



## Polar Capital Funds plc

Annual Report and Audited Financial Statements  
For the year ended 31 December 2019



## Contents

### Business Review

#### Investment Manager's Reports

Asian Opportunities Fund	01
Asian Stars Fund	03
Automation & Artificial Intelligence Fund	05
Biotechnology Fund	08
China Stars Fund	12
Emerging Markets Income Fund	14
Emerging Market Stars Fund	17
European ex UK Income Fund	20
European Income Fund	22
Financial Opportunities Fund	23
Global Absolute Return Fund	25
Global Convertible Fund	27
Global Insurance Fund	30
Global Technology Fund	32
Healthcare Blue Chip Fund	39
Healthcare Opportunities Fund	41
Income Opportunities Fund	43
Japan Fund	46
Japan Value Fund	48
North American Fund	50
UK Absolute Equity Fund	52
UK Value Opportunities Fund	53

Report of the Directors	55
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Report of the Depositary to the Shareholders	59
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### Financial Statements and Notes

Independent Auditor's Report	60
------------------------------	----

#### Portfolio Statements

Asian Opportunities Fund	66
Asian Stars Fund	69
Automation & Artificial Intelligence Fund	72
Biotechnology Fund	75
China Stars Fund	78
Emerging Markets Income Fund	80
Emerging Market Stars Fund	84
European ex UK Income Fund	88
European Income Fund	91
Financial Opportunities Fund	92
Global Absolute Return Fund	96
Global Convertible Fund	101
Global Insurance Fund	110
Global Technology Fund	113
Healthcare Blue Chip Fund	118
Healthcare Opportunities Fund	121
Income Opportunities Fund	124
Japan Fund	130
Japan Value Fund	131
North American Fund	135
UK Absolute Equity Fund	139
UK Value Opportunities Fund	145

Statement of Financial Position	148
Comparative Statement of Financial Position	152
Statement of Comprehensive Income	156
Comparative Statement of Comprehensive Income	160
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	164
Comparative Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	166
Statement of Cash Flows	168
Comparative Statement of Cash Flows	172
Notes to the Financial Statements	176
Statement of Significant Portfolio Movements (unaudited)	344
Asian Opportunities Fund	344
Asian Stars Fund	346
Automation & Artificial Intelligence Fund	348
Biotechnology Fund	350
China Stars Fund	351
Emerging Markets Income Fund	352
Emerging Market Stars Fund	353
European ex UK Income Fund	354
European Income Fund	355
Financial Opportunities Fund	356
Global Absolute Return Fund	358
Global Convertible Fund	360
Global Insurance Fund	361
Global Technology Fund	362
Healthcare Blue Chip Fund	364
Healthcare Opportunities Fund	366
Income Opportunities Fund	367
Japan Fund	368
Japan Value Fund	369
North American Fund	370
UK Absolute Equity Fund	371
UK Value Opportunities Fund	373
Information for Investors (unaudited)	375
Appendix I – Remuneration Disclosures (unaudited)	377
Appendix II – Securities Financing Transactions Regulation (unaudited)	378
Management and Administration	380



## Investment Manager's Report

For the financial year ended 31 December 2019

# Asian Opportunities Fund

## Fund Performance

Asia's markets recovered in 2019 although remained highly volatile and whipsawed by sentiment on the US China trade dispute. The benchmark index of MSCI AC Asia Pacific ex Japan Index rose 19.2%, in dollar terms (Fund's NAV +18.1%, Class I US Dollar Distribution shares), with support from an overweight position in financials (both consumer finance and real estate stocks were strong relative performers in a falling interest rate environment) partially offset by an underweight position in technology and consumer stocks. A recovering Australian market also materially impacted the relative performance (the Fund has no exposure to Australia, but it remains a large part of our benchmark).

## Market Review

A key political development during the year were the protests in Hong Kong over a new extradition law and a broader fear that the independence of the Hong Kong judiciary and rule of law were being eroded by increased encroachment by mainland Chinese interests. These are valid concerns – and the Hong Kong government's heavy-handed tactics have exacerbated the issue – since Hong Kong has slowly lost its manufacturing sector and shipping/marine/aviation sector to the mainland and is highly reliant on its role as a regional financial/legal centre and their consequent use of the property sector. Any hint that the legal system is being compromised will drive business to other regional cities such as Singapore or Tokyo. Ultimately, the city usually reinvents itself every generation, but it is a telling sign that in 2005 we had 35% of our portfolio in Hong Kong whilst today it is 12.8%.

Chinese stocks were volatile throughout the year with the technology sector particularly affected as a result of possible further US restrictions on China's US, and consequently global, operations. There is some evidence that the overall macro picture is deteriorating in China although there is a body of thought that expects exporters to front-load exports to avoid further tariffs. With regards to the issue of US limitations on Chinese access to US capital markets, we remain less convinced that this will happen despite it being on the agenda for certain hawks in the US administration. Furthermore, some of the original comments have been reworded and we suspect these limitations would be difficult to enact. But what it does do is send a message to Chinese companies about listing in the US which may well have future benefits for the two major Chinese exchanges and the Hong Kong Stock Exchange.

The Indian financial sector continued to show two divergent paths with non-bank finance companies remaining under pressure while large private banks were resilient in the face of a weakening economy and ongoing asset quality problems. However, despite all the gloom and doom over India, these banks continue to show the fastest rate of loan growth in the region (20% in the case of HDFC Bank), low cost/income ratios (39% at HDFC Bank) and only mild weakening of their loan book quality in contrast to the severe problems seen with the Indian state banks. Share price movement differentials have been material, with banks such as Kotak Mahindra Bank and HDFC Bank having risen 20–35% over the past year while many state banks and non-banking financial companies (NBFCs) have fallen by such levels. We do not believe we are out of the woods yet with regards to India but broadly some of the early entrants into the asset quality cycle deterioration (such as ICICI Bank and Axis Bank) are beginning to see improvements, which is positive for the medium term.

## Fund Activity

We added to our Hong Kong exposures despite the ongoing demonstrations in the city. This reflects our view that Hong Kong continues to be home to some well-managed, cautiously geared businesses currently on very depressed valuations. Structurally, the Hong Kong Exchange remains well positioned, and continues to undertake a large number of IPOs, for the growth in Chinese and regional capital markets and it remains difficult to replicate Hong Kong's role as a regional financial centre. The current turmoil is frightening mainland Chinese tourists away (witness the sharp fall in new policies sold at AIA Group) but we believe many of these issues are short term in nature and it was an opportune moment to increase exposure.

We also took the opportunity from weakness associated with the US/China trade dispute to add to our internet holdings since their growth remains structural, albeit they will be affected if there was a more dramatic downturn in the Chinese economy. In common with Tencent, Alibaba Group Holdings is becoming a much broader-based technology stock and will benefit from further growth in periphery areas such as artificial intelligence and fintech.

During the year we also raised our exposure to the real estate sector with the sell-off in Hong Kong providing opportunities (Link REIT was added to the portfolio). As a retail REIT it was potentially exposed to the demonstrations, but it offers investors a large portfolio of malls which are primarily focused on local shoppers with a bias to basic-need shops and services. REITs (we also have a position in a Singaporean REIT, Keppel DC REIT) remain a defensive sector which has been a material beneficiary of the falls in global interest rates and the search for yield.



## Asian Opportunities Fund *continued*

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### Market Outlook

While the macro environment outlook remains difficult to read, we are marginally more positive on the outlook and remain positioned for structural growth in the domestic economy rather than a play on the more fickle trade dispute between the US and China. More gratifying (certainly when compared to Europe, the other global export powerhouse), governments are taking measures – and not just monetary measures – to help sustain growth. There is also ample further leeway to cut rates, unlike in Europe, and the elusive trade deal between the US and China is on the horizon should the US economy slow further. We continue to believe we have a portfolio of high quality, well-managed and strategically well-positioned businesses.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Financials Team

Polar Capital LLP

February 2020

## Asian Stars Fund

### Fund Performance

The Polar Capital Asian Stars Fund (Class I US Dollar Accumulation Shares) returned 26.6% for the full year 2019, compared to 18.1% by the benchmark (MSCI AC Asia ex Japan Total Return Index), in dollar terms.

The outperformance of 8.5% was primarily driven by strong stock selection, from a country perspective in Indian, Taiwanese, and South Korean equities, and from a sector perspective within communication services, financials, and healthcare.

The five best contributors were Sea (Singapore – internet/e-commerce/e-sport), ICICI Bank (India – financial services), Alibaba Group Holding (China – e-commerce/internet/payments), CSL (Australia – pharma/biotech) and MediaTek (Taiwan – IC-design/technology).

The five weakest contributors were Qess Corp (India – staffing service and related business services), Samsung SDI (South Korea – EV batteries), China Resources Pharmaceutical (China – pharmaceuticals), KMW (South Korea – telecom/communication technology) and 21Vianet Group (China – datacentre solutions).

### Market Review

2019 turned out to be a very strong year for global equities in general and we saw a strong rebound from a weak 2018. From a benchmark perspective it was developed markets ('DM'), driven by a very strong US market (+29.1%), that was the leading asset class, outperforming the Asian market benchmark.

A lot of the narrative for the financial markets in 2019 was around the potential trade war between the US and China which dominated throughout the year – particularly for Asian markets – in terms of risk-off or risk-on- sentiment.

We believe there were three main issues that hit Asian markets towards the end of 2018, and to a large degree some DMs as well, each of which saw some form of clarification and de-risked during 2019 to explain much of the returns we saw this year. In the second half of 2018, the global financial markets, Asian markets in particular, were hit by

- (1) a significant reduction in excess liquidity thanks to the Fed's tapering program,
- (2) US/China trade tension that developed into a mini-trade war and political stand-off between the two countries, and
- (3) a technology down cycle driven by semiconductors creating huge nervousness that this was a structural issue for one of the key drivers of the global economy.

This also led to significant earnings downgrades in the technology sector that significantly impacted the overall Asia benchmark earnings forecasts, with the trade war implications further impacting the technology sector and the story around Huawei impacting the Asian technology sector.

These developments and the negative stock market reaction created an attractive opportunity for Asian equities, and our Fund given its exposure to selective technology and growth companies in China. We would argue that (1) the world could not grow if liquidity was reduced to the level of the Fed's tapering policy so the Fed should inject liquidity, which Chairman Jerome Powell did; (2) the down cycle in technology was cyclical and not structural and that the structural drivers are starting to come through during the second half of 2019; and (3) there would be a deal on trade between the US and China as both have significant domestic political agendas, with the US presidential election and China's focus on its economy and preparation for the Chinese communist party's 100th anniversary in 2021.

From a top-down perspective, we believe the strong outperformance in 2019 can be explained by our analysis of these macro situations and the underlying stock picks we selected to support these views.

There are also a few specific Asia country developments that should be mentioned.

Within Asia, the strongest country was Taiwan driven by the strong rebound in the technology sector and China (trade deal, better technology and consumer environment). China was volatile over the year, impacted by the swings in sentiment around politics while Hong Kong underperformed the broader Asian market due to the political turmoil there, significantly impacting fundamentals for companies operating there and the risk premia in the market. We did not have any exposure to Hong Kong-focused companies which, relatively, we benefited from.

India had a weak year, relatively, though this was not the case for our Indian exposure as our stock picks there worked well despite Prime Minister Narendra Modi and his BJP party's landslide victory in the national election. Political conflicts like Kashmir and a generally weak economy dragged earnings and sentiment down for the Indian market. We remain optimistic for the market over the long term as we believe there are a number of attractive, structural-growth drivers in the economy and that Modi has implemented significant reforms that will show up as better growth going forwards.

South Korea performed reasonably well – the market was up around 10% – with all of this performance coming from technology-related parts of the economy.

Association of Southeast Asian Nations ('ASEAN') (broad selection of countries) also underperformed the broader Asian markets although Singapore did well as technology, primarily Sea, and property were strong.

## Asian Stars Fund

### Fund Activity

We have been relatively active in 2019 given the significant market developments which we have seen create interesting opportunities for the medium to longer term which we have tried to take advantages of. Funding these new stocks means we have also moved some stocks out of the portfolio.

We increased our weighting to Vietnam with three more investments: Kinh Bac City (industrial real estate with strong exposure to FDI into Vietnam), Vinhomes (property) and Vietnam Technology and Commercial Bank.

We significantly increased our already high exposure to the technology sector, taking advantage of the attractive valuation opportunities the sell-off in 2018 created and on back of a positive outlook for 5G exposure and semiconductors within the technology sector. Examples of new positives here, particularly in the early part of the year, would be MediaTek (Taiwan – 5G related), Koh Young Technology (South Korea – measurement and testing technology) and KMW (South Korea – 5G antennal technology).

We added some names in the internet sector, including Bilibili (China – games/social media for Gen Z), Meituan Dianping (China – internet/e-commerce for the service economy) and Info Edge (India – internet services/e-commerce in the service sector).

In the healthcare sector, we would highlight Ping An Healthcare & Technology (also called Ping An Good Doctor – Chinese healthcare solution provider with strong focus on using technology to create efficiency and better service in the Chinese healthcare sector) as a new investment. We believe they offer an innovative business model for the healthcare issues China and emerging markets in general are faced with.

We sold out of Qess Corp (India – staffing and related services) as the investment case did not evolve as we had expected from our conversations with management.

We also sold Oil Search for ESG reasons. Oil Search is an energy company with assets in Papua New Guinea (Asian frontier market) and is Australia-listed. We liked its gas exposure, but the company changed strategy and is now investing in oil in Alaska – a strategy we do not want to back.

We have sold City Developments (Singapore – property) as it reached our target price and we no longer see it with favourable risk/reward going forwards.

We have also sold out of KingPak (Taiwan – auto sensing/technology) due to valuation.

### Market Outlook

We have a positive outlook for our Fund for 2020, particularly as we believe we will continue to see easing policies coming into Asian and global markets during the year. Many economies have room to ease, both from a fiscal as well as monetary perspective.

We see very attractive upside potential for our holdings with what we believe is limited downside as the market is currently pricing in a very low growth scenario over the medium-term horizon, of 1–5 years. We hold a different view as, from the bottom up, we see significant upside from a valuation perspective. It is always difficult to time the unlocking of this upside, but we believe a more favourable macroeconomic environment will help re-rate growing companies and, beyond the 12–18 month time horizon, we see huge monetisation opportunities from structural growth areas like 5G, semiconductors, Vietnam, and consumption in India. We acknowledge that fundamental supporting data points will first emerge some time towards the latter part of 2020 or even into 2021, but one needs to look ahead.

Growth, and growth and quality, as a style has seen increasing volatility over the past 18 months, driven by the emerging growth fear and centred around the growth outlook for China as well as the outlook for the technology sector. We believe in a more favourable economic growth environment for 2020 on the back of improved global liquidity conditions, domestic demand growth returning, and a return of the technology cycle, which we feel will lead to attractive performance for our Fund during 2020.

There are risks, for sure, and we believe the main risks now are around politics and the trade deal between China and the US as well as geopolitics in the Middle East – we need to be aware of these and accept some volatility when it comes to Asian markets. We also expect some swing in sentiment around earning expectations, but in general we expect Asia to see rising earnings trends and valuations are still attractive as we see them over the medium to longer term.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Emerging Markets and Asia Team

Polar Capital LLP

February 2020

## Automation & Artificial Intelligence Fund

### Fund Performance

The Fund NAV (I US Dollar Accumulation Share Class) returned 39.6% during 2019, compared to its global equity benchmark, the MSCI ACWI Net Total Return, which was up 26.6%, both in dollar terms. During the year, all subthemes except vertical application (automation) outperformed the market; materials systems, robotics components and AI enablers were our best performing subthemes. Liquidity was a headwind to performance in a rising market.

While concerns of a global economy deceleration remained a headwind to the Fund during 2019, a significant portion of the portfolio enjoyed a meaningful multiple rerating, mainly due to a reduction in earnings volatility during this cycle. Through our experience of investing in the technology sector, we hope to identify the early adopters of new technologies in non-tech sectors that can significantly change their business models, with the expectation that this also changes either the ultimate earnings power or the earnings volatility. The impact of a change in the latter is sometimes less obvious to investors despite it often leading to significant multiple expansion. With technology changing demand patterns and growth, the spread between peak and trough earnings is now tighter and through-cycle earnings are more stable. We saw this across several subsectors in our portfolio, including semiconductors and industrial companies. Most of the companies that we hold with relatively high cyclical exposure demonstrated that trough earnings power is higher (in some cases, much higher) during this cycle than in the previous one, thanks to one of the four secular trends in which the Fund invests. Atlas Copco, STMicroelectronics and Schneider Electric are great examples of this, and all were among the top 10 contributors for the year.

Fortunately, we had very few stock-specific issues that negatively impacted fund performance in a meaningful way. Corning was our largest negative relative contributor for the year that is held in the Fund. Its two biggest business segments (display and telecommunication) faced weak demand which forced the firm to cut full-year guidance twice. The longer than expected ramp-up of glass capacity also temporarily depressed free cash flow generation, an operating metric that investors assign significant importance to. Although we believe our investment thesis still remains valid, the unexpected slowdown in the optical fibre business caused a much bigger revenue shortfall, wiping out the growth we expected in the other three segments. We took down the position meaningfully after this disappointing setback, but we expect the ongoing demand for lightweight materials in the automotive industry alongside 5G-related investment to drive a recovery in 2020.

PTC was another key detractor held in the portfolio. Regular readers will know that we believe industrial software is the best way to play the industrial internet of things (IoT); the sector did very well with the majority of companies delivering several beat-and-raise quarters in a row. Unfortunately, PTC was the exception, missing its own guidance three quarters in a row. While the firm cited different reasons for each miss, ultimately it had lower exposure to secular growth drivers than investors were led to believe, worsened by weak business execution. While we still believe the Computer Aided Design (CAD)/ Product Lifecycle Management (PLM) industry can sustain a mid-teen Compound Annual Growth Rate (CAGR) we prefer other names in the sector and, after significantly reducing our holding in July, we completely exited the position in September.

### Market Review

After a volatile end to 2018, which culminated in the S&P 500's worst December since 1931, global equities surged in 2019, buoyed by the Fed's volte-face from rate hikes to rate cuts and the resumption of balance sheet expansion. The strong finish to 2019 resulted in a full-year gain of 26.6% for the MSCI All Country World Index, while the S&P 500 had its best year since 2013, gaining 31.5% (all in dollar terms). Growth outperformed value during 2019 as the Russell 1000 Growth Index returned 36.4%, 9.9% ahead of the Russell 1000 Value Index. There was, however, a significant rotation from growth and momentum stocks into value and cyclical stocks in the last third of the year.<sup>1</sup>

The first quarter of 2019 was the best quarter for both the S&P 500 (13.6%) and WTI Oil (32.4%) since the second quarter of 2009. The breadth of asset classes that have participated in the first quarter rally was impressive, arguably demonstrating the growing confidence in a global growth rebound supported by easing trade tensions, dovish central bank policy and a China stimulus program. Macroeconomic data points remained mixed in both US and Europe while China Manufacturing Purchasing Managers' Index (PMI) for March surprised on the upside, finally crossing back into expansion territory for the first time in four months. Several subcomponents that were closely monitored also rose in the month including the important new export orders. The Federal Reserve's March meeting surprised the market with its increasingly dovish tone. Although, the policy rate was left unchanged, the committee provided updated future rate projections showing a significant downward migration in the dot plot charts that now imply no rate hikes for 2019, compared to the two implied rate increases back in December.

<sup>1</sup> Source: Goldman Sachs Quantamentals US Factor Review (Jan 2019).

## Automation & Artificial Intelligence Fund

 continued

### Market Review

 continued

The sudden reversal in markets in May originated from a series of tweets from President Trump leading to a breakdown in trade negotiations that coincided with softer economic data. The risk-off move was broad-based and impacted most asset classes with a noteworthy move in Brent crude oil. The US 10-year treasury yield fell to 2.12% at month end, its lowest level since September 2017, while the market was pricing in at least one interest rate cut this year. This reversal was driven by Trump's decision to increase the tariff rate on \$200bn of Chinese imports from 10% to 25% and threatening to levy tariffs on an additional \$325m of Chinese imports. Slow progress on trade negotiations and China supposedly reneging on previous commitments were cited as the mitigating factors. China responded to this threat with plans to increase tariffs on \$60bn of US imports to a floating range of 5–25% (from 5–10%). Meanwhile, China also defiantly retaliated to the US adding Huawei to a restricted export list, by suggesting it would crack down on 'unreliable' foreign entities, suggesting those companies would be denied access to Chinese rare earth metals and other critical components. Trump also surprised the market in the same month with a 5% tariff on all goods imported from Mexico, rising to 25% in October, unless action is taken by Mexico to curb the flow of undocumented migrants into the US.

The re-emergence of trade tensions weighed on corporate confidence as demonstrated by the recent batch of monthly manufacturing PMIs. In early June, Federal Reserve Chairman Powell provided dovish commentary that tariffs had been placed on a growing list of concerns that could presage looser monetary policy. With central banks closely monitoring developments and implying they would act to support the global economy, calmness returned to global stock markets. In fact, the S&P 500 reached new highs towards the end of June – its best June since 1955 and best first half of the year since 1997 – as the market shrugged off concerns about global growth, buoyed by the prospect of monetary easing from global central banks and improved US/China relations at the G20 summit.

This uncertainty weighed on the US economy with weakening data in the third quarter, driving 30-year UST yields below 2% for the first time ever, taking the entire US treasury yield curve with it. The equity market was sent into turmoil before it recovered in September as the narrative shifted, explaining away the sub-2% rates as a function of yield scarcity. There were several isolated events that temporarily depressed risk appetites such as a drone attack on Saudi Arabian oil facilities, the launch of an impeachment enquiry into President Trump by the Democrats and the expansion of the US Entity List to cover more Chinese technology companies. The equity market quickly recovered from these events thanks to liquidity provided by central banks that continued to play their part in ameliorating the softening global economy.

Global PMI releases remained subdued through 2019 but stabilised in December. The US labour market has been resilient thus far with the unemployment rate declining to 3.5% in November, matching the lowest jobless rate since 1969. The Fed's ongoing liquidity injections into the money markets via repo operations and the purchase of treasury bills at a pace of \$60bn per month (into the second quarter of 2020 or longer) effectively expanded the Fed's balance sheet. The temporary trade war truce between the US and China – coined as a phase one agreement – boosted market sentiment, with the MSCI All Country World Index finishing the year +26.6%, in dollar terms.

### Fund Activity

Unlike in previous years, we did not meaningfully change the allocation towards our four core themes, although we steadily increased the weightings in materials science and AI, driven purely by bottom-up stock selection. Given the long-term nature of the four themes we invest in, the Fund is designed to have a relatively low turnover; in 2019 our turnover was 32%. 5G infrastructure investment-related opportunities drove the majority of the increased weighting of materials science (Nitto Boseki, MEC, TDK, Samsung Electro-Mechanics and Taiyo Yuden). The AI applications subtheme benefited from our research efforts in identifying early technology adopters, aided by the considerable experience in investing beyond traditional technology sectors brought by Alastair Unwin and Nick Williams, both of who joined the team in the summer. Our focus has been mainly on data-asset owners, such as Medidata, Shimadzu and S&P Global, whose business models can be dramatically empowered by applying machine learning to their unique data sets.

Most noticeably, we took profit in industrial software (Aspen Technology, Autodesk, ANSYS, Dassault Systemes, Roper Technologies and Aveva Group) as the rerating of multiples and significant upward revisions for consensus earnings forecasts over the next three years drove strong performance.

### Market Outlook

Looking into 2020, we think the relative underperformance of EM and Europe will likely reverse as these regions experienced economic slowdown first and central banks reacted more aggressively to arrest the stagnation. The US market should hold up well, even with raised expectations, thanks to another central bank pivot. We believe that, however any liquidity injection is framed, the key factor in economic stability is that the combined balance sheet expansion by the Fed, BoJ and ECB hits \$100bn every month<sup>2</sup>. The People's Bank of China started the new year with 50bps RRR cut, which effectively released \$115bn of reserves into the financial system. With ample liquidity available globally, the downside risk to equity markets seem to be contained and debate now mainly centres around the shape of the coming recovery. We remain constructive on equity markets with a small bias towards emerging markets and Japan.

2 US Equity Strategy, Morgan Stanley, 6 Jan 2020.



While we doubt the trade dispute between China and the US will settle completely in the coming year, we think both sides have incentives to continue a de-escalation process, which should provide a healthy tailwind for global risk assets.

We would like to take this opportunity to remind investors of our investment philosophy. We aim to identify misunderstood addressable markets where tech adoption and deflation changes the opportunity set, and where this is not yet reflected in valuations. As experienced technology investors, we believe we are in a privileged position to better understand disruption associated with new technologies. By talking to technology companies, we can better understand where adoption is mostly likely to occur and focus on companies embracing new technologies to gain a competitive advantage. The Fund has a long-term investment horizon given the timelines associated with disruption and the long-term nature of the structural themes we are exposed to. However, we are cognisant of near-term drivers during our investment due diligence processes. A number of our investments will have some cyclical exposure, direct or indirect, that may bring higher earnings volatility in the short term; we try to identify firms with novel growth drivers that bring longer-term earnings stability and reduce the cyclical nature typically associated with these names.

We are in the infancy of the four major industry transformations that the Fund addresses. We strongly believe these represent large, multi-year investment opportunities.

Robotics demand is broadening from augmenting labour to previously impossible tasks. We focus on the key advanced components that enable this secular growth, alongside vertical solutions providers and the end applications that can disrupt the existing market. Current investments are focused on significantly expanding total addressable markets such as medical robots and autonomous driving technologies.

In industrials, the IoT is driving the replacement of the existing 60 million machines deployed in the field. Two-way communication – a key attribute of Industry 4.0 – creates enormous new opportunities for control software and solutions providers such as predictive analytics and autonomous decision-making. We see a reshaping of the industrial landscape across end markets by innovative newcomers as well as incumbents who embrace technology aggressively to defend their positions. We aim to identify those companies which can benefit meaningfully from this mega trend as well as cyclical recovery in their respective sectors.

AI will be the most disruptive class of technology over the next 10 years, with development accelerating due to unprecedented computational power, near-endless amounts of data and exponential advances in deep neural networks. For now, we are primarily exposed to enablers, i.e. semiconductor chip makers whose products are extensively used in the training and/or inference process.

However, our energy is now more focused on identifying potential beneficiaries, companies whose business models can be enriched or dramatically changed by AI adoption. We take a measured approach in our expansion into sectors in which we have little experience (e.g. financials and energy) but are hopeful that we should be able to find early adopters of these technologies in non-tech sectors. Over time, we will look to shift the portfolio further away from the traditional technology enablers towards those beneficiaries of these emerging technologies.

Technology advancement has been significantly influenced by the evolution of materials science. We look for inflection points for new materials, either through the acceleration of adoption or widening of applications. Lightweight materials used in automotive industries and special materials that benefit disproportionately from 5G implementation have been a key focus for us.

We continue to believe that market progress will become increasingly dependent on underlying earnings growth. That said, given our focus areas and cyclical exposure, we see both headwinds and tailwinds to portfolio names in the shorter term due to macroeconomic uncertainties and geopolitical events. A more volatile period demands a more active approach to portfolio management; for those willing to take a longer-term view some volatility can be helpful. We remain hugely excited about the four major industry transformations, each of which represents large, multi-year investment opportunities.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Technology Team

Polar Capital LLP

February 2020

## Biotechnology Fund

### Fund Performance

The Fund returned 31.3% (Class I US Dollar Distribution Shares) in the 12 months to the end of December versus the benchmark's 24.9% (in dollar terms) for a relative outperformance of 6.4%. The biotechnology sector underperformed the broader market with the S&P 500 Total Return Index returning a robust 31.5% (in dollar terms) during the year.

The year for the biotech sector was characterised by strong performance over the first three months as the sector rebounded strongly from the drawdown seen in the fourth quarter of 2018. M&A activity at the start of the calendar year was the fuel for initially solid relative outperformance of the sector versus the broader market. However, that outperformance was given back through the middle six months of the year as the sector suffered from mounting investor nervousness related to healthcare reform as Democrat politicians in Washington found their voice following gains in the mid-term elections of late 2018, and investors became increasingly wary of the rhetoric coming from the leading leftist Democrat presidential candidates. That nervousness, and the sector's relative underperformance versus the market, reached its nadir in early October after which the sector posed a strong recovery into year end. The Fund's relative outperformance versus the benchmark was in simple terms gained between January and June, lost between July and November, and regained again in December.

Within the Fund's portfolio, investments in Argenx, Incyte and Celgene were among the top absolute contributors to performance, with C4X Discovery, Biogen and Hansa Biopharma among the main absolute detractors. With respect to relative performance versus the benchmark, Argenx, Dermira and ArQule were the largest positive contributors while Celgene, BeiGene and Stemline Therapeutics were the largest negative contributors. Overall, performance for the Fund was acceptable on both an absolute and relative basis. While the Fund benefitted from some of the M&A activity in the sector – in January, both Celgene and Loxo Oncology were acquired and, in December, ArQule was acquired – the Fund did miss out on a number of the higher profile M&A activities through the year. Furthermore, there were some surprising clinical development successes for several of the sector's smaller companies, prompting some significant positive share price moves, which the Fund missed out on. However, on the positive side, stock selection was on balance positive, with December being a particularly strong month, and risk management at the individual stock level was positive.

### Market Review

The biotech sector started the year strongly, but despite that there was little to celebrate as January's performance merely neutralised the effect of the dramatic sell-off in December, and investors still seemed cautious with respect to near-term exposure to the sector given the uncertain macro backdrop. Fourth quarter earnings season for the larger commercial biotech companies as well as their more traditional pharmaceutical company peers started in somewhat mixed fashion, with companies generally reporting solid fourth quarters but giving guidance for 2019 light of expectations.

In February, the Federal Reserve messaging a moderation of the pace of interest rate tightening allowed the sector to continue to move higher. Clinical development news flow for companies developing new medicines was mixed but on balance generally positive. Towards the end of the month, Roche's \$4.8bn acquisition of gene therapy company Spark Therapeutics at over a 100% premium to the share price was the catalyst for a strong move higher in the share prices of gene therapy companies (we suspect much of that was short-covering on the part of investors betting against these companies) but, apart from that, towards the end of the month it felt to us as though biotech companies had reached something of a short-term resistance level in terms of valuations.

This proved to be the case as the sector tracked sideways in March. Towards the end of the month, a major clinical trial disappointment for large-cap Biogen, with the company announcing the discontinuation of the late-stage clinical trial of their Alzheimer's disease drug candidate aducanumab, was the catalyst for correction across the sector. However, this was quickly reversed, with investors taking the view that the consequence of the setback is that Biogen will look to execute a major piece of M&A to restore the longer-term growth story. The share prices of companies speculated as likely targets accordingly rose in anticipation. This is somewhat characteristic of a narrative that seemed to drive the share prices of many of the higher profile small and mid-cap companies in the sector this year – the apparent inclination of larger pharma and biotech companies to acquire these companies at huge premia to market value to access products and/or technology platforms to drive long-term growth.

While the broader market continued to grind higher, the biotech sector's underperformance became more pronounced in April. The resistance to positive forward momentum we felt the sector was experiencing through February and March turned into a minor correction in April with the sector suffering an acute move down over a few trading days toward the middle of the month.

The catalyst appeared to be renewed drug pricing concerns with a House of Representatives subcommittee hearing on insulin pricing held on 10 April, in which US politicians grilled senior executives from the pharma industry on their pricing practices for this important medicine for patients with diabetes. With this, the sector finally got dragged into the increasingly messy trading action that had been afflicting the broader healthcare sector since the start of the year.

Our perception is that the healthcare sector's defensive growth characteristics made it a popular overweight allocation among generalist equity investors at the start of the calendar year following the market volatility of the fourth quarter of 2018 and wavering economic indicators. However, the first few months of 2019 saw the Federal Reserve ratchet down expectations for interest rate tightening in the near term, as well as China moving to a full-on easing mode, requiring investors to shift away from defensive growth towards more cyclical sectors such as semiconductors, financials, energy and industrials. At the same time political rhetoric returned for reforming the healthcare system in the US. Democrat politicians had gained a voice after the mid-term elections in late 2018 and politicians of both parties, including the higher profile potential presidential candidates, started to raise the populist rhetoric ahead of the primaries which started in early 2020.

May was all about risk-off in equity markets as trade tensions between the US and China escalated, again threatening the outlook for global economic growth. While the biotech sector fundamentally has little sensitivity to the imposition of tariffs on exports from China, the sector's character as a higher risk asset class saw it sold down by investors needing a tool to express declining investment risk appetite more broadly. With weak investor sentiment across healthcare – specifically for the pharma and biotech sectors due to the uncertainty created by government proposals to reform Medicare Part B (specialist drugs administered in the hospital setting) as well as proposals to remove the rebating system from the pharma drug supply chain in the US – it is not surprising that the biotech sector's defensive growth qualities failed to garner investor interest (although interestingly, the sector did manage to outperform the broader market marginally).

Just as the month of May was risk-off, June saw risk appetite abruptly return as investors responded to suggestions the Federal Reserve was preparing to reverse course further and cut interest rates to head off any potential economic slow-down. Hopes for a truce between the US and China in their ongoing trade spat also seemed to fuel the market towards the end of the month, with the S&P 500 delivering its strongest June since 1938. The biotech sector started the month lagging the broader market but a large M&A deal in the middle of the month (Pfizer buying cancer drug developer Array BioPharma for approximately \$11.4bn) gave a lift to the sector – particularly smaller-cap targeted oncology-themed companies – driving outperformance over the second half of the month.

The sector's Fed-induced risk-on performance faded in July as political focus on the cost of medicines in the US returned. While the Trump administration abandoned a potentially hugely disruptive agenda to remove drug manufacturer rebates from the Medicare system, late in the month the administration proposed instead to start re-importing medicines from Canada at lower prices, an initiative we do not believe will go anywhere. But much more significantly, new bipartisan legislation proposed in the Senate reminded investors of the persistence of politicians across the political spectrum in the US to keep prescription drug costs towards the top of the agenda in Washington just as the presidential election cycle starts to warm up.

Away from politics, the larger commercial stage biotech companies generally reported strong results for the second quarter, beating investor expectations and either reiterating or increasing financial guidance for 2019. The sector's fade continued in August during a low volume but volatile trading month, with the market appearing to show little interest in the strong operating performance of the sector.

The sector continued to fade through September on deteriorating investor sentiment. Pinpointing a specific reason for the sector's underperformance is tricky but negative political rhetoric from politicians in Washington towards the pharma industry raising the risk of legislative changes that disrupts the industry's operating environment, an increasingly nervous macro environment, continued outflows from sector-specific ETF/passive products, and an excess supply of paper from IPOs and follow-on financings stretching specialist capital thin, were probably all contributing. Seasonality may also have played a part, with mutual funds in the US starting to move into and through financial year-ends, and hedge funds perhaps also starting to reduce leveraged exposures moving into calendar year-end after a tricky trading year. The month also saw a period of aggressive factor rotation in which stocks with growth and momentum characteristics were sold to buy stocks with more value characteristics.

From early October, everything changed with respect to the biotech sector's relative performance versus the broader market. Pinpointing the reason(s) for the sector's sudden reversal and strong relative outperformance over the month is also somewhat tricky, though we would point to some surprisingly positive clinical development news flow (including perhaps most bafflingly Biogen claiming that their previously abandoned Alzheimer's drug candidate may actually be meaningfully clinically effective after all – though we remain to be fully convinced); a series of M&As involving some smaller clinical development-stage biotech companies; as well as a largely better-than-expected third quarter earnings season for the sector's commercial-stage companies, all at the margin tempering, and perhaps reversing, the recently extended negative sentiment and positioning. We also note the broader macro backdrop for equity markets became more constructive with the Federal Reserve expanding its balance sheet and other central banks easing, and forward-looking economic indicators seemed to stabilise.

## Investment Manager's Report *continued*

For the financial year ended 31 December 2019

### Biotechnology Fund *continued*

#### Market Review *continued*

The sector's new positive momentum and relative outperformance continued through November, with the equity market backdrop turning risk-on in response to central banks injecting liquidity, even with previously deteriorating global economic indicators seeming to stabilize or improve, and US-China trade tensions appeared to ease. More specifically to the biotech sector, the healthcare agenda in Washington started to become somewhat clearer with investors able to both dissect the major legislative proposals being discussed as well as to discount the risks of the more radical and disruptive proposals gaining traction. November also saw an unusually intense period of positive fundamental news flow for smaller biotech companies, including unexpected clinical trial successes and much earlier-than-expected FDA approvals for important new medicines, as well as high-value M&A activity. Although December saw more muted performance for the sector, biotech investors ended the year somewhat relieved – with the sector having mostly recovered from a period of significant relative underperformance versus the market – as well as somewhat optimistic for continued better performance for the new calendar year.

#### Fund Activity

The Fund outperformed the benchmark over the year, driven by strong returns from several of the portfolio's smaller-cap companies and from holding a material underweight position in large benchmark constituent Biogen which suffered a major clinical trial disappointment. Being underweight versus the benchmark, Celgene (proposed acquisition by Bristol-Myers Squibb in January for \$74bn) and not holding positions in other M&A targets such as Spark Therapeutics (by Roche for \$4.8bn in February), Array Biopharma (by Pfizer for \$11.4bn in June), and The Medicines Company (by Novartis for \$9.7bn in November) detracted from performance. The acquisition of Loxo Oncology (by Lilly for \$8.0bn in January) contributed to absolute performance though being only marginally above benchmark, the effect of the acquisition on relative performance was marginal. A more significant contributor to both absolute and relative performance was the acquisition of ArQule (by Merck for \$2.7bn in December). During the year portfolio company Realm Therapeutics was acquired though the de minimis Fund position size and deal terms made the situation largely irrelevant to performance. There were no material clinical trial setbacks for the Fund's portfolio companies during the year, reflecting the Fund's active approach to managing stock-specific risk. Over the year, holding a cash position was a net detractor from performance. Over most of the year the Fund was positioned with a beta of less than one versus the benchmark, though the beta was increased in October which enabled the Fund to keep up with the sector's strong performance from October into year end.

After the strong performance of the biotech sector in the final quarter of 2019, specialist investors appear to be approaching 2020 with a degree of fragile optimism. The fourth quarter of 2019 was notable for emerging clarity on the potential forms of healthcare reform possible in the US after the presidential election later this year. This includes potential changes to the way in which medicines are made available and paid for in the world's largest market for pharmaceuticals, a spate of unexpectedly positive clinical development news flow and a burst of M&A activity. The combination of all three was probably responsible for the sector's recovery, set against a robust broader market backdrop. The sector's recovery has been very fast, so it would not be surprising to see a modest correction as investors take time to reflect on the move and perform a sanity check on valuations versus fundamentals – in some cases there is now a significant disconnect.

We believe market expectations for continued M&A activity are now relatively high at the start of the new year; we would not be surprised to see the sector fade in the near term if those expectations are not met. Given the sector's recent performance, we are braced for significant capital markets' activity at the start of the new year; a flurry of IPOs and follow-on financings could also put some pressure on the sector in the near term. However, we believe the set-up for 2020 is on balance constructive as we think at a high level, biotech remains relatively under-owned as an asset class with an increasingly robust defensive growth profile. We believe the biotech sector is poised for outperformance versus the broader market for the coming year, albeit with confidence-testing volatility along the way.

While volatility in share prices from healthcare reform news flow is to be expected in the build-up to the US presidential election, our sense is that the uncertainty created by the rhetoric and machinations of Washington appear to have been largely discounted in share prices a whole year early. We believe there is bipartisan interest in addressing the affordability of medicines in the US, particularly out-of-pocket medical expenses for patients, but we believe that what ends up being changed through legislation will likely be a compromise and unlikely to materially impair the industry's operating environment as it relates to either R&D or the commercialization of new medicines. That should leave the industry free to create value for investors by deploying capital for successful R&D and, ultimately, innovation.

The sector's smaller companies are generally well capitalised and R&D productivity continues to be strong. We note that in 2019 the FDA approved 48 new medicines and the majority of recently launched new medicines have been beating sales expectations. We expect the coming year to have its usual mixture of clinical trial success and failures. In 2020 there will be several high-profile FDA approval decisions for medicines where controversy exists over the strength of the clinical trial data. The outcome of these will be important tests of the market's current perception of the FDA as having a constructive (perhaps even overly accommodating) attitude towards the pharmaceutical and biotech industry and, macro-risk appetite influences aside, could represent the key factors for sector performance for the year.

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At a high level, medical research continues to generate exciting new prospective medicines, and clinical trials successes are creating new commercial opportunities, which in turn represent additional sources of durable growth and profitability for the industry.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Healthcare Team

Polar Capital LLP

February 2020



## China Stars Fund

*'Don't brag about your lightning pace, for slow and steady won the race'*

The Hare

### Fund Performance

During December, MSCI China All Shares Net Total Return Index gained 8.3% (in dollar terms) and the NAV of the Fund increased by 7.6% (Class I US Dollar Accumulation Shares). This brings the FY2019 return of the Fund to 31.2%, while the benchmark grew by 30.3%.

In many ways, the market was the hare and the China Stars Fund was the tortoise during 2019. When the gun went off the hare raced ahead by almost 25% in the first quarter as the Fund struggled to catch up. It was only when the hare stretched himself out alongside the road and fell asleep from the second quarter that we steadily gained on it and eked out a narrow win. Money management is full of hares but we prefer to be the tortoise.

The top contributors to relative performance in 2019 were China Meidong Auto Holdings and Dadi Early-Childhood Education; the biggest detractors are China Resources Pharmaceutical and 21Vianet Group.

China Meidong Auto Holdings (Meidong), a luxury car dealership run by an owner-operator with a unique strategy and strong focus on return on capital, advanced by almost 250% in 2019 and by about 180% from our initial purchase price in March 2019. Meidong is on track to deliver more than 50% EPS growth in 2019 and a substantial rerating from 7x forward EPS to 16x boosted its total return significantly. From a small-cap hidden gem with barely any sell-side research coverage, Meidong has gathered more market attention to end the year with 13 sell-side analysts, including two global brokerage firms and one bulge-bracket investment bank. This massive rerating as a result of increased market attention means its shares are less attractive than before, however we believe it can continue to deliver more than 25% EPS CAGR over the next three years and a higher contribution from the stickier service and repair business will increase the quality of its earnings. Considering its valuation and strong growth prospects, we have trimmed our position size and Meidong is currently a small holding.

Dadi Early-Childhood Education (Dadi), an exceptional kindergarten operator and service provider, increased by 50% as it continued to deliver earnings growth of more than 15%. Dadi's valuation has recovered well from an irrationally low level in late 2018 and is trading at very reasonable 14x forward earnings. We expect it can grow more than 15% per annum over the next three years as it continues to grow its footprint in China and provide more value-add services to more than 300 Dadi-branded kindergartens. Given its more sensible valuation and steady growth profile, we have reduced our position size by half, but Dadi remains a midsize holding.

China Resources Pharmaceutical (CR Pharma), a healthcare conglomerate with assets in drug distribution, consumer health and generic pharmaceuticals, dropped by 28%. In early June, the State Council declared it would implement new rounds of the centralised procurement of drugs and fully implement the price cut nationwide in time. This created uncertainty over industry growth which in turn caused fast money to exit. We continue to be constructive on CR Pharma's drug distribution business's ability to consolidate the industry and grow at low-teens CAGR over the coming years. Trading on 8.5x forward earnings, we think it is a great price for a very decent quality asset in a structurally growing industry. We took advantage of the weakness in the second half of 2019 to increase our holding. CR Pharma is a midsize holding.

21Vianet Group (21Vianet), a carrier-neutral internet data centre service provider, declined by 16%. 21Vianet made a few important milestones during 2019: it set an aggressive three-year financial KPI complemented by a management incentive scheme; it won several big contracts with leading public cloud vendors such as Alibaba. We think the company is on the right track. In terms of valuation, 21Vianet is the cheapest IDC asset in China and we think this is unjustified. We have taken advantage of weak stock performance to purchase more. 21Vianet is a midsize holding.

