivative securities	4,748	2,542
Rebates received from underlying funds	25	28
Transaction charges	(5)	(5)
<b>Net capital gains</b>	<b>4,752</b>	<b>2,584</b>

#### 3. Revenue

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Bank interest	3	2
Franked dividends from Collective Investment Schemes	276	250
Interest income from Collective Investment Schemes	252	229
Offshore funds dividends	1,233	1,193
Overseas dividends	14	–
Rebates received from underlying funds	49	57
Unfranked dividends from Collective Investment Schemes	–	1
<b>Total revenue</b>	<b>1,827</b>	<b>1,732</b>

#### 4. Expenses

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	661	758
	661	758
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	24	28
Safe custody fees	5	6
	29	34
<b>Other expenses</b>		
Audit fees	10	9
Professional fees	3	5
Publication fees	4	2
	17	16
<b>Total expenses</b>	<b>707</b>	<b>808</b>

Audit fees are £8,200 ex VAT (2018: £8,050).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 5. Interest payable and similar charges

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interest	–	1
<b>Total interest payable and similar charges</b>	<b>–</b>	<b>1</b>

### 6. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Corporation tax	99	84
<b>Total taxation for the year (Note 6 (b))</b>	<b>99</b>	<b>84</b>

#### (b) Factors affecting the 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% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Net revenue before taxation	1,120	923
Net revenue for the year multiplied by the standard rate of corporation tax	224	185
<b>Effects of:</b>		
Rebated capital expenses deductible for tax purposes	5	6
Revenue not subject to corporation tax	(130)	(107)
<b>Total tax charge for the year</b>	<b>99</b>	<b>84</b>

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 year or prior year.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 7. Distributions

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

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Interim	370	160
Final	620	652
Add: Revenue paid on cancellation of Shares	42	42
Deduct: Revenue received on creation of Shares	(6)	(9)
<b>Net distribution for the year</b>	<b>1,026</b>	<b>845</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	1,021	839
Tax relief from capital*	5	6
<b>Net distribution for the year</b>	<b>1,026</b>	<b>845</b>

\* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on capital rebates from underlying funds.

Details of the distributions per Share are set out in the distribution tables on page 154.

### 8. Debtors

	30/09/19 £'000	30/09/18 £'000
Accrued revenue	35	26
Amounts due for rebates from underlying funds	26	19
Dilution adjustment receivable	1	1
Sales awaiting settlement	–	1,050
<b>Total debtors</b>	<b>62</b>	<b>1,096</b>

### 9. Cash and bank balances

	30/09/19 £'000	30/09/18 £'000
Cash and bank balances	2,586	2,574
<b>Total cash and bank balances</b>	<b>2,586</b>	<b>2,574</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 10. Other creditors

	30/09/19 £'000	30/09/18 £'000
Amounts payable for cancellation of Shares	66	434
Corporation tax payable	99	35
Purchases awaiting settlement	–	553
	165	1,022
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	53	59
	53	59
<i>Depositary and Agents</i>		
Depositary fees	4	2
Safe custody fees	1	1
Transaction charges	1	–
	6	3
<i>Other accrued expenses</i>		
Audit fees	10	10
Publication fees	1	–
	11	10
<b>Total other creditors</b>	<b>235</b>	<b>1,094</b>

### 11. 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 Net Assets Attributable to Shareholders 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

As at the balance sheet date, the following had significant Shareholdings within the Fund:

Shareholders	30/09/19
Zurich Assurance Ltd	52.0%
Sterling ISA Managers (Nominees) Limited	25.5%

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 12. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class B Income	0.75
Share Class B 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:

	30/09/18	Issued	Cancelled	Converted	30/09/19
Share Class B Income	3,645,062	240,465	(992,807)	–	2,892,720
Share Class B Accumulation	46,419,603	833,282	(7,689,478)	–	39,563,407

### 13. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: nil).

### 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 17 to 20 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2019 therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

As at 30 September 2019, 3.00% of the Fund's assets were interest bearing (2018: 2.72%).

Changes in interest rates would have no material impact on 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 30 September 2019

### 15. Portfolio transaction costs

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year				
before transaction costs:				
Collective Investment Schemes		49,872		51,038
		49,872		51,038
Commissions – Collective				
Investment Schemes	3		6	
Total purchase costs		3		6
<b>Gross purchase total</b>		<b>49,875</b>		<b>51,044</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year				
before transaction costs:				
Collective Investment Schemes		63,914		65,607
		63,914		65,607
Commissions – Collective				
Investment Schemes	(2)		(8)	
Total sale costs		(2)		(8)
<b>Total sales net of transaction costs</b>		<b>63,912</b>		<b>65,599</b>

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

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.