### Market Review

Chinese equities rallied sharply in 2019, primarily driven by multiple rerating. MSCI China All Shares 12-month forward earnings multiple expanded from 9.8x at the beginning of the year to 12.5x as the year ended, a 27% expansion compared to the total return of 25.1% of the index. This should be viewed in the context of a massive derating from 13.5x to 9.8x during 2018 as the US/China trade war escalated and dominated the headlines, creating a huge amount of uncertainty. The return of Quantitative easing (QE) and de-escalated trade war rhetoric drove the market enthusiasm.

There is a noticeable difference between onshore and offshore China performance. The predominantly offshore MSCI China index advanced by 20% while its onshore peers in CSI300 rose by 34.4%, both in US \$ terms. Our significant underweight of China A-shares was a major drag on performance, but this was more than offset by better stock picking within each market. We have maintained our large underweight in China A given its unattractive valuation.

## Fund Activity

During 2019, there were a few noteworthy new positions and exits.

China Vanke is one of China's largest property developers with a high-quality land bank and a strong balance sheet. Vanke is a mid-size holding. China Building Material Test & Certification Group (CTC) is an absolute leader in the construction materials tests and certifications business. CTC is a small holding.

We exited our position in West China Cement, as we discovered its acquisition of an African cement asset which raised our concern about its capital allocation. We also sold Fuyao Glass Industry Group at the beginning of the year as we were worried about China's auto market growth in 2019.

## Market Outlook

At the end of 2018, the situation certainly appeared dire as we expressed measured optimism that China's commitment to reform is irreversible, the valuation of some very high quality assets were compelling and the trade war might be a blessing in disguise to bring about bold reforms. This is in stark contrast to the exuberance we are witnessing heading into 2020. The market oscillates between greed and fear and while it was clear the market was in fear mode in late 2018, it is not so clear if the greed has taken over even though we are seeing some signs of irrational exuberance in some pockets of the market. 2019 was predominantly a beta-rally market, but we think 2020 is likely to return to a stock-picking market in which fundamental earnings growth will drive stock performance.

Our focus in the Fund is to identify good quality companies through rigorous bottom-up business and financial analysis, and purchase shares at prices that offer high margin of safety. We continue to discover some very interesting assets.

We are confident that our portfolio companies will continue to deliver strong earnings growth, and they are trading at a material discount to their intrinsic value. We believe the portfolio is well positioned to deliver good performance in 2020.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

## Emerging Markets and Asia Team

Polar Capital LLP

February 2020

## Emerging Markets Income Fund

### Fund Performance

The Fund posted a rise of 14.9% (Class I US Dollar Accumulation) during 2019 and thus lagged the benchmark by 356 basis points. After the sharp correction in 2018 in which growth stocks sharply underperformed, 2019 saw a resumption of the trend of growth outperformance which has characterised global markets for most of the decade. It was notable that the four markets in which the Fund's performance was weakest on a relative basis – China, Korea, South Africa and Brazil – were those in which the differential between value and growth stocks was most pronounced. In the case of China, South Africa and Brazil this differential was 20% or more. Performance in both China and Korea was dominated by technology where the Fund is underweight, while in South Africa, Naspers, whose main asset is Chinese software company, Tencent, and the precious metal stocks dominated the performance tables. In Brazil it was the stocks deemed most likely to benefit from the recovery in economic growth that outperformed. These were in consumer discretionary, healthcare and industrial sectors and were predominantly stocks with negligible yields.

In contrast, the Fund's performance was strongest in markets where the performance differential between growth and value was more nuanced, for example in India, where the crisis in the banking sector meant that strong franchises such as ICICI Bank were seen as beneficiaries. Falling interest rates helped the performance of high yielding names in Mexico and Thailand. Off-benchmark positioning in Romania was also a strong positive as the Fund's holdings enjoyed strong gains following a change in government that heralds the prospect of much better management of the economy and the possibility of the recommencement of privatisation. Russia, where the Fund has its largest overweight, was a mixed blessing as the benefit of the overweight was undone by stock selection. In large part this was due to not owning Gazprom which enjoyed a rare moment in the sun as investors came around to the idea that corporate governance was improving and that the dividend pay-out ratio would be lifted in line with the government request of 50%. We remain sceptical of this and continue to avoid the stock.

Sector allocation was a significant negative, largely due to the underweight in consumer discretionary (which includes Alibaba) and technology as well as the overweight in financials, industrials and healthcare. Performance by sector was reasonable with strong performance in financials, energy, real estate and communications being offset by weaker performance in consumer discretionary and industrials.

### Market Review

Following a last-quarter surge, emerging markets posted very respectable returns of 18.4% in 2019, albeit considerably behind the remarkable 27.7% return seen in developed markets. Much of the year was dominated by the ongoing, on-off trade negotiations between the US and China. Although this was widely seen as a considerable negative for global growth, it is clear that all the damage to markets was done in the back half of 2018 and although there were no positive developments in 2019 these had no discernible detrimental impact on markets. Certainly, trade could be cited as one of the reasons why emerging lagged developed markets, but this would seem to be disputed by the fact that the Chinese market posted gains of over 24% during the year, well ahead of the overall benchmark.

If, ultimately, trade turned out to be something of a distraction during 2019 then the same could certainly not be said for the so-called pivot by the Federal Reserve, where they switched from tightening monetary policy to loosening. The net result was that the Fed Funds rate was cut three times from 2.5% to 1.75% and, more significantly, the Federal Reserve started expanding its balance sheet again. Unsurprisingly, equity markets globally responded very positively. This change in direction narrowed the differential in monetary policy between the US and the rest of the world, hence the dollar started weakening, thus helping emerging markets to erase some of the relative losses versus developed markets.

2019 was an anaemic year for global growth with the risk always seemingly to the downside, largely due to weakness in Europe and the trade war. Against that backdrop, OPEC+ managed to maintain a robust oil price in the \$60–70/barrel range in spite of a continuous rise in US production. This was sufficient for the Middle East producers without causing damage to the global economy. With inflation remaining subdued and growth uninspiring there was plenty of scope for interest rates to be cut and central banks in Brazil, Mexico, Russia, India and Indonesia all took advantage of this opportunity by cutting aggressively. Bond yields and spreads fell sharply, helping the risk-on mood.

The best performers in 2019 were Russia, Taiwan, China and Brazil while the rest of Latin America, the Middle East, ASEAN, Turkey and South Africa lagged. Russia benefitted from the absence of any political manoeuvre damaging confidence in the country, the stable oil price, interest rate cuts and the prospect of change at index heavyweight Gazprom. China and Taiwan ignored the trade war and were boosted by strong performance in their technology sectors while Brazil basked in being a rare emerging market in which there was some much-needed reform, in this case to state pensions, as well as an economic recovery. The laggards during the year were more numerous and broadly fell into two camps; those that disappointed politically, notably Chile and Argentina, and those that disappointed economically, where the clearest examples were India and South Africa.



2019 was another year in which growth stocks outperformed value and that was reflected in sectoral performance. The year was dominated, again, by technology stocks with the Chinese software names leading but closely followed by hardware as semiconductor stocks enjoyed a strong turnaround during the second half of the year. Energy marginally outperformed, a disappointing performance given the robust oil price and the very strong performance in Russia; real estate was also an outperformer largely thanks to China. In contrast, financials, industrials, healthcare, consumer staples, materials, utilities and telecoms all underperformed.

## Fund Activity

The weightings in South Africa, Taiwan and, to a lesser degree, China were reduced while those in the UAE, Korea, Romania and Russia were increased. South Africa saw the biggest reduction. The economic situation remains dire and the problems confronting President Ramaphosa seem more and more intractable. Eskom, the state-owned power producer, is particularly awkward. The company suffered more than most under the stewardship of President Zuma and needs a major overhaul, particularly in relation to staffing as well as substantial investment. The former is politically difficult while the budget deficit will make the latter hard to resolve. Consequently, the holdings in AVI, Redefine and KAP were all sold.

In contrast, the outlook for both Russia and Eastern Europe remains promising and the overweight to the region was increased. This was done through the purchase of Fondul Proprietatea (the Romanian closed-end investment company), Inter Rao (the Russian utility company) and Kazatomprom (the Kazakh uranium mining company). The common characteristics of all three are low valuations, high dividend yields and compelling optionality. For Fondul, this comes from the potential listing of its largest holding, the hydropower company Hidroelectrica, which should both increase the net asset value (NAV) as well as help close the discount at which the company trades to its NAV. For Inter Rao, the catalyst will hopefully be a new dividend policy as the current policy is at odds with Russian norms and there is substantial scope for an increase given huge free cash flow and a vast cash pile. For Kazatomprom, the catalyst will be an increase in the uranium price which is currently below the marginal cost of production. This will not require a significant increase in new reactors on top of those already announced but just a continuation of the run-down of excess inventory.

Elsewhere, the sector mix in China was changed with a reduction in industrials and an increase in consumer discretionary, the latter through the purchase of car parts company Minth Group and the sports apparel company TopSports International. In Brazil, Ambev, the country's leading beer producer, was sold due to high valuations and a depressing outlook and the money reinvested into Light, the electric utility, which is an interesting turnaround story having been effectively privatised under new management, and by increasing the weighting in Banco do Brasil.

The net of all this from a sector perspective was a reduction in consumer staples and industrials and an increase in consumer discretionary and utilities.

## Market Outlook

The end of 2019 marks the passing of a decade which has not favoured emerging markets, an asset class that underperformed developed markets by close to 100% (43.5% versus 147%). Three of the main factors behind this are very unlikely to be repeated. These were the relative valuation of emerging markets at the end of 2009, the valuation of the dollar and the evolution of relative earnings growth.

At the end of 2009, emerging markets traded at a premium to developed markets of over 10% on price to book, a situation that was never likely to be sustained. In contrast, at the start of this decade they are at a 33% discount, close to historic lows. Similarly, in 2009 the dollar was close to 20-year lows on a real effective exchange rate basis whereas it is currently near the top end of its historic range. In this regard the close correlation between a weakening dollar and outperforming emerging markets augers well. Finally, earnings per share in the US have benefitted from very low interest rates, tax cuts, a huge fall in labour costs and a surge in leverage which has largely been used for share buybacks. In contrast, dollar earnings in emerging markets have been blighted by currency weakness as well as capital misallocation resulting in overcapacity and damaged margins. Again, on a relative basis the next 10 years is likely to see a much better performance from emerging markets as capital allocation has improved and the dollar should not have such a negative impact.

For the stars to align in emerging markets the ideal combination is a weak dollar and strong global growth. 2020 offers a reasonable prospect of these two factors combining. The argument for a weaker dollar stems from its current overvaluation, the widening twin (budget and current account) deficits to which it has historically been closely correlated based on the narrowing of the interest rate differential between the US and Europe and Japan combined with more aggressive quantitative easing in the US should also add to the pressure on the greenback. A resolution to Brexit and an embracing of more aggressive fiscal policy in Europe may even give the continent a growth edge which would help to attract investment, while in the US, the presidential election in November is bound to cause some concerns, particularly if there is the prospect of a left-wing candidate winning. The argument for a cyclical recovery in global growth comes from the fact that many purchasing manager indices are at very low levels but showing signs of turning up. The probability of that turnaround is greatly enhanced by the recent easing of US monetary policy and the prospect of an increase in fiscal expenditure in the US, running into the election, and in Europe. Within emerging markets there are signs that the Chinese economy is picking up, India is embarking on a substantial infrastructure program and the Brazilian economy continues to improve.



## Emerging Markets Income Fund continued

### Market Outlook continued

Valuation has become something of a caveat following the very strong rise over the past three months. The price-to-book ratio is now over 1.7x which is still well below levels seen at the end of 2017 but above that seen between 2012 and 2016. However, if earnings recover as expected in 2020 then the improving return on equity will justify the valuation. More interesting is the valuation differential within emerging markets. Historically a recovery in economic growth combined with a weaker dollar has led to value outperforming growth within the asset class. This would sit well with valuations which for growth are close to historic peaks while for value they are much closer to historic lows. This provides a clear incentive for investors to switch from a style that has served them well over the past 10 years. Such a switch will be complicated by the fact that all the inflows into the asset class are going into index funds, thus propagating the existing market patterns. Elsewhere, most notably in the US, this move from growth to value has started to gain traction so we would suggest it is just a matter of time before this gathers pace in emerging markets.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Dividend

The final dividend for the US\$ institutional class shares was increased by 6%, taking the increase for 2019 to 4.5%. This reflects the fact that earnings growth in 2019 was disappointing. The dividend increase takes the historic yield of the institutional shares to 4.5% as at 2 January 2020<sup>1</sup> which is a premium of approximately 70% to the benchmark.

### Emerging Markets and Asia Team

Polar Capital LLP

February 2020

<sup>1</sup> Historic yield is based on an NAV per share of \$9.19 (as at 2 January 2020) and income of \$0.4 per unit paid in the past 12 months, based on US\$ institutional distribution units. WARNING: Investors should note that historic yield does not measure the overall performance of a fund. It is possible for a fund to lose money overall but to have a positive historic yield. Historic yield cannot be considered as being similar to the interest rate an investor would earn on a savings account.

## Emerging Market Stars Fund

### Fund Performance

The Polar Capital Emerging Market Stars Fund (Class I US Dollar Accumulation Shares) returned 29.5% for the full year 2019, compared to 18.4% by the benchmark (MSCI Emerging Market Net Total Return), in dollar terms.

The outperformance of 11.1% was primarily driven by strong stock selection, from a country perspective in Indian, Taiwanese, and South Korean equities, and from a sector perspective within communication services, financials, and healthcare.

The five best contributors were Notre Dame Intermedica (Brazil – healthcare), CD Projekt (Poland – software/internet), ICICI Bank (India – financial services), Alibaba Group Holding (China – e-commerce/internet/payments), and Yandex (Russia – internet services/e-commerce).

The five weakest contributors, held in the portfolio, were Samsung SDI (South Korea – EV batteries), CR Pharma (China – pharmaceuticals), KMW (South Korea – telecom/communication technology), Prosus (international listing of Naspers – EM internet assets) and Mail.ru Group (Russia – internet).

### Market Review

2019 turned out to be a very strong year for global equities in general and we saw a strong rebound from a weak 2018. From a benchmark perspective it was developed markets (DM), driven by a very strong US market (+29.1%), that was the leading asset class, outperforming the emerging market (EM) benchmark.

A lot of the narrative for the financial markets in 2019 was around the potential trade war between the US and China which dominated throughout the year – particularly for EMs – in terms of risk-off or risk-on sentiment.

We believe there were three main issues that hit EMs towards the end of 2018, and to a large degree some DMs as well, each of which saw some form of clarification and de-risked during 2019 to explain much of the returns we saw this year. In the second half of 2018, the global financial markets, EMs in particular, were hit by (1) a significant reduction in excess liquidity thanks to the Fed's tapering program, (2) US/China trade tension that developed into a mini-trade war and political stand-off between the two countries, and (3) a technology down cycle driven by semiconductors creating huge nervousness that this was a structural issue for one of the key drivers of the global economy.

This also led to significant earnings downgrades in the technology sector that significantly impacted the overall EM benchmark earnings forecasts, with the trade war implications further impacting the technology sector and the story around Huawei impacting the Asian technology sector.

These developments and the negative stock market reaction created an attractive opportunity for EM equities, and our Fund given its exposure to selective technology and growth companies in China. We would argue that (1) the world could not grow if liquidity was reduced to the level of the Fed's tapering policy so the Fed should inject liquidity, which Chairman Jerome Powell did; (2) the down cycle in technology was cyclical and not structural and that the structural drivers are starting to come through during second half of 2019; and (3) there would be a deal on trade between the US and China as both have significant domestic political agendas, with the US presidential election and China's focus on its economy and preparation for the Chinese communist party's 100th anniversary in 2021.

From a top-down perspective, we believe the strong outperformance in 2019 can be explained by our analysis of these macro situations and the underlying stock picks we selected to support these views.

There are also a few specific EM country developments that should be mentioned.

From a regional EM perspective, Asia was the strongest, very much driven by Taiwan (its technology recovery) and China (trade deal, better technology and consumer environment). China was volatile over the year, impacted by the swings in sentiment around politics. India had a weak year, relatively, though this was not the case for our Indian exposure as our stock picks there worked well despite Prime Minister Narendra Modi and his BJP party's landslide victory in the national election. Political conflicts like Kashmir and a generally weak economy dragged earnings and sentiment down for the Indian market. We remain optimistic for the market over the long term as we believe there are a number of attractive, structural-growth drivers in the economy and that Modi has implemented significant reforms that will show up as better growth going forwards.

In the Circular Economy in the Middle East and North Africa (CE-MENA) region – which also performed well – the strongest performing market was Russia, driven by commodities which saw a good market environment and some selective technology stocks such as Yandex (which we hold). The Middle East was the underperformer in the region during 2019.

In Latin America, Brazil was a strong performing market, driven by President Jair Bolsonaro and his economic team's fiscal reform agenda as well as monetary easing. This has set up Brazil for a strong economic recovery after a significant period of low growth and recession. We are clearly now seeing green shoots in the economy and have seen the equity market react to these positive developments. The Fund has benefited from these developments in Brazil and we remain optimistic for 2020.

## Investment Manager's Report *continued*

For the financial year ended 31 December 2019

### Emerging Market Stars Fund *continued*

#### Fund Activity

We have been relatively active in 2019 given the significant market developments which we have seen create interesting opportunities for the medium to longer term which we have tried to take advantages of. Funding these new stocks means we have also moved some stocks out of the portfolio.

We increased our weighting to Vietnam with three more investments: *Kinh Bac City* (industrial real estate with strong exposure to FDI into Vietnam), *Vinhomes* (property) and *Vietnam Technology and Commercial Bank*.

We significantly increased our already high exposure to the technology sector, taking advantage of the attractive valuation opportunities the sell-off in 2018 created and on back of a positive outlook for 5G exposure and semiconductors within the technology sector. Examples of new positives here, particularly in the early part of the year, would be *MediaTek* (Taiwan – 5G related), *AVAST* (Eastern Europe – internet/IoT security), *Koh Young Technology* (South Korea – measurement and testing technology), and *KMW* (South Korea – 5G antennal technology).

We added some names in the internet sector, including *Bilibili* (China – games/social media for Gen Z), *Meituan Dianping* (China – internet/e-commerce for the service economy), *MercadoLibre* (LatAm – e-commerce/payments), and *Info Edge* (India – internet services/e-commerce in the service sector).

In materials, we are structurally positive on copper and moved out of Antofagasta and into Ivanhoe Mines (copper in Africa) where we see more upside and a better ESG profile.

In Brazil, we have been investing into *Arco Platform*, an education company focusing on solutions for the K12 (Kindergarten and grades 1 through 12) schooling segment.

In the healthcare sector, we would highlight *Ping An Healthcare & Technology* (also called Ping An Good Doctor – Chinese healthcare solution provider with strong focus on using technology to create efficiency and better service in the Chinese healthcare sector) as a new investment. We believe they offer an innovative business model for the healthcare issues China and emerging markets in general are faced with.

We sold out of *NMC* (Middle East – London-listed healthcare) on the back of structural and corporate governance issues. We lost some performance owning this stock, but we reacted to the corporate governance issue and avoided the total collapse the stock subsequently saw.

We also sold *Oil Search* for ESG reasons. Oil Search is an energy company with assets in Papua New Guinea (Asian frontier market) and is Australia-listed. We liked its gas exposure, but the company changed strategy and is now investing in oil in Alaska – a strategy we do not want to support.

We also sold *Naspers/Prosus* (international listing of Naspers assets) which is a significant call from us as we have been long-term investors in this group. While we believe in the management's asset allocation capabilities and strategy, we have lost some trust, and at the same time we believe we can now better and more cheaply match and create an EM internet portfolio with other assets.

#### Market Outlook

We have a positive outlook for our Fund for 2020, particularly as we believe we will continue to see easing policies coming into EMs during the year. Many economies have room to ease, both from a fiscal as well as monetary perspective.

We see very attractive upside potential for our holdings with what we believe is limited downside as the market is currently pricing in a very low growth scenario over the medium-term horizon, of one to five years. We hold a different view as, from the bottom up, we see significant upside from a valuation perspective. It is always difficult to time the unlocking of this upside but we believe a more favourable macroeconomic environment will help re-rate growing companies and, beyond the 12–18 month time horizon, we see huge monetisation opportunities from structural growth areas like 5G, semiconductors, Vietnam, and consumption in India. We acknowledge that fundamental supporting data points will first emerge some time towards the latter part of 2020 or even into 2021, but one needs to look ahead.

Growth, and growth and quality, as a style has seen increasing volatility over the past 18 months, driven by the emerging growth fear and centred around the growth outlook for China as well as the outlook for the technology sector. We believe in a more favourable economic growth environment for 2020 on the back of improved global liquidity conditions, domestic demand growth returning, and a return of the technology cycle, which we feel will lead to attractive performance for our Fund during 2020.

There are risks, for sure, and we believe the main risks now are around politics and the trade deal between China and the US as well as geopolitics in the Middle East – we need to be aware of these and accept some volatility when it comes to EMs. We also expect some swing in sentiment around earning expectations, but in general we expect EMs and Asia in particular to see rising earnings trends and valuations are still attractive as we see it.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### **Emerging Markets and Asia Team**

Polar Capital LLP

February 2020

## European ex UK Income Fund

### Fund Performance

The Fund delivered a return of 13% on an absolute basis (Class I Sterling Accumulation Shares) and underperformed the benchmark by 6.9% (in GBP terms) relative to the MSCI Daily Net Total Return Europe Ex-UK, Euro Index.

Throughout the year, the top five contributors to the Fund were Inditex, UPM-Kymmene, Deutsche Post, Gjensidige Forsikring and Enel; the top five relative detractors from performance were Societe BIC, NOS SGPS, Orange, Red Electrica Corp and Logista.

### Market Review

Markets were very strong in 2019, with global equities having their strongest start to a year since 1987. The market rally followed the Fed's dovish capitulation after the fourth quarter of 2018 stress that was amplified by sentiment having fallen to extreme levels. That being said, the year also saw plenty of the warning signs for end-cycle trouble: the WeWork debacle, stress in US money markets, continued geopolitical strife and an extreme level of negative-yielding bonds.

There were plenty of profit warnings in the European index across a variety of sectors in the year, these included: Osram Licht (lights), Henkel (consumer goods and adhesives), Kuka (capital goods), Continental (auto supplier and tyre manufacturer), Société Générale (bank), Voestalpine (steel manufacturer), Ryanair (airline), Wacker Chemie (chemicals), Telecom Italia (telecoms), Ingenico Group, Daimler (autos), AMS (sensors), Eutelsat (satellites), Volkswagen (autos), Pirelli (auto components), SEB (banks), Orsted (renewables), Ubisoft (entertainment), Nokia (telco equipment), Europcar (transportation), Danone (staples), ABI (global brewer), Pernod (spirits), Christian Hansen (ingredients), Temenos (software), Renault (auto), Hugo Boss (retail), Publicis (advertising), BIC (industrials) and Philips (healthcare). The Fund held none of these stocks, other than BIC.

In March, the ECB followed the Fed's dovish pivot and announced a new round of Long-Term Refinancing Operations (LTROs). A combination of central bank easing, trade war worries and stuttering macro data produced extreme conditions in the bond market. Data from Bank of America Merrill Lynch credit strategists indicated that more than 90% of European corporate bonds, both high grade and high yield, yielded less than six-month T-bills (which yielded around 2.4%). The drop in global bond yields was a key driver in a dramatic style outperformance of growth over value in the first half of the year, although this partly reversed in the second half.

The European parliamentary elections produced further fragmentation among voters but there was no populist surge as feared. The results were more interesting at a country level with Lega Nord doing well relative to the Five Star party in Italy, Germany's ruling coalition being further weakened by poor results and Greece's government facing snap elections after a poor showing. Green parties made gains in several countries, echoing increasing talk of a potential Green New Deal in the US. From a European ex-UK index point of view,

Brexit has been something of a side issue for investors over the past three years. For the majority of continental Europe's listed stocks, the UK is not a material portion of sales or profits. The synchronised global upswing in 2017, the dynamics of the US Fed policy and worries about China were much more in the market's focus.

After several months of growth and quality stocks grinding higher relative to the market, dramatic style rotations occurred in September. Sovereign bond yields moved back up in the month having fallen strongly year to date; value versus growth had the biggest five-day move since the global financial crisis.

The Stoxx Europe 600 broke through its 2015 high of 415 and closed at a monthly all-time high in December while macro easing and elevated geopolitical noise continued towards the end of the year. The 2010s were the decade of central banks and monetary experiments, but the 2020s look set to be more about fiscal solutions to the challenges of low growth.

### Fund Activity

2019 proved to be a disappointing year for our strategy; most of the relative underperformance occurred in the first half of the year. The outcome for the year was frustrating, particularly on account of our performance in the fourth quarter of 2018. In spite of the disappointment, we remain dedicated to finding new attractive ideas and taking profits in stocks that hit our price targets. In 2019, valuation discipline was a headwind to short-term performance, but valuation discipline is core to the longer-term success of our investment process. We believe that both starting valuation and compounding power matter, and therefore we remain very confident in the valuation of the portfolio and its ability to compound in a relatively defensive way over the medium term.

We began 2019 with the sale of Getlink (formerly known as Eurotunnel). The shares have performed well due to Atlantia and then Eiffage (not held) buying stakes in what we see as one of Europe's best infrastructure assets. The limited capex requirements on the core tunnel asset, the strong pricing power and the material capacity headroom point to long-term cash flows growing strongly. That said, we did not believe the valuation provided a margin of safety, particularly in the context of Brexit concerns.

In March, we started a position in UPM-Kymmene (UPM) (Finnish paper company). Valuation appeared cheap at a 9% free cash flow yield, and shares had bottomed out due to softer economic growth and recent declines in prices in China (fine paper and pulp). UPM's limited exposure to pulp (6% of sales) creates a stable outlook, with an incredibly strong balance sheet.

During this year, we also sold our remaining position in UBS Group (Swiss bank) after a long and frustrating period of holding the shares. We first bought a position in the stock several years ago, supporting the strategy to shrink the relatively weak investment bank and focus on the superior economics of the wealth management business.

The medium-term nature of this rebalancing had always required patience. However, we grew frustrated with some of the execution and saw both sides of the business under pressure.

We exited several positions in May when stocks hit our price targets. In the insurance sector, we sold positions in Gjensidige and Hannover Re, both of which performed strongly over the previous year. Additionally, we sold our position in Kone, which rallied on prospects of a potential deal with Thyssen's elevator unit. We used the proceeds to start a position in Zurich Insurance Group (Swiss-listed global insurer) that is making good strategic progress under a new CEO. We expect the current 6% dividend yield to grow over the medium term, while book value per share should continue to compound.

In June, we started two positions, one in Inditex (Spanish fast-fashion retailer) and another in Galp Energia (Portuguese oil and gas business). We bought Inditex with a 5% free cash flow yield after the shares had steadily derated in recent years. It has a superior operating model that drives significantly higher margins and inventory turnover than its competitors. The business has invested heavily in technology in recent years and worked hard to improve its physical stores so we expect the group to continue to take market share over the long term.

We sold Galp Energia a couple of years ago due to valuation, but now see a more compelling risk/reward profile. When we entered the position, shares had pulled back. There was further progress in the development of its Brazilian offshore assets as well as potential future growth projects in Mozambique and Angola.

We sold our positions in Novartis and Ferrovia. Both these stocks hit our price targets having rerated this year. In the case of Novartis, some positive strategic moves were made in recent years to be more focused and better deploy capital (the move to spin-off its Alcon division was welcome). That said, the shares were at that point more expensive than its peer Roche so we decided to redeploy our weighting to a bigger position in Roche. With Ferrovia, the shares rerated due to hopes of an exit of its non-infrastructure assets and the falling bond yields supporting infrastructure valuations (its share price is more than 90% correlated with bond yields).

In August, we sold Enel (Italian integrated utility) as the shares hit our price target having performed well, more recently benefitting from the dramatic fall in Italian bond yields. While the utility sector was traditionally seen as defensive until a decade ago, it has become much riskier since. Integrated players are now more susceptible to political intervention in retail arms, conventional generation is disrupted by the growth in renewables and, more recently, low bond yields have fed into regulators cutting the allowed returns for regulated networks.

Europe's ambitious climate change targets will put pressure on profitability through the energy value chain given the challenges around affordability. The proceeds were rotated into other existing ideas in the portfolio where we have higher conviction.

In October, we sold our remaining position in PostNL (Dutch postal provider). The business had struggled in recent years, finally being allowed to consolidate with domestic postal rival Sandd (not listed). This will require a pause in dividends while the deal is executed. We felt that while the long-awaited turnaround was potentially moving closer, the increased risk and no near-term pay out made it hard to justify holding the shares. We used the proceeds to fund a position in Swiss Re (Swiss reinsurance). Swiss Re is relatively unloved among Europe's reinsurance stocks, a subsector of financials that we have strongly preferred in recent years. The big picture is that the group is very well capitalised which is a drag on return on equity today and should underpin cash returns to shareholders over the next few years. The group has become increasingly diversified and is now less reliant on the natural catastrophe business for its income.

We started a position in Danone (consumer staples) in November. Danone is trading at a 5% 2020 free cash flow yield after recently reporting disappointing quarterly results. The shares offer a 3% dividend yield (with a 55% pay out) but we see this as compelling given the outlook for high single-digit EPS growth, meaning a defensive business offering double-digit total shareholder return. We also see margins as less stretched than some of its peers in the consumer staples sector.

We also sold our position in Euskaltel (Spanish regional cable business). The shares performed better this year as the market hopes new management and a new strategy can improve the growth prospects of the business. The share price rally has happened against a backdrop of the Spanish telecoms market becoming more competitive. Our original conviction in the investment case has fallen as we see lower visibility in the growth strategy in new regions where Euskaltel does not have its own infrastructure.

## Market Outlook

We expect medium-term low-trend growth for several reasons, including levels of debt, demographics and a more subdued global economy. As such, we believe that high quality companies that can deliver solid, if unspectacular, growth over long periods are very attractive. Confidence in the short-term growth outlook will fluctuate around low levels, in our view.

Low-risk equities with reasonable and growing dividends continue to look attractively valued relative to other asset classes, in our view. We are more sceptical on the prospects for high-yielding stocks with no growth and see them as particularly vulnerable to uncertainty in the bond market.

## European Income Team

Polar Capital LLP

February 2020



## Investment Manager's Report *continued*

For the financial year ended 31 December 2019

### European Income Fund

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The European Income Fund was terminated on 17 January 2019 and all shares were fully redeemed during the financial year.

#### **European Income Team**

Polar Capital LLP

February 2020



## Financial Opportunities Fund

### Fund Performance

Global financials saw a recovery in 2019 with market sentiment closely tied to key geopolitical risks (US/China trade negotiations, Brexit). The Fund's NAV rose 25.3% in 2019 (Class I US Dollar Accumulation shares, versus a 23.2% rise in MSCI ACWI Financials Net TR Index, in dollar terms) with the relative performance supported by a strong performance by our payment and P&C insurance holdings as well as the Fund's underweight position in China, Australia and Japan. This was partially offset by our European exposure with the Nordic region a particular drag, principally exposure to the sell-off in Swedbank following anti-money laundering failings related to its Estonian unit.

### Market Review

Markets saw a rotation from momentum into value in the latter part the year with financials one of the key beneficiaries. The style rotation reversed the risk-off trading in August with the extreme moves highlighting the crowded positioning in growth stocks which have consistently outperformed value over the past decade leading to the relative value/market prices reaching the low seen in April 1999. The rotation was driven by an upward move in yields, a perceived reduction in political risk and a positive surprise on leading economic indicators.

US financials outperformed in 2019 with sentiment supported by resilient macro data and robust operating trends. The Fed delivered three rate cuts in 2019 but subsequently signalled an on-hold bias with Chair Jerome Powell citing robust consumer spending, strengthening home sales and reduced geopolitical risks. US bank results generally met or exceeded expectations with better fee income and lower provisioning and costs helping to offset the headwinds from margin pressure. With the Fed requiring a 'material reassessment' of their outlook to cut rates, market expectations on additional easing reduced while robust labour market data has reassured on the outlook for consumer spending and its ability to offset weakness in the manufacturing segment.

Asian financials saw some recovery in the year although underperformed the US and the benchmark index, with economic data highlighting the impact to the region from prolonged trade uncertainty, particularly reflected in China's growth in factory output. In India, the strong performance by private sector banks contrasted sharply with state banks and most non-banking financial companies (NBFCs) after liquidity issues resurfaced following delayed repayments of non-convertible debentures by Dewan Housing (no exposure in the Fund) as well as ongoing asset quality issues. In China, markets remained closely correlated to developments in US/China trade negotiations with expectations building towards the end of the year that a phase-1 agreement would be secured.

European financials underperformed during the year with macro data highlighting the extent to which the region is exposed to the US/China trade war (reflected in a flattening German yield curve) and Brexit uncertainty remained an overhang. While valuations for European banks reached the crisis lows of 2009, 2011 and 2016 (0.6x book value), the prospect of lower for longer interest rates as a headwind for European banking revenues weighed on the sector. UK equities and the currency experienced significant volatility in the year as Brexit negotiations progressed and the probability of a no-deal scenario fluctuated. The re-election of the Conservative Party with a large majority supported a strong performance in UK financials at the end of the year.

### Fund Activity

Following a stabilisation in leading economic indicators and with banking sector valuations already discounting a materially weaker environment (following the August sell-off, provisioning would have to have risen 2.2–4x consensus 2019 estimates to reach fair value on our US large-cap bank stocks) we increased our banking exposure from September onwards. The additions were primarily through investments in US and emerging market banks in Asia and Latin America and offset through reductions in our non-life insurance and payments holdings where valuations were looking relatively full.

During the year, we raised our exposure to emerging markets with the proportion rising to 28.3% of the Fund versus 22.5% in 2018. As well as additions to some of our core holdings in private sector banks in India, we raised our exposure to the Philippines through an investment in Bank of the Philippine Islands which has benefited from a supportive macro backdrop. GDP growth in the Philippines has slowed from the 6.7% seen in 2017 but it still remains very respectable from a regional perspective and strong by longer-term standards (approximately 6% growth expected). The banking sector has benefited from rising margins with a structural change in loan mix from commercial to retail supporting this, steady growth (10–12% loan growth), stable asset quality and very strong capital levels set by a cautious regulator which serve to depress RoEs and so mask true profitability.

We raised the Fund's weighting to life insurance through holdings in AIA Group and Prudential, although we remain underweight the segment overall. Both AIA Group and Prudential offer exposure to the attractive growth opportunity in Asia, a region with favourable demographics and low insurance penetration. While the protests in Hong Kong have been a temporary drag on growth, the associated sell-off provided opportunities to raise exposure in well-run businesses with strong franchises and long-term growth potential.



## Financial Opportunities Fund *continued*

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### Market Outlook

The combination of weakening macro data, elevated political risk, extreme valuation differentials and crowded investor positioning has contributed to a period of heightened volatility. These factors led to the significant rotation later in the year (reversals of the size seen in September have only occurred in 2% of months in the past four decades). A sustained recovery is likely to require resolution to some of the key geopolitical risks but with valuations already at multi-year lows and the sector offering a high level of capital return (with US banks >10%, European banks 6.6%), investors are being well paid to wait.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Financials Team

Polar Capital LLP

February 2020

## Global Absolute Return Fund

### Fund Performance

The Polar Capital Global Absolute Return Fund returned 2.3% (Class I US Dollar Accumulation) in 2019, taking its return since inception at the beginning of the year to 2.3%.

### Market Review

Despite little change to the fundamental macro picture, risk assets began 2019 with a significant rebound, with commodities, as well as equities and credit, rallying across all geographies. The primary driver to the risk-on rally was the significant shift in monetary policy narrative by the central banks, especially the Federal Reserve. This dovish shift in central bank tone resulted in a bullish flattening of government bond yields across the major developed markets with yields falling materially and the 3m/10yr US yield curve even temporarily inverting during March. Expectations of the next rate move by the Fed shifted from a rate hike to a rate cut and Germany issued negative 10-year debt for the first time since 2016.

As a result of the policy-driven ebullience, equities finished the first quarter with their best result in 21 years, with the S&P 500 returning 13.7% and the Shanghai Composite up 23.9%. Credit markets also benefited from the risk-on sentiment with the yield curve reversing course, helping credit spreads revert to pre-December risk-off levels. In commodities, oil also outperformed all expectations as Saudi Arabia executed on OPEC's renewed pact to curb supply which sank to a four-year low and helping eliminate the oil glut caused by US supply.

A continuation of dovish central bank communications and the combination of positive commentary on the prospects of a US/China trade deal along with strong corporate earnings and the continued expectations for a rate cut, helped the major equity indices continue their march higher through the second quarter. The risk-on rally finally had a brief pause in May when trade concerns came to the fore. Specifically, US/China trade tensions escalated following accusations that China backed away significantly from a substantially complete trade framework while President Trump also threatened escalating tariffs on all Mexican imports unless Mexico provided 'sufficient' help with the border crisis. The uncertainty that these actions brought to the global supply chain delayed investment, added fears of slowing economic growth and resulted in a risk-off month across the board in financial markets. Equities gave back about one-third of their YTD returns with the S&P 500: -6.4%; Eurostoxx 600: -5.3%; TOPIX: -6.5%; and MSCI Emerging Markets: -7.3%. Global bond yields, which had been declining since the start of the year, accelerated their decline in May, and Europe's five-year swap rates moved into negative territory. Oil also slipped on the back of near high US crude stockpiles and concerns of deteriorating trade relations impacting global growth.

These increased concerns of possible softer growth in the second half of the year increased the markets' expectations of the Fed cutting rates. Given the co-dependence of equities to central bank liquidity, it only took a perceived bounce in US/China trade optimism to resume the year's broad-based risk-on rally. By the end of the first half of 2019, equities had already reclaimed the losses from May. June also concluded the best first-half the S&P 500 has experienced since 1997. At the same time, US 10-year treasury yields closed below 2% for the first time since 2016 and the global pile of negative yielding debt exceeded \$12.5trn, breaking a record set in 2016, according to the Financial Times.

With such a dovish view becoming consensus, markets were disappointed at the July Fed meeting when, despite declaring the 25bp rate cut, the Fed's commentary described the cut as a "mid-cycle policy adjustment" and "not the beginning of a long series of rate cuts". The S&P 500 experienced its biggest one-day fall in two months, the US yield curve moved lower with the 2yr/10yr yield curve flattening further (-11bp to 0.14%), including a brief inversion for the first time since 2007, the US 10-year real government yields turned negative for the first time in almost two years, 30-year yields dropped below 2% for the first time and breakeven rates remained stable, signalling expectations of a softening of forward growth.

This shift in rate and growth expectations led to a significant rotation out of growth assets towards value with the Russell 3000 Growth Index underperforming the Value Index by nearly 4% in September. However, this rotation proved very short-lived as renewed dovish central bank rhetoric, incremental improvement in China/US trade relations and new commentary on the need for fiscal stimulus in Japan, Europe and the US sparked renewed risk appetite.

This continued throughout the rest of the year and 2019 finished with equities at or near records globally (S&P at all-time highs with a 31.5% return that is the second highest since 1997 and MSCI World +27.7%, the best return in a decade) and credit spreads at or near all-time tights. That this occurred against the backdrop of a strong dollar and gold appreciating over 18% is all the more remarkable.

Over the full year, global convertibles outperformed other global fixed income asset classes, partly driven by strong issuance for the year, with \$85bn issued globally (up from \$84.6bn y/y), excluding some sizeable Chinese domestic deals (source: BAML). This is the largest issuance level since 2014's \$89.1bn and is encouraging within the context of the decline in rates that took place during 2019. Moreover, despite sizeable redemptions, year-to-date global net convertible supply remained positive, at \$5.6bn (source: BAML).



## Global Absolute Return Fund *continued*

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### Fund Activity

Following its launch on 31 December 2018, the Fund began the year with the initial focus to slowly deploy capital as attractive opportunities were identified. The Fund proceeded cautiously but by mid-year was fully invested. The Fund achieved the investment objective of providing returns with moderate volatility and finished the year with eight out of 12 months with positive returns. Moreover, all four of the Fund's investment categories generated positive returns, highlighting the breadth and consistency of the investment approach.

### Market Outlook

Looking ahead, we believe central bank accommodation is likely to remain in place though this may increasingly be supplemented by fiscal boosts. The latter, especially, may provide some dislocation and volatility to the markets which would create additional trading opportunities for the Fund.

As the Fund enters its second year, we do not anticipate any changes to our investment approach – rather, we intend to deploy capital to high conviction, strong risk/reward opportunities. We believe the backdrop for the convertible asset class remains strong and thus expect to continue generating positive absolute returns for our investors.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Convertibles Team

Polar Capital LLP

February 2020

## Global Convertible Fund

### Fund Performance

The Polar Capital Global Convertible Fund returned 9.0% (Class I US Dollar Accumulation) in 2019, taking its return since inception at the beginning of the year to 36.1%. In comparison, the Thomson Reuters Global Focus (US\$) Convertible Bond Index returned 12.0% and 23.7% for the year and since the Fund's inception, respectively (in dollar terms).

### Market Review

Despite little change to the fundamental macro picture, risk assets began 2019 with a significant rebound, with commodities, as well as equities and credit, rallying across all geographies. The primary driver to the risk-on rally was the significant shift in monetary policy narrative by the central banks, especially the Federal Reserve. This dovish shift in central bank tone resulted in a bullish flattening of government bond yields across the major developed markets with yields falling materially and the 3m/10yr US yield curve even temporarily inverting during March. Expectations of the next rate move by the Fed shifted from a rate hike to a rate cut and Germany issued negative 10-year debt for the first time since 2016.

As a result of the policy-driven ebullience, equities finished the first quarter with their best result in 21 years, with the S&P 500 returning 13.7% and the Shanghai Composite up 23.9%. Credit markets also benefited from the risk-on sentiment with the yield curve reversing course, helping credit spreads revert to pre-December risk-off levels. In commodities, oil also outperformed all expectations as Saudi Arabia executed on OPEC's renewed pact to curb supply which sank to a four-year low and helping eliminate the oil glut caused by US supply.

A continuation of dovish central bank communications and the combination of positive commentary on the prospects of a US/China trade deal along with strong corporate earnings and the continued expectations for a rate cut, helped the major equity indices continue their march higher through the second quarter. The risk-on rally finally had a brief pause in May when trade concerns came to the fore. Specifically, US/China trade tensions escalated following accusations that China backed away significantly from a substantially complete trade framework while President Trump also threatened escalating tariffs on all Mexican imports unless Mexico provided 'sufficient' help with the border crisis. The uncertainty that these actions brought to the global supply chain delayed investment, added fears of slowing economic growth and resulted in a risk-off month across the board in financial markets. Equities gave back about one-third of their YTD returns with the S&P 500: -6.4%; Eurostoxx 600: -5.3%; TOPIX: -6.5%; and MSCI Emerging Markets: -7.3%. Global bond yields, which had been declining since the start of the year, accelerated their decline in May, and Europe's five-year swap rates moved into negative territory. Oil also slipped on the back of near high US crude stockpiles and concerns of deteriorating trade relations impacting global growth.

These increased concerns of possible softer growth in the second half of the year increased the markets' expectations of the Fed cutting rates. Given the co-dependence of equities to central bank liquidity, it only took a perceived bounce in US/China trade optimism to resume the year's broad-based risk-on rally. By the end of the first half of 2019, equities had already reclaimed the losses from May. June also concluded the best first-half the S&P 500 has experienced since 1997. At the same time, US 10-year treasury yields closed below 2% for the first time since 2016, and the global pile of negative yielding debt exceeded \$12.5trn, breaking a record set in 2016 according to the Financial Times.