	01/10/18 to 30/09/19 %	01/10/17 to 30/09/18 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases – Commissions		
Collective Investment Schemes	0.0055	0.0118
Purchases – Taxes		
Collective Investment Schemes	0.0000	0.0000
Sales – Commissions		
Collective Investment Schemes	0.0037	0.0122
Sales – Taxes		
Collective Investment Schemes	0.0000	0.0000



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 15. Portfolio transaction costs (continued)

	01/10/18 to 30/09/19 %	01/10/17 to 30/09/18 %
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0058	0.0139
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.04% (2018: 0.02%).

### 16. Post balance sheet events

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

### 17. Fair value disclosure

	30/09/19		30/09/18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Valuation technique</b>				
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	25,895	–	32,539	–
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	57,814	–	59,628	–
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	–	–	–	–
	<b>83,709</b>	<b>–</b>	<b>92,167</b>	<b>–</b>

## Distribution Table

As at 30 September 2019

### Interim Distribution in pence per Share

- Group 1 Shares purchased prior to 1 October 2018  
 Group 2 Shares purchased on or after 1 October 2018 to 31 March 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/19 (p)	Distribution paid 31/05/18 (p)
Share Class B Income				
Group 1	0.5282	–	0.5282	0.1962
Group 2	0.2808	0.2474	0.5282	0.1962
Share Class B Accumulation				
Group 1	0.8212	–	0.8212	0.3029
Group 2	0.4972	0.3240	0.8212	0.3029

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2019  
 Group 2 Shares purchased on or after 1 April 2019 to 30 September 2019

	Net revenue (p)	Equalisation (p)	Distribution payable 29/11/19 (p)	Distribution paid 30/11/18 (p)
Share Class B Income				
Group 1	0.9561	–	0.9561	0.8624
Group 2	0.6022	0.3539	0.9561	0.8624
Share Class B Accumulation				
Group 1	1.4965	–	1.4965	1.3358
Group 2	0.8854	0.6111	1.4965	1.3358

## Investment Manager's Report

### For the year ended 30 September 2019

### Investment Objective

The Fund aims to achieve a return consisting of a combination of income and capital growth which exceeds the FTSE All-Share TR Index (20%), Russell 1000 TR Index (10%), MSCI Daily (ex UK) EAFE (10%), SONIA GBP 3-Month (10%), ICE BoAML Global Broad Market TR Index (15%), and ICE BoAML Sterling Broad Market TR Index (35%), after all fees and expenses over a five-year rolling period.

### Investment Policy

It is expected that the core exposure (defined as at least 70% of Fund assets) will be holdings in UK equities and bonds. However, investments will not be confined to any particular sector.

At least 70% of exposure will be achieved through investment in collective investment schemes (including exchange traded funds and other schemes managed and operated by the ACD or its associates). The Fund may also invest in transferable securities, money market instruments, warrants, cash, near cash and deposits as detailed in the Prospectus.

Derivatives may also be used for the purposes of hedging and efficient portfolio management.

### Benchmark

The performance of the Fund will be measured against a composite benchmark for target return purposes based on the FTSE All-Share TR Index (20%), Russell 1000 TR Index (10%), MSCI Daily (ex UK) EAFE (10%), SONIA GBP 3-Month (10%), ICE BoAML Global Broad Market TR Index (15%), and ICE BoAML Sterling Broad Market TR Index (35%).

### Portfolio Review

Over the period the fund returned 3.29% [source: Return after operating charges as per Comparative Table] and the benchmark returned 8.74% [source: Financial Express, bid to bid, net income reinvested]. During the period the fund generated net income of 7.17p per share in the B Income class and 10.59p in the B Accumulation class.

We began the period by replacing our holding in iShares Global High Yield exchange-traded fund (ETF) with the sterling hedged share class of this fund following fluctuations in global markets. Adjustments to holdings in equity funds in the portfolio just before a market correction included selling the remaining holding in Vanguard FTSE All-World High Yield ETF and reducing the holding in SPDR S&P UK Dividend Aristocrats. We increased the holding in iShares USD High Yield ETF ahead of its November interest payment, and then sold the holding. We made a small switch of some of the holding in SPDR S&P UK Dividend Aristocrats to iShares UK Dividend ETF in time for its December interest payment. We also took a small position in Vanguard FTSE All-World High Yield ETF following sharp equity market falls.