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## Global Convertible Fund

 continued

### Fund Activity

Though the risk-on rally in 2019 created a tide that lifted all boats, the Fund once again maintained a focus on investments with strong credit fundamentals – an aggregate investment grade portfolio estimated at BBB- – high convexity and compelling secular drivers of enterprise value prospects. Similarly, given the uncertain macro backdrop, the Fund avoided taking significant over or underweight positions to any particular region or sector while running, on average, 5% cash throughout the year. Taken together this enabled the Fund to generate a return just shy of 9% for the year (USD, Institutional Share class) with a volatility of roughly 6.6% and a Sharpe Ratio comfortably greater than one.

After a particularly strong first half, the Fund underperformed in the second half of the year. This underperformance was driven by the quick rotation from growth to value mentioned above, which particularly affected our IT investments, as well as our general cautiousness – a factor which led to lower equity exposures than our benchmark and many of our peers. In response to these movements, the Fund rebalanced its IT exposures away from the growth biases which we had run within IT for the past two years and which had generated strong absolute and relative returns until the third quarter. This reallocation, as well as a shift to being overweight the healthcare sector, led to an improvement in relative performance in the fourth quarter.

The diversification and risk control noted above are highlighted by the fact that our three largest positive contributors were all from different sectors: Swiss Re (financial), Insmid (healthcare) and Rapid7 (IT). While losses were smaller in number and magnitude than gainers, the same was true for our largest negative contributors: Apria (consumer discretionary), iQ (IT) and Sarepta (healthcare). In terms of absolute contribution, all 10 sectors contributed positively with IT, healthcare, and financial providing the most returns.

### Market Outlook

With phase one of the trade deal nearly behind us, we expect China will accelerate resources and hone focus towards upgrading their domestic standard of living utilizing technology embedded in infrastructure. At the same time, we expect an increasing likelihood the US will employ fiscal stimulus and we see digitizing the country's infrastructure as a productive target.

Looking ahead, despite central banks being broadly supportive worldwide, we believe that the dynamism of the US economy as well as the pump priming of the Chinese economy by the Communist Party provide these countries with the most clear and best growth prospects. Conversely, EU consumption and industrial activity remain stubbornly muted, certainly not helped by trade concerns and global auto slowdowns, both of which disproportionately affect German economic activity. Similarly, Japan continues to vacillate between hope and false dawns. As such, the Fund anticipates being overweight China/Asia Ex-Japan and the US at the expense of European and Japanese investments.

However, growth is just one of our three primary objectives. Regarding capital protection, the Fund anticipates maintaining the same high credit quality it has held since inception. In particular, we will continue to seek an investment grade portfolio (current weighted average rating BBB-) with all investments contingent upon the conclusion of a detailed, proprietary credit review. We believe this will be of particular importance – especially our demonstrated ability to avoid not only problematic credits but also outright frauds – as the Fund devotes more capital to Chinese companies as these have a lengthy track record of requiring such vigilance.

This continued focus on credit quality is not expected to infringe on achievement of our third objective, namely the pay out of high, stable income. In particular, the Fund anticipates continuing to be able to distribute a 4% yield to its investors, unchanged from previous years.

One new aspect of the Fund's operation will be the explicit incorporation of ESG considerations into the research process. Although ESG factors have long played a role in our evaluation of a company's business risk and cost of capital, we have so far lacked a means to explicitly quantify these. This has now been remedied, which will enable the Fund to both quantitatively evaluate the ESG-related risks of all potential investments as well as provide detailed measurements of these to our investors.

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We believe this improvement to our ESG process will assist the Fund in terms of both capital protection as well as growth. By more efficiently measuring a company's ESG scores, the Fund will be better able to directly measure and compare the associated business risk for a company to its industry and peers, enabling better identification of the specific risks involved in each potential investment. Additionally, we believe the market is beginning to more efficiently price in ESG-associated business risks. As such, companies that have less risk or are beginning to effectively mitigate these should be rewarded with higher valuations. We believe the process we have in place should help the Fund profit from this dynamic.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### **Convertibles Team**

Polar Capital LLP

February 2020



## Global Insurance Fund

### Fund Performance

In 2019, the Class I Sterling Accumulation Shares of the Fund returned 23.3% versus 23.3% for the MSCI World Insurance Index benchmark, 22.7% for the MSCI World (both net total return GBP), 19.2% for the FTSE All Share and 26.4% for the S&P 500 (both total return GBP).

2019 was a strong year for equity markets and we were pleased that the Fund exceeded the return of the MSCI World Index (after outperforming by 4% in 2018) despite the industry's defensive characteristics. The Fund was also in line with the MSCI World Insurance Index which was a good result after a 7% outperformance the previous year. Based on our preliminary analysis the Fund's 23% return can be broken down by high-teens book value (and dividend) growth and 8% price-to-book multiple expansion, with FX a 3–4% drag. Book value growth was helped by marked-to-market investment gains which more than reversed the negative impact we had in the fourth quarter in 2018. The investment gains were supported by falling US bond yields, with the two-year yield dropping from 2.5% to 1.6% over 2019, and strong financial markets.

On an underlying basis we estimate our companies have achieved our double-digit growth expectation for the year. We continue to expect double-digit growth in book values going forward but with a slight shift in mix. If bond yields remain at current levels, we believe modestly lower investment returns will be offset by improving underwriting margins and, more importantly, rising premium leverage as our companies find more good business to underwrite as a result of the continued improvement in market conditions. We expect the returns of the Fund over the medium/long term to be very close to the book value growth of our companies which is why this metric remains the focus of our investment process. We will continue to focus on preserving your capital and letting the magic of compounding work over time.

### Market Review

After two significant years of catastrophe activity in 2017–18 with a combined \$240bn of losses, Mother Nature was kinder in 2019 with global insured cat losses estimated by Swiss Re to be around \$56bn, below the previous 10-year annual average of \$75bn. Notable events included Hurricane Dorian that damaged the Bahamas and two typhoons, Faxai and Hagibis, that hit Japan in quick succession. Swiss Re estimates the losses from the Japanese typhoons to be \$15bn. These events are expected to add further upward pressure to Japanese catastrophe pricing at the upcoming 1 April renewals. We estimate pricing rose 15–20% at this year's renewal which in hindsight has not fully reflected 2018's Typhoon Jebi given the deterioration in loss estimates seen for this event (now approaching \$13–15bn having initially been reserved as a high single-digit billion loss).

Many investors have asked us recently about climate change. The Fund has never been, or ever will be, a bet on whether the wind blows or the earth shakes. However, we are on a constant lookout for new emerging perils and to satisfy ourselves that these risks are properly understood and priced for.

Recent years have seen an emergence of secondary perils such as floods, prolonged droughts and wildfires with Swiss Re noting that over half of the 2019 insured cat losses came from these types of loss. Scientific evidence continues to evolve but there is growing consensus that climate change is impacting the frequency and severity of these secondary perils more than it is for hurricanes and earthquakes. In December, we released a video discussing climate change and sustainability (available on the Polar Capital website). In it we commented how insurance has significant applications in addressing many of the UN Sustainable Development Goals. We are delighted to see initiatives such as the Taskforce for Climate Related Financial Disclosures (TCFD) building significant momentum. As climate risks become better articulated, we will likely see increasing insurance demand over the medium/long term as companies look to manage those risks on behalf of stakeholders.

We expect reinsurance renewals in 2020 to mirror what we saw in 2019. Early indications suggest catastrophe reinsurance pricing at 1 January 2020 is up albeit modestly given the dominance of European accounts which have not had the losses seen in other parts of the world. Reinsurance broker Guy Carpenter's Global Property Catastrophe Rate-on-Line index increased approximately 5%, based on preliminary calculations, which puts catastrophe pricing back to levels recorded in 2015. Japanese pricing is expected to rise significantly again in April and US rates will likely harden further mid-year ahead of the Atlantic hurricane season.

Although catastrophe reinsurance pricing is now 10% above its recent trough we require more rate (20–30%) before we are willing to move the Fund's catastrophe exposure much higher from its current 6% back towards our maximum tolerance of 10%.

As we look at pricing across the (re)insurance value chain, what we see is a U-shape with primary insurance and retrocession (the reinsurance bought by reinsurers) rates showing the strongest rises and much more modest changes happening for the reinsurers in the middle despite the elevated catastrophe activity in recent years. The third quarter of 2019 pricing update from the CIAB (Council of Insurance Agents and Brokers) showed US commercial insurance pricing rising 6.2% on average in the quarter which was the fastest pace of increase for 16 years, with positive momentum across all account sizes. Insurance price increases were initially US-centric when rates started hardening post the 2017 catastrophe losses. Today they are much broader based. Insurance broker Marsh's quarterly Global Insurance Market Index rose 8% in the third quarter of 2019, the largest increase since the survey began in 2012, and the eighth consecutive quarter of average price increases. This in part reflects the decline in short-term bond yields over 2019 which reiterates the importance of having strong underwriting profits. Our portfolio bias to the US and to non-life companies means we have marginal exposure to negative bond yields which continues to cause major issues for many other parts of the financials industry. A key attraction of the non-life insurance industry is its ability to maintain attractive shareholder returns by adjusting underwriting prices annually to fully reflect the investment environment.



We expect our companies will continue to capitalise on the strong underwriting environment by growing their top lines when opportunities present themselves. We also expect underwriting margins overall to expand given the strength of rate rises compared to loss costs. However, there are parts of the market that are exhibiting signs of accelerating loss cost inflation (inevitably this is where we are seeing the strongest price rises too). Market commentary around social inflation in the US has risen in part due to a reserve addition at The Travelers Cos, a portfolio holding, with its third quarter of 2019 results in respect of its commercial auto and general liability business. These two lines have been problematic for the industry recently, particularly in commercial auto where we have seen regular reserve additions by market participants. We have discussed commercial auto in previous investor communications. It appears the annual double-digit price rises in commercial auto in the past few years have not been sufficient to stay ahead of loss cost inflation. A number of our portfolio companies have been cautious in this line of business in recent years, applying underwriting restrictions to what they are willing to write which has limited their exposure. Attorney involvement in commercial auto and some other liability cases has been rising and awards are becoming more inflated with juries increasingly desensitised to the value of money in a world where billionaires are more visible than ever. We are watching this trend closely but take comfort from our focus on smaller and mid-cap insurers. These companies typically write low limits/exposures for smaller businesses that, by definition, do not have the deep pockets that attorneys seek to target.

## Fund Activity

The Fund still has a low turnover and we did not change our overall positioning materially during 2019. We sold our holdings in Munich Re and Admiral Group given better opportunities elsewhere. In October we added James River Group Holdings, a US excess and surplus lines company, to the Fund. During 2019 we increased exposure to specialty primary markets such as Lloyd's of London as well as adding to our weighting to US excess and surplus lines given the significant rate changes in that part of the market.

As was noted in our 2018 Report, given the further improved pricing in the retro market following a second significant year of catastrophes, we increased our retro exposure to 2% of the Fund in early 2019. The increase was achieved through additions to our two unlisted fixed-term underwriting vehicles where we are typically on risk for an average of 12 months. We also made a modest addition to one of our vehicles in mid-June to capitalise on the continued rate-hardening in this part of the market. As of the end of November, our vehicles have performed better than our expectations which in part reflect the lighter catastrophe activity in 2019 compared with the previous two years as noted above. We have maintained our 2% retro exposure for 2020 with both vehicles again achieving meaningful rate rises at the 1 January renewals increasing further what we already considered a favourable risk/reward trade-off.

## Market Outlook

We have not seen the current broadness of rate increases across our underwriting portfolio for many years. The pricing momentum we are witnessing will likely continue to build given continued low investment returns and concerns around rising loss costs, whether that be from climate change or social inflation. Many large insurance conglomerates and the Lloyd's market as a whole continue to temper their underwriting appetites as they look to fix problems from the past. Our companies, who have patiently kept their powder dry in recent years, are now on the front foot. Many are at the tipping point of seeing accelerating top-line premium growth which is not being reflected in valuations. The US industry price-to-book multiple is similar to where it was at the end of 2017 despite today's underwriting environment being significantly better. The sector trades modestly above its 30-year average which is unusual in global equity markets where it is increasingly difficult to find value. Non-life insurance historically performs well in challenging markets and with returns underpinned by expected double-digit book value growth, we are hopeful that the stage is set for a good year for our investors.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

## Financials Team

Polar Capital LLP

February 2020

## Global Technology Fund

### Fund Performance

After a volatile end to 2018, which culminated in the S&P 500's worst December since 1931, global equities surged in 2019, buoyed by the Fed's volte face from rate hikes to rate cuts and the resumption of balance sheet expansion. The technology sector fully participated in the rally, materially outperforming global equities.

The Fund's NAV rose 37.2% (Class A US Dollar Distribution Share Class). Despite delivering strong absolute returns, the Fund lagged the Dow Jones World Technology Index Net Total Return, which gained 44.18%. Excluding the US, the benchmark return was 37.4%. Meanwhile the NASDAQ composite rose 36.7% and the S&P 500 gained 31.5%. All returns are in US dollar terms unless otherwise stated.

A combination of investment style and our relatively cautious positioning was responsible for the majority of our relative underperformance. The Fund faced a style headwind from our overweight positions in growth, software, gaming and mid-cap stocks versus our underweight cyclical/value semiconductors and US mega-cap (particularly Apple (u/w) and Microsoft (u/w)); large-cap outperformance was particularly striking – the Russell 1000 Technology Index gained 47.2% versus the Russell 2000 Technology Index which rose 34.8%.

The top contributors to relative performance were Advanced Micro Devices (AMD), Cisco (n/h), Advantest, RingCentral, Alteryx, ANSYS, Baidu (n/h) and Universal Display. The largest detractors were cash, Apple (u/w), NDX put options, Facebook and Microsoft (both u/w), Pinterest, Amazon and UBISOFT.

There were some stock-specific disappointments (UBISOFT, Arista Networks, Pagsseguro and Yext – all sold during the year), but these were largely offset by some big winners, including AMD and a number of high-growth software stocks.

In the risk-on environment evident into the year end, the more trade-sensitive subsectors fared the best – the SOX Semiconductor Index gaining 8% in December alone (bringing annual returns to 63.3%). Stocks with exposure to the Apple or Huawei supply chains also delivered strong performance.

While the software sector got off to a strong start, it softened during the second half, returning 34.3% during the year as valuation multiples compressed. Internet stocks lagged for much of the year, in contrast to their robust fundamentals, as the group contended with regulatory headwinds and adverse narrative, despite strong growth at most of the key platforms. The Dow Jones Internet Composite Index gained only 20.1% over the year.

Apple was both a big contributor to absolute returns and the biggest stock-level detractor to relative performance. Despite increasing our holding substantially (in part via call options), we remained underweight the largest index constituent. After beginning the year with its first profit warning in more than a decade, the turnaround in the Apple share price was striking (+89% over the full year).

As a reminder, the maximum we can hold in Apple and Microsoft would be 10% due to UCITS regulations, and because of our mid/large-cap growth-centric approach we rarely reach these maximum levels.

The top contributor to relative returns was AMD (up 148%), powered by new product cycles and market share gains. AMD looks well positioned as it ramps its new 7nm Taiwan Semiconductor (TSMC) manufactured products, including EPYC Rome Server CPU, through 2020. Meanwhile its main competitor, Intel, struggles to ramp its own 10nm products.

From a regional perspective, Japan (stock selection and overweight positioning) and Asia Pacific (stock selection) were strong. The US lagged, with mega-cap exposure and US equities both underweight versus excess US dollars/cash (and our index positions also captured here).

From a sector perspective, technology hardware (largely Apple u/w) and Interactive Home Entertainment (gaming stocks) dragged on relative performance. Meanwhile our low exposure to communications equipment (no Cisco and exiting Arista Networks) and IT services (none held) helped.

Application software (20.3% average weight and 924bp average overweight) only made a mildly positive contribution, with solid stock selection offset by the sector's underperformance versus more cyclical subsectors. Stock selection in semiconductors was strong (largely AMD and Advantest), which more than offset the drag associated with our underweight position.

The most significant drag on the Fund's performance came from excessive cash and to a lesser extent NASDAQ Index put options (held to soften the Fund's beta/reduce downside risk in the event of a sell-off) which detracted 424bps and 156bps respectively.

While we were clearly too cautious in 2019, we would rather be prudent than take on what we believe to be excessive risk. The Fund still delivered strong absolute returns and significant outperformance relative to global equities, and our strong long-term track record built on this approach remains intact.

## Performance relative to peers

Over the one-year period, the Fund disappointingly ranked towards the top of the third quartile versus the IMA technology and telecom peer group. Over 3, 5, 7 and 10 years it remained ranked first or second overall and firmly in the top decile. Interestingly, very few managers outperformed the benchmark in 2019, and those that did well generally had a value or cyclical bias.

The Fund retained its Morningstar 5 Star/Silver rating and the team is Citywire A-rated. Looking at the broader IA universe of over 3,600 funds, the Fund was ranked 1/3,600 across all sectors over 3 and 5 years and ranked 2/3,600 over 10 years. As well as our own performance, this reflects the sector's significant leadership (over 3 and 5 years several of the best performing technology funds also made it into the top 10).

We already had the biggest and one of the most experienced technology teams in Europe and in April we made two additional hires – Alastair Unwin and Nick Williams, both with technology experience having worked together at Neptune Investment Management. This brings our team to nine fund managers and analysts dedicated to our three funds. All travel extensively, and we typically do over 1,000 company meetings a year. Investing in growth technology is a labour-intensive activity.

The Fund's assets under management (AUM) rose significantly from \$2.5bn to \$3.7bn during 2019, largely as a result of strong absolute returns rather than flows. Performance alone would have taken assets to \$3.4bn.

We remain very focused on liquidity and capacity. Part of the reason for muted inflows despite strong sector performance, is that we took the decision a year ago to step back from actively marketing the Fund to new clients. Maintaining adequate liquidity is a key part of our risk management approach. We can currently liquidate well over 95% of our portfolio within five days based on traditional metrics (30% of the previous 60-day trading volume).

## Market Review

The strong finish to 2019 resulted in a full-year gain of 26.6% for the MSCI All Country World Index, while the S&P 500 had its best year since 2013, gaining 31.5% (all in dollar terms). In contrast to the technology sector, the broader market saw growth stocks outperform. The Russell 1000 Growth Index returned 36.4%, 9.9% ahead of the Russell 1000 Value Index. In part, this captured the benefit of technology outperformance.

The US Dollar Index finished the year relatively flat, at +0.2%. Despite this, commodities fared well with crude oil prices rising 19% over the year. Sterling recovered after a convincing election victory for the UK Conservative Party, which removed some Brexit uncertainty. The euro, however, weakened due to the Eurozone economic malaise and Brexit overhang.

Having slowed for much of the year, the global economy showed signs of stabilising during the fourth quarter. Global PMIs steadied in December, while US retail sales and manufacturing indices were better than feared. The US labour market also remained remarkably resilient; non-farm payrolls climbed 266,000 (182,000 expected), while the unemployment rate declined to 3.5%, matching the lowest jobless rate since 1969.

Consensus expectations for 2020 GDP growth are only modestly higher than 2019 (The Economist Intelligence Unit suggests 2.4%). The US/China trade war remains the largest known threat to 2020 global growth – the IMF estimates the risk at 0.8% of GDP. That said, growth expectations remain muted after a year that saw global GDP only expand by 2.2%.

Thankfully, monetary policy globally remained supportive with balance sheet expansion from the Fed, BoJ and ECB hitting \$100bn combined every month. The Fed's liquidity injections into the money markets via repo operations and the purchase of treasury bills were at a pace of \$60bn per month (into the second quarter of 2020 or longer). Fed Chair Jerome Powell said that this should not be viewed as QE, but several commentators have dubbed these actions 'stealth QE', given the expansion in the Fed's balance sheet. The People's Bank of China also started the year with a reserve rate (RRR) cut, which effectively released \$115bn US worth of reserves into the financial system.

Low interest rates, tighter credit spreads and lower volatility expectations provided a powerful tailwind for equities late in the year and significant valuation support. The Fed hiked rates during 2018 (to 2.5%), then reversed course, cutting rates at three consecutive meetings in the second half of 2019. Importantly, this was accompanied by dovish commentary suggesting limited future rate hikes and a dot plot which implies an extended pause in rate changes. US 10-year bond yields also fell, from 2.69% at the start of the year to 1.92% at year-end reflecting the more muted growth and inflation outlook.

Stocks were also buoyed by thawing US/China relations – a phase one trade deal was finally agreed in late 2019 and signed early this year. The tariff on \$250bn of Chinese imports will remain at 25%, but the tariff rate on a further \$120bn of Chinese imports will be cut from 15% to 7.5%. China also agreed to increase its imports from the US by \$200bn (largely agriculture, energy, other manufacturing and services). Although there were minor concessions around key areas such as intellectual property (IP) and forced technology transfers, these controversial issues were largely pushed out to future discussions. While the trade dispute is far from over, for now it seems enough for both sides to claim victory and for some relative calm ahead of US presidential elections.

## Investment Manager's Report continued

For the financial year ended 31 December 2019

### Global Technology Fund continued

#### Market Review continued

China's economy is also showing signs of stabilisation. 6.1% reported GDP growth for 2019 is the slowest annual increase in 29 years; December saw industrial production rise 6.9% and retail sales +8% y/y. The economy should benefit from any easing in trade tensions and potential tax cuts (VAT) and infrastructure investment could provide a further boost to domestic growth rates.

Unfortunately, 2020 started with a geopolitical shock as an infamous Iranian general was killed by a US airstrike and tensions escalated in the Middle East. Thankfully, the Iranian response (a targeted attack on the largest US military base in Iraq that avoided any casualties) allowed the US to de-escalate the situation. While neither the US nor Israel will allow Iran to breach the enrichment terms of the nuclear deal indefinitely, for now the immediate risk of conflagration appears to have passed.

#### Technology Review

The technology sector demonstrated clear leadership in 2019. The Fund beat the MSCI All Country World Index by over 1,000 basis points, despite style headwinds caused by our growth-centric and off-benchmark investment approach.

2019 was also a year of two halves. The first half of the year saw growth stocks and some of our preferred areas such as software, security and payments perform strongly. In part, this was due to robust results but also relative shelter from trade war machinations. This trend reversed abruptly in July with early-cycle stocks responding positively to the first US interest rate cut since 2008, a sharp rally in US 10-year treasury yields and mounting hopes for a trade deal.

Semiconductor stocks rallied sharply in the second half, despite limited upward earnings revisions – the vast majority of returns were driven by multiple expansion. While some of this was optimism tied to an expected cyclical recovery in 2020, a more consolidated supply environment and a much broader demand landscape played a part too. As one semi-capital equipment company's CFO put it to us at a recent meeting: "Demand is much more stable when you are selling into a trillion edge devices rather than a few billion handsets."

The shape and magnitude of the implied semiconductor demand recovery is harder to predict and will be to some extent dependent on the vector of trade negotiations. PMIs are hovering around 50, and are yet to break back into meaningful expansionary mode. With the Semiconductor Index (SOX) trading at 25.3x P/E at the end of 2019 versus 13.5x P/E twelve months earlier, we believe the market is pricing in a strong rebound in 2020. As such, we have taken profits in selective names – expecting a pause after the recent strength – despite remaining constructive on the longer-term outlook.

Somewhat surprisingly, Apple and the smartphone supply chain delivered some of the best returns in 2019. Following news in April that Qualcomm and Apple had settled all pending litigation between the two companies (suggesting a 5G iPhone might be released in 2020), Apple's stock price strength continued into and post the September launch of the iPhone 11, a better device than expected, with a triple camera and noticeably improved battery life.

We see a 5G super-cycle beginning in 2020 (second half-weighted as Apple launches its 5G handsets). We do not expect smartphones to return to meaningful unit growth but remain optimistic that semiconductors will continue to permeate the global economy with increased content in 5G handsets and areas such as mobility (electric/hybrid vehicles) and connectivity technologies (including 5G and IoT) all stimulating new demand.

Apple's upside surprise and growing excitement about 5G was in stark contrast to weaker trends elsewhere, particularly in automotive (where China auto sales fell 12.4% during the second half of 2019) and in datacentre (reflecting slowing cloud capex). In part, some of this weakness may be blamed on the global economy (trade war uncertainty), regulation changes (subsidy cuts in China and tighter emission regulations for autos in Europe) as well as component shortages (Intel 10nm Server product delays and shortages in 400G optical components). Regardless, this led to weakness in server, networking and CPU demand. This negatively impacted our holdings in both Pure Storage and Arista Networks, both of which we subsequently sold.

There was also considerable disruption when the US added Huawei and other companies perceived to be a security threat to the US to a banned entities list during 2019. There has been no easing here, in fact, and despite progress on the trade deal there is a suggestion that rules here could be tightened. One suggestion is that there will be an expansion of the number of companies banned from shipping products or services to these companies (currently, if a foreign-made product incorporates less than 25% US origin content it is excluded, but this threshold may be lowered to 10%, capturing a greater number of products).

Regardless, it is now clear that China and the US are set on different technology paths and, as such, there will be a dual-track supply chain as China accelerates plans to reduce reliance on the US. Near term, this creates inefficiencies likely to lead to greater spending and is a positive for suppliers in Europe and Japan (but only those able to escape the reach of US regulation). Longer term, the prospect of a more competitive Chinese semiconductor industry provides some risks too, noting the immense downward pressure as China scaled subsidized production in the LED or solar panel industries. We are therefore monitoring US companies with high China exposure very closely, especially those with Japanese/Taiwanese alternative suppliers or emerging Chinese competitors.

We have reduced our exposure to software, but it remains our largest sector overweight, and we remain constructive on its outlook. The sustainability of growth rates and improving profitability of software companies as they scale has driven strong long-term returns in the sector and our Fund. Looking at data from Keybank (December 2019), software as a service (SaaS) valuations have moderated from summer excesses but those stocks with ultra-high (40%+ revenue growth) still look rich to us at 14.5x sales (albeit down from a peak of 23x last summer). Excluding these stocks, the SaaS group is now trading on an average multiple of 8.4x EV/forward revenues – within the range of the past three years (but by no means cheap, as in early 2016).

We still receive a lot of inbound questions regarding the FAANG stocks (Facebook, Apple, Amazon, Netflix and Google/Alphabet). With the exception of Netflix (n/h) and Amazon (not in our benchmark), all are both top 10 holdings and yet significant underweights relative to our market cap-weighted benchmark. After a tricky 2019 on the back of regulatory noise, the internet sector has a mixed outlook for 2020. Internet companies will continue to face stiffer regulatory scrutiny in the run-up to the 2020 election, but a US presidential and Olympic year and a stable macro backdrop should be supportive to overall advertising spend.

Google, Facebook and Amazon will make up most of the industry's growth ex-China (where Alibaba and Tencent dominate), and as yet have shown little sign of cannibalizing one another's growth. As such, we continue to like most of these companies. Amazon is the only one of these names where we reduced exposure during the year. They are investing heavily in one-day delivery for all Prime customers and AWS growth is moderating. We do expect to rebuild our holding once the current investment phase is largely complete and/or if Amazon can prove sustainable 30%+ AWS growth.

Regulation and political fears have held back internet stocks. A Democratic win would be unhelpful for some companies, but much depends on who the individual winner is. The first step is to see who wins the Democratic nomination as Joe Biden, for example may actually be viewed as positive for markets and the technology sector.

Regardless of who wins, next will come the more challenging step of beating President Trump and the Republicans in November 2020 elections. Against what is shaping up to be a robust economic backdrop this will not be easy. Therefore, barring successful impeachment proceedings (unlikely given Republican control of the Senate), it appears the odds favour the status quo. We can certainly foresee a few outcomes where we might reduce weightings in selected Internet stocks, but we do not expect a dramatic shift at this stage and see them as unlikely outcomes.

2019 also saw public market investors deliver a dose of reality to loss-making internet platform businesses. The trigger was the self-inflicted implosion of WeWork (a Softbank-backed private business) which failed to IPO due to its huge cash burn and ongoing funding requirements. We see this as a healthy shift, which has forced many other high cash-burn businesses (such as Uber, GrubHub and Lyft – none held) to adapt their strategies. There remain pockets of valuation exuberance in private markets – and lots of capital looking for disruption – but the days of capital as a strategy are hopefully in the past.

Payments and fintech enjoyed another solid year of performance in 2019 although, like software, not as strong as more cyclical areas. This looks like a key battleground in 2020. Apple has launched a credit card; Google will launch checking accounts in 2020; and Facebook has a new payment service. For now, we continue see good prospects for Mastercard, Visa, Paypal and Square.

Enterprise incumbents and IT services businesses have continued to struggle, and we have no exposure here. The shift towards the cloud continued to negatively impact organic growth at legacy vendors such as IBM and Oracle, as well as a number of IT services/outsourcing companies, including Cognizant and DXC Technologies.

Towards year end, news flow also remained broadly supportive. In semiconductors, Micron (n/h) produced results that beat expectations for both revenues and earnings. Management offered bullish commentary on improvements in DRAM and NAND pricing and predicted that their next quarter, ending in February 2020, will be the bottom of the cycle for gross margins and earnings. In software, Adobe Systems delivered a strong earnings report as Digital Media annualised recurring revenue (ARR) reached \$8.4bn, growing 23% y/y. In contrast, Oracle (n/h) posted another mixed quarter as they missed on revenues and margins but beat on EPS, aided by a \$5bn share buyback. Despite the company's protestation, its cloud transition remains (perpetually, it seems) in the 'early stages'.

## Fund Activity

In addition to the changes discussed in the section above, there were some other notable changes to positioning worth highlighting:

We increased exposure to large caps, specifically three of our top five positions; Apple (8.5% from 2.6% a year ago), Microsoft (8.2% from 7.8%) and Alibaba (3.9% from 3.5%). We also added to Facebook (unloved, with solid fundamentals). We added to several semiconductors set to benefit from improving 5G, IoT and cyclical demand (Samsung, TSMC, AMD and Qualcomm). Semiconductor exposure in aggregate rose to 13.5% (2.4% u/w) from 11.6% (4.1% u/w), and all these stocks made it into our top 10 positions.

We took profits in selected high-growth software stocks (those where valuations were beginning to price in too much future growth), reducing exposure to Application Software from 25.2% of the Fund (14.5% o/w) to 21.4% (10.4% o/w) at year end.

## Global Technology Fund

 continued

Our top 10 positions increased to 44.9% of the Fund from 35.8% a year ago, largely a reflection of our increased preference for these large caps and our lower software exposure. Mega-cap exposure increased as a result from 46.7% to 58.9%, Large caps from 19.2% to 21.2% and mid-caps decreased from 34.1% to 19.9%. These changes also use static market-cap limits and a number of our holdings crossed key thresholds, especially the \$10bn cut off between mid and large cap companies.

As a result, our active exposure also decreased, to 52% from 62.7%, because many of these were larger benchmark underweights. This is at the low end of our comfort level, and when our conviction in these stocks fades, we would expect this to return to a more normal 60–65% range. That said, for 2019 lower active share was the correct decision.

Our total number of holdings increased slightly from 70 to 75, in part a reflection of smaller new positions we added in the second half of the year. This is well within our target (60–85) but we would also expect this to rise towards the top end when we reduce large-cap exposure.

From a geographic perspective exposure was almost unchanged. US remained 76%, APAC 13%, Japan increased from 6% to 7% and Europe fell from 5% to 4%.

Cash at year end was 4.1% (down from 7.7%) but some of this has to be held against the delta-adjusted exposure of any call options held (to avoid any leverage). At year end this was 3.32% delta adjusted exposure from 37 basis points (bp) of Apple call options premium. Once this is taken into account, the Fund was relatively fully invested, with 1.2% cash available to invest.

The Fund also held 4bp in out of the money NDX (NASDAQ) put options at year end, providing -0.88% exposure which acts like a little more cash. However, in the event of a severe market correction the delta of these options could increase substantially, helping to offset some of the natural excess beta of the Fund (over and above the beta of our benchmark) and potentially reduce risk and volatility.

As a reminder, we focus on eight core themes which have evolved a little over the past year; advertising/e-commerce, payments/fintech (new), data economy and AI (new), cloud infrastructure and security, SaaS, digital entertainment, industry 4.0/automation and connectivity/mobility/5G (new). Where we have classified these as new, it is not that we did not invest in related companies before, just that, as exposure has increased, we felt it appropriate to break it out. In the same regard, security and digital gaming were no longer large enough to be considered standalone themes, so were merged into cloud computing and renamed as digital entertainment respectively.

### Market and Economic Outlook

The US, Chinese and global economic outlook has clearly stabilised and 2020 looks set to get off on a firmer footing. OECD leading indicators (LEI's) and the Citibank Economic Surprise Index for the US are both improving, while employment data and housing starts remain robust. December saw better manufacturing and retail sales data from the US and China. With stock markets at highs and credit spreads close to lows, there is little sign of inflationary pressure and, along with the recent period of lower volatility, this is supportive of continued equity strength.

Monetary and fiscal policy also looks set to remain supportive. More than half of central banks eased monetary policy during 2019 (58.5% cut interest rates during the third quarter), and this accommodative stance supports the valuation of long-duration assets such as high-growth technology equities. We could also see looser fiscal policy and increased infrastructure investment in many major economies, including the US, China and UK.

Should inflation pick up – and, more importantly, should inflation expectations become untethered from the current floor – then we would likely see upward pressure on rates and multiple compression. This looks unlikely as even though wages for lower skilled workers have picked up in the US, this has been offset by slowing wage growth for the higher paid (a healthy dynamic which may help diffuse the feeling of being 'left behind' that is fuelling much of the populist backlash globally). The other bigger risk would be multiple compression ahead of a US and/or global recession but in our view this looks increasingly unlikely before late 2021 at the earliest.

In the meantime, with many active investors having lagged the market in 2019, the pain trade also still appears to be upward suggesting the strong start to 2020 is set to continue at least for now.

### Technology outlook

Both technology and our Fund have been among the leading performers over the past 3, 5 and 10 years. We strongly agree that past performance is absolutely no guide to future performance but, that said, we do believe the primary driver of stock performance is growth (revenue, earnings and cash flow). Technology stocks have driven most of the market growth over the past decade – which explains why the sector has materially outperformed – and we expect strong growth in the next decade too, although not necessarily from the same stocks.

Our growth-centric investment style, along with bottom-up stock-picking, has been and remains central to our approach. We focus on delivering a diversified portfolio of growth stocks, where the blended underlying growth rate is 1.5–2x the sector and significantly higher than the broader market.

One risk that has increased is that valuations have expanded both for the broader market and for technology stocks. There is clearly some risk of multiple compression here which could partially offset the robust growth we expect to see, especially over shorter periods or when recessionary fears do ultimately materialise. That said, against the current backdrop we see no catalyst for significant multiple compression but see growth (rather than multiple expansion) as the dominant factor in stock performance going forwards. It is also worth remembering high-growth stocks can even withstand some multiple compression (grow into their multiples) and still deliver strong returns.

There may also be more years like 2019 where value outperforms and/or growth suffers multiple compression but longer term we still strongly believe a growth-centric portfolio is the correct approach. In 2019, ETFs and index-oriented investors performed strongly as cyclical/value stocks rebounded sharply (despite limited fundamental improvement) and Apple and Microsoft delivered exceptional returns (+89% and +58% respectively). In our view, these are all unlikely to repeat in 2020, certainly not to the same extent. We have, therefore, recently moved a little more underweight both Apple and Microsoft, although for now both remain sizeable positions. We have a bias to taking further profits here given both stocks experienced significant multiple expansion, with stock prices appreciating materially above their underlying revenue and cash flow growth rates in 2019.

Elsewhere, however, we feel that growth prospects for many larger businesses remain robust and reasonably priced, supported by powerful secular tailwinds. Stocks such as Amazon, Alphabet and Netflix (n/h) saw little multiple expansion in 2019 with returns broadly in line with their 2019 revenue growth (stocks rising 23%, 28% and 21% relative to 2019 revenue growth of 20%, 20% and 28% respectively). Facebook and Alibaba returns were stronger (+57% and +55%), but following a very weak fourth quarter in 2018, both stocks have only recently exceeded their June 2018 levels, despite delivering 26% and an estimated 41% revenue growth for 2019. Both remain on P/E-to-growth (PEG) ratios of c1x, which we feel is attractive.

### ESG (Environmental, Social and Governance)

We take ESG very seriously and see our clients doing the same. This is a powerful force which will shape both management actions and stock performance over the coming decade. We have considered many of the elements that go into these factors for a long time. We have also made recent efforts at both a firm and team level to improve and quantify this. We have recently introduced a new ESG analysis/scoring framework based on MSCI scores and reports across Polar Capital which ranks each of our holdings (AAA to CCC) on each factor relative to similar technology companies. We also subscribe to ISS and are incorporating their governance suggestions in our voting process.

The challenges brought about by a changing climate, an ageing population and many other issues can be mitigated to some degree via technological solutions. The 2019 IEA World Energy Outlook is unequivocal: "A sharp pick-up in efficiency improvements is the single most important element that brings the world towards a Sustainable Development Scenario". From our perspective, while many technology companies have significant room to improve themselves, it is clear that the solutions to the problems facing us in the coming decade are likely to be provided by technology as well as changing attitudes and behaviours.

We certainly want to see the companies we invest in improving their efforts around all elements of ESG, and we are engaging with them more actively here, in particular with their impact on the environment. For example, Microsoft recently announced an initiative to go carbon emission negative by 2030, while others such as Amazon are only aiming to be carbon neutral by 2040 (which seems too far out in our view).

### The next decade will be driven by artificial intelligence

As we enter a new decade, we believe it will be heavily influenced by artificial intelligence (AI) and machine learning (ML). We are past the peak of the so-called hype cycle and somewhere near what Gartner would call the 'trough of disillusionment', where expectations of the innovation and disruption ahead are not fully appreciated. There have actually been very significant advances in AI and ML over the past 18–24 months. We expect further significant advances in AI will accelerate innovation across almost all industries, not just technology, creating new markets as well as disrupting incumbents in many traditional industries – some of the recent advances in healthcare imaging and diagnostics are just scratching the surface.

We already consider the future impact and possibilities of applying AI to every one of our holdings. Google and Microsoft are not only gaining share and leading in cloud computing, but they are also at the forefront of ML and AI along with Amazon, Facebook, Apple and Alibaba. It may surprise people, but Apple has made the most AI-related acquisitions of any of these large players over the past five years.

Two notable advances came from this group. In July 2019, Pluribus, a poker-playing AI engine designed by Carnegie Mellon and Facebook AI was launched using a limited lookahead algorithm which required a fraction of the compute power of previous versions (eight days training using a 64-core server and just 28 cores (2x Intel Haswell 14 core CPUs) during live play. Next came Google's DeepMind's StarCraft 2-playing AI machine which took 44 days of playing (the equivalent of 200 human years of playing StarCraft) to train itself to reach grandmaster status. We wrote a note titled Cloud Computing, Artificial Intelligence and Connectivity – unleashing innovation in December 2019 which provides further details (it is available on our website and via our Polar Capital sales manager).



## Global Technology Fund continued

### Market and Economic Outlook continued

Stock and theme selection will matter hugely over the next decade and allocation between themes based on relative attractiveness will be important. Focusing too much on benchmarks/ETFs or tracking error will likely be a mistake. On the other hand, ESG factors are growing in importance and we believe that technology is part of the solution here. Active management will also play a huge role.

Our excitement about AI is also why we launched the Polar Capital Automation and Artificial Intelligence Fund (led by Xuesong Zhao). It is not a technology fund; instead it has a much wider remit and is able to invest in companies applying disruptive technologies (specifically in four core areas – AI, automation/Industry 4.0, robotics and materials science) to both create entirely new markets and reinvent existing industries.

### Near-term outlook

Having focused on the longer-term health of the sector, we wanted to end with some remarks regarding the near-term outlook. We are entering fourth quarter earnings reporting season and feel encouraged that pre-announcement season (the two weeks preceding earnings), has so far been extremely quiet, which is usually a good sign. Taiwan Semiconductor (TSMC) – normally a good indicator of broad industry health – recently reported a robust fourth quarter in 2019, accompanied by strong capex projections of \$15–16bn and increased guidance for 20% revenue growth in 2020 driven by high-performance computing (likely AMD and NVIDIA-related) and 5G (most likely Apple/Qualcomm related). This bodes well for others.

A recent Morgan Stanley strategy report noted: "S&P 500 30-day realized vol is near 100-year lows". they also note "this is unsustainable" but that "it is how liquidity-driven bull markets often trade; they go on for longer than most expect". Of course, after such a strong run – with relatively elevated late-cycle valuations and many sentiment measures looking complacent (VIX volatility gauge 12.9; AAll Bull/Bear sentiment measure +14; 65% of NYSE stocks above their 200-day moving average) – a short-term correction would be healthy. As such, we have temporarily increased cash levels here. However, absent a tail outcome – such as a significant worsening of morbidity associated with the Coronavirus, reigniting Iran/US tensions, collapse of US/China trade discussions, a shock hard left Democrat victory or a sudden rise in inflation expectations – we see few catalysts to end this bull run, and intend to use any sustained weakness to add back to our preferred positions.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Technology Team

Polar Capital LLP

February 2020



## Healthcare Blue Chip Fund

### Fund Performance

The Healthcare Blue Chip Fund returned 23.2% (Class I USD Accumulation Shares) versus 22.7% for the MSCI AC World Daily Total Return Net Health Care Index (in dollar terms) during 2019.

Geographic attribution was positive for the US and Canada, was modestly negative for Europe and was also negative for Japan. In terms of subsectors, healthcare equipment and pharmaceuticals were the biggest contributors, while managed healthcare and facilities were the biggest detractors. On a market-cap basis, the positive contribution from midcaps (>\$1bn to \$10bn) far outweighed that of the large caps (>\$10bn). The Fund comprises a concentrated portfolio, with an active share of 74.2% and 34 positions at the end of the reporting period, so individual stock performance had a significant impact on Fund performance.

In terms of individual holdings, the most significant contributors to relative attribution were Pfizer, Cigna and Bio-Rad Laboratories.

- Pfizer, an underweight for the portfolio in 2019, had a difficult year with the announcement to combine Pfizer's off-patent business with Mylan the primary catalyst for underperformance
- Cigna Corp, a healthcare services company, became over-sold as a result of US political rhetoric, but executed operationally throughout 2019
- Bio-Rad Laboratories, a US life sciences and tools company, benefited from solid top-line momentum coupled with significant operating leverage

The holdings that were the most significant detractors to relative performance were CVS, ResMed and Roche Holdings.

- CVS Health, an integrated healthcare provider in the US, had a difficult start to 2019 with financial guidance falling short of consensus expectations
- ResMed Inc, a manufacturer of sleep disorder devices, disclosed disappointing second quarter of 2019 financial results before staging a strong recovery in the second half of 2019, a period when the fund was underweight
- Roche Holdings was a modest performer during the first half of 2019 and was also under-represented in the portfolio during a strong period of performance in the second half of 2019 driven by revenue and earnings upgrades

### Market Review

Stock markets had a strong start to 2019 following the sharp decline in the fourth quarter of 2018. The January momentum continued into February through April, with the US Federal Reserve signalling that it was on pause with regards potential interest rate increases, China easing and leading economic indicators starting to pick up in Europe. The period witnessed switching out of healthcare into areas such as semiconductors, financials, energy and industrials.

This enthusiasm evaporated pretty quickly in May, however, as trade tensions between the US and China escalated and the yield curve in the US started to invert. The sudden pivot in the market's direction and the volatility experienced in May was not unique, with the market spending the next few months trying to balance the positives of a dovish Federal Reserve and a supportive ECB against the negatives of ongoing trade tensions between the US and China. This volatility and uncertainty persisted through the third quarter of 2019, with September witnessing a short-lived switch out of momentum stocks into value. This rotation had negative implications for certain healthcare subsectors (medical devices and biotechnology) but had positive implications for others such as the relatively cheap large-cap pharmaceuticals.

The markets performed strongly throughout the fourth quarter of 2019, with several factors contributing, including reports of constructive talks between the US and China, steady economic data from the US and an earnings season that delivered on albeit lowered expectations. The S&P 500 finished 2019 at all-time highs.

### Fund Activity

Subsector allocation is an important part of the investment process for the Fund. We started the year with a significant overweight in healthcare equipment and a significant underweight in pharmaceuticals. During the first quarter, we materially reduced our exposure to managed healthcare, reflecting concerns that the political environment in the US would weigh on sentiment and valuations. We sold positions in CVS Health, Humana Inc and UnitedHealth Group. We recycled the proceeds into healthcare equipment (Baxter International, Philips and Teleflex) and life sciences and tools (Agilent Technologies). Our overall exposure to pharmaceutical and biotechnology stocks was increased modestly during the quarter via purchases of Otsuka Holdings, Pfizer and Regeneron Pharmaceuticals.

During the second quarter, we increased our relative overweight in healthcare equipment further by adding DexCom Inc and Hill-Rom Holdings, reflecting our conviction in product cycles and the ability to deliver operating leverage. We also reduced our relative underweight in managed healthcare with the addition of Anthem and increased the relative underweight in pharmaceuticals by selling Johnson & Johnson and Novartis. The end of the second quarter of 2019 was the peak period for cash during the year, at 6.2%.

## Investment Manager's Report *continued*

For the financial year ended 31 December 2019

### Healthcare Blue Chip Fund *continued*

#### Fund Activity *continued*

Positioning and conviction within subsectors were consistent in the third quarter, maintaining relative overweight positions in healthcare equipment and life sciences and tools and a relative underweight in pharmaceuticals. We did, however, close further the relative underweight position in managed healthcare by adding Cigna and Humana Inc to the portfolio.

The most noticeable change between the third and fourth quarters was in biotechnology where we moved to a modest overweight stance from being modestly underweight with the additions of Alexion Pharmaceuticals and Regeneron Pharmaceuticals. With large-cap biotechnology companies appearing to be very much out of favour, we felt the valuations relative to the growth prospects sensible uses of capital.

Geographic analysis of the Fund over the 12-month reporting period reveals a reduction in relative exposure to Europe and Japan and an increased relative exposure to the US. For the most part, sales in AstraZeneca, Philips, Novartis, Novo Nordisk and Roche explain the European shift, with the Japanese sales being Otsuka Holdings, Takeda Pharmaceutical and Terumo. On balance, most of the proceeds were recycled into US stocks with healthcare equipment and life sciences and tools the biggest beneficiaries.

#### Market Outlook

The progress with US/China trade talks towards the end of 2019 gave global markets a much-needed fillip, especially given the current economic cycle is starting to get quite long in the tooth. The mixed macro and economic data could well persist in the near term, with employment figures one of the key leading indicators to focus on. Looking through a geographic lens, the US market enjoyed a positive multiple expansion throughout 2019 which could lead one to believe that better value and returns might be found in ex-US regions such as the UK and Europe.

Focussing on healthcare, the fundamentals for the sector remain robust with good sales and earnings strength relative to other areas of the market. Medical device companies continue to enjoy the benefits of a significant cycle of new products, while large-cap pharmaceutical companies are attractively valued, generate significant free cash flow and carry high dividend yields. Life science tools and services are delivering strong growth, particularly those with exposure to biotechnology products as outsourcing trends continue. The biotechnology sector continues to innovate with new technologies such as gene and cell therapy creating exciting new platforms for growth. These fundamentals should persist over the years ahead, generating attractive returns for investors. M&A should also continue in an industry that remains highly fragmented and thus needs to consolidate to become more efficient.

Despite the sound fundamentals, sentiment for the healthcare sector remains mixed. Healthcare and biotech ETF flows have been persistently negative which offers a strong contrarian buy signal, while valuations relative to the market are in line with lows of previous episodes of fear around the sector. The reason for such negativity is the political outlook in the US. This issue becomes significant every four years, but concern is only really magnified when healthcare policy is an important part of the electoral debate. When this happens, sentiment becomes extreme, as it did in 2008 and is at present.

Having experienced many of these sentiment cycles around politics, one needs to recall how fearful behaviour from investors can be a buying opportunity. The greatest fears never come to pass, more likely leading to changes to the healthcare system that create an environment for winners and losers from an investor perspective. This will likely be the same again, with the market appearing to discount worst-case risks and fears ahead for 2020. Anything that goes the sector's way over the next year will likely justify a significant positive rerating for stocks sitting at significant discounts. Further, history would suggest that returns for investors in healthcare who are willing to invest when others are fearful, could be handsomely rewarded in the medium term.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

#### Healthcare Team

Polar Capital LLP

February 2020

## Healthcare Opportunities Fund

### Fund Performance

The Polar Capital Healthcare Opportunities Fund returned 18.9% (Class I US Dollar Distribution Shares) versus 22.7% (in dollar terms) for the MSCI AC World Daily Total Return Net Health Care Index during 2019. The sector lagged broader markets due to investor concerns building early over US politics heading into the 2020 presidential election. Fears appeared to peak in the middle of October with the sector outperforming into year end.

Geographic attribution was positive for the US and Europe, the former especially, and negative for Japan. The allocation effect overall was negative due to the underweight in Japan, while stock selection was positive particularly in the US. The average cash position was too high throughout the year with this cautious approach proving to be a significant drag on relative performance. In terms of market cap, mid-cap stocks generated significant relative outperformance with a small positive contribution from small-caps stocks. Large caps were a drag on performance.

On a subsector basis, allocation and selection effects were both negative, the former generating the more significant impact in part due to the underweight in managed care stocks. The overweight positioning in life science tools and healthcare equipment were significant positives. On stock selection, biotech was very strong while healthcare equipment and pharmaceuticals were negatives.

The three most positive contributors held in the Fund were Loxo Oncology, Zealand Pharma and Bio-Rad Laboratories. Loxo Oncology was a significant positive contributor as it was acquired for a significant premium by Eli Lilly; Zealand Pharma outperformed following a series of positive data releases on numerous pipeline programs; and Bio-Rad Laboratories generated better than expected top-line growth and margin expansion.

The three most negative contributors were KalVista Pharmaceuticals, Benefitfocus and Aurinia Pharmaceuticals. KalVista suffered as a competing company produced worse data than expected causing investors to become more cautious on KalVista's lead program; Benefitfocus was unable to execute effectively causing growth to come in below expectations; and Aurinia Pharmaceuticals lagged due to lack of catalysts for most of the year.

### Market Review

Markets began the year close to the lows of 2018, a level reached following a significant pull-back after excessive tightening by the Federal Reserve and the beginning of trade tensions between China and the US which drove a significant drop off in economic activity. The potential for interest rate cuts and a bounce in economic indicators in China started a rally in cyclical stocks that ran from January to April. The rally was strong and drove a significant rotation by investors which peaked in April. From April through to September, rotation turned back the other way into defensives and growth, away from cyclicals.

Leading economic indicators continued their decline exacerbated by a worsening of the trade war and fears over yield curve inversion in government debt markets.

Sector leaders included utilities, REITs and consumer staples. September witnessed a violent change in leadership with high growth stocks collapsing and cyclical stocks rallying. Optimism for a low in leading economic indicators and improvement over the situation between US and China led to the start of a rally which continued into year end, driving significant gains for equities in 2019.

The healthcare sector lagged after a strong 2018 with investors dumping relevant stocks in April as the defensive-to-cyclical rotation reached its peak. Healthcare was negatively impacted by positioning and concern over policy from the Democrats with a focus on Medicare for All driving most investor concern. By the end of April, the year-to-date performance of healthcare versus general markets was an extreme. However, healthcare did not join in the defensive outperformance from May through to September and suffered further relative weakness to mid-October as sentiment collapsed. Healthcare, in fact, bottomed on a relative basis in October at the peak of fears over US healthcare policy and rallied strongly into the year end with M&A and clinical data bolstering returns in November and December, outperforming as fears over policy declined.

### Fund Activity

There were three significant strategic shifts on positioning during the year. The first was the reduction in exposure to managed care stocks which were impacted for most of the year by investor focus on negative policy noise mainly emanating from Bernie Sanders and Elizabeth Warren during their campaigning to be the Democratic presidential candidate. Their discussion of Medicare for All which spooked investors in April remained an overhang until October. Positioning to managed care was first reduced through sales of positions in UnitedHealth Group and Anthem, with positions maintained in Humana Inc and Molina Healthcare for a longer period before ultimately being sold. Exposure to managed care remains at zero with our preference maintained in stocks exposed to utilisation which appears to be accelerating in the US. Relevant stocks that would benefit from this acceleration and purchased for the Fund included HCA Holdings, Ensign Group and Addus HomeCare.

Second was the reduction in medical device and life science tools' exposure early in the third quarter. Many of these stocks had been tremendous performers over the past four years and thus upside potential appeared to be more limited, with valuations stretched. Also, the potential for sizeable sales or earnings revisions was declining as investor expectations had raised over time. Sales included Edwards Lifesciences, Intuitive Surgical, Agilent Technologies, Avantor, Danaher and Varian Medical Systems. Some positions, however, were reinitiated after the growth-to-value switch in September that led to some dislocations in the market offering buying opportunities.



## Healthcare Opportunities Fund continued

### Fund Activity continued

As healthcare suffered during September to mid-October as sentiment collapsed, the third major move for the Fund was to increase large-cap pharmaceutical exposure and biotech which had both been at reduced levels for most of the year.

These subsectors were very out of favour by mid-October, trading at attractive valuations with potential catalysts ahead including drug pricing reform, the US election, M&A and clinical data news flow. Purchases included Merck & Co, AstraZeneca, Bristol Myers Squibb, Sanofi, AbbVie, Deciphera Pharmaceuticals, Zogenix Inc and ACADIA Pharmaceuticals.

Other activity of note was the move to increase the cash weighting of the Fund in May and August due to fears around the worsening trade situation between the US and China and slowing economic growth. Participation in company financings was high in 2019 and investments included Dermira, Turning Point Therapeutics, Avantor, Deciphera Pharmaceuticals and Medley.

### Market Outlook

Stock markets in the very short term are overbought and indicators suggest complacency, suggestive of a pull-back at some point early in the year. This is fast becoming the consensus view and thus might be short-lived. The healthcare sector is well positioned and has the potential to outperform as it climbs the wall of worry ahead of the US elections in 2020. Valuation remains appealing on both an absolute and relative basis, while fundamentals remain robust with strong earnings growth expected for the year. News flow in terms of clinical catalysts should be rich and corporate activity should remain elevated, with consolidation of the sector an ongoing theme.

An interesting analogy to the potential for healthcare stocks to deliver strong returns in 2020, which is an anti-consensus view, is the period of performance for semiconductor stocks in 2019. The trade war between the US and China and fears over the impact on economic growth caused investors to be cautious on semiconductor stocks in 2019. Despite the overhang, these stocks dramatically outperformed. The US election is the healthcare sector's trade war and investors are cautious because of this overhang for 2020. If the presidential election outcome follows any of the likely scenarios that are reasonable, then the sector has the potential to significantly outperform markets in 2020.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale.

Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Healthcare Team

Polar Capital LLP

February 2020

## Income Opportunities Fund

### Fund Performance

The Fund rose 13.7% (Class B2 I Sterling Accumulation Shares) over the year while our benchmark, the STOXX Financials Index, rose by 15.2% (in GBP terms).

### Market Review

2019 was an excellent year for equity markets, although financials slightly lagged the rise. Initially equity markets rallied strongly in January, following a brutal sell-off in December when the S&P 500 Index fell by nearly 15% at the worst point, on Christmas Eve. The momentum of this rally carried through to the end of April before equity markets corrected again. The rally was given impetus by less hawkish commentary from the Federal Reserve about the outlook for interest rates and the pace at which it would shrink its balance sheet.

However, concern around the escalation of trade tensions between the US and China and a fall in leading indicators resulted in interest rate expectations falling gradually over the period, with the next move by the Federal Reserve being seen to be a cut in interest rates. Not surprisingly, this acted as a headwind for bank stocks as, while they are beneficiaries of rising interest rates, the reverse is also true. US regional banks were particularly weak as they are more sensitive to movements in interest rates.

Money laundering allegations weighed on sentiment for Swedish banks. Denmark's largest bank, Danske Bank, which is not held in the Fund, had come under significant criticism in 2018 over alleged flows through its Estonian branch. While initially Danske was seen as an exception, Swedish banks came under suspicion over their money laundering controls, in particular Swedbank, which suffered a sharp fall in its share price and resulted in its CEO and Chairman both being forced to step down.

M&A activity picked up during the period with Deutsche Bank and Commerzbank admitting to talks, which fell through, with other banks also linked to discussions with the latter. In the US, SunTrust and BB&T announced a merger to create the sixth largest bank in the country with one of the reasons given as a need to increase spending on technology to compete against their larger peers. In the UK, Charter Court Financial Services and OneSavings Bank, both buy-to-let-focused lenders, also announced a merger.

While equity markets rebounded in June as trade tensions continued to ratchet up with the US threatening to impose further tariffs, weak manufacturing data and softer leading economic indicators, bond yields fell further as the market priced in three interest rate cuts in the US by the end of 2020. As a result, equity markets corrected again in August with US and German 10-year government bond yields falling to around 1.45% and -0.7% respectively, in the latter case below levels last seen in 2016. In comparison, the equivalent yields at the start of the year were 2.7% and 0.2%.

Not surprisingly, against this background bank valuations continued to fall with the discount to which US banks trade to the underlying equity market widening out to around 45% on a P/E ratio relative to the 20% discount on which they have, on average, traded for the past seven years and in the case of European banks falling to levels on a par with those seen in the middle of the crises of 2009 and 2012. However, as bond yields rebounded from the lows they hit in August, this led to a sharp rotation out of growth stocks into value stocks, banks being one of the biggest beneficiaries.

The change in outlook was helped by a number of factors. While the ECB also cut interest rates further to stimulate growth, it was coupled with the introduction of a tiered deposit scheme to offset some of the negative impact from negative interest rates on banks' profitability. On top of this, the heads of the German, Austrian, Dutch and French central banks all voiced opposition to the ECB's decision for additional monetary easing, which has been such a significant headwind for European banks shares.

There was also progress in trade talks between the US and China, and the UK government came to a new agreement with the EU on Brexit leading to a sharp rally in sterling. Finally, the Federal Reserve, after having cut interest rates three times during 2019, announced it was not expecting to cut rates further, citing robust consumer spending, strengthening house sales and reduced geopolitical risks as reasons, furthermore stating that they required a material reassessment of the outlook to justify further cuts.

US repo (short-term funding) markets suffered a sharp spike in cost in September. While a number of reasons were given for causing the ruction, at its simplest we believe it was driven by the unintended consequence of the liquidity requirements put in place post the financial crisis. As banks now are required to hold a higher amount of high quality short-dated securities, in other words government bonds, cash and deposits at central banks, the ability of the Federal Reserve to shrink its balance sheet materially is vastly reduced. As a result, the Federal Reserve was forced into pumping more liquidity into markets which undoubtedly helped underpin the change in tone in financial markets with equity markets rallying strongly into the year end.

Against this background, non-life insurance and REITs performed well over the year albeit their relative performance in the second half of the financial year was weaker, the latter due in part to the back-up in bond yields. The non-life insurance sector continued to benefit from its defensive characteristics, namely a steady growth in earnings combined with a relative lack of economic sensitivity, in an environment where investors have been concerned about global growth.

## Investment Manager's Report *continued*

For the financial year ended 31 December 2019

### Income Opportunities Fund *continued*

#### Market Review *continued*

2019 turned out to be the third year in a row to see significant catastrophe losses after several events late in the year including Hurricane Dorian, Typhoons Hagibis and Faxai as well as Californian wildfires. However, the bigger concern for non-life insurers has been around social inflation in the US, which hit the share prices of several companies. Social inflation is the increase in insurance losses caused by higher jury awards which have been rising for a number of reasons, including the increasing availability of third-party litigation funding.

Asset managers, unsurprisingly, also performed well, benefiting from rising equity markets, which was enough to offset negative flows and fee pressure for most traditional asset managers as the shift into passive out of active funds continues. However, alternative asset managers saw a significant jump in their share prices as they continue to benefit from a strong demand for alternative assets. Several US alternative asset managers announced they would be changing from a partnership structure to a corporate structure and therefore their shares would become eligible for inclusion in indices and this boosted their share prices further.

Subordinated debt of banks and insurance companies performed strongly over the year as bond yields fell and there was a tightening in the spread at which they traded relative to government bonds. Bond funds have continued to attract inflows as investors search for yield and the outlook for the sector from a credit standpoint remained robust. An expectation that banks would honour call dates which are optional also helped performance.

#### Fund Activity

We used the sell-off in December to add to our US bank holdings, at the beginning of January. However, subsequently, on the back of the rally in equity markets, we took the opportunity to reduce exposure to equities by primarily reducing exposure to the banking sector. As a result, we sold or reduced a number of holdings including Caixabank, HSBC, Intesa Sanpaolo and Banco Santander. We also sold our holding in Swedbank, following the money laundering allegations directed at the bank.

Holdings in Green REIT and Duke Royalty were also both sold, on the back of strong share price performance, the former following an announcement that it had put itself up for sale. We sold our holding in Civitas Social Housing, a UK REIT, in January, although following a sharp fall in its share price we took the opportunity to reintroduce a small holding in June, before selling it again following a jump in its share price. Holdings in the shares of Greencoat Renewables and Amigo Holdings, the latter a UK consumer lender, were also sold.

New holdings were purchased in Bank of Georgia Group, Georgia's largest bank, East West Bancorp, a California-based bank, Riverstone Credit Opportunities and two aircraft leasing funds, Doric Nimrod Air Two and DP Aircraft, while we also added to holdings in Arch Capital, Personal Group Holdings and VPC Speciality Lending Investments. The latter was added on the back of a sharp fall in its share price driven by a sale by Woodford Investment Management, one of its largest shareholders, following the well-publicised gating of the Woodford Equity Income Fund as well as index-tracking funds having to sell as the company was demoted from the FTSE 250 Index.

A holding in the senior bonds of Mogo Finance was sold while a number of our other fixed income holdings were either sold or reduced, including SLM floating-rate preferred shares and a holding in a senior bond issued by Deutsche Bank. We purchased a new holding in the senior bonds of Metro Bank, the UK bank, and Bayport Management, which lends to predominantly government workers in a number of African and South American countries. We also added to holdings in RT1 bonds issued by Rothesay Life and Pension Insurance Corporation and a number of senior bonds issued by Morgan Stanley, whose coupons are linked to the steepness of the US yield curve.

#### Market Outlook

While banks have enjoyed a jump in share prices this year, they have not recovered from the sharp sell-off in 2018 and trade at an even larger discount to underlying equity markets than they normally do. This relative derating of the sector we believe reflects concerns about the medium-term outlook for economic growth, inflation and therefore interest rates, and to a lesser extent technology and how it will impact profitability. We believe these concerns are overdone and that views on the outlook are so entrenched that investors risk having little or no exposure to the sector.

The biggest downside risks to the sector are falling equity markets, leading to lower fee income, lower interest rates and weaker economic growth or recession, in turn leading to lower net interest margins, higher unemployment and corporate insolvencies, followed by higher loan losses and bond defaults, resulting in lower profitability. Lower equity markets aside, asset quality currently, outside some emerging markets, remains resilient and if anything has continued to positively surprise, reflecting the relatively benign macro background.

While the recovery in the US has been the longest expansion in history according to the National Bureau of Economic Research it has also been far weaker than any previous recovery. Similarly, economic growth in other countries has also been much weaker than in past recoveries. This would suggest the risks that normally build up in the banking system in an expansion have yet to do so and therefore banks' operating performance should surprise positively through the next downturn.

One way to observe this is via the credit-to-GDP gap which has been negative for most developed countries since the crisis (i.e. loan growth has been slower than nominal GDP growth). The correlation between loan growth, relative to GDP, and future loan losses is very high as strong loan growth correlates well with higher loan losses in a downturn, and vice versa, reflecting the exuberance or caution to which banks extend new loans. If the correlation stands then this would suggest there will be little or no pick-up in loan losses if a recession were to occur in the next year.

This cautiousness around risk can also be seen in an area where banks lost significant money during the financial crisis, namely trading assets, for example leveraged loans. There has been understandable concern recently around both the significant increase in leveraged loan issuance and also the fall in underwriting standards and use of adjusted EBITDA forecasts by private equity sponsors to justify paying high valuations. However, the banking sector's exposure to leveraged loans has fallen on some estimates by around 85% since 2007 with other market participants taking up the slack.

Lower interest rates lead to, all things being equal, lower net interest margins and therefore profitability for banks. Looking back at previous recessions it is noticeable that margins expand as banks look to offset the impact of higher loan losses. It is only as a recovery picks up and loan losses fall that competition picks up and net interest margins fall. More recently the impact of lower interest rates, while negative, has been overstated, having a bigger impact on sentiment, although longer-term it will force banks, over time, to adjust their business models to adapt if interest rates remain at recent low levels.

Banks' balance sheets are significantly stronger than they were prior to the financial crisis; in the case of US banks you have to go back to the 1930s to find a time when they had lower leverage ratios. Funding similarly is much more robust, with banks less reliant on short-term wholesale funding, so the sector is much more resilient to any volatility in funding markets. Regular stress tests by regulators and better governance around risk by banks also underpins our view that concerns are misplaced.

Banks represent a significant portion of the sector and the Fund's portfolio, but the non-life insurance sector also remains an important theme and is the second largest equity exposure of the Fund. With further evidence of insurance premium rate rises coming through, we believe the sector is well positioned to continue to do well. Reflecting its defensive characteristics, it also offers a counterbalance to our banks' exposure for when we want to reduce risk across the portfolio.

The Fund has a large exposure to business development companies and investment companies that invest in loans or debt securities which provide steady returns, lagging in strongly performing equity markets but similarly providing the ballast in weak or volatile markets. We also have exposure to several REITs that have proved relatively defensive but have provided good returns and we believe can continue to do so.

Finally, fixed income securities represent a significant part of the Fund's portfolio where we have been able to make attractive risk-adjusted returns from buying the debt instruments of banks, non-life insurance and life assurance companies. There remain many interesting opportunities, some of which have resulted from changes in regulation that require the issuer in question to look to retire or refinance bonds over the coming years where bonds no longer count towards regulatory capital.

Therefore, looking forward we remain constructive on the outlook for the sector and the Fund. The recent rotation out of growth stocks into value stocks, of which banks played a prominent part, is not surprising considering the latter's underperformance. Warren Buffet's business partner, Charlie Munger is quoted as saying: "A great business at a fair price is superior to a fair business at a great price". They have increased Berkshire Hathaway's exposure to US financials over the past year by around \$16bn at the expense of almost any other sector or industry. In an equity market where investors struggle to find value, they see them as solid investments, as we do.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

## Financials Team

Polar Capital LLP

February 2020

## Investment Manager's Report *continued*

For the financial year ended 31 December 2019

# Japan Fund

## Fund Performance

From 31 December 2018 to 18 October 2019, the Polar Capital Japan Fund (Class I Japanese Yen Distribution Shares) grew by 5.4% versus a 11.1% increase in the benchmark, the TOPIX Total Return Index, both in yen terms.

The Fund experienced a poor start to the year, with underperformance driven by several stylistic headwinds in addition to poor stock selection within the cyclical space. The Fund's value bias remained unpopular for the majority of the period, much as it has since sentiment on US yields peaked in late 2016.

The largest contributors to relative performance were Open House and Lixil Group. Open House outperformed as investors reacted positively to improved momentum in its core business supported by improving sales of single-family homes. In addition, management announcing share buybacks improved sentiment among investors. Lixil Group contributed strongly to performance as sentiment improved after investors supported a proposal bought forward by a group of shareholders, including Polar Capital's Japan investment team, calling for the reappointment of Kinya Seto as CEO of Lixil Group, contrary to incumbent management's wishes. The outcome of the vote was an unprecedented event in Japan and a very positive signal of the wider changes we are seeing across corporate Japan.

The largest detractors from relative performance were Idemitsu Kosan and Mitsui-Soko. We invested in Idemitsu Kosan, an oil refiner, given our expectation that structural reform could lead to materially higher profits. However, investors focussed on the strong oil price among other macro factors which led to a depressed share price. Mitsui-Soko underperformed as investor sentiment deteriorated on weaker than expected full-year earnings. Lower air cargo volumes, on the back of slowing global trade, in addition to rising input costs, led to weaker earnings forecasts.

## Market Review

Despite widespread concerns about global economic growth prospects and US/China trade friction at the start of the year, 2019 proved to be excellent for global equity returns, with the MSCI World Index finishing at close to all-time highs. The key catalyst for the turnaround in equity markets following the fourth quarter 2018 sell-off was the reversal in monetary policy by the US Federal Reserve.

In Japan, the equity market lagged for much of the year as earnings growth turned negative year on year. However, the TOPIX rallied sharply from its August lows, as rising optimism on both US/China trade talk progress and the global economic outlook for 2020 led foreign investors to increase allocations into year end, reversing a prolonged period of foreign selling pressure. Strong absolute returns in Japan were driven by P/E multiple expansion rather than earnings growth in 2019 as the manufacturing industry suffered a cyclical downturn in earnings.

The consumption tax rate was raised from 8% to 10% on 1 October with the negative impact clearly visible in fourth quarter Japanese economic data releases. The government responded quickly with plans for a large-scale fiscal stimulus package announced in December. The headline amount of ¥26trn, which is approximately 5% of GDP, needs to be heavily discounted. The real boost to government spending is somewhere in the region of 1.5% of GDP and will contribute to growth over the next two years. A considerable portion of the real spending will be on infrastructure upgrades following a number of well-publicised natural disasters in recent years. A more proactive fiscal policy response from the government arguably implies less need for the Bank of Japan to further ease monetary policy which may offer some relief for long-suffering financial shares. It is likely Japanese GDP will contract in October-December but arguably the outlook for 2020 growth has improved given greater fiscal expansion than previously expected.

Market leadership fluctuated throughout the year between risk-on and risk-off given the many twists and turns in US/China trade negotiations. Ultimately, 2019 winners were dominated by sectors offering growth characteristics including technology, services, pharmaceuticals, and information and communications while laggards included a mix of commodity-related names (oil refiners, steel, rubber), defensives (utilities, foods), financials (banks) and domestic-oriented sectors (retail, land transport).

## Fund Activity

The start of 2019 saw markets sharply recover from the cyclical sell-off experienced at the close of 2018. This led to an unusually high period of turnover within the Fund, as the rapid increase in valuation of cyclical names led to us taking profits and re-investing proceeds into more defensive and domestic-oriented names. The most notable sector change came from a move to underweight technology after several holdings, including Toshiba, reached our fair value targets and were subsequently sold. Toshiba was sold as market participants came to see the value we highlighted in early 2018 when we bought into the business. At this time, we believed market participants incorrectly perceived Toshiba's decision to sell their memory business (TMC) as a mistake. Instead, we felt that, given expected downward pressure on NAND flash prices the company had, rather fortuitously, timed the sale of the unit perfectly. Over the course of 2018, market participants increasingly came to this view, becoming increasingly optimistic, shown by the large-scale shareholder return program the company initiated following the completed purchase of TMC.



In general, the sectors we looked to reinvest proceeds into were more domestic and defensive in nature. Two sectors that saw a significant increase in weighting were construction and information and communications. In construction, we increased exposure through the purchases of Open House, Mirait and Kyudenko, as we looked to capitalise on what we believed was an overly cautious view on the sector in general. Share prices for the sector had been materially underperforming the wider market as investors priced in a sharp reduction in demand post-Olympics. However, our meetings with management teams in the sector suggested that, to the contrary, that demand was likely to remain firm for the foreseeable future due to the healthy backlog of orders. With regards to information and communications, we found stock-specific opportunities at TV Asahi, Fuji Media and Macromill. TV Asahi Holdings, a major Japanese broadcaster, was purchased given the favourable risk/reward profile at current share price levels. Its market cap is largely equal to its net cash and security holdings, offering significant downside protection and suggesting a zero valuation for the core broadcasting business. The upside catalyst we are most interested in is its 36.8% stake in Japan's leading video-on-demand service, Abema TV, as the business shifts from an initial heavily loss-making period to greater monetisation of its leading subscriber base in the years ahead.

## Market Outlook

Entering 2020, the outlook for equities remains clouded given mixed signals from global economic data releases and rising geopolitical risks. Clearly, global central banks conducted substantial monetary easing over the course of 2019 which should be a supportive factor for growth in 2020. Despite some progress in December, it is likely the ongoing US/China trade friction will continue to flare up from time to time leading to significant bouts of equity market volatility. A tight US presidential election campaign is also a potential source of uncertainty for equity markets given the very different policy priorities of the leading Democratic candidates versus the incumbent Trump administration.

In Japan, Prime Minister Abe will host the 2020 Olympics Games in Tokyo but speculation regarding his successor could intensify in the latter half of the year given his party leadership term ends in 2021. It appears unlikely the Bank of Japan is planning to substantially change monetary policy in the near term given the government's stimulus plan announcement should limit the economic downside from the recent consumption tax hike. Although inflation is nowhere near the 2% target, modest tapering, possibly, of the equity ETF buying from the Bank of Japan seems a more likely outcome than a deeper move into negative interest rates in 2020. Japanese equities enjoyed a welcome rebound in 2019, recouping the majority of losses booked in 2018, but corporate Japan's earnings will need to positively inflect after a difficult couple of quarters for further gains to be enjoyed in 2020.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Japan Team

Polar Capital LLP

February 2020

Please note: The Polar Capital Japan Fund was closed on 18 October 2019 and the assets were transferred to the Polar Capital Japan Value Fund.

## Japan Value Fund

### Fund Performance

The Class S Japanese Yen Distribution Share Class rose 22.4% versus an 18.1% increase in the TOPIX Total Return Index over the year.

Fund outperformance versus the benchmark was driven by positive stock selection with notable success within mid-sized and smaller companies making up for a shortfall within our large-cap selection. The largest positive contribution to selection came from within transportation equipment (Showa Aircraft Industry, Nissin Kogyo), technology (Nichicon, Zuken) and wholesale trade (Kaga Electronics, Hitachi-High Technologies). Disappointments were most apparent within metal products (Noritz, NHK Spring), retail (H2O Retailing), products we did not own (Nintendo, Lintec) and glass (Nippon Electric Glass).

Sector allocation was broadly neutral, with positive contributions from underweight positions in underperforming foods, land transport, utilities and retail being largely offset by the negative impact from overweight positions in banks, textiles and air transport alongside a significant underweight exposure to high-flying pharmaceuticals.

Strong relative Fund performance in 2019 was particularly pleasing given the substantial style headwind from the continued outperformance of growth over value, with the TOPIX Growth Index finishing the year over 10% ahead of the TOPIX Value Index. Two key differentiators of our approach to value investing – our focus on catalysts to unlock value and constructing a balanced portfolio – contributed significantly to delivering strong returns in such a difficult environment for value investors. Among the catalysts we target, a particularly large contribution came from the listed subsidiary investment theme given three subsidiary takeovers (Nissin Kogyo, NuFlare Technology, Toshiba Plant Systems and Services) by their parent companies in 2019 and a great deal of speculation regarding the potential sale of Showa Aircraft Industry by its parent, Mitsui Engineering & Shipbuilding, given the parent's need for capital following a major cost overrun on a large overseas project.

### Market Review

Despite widespread concerns about global economic growth prospects and US/China trade friction at the start of the year, 2019 proved to be excellent for global equity returns, with the MSCI World Index finishing at close to all-time highs. The key catalyst for the turnaround in equity markets following the fourth quarter 2018 sell-off was the reversal in monetary policy by the US Federal Reserve.

In Japan, the equity market lagged for much of the year as earnings growth turned negative year on year. However, the TOPIX rallied sharply from its August lows, as rising optimism on both US/China trade talk progress and the global economic outlook for 2020 led foreign investors to increase allocations into year end, reversing a prolonged period of foreign selling pressure. Strong absolute returns in Japan were driven by P/E multiple expansion rather than earnings growth in 2019 as the manufacturing industry suffered a cyclical downturn in earnings.

The consumption tax rate was raised from 8% to 10% on 1 October with the negative impact clearly visible in fourth quarter Japanese economic data releases. The government responded quickly with plans for a large-scale fiscal stimulus package announced in December. The headline amount of ¥26trn, which is approximately 5% of GDP, needs to be heavily discounted. The real boost to government spending is somewhere in the region of 1.5% of GDP and will contribute to growth over the next two years. A considerable portion of the real spending will be on infrastructure upgrades following a number of well-publicised natural disasters in recent years. A more proactive fiscal policy response from the government arguably implies less need for the Bank of Japan to further ease monetary policy which may offer some relief for long-suffering financial shares. It is likely Japanese GDP will contract in October-December but arguably the outlook for 2020 growth has improved given greater fiscal expansion than previously expected.

Market leadership fluctuated throughout the year between risk-on and risk-off given the many twists and turns in US/China trade negotiations. Ultimately, 2019 winners were dominated by sectors offering growth characteristics including technology, services, pharmaceuticals, and information and communications while laggards included a mix of commodity-related names (oil refiners, steel, rubber), defensives (utilities, foods), financials (banks) and domestic-oriented sectors (retail, land transport).

### Fund Activity

If we compare the portfolio at the end of the year to the portfolio at the start of 2019, a significant shift in strategy is clearly visible.

The most pronounced change relates to the exposure to the electrical appliance sector which has fallen from an initial 18.7% of the portfolio to just 6.6% by year end. This reduction in exposure is entirely consistent with our investment approach which focuses on identifying asymmetric risk/reward profiles. The sharp industry-wide rebound in technology shares in 2019 means the sector is now trading at a fair valuation with a significant rebound in 2020 earnings already built in to current share prices. Therefore, from our perspective, the risk/reward profile has materially deteriorated over the course of 2019 as valuations have rerated and earnings expectations are now elevated. Complete sales within electrical appliances included Foster Electric, Toshiba, Alps Electric, TDK, Zuken, Mitsubishi Electric and Kyocera.

On the other hand, the portfolio has increased exposure selectively to a number of domestic-oriented sectors, including construction (Maeda, Toda), retail (San-A), land transport (Yamato Holdings), services (Amuse, Tsukui), and information and communications (TV Asahi Holdings, Okinawa Cellular Telephone) which offer a more attractive balance of upside potential and downside protection.

Elsewhere, the significant rerating of businesses offering stable growth prospects in global equity markets led us to sell TKC, Medikit and METAWATER as they exceeded our fair value targets.

For detailed descriptions of all new purchases and complete sales in 2019, please review our monthly factsheets.

## Market Outlook

Entering 2020, the outlook for equities remains clouded given mixed signals from global economic data releases and rising geopolitical risks. Clearly global central banks have conducted substantial monetary easing over the course of 2019 which should be a supportive factor for growth in 2020. Despite some progress in December, it is likely the ongoing US/China trade friction will continue to flare up from time to time leading to significant bouts of equity market volatility. A tight US presidential election campaign is also a potential source of uncertainty for equity markets given the very different policy priorities of the leading Democratic candidates versus the incumbent Trump administration.

In Japan, Prime Minister Abe will host the 2020 Olympics Games in Tokyo but speculation regarding his successor could intensify in the latter half of the year given his party leadership term ends in 2021. It appears unlikely the Bank of Japan are planning to substantially change monetary policy in the near term given the government's stimulus plan announcement should limit the economic downside from the recent consumption tax hike. Although inflation is nowhere near the 2% target, modest tapering, possibly, of the equity ETF buying from the Bank of Japan seems a more likely outcome than a deeper move into negative interest rates in 2020. Japanese equities have enjoyed a welcome rebound in 2019, recouping the majority of losses booked in 2018, but corporate Japan's earnings will need to positively inflect after a difficult couple of quarters for further gains to be enjoyed in 2020.

Due to the changes noted above in the 'Fund activity' section, the portfolio at the beginning of 2020 offers greater balance than 12 months ago given the uncertain economic conditions and higher equity market valuations. We are more focused than ever on trying to identify individual stock-specific catalysts linked to the changing corporate governance environment in Japan with one of our key themes – parent/listed subsidiaries – coming to the fore in the second half of 2019. We continue to believe value as a style offers an exceptional risk/reward profile following 10 years of underperformance with any positive growth or inflationary surprise the most likely macro catalyst for a reversal in fortunes. Specifically in Japan, there also remains the bottom-up driver of corporate governance reform as a means to unlock the substantial value sitting on corporate Japan's balance sheet and we are encouraged by the acceleration in the pace of change evident last year.

The Heisei era (1989–2019) was far from a golden era for Japanese equities. Let us hope the incoming Emperor Naruhito and the Reiwa era proves a more fruitful period for investors in Japan in the years ahead.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### Japan Team

Polar Capital LLP

February 2020

## North American Fund

### Fund Performance

The Fund (Class I US Dollar Distribution Shares) returned 28% over 2019 which compares with 30.7% for the MSCI North America (Net Total Return) Index (both in dollar terms).

Despite lagging the performance benchmark, a lot went right for the Fund in 2019 over and above the strong absolute performance. Importantly, we continue to be broadly happy with the Fund's underlying operational performance. On our calculations, underlying business value creation of the portfolio was in the low double digits.

In addition, there are reasons to be encouraged by stock picking in 2019. First, positions added to the Fund over the last 18 months had a high hit rate of outperforming and added meaningfully to returns in the year, around 180bps of relative performance. Although we take a long-term view to any new addition to the Fund, we do not seek instant gratification, nor accept short-term performance as confirmation of success. It is nonetheless reassuring that the early signs suggest that recent stock-picking has been good. This is different to the situation we found ourselves in 12 months ago when performance of stocks added over the previous 18 months had contributed negatively to performance. Second, the largest active positions in the fund also performed very well. For example, the top ten active positions added 260bps to performance in 2019.

Notable positive contributors to performance include the insurer Arch Capital, which under a long-term-oriented-management team continues its tremendous record of compounding book value per share; the payments company, Global Payments, which continues to benefit from secular growth as card and electronic payments take share from cash and from a wave of consolidation in the industry (including Global Payments' own deal to acquire Total Systems); and the well-run government IT consultant Booz Allen Hamilton, which is benefitting from secular technology drivers, ongoing market share growth and consistent return of capital. In general, the Fund's focus on companies with attractive business value creation served it well.

Notable holdings that detracted from performance included: the online food delivery business Grubhub; the online travel agent Expedia; and the low-cost airline Spirit Airlines.

Grubhub suffered from significantly heightened competitive pressures. Our initial investment case was based on the fact that it was a profitable and well-managed clear leader in an industry with an obvious path to much higher penetration as ordering of food naturally shifted from offline means to online. However, we under-estimated the negative impact of the capital cycle during what was a relatively early stage of the industry's development – i.e. a flood of venture capital investment altering the supply and competitive dynamics, particularly for secondary markets where dominant market positions had yet to be established. With hindsight, and as a result, we overpaid for the stock. It is currently a small position in the Fund reflecting our belief that the holistic and strategic value of the business is worth more than its current market worth.

Expedia suffered disappointing the third quarter results, in part due to the increased cost of online paid search, and the resignation of its CEO and CFO shortly thereafter, which added to our concerns about the future strategic direction of the company. The position has been sold.

Spirit Airlines' underperformance was driven by what we believe to be short-term headwinds, including poor operational performance which resulted in cost pressures. As such the stock suffered mainly from a derating in valuation versus its normalised earnings power. We have added to the position given its reduced valuation and attractive compounding potential.

A much bigger influence on the Fund lagging the broader market index in 2019 was what it did not hold. The Fund was severely and unusually punished in 2019 for holding cash in a market which saw one of its strongest returns in recent decades and for not holding the largest two positions in the index, Microsoft and Apple, which returned 58% and 89% respectively over the year (both in dollar terms). Holding cash rather than investing in Microsoft and Apple cost the fund nearly 500bps. We are not aware of another year in recent history where holding cash instead of an index position in the top two stocks would have been so costly in a calendar year. Analysing data from Credit Suisse and Bloomberg we found that even in 1999, the height of the technology bubble, the cost was 400bps from holding cash instead of the top two stocks in the index from that year. The average opportunity cost this century has been 30bps. Without this dynamic, the Fund would have outperformed in 2019.

### Market Review

We are now almost 11 years into the current US bull market, the longest on record with 2019 the strongest year for the MSCI North American Index since 1997. This occurred despite fairly lacklustre economic growth, in the US and globally, and weak profit growth for the index as a whole. According to Credit Suisse, 2019 EPS growth for the S&P 500, based on aggregated estimates, is expected to be just 2%, albeit on the back of slightly better sales growth of 4%. Given the increase in stock prices and the lack of profit growth, the market rerated significantly over the year to a valuation level above historic norms on most measures. However, of note, this somewhat reversed the pattern of 2018 when the market declined against a backdrop of strong earnings per share growth and hence de-rated.

Despite this difference in valuation dynamics and the rate of earnings growth between 2018 and 2019, there were a few common characteristics underpinning the broader market in both years:

- First, large cap and market-cap-weighted indices continued to significantly outperform small cap and equal-weighted indices
- Second, valuation spreads between the cheapest and most expensive stocks (on near-term measures) widened towards high levels relative to history
- Finally, low-volatility securities were further rerated against a backdrop of extremely low or even negative interest rates in some parts of the global bond market

These offer some relevant perspective on the performance of fundamental equity investors, in general, relative to the most commonly used benchmarks. The combination of these characteristics automatically works to curtail the relative performance of managers with high active share and a disciplined approach to valuation. While there are some good reasons to explain these trends there are also reasons to believe they will not endure indefinitely.

## Fund Activity

The Fund ended the year with 48 stocks. We made 10 new purchases and 10 complete sales for the portfolio over the year. The purchases spanned a diverse number of industries, including payment processing, semiconductors, insurance brokerage and food distribution. Many of the positions added over the past year are businesses we have known well for some time, either through work on the company specifically or on its peers, and where we were waiting for a good opportunity to establish a holding. For more detail of the rationale of each, please see our most recent update published on [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

## Market Outlook

Recent strength has lifted the market to valuation levels above historic norms on most measures, despite reasonably anaemic aggregate earnings growth. Returns driven by revaluations rather than underlying business progression or capital return effectively eat into prospective returns.

Furthermore, there have also been a number of notable market trends which have raised the performance bar in the past couple of years, particularly for valuation disciplined, multi-cap investors with high active share. These include the material and continued outperformance of indices disproportionately influenced by large and mega-cap stocks and the outperformance and continued rerating of high-multiple stocks. While it is difficult to predict the point at which it might change, this trend cannot continue indefinitely.

As a result, and contrary to most of stock market history, valuation discipline has not been as helpful in recent years for stock pickers. During such times it is easy to dismiss valuation as irrelevant but, in a world with lower prospective returns across all asset classes and a potential shift in many overarching trends driving the stock market, we expect that selectivity on fundamentals and a pragmatic value discipline will be more, not less, important.

From a fundamental point of view, we feel conditions are conducive for most good companies to grow their profits and we are enthused about the prospects for the portfolio to continue to make very good operational progression from an absolute perspective as well as versus the average company. The portfolio at the aggregate level also exhibits very appealing financial characteristics such as an appropriately capitalised balance sheet, high free cash flow margins and strong cash conversion. These features will stand the portfolio well in both good and bad times.

Despite its attractive fundamental qualities, the portfolio is also reasonably valued versus the average US and global stock at close to a 5% forward free cash flow yield for 2020. We are confident that our approach to valuation will likely become more of a tailwind to performance rather than a headwind and will complement our focus on long-term value creation in delivering attractive returns to investors.

It is difficult to know what the short term will bring. However, we believe that investing in good businesses that we expect to be relevant, larger (in some cases considerably larger) and still growing in five years' time, with superior cash generation and capital deployment, appropriate balance sheets and very reasonable valuations, will result in attractive long-term returns for investors.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

## North American Team

Polar Capital LLP

February 2020



## UK Absolute Equity Fund

### Fund Performance

The Fund rose 7.4% (Class I Sterling Distribution Shares) in 2019. The long book added 39.4% while the short book detracted 27.7% (both gross). In the long book, the key positive contributors were Games Workshop (6.7%), a number of basic material positions and Ryanair (2.1%). Of the long book detractors, the key ones were Pearson (-1.3%) and AB Dynamics (-0.5%). In the short book, the key detractors were the FTSE 100 index short (-2.19%) and a number of technology shorts which performed poorly.