Throughout the period, investment activity generally focused on trading holdings in bond ETFs for their income. This included reducing holdings in iShares Emerging Markets Local Government Bond ETF and iShares US Short Duration High Yield ETF, and adding to holdings in iShares Euro High Yield ETF and iShares Global High Yield ETF. In March, we re-introduced the holding in M&G Global Dividend as we increased the portfolio's international exposure. Global economic growth concerns caused a fall in bond yields, and consequent rise in their prices, which benefited iShares GBP Corporate Bond ETF. In contrast, shares in infrastructure company HICL fell as Brexit uncertainty continued.

**Investment Manager's Report (continued)**  
For the year ended 30 September 2019

The weakness of sterling compared with the US dollar and the euro helped our international investments, particularly BlackRock Continental European Income and Schroder US Equity Income Maximiser. In August, we sold our remaining holding in Artemis Global Income, an investment we had held since 2013 that suffered from recent poor returns. Continuing fluctuations in the value of sterling impacted several of our holdings. Schroder US Equity Income Maximiser benefited from the fall in sterling compared with the US dollar. BlackRock Continental European Income performed relatively well due mainly to some strong stock selections. At the end of the period, while equities and bond performances were fairly solid, the performances of alternative asset classes were more mixed.

**Outlook**

We are encouraged by the resilience of the US consumer, and think it is more likely we are going through a patch of slowing growth rather than a protracted slowdown. In addition, it looks like central banks globally are prepared to use their monetary firepower to keep the global economy afloat. However, we are conscious that there remain key risks including a severe escalation in the trade war and a failure of central banks to accommodate appropriately. In Europe we would also note that whilst ECB monetary stimulus is welcomed, it must be accompanied by fiscal stimulus also (which is currently not happening), if it is to be effective. We therefore believe that an element of caution is still warranted on equities at this juncture. With regards to bonds, we maintain a preference for credit over sovereigns.

**Investment Manager**

Octopus Investments Limited  
21 October 2019

## Material Portfolio Changes

For the year ended 30 September 2019

Purchases		Sales	
Portfolio Name	Cost £'000	Portfolio Name	Proceeds £'000
iShares Global High Yield Corporate Bond	3,911	iShares UK Dividend Plus	3,383
iShares JPMorgan Emerging Markets Local Government Bond	3,282	iShares JPMorgan Emerging Markets Local Government Bond	3,266
iShares UK Dividend Plus	3,142	iShares Global High Yield Corporate Bond	2,922
iShares GBP Corporate Bond 0-5yr	2,758	iShares USD High Yield Corporate Bond	2,651
iShares USD High Yield Corporate Bond	2,697	iShares Core GBP Corporate Bond	2,651
iShares Global High Yield Corporate Bond GBP Hedged	2,686	iShares Global High Yield Corporate Bond GBP Hedged	2,623
SPDR S&P UK Dividend Aristocrats	2,515	iShares USD Short Duration High Yield Corporate Bond	2,444
iShares USD Short Duration Corporate Bond	2,240	iShares GBP Ultrashort Bond	2,360
iShares GBP Ultrashort Bond	2,215	SPDR S&P UK Dividend Aristocrats	2,264
iShares EUR High Yield Corporate Bond	1,577	iShares GBP Corporate Bond 0-5yr	1,949

## Comparative Table

As at 30 September 2019

	30/09/19 (p)	B Income 30/09/18 (p)	30/09/17 (p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	140.70	144.92	143.73
Return before operating charges*	6.19	4.22	9.74
Operating charges	(1.71)	(1.80)	(1.90)
Return after operating charges	4.48	2.42	7.84
Distributions	(7.18)	(6.64)	(6.65)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	138.00	140.70	144.92
* after direct transaction costs of:	0.05	0.09	0.12
<b>Performance</b>			
Return after operating charges	3.18%	1.67%	5.45%
<b>Other information</b>			
Closing net asset value (£'000)	22,270	21,219	20,409
Closing number of shares	16,137,897	15,080,871	14,083,359
Operating charges	1.23%	1.25%	1.29%
Direct transaction costs	0.03%	0.06%	0.08%
<b>Prices (p)</b>			
Highest share price	141.31	147.08	150.81
Lowest share price	133.82	138.87	141.44