### Market Review

Markets had a strong 2019, with the FTSE All-Share TR rising 19.2% (in Sterling terms). The two key drivers of this strong performance were central bank stimulus and the UK election outcome. In response to rising global uncertainty and slowing economies, the US Federal Reserve reversed their previous tightening bias and started to reduce interest rates, cutting rates three times in 2019 to 1.75% by December. This had a strong positive impact on asset prices globally and offset weak economic fundamentals which remained fragile although stabilised into 2020. The UK election in December resulted in a significant majority for the Conservative Party, with Prime Minister Boris Johnson therefore able to pass his initial Brexit legislation in January 2020. This increases the likelihood of the Brexit exit process being finalised in the next year or so which should result in an improving domestic economy as uncertainty is reduced.

### Fund Activity

The Fund entered 2019 net short, principally concerned over the economic outlook which continued to weaken. We underestimated the policy reversal of the central banks and their subsequent liquidity injections into markets which offset any slowdown in economic fundamentals and resulted in asset prices rising despite their own poor fundamentals. We recognised these mistakes by the third quarter and reduced our net short bias. We increased our exposure to UK domestics in advance of the UK election. Both these decisions were important drivers behind the improvement in Fund performance into the year end.

### Market Outlook

Global equity market direction will be dictated to a large degree on the outlook for central bank stimulus and liquidity as well as the trajectory for economic fundamentals which remain relatively fragile. The outlook for the UK economy is robust, and the economy should recover somewhat as the Brexit uncertainty abates and investment in the country recovers. We think there remain good opportunities on both the long and short side of the portfolio and aim to continue to generate a positive return for investors in the year ahead.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### UK Absolute Return Team

Polar Capital LLP

February 2020

## UK Value Opportunities Fund

### Fund Performance

The Fund returned 27.0% (Class I Sterling Accumulation) in 2019 compared to 19.3% for the FTSE All Share Total Return Index. Since inception, the Fund has returned 32.1% compared to 21.6% for the benchmark.

Over the course of the year, the FTSE 250 (28.8%) and Small Cap Index (18.8%) outperformed the FTSE 100 (17.3%). This was a beneficial backdrop for a multi-cap fund, though importantly stock selection was positive across each of the market-cap segments within the Fund.

The strongest overall sector performance came from consumer discretionary and financials where sector allocation and stock selection were both positive. On the negative side, consumer staples and healthcare were the largest relative detractors from performance. In both cases, the underlying stocks performed well but the Fund's weighting is substantially below the benchmark as we ruled out many stocks on valuation grounds.

Breaking the year down there were two distinct phases. The first eight months of the year proved stylistically difficult. The UK market suffered from continued outflows and political uncertainty affected asset allocation. The yield on the UK 10-year gilt collapsed to below 0.5%, favouring defensive equities which were already starting on elevated valuations. The dispersion between growth and value became extremely stretched and parts of the domestic market became deeply out of favour. During this period, we stuck rigorously to our fundamental value-based approach, refusing to chase what were the hotter areas of the market at that time. Since the end of August, with the transition deal agreed on the UK's exit from the European Union and the definitive general election result in December, the political outlook has become more certain. The later part of the year led to improved performance from value, domestic shares and the mid and small-cap segments of the market.

At a stock level, the best contributors to performance were JD Sports Fashion, Morgan Sindall Group and Avon Rubber, all of who were able to produce strong results and deliver earnings ahead of market expectations. The largest detractors to performance were Kier, Costain and M&C Saatchi. All three issued profit warnings with trading worse than expectations. After meetings with management and reappraising our assumptions, all three holdings were exited in full given they failed on the second part of our process, sustainability of returns.

### Market Review

We assess the period according to our three investment criteria: valuation, sustainability of returns and financial soundness. The second and third criteria can be looked at in two ways; one is to say being cheap is not enough or, alternatively, these additional criteria are our way of avoiding value traps. Assessing each in turn:

In 2018 and in the first half of 2019, valuation did not work. That is to say, broadly speaking more expensive shares performed better than cheaper shares. This phenomenon led to the dispersion between growth and value P/Es reaching extreme levels over the summer months. As some clarity returned to the UK political situation the power of valuation started to reassert itself across the market and cheaper shares performed better.

The second part of our process proved the most difficult for the majority of the year. Uncertainty on the outlook for profits, driven by both a weaker UK outlook coupled with a more uncertain global growth outlook, made profit delivery more difficult to predict. In addition, the severity of the market reaction to profit warnings made the market risks very high. For the first three quarters of 2019, the average share price reaction to a profit warning was as harsh as during the financial crisis. This was coupled with the deep uncertainty the UK found itself in politically. This uncertainty changed in the later stages of the year. The agreed withdrawal deal with the EU and the removal of a risk of a Corbyn-led government has given more certainty to the UK economy. So, while, there is still some uncertainty on the future relationship with Europe the number of concerns has dropped. From September, the market reaction to profit warnings started to normalise, becoming notably more measured while the political events of the latter part of the year helped sentiment towards the UK. These two combined have created a more beneficial outlook. Bluntly, the UK has been very cheap for a while but investors could not put faith in the earnings numbers, meaning any discussion about the P/E at which the market was available was merely academic.

Funding position has again proved essential in 2019. Many high-profile businesses ran into problems and they were dealt with severely. The premise of the safety check, which is how we measure funding position, is that valuation is irrelevant if a business is not funded from internally-generated cash. If a company must cut its capex or its dividend to survive, or make a disposal, or, in more extreme cases, have a rights issue, then the shares will not re-rate to target price irrespective of how cheap they are. Many of the biggest fallers in the market this year were again shares failing our safety check.



## UK Value Opportunities Fund continued

### Fund Activity

Although it was a turbulent year, much of what we did was to hold our nerve and stick rigorously to our investment approach, as detailed above. Accordingly, our overweight position in small and mid-caps compared to benchmark was in place all year. The Fund has also been 50% exposed to more domestic shares all year. We did make some portfolio changes on the election result that were detailed in our fourth quarter of 2019 webcast, available on the Polar Capital website. Please do get in touch if you are not on the mailing list to receive notifications of our quarterly webcasts and would like to receive them.

### Market Outlook

Looking again through the lens of our process, in valuation terms, although there is less upside after the market rally at the end of 2019, the dispersion of valuations remains significant. There are still pockets of extreme valuation opportunity. The market as a whole does not look expensive though the valuation discount of small-cap shares still looks particularly appealing.

In terms of our financial safety check there are pockets of over-gearred shares that we are still very keen to ignore.

As we assess the sustainability of returns, this appears to have improved. First, on the global economy with more favourable news on trade wars; and second, the political situation appears more stable in the UK and this should have more tangible impact in 2020. Business investment has fallen dramatically since the 2016 referendum. We expect to see some rebound here, but some sectors will need greater clarity on the future trade deal with the UK and Europe to fully unlock the benefits. Government spending has been weak over the past 10 years, the new government has signalled an end to austerity and we should expect a more fiscally loose budget from the new chancellor. Overall, the UK consumer has been resilient so we are not predicting any great rebound in consumption, however disposable income should continue to improve with wage growth continuing and a number of headwinds abating – namely pension contributions, the benefits freeze, falling energy costs and lower import price inflation.

While the UK market has had a period of better performance, given the attractive starting valuation and the record underweight for many investors, stability in politics and sterling should lead to a continued attractive backdrop.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of late February 2020, the virus has sickened more than 80,000 people in at least 33 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Fund management team continues to monitor this situation closely.

### UK Value Team

Polar Capital LLP

February 2020





## Report of the Directors

For the financial year ended 31 December 2019

The Directors of Polar Capital Funds plc (the 'Company') have pleasure in submitting their Annual Report and Audited Financial Statements for the financial year ended 31 December 2019 to the Shareholders.

### Directors Responsibilities Statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017, hereinafter 'Companies Act 2014') and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which: correctly explain and record the transactions of the Company; enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; enable the financial statements and Directors' report to comply with the Companies Act 2014 and with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the 'UCITS Regulations') and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the 'Central Bank UCITS Regulations') and the Listing Rules of Euronext Dublin; and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In this regard, Northern Trust International Fund Administration Services (Ireland) Limited (the 'Administrator') has been appointed for the purpose of maintaining adequate accounting records and Northern Trust Fiduciary Services (Ireland) Limited (the 'Depository') has been appointed for the purpose of safeguarding the assets of the Company.

### Basis of Presentation

The format and certain wording in the Financial Statements has been adapted from those contained in the Companies Act 2014 and IFRS so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

### Directors' Statement on Adequate Accounting Records

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained by the Administrator at Georges Court, 54–62 Townsend Street, Dublin 2, Ireland.

### Business Review and Future Developments

The Company is an open-ended investment company with variable capital and segregated liability between its sub-funds (the 'Funds'), organised under the laws of Ireland. The Company was incorporated on 28 September 2001.

During the financial year ended 31 December 2019,

- European Income Fund was terminated on 17 January 2019.
- Japan Fund merged with the Japan Value Fund on 18 October 2019.

The Company will continue to act as an investment vehicle as set out in its Prospectus.

A detailed review of the Company's activities for the financial year ended 31 December 2019 is included in the Investment Manager's Reports.

### Risk Management Objectives and Policies

The principal risks and uncertainties faced by the Company are the investment risks associated with the portfolio of investments held for the account of each Fund and the operational risks associated with their management and administration. A more detailed analysis of some of the risks facing the Company is included in Note 10 of the Notes to the Financial Statements.



## Directors' Interests in Shares of the Company

Other than as disclosed in Note 8 to the Financial Statements, there were no contracts or agreements of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 2014, at any time during the financial year.

## Transactions with Connected Persons

Any transaction carried out with the Company by a management company or depositary to the Company, the delegates or sub-delegates of the Company or management company or depositary, and any associated or group company of such a Company or management company, depositary, delegate or sub-delegate ('connected persons') must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the year complied with these obligations.

## Distributions

Distributions declared for the financial year are as set out in Note 13.

## Corporate Governance Statement

The Company is subject to corporate governance practices imposed by:

- (i) The Memorandum and Articles of Association of the Company;
- (ii) The Companies Act 2014;
- (iii) The UCITS Regulations;
- (iv) The Euronext Dublin Code of Listing Requirements and Procedures, copies of which are all available for inspection at the Company's registered office at Georges Court, 54–62 Townsend Street, Dublin 2.

The Company has adopted the Corporate Governance Code for Collective Investment Schemes and Management Companies (the 'Code') issued by Irish Funds. The Company is organised in such a way to meet all the provisions of the Code and there are no exceptions to be noted.

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems in relation to the financial reporting process of the Company. Such systems are designed to manage, rather than eliminate, the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual and half-yearly financial statements. The annual and half-yearly financial statements of the Company are required to be approved by the Directors of the Company and filed with the Central Bank of Ireland and Euronext Dublin.

The accounting information given in the annual financial statements is required to be audited by an independent auditor who reports annually to the Shareholders of the Company on the audit process and their findings. The auditor's report on the financial statements, including any qualifications, is reproduced in full in the annual report of the Company.

The business of the Company is managed by the Directors, who are responsible for the Company's overall direction and strategy, including review of investment management performance, administration of the Company's funds and compliance with the Company's regulatory requirements. Custody of the Company's assets is overseen by the Depositary, which is independent of the Company.

The Board meets at least four times a financial year to review the operations of the Company, to address matters of strategic importance and to receive reports from the Administrator, Depositary and the Investment Manager. However, a Director may call a meeting of Directors at any time.

Questions arising at any meeting of the Directors are generally decided by consensus, but majority voting can be used if necessary to reach a decision. If there are an equal number of votes for or against a resolution the Chairman of the meeting can effectively decide the matter by exercising a second or casting vote.

The minimum required number of Directors is two, which is also the minimum number of Directors required for a meeting to take place. Currently there are six non-executive Directors, five of whom are independent of the Investment Manager. The Directors are listed on Page 380.

## Diversity Statement

The Board of Directors strives to ensure that its membership reflects diversity in the broadest sense (capturing a combination of skills, experience, age, educational and professional backgrounds). The Board has established a nominations committee whose remit is to monitor the composition of the board, satisfy itself with regard to succession planning and ensure it adheres to the Code and applicable legislation with regard to diversity.

The Company believes that there is a strong business case for boardroom diversity, which helps to promote good governance and challenge 'group think' mentality. A diverse board should also help to ensure that the board continues to remain objective in its decision making and to exercise good judgement on behalf of the Shareholders. When appointing members to the board, the Company will consider whether the candidates have the knowledge, qualifications and skills necessary to safeguard proper and prudent management of the institution.

The Company has no other employees and there have been no changes to the board's composition during the period under review. It is the opinion of the Board that the current Directors represent an appropriate mix of skills, knowledge and experience commensurate with governing a UCITS Investment Company of this scale, while meeting regulatory requirements as to the composition of the board and the experience and qualifications of its members.

The convening and conduct of Shareholders' meetings are governed by Company Law and the Memorandum and Articles of Association. Shareholders together holding 5 per cent or more in aggregate of the shares of the Company in issue may at any time request that the Directors convene a meeting of Shareholders to consider any matters that may be proposed by the Shareholders requesting the meeting.

A meeting of Shareholders held in accordance with the provisions of the Memorandum and Articles of Association may by a 75% majority of those voting approve a change to the Memorandum and Articles of Association or a proposal to wind up the Company. A simple majority vote is required for most other proposals, including proposals to determine that the Directors shall retire, or to terminate any of its Funds, and any material change in the investment objective and policies or the investment restrictions set out in the Prospectus issued by the Company.

Twenty one days' notice at least of every meeting shall be given to Shareholders in the manner provided in the Memorandum and Articles of Association. At any meeting any matter put to a vote shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by one or more Shareholders present in person or by proxy and holding or representing one-twentieth of the number of shares for the time being in issue. Unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

If a poll is duly demanded, it shall be taken in such manner as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

## Results

The results of operations for the financial year are set out in the Statement of Comprehensive Income.

## Significant Events During the Financial Year

The events which were significant during the financial year are detailed in Note 17.

## Subsequent Events

The significant events since the financial year end date are detailed in Note 18.

## UCITS Remuneration Report

The Company has established a remuneration policy in accordance with the Central Bank UCITS Regulations and the Guidelines on Sound Remuneration Policies issued by the European Securities and Markets Authority under the UCITS Directive (the 'ESMA Guidelines') into Irish law with effect from 18 March 2016. A copy of this policy is available on [www.polarcapital.co.uk](http://www.polarcapital.co.uk).

Please see the remuneration disclosure in Appendix I.



## Report of the Directors continued

For the financial year ended 31 December 2019

### Directors Compliance Statement made in Accordance with Section 225 of the Companies Act 2014

The Directors acknowledge that they are responsible for securing compliance by the Company with its Relevant Obligations as defined with the Companies Act 2014 (hereinafter called the 'Relevant Obligations').

The Directors confirm that they have drawn up and adopted a Compliance Policy Statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.

The Directors further confirm the Company has put into place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations including reliance on the advice of persons employed by the Company and external legal and tax advisers as considered appropriate from time to time and that they have reviewed the effectiveness of these arrangements or structures during the financial year to which this Report relates.

### Brexit and Associated Risks

In a referendum held on 23 June 2016, the electorate of the United Kingdom ('UK') resolved to leave the European Union ('EU'). The result has led to political instability and economic uncertainty, volatility in the financial markets of the UK and more broadly across Europe and a decline in the value of the Sterling. While the formal withdrawal from the EU occurred on 31 January 2020 a transition period is now in place till 31 December 2020. There remains a number of uncertainties in connection with the UK's relationship with the EU, including the terms of agreement it reaches in relation to its full withdrawal. The negotiation of the UK's exit terms is uncertain and may change during the withdrawal process.

Until the terms of the UK's exit from the EU are clearer, it is not possible to determine the impact that the UK's departure or any related matters may have on the Funds or their investments.

### Audit Committee

During the financial year ended 31 December 2019 the Company did not have an audit committee in place. The Board has decided not to establish an audit committee as this was deemed most appropriate to the Company's structure as a UCITS fund and the nature, scale and complexity of the Company's operations at this time.

### Statement on Relevant Audit Information

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent Auditor

Deloitte, Chartered Accountants and Statutory Audit Firm, was appointed as the auditors of the Company on 22 October 2014. In accordance with Section 383 (2) of the Companies Act 2014, the auditors have indicated their willingness to continue in office.

On behalf of the Board

**David Hammond**  
Director

**Ronan Daly**  
Director

3 April 2020



## Report of the Depositary to the Shareholders

For the financial year ended 31 December 2019

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Polar Capital Funds plc ('the Fund') provide this report solely in favour of the shareholders of the Fund for the year ended 31 December 2019 ('the Annual Accounting Period'). This report is provided in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law ('the Regulations'). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the shareholders of the Fund as follows;

We are of the opinion that the Fund has been managed during the Annual Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the Regulations.

For and on behalf of

**Northern Trust Fiduciary Services (Ireland) Limited**

Georges Court  
54–62 Townsend Street  
Dublin 2

3 April 2020



**Independent Auditor’s Report**  
to the Shareholders of Polar Capital Funds plc

**Report on the Audit of the Financial Statements**

**Opinion on the Financial Statements of Polar Capital Funds plc (the ‘Company’)**

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at financial year and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities)

The financial statements we have audited comprise:

- the Statement of Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets to Holders of Redeemable Participating Shares;
- the Statement of Cash Flow; and
- the related notes 1 to 20, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union (‘the relevant financial reporting framework’).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below 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 Ireland, including the Ethical Standard issued by the Irish Accounting and Auditing Supervisory Authority, as applied to listed entities, 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.

**Summary of our Audit Approach**

<b>Key audit matters</b>	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> <li>• Valuation of Financial Assets and Liabilities at Fair Value Through Profit or Loss</li> <li>• Existence of Financial Assets and Liabilities at Fair Value Through Profit or Loss</li> <li>• Accuracy of Performance Fees</li> </ul>
<b>Materiality</b>	The materiality that we used in the current year was 1% average net assets for each sub-fund.
<b>Significant changes in our approach</b>	There have been no significant changes in our approach from our prior year audit.

**Conclusions Relating to Going Concern**

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

- the board of directors’ (the ‘directors’) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have 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.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of Transferable Securities and Financial Derivative Instruments

<b>Key audit matter description</b>	<p>The valuation of transferable securities and financial derivative instruments are considered a key audit matter as they represents a significant balance on the Statement of Financial Position.</p> <p>There is a risk that transferable securities and financial derivative instruments are valued incorrectly, inappropriate valuation methodology applied and the use of inappropriate assumptions could result in the valuation being materially misstated.</p> <p>Refer also to note 2 and 10 in the financial statements.</p>
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<b>How the scope of our audit responded to the key audit matter</b>	<p>We have performed the following audit procedures to address the key audit matter:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding and evaluated the key controls that have been implemented over the valuation process for transferable securities and financial derivative instruments.</li> <li>• We obtained the Northern Trust International Fund Administration Services (Ireland) Limited (the 'Administrator') SOC 1 Report and identified the key controls in place over the valuation process and reviewed those key controls for any exceptions.</li> <li>• We compared the prices of equities, warrants, contracts for difference, bonds, futures and forward foreign exchange contracts in the investment portfolio at year end to prices published by independent pricing sources.</li> </ul>
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### Existence of Transferable Securities and Financial Derivative Instruments

<b>Key audit matter description</b>	<p>The existence of transferable securities and financial derivative instruments are considered a key audit matter as they represents a significant balance on the Statement of Financial Position.</p> <p>There is a risk that transferable securities and financial derivative instruments do not exist.</p> <p>Refer also to note 2 and 10 in the financial statements.</p>
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<b>How the scope of our audit responded to the key audit matter</b>	<p>We have performed the following audit procedures to address the key audit matter:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding and evaluated the key controls that have been implemented over the reconciliation process for existence from the Administrator to the depositary and counterparties.</li> <li>• We obtained the Administrator's SOC 1 Report and identified the key controls in place over the reconciliation process and reviewed those key controls for any exceptions.</li> <li>• We obtained independent confirmations from the depositary and counterparties at the financial year-end and agreed the amounts held to the investment portfolio.</li> <li>• We tested a sample of reconciling trades to ensure that they have been recorded in the correct period including a review of a sample of unsettled trades.</li> </ul>
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## Independent Auditor's Report continued

to the Shareholders of Polar Capital Funds plc

### Key Audit Matters continued

Performance Fees	
<b>Key audit matter description</b>	<p>The performance fee crystallises on an annual basis. The accuracy of performance fees are considered a key audit matter because the performance fee is a related party transaction and a significant expense in the Statement of Comprehensive Income.</p> <p>There is a risk that performance fee is not calculated correctly in accordance with the prospectus and input used in the calculation is incorrect.</p> <p>Refer also to note 3 in the financial statements.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We have performed the following audit procedures to address the key audit matter:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding and assessed the design of the key controls over the calculation and approval of the performance fees.</li> <li>• We reviewed the prospectus of the Company to understand the calculation methodology.</li> <li>• We reviewed the inputs used in the performance fee calculation to ensure compliance with the prospectus.</li> <li>• We recalculated performance fees in accordance with the prospectus and compared to recorded performance fee to ensure accuracy.</li> </ul>

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

### Our Application of Materiality

We define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

As the Company is set up as an umbrella fund with segregated liabilities between sub-funds, we determined materiality on a sub-fund basis to be 1% of average net assets. We have considered the average net assets to be the critical component for calculating materiality because the main objective of the sub-funds is to provide investors with a total return. We have considered quantitative and qualitative factors such as understanding the Company and its environment, history of misstatements, complexity of the Company and the reliability of the control environment.

We agreed with the directors that we would report to the directors any audit differences in excess of 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

### An Overview of the Scope of our Audit

Our audit is a risk based approach taking into account the structure of the Company, the types of investments, the involvement of the third party service providers, the accounting processes and controls in place and the industry in which the Company operates. The Company is incorporated as an open-ended investment company with variable capital and is organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014. The Company is authorised by the Central Bank of Ireland (the 'Central Bank') as a UCITS (Undertaking for Collective Investment in Transferable Securities) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2019. The Company is organised as an umbrella fund with segregated liability between sub-funds. The redeemable participating shares of the sub-funds are listed on the Irish Stock Exchange (the 'ISE'). At 31 December 2019, the Company had twenty active sub-funds. We assess the risks of each Sub-Fund separately. We have conducted our audit based on the books and records maintained by the Administrator at its offices at, Georges Court, 54–62 Townsend Street, Dublin 2, Ireland.



## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, 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 this regard.

## Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of 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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



## Auditor's Responsibilities for the Audit of Financial Statements continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

For listed entities and public interest entities, the auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, including the Ethical Standard for Auditors (Ireland) 2016, and communicates with them all relationships and other matters that may be reasonably be thought to bear on the auditor's independence, and where applicable, related safeguards.

Where the auditor is required to report on key audit matters, from the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is made solely to the Company's Shareholders, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

## Report on Other Legal and Regulatory Requirements

### Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

### Corporate Governance Statement

We report, in relation to information given in the Corporate Governance Statement on pages 73 to 74, that:

- In our opinion, based on the work undertaken during the course of the audit, the information given in the Corporate Governance Statement pursuant to subsections 2(c) and (d) of section 1373 of the Companies Act 2014 is consistent with the company's statutory financial statements in respect of the financial year concerned and such information has been prepared in accordance with the Companies Act 2014.

Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

- In our opinion, based on the work undertaken during the course of the audit, the Corporate Governance Statement contains the information required by Regulation 6(2) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended); and
- In our opinion, based on the work undertaken during the course of the audit, the information required pursuant to section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 is contained in the Corporate Governance Statement.

## Matters on Which we are Required to Report by Exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

## Other Matters Which we are Required to Address

We were appointed by the directors on 22 October 2014 to audit the financial statements for the financial year end date 31 December 2014 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is five years, covering the years ending 31 December 2014 to 31 December 2019.

The non-audit services prohibited by IAASA's Ethical Standard were not provided and we remained independent of the Company in conducting the audit.

Our audit opinion is consistent with the additional report to the directors we are required to provide in accordance with ISA (Ireland) 260.

### Christian MacManus

For and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

3 April 2020

## Asian Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 95.92% (2018: 93.10%)</b>			
<b>Cayman Islands: 18.26% (2018: 12.04%)</b>			
8,989	Alibaba ADR	1,913,847	6.48
110,855	Chailease	510,324	1.73
202,000	China Education	264,607	0.90
95,000	CK Asset	686,271	2.32
84,500	Longfor	396,095	1.34
33,600	Tencent	1,620,743	5.49
<b>Total Cayman Islands</b>		<b>5,391,887</b>	<b>18.26</b>
<b>Hong Kong: 9.61% (2018: 6.33%)</b>			
130,300	AIA	1,368,822	4.64
95,500	BOC Hong Kong	331,757	1.12
88,926	Dah Sing Financial	350,604	1.19
12,100	Hong Kong Exchanges & Clearing	393,147	1.33
37,000	Link REIT	392,017	1.33
<b>Total Hong Kong</b>		<b>2,836,347</b>	<b>9.61</b>
<b>India: 21.19% (2018: 25.90%)</b>			
20,200	Apollo Hospitals Enterprise	408,086	1.38
56,702	Axis Bank	599,049	2.03
14,536	Bajaj Finance	862,397	2.92
24,348	HDFC Bank ADR	1,532,463	5.19
21,759	Housing Development Finance	735,445	2.49
35,519	IndusInd Bank	751,402	2.55
14,946	Kotak Mahindra Bank	352,689	1.19
236,844	Manappuram Finance	588,641	1.99
26,124	Shriram Transport Finance	428,616	1.45
<b>Total India</b>		<b>6,258,788</b>	<b>21.19</b>
<b>Indonesia: 8.82% (2018: 7.93%)</b>			
670,700	Astra International	334,565	1.13
524,400	Bank Central Asia	1,262,602	4.27
2,319,000	Bank Rakyat Indonesia Persero	734,997	2.49
3,651,900	Ciputra Development	273,580	0.93
<b>Total Indonesia</b>		<b>2,605,744</b>	<b>8.82</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 95.92% (2018: 93.10%)</b> continued		
	<b>Malaysia: 2.89% (2018: 2.27%)</b>		
291,200	IHH Healthcare	389,406	1.32
699,400	My EG Services	188,080	0.64
57,700	Public Bank	274,218	0.93
	<b>Total Malaysia</b>	<b>851,704</b>	<b>2.89</b>
	<b>People's Republic of China: 6.23% (2018: 8.23%)</b>		
889,296	China Construction Bank	768,618	2.60
67,200	Ping An Insurance Group of China Class H	794,837	2.69
76,000	Sinopharm	277,680	0.94
	<b>Total People's Republic of China</b>	<b>1,841,135</b>	<b>6.23</b>
	<b>Philippines: 6.08% (2018: 6.09%)</b>		
810,700	Ayala Land	728,341	2.47
392,010	Bank of the Philippine Islands	680,377	2.30
296,509	Metropolitan Bank & Trust	388,164	1.31
	<b>Total Philippines</b>	<b>1,796,882</b>	<b>6.08</b>
	<b>Republic of South Korea: 6.20% (2018: 6.55%)</b>		
3,344	Naver	539,285	1.83
20,992	Samsung Electronics	1,012,887	3.43
7,429	Shinhan Financial	278,479	0.94
	<b>Total Republic of South Korea</b>	<b>1,830,651</b>	<b>6.20</b>
	<b>Singapore: 3.93% (2018: 4.46%)</b>		
15,400	DBS	296,244	1.00
306,271	Keppel DC REIT	473,515	1.61
47,700	Oversea-Chinese Banking	389,301	1.32
	<b>Total Singapore</b>	<b>1,159,060</b>	<b>3.93</b>
	<b>Sri Lanka: Nil (2018: 0.66%)</b>	<b>–</b>	<b>–</b>
	<b>Taiwan: 7.29% (2018: 4.46%)</b>		
902,344	E.Sun Financial	839,824	2.84
119,000	Taiwan Semiconductor Manufacturing	1,313,974	4.45
	<b>Total Taiwan</b>	<b>2,153,798</b>	<b>7.29</b>

## Asian Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets		
<b>Equities: 95.92% (2018: 93.10%) continued</b>					
<b>Thailand: 5.42% (2018: 6.47%)</b>					
339,700	Bangkok Dusit Medical Services	294,861	1.00		
186,200	Muangthai Capital	396,286	1.34		
55,037	Siam Commercial Bank Plc	224,163	0.76		
169,329	Srisawad	387,232	1.31		
90,000	Tisco Financial	298,210	1.01		
	<b>Total Thailand</b>	<b>1,600,752</b>	<b>5.42</b>		
<b>United Kingdom: Nil (2018: 1.71%)</b>					
	<b>Total Equities</b>	<b>28,326,748</b>	<b>95.92</b>		
	<b>Total Transferable Securities</b>	<b>28,326,748</b>	<b>95.92</b>		
<b>Open Forward Foreign Currency Contracts: 0.03% (2018: 0.03%)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain	% of Net Assets
USD 432,538	GBP 331,216	1.3059	31/01/2020	5,341	0.02
USD 425,397	EUR 381,203	1.1159	31/01/2020	3,388	0.01
	<b>Total unrealised gains on forward foreign currency contracts</b>			<b>8,729</b>	<b>0.03</b>
	<b>Total Financial Assets at fair value through profit or loss</b>	<b>28,335,477</b>	<b>95.95</b>		
		Fair Value US\$	% of Net Assets		
	<b>Total Value of Investments (Cost: US\$ 21,909,752)</b>	<b>28,335,477</b>	<b>95.95</b>		
	Cash at Bank	984,752	3.34		
	Other Net Assets	209,822	0.71		
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>29,530,051</b>	<b>100.00</b>		

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.14	92.87
OTC financial derivative instruments	0.03	0.03
Other assets	4.83	7.10
	<b>100.00</b>	<b>100.00</b>

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Asian Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 99.45% (91.45%)</b>		
	<b>Australia: 1.40% (2018: 1.48%)</b>		
519	CSL Ltd	100,606	1.40
	<b>Total Australia</b>	<b>100,606</b>	<b>1.40</b>
	<b>Bermuda: 1.02% (2018: Nil)</b>		
190,000	China Foods	73,398	1.02
	<b>Total Bermuda</b>	<b>73,398</b>	<b>1.02</b>
	<b>Cayman Islands: 27.24% (2018: 22.59%)</b>		
9,921	21Vianet ADR	71,927	1.00
1,109	51job ADR	94,154	1.31
3,169	Alibaba ADR	672,145	9.33
4,524	Bilibili ADR	84,237	1.17
7,700	Meituan Dianping Class B	100,699	1.40
80,000	Microport Scientific	94,766	1.31
324	NetEase ADR	99,351	1.38
13,300	Ping An Healthcare and Technology	97,039	1.35
2,424	Sea Limited	97,493	1.35
2,000	Silergy	63,382	0.88
10,100	Tencent	486,866	6.76
	<b>Total Cayman Islands</b>	<b>1,962,059</b>	<b>27.24</b>
	<b>Hong Kong: 5.39% (2018: 4.57%)</b>		
29,600	AIA	310,747	4.31
83,500	China Resources Pharmaceutical	77,480	1.08
	<b>Total Hong Kong</b>	<b>388,227</b>	<b>5.39</b>
	<b>India: 18.21% (31 Dec 2018: 17.46%)</b>		
3,096	Apollo Hospitals Enterprise	62,546	0.87
5,591	Housing Development Finance	188,973	2.62
30,405	ICICI Bank	229,556	3.19
1,820	Info Edge	64,511	0.89
4,853	Larsen & Toubro	88,265	1.23
3,538	Larsen & Toubro Infotech	86,767	1.20
11,361	Oberoi Realty	84,462	1.17
19,672	Phoenix Mills	229,494	3.19
20,554	Prestige Estates Projects	97,431	1.35
8,493	Reliance Industries	180,151	2.50
	<b>Total India</b>	<b>1,312,156</b>	<b>18.21</b>
	<b>Papua New Guinea: Nil (2018: 1.50%)</b>		
		–	–

## Asian Stars Fund

 continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 99.45% (91.45%)</b> continued		
	<b>People's Republic of China: 4.51% (2018: 8.09%)</b>		
27,500	Ping An Insurance	325,053	4.51
	<b>Total People's Republic of China</b>	<b>325,053</b>	<b>4.51</b>
	<b>Philippines: 0.85% (2018: 2.08%)</b>		
2,980	SM Investments	61,371	0.85
	<b>Total Philippines</b>	<b>61,371</b>	<b>0.85</b>
	<b>Republic of South Korea: 16.49% (2018: 14.36%)</b>		
7,452	Hanon Systems	71,849	1.00
1,636	KMW	72,290	1.00
1,365	Koh Young Technology	124,526	1.73
11,188	Samsung Electronics	539,833	7.49
1,115	Samsung SDI	227,541	3.16
1,866	SK Hynix	151,836	2.11
	<b>Total Republic of South Korea</b>	<b>1,187,875</b>	<b>16.49</b>
	<b>Singapore: 2.30% (2018: 3.02%)</b>		
4,700	DBS	90,459	1.26
289,200	Yoma Strategic	75,276	1.04
	<b>Total Singapore</b>	<b>165,735</b>	<b>2.30</b>
	<b>Sri Lanka: Nil (2018: 1.03%)</b>		
	<b>Taiwan: 16.54% (2018: 13.83%)</b>		
11,000	Advanced Ceramic X	129,166	1.79
22,000	Chroma ATE	106,415	1.48
6,000	eMemory Technology	71,355	0.99
16,000	LandMark Optoelectronics	164,926	2.29
9,000	MediaTek	133,152	1.85
8,000	Sporton International	56,844	0.79
48,000	Taiwan Semiconductor Manufacturing	530,006	7.35
	<b>Total Taiwan</b>	<b>1,191,864</b>	<b>16.54</b>
	<b>Vietnam: 5.50% (2018: 1.44%)</b>		
135,620	Kinh Bac City Development	90,423	1.26
68,850	Vietnam Technological & Commercial Joint Stock Bank	69,972	0.97
103,350	Vincom Retail	151,641	2.10
23,040	Vinhomes	84,315	1.17
	<b>Total Vietnam</b>	<b>396,351</b>	<b>5.50</b>
	<b>Total Equities</b>	<b>7,164,695</b>	<b>99.45</b>
	<b>Total Transferable Securities</b>	<b>7,164,695</b>	<b>99.45</b>
	<b>Total Financial Assets at fair value through profit or loss</b>	<b>7,164,695</b>	<b>99.45</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Total Value of Investments (Cost: US\$ 5,752,154)</b>	7,164,695	99.45
	Cash at Bank	143,909	2.00
	Other Net Liabilities	(104,469)	(1.45)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	7,204,135	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial period end.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.86	47.77
Other assets	2.14	52.23
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Automation & Artificial Intelligence Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 100.09% (2018: 91.38%)</b>			
<b>Basic Materials: 2.20% (2018: 0.90%)</b>			
85,700	Shin-Etsu Chemical	9,510,393	2.20
<b>Total Basic Materials</b>		<b>9,510,393</b>	<b>2.20</b>
<b>Communications: 11.21% (2018: 8.03%)</b>			
47,691	Alibaba ADR	10,115,261	2.34
9,080	Alphabet Class A	12,161,661	2.81
3,994	Amazon.com	7,380,273	1.70
134,838	Corning	3,925,134	0.91
32,800	Digital Garage	1,383,833	0.32
22,924	Facebook	4,705,151	1.09
193,900	Meituan Dianping Class B	2,535,795	0.58
30,576	Spotify Technology	4,572,641	1.06
60,461	Uber Technologies	1,798,110	0.40
<b>Total Communications</b>		<b>48,577,859</b>	<b>11.21</b>
<b>Consumer, Cyclical: 3.57% (2018: 3.08%)</b>			
538,558	Brembo	6,686,118	1.54
158,000	NGK Insulators	2,768,180	0.64
72,200	Nitto Boseki	3,089,303	0.72
50,000	Toyota Industries	2,912,353	0.67
<b>Total Consumer, Cyclical</b>		<b>15,455,954</b>	<b>3.57</b>
<b>Consumer, Non-cyclical: 15.18% (2018: 16.92%)</b>			
17,161	Illumina	5,692,990	1.31
17,858	Intuitive Surgical	10,556,757	2.44
96,598	Medtronic	10,959,043	2.53
292,615	Ocado	4,957,938	1.14
61,623	PayPal	6,665,760	1.54
231,080	RELX	5,825,839	1.35
23,169	S&P Global	6,326,295	1.46
173,100	Shimadzu	5,479,310	1.27
28,528	Thermo Fisher Scientific	9,267,891	2.14
<b>Total Consumer, Non-cyclical</b>		<b>65,731,823</b>	<b>15.18</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 100.09% (2018: 91.38%)</b> continued		
	<b>Energy: 0.61% (2018: Nil)</b>		
2,672,811	Nel	2,631,049	0.61
	<b>Total Energy</b>	<b>2,631,049</b>	<b>0.61</b>
	<b>Industrial: 34.67% (2018: 33.60%)</b>		
434,000	AirTAC International	6,753,878	1.56
291,279	Assa Abloy	6,814,417	1.57
304,225	Atlas Copco	12,141,636	2.80
21,739	Caterpillar	3,210,416	0.74
63,670	Cognex	3,568,067	0.82
39,299	Coherent	6,537,389	1.51
131,000	Daifuku	8,028,157	1.85
87,688	Emerson Electric	6,687,087	1.56
575,911	Epiroc	7,035,047	1.62
10,800	FANUC	2,020,373	0.47
100,250	Harmonic Drive Systems	4,861,445	1.12
37,400	Hirose Electric	4,828,360	1.12
29,424	Honeywell International	5,208,048	1.20
85,900	Hoya	8,259,995	1.91
25,400	Keyence	8,996,052	2.08
28,754	KION Group	1,986,933	0.46
40,149	Rockwell Automation	8,136,998	1.88
12,407	Roper Technologies	4,394,932	1.01
63,787	Samsung Electro-Mechanics	6,894,699	1.59
94,827	Schneider Electric	9,739,564	2.25
24,300	Siemens	3,178,833	0.74
133,500	Taiyo Yuden	4,121,394	0.95
58,500	TDK	6,669,565	1.54
47,219	TKH	2,644,866	0.61
8,702	VARTA	1,185,835	0.27
161,350	Yaskawa Electric	6,191,208	1.43
	<b>Total Industrial</b>	<b>150,095,194</b>	<b>34.67</b>

## Automation & Artificial Intelligence Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 100.09% (2018: 91.38%)</b> continued		
	<b>Technology: 32.65% (2018: 28.85%)</b>		
160,093	Advanced Micro Devices	7,341,864	1.69
216,924	Aixtron	2,076,544	0.48
69,437	Analog Devices	8,251,893	1.91
24,823	Ansys	6,389,688	1.47
124,575	Applied Materials	7,604,058	1.76
10,328	ASML	3,057,122	0.71
61,803	Aspen Technology	7,473,837	1.73
80,445	Aveva Group	4,961,877	1.15
35,119	Dassault Systemes	5,777,160	1.33
259,000	eMemory Technology	3,080,145	0.71
197,050	Fuji Machine Manufacturing	3,646,354	0.84
51,300	Hamamatsu Photonics	2,121,863	0.49
160,000	MediaTek	2,367,148	0.55
126,067	Microsoft	19,880,766	4.59
18,359	NVIDIA	4,319,873	1.00
86,771	Qualcomm	7,655,805	1.77
356,128	STMicroelectronics	9,582,097	2.21
55,495	Synopsys	7,724,904	1.78
1,018,000	Taiwan Semiconductor Manufacturing	11,240,551	2.60
36,624	Tokyo Electron	8,062,841	1.86
604,000	Tong Hsing Electronic Industries	3,153,284	0.73
44,499	Xilinx	4,350,667	1.00
54,200	Zuken	1,241,850	0.29
	<b>Total Technology</b>	<b>141,362,191</b>	<b>32.65</b>
	<b>Total Equities</b>	<b>433,364,463</b>	<b>100.09</b>
	<b>Total Transferable Securities</b>	<b>433,364,463</b>	<b>100.09</b>
	<b>Total Value of Investments (Cost: US\$ 361,315,745)</b>	<b>433,364,463</b>	<b>100.09</b>
	Cash at Bank	3,562,824	0.82
	Other Net Liabilities	(3,953,808)	(0.91)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>432,973,479</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.29	89.46
Other assets	4.71	10.54
	100.00	100.00

## Biotechnology Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.24% (2018: 92.01%)</b>		
	<b>Diagnostic Equipment: 2.60% (2018: 2.00%)</b>		
350,000	Oxford Immunotec Global	5,810,000	1.06
881,934	Quotient	8,387,192	1.54
	<b>Total Diagnostic Equipment</b>	<b>14,197,192</b>	<b>2.60</b>
	<b>Drug Detection Systems: 0.43% (2018: 0.54%)</b>		
10,978,188	C4X Discovery	2,363,295	0.43
	<b>Total Drug Detection Systems</b>	<b>2,363,295</b>	<b>0.43</b>
	<b>Medical Information System: Nil (2018: 0.04%)</b>		
	<b>Medical Labs &amp; Testing Services: Nil (2018: 1.63%)</b>		
	<b>Medical Products: 5.53% (2018: 2.07%)</b>		
825,000	NanoString Technologies	22,951,500	4.20
1,500,000	Renalytix AI	7,233,135	1.33
	<b>Total Medical Products</b>	<b>30,184,635</b>	<b>5.53</b>
	<b>Medical-Biomedical/Gene: 68.75% (2018: 67.20%)</b>		
225,000	ACADIA Pharmaceuticals	9,625,500	1.76
300,000	Alexion Pharmaceuticals	32,445,000	5.95
115,000	Alnylam Pharmaceuticals	13,244,550	2.43
400,000	Amarin	8,576,000	1.57
92,500	Amgen	22,298,975	4.09
650,000	Aptose Biosciences	3,685,500	0.68
175,000	ArGEN-X	28,208,428	5.17
95,000	ArGEN-X ADR	15,249,400	2.79
50,000	Ascendis Pharma	6,956,000	1.27
400,000	BELLUS Health – Toronto	3,026,027	0.55
750,000	BELLUS Health	5,700,000	1.05
145,000	Biohaven Pharmaceutical	7,893,800	1.45
120,000	BioMarin Pharmaceutical	10,146,000	1.86
200,000	Crinetics Pharmaceuticals	5,018,000	0.92
250,000	Deciphera Pharmaceuticals	15,559,999	2.85
350,000	Exelixis	6,167,000	1.13
75,000	Genmab	16,691,077	3.06
391,750	Immunovant	6,209,238	1.14
150,000	Incyte	13,098,000	2.40
250,000	Insmed	5,970,000	1.10
125,000	Mirati Therapeutics	16,107,500	2.95
350,000	Molecular Templates	4,894,750	0.90
40,000	MorphoSys AG	5,693,321	1.04
250,000	Newron Pharmaceuticals	1,639,387	0.30
350,000	Orchard Therapeutics ADR	4,812,500	0.88
500,000	Pacific Biosciences of California	2,570,000	0.47



## Portfolio Statements continued

As at 31 December 2019

## Biotechnology Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.24% (2018: 92.01%) continued</b>		
	<b>Medical-Biomedical/Gene: 68.75% (2018: 67.20%) continued</b>		
60,000	Regeneron Pharmaceuticals	22,528,799	4.13
100,000	Replimune	1,435,000	0.26
195,000	Seattle Genetics	22,280,700	4.08
2,000,000	Stemline Therapeutics	21,260,000	3.90
100,000	Vertex Pharmaceuticals	21,895,000	4.01
245,000	Y-mAbs Therapeutics	7,656,250	1.40
145,000	Zymeworks	6,591,700	1.21
	<b>Total Medical-Biomedical/Gene</b>	<b>375,133,401</b>	<b>68.75</b>
	<b>Medical-Drugs: 12.67% (2018: 10.34%)</b>		
6,622,631	Diurnal	2,456,533	0.45
75,000	Global Blood Therapeutics	5,961,750	1.09
150,000	KalVista Pharmaceuticals	2,671,500	0.49
145,000	MyoKardia	10,568,325	1.94
300,000	Novo Nordisk	17,424,516	3.19
12,437,001	Summit Therapeutics	3,459,943	0.64
300,000	Summit Therapeutics ADR	480,000	0.09
145,000	Turning Point Therapeutics	9,032,050	1.66
100,000	uniQure	7,166,000	1.31
4,500,000	Verona Pharma	3,696,053	0.68
175,000	Zealand Pharma	6,188,222	1.13
	<b>Total Medical-Drugs</b>	<b>69,104,892</b>	<b>12.67</b>
	<b>Research &amp; Development: 1.66% (2018: 3.92%)</b>		
350,000	Evotec	9,055,770	1.66
	<b>Total Research &amp; Development</b>	<b>9,055,770</b>	<b>1.66</b>
	<b>Therapeutics: 2.13% (2018: 4.27%)</b>		
60,000	Neurocrine Biosciences	6,449,400	1.18
40,000	Sarepta Therapeutics	5,161,600	0.95
	<b>Total Therapeutics</b>	<b>11,611,000</b>	<b>2.13</b>
	<b>Wound/Burn &amp; Skin Care: 3.47% (2018: Nil%)</b>		
1,250,000	Dermira	18,950,000	3.47
	<b>Total Wound/Burn &amp; Skin Care</b>	<b>18,950,000</b>	<b>3.47</b>
	<b>Total Equities</b>	<b>530,600,185</b>	<b>97.24</b>
	<b>Warrants: Nil (2018: 0.10%)</b>	<b>–</b>	<b>–</b>
	<b>Total Transferable Securities</b>	<b>530,600,185</b>	<b>97.24</b>

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.02% (2018: 0.01%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 5,922,118	GBP 4,534,859	1.3059	31/01/2020	89,922	0.02
USD 123,741	GBP 95,338	1.2979	31/01/2020	2,652	–
USD 65,682	GBP 50,389	1.3035	31/01/2020	1,120	–
USD 34,383	GBP 26,198	1.3124	31/01/2020	349	–
USD 18,456	GBP 14,150	1.3043	31/01/2020	303	–
<b>Total unrealised gain on forward foreign currency contracts</b>				94,346	0.02
<b>Total Financial Assets at fair value through profit or loss</b>				530,694,531	97.26

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2018: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
GBP 8,301	USD 10,753	1.2954	31/01/2020	(252)	–
USD 41,629	GBP 31,376	1.3268	31/01/2020	(33)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(285)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(285)	–

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 456,351,101)</b>	530,694,246	97.26
Cash at Bank	19,357,790	3.55
Other Net Liabilities	(4,409,215)	(0.81)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	545,642,821	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	95.72	90.18
OTC financial derivative instruments	0.02	0.01
Other assets	4.26	9.81
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## China Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 99.64% (2018: 95.91%)</b>			
<b>Communications: 30.40% (2018: 27.75%)</b>			
18,096	21Vianet ADR	131,196	1.77
2,267	51job ADR	192,468	2.60
3,499	Alibaba ADR	742,138	10.01
51,000	Focus Media Information Technology	45,837	0.62
7,885	iQIYI ADR	166,452	2.24
10,800	Maoyan Entertainment	19,876	0.27
5,100	Meituan Dianping Class B	66,697	0.90
27,290	Phoenix New Media ADR	53,488	0.72
992	Prosus	74,082	1.00
15,400	Tencent	742,350	10.01
410	Tencent ADR	19,684	0.26
<b>Total Communications</b>		<b>2,254,268</b>	<b>30.40</b>
<b>Consumer, Cyclical: 12.28% (2018: 12.36%)</b>			
3,420	Brembo	42,459	0.58
21,000	BYD	104,706	1.41
60,000	China Meidong Auto	78,698	1.06
36,000	Geely Automobile	70,412	0.95
21,500	Gree Electric Appliances of Zhuhai	202,432	2.73
31,000	JNBY Design	41,616	0.56
27,600	Midea	230,821	3.11
24,600	Samsonite International	59,039	0.80
39,200	Zhengzhou Yutong Bus	80,199	1.08
<b>Total Consumer, Cyclical</b>		<b>910,382</b>	<b>12.28</b>
<b>Consumer, Non-cyclical: 22.45% (2018: 21.75%)</b>			
17,000	Centre Testing International	36,391	0.49
767,292	China Foods	296,408	4.00
57,000	China Medical System	82,079	1.11
32,000	China Resources Beer	177,007	2.39
231,000	China Resources Pharmaceutical	214,345	2.89
37,600	China Resources Sanjiu Medical & Pharmaceutical	171,018	2.31
10,200	Chongqing Fuling Zhacai Group	39,144	0.53
6,560	Jiangsu Hengrui Medicine	82,429	1.11
57,500	Manpower Greater China	71,582	0.96
138,000	Microport Scientific	163,472	2.20
11,000	Sporton International	78,160	1.05
49,000	Tong Ren Tang Technologies	48,171	0.65
10,000	Vitasoy International	36,256	0.49
13,100	Yunnan Baiyao	168,199	2.27
<b>Total Consumer, Non-cyclical</b>		<b>1,664,661</b>	<b>22.45</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 99.64% (2018: 95.91%)</b> continued		
	<b>Financial: 21.13% (2018: 19.96%)</b>		
607,000	China Construction Bank	524,283	7.07
28,000	China Merchants Bank	143,921	1.94
26,100	China Vanke	120,586	1.63
24,000	CITIC Securities	54,765	0.74
3,000	Hong Kong Exchanges & Clearing	97,410	1.31
93,545	Hui Xian Real Estate Investment Trust Reits	44,061	0.59
41,000	Longfor	192,061	2.59
14,900	Ping An Insurance Group of China Class A	182,818	2.47
17,500	Ping An Insurance Group of China Class H	206,852	2.79
	<b>Total Financial</b>	<b>1,566,757</b>	<b>21.13</b>
	<b>Industrial: 5.34% (2018: 7.74%)</b>		
4,000	Airtac International	62,248	0.84
30,400	China Building Material Test & Certification	105,972	1.43
37,300	Shenzhen Inovance Technology	164,084	2.21
2,000	Silergy	63,382	0.86
	<b>Total Industrial</b>	<b>395,686</b>	<b>5.34</b>
	<b>Technology: 8.04% (2018: 6.35%)</b>		
3,320	Bilibili ADR	61,819	0.84
25,250	Dadi Early-Childhood Education	202,576	2.73
18,900	Glodon	92,205	1.24
782	NetEase ADR	239,792	3.23
	<b>Total Technology</b>	<b>596,392</b>	<b>8.04</b>
	<b>Total Equities</b>	<b>7,388,146</b>	<b>99.64</b>
	<b>Total Transferable Securities</b>	<b>7,388,146</b>	<b>99.64</b>
	<b>Total Value of Investments (Cost: US\$ 6,622,958)</b>	<b>7,388,146</b>	<b>99.64</b>
	Cash at Bank	61,201	0.82
	Other Net Liabilities	(34,251)	(0.46)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>7,415,096</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.29	95.48
Other assets	2.71	4.52
	100.00	100.00

## Emerging Markets Income Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.50% (2018: 97.20%)</b>		
	<b>Bermuda: 4.82% (2018: 4.00%)</b>		
1,279,000	Haier Electronics	3,996,978	2.70
317,000	VTech	3,132,652	2.12
	<b>Total Bermuda</b>	<b>7,129,630</b>	<b>4.82</b>
	<b>Brazil: 6.36% (2018: 4.91%)</b>		
270,000	Banco do Brasil	3,545,231	2.40
50,000	CPFL Energia	441,867	0.30
369,700	Light	2,183,626	1.47
140,000	Telefonica Brasil	2,017,849	1.36
290,500	Valid Solucoes e Servicos de Seguranca em Meios de Pagamento	1,226,214	0.83
	<b>Total Brazil</b>	<b>9,414,787</b>	<b>6.36</b>
	<b>Cayman Islands: 2.56% (2018: Nil)</b>		
612,000	Minth	2,159,963	1.46
1,350,000	Topsports International	1,632,100	1.10
	<b>Total Cayman Islands</b>	<b>3,792,063</b>	<b>2.56</b>
	<b>Curacao: 1.68% (2018: Nil)</b>		
700,781	Emirates NBD Bank	2,480,202	1.68
	<b>Total Curacao</b>	<b>2,480,202</b>	<b>1.68</b>
	<b>Cyprus: 2.51% (2018: 2.67%)</b>		
420,000	Globaltrans Investment GDR	3,717,000	2.51
	<b>Total Cyprus</b>	<b>3,717,000</b>	<b>2.51</b>
	<b>Czech Republic: 2.03% (2018: 2.01%)</b>		
800,000	Moneta Money Bank	3,003,461	2.03
	<b>Total Czech Republic</b>	<b>3,003,461</b>	<b>2.03</b>
	<b>Hong Kong: 2.54% (2018: 4.71%)</b>		
1,796,000	Guangdong Investment	3,757,129	2.54
	<b>Total Hong Kong</b>	<b>3,757,129</b>	<b>2.54</b>
	<b>India: 9.72% (2018: 9.77%)</b>		
359,813	Adani Ports & Special Economic Zone	1,844,984	1.25
320,000	Bharat Petroleum	2,203,700	1.49
650,000	Coal India	1,924,644	1.30
470,000	ICICI Bank	3,548,467	2.40
1,000,000	NTPC	1,667,877	1.13
1,591,826	Rural Electrification	3,191,317	2.15
	<b>Total India</b>	<b>14,380,989</b>	<b>9.72</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.50% (2018: 97.20%)</b> continued		
	<b>Indonesia: 1.46% (2018: 1.81%)</b>		
2,500,000	Semen Indonesia Persero	2,160,994	1.46
	<b>Total Indonesia</b>	<b>2,160,994</b>	<b>1.46</b>
	<b>Kazakhstan: 1.14% (2018: Nil)</b>		
130,000	NAC Kazatomprom	1,690,000	1.14
	<b>Total Kazakhstan</b>	<b>1,690,000</b>	<b>1.14</b>
	<b>Kuwait: 1.21% (2018: 1.02%)</b>		
180,000	Humansoft	1,787,537	1.21
	<b>Total Kuwait</b>	<b>1,787,537</b>	<b>1.21</b>
	<b>Malaysia: 2.70% (2018: 3.81%)</b>		
1,100,239	Malayan Banking	2,323,937	1.57
900,000	Malaysia Airports	1,672,167	1.13
	<b>Total Malaysia</b>	<b>3,996,104</b>	<b>2.70</b>
	<b>Mexico: 3.99% (2018: 3.71%)</b>		
1,388,831	Bolsa Mexicana de Valores	3,040,366	2.05
2,200,000	Macquarie Mexico Real Estate Management	2,865,918	1.94
	<b>Total Mexico</b>	<b>5,906,284</b>	<b>3.99</b>
	<b>People's Republic of China: 12.09% (2018: 15.30%)</b>		
4,414,000	China BlueChemical	1,087,667	0.74
5,044,000	China Construction Bank	4,356,647	2.94
8,788,000	China Tower	1,939,906	1.31
4,130,000	Industrial & Commercial Bank of China	3,180,267	2.15
2,842,000	Jiangsu Expressway	3,895,449	2.63
942,000	Sinopharm	3,439,501	2.32
	<b>Total People's Republic of China</b>	<b>17,899,437</b>	<b>12.09</b>
	<b>Poland: 1.93% (2018: 2.49%)</b>		
270,000	Powszechny Zaklad Ubezpieczen	2,853,774	1.93
	<b>Total Poland</b>	<b>2,853,774</b>	<b>1.93</b>
	<b>Republic of South Korea: 14.08% (2018: 11.37%)</b>		
64,865	Dongbu Insurance	2,933,494	1.98
56,000	KB Financial	2,307,406	1.56
152,500	KT	3,560,465	2.41
34,000	KT&G	2,757,750	1.86
800,000	LOTTE Reit	4,261,317	2.88
104,000	Samsung Electronics	5,018,116	3.39
	<b>Total Republic of South Korea</b>	<b>20,838,548</b>	<b>14.08</b>

## Emerging Markets Income Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.50% (2018: 97.20%)</b> continued		
	<b>Romania: 3.37% (2018: 2.29%)</b>		
6,935,790	Fondul Proprietatea	1,968,246	1.33
28,742,000	OMV Petrom	3,013,163	2.04
	<b>Total Romania</b>	<b>4,981,409</b>	<b>3.37</b>
	<b>Russian Federation: 5.60% (2018: 3.71%)</b>		
98,000	Gazprom Neft ADR	3,361,400	2.27
20,000,000	Inter RAO UES	1,623,538	1.10
900,000	Sberbank of Russia	3,308,096	2.23
	<b>Total Russian Federation</b>	<b>8,293,034</b>	<b>5.60</b>
	<b>Singapore: Nil (2018: 2.86%)</b>		
	<b>Slovenia: 1.61% (2018: 1.46%)</b>		
176,000	Nova Ljubljanska Banka	2,382,574	1.61
	<b>Total Slovenia</b>	<b>2,382,574</b>	<b>1.61</b>
	<b>South Africa: 2.95% (2018: 6.77%)</b>		
210,000	Foschini Group	2,244,996	1.52
1,200,000	Life Healthcare	2,115,350	1.43
	<b>Total South Africa</b>	<b>4,360,346</b>	<b>2.95</b>
	<b>Taiwan: 7.37% (2018: 8.68%)</b>		
1,124,161	Chicony Electronics	3,337,570	2.26
475,646	Delta Electronics	2,403,855	1.62
468,000	Taiwan Semiconductor Manufacturing	5,167,562	3.49
	<b>Total Taiwan</b>	<b>10,908,987</b>	<b>7.37</b>
	<b>Thailand: 2.60% (2018: 2.50%)</b>		
7,019,801	Digital Telecommunications Infrastructure	3,843,416	2.60
	<b>Total Thailand</b>	<b>3,843,416</b>	<b>2.60</b>
	<b>United Arab Emirates: 1.60% (2018: 1.35%)</b>		
1,580,000	Dubai Islamic Bank	2,370,118	1.60
	<b>Total United Arab Emirates</b>	<b>2,370,118</b>	<b>1.60</b>
	<b>United Kingdom: 1.58% (2018: Nil)</b>		
100,000	Mondi	2,333,393	1.58
	<b>Total United Kingdom</b>	<b>2,333,393</b>	<b>1.58</b>
	<b>Total Equities</b>	<b>144,281,216</b>	<b>97.50</b>
	<b>Total Transferable Securities</b>	<b>144,281,216</b>	<b>97.50</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Total Value of Investments (Cost: US\$ 136,269,286)</b>	144,281,216	97.50
	Cash at Bank	3,653,707	2.47
	Other Net Assets	39,748	0.03
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	147,974,671	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at financial year end.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.03	96.55
Other assets	2.97	3.45
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Emerging Market Stars Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 96.94% (2018: 99.07%)</b>		
	<b>Bermuda: 0.79% (2018: Nil)</b>		
878,000	China Foods	339,174	0.79
	<b>Total Bermuda</b>	<b>339,174</b>	<b>0.79</b>
	<b>Brazil: 5.78% (2018: 7.34%)</b>		
147,008	BR Malls Participacoes	659,996	1.54
101,870	Itau Unibanco	939,512	2.19
49,000	Linx	431,447	1.00
26,561	Notre Dame Intermedica Participacoes	450,640	1.05
	<b>Total Brazil</b>	<b>2,481,595</b>	<b>5.78</b>
	<b>Canada: 1.59% (2018: Nil)</b>		
105,332	Ivanhoe Mines	345,218	0.80
102,487	Ivanhoe Mines Class A	336,864	0.79
	<b>Total Canada</b>	<b>682,082</b>	<b>1.59</b>
	<b>Cayman Islands: 24.93% (2018: 19.15%)</b>		
60,529	21Vianet ADR	438,835	1.02
4,351	51job ADR	369,400	0.86
16,367	Alibaba ADR	3,471,441	8.07
12,748	Arco Platform	563,462	1.31
27,900	Bilibili ADR	519,498	1.21
47,500	Meituan Dianping Class B	621,198	1.44
404,000	Microport Scientific	478,570	1.11
1,759	NetEase ADR	539,380	1.25
70,700	Ping An Healthcare and Technology	515,837	1.20
11,909	Sea ADR Limited	478,980	1.11
10,000	Silergy	316,910	0.74
50,000	Tencent	2,410,226	5.61
	<b>Total Cayman Islands</b>	<b>10,723,737</b>	<b>24.93</b>
	<b>Hong Kong: 2.32% (2018: 2.51%)</b>		
61,400	AIA	644,590	1.50
380,000	China Resources Pharmaceutical	352,601	0.82
	<b>Total Hong Kong</b>	<b>997,191</b>	<b>2.32</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 96.94% (2018: 99.07%)</b> continued		
	<b>India: 15.89% (2018: 16.49%)</b>		
15,230	Apollo Hospitals Enterprise	307,680	0.72
37,501	Housing Development Finance	1,267,517	2.95
179,029	ICICI Bank	1,351,656	3.14
11,298	Info Edge	400,466	0.93
17,390	Larsen & Toubro Infotech	426,478	0.99
48,202	Oberoi Realty	358,350	0.83
111,199	Phoenix Mills	1,297,251	3.02
110,231	Prestige Estates Projects	522,522	1.22
42,398	Reliance Industries	899,333	2.09
	<b>Total India</b>	<b>6,831,253</b>	<b>15.89</b>
	<b>Mexico: Nil (2018: 1.12%)</b>	<b>–</b>	<b>–</b>
	<b>Netherlands: 1.38% (2018: 2.28%)</b>		
13,687	Yandex	595,248	1.38
	<b>Total Netherlands</b>	<b>595,248</b>	<b>1.38</b>
	<b>Papua New Guinea: Nil (2018: 1.19%)</b>	<b>–</b>	<b>–</b>
	<b>People's Republic of China: 4.08% (2018: 7.42%)</b>		
148,500	Ping An Insurance	1,755,288	4.08
	<b>Total People's Republic of China</b>	<b>1,755,288</b>	<b>4.08</b>
	<b>Philippines: Nil (2018: 1.66%)</b>	<b>–</b>	<b>–</b>
	<b>Poland: 1.70% (2018: 1.48%)</b>		
9,912	CD Projekt	731,498	1.70
	<b>Total Poland</b>	<b>731,498</b>	<b>1.70</b>
	<b>Republic of South Korea: 12.58% (2018: 12.24%)</b>		
7,630	KMW	337,146	0.78
6,490	Koh Young Technology	592,066	1.38
55,414	Samsung Electronics	2,673,787	6.22
5,434	Samsung SDI	1,108,932	2.58
8,584	SK Hynix	698,478	1.62
	<b>Total Republic of South Korea</b>	<b>5,410,409</b>	<b>12.58</b>

## Emerging Market Stars Fund

 continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 96.94% (2018: 99.07%)</b> continued		
	<b>Russian Federation: 1.22% (2018: 1.76%)</b>		
31,924	Sberbank of Russia ADR	524,831	1.22
	<b>Total Russian Federation</b>	<b>524,831</b>	<b>1.22</b>
	<b>Singapore: 0.82% (2018: Nil)</b>		
1,356,800	Yoma Strategic	353,162	0.82
	<b>Total Singapore</b>	<b>353,162</b>	<b>0.82</b>
	<b>South Africa: Nil (2018: 5.62%)</b>		
	<b>Sri Lanka: Nil (2018: 0.83%)</b>		
	<b>Taiwan: 14.68% (2018: 13.71%)</b>		
48,000	Advanced Ceramic X	563,632	1.31
140,000	Chroma ATE	677,186	1.58
31,000	eMemory Technology	368,666	0.86
96,000	LandMark Optoelectronics	989,559	2.30
55,000	MediaTek	813,707	1.89
46,000	Sporton International	326,851	0.76
233,000	Taiwan Semiconductor Manufacturing	2,572,739	5.98
	<b>Total Taiwan</b>	<b>6,312,340</b>	<b>14.68</b>
	<b>United Kingdom: 1.41% (2018: 3.36%)</b>		
100,876	Avast	605,101	1.41
	<b>Total United Kingdom</b>	<b>605,101</b>	<b>1.41</b>
	<b>United States: 1.57% (2018: Nil)</b>		
1,182	MercadoLibre	676,033	1.57
	<b>Total United States</b>	<b>676,033</b>	<b>1.57</b>
	<b>Vietnam: 4.58% (2018: 0.91%)</b>		
660,890	Kinh Bac City Development	440,641	1.02
336,430	Vietnam Technological & Commercial Joint Stock Bank	341,911	0.80
529,150	Vincom Retail	776,399	1.81
111,370	Vinhomes	407,560	0.95
	<b>Total Vietnam</b>	<b>1,966,511</b>	<b>4.58</b>
	<b>Virgin Islands: 1.62% (2018: Nil)</b>		
31,125	Mail.Ru GDR	694,087	1.62
	<b>Total Virgin Islands</b>	<b>694,087</b>	<b>1.62</b>
	<b>Total Equities</b>	<b>41,679,540</b>	<b>96.94</b>
	<b>Total Transferable Securities</b>	<b>41,679,540</b>	<b>96.94</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Total Value of Investments (Cost: US\$ 35,687,330)</b>	41,679,540	96.94
	Cash at Bank	794,082	1.85
	Other Net Liabilities	522,378	1.21
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	42,996,000	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	91.24	98.69
Other assets	8.76	1.31
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## European ex UK Income Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value EUR€	% of Net Assets
<b>Equities: 97.92% (2018: 99.04%)</b>			
<b>Basic Materials: 10.13% (2018: 4.51%)</b>			
161,165	BASF	10,854,463	4.01
168,165	Brenntag	8,152,639	3.02
270,976	UPM-Kymmene	8,375,868	3.10
<b>Total Basic Materials</b>		<b>27,382,970</b>	<b>10.13</b>
<b>Communications: 14.85% (2018: 18.66%)</b>			
670,229	Deutsche Telekom	9,765,237	3.61
2,915,322	Koninklijke KPN	7,670,212	2.84
1,447,820	NOS	6,949,536	2.57
668,461	Orange	8,770,208	3.25
174,188	Telenet	6,977,971	2.58
<b>Total Communications</b>		<b>40,133,164</b>	<b>14.85</b>
<b>Consumer, Cyclical: 6.71% (2018: 1.53%)</b>			
129,288	Cie Financiere Richemont	9,046,817	3.35
289,355	Industria de Diseno Textil	9,100,215	3.36
<b>Total Consumer, Cyclical</b>		<b>18,147,032</b>	<b>6.71</b>
<b>Consumer, Non-cyclical: 19.39% (2018: 20.09%)</b>			
147,679	Bayer	10,752,508	3.98
92,563	Danone	6,840,406	2.53
35,993	Roche	10,397,500	3.84
131,812	Sanofi	11,812,991	4.37
514,171	Scandinavian Tobacco	5,590,697	2.07
113,221	Societe BIC	7,019,702	2.60
<b>Total Consumer, Non-cyclical</b>		<b>52,413,804</b>	<b>19.39</b>
<b>Energy: 8.02% (2018: 4.57%)</b>			
548,785	Galp Energia	8,176,897	3.03
274,308	TOTAL	13,495,954	4.99
<b>Total Energy</b>		<b>21,672,851</b>	<b>8.02</b>
<b>Financial: 17.99% (2018: 18.38%)</b>			
276,385	AXA	6,940,027	2.57
737,914	ING Groep	7,886,825	2.92
229,401	Sampo	8,925,993	3.30
731,652	Svenska Handelsbanken	7,025,622	2.60
79,954	Swiss Re	7,995,599	2.96
26,926	Zurich Insurance	9,836,780	3.64
<b>Total Financial</b>		<b>48,610,846</b>	<b>17.99</b>

Holdings	Financial assets at fair value through profit or loss			Fair Value EUR€	% of Net Assets
<b>Equities: 97.92% (2018: 99.04%)</b> continued					
<b>Industrial: 15.73% (2018: 21.99%)</b>					
42,514	Aena SME			7,248,637	2.68
480,542	bpost			4,949,583	1.83
279,931	Cia de Distribucion Integral Logista			5,626,613	2.08
159,925	Deutsche Post			5,439,049	2.01
54,508	Kuehne + Nagel International			8,183,925	3.03
94,944	Siemens			11,064,774	4.10
<b>Total Industrial</b>				<b>42,512,581</b>	<b>15.73</b>
<b>Utilities: 5.10% (2018: 9.31%)</b>					
288,695	Naturgy Energy			6,466,768	2.39
407,717	Red Electrica			7,308,327	2.71
<b>Total Utilities</b>				<b>13,775,095</b>	<b>5.10</b>
<b>Total Equities</b>				<b>264,648,343</b>	<b>97.92</b>
<b>Total Transferable Securities</b>				<b>264,648,343</b>	<b>97.92</b>
<b>Open Forward Foreign Currency Contracts: 0.44% (2018: 0.21%)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain EUR€	% of Net Assets
EUR 144,085,398	GBP 123,209,441	1.1694	31/01/2020	1,196,897	0.44
EUR 20,202	GBP 17,208	1.1740	31/01/2020	89	–
EUR 5,944	GBP 5,094	1.1668	31/01/2020	63	–
EUR 1,375	GBP 1,176	1.1689	31/01/2020	12	–
EUR 0,511	GBP 437	1.1689	31/01/2020	4	–
GBP 3,678	EUR 4,339	1.1797	31/01/2020	2	–
<b>Total unrealised gain on forward foreign currency contracts</b>				<b>1,197,067</b>	<b>0.44</b>
<b>Total Financial Assets at fair value through profit or loss</b>				<b>265,845,410</b>	<b>98.36</b>
<b>Financial liabilities at fair value through profit or loss</b>					
<b>Open Forward Foreign Currency Contracts: (0.01%) (2018: Nil)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss EUR€	% of Net Assets
GBP 2,176,172	EUR 2,534,446	1.1646	31/01/2020	(31,594)	(0.01)
GBP 1,205	EUR 1,406	1.1668	31/01/2020	(15)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				<b>(31,609)</b>	<b>(0.01)</b>
<b>Total Financial Liabilities at fair value through profit or loss</b>				<b>(31,609)</b>	<b>(0.01)</b>



## Portfolio Statements continued

As at 31 December 2019

## European ex UK Income Fund continued

Financial assets at fair value through profit or loss	Fair Value EUR€	% of Net Assets
<b>Total Value of Investments (Cost: EUR 260,276,895)</b>	265,813,801	98.35
Cash at bank	4,911,441	1.82
Other Net Liabilities	(463,076)	(0.17)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	270,262,166	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.73	98.48
OTC financial derivative instruments	0.44	0.20
Other assets	1.83	1.32
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## European Income Fund\*

	Fair Value EUR€	% of Net Assets
Cash at Bank	21,946	100.00
Other Net Liabilities	(21,946)	(100.00)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	–	–

	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
<b>Analysis of total assets</b>		
Transferable securities admitted to official stock exchange listing	–	–
Other assets	100.00	100.00
	100.00	100.00

\* European Income Fund was terminated on 17 January 2019. There were no investments held by the Fund on the last valuation day of the reporting year.

## Financial Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.93% (2018: 96.88%)</b>		
	<b>Belgium: 1.65% (2018: Nil)</b>		
4,129	KBC Bank	310,810	1.65
	<b>Total Belgium</b>	<b>310,810</b>	<b>1.65</b>
	<b>Bermuda: 3.05% (2018: 4.57%)</b>		
13,388	Arch Capital	574,211	3.05
	<b>Total Bermuda</b>	<b>574,211</b>	<b>3.05</b>
	<b>Brazil: 1.51% (2018: Nil)</b>		
31,127	Itau Unibanco	284,812	1.51
	<b>Total Brazil</b>	<b>284,812</b>	<b>1.51</b>
	<b>Canada: 3.73% (2018: 1.66%)</b>		
2,060	Intact Financial	223,069	1.19
8,500	Toronto-Dominion Bank	477,390	2.54
	<b>Total Canada</b>	<b>700,459</b>	<b>3.73</b>
	<b>Cayman Islands: 1.33% (2018: 1.25%)</b>		
54,412	Chailease	250,487	1.33
	<b>Total Cayman Islands</b>	<b>250,487</b>	<b>1.33</b>
	<b>France: 1.60% (2018: 0.92%)</b>		
5,063	BNP Paribas	300,244	1.60
	<b>Total France</b>	<b>300,244</b>	<b>1.60</b>
	<b>Greece: 0.86% (2018: Nil)</b>		
30,955	Hellenic Exchanges	161,052	0.86
	<b>Total Greece</b>	<b>161,052</b>	<b>0.86</b>
	<b>Hong Kong: 4.47% (2018: 4.38%)</b>		
80,009	AIA	839,952	4.47
	<b>Total Hong Kong</b>	<b>839,952</b>	<b>4.47</b>
	<b>India: 8.19% (2018: 7.38%)</b>		
9,213	HDFC Bank ADR	583,828	3.11
10,422	Housing Development Finance	352,259	1.87
14,348	IndusInd Bank	303,531	1.61
120,688	Manappuram Finance	299,952	1.60
	<b>Total India</b>	<b>1,539,570</b>	<b>8.19</b>
	<b>Indonesia: 3.12% (2018: 1.48%)</b>		
187,700	Bank Central Asia	451,927	2.40
426,200	Bank Rakyat Indonesia Persero	135,082	0.72
	<b>Total Indonesia</b>	<b>587,009</b>	<b>3.12</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.93% (2018: 96.88%)</b> continued		
	Italy: Nil (2018: 2.15%)	–	–
	Japan: Nil (2018: 2.97%)	–	–
	Jersey: Nil (2018: 0.67%)	–	–
	Malaysia: Nil (2018: 1.65%)	–	–
	Mexico: 1.48% (2018: Nil)		
49,900	Grupo Financiero Banorte	279,175	1.48
	<b>Total Mexico</b>	<b>279,175</b>	<b>1.48</b>
	Netherlands: 3.01% (2018: Nil)		
272	Adyen	223,189	1.19
28,548	ING Groep	342,498	1.82
	<b>Total Netherlands</b>	<b>565,687</b>	<b>3.01</b>
	Norway: 2.75% (2018: 2.84%)		
27,753	DNB	517,963	2.75
	<b>Total Norway</b>	<b>517,963</b>	<b>2.75</b>
	People's Republic of China: 1.67% (2018: Nil)		
26,500	Ping An Insurance	313,233	1.67
	<b>Total People's Republic of China</b>	<b>313,233</b>	<b>1.67</b>
	Philippines: 1.64% (2018: 1.08%)		
178,130	Bank of the Philippine Islands	309,164	1.64
	<b>Total Philippines</b>	<b>309,164</b>	<b>1.64</b>
	Singapore: 0.89% (2018: 2.60%)		
20,400	Oversea-Chinese Banking	166,580	0.89
	<b>Total Singapore</b>	<b>166,580</b>	<b>0.89</b>
	Spain: 0.93% (2018: 4.14%)		
41,719	Banco Santander	174,674	0.93
	<b>Total Spain</b>	<b>174,674</b>	<b>0.93</b>
	Sweden: Nil (2018: 2.40%)	–	–
	Switzerland: 2.96% (2018: 3.69%)		
3,581	Chubb	557,418	2.96
	<b>Total Switzerland</b>	<b>557,418</b>	<b>2.96</b>
	Thailand: 1.18% (2018: 1.20%)		
66,900	Tisco Financial	221,669	1.18
	<b>Total Thailand</b>	<b>221,669</b>	<b>1.18</b>

## Financial Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.93% (2018: 96.88%)</b> continued		
	<b>Turkey: 0.94% (2018: Nil)</b>		
869,319	Turkiye Sinai Kalkinma Bankasi	176,756	0.94
	<b>Total Turkey</b>	<b>176,756</b>	<b>0.94</b>
	<b>United Kingdom: 8.74% (2018: 8.96%)</b>		
194,444	Atom Bank	296,228	1.58
373,241	Lloyds Banking	309,032	1.64
58,284	OneSavings Bank	334,636	1.78
18,113	Prudential	347,690	1.85
37,689	Standard Chartered	355,691	1.89
	<b>Total United Kingdom</b>	<b>1,643,277</b>	<b>8.74</b>
	<b>United States: 42.23% (2018: 40.89%)</b>		
28,375	Bank of America	999,369	5.32
5,958	Blackstone	333,291	1.77
4,169	Citigroup	333,061	1.77
18,418	Citizens Financial	747,955	3.98
1,288	Comerica	92,414	0.49
9,407	East West Bancorp	458,122	2.44
9,082	Enterprise Financial Services	437,843	2.33
10,325	Esquire Financial	269,173	1.43
2,789	First Republic Bank	327,568	1.74
9,036	JPMorgan Chase	1,259,618	6.70
1,405	Mastercard	419,519	2.23
2,812	PayPal	304,174	1.62
3,727	PNC Financial Services Group	594,941	3.17
1,730	SVB Financial	434,299	2.31
3,910	Texas Capital Bancshares	221,971	1.18
1,056	Visa	198,422	1.06
9,412	Wells Fargo	506,366	2.69
	<b>Total United States</b>	<b>7,938,106</b>	<b>42.23</b>
	<b>Total Equities</b>	<b>18,412,308</b>	<b>97.93</b>
	<b>Total Transferable Securities</b>	<b>18,412,308</b>	<b>97.93</b>
	<b>Total Value of Investments (Cost: US\$ 15,962,004)</b>	<b>18,412,308</b>	<b>97.93</b>
	Cash at Bank	412,116	2.19
	Other Net Liabilities	(22,907)	(0.12)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>18,801,517</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.



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<b>Analysis of total assets (unaudited)</b>	<b>31 December 2019 % of Total Assets</b>	<b>31 December 2018 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	97.67	95.38
Other assets	2.33	4.62
	100.00	100.00

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The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Global Absolute Return Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Investment Funds: 8.59% (2018: Nil)</b>			
<b>Ireland: 8.59% (2018: Nil)</b>			
3,900,000	Northern Trust Global Funds – US Dollar Fund	3,900,000	8.59
<b>Total Ireland</b>		3,900,000	8.59
<b>Total Investment Funds</b>		3,900,000	8.59
<b>Corporate Bonds: 119.71% (2018: Nil)</b>			
<b>Cayman Islands: 2.55% (2018: Nil)</b>			
500,000	Herbalife Nutrition 2.625% 15/03/2024	519,916	1.14
300,000	Sea 2.250% 01/07/2023	641,018	1.41
<b>Total Cayman Islands</b>		1,160,934	2.55
<b>France: 9.82% (2018: Nil)</b>			
1,900,000	AXA 7.250% 15/05/2021	2,194,263	4.83
35,000	Genfit 3.500% 16/10/2022	918,746	2.02
10,000	SOITEC 0.000% 28/06/2023	1,345,832	2.97
<b>Total France</b>		4,458,841	9.82
<b>Japan: 24.64% (2018: Nil)</b>			
300,000,000	Chugoku Electric Power 0.000% 25/01/2022	2,997,810	6.60
300,000,000	Daio Paper 0.000% 17/09/2020	2,884,213	6.35
300,000,000	Fuji Machine Manufacturing 0.000% 25/03/2021	3,931,265	8.66
100,000,000	Sony 0.000% 30/09/2022	1,376,407	3.03
<b>Total Japan</b>		11,189,695	24.64
<b>Netherlands: 13.15% (2018: Nil)</b>			
3,000,000	ELMfor Swiss Re 3.250% 13/06/2024	3,373,246	7.43
1,200,000	QIAGEN 0.875% 19/03/2021	1,498,776	3.30
800,000	STMicroelectronics 0.000% 03/07/2022	1,100,936	2.42
<b>Total Netherlands</b>		5,972,958	13.15
<b>Spain: 3.31% (2018: Nil)</b>			
1,000,000	Cellnex Telecom 1.500% 16/01/2026	1,505,621	3.31
<b>Total Spain</b>		1,505,621	3.31
<b>United Kingdom: 20.74% (2018: Nil)</b>			
3,000,000	BP Capital Markets 1.000% 28/04/2023	4,820,883	10.62
1,500,000	Hurricane Energy 7.500% 24/07/2022	1,794,922	3.95
2,000,000	J Sainsbury 2.875% 31/12/2049	2,802,429	6.17
<b>Total United Kingdom</b>		9,418,234	20.74

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Investment Funds: 8.59% (2018: Nil)</b> continued			
<b>United States: 45.50% (2018: Nil)</b>			
100,000	Anthem 2.750% 15/10/2042	420,470	0.93
1,050,000	BioMarin Pharmaceutical 1.500% 15/10/2020	1,143,247	2.52
800,000	Chegg 0.250% 15/05/2023	1,216,800	2.68
1,205,000	Dermira 3.000% 15/05/2022	1,114,139	2.45
600,000	Insmed 1.750% 15/01/2025	579,486	1.27
500,000	J2 Global 3.250% 15/06/2029	725,133	1.60
2,000,000	JPMorgan Chase Bank 0.000% 24/05/2022	2,474,978	5.45
2,500,000	Liberty Media 2.250% 30/09/2046	1,451,229	3.19
2,065,000	Ligand Pharmaceuticals 0.750% 15/05/2023	1,787,339	3.94
500,000	Macquarie Infrastructure 2.000% 01/10/2023	479,402	1.05
200,000	Neurocrine Biosciences 2.250% 15/05/2024	307,257	0.68
1,400,000	Nutanix 0.000% 15/01/2023	1,396,026	3.07
500,000	Pandora Media 1.750% 01/12/2023	620,694	1.37
500,000	RH 0.000% 15/07/2020	903,657	1.99
550,000	RingCentral 0.000% 15/03/2023	1,156,265	2.54
450,000	Sarepta Therapeutics 1.500% 15/11/2024	876,375	1.93
700,000	Silicon Laboratories 1.375% 01/03/2022	932,099	2.05
100,000	Tesla 1.250% 01/03/2021	127,714	0.28
2,000,000	Teva Pharmaceutical Finance LLC 0.250% 01/02/2026	1,905,861	4.20
600,000	Viavi Solutions 1.000% 01/03/2024	775,496	1.71
250,000	Wayfair 0.375% 01/09/2022	272,214	0.60
<b>Total United States</b>		<b>20,665,881</b>	<b>45.50</b>
<b>Total Corporate Bonds</b>		<b>54,372,164</b>	<b>119.71</b>
<b>Equities: 17.17% (2018: Nil)</b>			
<b>United States: 17.17% (2018: Nil)</b>			
130,000	Change Healthcare	7,798,700	17.17
<b>Total United States</b>		<b>7,798,700</b>	<b>17.17</b>
<b>Total Equities</b>		<b>7,798,700</b>	<b>17.17</b>
<b>Warrants: 0.23% (2018: Nil)</b>			
<b>Cayman Islands: 0.23% (2018: Nil)</b>			
1,000,000	Wessex	103,980	0.23
<b>Total Cayman Islands</b>		<b>103,980</b>	<b>0.23</b>
<b>Total Warrants</b>		<b>103,980</b>	<b>0.23</b>
<b>Total Transferable Securities</b>		<b>66,174,844</b>	<b>145.70</b>



## Portfolio Statements continued

As at 31 December 2019

## Global Absolute Return Fund continued

Holdings	Financial assets at fair value through profit or loss			Fair Value US\$	% of Net Assets	
<b>Contracts for Difference (on Equities) – Unrealised Gains: 0.50% (2018: Nil)</b>						
France: 0.01% (2018: Nil)						
(6,000)	SOITEC			6,507	0.01	
<b>Total France</b>				<b>6,507</b>	<b>0.01</b>	
Japan: 0.07% (2018: Nil)						
(76,100)	Chugoku Electric Power			21,199	0.05	
(46,000)	Sodick			9,471	0.02	
<b>Total Japan</b>				<b>30,670</b>	<b>0.07</b>	
Netherlands: 0.03% (2018: Nil)						
(32,000)	QIAGEN			12,146	0.03	
<b>Total Netherlands</b>				<b>12,146</b>	<b>0.03</b>	
United Kingdom: 0.32% (2018: Nil)						
(443,000)	BP			138,236	0.30	
(600,000)	Hurricane Energy			3,800	0.01	
(130,000)	J Sainsbury			2,072	0.01	
<b>Total United Kingdom</b>				<b>144,108</b>	<b>0.32</b>	
United States: 0.07% (2018: Nil)						
(10,013)	Chegg			2709	0.01	
(6,500)	J2 Global			9391	0.02	
(2,700)	Ligand Pharmaceuticals			10922	0.02	
(4,500)	Silicon Laboratories			2,261	0.01	
(34,570)	Viavi Solutions			6,766	0.01	
<b>Total United States</b>				<b>32,049</b>	<b>0.07</b>	
<b>Total Contracts for Difference (on Equities) – Unrealised Gains</b>				<b>225,480</b>	<b>0.50</b>	
<b>Open Forward Foreign Currency Contracts: 1.18% (2018: Nil)</b>						
	Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
	USD 33,177,497	GBP 25,405,654	1.3059	31/01/2020	503,767	1.11
	USD 4,421,541	EUR 3,962,185	1.1159	31/01/2020	33,243	0.07
	USD 25,592	EUR 23,041	1.1107	31/01/2020	314	–
	USD 14,048	GBP 10,777	1.3035	31/01/2020	240	–
	USD 18,756	EUR 16,866	1.1121	31/01/2020	207	–
	USD 2,886	GBP 2,223	1.2979	31/01/2020	62	–
	USD 26,557	EUR 23,660	1.1224	31/01/2020	45	–
	USD 1,151	GBP 888	1.2954	31/01/2020	27	–
	USD 832	GBP 638	1.3043	31/01/2020	14	–
	USD 608	GBP 463	1.3124	31/01/2020	6	–
<b>Total unrealised gain on forward foreign currency contracts</b>					<b>537,925</b>	<b>1.18</b>
<b>Total Financial Assets at fair value through profit or loss</b>				<b>66,938,249</b>	<b>147.38</b>	

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss US\$	% of Net Assets
<b>Contracts for Difference (on Equities) – Unrealised Losses: (4.63%) (2018: Nil)</b>			
<b>Cayman Islands: (0.20%) (2018: Nil)</b>			
(1,109)	Herbalife Nutrition	(4,489)	(0.01)
(14,355)	Sea	(86,919)	(0.19)
	<b>Total Cayman Islands</b>	<b>(91,408)</b>	<b>(0.20)</b>
<b>France: (0.02%) (2018: Nil)</b>			
(14,000)	Genfit	(10,240)	(0.02)
	<b>Total France</b>	<b>(10,240)</b>	<b>(0.02)</b>
<b>Japan: (0.87%) (2018: Nil)</b>			
(162,000)	Daio Paper	(20,015)	(0.04)
(173,600)	Fuji Corp (Aichi)	(248,045)	(0.55)
(12,400)	Sony Corp	(128,404)	(0.28)
	<b>Total Japan</b>	<b>(396,464)</b>	<b>(0.87)</b>
<b>Netherlands: (0.01%) (2018: Nil)</b>			
(17,000)	STMicroelectronics	(1,808)	(0.01)
	<b>Total Netherlands</b>	<b>(1,808)</b>	<b>(0.01)</b>
<b>Switzerland: (0.03%) (2018: Nil)</b>			
(15,000)	Swiss Re	(13,842)	(0.03)
	<b>Total Switzerland</b>	<b>(13,842)</b>	<b>(0.03)</b>
<b>United States: (3.50%) (2018: Nil)</b>			
(4,254)	Anthem	(66,198)	(0.15)
(21,950)	AT&T	(9,025)	(0.02)
(67,375)	AXA Equitable	(266,943)	(0.59)
(383,000)	Change Healthcare	(958,997)	(2.11)
(2,100)	Neurocrine Biosciences	(15,010)	(0.03)
(3,810)	RH	(149,174)	(0.33)
(6,819)	RingCentral	(34,031)	(0.08)
(4,929)	Sarepta Therapeutics	(64,914)	(0.14)
(247)	Tesla	(1,531)	–
(3,782)	Wayfair	(24,451)	(0.05)
	<b>Total United States</b>	<b>(1,590,274)</b>	<b>(3.50)</b>
	<b>Total Contracts for Difference (on Equities) – Unrealised Losses</b>	<b>(2,104,036)</b>	<b>(4.63)</b>