**Comparative Table (continued)**  
 As at 30 September 2019

	B Accumulation		
	30/09/19	30/09/18	30/09/17
	(p)	(p)	(p)
<b>Change in net assets per Share</b>			
Opening net asset value per share	206.05	202.59	192.06
Return before operating charges*	9.32	6.02	13.10
Operating charges	(2.54)	(2.56)	(2.57)
Return after operating charges	6.78	3.46	10.53
Distributions	(10.70)	(9.44)	(9.02)
Retained distributions on accumulation shares	10.70	9.44	9.02
Closing net asset value per share	212.83	206.05	202.59
* after direct transaction costs of:	0.07	0.12	0.16
<b>Performance</b>			
Return after operating charges	3.29%	1.71%	5.48%
<b>Other information</b>			
Closing net asset value (£'000)	8,150	8,947	10,983
Closing number of shares	3,829,537	4,342,351	5,421,226
Operating charges	1.23%	1.25%	1.29%
Direct transaction costs	0.03%	0.06%	0.08%
<b>Prices (p)</b>			
Highest share price	213.64	208.92	205.38
Lowest share price	196.98	197.29	188.98

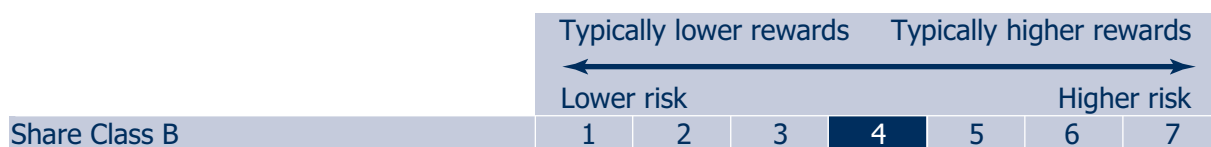
**Performance Information**  
As at 30 September 2019

**Operating Charges**

Date	AMC (%)	Other expenses (%)	Synthetic expense ratio (%)	Rebates from underlying funds (%)	Transaction costs (%)	Total operating charge (%)
<b>30/09/19</b>						
Share Class B Income	0.75	0.09	0.42	(0.05)	0.02	1.23
Share Class B Accumulation	0.75	0.09	0.42	(0.05)	0.02	1.23
<b>30/09/18</b>						
Share Class B Income	0.75	0.09	0.48	(0.09)	0.02	1.25
Share Class B Accumulation	0.75	0.09	0.48	(0.09)	0.02	1.25

The Operating Charge is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. When a Fund invests a substantial proportion of its assets in other UCITS or Collective Investment Undertakings (CIU), the OCF shall take account of the ongoing charges incurred in the underlying CIUs and disclose as a Synthetic expense ratio.

**Risk and Reward Profile**  
As at 30 September 2019



- 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 risk and reward indicator table demonstrates where a Fund ranks in terms of its potential risk and return. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean 'risk free'.
- The Fund appears as a "4" on the scale. This is because the Fund invests in assets that typically carry medium risk and offer medium rewards compared with other categories of assets.

**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 30 September 2019

Holdings or Nominal Value	Investments	Market value £'000	% of Total Net Assets
<b>Collective Investment Schemes 60.45% (59.86%)</b>			
97,305	BlackRock Continental European Income	156	0.51
425,000	BMO Commercial Property Trust*	496	1.63
691,310	Franklin UK Equity Income	1,118	3.68
650,000	HICL Infrastructure*	1,080	3.55
1,640,630	Invesco Global Targeted Income	1,549	5.09
810,100	Janus Henderson Strategic Bond	1,142	3.75
651,219	JOHCM UK Equity Income	1,228	4.04
461,138	M&G Global Dividend	1,086	3.57
95,000	Pollen Street Secured Lending* (previously P2P Global Investments)	768	2.53
207,279	PIMCO GIS Income Fund	2,156	7.09
850,000	Renewables Infrastructure*	1,073	3.53
14,444	RWC Funds Enhanced Income	1,136	3.73
1,090,247	Schroder Asian Income Fund	763	2.51
2,770,023	Schroder Income Maximiser	1,209	3.97
1,895,047	Schroder US Equity Income Maximiser	1,075	3.53
14,697	TwentyFour Corporate Bond	1,511	4.97
777,500	TwentyFour Income*	844	2.77
		<b>18,390</b>	<b>60.45</b>
<b>Exchange Traded Funds 29.81% (32.39%)</b>			
10,000	iShares EUR High Yield Corp Bond	917	3.01
22,000	iShares GBP Corporate Bond 0-5yr	2,332	7.67
14,500	iShares GBP Ultrashort Bond	1,458	4.79
12,500	iShares Global High Yield Corp Bond	955	3.14
3,000	iShares Global High Yield Corporate Bond GBP Hedged	297	0.98
150,000	iShares UK Dividend	1,136	3.73
175,000	SPDR S&P UK Dividend Aristocrats	1,973	6.49
		<b>9,068</b>	<b>29.81</b>
	<b>Portfolio of investments</b>	<b>27,458</b>	<b>90.26</b>
	Net other assets	2,962	9.74
	<b>Net assets</b>	<b>30,420</b>	<b>100.00</b>

\* Investment Trusts

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

All investments are Collective Investment Schemes unless otherwise stated.

Comparative figures shown above in brackets relate to 30 September 2018.

Gross purchases for the year: £36,488,000 [2018: £29,261,000] (See note 14).

Total sales net of transaction costs for the year: £36,457,000 [2018: £28,873,000] (See note 14).

## Statement of Total Return

For the year ended 30 September 2019

	Note	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(375)		(700)
Revenue	3	1,746		1,609	
Expenses	4	(253)		(261)	
Net revenue before taxation		1,493		1,348	
Taxation	5	(143)		(132)	
Net revenue after taxation			1,350		1,216
Total return before distributions			975		516
Distributions	6		(1,555)		(1,430)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(580)</b>		<b>(914)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 September 2019

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to Shareholders</b>		30,166		31,392
Amounts receivable on issue of Shares	3,645		3,798	
Amounts payable on cancellation of Shares	(3,237)		(4,552)	
Dilution adjustment		408		(754)
Change in net assets attributable to Shareholders from investment activities (see above)		(580)		(914)
Retained distributions on accumulation Shares		426		441
<b>Closing net assets attributable to Shareholders</b>		<b>30,420</b>		<b>30,166</b>

## Balance Sheet

As at 30 September 2019

	Note	30/09/19		30/09/18	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Fixed assets:					
Investments			27,458		27,829
Current assets:					
Debtors	7	409		405	
Cash and bank balances	8	3,790		2,429	
Total current assets			4,199		2,834
Total assets			31,657		30,663
<b>Liabilities:</b>					
Investment liabilities					
			–		–
Creditors:					
Distribution payable		(448)		(330)	
Other creditors	9	(789)		(167)	
Total creditors			(1,237)		(497)
Total liabilities			(1,237)		(497)
<b>Net assets attributable to Shareholders</b>			<b>30,420</b>		<b>30,166</b>

## Notes to the Financial Statements

### For the year ended 30 September 2019

#### 1. Accounting Basis and Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 14 to 16.

#### 2. Net capital losses

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
The net capital losses during the year comprise:		
Currency gains	13	–
Non-derivative securities	(398)	(721)
Rebates received from underlying funds	14	27
Transaction charges	(4)	(6)
<b>Net capital losses</b>	<b>(375)</b>	<b>(700)</b>

#### 3. Revenue

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Bank interest	2	–
Franked dividends from Collective Investment Schemes	311	363
Interest income from Collective Investment Schemes	95	99
Offshore funds dividends	1,025	847
Overseas dividends	160	187
UK dividends	31	–
Unfranked dividends from Collective Investment Schemes	122	113
<b>Total revenue</b>	<b>1,746</b>	<b>1,609</b>

**Notes to the Financial Statements (continued)**  
For the year ended 30 September 2019

**4. Expenses**

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
<b>Payable to the ACD, associates of the ACD, and agents of either of them</b>		
AMC fees	225	233
	225	233
<b>Payable to the Depositary, associates of the Depositary and agents of either of them</b>		
Depositary fees	10	10
Safe custody fees	2	2
	12	12
<b>Other expenses</b>		
Audit fees	10	10
Professional fees	3	3
Publication fees	3	3
	16	16
<b>Total expenses</b>	<b>253</b>	<b>261</b>

Audit fees are £8,200 ex VAT (2018: £8,050).