## Global Absolute Return Fund

 continued

Financial liabilities at fair value through profit or loss					
Open Forward Foreign Currency Contracts: Nil (2018: Nil)					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
USD 8,881	GBP 6,693	1.3268	31/01/2020	(7)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(7)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(2,104,043)	(4.63)
				Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 63,200,201)</b>				64,834,206	142.75
Bank Overdraft				(23,058,130)	(50.77)
Deposit with Credit institutions				3,640,834	8.02
Other Net Assets				446	–
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				45,417,356	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the contracts for difference is Credit Suisse Securities (Europe) Limited.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	89.60	–
Exchange traded financial derivative instruments	0.30	–
OTC financial derivative instruments	0.73	–
Other assets	9.37	100.00
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Global Convertible Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Corporate Bonds: 98.72% (2018: 93.53%)</b>			
<b>Bermuda: Nil (2018: 1.65%)</b>			
<b>Canada: 1.65% (2018: Nil)</b>			
2,000,000	Aurora Cannabis 5.500% 28/02/2024	1,250,000	0.14
10,680,000	SSR Mining 2.500% 01/04/2039	13,878,660	1.51
<b>Total Canada</b>		<b>15,128,660</b>	<b>1.65</b>
<b>Cayman Islands: 3.88% (2018: 2.18%)</b>			
2,500,000	iQIYI 3.750% 01/12/2023	2,755,157	0.30
20,000,000	Poseidon Finance 1 0.000% 01/02/2025	20,674,826	2.25
80,000,000	Zhongsheng 0.000% 23/05/2023	12,179,220	1.33
<b>Total Cayman Islands</b>		<b>35,609,203</b>	<b>3.88</b>
<b>Cyprus: Nil (2018: 9.73%)</b>			
<b>France: 6.55% (2018: 2.08%)</b>			
41,500,000	AXA 7.250% 15/05/2021	47,927,313	5.22
185,000	Genfit 3.500% 16/10/2022	4,857,311	0.53
4,000	LVMH Moet Hennessy Louis Vuitton 0.000% 16/02/2021	2,015,960	0.22
29,000	Safran 0.000% 21/06/2023	5,351,276	0.58
<b>Total France</b>		<b>60,151,860</b>	<b>6.55</b>
<b>Germany: Nil (2018: 0.84%)</b>			
<b>Japan: 6.04% (2018: 11.44%)</b>			
200,000,000	Fuji Corp/Aichi 0.000% 25/03/2021	2,622,774	0.28
1,000,000,000	Kansai Paint 0.000% 17/06/2022	9,804,699	1.07
700,000,000	Medipal 0.000% 07/10/2022	7,361,297	0.80
400,000,000	Minebea Mitsumi 0.000% 03/08/2022	4,599,755	0.50
400,000,000	Nagoya Railroad 0.000% 11/12/2024	4,478,865	0.49
900,000,000	Nipro 0.000% 29/01/2021	8,603,642	0.94
1,000,000,000	Rohm 0.000% 05/12/2024	9,786,362	1.06
600,000,000	Sony 0.000% 30/09/2022	8,264,524	0.90
<b>Total Japan</b>		<b>55,521,918</b>	<b>6.04</b>
<b>Jersey: 1.72% (2018: 0.60%)</b>			
11,000,000	Derwent London Capital No 3 Jersey 1.500% 12/06/2025	15,830,586	1.72
<b>Total Jersey</b>		<b>15,830,586</b>	<b>1.72</b>
<b>Mexico: Nil (2018: 3.88%)</b>			



## Portfolio Statements continued

As at 31 December 2019

## Global Convertible Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Corporate Bonds: 98.72% (2018: 93.53%)</b>			
<b>Netherlands: 8.05% (2018: 12.69%)</b>			
38,400,000	ELMfor Swiss Re 3.250% 13/06/2024	43,177,553	4.70
6,000,000	QIAGEN 0.500% 13/09/2023	6,848,730	0.74
17,400,000	STMicroelectronics 0.000% 03/07/2022	23,945,358	2.61
<b>Total Netherlands</b>		<b>73,971,641</b>	<b>8.05</b>
<b>New Zealand: 0.38% (2018: Nil)</b>			
2,500,000	Xero Investments 2.375% 04/10/2023	3,447,589	0.38
<b>Total New Zealand</b>		<b>3,447,589</b>	<b>0.38</b>
<b>People's Republic of China: 1.23% (2018: Nil%)</b>			
10,000,000	WuXi AppTec 0.000% 17/09/2024	11,351,296	1.23
<b>Total People's Republic of China</b>		<b>11,351,296</b>	<b>1.23</b>
<b>Republic of South Korea: Nil (2018: 2.74%)</b>			
<b>South Africa: 0.36% (2018: Nil)</b>			
2,000,000	Sibanye Gold 1.875% 26/09/2023	3,325,413	0.36
<b>Total South Africa</b>		<b>3,325,413</b>	<b>0.36</b>
<b>Spain: 3.00% (2018: Nil)</b>			
22,000,000	Cellnex Telecom 0.500% 06/07/2028	27,556,867	3.00
<b>Total Spain</b>		<b>27,556,867</b>	<b>3.00</b>
<b>Taiwan: 0.26% (2018: Nil)</b>			
2,000,000	United Microelectronics 0.000% 18/05/2020	2,359,295	0.26
<b>Total Taiwan</b>		<b>2,359,295</b>	<b>0.26</b>
<b>United Arab Emirates: Nil (2018: 4.05%)</b>			
<b>United Kingdom: 5.69% (2018: 2.85%)</b>			
14,000,000	Hurricane Energy 7.500% 24/07/2022	16,752,610	1.82
25,300,000	J Sainsbury FRN 31/12/2049	35,494,887	3.87
<b>Total United Kingdom</b>		<b>52,247,497</b>	<b>5.69</b>
<b>United States: 57.58% (2018: 38.80%)</b>			
8,500,000	Aerie Pharmaceuticals 1.500% 01/10/2024	10,201,652	1.11
17,115,000	Air Transport Services 1.125% 15/10/2024	16,717,320	1.82
17,000,000	Alteryx 1.000% 01/08/2026	15,973,023	1.74
36,173,000	BioMarin Pharmaceutical 1.500% 15/10/2020	39,385,398	4.29
14,500,000	Chegg 0.125% 15/03/2025	14,949,620	1.63
5,000,000	Coupa Software 0.125% 15/06/2025	5,924,312	0.64
30,500,000	CSG Systems International 4.250% 15/03/2036	34,960,625	3.81
25,395,000	Dermira 3.000% 15/05/2022	23,480,141	2.56
9,212,000	Euronet Worldwide 0.750% 15/03/2049	11,010,972	1.20



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>United States: 57.58% (2018: 38.80%) continued</b>		
8,000,000	GCI Liberty 1.750% 30/09/2046	11,052,000	1.20
21,000,000	Insmed 1.750% 15/01/2025	20,282,021	2.21
10,000,000	Ionis Pharmaceuticals 0.125% 15/12/2024	10,210,331	1.11
16,000,000	JPMorgan Chase Bank NA 0.000% 24/05/2022	19,804,233	2.16
4,500,000	JPMorgan Chase Bank NA 0.000% 30/12/2020	5,304,591	0.57
6,000,000	Liberty Media 1.375% 15/10/2023	8,088,600	0.88
44,000,000	Liberty Media 2.250% 30/09/2046	25,541,625	2.78
15,500,000	Liberty Media 2.750% 01/12/2049	16,313,750	1.78
3,500,000	Liberty Media Corp-Liberty Formula One 1.000% 30/01/2023	4,664,460	0.51
30,375,000	Ligand Pharmaceuticals 0.750% 15/05/2023	26,290,755	2.86
3,000,000	Lumentum 0.250% 15/03/2024	4,387,500	0.48
14,000,000	Lumentum 0.500% 15/12/2026	15,225,000	1.66
23,500,000	Macquarie Infrastructure 2.000% 01/10/2023	22,531,894	2.45
14,000,000	Microchip Technology 1.625% 15/02/2027	19,985,000	2.17
4,000,000	NRG Energy 2.750% 01/06/2048	4,545,000	0.49
10,150,000	Nutanix 0.000% 15/01/2023	10,121,188	1.10
13,500,000	Okta 0.125% 01/09/2025	13,123,576	1.43
5,500,000	ON Semiconductor 1.000% 01/12/2020	7,488,209	0.82
4,200,000	RingCentral 0.000% 15/03/2023	8,829,661	0.96
7,800,000	Silicon Laboratories 1.375% 01/03/2022	10,386,250	1.13
12,500,000	Snap 0.750% 01/08/2026	13,036,121	1.42
13,500,000	Splunk 0.500% 15/09/2023	16,284,375	1.77
14,500,000	Tesla 1.250% 01/03/2021	18,518,514	2.02
20,663,000	Teva Pharmaceutical FinanceLLC 0.250% 01/02/2026	19,690,407	2.14
10,544,000	Viavi Solutions 1.000% 01/03/2024	13,628,049	1.48
9,000,000	Zillow 0.750% 01/09/2024	10,995,142	1.20
	<b>Total United States</b>	<b>528,931,315</b>	<b>57.58</b>
	<b>Virgin Islands: 2.33% (2018: Nil)</b>		
50,000,000	China Conch Venture International 0.000% 05/09/2023	6,910,370	0.75
90,000,000	Smart Insight International 4.500% 05/12/2023	14,513,448	1.58
	<b>Total Virgin Islands</b>	<b>21,423,818</b>	<b>2.33</b>
	<b>Total Corporate Bonds</b>	<b>906,856,958</b>	<b>98.72</b>
	<b>Equities: 3.36% (2018: Nil)</b>		
	<b>United States: 3.36% (2018: Nil)</b>		
515,000	Change Healthcare	30,894,850	3.36
	<b>Total United States</b>	<b>30,894,850</b>	<b>3.36</b>
	<b>Total Equities</b>	<b>30,894,850</b>	<b>3.36</b>

## Global Convertible Fund

 continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets		
<b>Warrants: 0.41% (2018: 0.24%)</b>					
United Kingdom: 0.41% (2018: 0.24%)					
5,345,707	Premier Oil	3,740,263	0.41		
<b>Total United Kingdom</b>		3,740,263	0.41		
<b>Total Warrants</b>		3,740,263	0.41		
<b>Total Transferable Securities</b>		941,492,071	102.49		
<b>Contracts for Difference – Unrealised Gain: 0.04% (2018: 0.07%)</b>					
Japan: 0.01% (2018: Nil)					
(74,000)	Kansai Paint	13,063	–		
(103,100)	Nagoya Railroad	77,311	0.01		
<b>Total Japan</b>		90,374	0.01		
United Kingdom: Nil (2018: 0.03%)					
(1,263,062)	J Sainsbury	741	–		
<b>Total United Kingdom</b>		741	–		
United States: 0.03% (2018: 0.04%)					
(135,817)	CSG Systems International	297,644	0.03		
<b>Total United States</b>		297,644	0.03		
<b>Total Contracts for Difference (on Equities) – Unrealised Gains</b>		388,759	0.04		
<b>Futures Contracts – Unrealised Gains: 0.12% (2018: 0.11%)</b>					
<b>Description</b>		<b>Unrealised Gain US\$</b>	<b>% of Net Assets</b>		
United States: 0.12% (2018: Nil)					
Future BP Ccy CME Mar20		381,650	0.04		
Future Japan Yen Mar20		439,788	0.05		
Future Euro Exchange Mar20		252,656	0.03		
<b>Total United States</b>		1,074,094	0.12		
<b>Total Futures Contracts – Unrealised Gains</b>		1,074,094	0.12		
<b>Open Forward Currency Contracts: 0.26% (2018: 0.22%)</b>					
<b>Currency Sold</b>	<b>Currency Bought</b>	<b>Currency Rate</b>	<b>Maturity Date</b>	<b>Unrealised Gain US\$</b>	<b>% of Net Assets</b>
USD 101,879,211	GBP 77,530,873	1.3140	24/01/2020	1,024,156	0.11
USD 54,804,939	GBP 41,966,858	1.3059	31/01/2020	906,995	0.10
EUR 26,067,567	GBP 22,180,658	1.0000	24/01/2020	130,693	0.01
USD 8,025,516	GBP 6,126,175	1.3100	10/01/2020	102,146	0.01
USD 6,777,604	CHF 6,601,658	1.0267	31/01/2020	64,986	0.01
JPY 1,615,173,711	GBP 11,260,298	1.0000	24/01/2020	53,421	0.01

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.26% (2018: 0.22%) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 2,313,259	EUR 2,077,965	1.1132	15/01/2020	21,710	0.01
JPY 148,175,064	GBP 1,037,363	1.0000	10/01/2020	11,188	–
EUR 2,110,064	GBP 1,794,523	1.0000	10/01/2020	10,522	–
EUR 806,380	GBP 689,132	1.0000	24/01/2020	8,010	–
JPY 45,931,446	EUR 380,683	1.0000	15/01/2020	4,492	–
USD 137,323	GBP 106,032	1.2951	24/01/2020	3,408	–
USD 800,950	GBP 606,163	1.3213	10/01/2020	3,254	–
USD 245,064	EUR 219,604	1.1159	31/01/2020	1,954	–
USD 79,854	GBP 61,612	1.2961	10/01/2020	1,887	–
GBP 120,802	JPY 17,570,626	0.0069	10/01/2020	1,603	–
USD 176,582	EUR 158,518	1.1140	15/01/2020	1,542	–
USD 58,054	GBP 44,315	1.3100	10/01/2020	739	–
EUR 71,407	GBP 60,995	1.0000	10/01/2020	710	–
JPY 15,788,926	GBP 110,173	1.0000	10/01/2020	709	–
EUR 135,537	GBP 115,289	1.1756	15/01/2020	676	–
USD 76,492	EUR 68,640	1.1144	15/01/2020	637	–
USD 65,025	EUR 58,350	1.1144	15/01/2020	542	–
EUR 35,929	GBP 30,838	1.0000	24/01/2020	534	–
GBP 147,714	EUR 174,867	1.0000	15/01/2020	493	–
USD 25,162	GBP 19,303	1.3035	31/01/2020	464	–
GBP 23,480	USD 18,040	1.3016	10/01/2020	454	–
USD 16,190	GBP 12,474	1.2979	31/01/2020	369	–
JPY 2,157,786	GBP 15,264	1.0000	24/01/2020	364	–
JPY 3,507,318	GBP 24,622	1.3029	06/01/2020	358	–
USD 17,711	GBP 13,587	1.3035	31/01/2020	326	–
JPY 1,484,370	GBP 10,539	1.0000	10/01/2020	307	–
EUR 21,308	GBP 18,265	1.0000	10/01/2020	297	–
USD 25,574	GBP 19,489	1.3122	24/01/2020	293	–
USD 8,856	GBP 6,841	1.2946	10/01/2020	220	–
USD 10,217	GBP 7,833	1.3043	31/01/2020	182	–
USD 16,506	GBP 12,561	1.3141	24/01/2020	166	–
USD 5,294	GBP 4,081	1.2973	10/01/2020	120	–
JPY 597,623	GBP 4,226	1.2943	06/01/2020	102	–
JPY 438,561	GBP 3,112	1.0000	10/01/2020	88	–
JPY 510,794	GBP 3,612	1.2943	06/01/2020	87	–
USD 3,019	GBP 2,331	1.2954	31/01/2020	75	–
JPY 658,958	GBP 4,626	1.3029	06/01/2020	67	–
EUR 6,687	GBP 5,715	1.0000	24/01/2020	66	–

## Global Convertible Fund

 continued

**Financial assets at fair value through profit or loss**
**Open Forward Currency Contracts: 0.26% (2018: 0.22%)** continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
EUR 6,256	GBP 5,341	1.0000	10/01/2020	59	–
GBP 3,146	EUR 3,759	1.0000	15/01/2020	50	–
JPY 314,335	GBP 2,220	1.2972	06/01/2020	50	–
JPY 1,206,671	EUR 9,929	1.0000	15/01/2020	37	–
EUR 2,320	GBP 1,990	1.0000	10/01/2020	34	–
JPY 401,856	GBP 2,815	1.0000	24/01/2020	31	–
JPY 139,279	GBP 985	1.0000	10/01/2020	24	–
USD 2,663	GBP 2,025	1.3151	10/01/2020	24	–
EUR 4,201	GBP 3,575	1.0000	24/01/2020	21	–
USD 1,139	GBP 873	1.3047	31/01/2020	20	–
GBP 980	EUR 1,174	1.0000	15/01/2020	18	–
EUR 1,383	GBP 1,184	1.0000	10/01/2020	17	–
USD 902	GBP 692	1.3036	10/01/2020	16	–
USD 745	GBP 572	1.3033	24/01/2020	14	–
JPY 82,972	GBP 586	1.0000	10/01/2020	13	–
JPY 75,940	GBP 537	1.2943	06/01/2020	13	–
JPY 259,913	GBP 1,812	1.0000	24/01/2020	9	–
JPY 52,571	GBP 369	1.0000	10/01/2020	5	–
JPY 50,996	GBP 358	1.3029	06/01/2020	5	–
USD 131	GBP 101	1.2977	24/01/2020	3	–
EUR 229	GBP 196	1.0000	10/01/2020	2	–
USD 74	GBP 57	1.2977	24/01/2020	2	–
JPY 14,217	GBP 100	1.0000	10/01/2020	2	–
USD 209	EUR 187	1.1171	15/01/2020	1	–
JPY 11,818	GBP 83	1.0000	24/01/2020	1	–
EUR 196	GBP 167	1.0000	24/01/2020	1	–
JPY 8,485	GBP 60	1.2943	06/01/2020	1	–
JPY 5,239	GBP 37	1.2974	06/01/2020	1	–
GBP 3	EUR 4	1.0000	15/01/2020	–	–
EUR 35	GBP 30	1.0000	24/01/2020	–	–
JPY 2,123	GBP 15	1.0000	24/01/2020	–	–
EUR 20	GBP 17	1.0000	24/01/2020	–	–
JPY 1,274	GBP 9	1.0000	24/01/2020	–	–
GBP 10	EUR 12	0.8446	10/01/2020	–	–
JPY 1,131	GBP 8	1.2938	06/01/2020	–	–
JPY 990	GBP 7	1.2943	06/01/2020	–	–
JPY 1,133	GBP 8	1.2975	06/01/2020	–	–
<b>Total unrealised gain on forward foreign currency contracts</b>				2,361,886	0.26
<b>Total Financial Assets at fair value through profit or loss</b>				945,316,810	102.91

Holdings	Financial liabilities at fair value through profit or loss	Fair Value US\$	% of Net Assets		
<b>Contracts for Difference (on Equities) – Unrealised Loss: (0.99%) (2018: (0.13%))</b>					
France: (0.07%) (2018: Nil)					
(119,410)	Genfit	(625,871)	(0.07)		
	<b>Total France</b>	<b>(625,871)</b>	<b>(0.07)</b>		
Japan: Nil (2018: Nil)					
(14,300)	Rohm	(7,901)	–		
	<b>Total Japan</b>	<b>(7,901)</b>	<b>–</b>		
Switzerland: (0.01%) (2018: (0.01%))					
(50,000)	Swiss Re Class A	(126,950)	(0.01)		
	<b>Total Switzerland</b>	<b>(126,950)</b>	<b>(0.01)</b>		
United Kingdom: (0.01%) (2018: (0.12%))					
(1,363,144)	Premier Oil	(54,515)	(0.01)		
	<b>Total United Kingdom</b>	<b>(54,515)</b>	<b>(0.01)</b>		
United States: (0.90%) (2018: Nil)					
(283,000)	AT&T	(236,352)	(0.02)		
(1,486,125)	AXA Equitable	(4,229,887)	(0.46)		
(1,341,250)	Change Healthcare	(3,828,267)	(0.42)		
	<b>Total United States</b>	<b>(8,294,506)</b>	<b>(0.90)</b>		
	<b>Total Contracts for Difference (on Equities) – Unrealised Losses</b>	<b>(9,109,743)</b>	<b>(0.99)</b>		
	<b>Futures Contracts – Unrealised Losses: Nil (2018: (0.07%))</b>	<b>–</b>	<b>–</b>		
<b>Open Forward Currency Contracts: (0.01%) (2018: (0.05%))</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
JPY 3,298	EUR 27	0.0082	15/01/2020	–	–
GBP 7	JPY 1,002	1.0000	24/01/2020	–	–
GBP 13	EUR 15	1.0000	24/01/2020	–	–
GBP 6	JPY 857	1.0000	10/01/2020	–	–
GBP 8	JPY 1,131	1.0000	10/01/2020	–	–
GBP 29	USD 38	1.3176	10/01/2020	–	–
GBP 17	EUR 20	1.0000	10/01/2020	–	–
GBP 49	USD 64	1.3061	24/01/2020	(1)	–
GBP 969	USD 1,286	1.3268	31/01/2020	(1)	–
GBP 37	USD 48	1.2978	31/01/2020	(1)	–
GBP 34	JPY 4,814	1.2955	06/01/2020	(1)	–
GBP 46	JPY 6,513	1.2955	06/01/2020	(1)	–
GBP 82	USD 106	1.2979	31/01/2020	(2)	–
GBP 60	USD 78	1.2947	10/01/2020	(2)	–



## Portfolio Statements continued

As at 31 December 2019

## Global Convertible Fund continued

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: (0.01%) (2018: (0.05%)) continued

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
EUR 751	GBP 633	0.8425	10/01/2020	(4)	–
GBP 231	JPY 32,667	1.2940	06/01/2020	(6)	–
JPY 86,373	GBP 592	0.0069	10/01/2020	(10)	–
GBP 1,063	EUR 1,244	1.1704	15/01/2020	(12)	–
GBP 708	JPY 100,611	1.0000	24/01/2020	(12)	–
GBP 702	JPY 99,398	1.2955	06/01/2020	(16)	–
GBP 1,159	EUR 1,353	1.1675	15/01/2020	(17)	–
GBP 1,391	EUR 1,626	1.0000	24/01/2020	(18)	–
EUR 1,395	GBP 1,167	0.8367	10/01/2020	(19)	–
GBP 968	JPY 136,890	1.2940	06/01/2020	(23)	–
GBP 984	JPY 139,153	1.2940	06/01/2020	(24)	–
USD 5,456	GBP 4,092	1.3334	10/01/2020	(27)	–
GBP 1,480	JPY 209,295	1.2940	06/01/2020	(36)	–
JPY 434,459	GBP 2,987	0.0069	10/01/2020	(39)	–
GBP 9,327	EUR 10,957	1.0000	10/01/2020	(66)	–
GBP 4,190	USD 5,492	1.3107	10/01/2020	(68)	–
GBP 4,626	JPY 658,850	1.0000	10/01/2020	(68)	–
GBP 3,604	USD 4,698	1.3035	31/01/2020	(87)	–
EUR 7,049	GBP 5,884	0.8347	10/01/2020	(112)	–
GBP 4,908	USD 6,400	1.3040	24/01/2020	(114)	–
GBP 5,224	JPY 739,679	1.2955	06/01/2020	(117)	–
USD 27,451	GBP 20,587	1.3334	10/01/2020	(138)	–
EUR 43,936	JPY 5,339,519	1.0000	15/01/2020	(165)	–
GBP 5,412	USD 7,010	1.2954	31/01/2020	(174)	–
GBP 15,250	JPY 2,156,589	1.2940	06/01/2020	(366)	–
GBP 32,110	USD 41,830	1.3027	10/01/2020	(771)	–
GBP 32,278	JPY 4,564,165	1.0000	10/01/2020	(776)	–
GBP 32,411	JPY 4,583,424	1.2940	06/01/2020	(778)	–
GBP 36,449	USD 47,214	1.2954	31/01/2020	(1,172)	–
EUR 224,629	GBP 188,982	0.8413	10/01/2020	(1,606)	–
USD 353,734	GBP 265,287	1.3334	10/01/2020	(1,773)	–
GBP 255,482	JPY 36,565,692	1.0000	24/01/2020	(1,955)	–
GBP 471,074	EUR 553,296	1.0000	24/01/2020	(3,145)	–
GBP 531,555	USD 697,630	1.3124	31/01/2020	(8,024)	–
GBP 1,523,895	USD 1,995,087	1.3092	24/01/2020	(27,509)	(0.01)
<b>Total unrealised losses on forward foreign currency contracts</b>				<b>(49,256)</b>	<b>(0.01)</b>
<b>Total Financial Liabilities at fair value through profit or loss</b>				<b>(9,158,999)</b>	<b>(1.00)</b>

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: USD 881,280,531)</b>	936,157,811	101.91
Bank Overdraft	(10,394,065)	(1.13)
Deposit with Credit Institutions	4,280,787	0.47
Margin Cash	4,714,039	0.51
Other Net Liabilities	(16,141,977)	(1.76)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>918,616,595</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the contracts for difference and future contracts is UBS AG.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

<b>Analysis of total assets (unaudited)</b>	<b>31 December 2019 % of Total Assets</b>	<b>31 December 2018 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	96.48	92.93
Exchange traded financial derivative instruments	0.15	0.19
OTC financial derivative instruments	0.24	0.22
Other assets	3.13	6.66
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Portfolio Statements continued

As at 31 December 2019

## Global Insurance Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>Investment Funds: 1.78% (2018: 0.95%)</b>			
<b>Bermuda: Nil (2018: 0.46%)</b>			
		–	–
<b>United States: 1.78% (2018: 0.49%)</b>			
18,040	AlphaCat Opportunities	13,375,633	0.86
1,669,667	Kinesis	14,319,447	0.92
<b>Total United States</b>		<b>27,695,080</b>	<b>1.78</b>
<b>Total Investment Funds</b>		<b>27,695,080</b>	<b>1.78</b>
<b>Equities: 96.47% (2018: 98.14%)</b>			
<b>Insurance Brokers: 12.21% (2018: 12.86%)</b>			
335,500	Aon	52,750,552	3.40
765,000	Brown & Brown	22,798,415	1.47
1,355,000	Marsh & McLennan Cos	113,953,990	7.34
<b>Total Insurance Brokers</b>		<b>189,502,957</b>	<b>12.21</b>
<b>Life/Health Insurance: 3.72% (2018: 2.97%)</b>			
353,000	Aflac	14,096,018	0.91
5,500,000	AIA	43,585,724	2.81
<b>Total Life/Health Insurance</b>		<b>57,681,742</b>	<b>3.72</b>
<b>Multi-line Insurance: 12.69% (2018: 13.80%)</b>			
920,000	Chubb	108,101,301	6.96
15,000,000	Direct Line Insurance	46,875,000	3.02
2,315,000	Ping An Insurance Group of China	20,655,652	1.33
650,500	Sampo	21,446,726	1.38
<b>Total Multi-line Insurance</b>		<b>197,078,679</b>	<b>12.69</b>
<b>Property/Casualty Insurance: 49.42% (2018: 49.34%)</b>			
120,500	Alleghany	72,729,333	4.68
4,195,000	Arch Capital	135,816,983	8.75
400,000	Berkshire Hathaway	68,390,262	4.41
375,000	First American Financial	16,508,775	1.06
11,516,916	Hastings	20,638,314	1.33
867,600	Heritage Insurance	8,677,637	0.56
3,775,000	Hiscox	53,756,000	3.46
785,000	Intact Financial	64,166,513	4.13
450,000	James River	13,998,490	0.90
5,150,000	Lancashire	39,500,500	2.55
77,500	Markel	66,877,278	4.31



Holdings	Financial assets at fair value through profit or loss			Fair Value GBP£	% of Net Assets
<b>Equities: 96.47% (2018: 98.14%)</b> continued					
<b>Property/Casualty Insurance: 49.42% (2018: 49.34%)</b> continued					
700,000	ProAssurance			19,096,433	1.23
980,000	Progressive Corp			53,551,387	3.45
291,500	RLI			19,808,137	1.28
500,000	Travelers Cos			51,688,997	3.33
1,187,500	WR Berkley			61,940,932	3.99
<b>Total Property/Casualty Insurance</b>				<b>767,145,971</b>	<b>49.42</b>
<b>Reinsurance: 18.43% (2018: 19.17%)</b>					
1,675,000	Essent			65,735,610	4.23
208,750	Everest Re			43,623,589	2.81
182,500	Fairfax Financial			64,776,483	4.17
352,500	Reinsurance of America			43,388,299	2.80
464,000	RenaissanceRe			68,656,938	4.42
<b>Total Reinsurance</b>				<b>286,180,919</b>	<b>18.43</b>
<b>Total Equities</b>				<b>1,497,590,268</b>	<b>96.47</b>
<b>Total Transferable Securities</b>				<b>1,525,285,348</b>	<b>98.25</b>
<b>Total Financial Assets at fair value through profit or loss</b>				<b>1,525,285,348</b>	<b>98.25</b>
<b>Financial liabilities at fair value through profit or loss</b>					
<b>Open Forward Foreign Currency Contracts: (0.01%) (2018: Nil)</b>					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
GBP 17,544,142	EUR 20,516,729	0.8551	31/01/2020	(144,283)	(0.01)
GBP 1,966,010	USD 2,567,432	0.7657	31/01/2020	(29,450)	–
GBP 171,728	EUR 200,000	0.8586	31/01/2020	(2,111)	–
GBP 66,627	EUR 77,879	0.8555	31/01/2020	(579)	–
GBP 63,885	EUR 75,000	0.8518	31/01/2020	(279)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				<b>(176,702)</b>	<b>(0.01)</b>
<b>Total Financial Liabilities at fair value through profit or loss</b>				<b>(176,702)</b>	<b>(0.01)</b>



## Portfolio Statements continued

As at 31 December 2019

## Global Insurance Fund continued

	Fair Value GBP£	% of Net Assets
<b>Total Value of Investments (Cost: GBP£ 1,127,551,321)</b>	1,525,108,646	98.24
Cash	34,408,218	2.21
Other Net Liabilities	(7,050,439)	(0.45)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	1,552,466,425	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	97.23	97.87
Other assets	2.77	2.13
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Global Technology Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 95.65% (2018: 93.17%)</b>		
	<b>Communications: 26.87% (2018: 29.11%)</b>		
1,191,467	8x8	21,803,846	0.60
679,853	Alibaba ADR	144,196,821	3.95
96,816	Alphabet Class A	129,674,382	3.55
96,970	Alphabet Class C	129,650,829	3.55
34,474	Amazon.com	63,702,436	1.75
654,866	Facebook	134,411,247	3.68
94,037	IAC Interactive	23,425,557	0.64
266,536	Match	21,885,271	0.60
1,380,300	Meituan Dianping	18,051,358	0.49
426,175	Mimecast	18,487,472	0.51
1,562,244	Pinterest	29,120,228	0.80
163,477	Proofpoint	18,763,890	0.51
129,593	RingCentral	21,858,451	0.60
169,201	Spotify Technology	25,304,010	0.69
1,377,750	Tencent	66,413,781	1.82
964,991	Uber Technologies	28,698,832	0.79
1,113,416	Zendesk	85,321,068	2.34
	<b>Total Communications</b>	<b>980,769,479</b>	<b>26.87</b>
	<b>Consumer, Cyclical: 0.52% (2018: 1.52%)</b>		
274,281	Dolby Laboratories	18,870,533	0.52
	<b>Total Consumer, Cyclical</b>	<b>18,870,533</b>	<b>0.52</b>
	<b>Consumer, Non-cyclical: 3.60% (2018: 5.26%)</b>		
701,430	Chegg	26,591,211	0.73
88,745	Illumina	29,440,266	0.81
531,634	PayPal	57,506,850	1.57
287,133	Square	17,963,040	0.49
	<b>Total Consumer, Non-cyclical</b>	<b>131,501,367</b>	<b>3.60</b>
	<b>Energy: 0.80% (2018: Nil)</b>		
307,900	SolarEdge	29,278,211	0.80
	<b>Total Energy</b>	<b>29,278,211</b>	<b>0.80</b>
	<b>Financial: 1.88% (2018: 1.72%)</b>		
104,459	Mastercard	31,190,413	0.86
198,794	Visa	37,353,393	1.02
	<b>Total Financial</b>	<b>68,543,806</b>	<b>1.88</b>

## Global Technology Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 95.65% (2018: 93.17%)</b> continued		
	<b>Industrial: 6.19% (2018: 4.68%)</b>		
346,663	Axon Enterprise	25,403,465	0.70
330,884	Cognex	18,542,739	0.51
1,716,300	Fuji Corp	31,759,644	0.87
640,500	Harmonic Drive Systems	31,059,903	0.85
90,800	Keyence	32,159,117	0.88
293,214	Keysight Technologies	30,092,553	0.82
976,800	Taiyo Yuden	30,155,638	0.83
693,600	Yaskawa Electric	26,614,327	0.73
	<b>Total Industrial</b>	<b>225,787,386</b>	<b>6.19</b>
	<b>Technology: 55.79% (2018: 50.88%)</b>		
445,553	Activision Blizzard	26,474,759	0.73
160,061	Adobe Systems	52,789,718	1.45
2,247,777	Advanced Micro Devices	103,083,053	2.82
1,685,901	AIXTRON	16,138,593	0.44
338,384	Akamai Technologies	29,229,610	0.80
828,044	Altair Engineering	29,735,060	0.81
533,208	Alteryx	53,358,125	1.46
367,917	Analog Devices	43,723,256	1.20
160,447	ANSYS	41,300,662	1.13
649,661	Apple	190,772,953	5.23
450,000	Applied Materials	27,468,000	0.75
144,720	ASML	42,837,595	1.17
200,000	Aspen Technology	24,186,000	0.66
148,810	Autodesk	27,300,683	0.75
446,200	Cadence Design Systems	30,948,432	0.85
194,514	Coupa	28,447,673	0.78
218,431	Electronic Arts	23,483,517	0.64
456,125	Everbridge	35,614,240	0.98
354,575	Five9	23,253,028	0.64
228,559	HubSpot	36,226,602	0.99
832,891	LivePerson	30,816,967	0.84
1,229,293	Marvell Technology	32,650,022	0.89
1,042,773	Medallia	32,440,668	0.89
1,902,874	Microsoft	300,083,230	8.22
176,819	NVIDIA	41,605,511	1.14
396,558	Ping Identity	9,636,359	0.26
154,195	Power Integrations	15,251,427	0.42

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets			
	<b>Technology: 55.79% (2018: 50.88%) continued</b>					
447,245	PROS	26,798,920	0.73			
842,915	Qualcomm	74,370,390	2.04			
342,382	salesforce.com	55,685,009	1.53			
2,265,622	Samsung Electronics	109,318,784	3.00			
572,594	Samsung Electronics Pref	22,478,938	0.62			
115,676	ServiceNow	32,657,648	0.89			
266,289	Splunk	39,882,104	1.09			
1,619,350	STMicroelectronics	43,570,762	1.19			
189,887	Synopsys	26,432,270	0.73			
9,369,900	Taiwan Semiconductor Manufacturing	103,460,550	2.83			
325,700	TDK	37,132,947	1.02			
195,750	Tokyo Electron	43,094,721	1.18			
247,264	Twilio	24,301,106	0.67			
145,186	Workday	23,875,838	0.65			
253,207	Xilinx	24,756,048	0.68			
	<b>Total Technology</b>	<b>2,036,671,778</b>	<b>55.79</b>			
	<b>Total Equities</b>	<b>3,491,422,560</b>	<b>95.65</b>			
	<b>Total Transferable Securities</b>	<b>3,491,422,560</b>	<b>95.65</b>			
	<b>Options Purchased: 0.40% (2018: 0.21%)</b>					
Description	Base Currency	Strike Price	No. of Contracts	Maturity Date	Fair Value US\$	% of Net Assets
Option Nasdaq 100 Stock Index Put 7000	USD	7,000.00	410	17/01/2020	36,900	–
Option Nasdaq 100 Stock Index Put 7600	USD	7,600.00	500	21/02/2020	1,360,000	0.04
Option Apple Call 310	USD	310.00	10,000	19/06/2020	13,400,000	0.36
	<b>Total Options Purchased</b>				<b>14,796,900</b>	<b>0.40</b>

## Global Technology Fund

 continued

**Financial assets at fair value through profit or loss**
**Open Forward Foreign Currency Contracts: 0.10% (2018: 0.06)**

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 121,805,148	GBP 93,272,238	1.3059	31/01/2020	1,849,491	0.05
USD 186,824,110	EUR 167,414,868	1.1159	31/01/2020	1,404,626	0.04
USD 45,901,496	CHF 44,709,893	1.0267	31/01/2020	354,506	0.01
USD 1,147,312	EUR 1,027,949	1.1161	31/01/2020	8,437	–
USD 335,155	GBP 258,736	1.2954	31/01/2020	7,859	–
USD 492,071	EUR 443,031	1.1107	31/01/2020	6,037	–
USD 228,575	GBP 175,249	1.3043	31/01/2020	3,758	–
USD 199,534	GBP 153,075	1.3035	31/01/2020	3,403	–
USD 99,104	GBP 76,356	1.2979	31/01/2020	2,124	–
USD 133,320	EUR 119,886	1.1121	31/01/2020	1,470	–
USD 112,903	EUR 101,157	1.1161	31/01/2020	830	–
USD 55,530	EUR 49,996	1.1107	31/01/2020	681	–
USD 20,920	CHF 20,475	1.0217	31/01/2020	263	–
USD 11,651	CHF 11,411	1.0211	31/01/2020	154	–
USD 13,106	GBP 9,986	1.3124	31/01/2020	133	–
USD 58,151	EUR 51,808	1.1224	31/01/2020	99	–
USD 8,323	EUR 7,487	1.1116	31/01/2020	95	–
CHF 48,136	USD 49,854	1.0357	31/01/2020	53	–
USD 266,517	EUR 237,076	1.1242	31/01/2020	36	–
USD 35,806	EUR 31,851	1.1242	31/01/2020	5	–
GBP 5,402	USD 7,168	1.3268	31/01/2020	6	–
<b>Total unrealised gain on forward foreign currency contracts</b>				3,644,066	0.10
<b>Total Financial Assets at fair value through profit or loss</b>				3,509,863,526	96.15

## Financial liabilities at fair value through profit or loss

## Open Forward Foreign Currency Contracts: Nil (2018: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss	% of Net Assets
EUR 847,216	USD 941,772	1.1116	31/01/2020	(10,768)	–
EUR 226,276	USD 251,323	1.1107	31/01/2020	(3,083)	–
EUR 85,691	USD 95,293	1.1121	31/01/2020	(1,051)	–
EUR 63,636	USD 70,767	1.1121	31/01/2020	(780)	–
EUR 41,616	USD 46,260	1.1116	31/01/2020	(529)	–
EUR 105,898	USD 118,863	1.1224	31/01/2020	(202)	–
CHF 13,604	USD 13,914	1.0228	31/01/2020	(161)	–
EUR 16,039	USD 18,003	1.1224	31/01/2020	(31)	–
EUR 615	USD 686	1.1161	31/01/2020	(5)	–
EUR 16,351	USD 18,381	1.1242	31/01/2020	(2)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(16,612)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(16,612)	–

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 2,944,173,304)</b>	3,509,846,914	96.15
Cash at Bank	123,954,805	3.40
Margin Cash	32,736,764	0.90
Other Net Liabilities	(16,238,104)	(0.45)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	3,650,300,379	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the options is Credit Suisse Securities (Europe) Limited.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	94.87	91.24
Exchange traded financial derivative instruments	0.40	0.21
OTC financial derivative instruments	0.10	0.05
Other assets	4.63	8.50
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Portfolio Statements continued

As at 31 December 2019

## Healthcare Blue Chip Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.74% (2018: 99.63%)</b>		
	<b>Diagnostic Equipment: 2.53% (2018: 2.29%)</b>		
15,224	Danaher	2,336,580	2.53
	<b>Total Diagnostic Equipment</b>	<b>2,336,580</b>	<b>2.53</b>
	<b>Dialysis Centers: 2.53% (2018: Nil)</b>		
31,593	Fresenius Medical Care	2,339,149	2.53
	<b>Total Dialysis Centers</b>	<b>2,339,149</b>	<b>2.53</b>
	<b>Disposable Medical Product: 2.67% (2018: Nil)</b>		
6,559	Teleflex	2,469,070	2.67
	<b>Total Disposable Medical Product</b>	<b>2,469,070</b>	<b>2.67</b>
	<b>Drug Delivery Systems: 3.54% (2018: Nil)</b>		
12,039	Becton Dickinson	3,274,247	3.54
	<b>Total Drug Delivery Systems</b>	<b>3,274,247</b>	<b>3.54</b>
	<b>Electronic Measuring Instruments: 1.94% (2018: Nil)</b>		
21,062	Agilent Technologies	1,796,799	1.94
	<b>Total Electronic Measuring Instruments</b>	<b>1,796,799</b>	<b>1.94</b>
	<b>Instruments-Scientific: 1.96% (2018: Nil)</b>		
18,669	PerkinElmer	1,812,760	1.96
	<b>Total Instruments-Scientific</b>	<b>1,812,760</b>	<b>1.96</b>
	<b>Medical Instruments: 6.91% (2018: 6.32%)</b>		
60,308	Boston Scientific	2,727,128	2.95
6,198	Intuitive Surgical	3,663,948	3.96
	<b>Total Medical Instruments</b>	<b>6,391,076</b>	<b>6.91</b>
	<b>Medical Labs &amp; Testing Services: 4.98% (2018: 3.12%)</b>		
43,082	Catalent	2,425,517	2.62
14,138	IQVIA	2,184,462	2.36
	<b>Total Medical Labs &amp; Testing Services</b>	<b>4,609,979</b>	<b>4.98</b>
	<b>Medical Products: 16.87% (2018: 11.77%)</b>		
31,476	Baxter International	2,632,023	2.85
15,496	Hill-Rom	1,759,261	1.90
123,819	Smith & Nephew	300,583	3.25
12,153	Stryker	2,551,401	2.76
20,392	Varian Medical Systems	2,895,868	3.13
18,437	Zimmer Biomet	2,759,650	2.98
	<b>Total Medical Products</b>	<b>15,604,039</b>	<b>16.87</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 97.74% (2018: 99.63%)</b> continued		
	<b>Medical-Biomedical/Gene: 11.26% (2018: 15.46%)</b>		
25,934	Alexion Pharmaceuticals	2,804,762	3.03
7,412	Bio-Rad Laboratories	2,742,662	2.97
5,744	Genmab	1,278,314	1.38
14,303	Incyte	1,248,938	1.35
6,223	Regeneron Pharmaceuticals	2,336,612	2.53
	<b>Total Medical-Biomedical/Gene</b>	<b>10,411,288</b>	<b>11.26</b>
	<b>Medical-Drugs: 30.41% (2018: 40.48%)</b>		
45,931	AbbVie	4,066,731	4.40
154,042	GlaxoSmithKline	3,630,354	3.93
130,356	Grifols	3,035,991	3.28
74,767	Horizon Therapeutics	2,706,565	2.93
51,289	Merck	4,664,735	5.04
20,105	PRA Health Sciences	2,234,671	2.42
35,866	Sanofi	3,608,064	3.90
25,000	Shionogi	1,556,706	1.68
32,829	UCB	2,612,704	2.83
	<b>Total Medical-Drugs</b>	<b>28,116,521</b>	<b>30.41</b>
	<b>Medical-HMO: 5.24% (2018: 8.65%)</b>		
8,480	Anthem	2,561,214	2.77
6,223	Humana	2,280,854	2.47
	<b>Total Medical-HMO</b>	<b>4,842,068</b>	<b>5.24</b>
	<b>Medical-Hospitals: 3.54% (2018: 4.07%)</b>		
22,128	HCA Healthcare	3,270,740	3.54
	<b>Total Medical-Hospitals</b>	<b>3,270,740</b>	<b>3.54</b>
	<b>Pharmacy Services: 3.36% (2018: 4.37%)</b>		
15,174	Cigna	3,102,931	3.36
	<b>Total Pharmacy Services</b>	<b>3,102,931</b>	<b>3.36</b>
	<b>Respiratory Products: Nil (2018: 3.10%)</b>		
		–	–
	<b>Total Equities</b>	<b>90,377,247</b>	<b>97.74</b>
	<b>Total Transferable Securities</b>	<b>90,377,247</b>	<b>97.74</b>