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 5. Taxation

#### (a) Analysis of the tax charge in the year

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Corporation tax	143	132
<b>Total taxation for the year (Note 5 (b))</b>	<b>143</b>	<b>132</b>

#### (b) Factors affecting the 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% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Net revenue before taxation	1,493	1,348
Net revenue for the year multiplied by the standard rate of corporation tax	299	270
<b>Effects of:</b>		
Non taxable overseas dividends	(90)	–
Non taxable UK dividends	(69)	–
Rebated capital expenses deductible for tax purposes	3	5
Revenue not subject to corporation tax	–	(143)
<b>Total tax charge for the year</b>	<b>143</b>	<b>132</b>

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

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 5. Taxation (continued)

#### (c) Deferred tax

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
Provision at start of the year	3	3
Deferred tax charge in the year	(1)	–
<b>Provision at the end of the year</b>	<b>2</b>	<b>3</b>

### 6. Distributions

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

	01/10/18 to 30/09/19 £'000	01/10/17 to 30/09/18 £'000
First interim	296	311
Second interim	303	299
Third interim	359	354
Final	601	462
Add: Revenue paid on cancellation of Shares	26	30
Deduct: Revenue received on creation of Shares	(30)	(26)
<b>Net distribution for the year</b>	<b>1,555</b>	<b>1,430</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	1,350	1,216
Expenses charged to capital	253	261
Tax relief from capital*	(48)	(47)
<b>Net distribution for the year</b>	<b>1,555</b>	<b>1,430</b>

\* Tax relief has arisen whereby excess revenue expenses have been utilised to reduce the tax arising on capital expenses and rebates from underlying funds.

Details of the distributions per Share are set out in the distribution tables on page 173.

### 7. Debtors

	30/09/19 £'000	30/09/18 £'000
Accrued revenue	76	87
Amounts due for rebates from underlying funds	1	5
Amounts receivable for creation of Shares	1	–
Dilution adjustment receivable	(1)	(1)
Income tax recoverable	27	21
Sales awaiting settlement	305	293
<b>Total debtors</b>	<b>409</b>	<b>405</b>

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 8. Cash and bank balances

	30/09/19 £'000	30/09/18 £'000
Cash and bank balances	3,790	2,429
<b>Total cash and bank balances</b>	<b>3,790</b>	<b>2,429</b>

### 9. Other creditors

	30/09/19 £'000	30/09/18 £'000
Amounts payable for cancellation of Shares	13	1
Corporation tax payable	143	131
Deferred tax payable	2	3
Purchases awaiting settlement	598	–
	756	135
<i>Accrued expenses</i>		
<i>Manager and Agents</i>		
AMC fees	19	19
	19	19
<i>Depositary and Agents</i>		
Depositary fees	2	1
Transaction charges	1	1
	3	2
<i>Other accrued expenses</i>		
Audit fees	10	10
Publication fees	1	1
	11	11
<b>Total other creditors</b>	<b>789</b>	<b>167</b>

### 10. 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 9.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due at the year end are disclosed in notes 7 and 9.

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

As at the balance sheet date, the following had significant Shareholdings within the Fund:

Shareholders	30/09/19
Sterling ISA Managers (Nominees) Limited	54.4%
Funds Direct Nominees Limited	27.6%



## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 11. Share Classes

The Share Classes and ACD's Annual Management Charges ("AMC") applicable to each Share Class are as follows:

	%
Share Class B Income	0.75
Share Class B 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:

	30/09/18	Issued	Cancelled	Converted	30/09/19
Share Class B Income	15,080,871	2,457,237	(1,400,211)	–	16,137,897
Share Class B Accumulation	4,342,351	127,204	(640,018)	–	3,829,537

### 12. Capital commitments and contingent liabilities

There were no contingent liabilities or outstanding commitments at the balance sheet date (2018: nil).

### 13. 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 17 to 20 of the report.

#### (a) Foreign currency risk

A proportion of the financial net assets of the Fund are denominated in currencies other than Sterling with the effect that the balance sheet and total return can be affected by currency movements.

The Fund holds an insignificant foreign currency exposure at 30 September 2019 therefore a currency table has not been disclosed.

Changes in exchange rates would have no material impact on the valuation of foreign currency financial assets or liabilities as at the balance sheet date. Consequently, no sensitivity analysis has been presented.

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

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

## Notes to the Financial Statements (continued)

For the year ended 30 September 2019

### 13. Derivatives and other financial instruments (continued)

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

Currency Assets	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>30/09/19</b>				
Euro	21	–	–	21
Sterling	3,713	–	27,867	31,580
US Dollar	56	–	–	56
<b>Total</b>	<b>3,790</b>	<b>–</b>	<b>27,867</b>	<b>31,657</b>
<b>30/09/18</b>				
Euro	13	–	–	13
Sterling	2,386	–	28,232	30,618
US Dollar	30	–	2	32
<b>Total</b>	<b>2,429</b>	<b>–</b>	<b>28,234</b>	<b>30,663</b>

Currency Liabilities	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
<b>30/09/19</b>				
Sterling	–	–	(1,237)	(1,237)
<b>Total</b>	<b>–</b>	<b>–</b>	<b>(1,237)</b>	<b>(1,237)</b>
<b>30/09/18</b>				
Sterling	–	–	(497)	(497)
<b>Total</b>	<b>–</b>	<b>–</b>	<b>(497)</b>	<b>(497)</b>

Changes in interest rates would have no material impact on the valuation of 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 30 September 2019

**14. Portfolio transaction costs**

	01/10/18 to 30/09/19		01/10/17 to 30/09/18	
	£'000	£'000	£'000	£'000
<b>Analysis of total purchase costs</b>				
Purchases in the year before transaction costs:				
Equities		–		189
Collective Investment Schemes		36,483		29,062
		36,483		29,251
Commissions – Equities	–		–	
Commissions – Collective Investment Schemes	5		10	
Total purchase costs		5		10
<b>Gross purchase total</b>		<b>36,488</b>		<b>29,261</b>
<b>Analysis of total sale costs</b>				
Gross sales in the year before transaction costs:				
Equities		358		
Collective Investment Schemes		36,104		28,881
		36,462		28,881
Commissions – Collective Investment Schemes	(5)		(8)	
Total sale costs		(5)		(8)
<b>Total sales net of transaction costs</b>		<b>36,457</b>		<b>28,873</b>

## Notes to the Financial Statements (continued)

### For the year ended 30 September 2019

#### 14. Portfolio transaction costs (continued)

	01/10/18 to 30/09/19 %	01/10/17 to 30/09/18 %
<b>Transaction costs as percentage of principal amounts</b>		
Purchases – Commissions		
Collective Investment Schemes	0.0137	0.0344
Purchases – Taxes		
Collective Investment Schemes	0.0000	0.0000
Sales – Commissions		
Collective Investment Schemes	0.0138	0.0277
Sales – Taxes		
Collective Investment Schemes	0.0000	0.0000
<b>Transaction costs as percentage of average net asset value</b>		
Commissions	0.0333	0.0580
Taxes	0.0000	0.0000

At the balance sheet date the average portfolio dealing spread was 0.17% (2018: 0.17%).

#### 15. Post balance sheet events

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

#### 16. Fair value disclosure

	30/09/19		30/09/18	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Valuation technique</b>				
<b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities	13,329	–	13,986	–
<b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	14,129	–	13,843	–
<b>Level 3:</b> Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability	–	–	–	–
	<b>27,458</b>	<b>–</b>	<b>27,829</b>	<b>–</b>

## Distribution Table

As at 30 September 2019

### First Distribution in pence per Share

Group 1 Shares purchased prior to 1 October 2018

Group 2 Shares purchased on or after 1 October 2018 to 31 December 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/19 (p)	Distribution paid 28/02/18 (p)
Share Class B Income				
Group 1	1.4000	–	1.4000	1.4500
Group 2	0.5683	0.8317	1.4000	1.4500
Share Class B Accumulation				
Group 1	2.0500	–	2.0500	2.0000
Group 2	0.9079	1.1421	2.0500	2.0000

### Second Distribution in pence per Share

Group 1 Shares purchased prior to 1 January 2019

Group 2 Shares purchased on or after 1 January 2019 to 31 March 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/19 (p)	Distribution paid 31/05/18 (p)
Share Class B Income				
Group 1	1.4000	–	1.4000	1.4000
Group 2	0.3497	1.0503	1.4000	1.4000
Share Class B Accumulation				
Group 1	2.0500	–	2.0500	1.9000
Group 2	0.0000	2.0500	2.0500	1.9000

## Distribution Table (continued)

As at 30 September 2019

### Third Distribution in pence per Share

- Group 1 Shares purchased prior to 1 April 2019  
 Group 2 Shares purchased on or after 1 April 2019 to 30 June 2019

	Net revenue (p)	Equalisation (p)	Distribution paid 31/08/19 (p)	Distribution paid 31/08/18 (p)
Share Class B Income				
Group 1	1.6000	–	1.6000	1.6000
Group 2	0.5320	1.0680	1.6000	1.6000
Share Class B Accumulation				
Group 1	2.6000	–	2.6000	2.5000
Group 2	1.2751	1.3249	2.6000	2.5000

### Final Distribution in pence per Share

- Group 1 Shares purchased prior to 1 July 2019  
 Group 2 Shares purchased on or after 1 July 2019 to 30 September 2019

	Net revenue (p)	Equalisation (p)	Distribution payable 29/11/19 (p)	Distribution paid 30/11/18 (p)
Share Class B Income				
Group 1	2.7776	–	2.7776	2.1903
Group 2	1.2459	1.5317	2.7776	2.1903
Share Class B Accumulation				
Group 1	3.9958	–	3.9958	3.0364
Group 2	1.9819	2.0139	3.9958	3.0364

## 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 of 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: PO Box 10191, Chelmsford, CM99 2AP or by telephone on 0345 140 0070\*. 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 on [www.trustnet.com](http://www.trustnet.com) and can also be obtained by telephoning the Administrator on 0345 140 0070\* during the ACD's normal business hours.

### Other Information

The Instrument of Incorporation, Prospectus 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, free of charge, upon application to Omnis Investments Limited, PO Box 10191, Chelmsford CM99 2AP.

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 Exchange Tower, London E14 9SR.

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

### Report

The annual report of the Company will be published within four months of each annual accounting period and the interim report will be published within two months of each interim accounting period.

Interim financial statements	period ended 31 March
Annual financial statements	year ended 30 September

## General Information (continued)

### Distribution Payment Dates

Interim –	31 May (for Omnis Multi-Manager Distribution Fund and Omnis Multi-Asset Income Fund only – 31 May, 31 August and 28 February)
Final –	30 November

### Data Protection

The details you have provided will be held electronically by the Funds' Registrar but will not be used for any purpose except to fulfil its obligations to shareholders.

### 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.

### Protected Cell Regime

Please note, on 21 December 2011, the Open Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the Regulations") were amended to introduce a Protected Cell Regime ("PCR") for OEICs. Under the PCR each Fund represents a segregated portfolio of assets and accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other Fund and shall not be available for any such purpose. The Regulations allowed a transitional period for implementation of the PCR, until 20 December 2013. However, the Company adopted the PCR on 30 September 2013. No reallocation of liabilities as described above was necessary at any time prior to 30 September 2013.

### Remuneration

Omnis Investment Limited has a Remuneration Policy in place which aims to identify, and to govern the remuneration of, the personnel whose professional activities have a material impact on the risk profile of the firm and the Companies for which it acts as ACD. The personnel identified under this policy are called 'UCITS Code Staff'.

UCITS Code Staff include executive directors, senior managers and Control Function personnel. UCITS Code Staff may also work for other Openwork Group companies and the disclosures below relate only to the proportion of their remuneration deemed to relate to Omnis.



## General Information (continued)

The Remuneration Policy seeks to ensure that Omnis' remuneration policies and practices for UCITS Code Staff are consistent with, and promote, sound and effective risk management and do not impair Omnis in its duty to act in the best interests of the UCITS it manages. Furthermore, the policy aims to ensure that risk taking is consistent with the risk profiles or the instrument constituting the funds or the prospectus, as applicable, of the UCITS that Omnis manages.

UCITS Code Staff are remunerated through a mix of base salary and discretionary variable remuneration (including long-term incentive awards). Any payment of variable remuneration is based on the regular and structured assessment of the individual's performance against their objectives, their adherence to the Openwork Group's CORE values and on the overall performance of the Openwork Group.

In the year to 31 December 2018, the aggregate amount paid to UCITS Code Staff specifically in respect of professional activities relating to Omnis was £642,883; of which £493,997 was fixed remuneration and £148,886 was variable remuneration.

The policy will be reviewed at least annually and will be made available to shareholders free of charge.

### Value Assessment

Omnis will undertake a value assessment in relation to the sub-funds in the Omnis Managed Investments ICVC on 31 August 2020, and at least annually thereafter.

Within the assessment, Omnis will consider three elements. These are:

- a) how the shares in a sub-fund have performed compared to the investment objectives;
- b) the cost of operating the sub-fund compared to funds with similar objectives and strategies, and;
- c) the quality of service provided by Omnis and its third-party providers to sub-fund investors.

The assessment for performance purposes will be conducted as at the date of the assessment and will consider only sub-funds that have a three-year performance record at that date. The assessment of costs and service will be performed on the basis of the 12-month period to the assessment date and will consider only sub-funds that have existed for the entire period.

A summary of findings, together with any improvement plans, will be published on Omnis' website no later than 31 December 2020.