## Healthcare Blue Chip Fund continued

Financial assets at fair value through profit or loss					
Open Forward Foreign Currency Contracts: Nil (2018: 0.02%)					
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 1,797	GBP 1,376	1.3059	31/01/2020	27	–
<b>Total unrealised gain on forward foreign currency contracts</b>				27	–
<b>Total Financial Assets at fair value through profit or loss</b>				90,377,274	97.74
<b>Total Value of Investments (Cost: US\$ 82,104,407)</b>				90,377,274	97.74
Cash at Bank				2,036,474	2.20
Other Net Assets				51,984	0.06
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>				92,465,732	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

<b>Analysis of total assets (unaudited)</b>	<b>31 December 2019 % of Total Assets</b>	<b>31 December 2018 % of Total Assets</b>
Transferable securities admitted to official stock exchange listing	95.62	99.37
OTC financial derivative instruments	–	0.02
Other assets	4.38	0.61
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Healthcare Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Investment Funds: Nil (2018: 8.62%)</b>	–	–
	<b>Equities: 100.26% (2018: 85.76%)</b>		
	<b>Commercial Services: 0.91% (2018: Nil)</b>		
1,248,800	Medley	14,892,522	0.91
	<b>Total Commercial Services</b>	<b>14,892,522</b>	<b>0.91</b>
	<b>Diagnostic Equipment: 7.01% (2018: 6.29%)</b>		
189,647	Danaher	29,107,022	1.79
2,018,385	Oxford Immunotec Global	33505191	2.06
5,418,165	Quotient	51,526,749	3.16
	<b>Total Diagnostic Equipment</b>	<b>114,138,962</b>	<b>7.01</b>
	<b>Dialysis Centers: 2.48% (2018: Nil)</b>		
544,737	Fresenius Medical Care	40,332,386	2.48
	<b>Total Dialysis Centers</b>	<b>40,332,386</b>	<b>2.48</b>
	<b>Disposable Medical Product: 2.33% (2018: Nil)</b>		
144,634	CONMED	16,174,420	0.99
57,927	Teleflex	21,806,040	1.34
	<b>Total Disposable Medical Product</b>	<b>37,980,460</b>	<b>2.33</b>
	<b>Drug Delivery Systems: 0.74% (2018: Nil)</b>		
745,135	Revanche Therapeutics	12,093,541	0.74
	<b>Total Drug Delivery Systems</b>	<b>12,093,541</b>	<b>0.74</b>
	<b>Enterprise Software/Services: Nil (2018: 0.86%)</b>	–	–
	<b>Medical Instruments: 3.33% (2018: Nil)</b>		
437,109	Ambu	7,334,396	0.45
1,035,587	Boston Scientific	46,829,244	2.88
	<b>Total Medical Instruments</b>	<b>54,163,640</b>	<b>3.33</b>
	<b>Medical Products: 18.84% (2018: Nil)</b>		
464,346	Baxter International	38,828,613	2.38
3,354,401	Consort Medical	45,548,363	2.80
169,432	Haemonetics	19,467,737	1.19
339,639	Hill-Rom	38,559,216	2.37
365,339	Intersect ENT	9,096,941	0.56
81,466	Penumbra	13,382,420	0.82
2,000,000	Sientra	17,880,000	1.10
227,291	Stryker	47,717,473	2.93
67,726	Tactile Systems Technology	4,572,182	0.28
173,810	Varian Medical Systems	24,682,758	1.52
314,266	Zimmer Biomet	47,039,335	2.89
	<b>Total Medical Products</b>	<b>306,775,038</b>	<b>18.84</b>



## Portfolio Statements continued

As at 31 December 2019

## Healthcare Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Equities: 100.26% (2018: 85.76%)</b> continued			
<b>Medical-Biomedical/Gene: 10.02% (2018: 8.72%)</b>			
549,378	Acadia Pharmaceuticals	23,502,391	1.44
1,586,339	BELLUS Health	12,056,176	0.74
396,732	Biohaven Pharmaceutical	21,598,090	1.33
127,888	Bio-Rad Laboratories	47,322,397	2.91
225,484	Deciphera Pharmaceuticals	14,034,124	0.86
850,240	Molecular Templates	11,890,606	0.73
721,372	Zymeworks	32,793,571	2.01
<b>Total Medical-Biomedical/Gene</b>		<b>163,197,355</b>	<b>10.02</b>
<b>Medical-Drugs: 44.23% (2018: 27.43%)</b>			
803,232	AbbVie	71,118,161	4.37
640,560	AstraZeneca	64,551,623	3.97
1,050,395	Bristol-Myers Squibb	67,424,855	4.14
2,659,493	GlaxoSmithKline	62,677,077	3.85
1,371,207	Grifols	48,376,428	2.97
1,758,465	Horizon Therapeutics	63,656,433	3.91
508,662	KalVista Pharmaceuticals	9,059,270	0.56
685,745	Merck	62,368,508	3.83
321,194	Roche	104,151,305	6.39
627,154	Sanofi	63,090,727	3.87
601,770	UCB	47,892,021	2.94
1,125,572	Zealand Pharma	39,801,660	2.44
309,750	Zogenix	16,147,268	0.99
<b>Total Medical-Drugs</b>		<b>720,315,336</b>	<b>44.23</b>
<b>Medical-HMO: Nil (2018: 8.48%)</b>		<b>–</b>	<b>–</b>
<b>Medical-Hospitals: 3.44% (2018: 4.28%)</b>			
379,179	HCA Healthcare	56,046,448	3.44
<b>Total Medical-Hospitals</b>		<b>56,046,448</b>	<b>3.44</b>
<b>Medical Information System: Nil (2018: 0.13%)</b>		<b>–</b>	<b>–</b>
<b>Medical Instruments: Nil (2018: 10.35%)</b>		<b>–</b>	<b>–</b>
<b>Medical Labs &amp; Testing Services: Nil (2018: 1.62%)</b>		<b>–</b>	<b>–</b>
<b>Medical-Nursing Homes: 2.43% (2018: Nil)</b>			
376,220	Ensign Group	17,069,101	1.05
478,489	Korian	22,515,398	1.38
<b>Total Medical-Nursing Homes</b>		<b>39,584,499</b>	<b>2.43</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 100.26% (2018: 85.76%)</b> continued		
	Medical-Outpatient/Home Med: 1.41% (2018: 1.20%)		
237,038	Addus HomeCare	23,044,834	1.41
	<b>Total Medical-Outpatient/Home Med</b>	<b>23,044,834</b>	<b>1.41</b>
	Medical Products: Nil (2018: 14.94%)	–	–
	Medical-Wholesale Drug Distribution: 1.61% (2018: Nil)		
311,900	Ship Healthcare	14,493,628	0.89
8,657,351	Uniphar	11,807,221	0.72
	<b>Total Medical-Wholesale Drug Distribution</b>	<b>26,300,849</b>	<b>1.61</b>
	Therapeutics: Nil (2018: 1.46%)	–	–
	Wound/Burn & Skin Care: 1.48% (2018: Nil)		
1,591,540	Dermira	24,127,746	1.48
	<b>Total Wound/Burn &amp; Skin Care</b>	<b>24,127,746</b>	<b>1.48</b>
	<b>Total Equities</b>	<b>1,632,993,616</b>	<b>100.26</b>
	Warrants: Nil (2018: 0.13%)	–	–
	<b>Total Transferable Securities</b>	<b>1,632,993,616</b>	<b>100.26</b>
	<b>Total Value of Investments (Cost: US\$ 1,438,650,418)</b>	<b>1,632,993,616</b>	<b>100.26</b>
	Bank Overdraft	(22,560,224)	(1.39)
	Margin Cash	20,431,031	1.26
	Other Net Liabilities	(2,148,718)	(0.13)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>1,628,715,705</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at financial year end.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	98.19	91.84
Other assets	1.81	8.16
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## Income Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>Corporate Bonds: 29.56% (2018: 34.14%)</b>			
	Australia: Nil (2018: 0.66%)	–	–
	Cayman Islands: Nil (2018: 0.89%)	–	–
	Georgia: 0.44% (2018: 0.71%)		
2,750,000	Bank of Georgia 11.000% 01/06/2020	728,445	0.44
	<b>Total Georgia</b>	<b>728,445</b>	<b>0.44</b>
	Germany: Nil (2018: 0.31%)	–	–
	Guernsey: Nil (2018: 1.04%)	–	–
	Luxembourg: 2.61% (2018: 2.29%)		
4,500,000	Amigo Luxembourg 7.625% 15/01/2024	4,281,750	2.61
	<b>Total Luxembourg</b>	<b>4,281,750</b>	<b>2.61</b>
	Marshall Islands: 1.51% (2018: 0.96%)		
3,500,000	Borealis Finance 7.500% 16/11/2022	2,483,487	1.51
	<b>Total Marshall Islands</b>	<b>2,483,487</b>	<b>1.51</b>
	Mauritius: 0.77% (2018: Nil)		
300,000	Bayport Management 10.500% 19/12/2022	227,449	0.14
1,300,000	Bayport Management 11.500% 14/06/2022	1,040,196	0.63
	<b>Total Mauritius</b>	<b>1,267,645</b>	<b>0.77</b>
	Netherlands: 1.73% (2018: 1.94%)		
2,250,000	Aegon FRN 31/12/2049	1,387,882	0.84
2,000,000	ING Groep FRN 31/12/2049	1,454,509	0.89
	<b>Total Netherlands</b>	<b>2,842,391</b>	<b>1.73</b>
	Norway: 0.68% (2018: 0.88%)		
1,500,000	Songa Container FRN 14/12/2021	1,106,529	0.68
	<b>Total Norway</b>	<b>1,106,529</b>	<b>0.68</b>
	Sweden: Nil (2018: 0.51%)	–	–
	United Kingdom: 16.45% (2018: 18.45%)		
1,150,000	Aldermore 8.500% 28/10/2026	1,275,810	0.78
1,200,000	Aldermore 11.875% 31/12/2049	1,242,000	0.76
50,000	HDL Debenture 10.375% 31/07/2023	57,801	0.03
3,500,000	HSBC Bank FRN 31/12/2049	2,050,859	1.25
1,200,000	HSBC Bank FRN 31/12/2049	703,152	0.43
250,000	HSBC Bank FRN 31/12/2049	147,694	0.09
1,560,000	International Personal Finance 5.750% 07/04/2021	1,312,000	0.80
100,000	International Personal Finance 7.750% 14/12/2023	99,750	0.06
22,000,000	International Personal Finance FRN 15/06/2022	1,720,822	1.05

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>Corporate Bonds: 29.56% (2018: 34.14%)</b> continued		
	<b>United Kingdom: 16.45% (2018: 18.45%)</b> continued		
1,243,000	Lloyds Bank FRN 27/11/2033	601,679	0.37
500,000	Metro Bank FRN 08/10/2025	530,969	0.32
330,000	National Westminster Bank 11.500% 31/12/2049	559,861	0.34
1,330,000	National Westminster Bank FRN 31/12/2049	874,703	0.53
1,700,000	National Westminster Bank FRN 31/12/2049	1,118,041	0.68
10,500	Nationwide Building Society FRN 31/12/2049	1,743,000	1.06
700,000	Pension Insurance 5.625% 20/09/2030	779,969	0.47
300,000	Pension Insurance 6.500% 03/07/2024	344,518	0.21
1,500,000	Pension Insurance FRN 31/12/2049	1,733,598	1.06
900,000	PGH Capital 6.625% 18/12/2025	1,051,283	0.64
450,000	Phoenix Life 7.250% 31/12/2049	471,094	0.29
1,700,000	Provident Financial 7.000% 04/06/2023	1,772,604	1.08
700,000	Rothesay Life 8.000% 30/10/2025	862,737	0.53
1,250,000	Rothesay Life FRN 31/12/2049	1,368,906	0.83
2,750,000	Shawbrook 8.500% 28/10/2025	2,863,025	1.74
500,000	Shawbrook London 8.500% 28/10/2025	520,550	0.32
500,000	Shawbrook FRN 31/12/2049	501,464	0.31
650,000	Virgin Money UK FRN 31/12/2049	684,476	0.42
	<b>Total United Kingdom</b>	<b>26,992,365</b>	<b>16.45</b>
	<b>United States: 5.37% (2018: 5.50%)</b>		
1,737,700	Burford Capital Finance 6.125% 12/08/2025	1,249,412	0.76
258,000	Citigroup FRN 30/07/2034	125,616	0.08
1,000,000	Dresdner Funding Trust I 8.151% 30/06/2031	1,018,169	0.62
2,500,000	Goldman Sachs Group 5.375% 15/03/2020	1,900,052	1.16
100,000	Morgan Stanley Finance FRN 30/03/2037	49,538	0.03
410,000	Morgan Stanley FRN 31/08/2031	216,258	0.13
492,000	Morgan Stanley FRN 30/09/2031	264,152	0.16
350,000	Morgan Stanley FRN 30/11/2031	188,573	0.11
425,000	Morgan Stanley FRN 13/01/2032	228,982	0.14
245,000	Morgan Stanley FRN 31/01/2032	123,448	0.08
240,000	Morgan Stanley FRN 28/02/2032	128,402	0.08
132,000	Morgan Stanley FRN 15/03/2032	69,002	0.04
1,360,000	Morgan Stanley FRN 30/04/2032	691,678	0.42
380,000	Morgan Stanley FRN 19/08/2033	184,299	0.11
250,000	Morgan Stanley LLC FRN 14/02/2031	135,639	0.08
2,950,000	Wachovia Capital Trust III 5.570% 29/03/2049	2,246,921	1.37
	<b>Total United States</b>	<b>8,820,141</b>	<b>5.37</b>
	<b>Total Corporate Bonds</b>	<b>48,522,753</b>	<b>29.56</b>



## Portfolio Statements continued

As at 31 December 2019

## Income Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>Equities: 62.57% (2018: 64.42%)</b>		
	<b>Australia: 0.34% (2018: 1.10%)</b>		
800,000	Litigation Capital Management	552,000	0.34
	<b>Total Australia</b>	<b>552,000</b>	<b>0.34</b>
	<b>Belgium: 2.00% (2018: 1.70%)</b>		
58,000	KBC Bank	3,295,672	2.00
	<b>Total Belgium</b>	<b>3,295,672</b>	<b>2.00</b>
	<b>Bermuda: 2.42% (2018: 1.42%)</b>		
81,115	Arch Capital	2,626,173	1.60
48,375	Bank of NT Butterfield & Son	1,351,834	0.82
	<b>Total Bermuda</b>	<b>3,978,007</b>	<b>2.42</b>
	<b>Canada: 1.09% (2018: 1.04%)</b>		
42,130	Toronto-Dominion Bank	1,786,124	1.09
	<b>Total Canada</b>	<b>1,786,124</b>	<b>1.09</b>
	<b>Finland: 2.64% (2018: 2.69%)</b>		
131,500	Sampo Class A	4,335,503	2.64
	<b>Total Finland</b>	<b>4,335,503</b>	<b>2.64</b>
	<b>France: 1.15% (2018: 0.99%)</b>		
42,000	BNP Paribas	1,880,106	1.15
	<b>Total France</b>	<b>1,880,106</b>	<b>1.15</b>
	<b>Germany: 1.13% (2018: Nil%)</b>		
10,050	Allianz	1,859,821	1.13
	<b>Total Germany</b>	<b>1,859,821</b>	<b>1.13</b>
	<b>Guernsey: 4.29% (2018: 3.76%)</b>		
1,008,081	Chenavari Capital Solutions	614,929	0.37
500,000	Doric Nimrod Air Two Pref	715,000	0.44
2,820,000	DP Aircraft I	1,655,067	1.01
800,000	Real Estate Credit Investments	1,344,000	0.82
1,525,000	Tufton Oceanic Assets	1,197,207	0.73
2,200,000	UK Mortgages	1,518,000	0.92
	<b>Total Guernsey</b>	<b>7,044,203</b>	<b>4.29</b>
	<b>Ireland: Nil (2018: 1.85%)</b>		
		–	–
	<b>Italy: 0.72% (2018: 1.24%)</b>		
750,000	Banca Sistema	1,174,399	0.72
	<b>Total Italy</b>	<b>1,174,399</b>	<b>0.72</b>



Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>Equities: 62.57% (2018: 64.42%)</b> continued		
	<b>Japan: 0.79% (2018: 1.26%)</b>		
46,000	Sumitomo Mitsui Financial	1,290,210	0.79
	<b>Total Japan</b>	<b>1,290,210</b>	<b>0.79</b>
	<b>Netherlands: 1.89% (2018: 1.65%)</b>		
342,375	ING Groep	3,100,637	1.89
	<b>Total Netherlands</b>	<b>3,100,637</b>	<b>1.89</b>
	<b>Norway: 1.73% (2018: 1.56%)</b>		
330,000	SpareBank 1 SMN	2,840,484	1.73
	<b>Total Norway</b>	<b>2,840,484</b>	<b>1.73</b>
	<b>Singapore: 4.56% (2018: 4.33%)</b>		
2,050,000	Fortune Real Estate Investment Trust REIT	1,805,286	1.10
1,250,000	Frasers Centrepoint Trust REIT	1,971,847	1.20
1,450,000	Mapletree Commercial Trust REIT	1,945,462	1.19
285,000	Oversea-Chinese Banking	1,756,726	1.07
	<b>Total Singapore</b>	<b>7,479,321</b>	<b>4.56</b>
	<b>Spain: Nil (2018: 1.72%)</b>	–	–
	<b>Sweden: Nil (2018: 1.47%)</b>	–	–
	<b>Switzerland: 2.89% (2018: 3.07%)</b>		
27,640	Chubb	3,247,739	1.98
157,500	UBS	1,500,939	0.91
	<b>Total Switzerland</b>	<b>4,748,678</b>	<b>2.89</b>
	<b>Thailand: 1.07% (2018: 0.84%)</b>		
705,000	Tisco Financial	1,763,334	1.07
	<b>Total Thailand</b>	<b>1,763,334</b>	<b>1.07</b>
	<b>United Kingdom: 14.97% (2018: 16.32%)</b>		
337,500	AJ Bell	1,447,875	0.88
50,000	Bank of Georgia	812,500	0.50
330,000	City of London Investment	1,452,000	0.88
750,000	Direct Line Insurance	2,343,750	1.43
1,525,000	International Personal Finance	2,455,250	1.50
2,906,250	Mercia Asset Management	784,688	0.48
1,500,000	Morses Club	2,055,000	1.25
600,000	OneSavings Bank	2,600,400	1.58
471,043	Orchard Funding	376,834	0.23
730,000	Personal	2,445,500	1.49
171,900	P2P Global Investments	1,426,770	0.87

## Income Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets		
	<b>Equities: 62.57% (2018: 64.42%)</b> continued				
	<b>United Kingdom: 14.97% (2018: 16.32%)</b> continued				
200,000	Premier Miton Asset Management	377,000	0.23		
3,700,000	Riverstone Credit Opportunities Income Fund	2,667,296	1.62		
1,133,000	RM Secured Direct Lending	1,127,335	0.69		
2,820,000	VPC Specialty Lending Investments	2,205,240	1.34		
	<b>Total United Kingdom</b>	<b>24,577,438</b>	<b>14.97</b>		
	<b>United States: 18.89% (2018: 16.41%)</b>				
264,050	Ares Capital	3,717,330	2.26		
89,850	Bank of America	2,388,765	1.46		
47,900	Blackstone Group	2,022,665	1.23		
35,950	Citigroup	2,167,991	1.32		
34,575	East West Bancorp	1,271,034	0.77		
21,800	First Republic Bank	1,932,750	1.18		
112,500	Golub Capital BDC	1,567,230	0.96		
70,175	JPMorgan Chase	7,384,333	4.50		
110,550	New Mountain Finance	1,146,599	0.70		
200,000	PennantPark Floating Rate Capital Class C	1,838,837	1.12		
24,200	PNC Financial Services Group	2,916,057	1.78		
12,514	SLM	507,739	0.31		
137,550	Solar Capital	2,140,993	1.30		
	<b>Total United States</b>	<b>31,002,323</b>	<b>18.89</b>		
	<b>Total Equities</b>	<b>102,708,260</b>	<b>62.57</b>		
	<b>Total Transferable Securities</b>	<b>151,231,013</b>	<b>92.13</b>		
	<b>Futures Contracts – Unrealised Gains: 0.08% (2018: 0.17%)</b>				
Description	Country	Currency	No. of Contracts	Gain GBP£	% of Net Assets
<b>Germany: Nil (2018: 0.06%)</b>					
<b>United Kingdom: 0.06% (2018: Nil)</b>					
Long Gilt ICF March 2020	GB	GBP	(75)	97,500	0.06
				<b>97,500</b>	<b>0.06</b>
<b>United States: 0.02% (2018: 0.11%)</b>					
BP Ccy CME March 2020	US	USD	150	31,138	0.02
				<b>31,138</b>	<b>0.02</b>
				<b>128,638</b>	<b>0.08</b>
				<b>151,359,651</b>	<b>92.20</b>

## Financial liabilities at fair value through profit or loss

## Futures Contracts – Unrealised Losses: (0.02%) (2018: (0.01%))

Description	Country	Currency	Contracts	Gain GBP£	% of Net Assets
United States: (0.02%) (2018: (0.01%))					
EUR/GBP CME March 2020	US	GBP	(40)	(28,000)	(0.02)
<b>Total United States</b>				(28,000)	(0.02)
<b>Total Futures Contracts – Unrealised Losses</b>				(28,000)	(0.02)

## Open Forward Currency Contracts: (0.32%) (2018: (0.14%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss GBP£	% of Net Assets
USD 77,269	GBP 58,237	0.7537	31/01/2020	(46)	–
GBP 5,525,708	EUR 6,461,955	0.8551	31/01/2020	(45,443)	(0.03)
GBP 32,094,609	USD 41,912,670	0.7657	31/01/2020	(480,762)	(0.29)
<b>Total unrealised loss on forward foreign currency contracts</b>				(526,251)	(0.32)
<b>Total Financial Liabilities at fair value through profit or loss</b>				(554,251)	(0.34)

	Fair Value GBP£	% of Net Assets
<b>Total Value of Investments (Cost: GBP£ 144,749,999)</b>	150,805,400	91.87
Cash at Bank	10,699,332	6.52
Margin Cash	2,511,734	1.53
Other Net Assets	142,086	0.09
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	164,158,552	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at financial year end.

The counterparty for the forward currency contracts is The Northern Trust Company.

Analysis of total assets	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	91.40	97.07
Exchange traded financial derivative instruments	0.08	0.17
Other assets	8.52	2.76
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Portfolio Statements continued

As at 31 December 2019

## Japan Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	<b>Equities: Nil (2018: 101.82%)</b>	–	–
	Basic Materials: Nil (2018: 7.43%)	–	–
	Communications: Nil (2018: 1.00%)	–	–
	Consumer, Cyclical: Nil (2018: 22.88%)	–	–
	Consumer, Non-cyclical: Nil (2018: 6.45%)	–	–
	Energy: Nil (2018: 2.08%)	–	–
	Financials: Nil (2018: 22.71%)	–	–
	Industrial: Nil (2018: 31.62%)	–	–
	Technology: Nil (2018: 7.65%)	–	–
	Open Forward Foreign Currency: Nil (2018: 0.08%)	–	–
	Open Forward Foreign Currency: Nil (2018: (1.20%))	–	–
	<b>Total Value of Investments (Cost: JPY¥ Nil)</b>	–	–
	Cash at Bank	23,211,977	100.00
	Other Net Liabilities	(23,211,977)	(100.00)
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	–	–

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	–	93.17
OTC financial derivative instruments	–	0.08
Other assets	100.00	6.75
	100.00	100.00

\* The Fund was merged with the Japan Value Fund on 18 October 2019. There were no investments held by the Fund on the last valuation day of the reporting year.

## Japan Value Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	<b>Equities: 91.92% (2018: 100.95%)</b>		
	<b>Basic Materials: 6.85% (2018: 6.34%)</b>		
617,300	Kuraray	821,626,300	2.01
247,900	Lintec	605,867,600	1.48
1,853,900	Toray Industries	1,373,925,290	3.36
	<b>Total Basic Materials</b>	<b>2,801,419,190</b>	<b>6.85</b>
	<b>Communications: 9.90% (2018: 4.77%)</b>		
130,800	Amuse	393,708,000	0.96
388,600	Nippon Telegraph & Telephone	1,071,370,200	2.62
190,600	Okinawa Cellular Telephone	813,862,000	1.99
453,500	Tokyo Broadcasting System	846,231,000	2.07
454,600	TV Asahi	921,474,200	2.26
	<b>Total Communications</b>	<b>4,046,645,400</b>	<b>9.90</b>
	<b>Consumer, Cyclical: 19.20% (2018: 19.04%)</b>		
316,400	Denso	1,571,242,400	3.85
825,800	H2O Retailing	1,013,256,600	2.48
344,400	Japan Airlines	1,169,926,800	2.86
553,500	Showa Aircraft Industry	1,477,845,000	3.62
343,600	Stanley Electric	1,092,648,000	2.67
432,800	Sumitomo Electric Industries	714,985,600	1.75
455,200	Topre	806,159,200	1.97
	<b>Total Consumer, Cyclical</b>	<b>7,846,063,600</b>	<b>19.20</b>
	<b>Consumer, Non-cyclical: 10.43% (2018: 10.45%)</b>		
101,700	Hogy Medical	364,086,000	0.89
600	Kissei Pharmaceutical	1,872,000	0.01
140,300	San-A	682,559,500	1.67
193,570	Secom Joshinetsu	779,119,250	1.91
100,000	Taisho Pharmaceutical	811,000,000	1.98
633,300	Toppan Forms	776,425,800	1.90
1,430,000	Tsukui	846,560,000	2.07
	<b>Total Consumer, Non-cyclical</b>	<b>4,261,622,550</b>	<b>10.43</b>
	<b>Energy: 2.74% (2018: 3.65%)</b>		
986,900	Inpex	1,121,611,850	2.74
	<b>Total Energy</b>	<b>1,121,611,850</b>	<b>2.74</b>


**Portfolio Statements** continued  
 As at 31 December 2019

**Japan Value Fund** continued

Holdings	Financial assets at fair value through profit or loss	Fair Value JPY¥	% of Net Assets
	<b>Equities: 91.92% (2018: 100.95%)</b> continued		
	<b>Financial: 17.80% (2018: 19.81%)</b>		
575,000	Aeon Mall	1,114,350,000	2.73
182,100	Bank of Kyoto	855,870,000	2.09
232,700	Jafco	1,000,610,000	2.45
2,520,000	Mitsubishi UFJ Financial	1,494,864,000	3.66
760,400	Mitsubishi UFJ Lease & Finance	536,842,400	1.31
374,600	Mitsui Fudosan	1,000,931,200	2.45
314,200	Sumitomo Mitsui Financial	1,268,739,600	3.11
	<b>Total Financial</b>	<b>7,272,207,200</b>	<b>17.80</b>
	<b>Industrial: 25.00% (2018: 32.38%)</b>		
244,300	Chudenko	618,567,600	1.51
533,300	Cosel	629,294,000	1.54
1,430,400	Daiwa Industries	1,742,227,200	4.26
448,200	HI-LEX	899,985,600	2.20
413,400	JSP	810,264,000	1.98
260,500	Kaga Electronics	656,981,000	1.61
171,400	Kinki Sharyo Co	263,099,000	0.64
188,700	Mabuchi Motor	783,105,000	1.91
910,100	Maeda	972,896,900	2.38
225,800	Nichicon	257,863,600	0.63
288,200	Nippon Electric Glass	703,496,200	1.72
249,300	Nitto Kohki	585,107,100	1.43
593,500	Toda	430,881,000	1.06
465,000	Yamato	868,155,000	2.13
	<b>Total Industrial</b>	<b>10,221,923,200</b>	<b>25.00</b>
	<b>Technology: Nil (2018: 4.51%)</b>	<b>–</b>	<b>–</b>
	<b>Total Equities</b>	<b>37,571,492,990</b>	<b>91.92</b>
	<b>Total Transferable Securities</b>	<b>37,571,492,990</b>	<b>91.92</b>

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.13% (2018: 0.02%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain JPY¥	% of Net Assets
JPY 4,064,366,134	EUR 33,444,554	121.5255	31/01/2020	24,643,576	0.06
JPY 4,748,536,811	GBP 33,395,246	142.1920	31/01/2020	20,442,319	0.05
JPY 11,796,575,365	USD 108,281,093	108.9440	31/01/2020	4,224,787	0.01
JPY 1,034,076,474	CHF 9,248,805	111.8065	31/01/2020	3,464,293	0.01
JPY 40,102,919	GBP 281,530	142.4465	06/01/2020	127,832.00	–
JPY 3,243,976	GBP 22,936	141.4350	07/01/2020	33,529.00	–
JPY 4,723,931	CHF 42,388	111.4460	07/01/2020	29,433.00	–
JPY 2,951,709	GBP 20,845	141.6027	08/01/2020	26,952.00	–
JPY 3,021,913	GBP 21,214	142.4465	06/01/2020	9,631.00	–
JPY 1,000,932	GBP 7,069	141.6000	08/01/2020	9,138.00	–
USD 46,574	JPY 5,081,885	109.1133	31/01/2020	6,081.00	–
USD 21,750	JPY 2,372,516	109.0812	31/01/2020	2,141.00	–
USD 5,987	JPY 653,815	109.1988	31/01/2020	1,295	–
<b>Total unrealised gain on forward foreign currency contracts</b>				53,021,007	0.13
<b>Total Financial Assets at fair value through profit or loss</b>				37,624,513,997	92.05

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2018: (1.47%))

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain JPY¥	% of Net Assets
JPY 654,756	USD 5,987	109.356	06/01/2020	(1,301)	–
JPY 2,375,918	USD 21,750	109.2376	08/01/2020	(2,422)	–
JPY 2,420,642	USD 22,159	109.2376	08/01/2020	(2,465)	–
CHF 9,254	JPY 1,034,549	111.795	31/01/2020	(3,572)	–
JPY 3,301,530	USD 30,215	109.268	07/01/2020	(4,092)	–
JPY 5,089,090	USD 46,574	109.268	07/01/2020	(6,311)	–
EUR 17,102	JPY 2,078,072	121.5111	31/01/2020	(12,848)	–
USD 184,502	JPY 20,092,047	108.8991	31/01/2020	(15,498)	–
GBP 20,845	JPY 2,948,507	141.4491	31/01/2020	(28,315)	–
CHF 42,388	JPY 4,724,702	111.4642	31/01/2020	(30,379)	–
GBP 22,936	JPY 3,241,283	141.3176	31/01/2020	(34,113)	–
GBP 161,723	JPY 22,977,364	142.0788	31/01/2020	(117,317)	–
GBP 281,530	JPY 40,073,387	142.3416	31/01/2020	(130,182.00)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(388,815)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(388,815)	–



## Portfolio Statements continued

As at 31 December 2019

## Japan Value Fund continued

	Fair Value JPY¥	% of Net Assets
<b>Total Value of Investments (Cost: JPY¥ 35,154,292,710)</b>	37,624,125,182	92.05
Cash at Bank	2,181,088,172	5.34
Other Net Assets	1,066,651,399	2.61
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	40,871,864,753	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	91.60	93.46
OTC financial derivative instruments	0.13	0.02
Other assets	8.27	6.52
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## North American Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
<b>Investment Fund: 1.28% (2018: Nil)</b>			
<b>Ireland: 1.28% (2018: Nil)</b>			
26,650,000	Northern Trust Global Funds – US Dollar Fund	26,650,000	1.28
<b>Total Ireland</b>		26,650,000	1.28
<b>Total Investment Funds</b>		26,650,000	1.28
<b>Equities: 96.07% (2018: 91.77%)</b>			
<b>Basic Materials: 1.42% (2018: 0.89%)</b>			
2,251,554	Freeport-McMoRan	29,540,388	1.42
<b>Total Basic Materials</b>		29,540,388	1.42
<b>Communications: 15.55% (2018: 18.06%)</b>			
92,153	Alphabet	123,210,404	5.95
57,268	Amazon.com	105,822,101	5.11
375,766	eBay	13,568,910	0.65
315,654	GrubHub	15,353,411	0.74
209,421	Facebook	42,983,660	2.07
715,667	Uber	21,283,937	1.03
<b>Total Communications</b>		322,222,423	15.55
<b>Consumer, Cyclical: 8.54% (2018: 10.02%)</b>			
476,154	Carnival	24,202,908	1.17
756,980	Dolby Laboratories	52,080,224	2.51
265,703	Mohawk Industries	36,236,575	1.75
822,302	Spirit Airlines	33,146,994	1.60
1,431,603	Taylor Morrison Home	31,294,842	1.51
<b>Total Consumer, Cyclical</b>		176,961,543	8.54
<b>Consumer, Non-cyclical: 17.53% (2018: 17.13%)</b>			
748,214	Altria	37,343,361	1.80
147,873	Anthem	44,662,082	2.15
683,465	Booz Allen Hamilton	48,614,865	2.35
142,026	Danaher	21,798,150	1.05
231,643	Global Payments	42,288,746	2.04
259,983	ICON	44,776,872	2.16
534,919	Pfizer	20,958,126	1.01
190,191	S&P Global	51,931,653	2.51
1,217,235	US Foods	50,989,974	2.46
<b>Total Consumer, Non-cyclical</b>		363,363,829	17.53

## North American Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value US\$	% of Net Assets
	<b>Equities: 96.07% (2018: 91.77%)</b> continued		
	<b>Energy: 5.69% (2018: 5.26%)</b>		
1,780,434	Canadian Natural Resources	57,665,879	2.78
996,740	Suncor Energy	32,713,518	1.58
35,280	Texas Pacific Land Trust	27,561,442	1.33
	<b>Total Energy</b>	<b>117,940,839</b>	<b>5.69</b>
	<b>Financial: 25.24% (2018: 26.08%)</b>		
400,217	Affiliated Managers	33,914,389	1.64
1,526,133	Arch Capital	65,455,844	3.16
1,285,894	Bank of America	45,289,187	2.18
327,458	Berkshire Hathaway	74,169,237	3.58
104,766	Brown & Brown	4,136,161	0.20
155,688	Chubb	24,234,394	1.17
844,624	Citigroup	67,477,011	3.26
223,208	JPMorgan Chase	31,115,195	1.50
47,417	Markel	54,205,692	2.61
384,987	Marsh & McLennan	42,891,402	2.07
426,462	Visa	80,132,210	3.87
	<b>Total Financial</b>	<b>523,020,722</b>	<b>25.24</b>
	<b>Industrial: 10.61% (2018: 6.30%)</b>		
493,508	Agilent Technologies	42,101,167	2.03
501,938	Ametek	50,063,296	2.42
869,412	Colfax	31,629,209	1.53
719,048	Stericycle	45,882,453	2.21
335,020	United Technologies	50,172,595	2.42
	<b>Total Industrial</b>	<b>219,848,720</b>	<b>10.61</b>
	<b>Technology: 11.49% (2018: 8.03%)</b>		
128,673	Accenture	27,094,674	1.31
255,043	Analog Devices	30,309,310	1.46
109,383	Autodesk	20,067,405	0.97
1,500	Constellation Software	1,458,831	0.07
568,874	Entegris	28,494,899	1.38
473,293	Fiserv	54,726,870	2.64
309,800	Qualcomm	27,333,654	1.32
791,534	SS&C Technologies	48,600,188	2.34
	<b>Total Technology</b>	<b>238,085,831</b>	<b>11.49</b>
	<b>Total Equities</b>	<b>1,990,984,295</b>	<b>96.07</b>
	<b>Total Transferable Securities</b>	<b>2,017,634,295</b>	<b>97.35</b>

## Financial assets at fair value through profit or loss

## Open Forward Currency Contracts: 0.18% (2018: 0.10%)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain US\$	% of Net Assets
USD 167,644,430	GBP 128,373,648	1.3059	31/01/2020	2,545,515	0.12
USD 150,525,025	EUR 134,886,911	1.1159	31/01/2020	1,131,714	0.06
USD 3,088,404	CHF 3,008,229	1.0267	31/01/2020	23,852	–
USD 846,301	EUR 761,331	1.1116	31/01/2020	9,677	–
USD 144,029	GBP 111,189	1.2954	31/01/2020	3,377	–
USD 241,210	EUR 216,905	1.1121	31/01/2020	2,660	–
USD 204,256	EUR 183,900	1.1107	31/01/2020	2,506	–
USD 23,988	GBP 18,278	1.3124	31/01/2020	243	–
USD 10,890	GBP 8,354	1.3035	31/01/2020	186	–
USD 58,339	EUR 51,976	1.1224	31/01/2020	99	–
GBP 73,431	USD 97,427	1.3268	31/01/2020	76	–
USD 29,464	EUR 26,250	1.1224	31/01/2020	50	–
USD 1,316	GBP 1,009	1.3043	31/01/2020	22	–
<b>Total unrealised gain on forward foreign currency contracts</b>				3,719,977	0.18
<b>Total Financial Assets at fair value through profit or loss</b>				2,021,354,272	97.53

## Financial liabilities at fair value through profit or loss

## Open Forward Currency Contracts: Nil (2018: Nil)

Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Loss US\$	% of Net Assets
EUR 610	USD 686	1.1242	31/01/2020	–	–
USD 4,948	GBP 3,729	1.3268	31/01/2020	(4)	–
GBP 1,821	USD 2,358	1.2954	31/01/2020	(55)	–
CHF 10,744	USD 11,029	1.0265	31/01/2020	(87)	–
EUR 20,096	USD 22,430	1.1161	31/01/2020	(165)	–
GBP 9,406	USD 12,268	1.3043	31/01/2020	(202)	–
GBP 18,883	USD 24,783	1.3124	31/01/2020	(251)	–
GBP 9,884	USD 12,828	1.2979	31/01/2020	(275)	–
GBP 16,239	USD 21,168	1.3035	31/01/2020	(361)	–
EUR 474,541	USD 529,644	1.1161	31/01/2020	(3,895)	–
GBP 233,838	USD 303,501	1.2979	31/01/2020	(6,505)	–
CHF 524,104	USD 536,035	1.0228	31/01/2020	(6,189)	–
<b>Total unrealised loss on forward foreign currency contracts</b>				(17,989)	–
<b>Total Financial Liabilities at fair value through profit or loss</b>				(17,989)	–



## Portfolio Statements continued

As at 31 December 2019

## North American Fund continued

	Fair Value US\$	% of Net Assets
<b>Total Value of Investments (Cost: US\$ 1,689,703,196)</b>	2,021,336,283	97.53
Cash at bank	67,577,636	3.26
Other Net Liabilities	(16,399,529)	(0.79)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	2,072,514,390	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	96.37	90.81
OTC Financial derivative instrument	0.18	0.10
Other assets	3.45	9.09
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## UK Absolute Equity Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>Investment Funds: Nil (2018: 7.73%)</b>	–	–
	<b>Equities: 80.08% (2018: 35.34%)</b>		
	Canada: Nil (2018: 2.25%)	–	–
	Guernsey: Nil (2018: 8.95%)	–	–
	Ireland: 5.63% (2018: Nil)		
309,782	Flutter Entertainment	28,685,813	5.63
	<b>Total Ireland</b>	<b>28,685,813</b>	<b>5.63</b>
	Jersey: 11.97% (2018: Nil)		
26,855,644	Breedon	22,343,896	4.39
8,845,164	IWG	38,609,141	7.58
	<b>Total Jersey</b>	<b>60,953,037</b>	<b>11.97</b>
	Spain: 3.96% (2018: Nil)		
3,230,263	International Consolidated Airlines	20,195,604	3.96
	<b>Total Spain</b>	<b>20,195,604</b>	<b>3.96</b>
	United Kingdom: 58.52% (2018: 24.14%)		
827,945	3i	9,111,535	1.79
897,681	AB Dynamics	18,779,487	3.69
784,378	Associated British Foods	20,252,640	3.97
593,532	Avon Rubber	12,413,722	2.44
7,010,324	Barclays	12,615,779	2.48
1,443,635	Dart	24,512,922	4.81
897,983	easyJet	12,773,808	2.51
1,332,039	Euromoney Institutional Investor	17,316,507	3.40
628,694	Games Workshop	38,780,989	7.61
3,518,597	IG Group	24,489,435	4.81
997,119	Intermediate Capital	16,113,443	3.16
224,130	Next	15,666,687	3.08
119,487	Persimmon	3,222,564	0.63
3,341,566	Rotork	11,127,415	2.18
6,277,825	Royal Bank of Scotland	15,179,781	2.98
13,270,208	Serco Group	21,484,467	4.22
20,328,658	SigmaRoc	10,164,329	1.99
544,673	WH Smith	14,117,924	2.77
	<b>Total United Kingdom</b>	<b>298,123,434</b>	<b>58.52</b>
	<b>Total Equities</b>	<b>407,957,888</b>	<b>80.08</b>
	<b>Total Transferable Securities</b>	<b>407,957,888</b>	<b>80.08</b>
	Options Purchased: Nil (2018: 0.07%)	–	–

## UK Absolute Equity Fund continued

Holdings	Financial assets at fair value through profit or loss	Unrealised Gain GBP£	% of Net Assets
<b>Contracts for Difference – Unrealised Gains: 6.16% (2018: 4.50%)</b>			
	Austria: Nil (2018: 0.01%)	–	–
	Belgium: Nil (2018: 0.06%)	–	–
	Canada: 3.12% (2018: 0.33%)		
494,303	Agnico Eagle Mines	658,622	0.13
3,501,808	Alamos Gold	1,204,302	0.24
1,630,951	Barrick Gold	1,296,463	0.25
680,207	Kirkland Lake Gold	506,198	0.10
2,024,130	Novagold Resources	2,865,563	0.56
1,882,462	Pan American Silver	3,591,330	0.71
1,849,519	Pretium Resources	1,442,202	0.28
949,765	SSR Mining	1,604,685	0.31
4,129,300	Wesdome Gold Mines	2,424,749	0.48
358,556	Wheaton Precious Metals	316,641	0.06
	<b>Total Canada</b>	<b>15,910,755</b>	<b>3.12</b>
	Cayman Islands: 0.07% (2018: Nil)		
1,000,000	Endeavour Mining	360,463	0.07
	<b>Total Cayman Islands</b>	<b>360,463</b>	<b>0.07</b>
	Denmark: Nil (2018: 0.12%)	–	–
	France: Nil (2018: 0.05%)	–	–
	Germany: Nil (2018: 0.04%)	–	–
	Ireland: 0.74% (2018: Nil)		
29,358,000	Glenveagh Properties	2,326,768	0.46
2,497,044	Ryanair	1,443,272	0.28
	<b>Total Ireland</b>	<b>3,770,040</b>	<b>0.74</b>
	Italy: 0.28% (2018: Nil)		
18,955,332	Juventus Football Club	1,415,154	0.28
	<b>Total Italy</b>	<b>1,415,154</b>	<b>0.28</b>
	Japan: Nil (2018: 0.16%)	–	–
	Jersey: Nil (2018: 0.24%)	–	–
	Netherlands: Nil (2018: 0.01%)	–	–
	Norway: 0.24% (2018: Nil)		
621,686	Aker BP	1,172,998	0.23
(650,000)	Tomra Systems	56,001	0.01
	<b>Total Norway</b>	<b>1,228,999</b>	<b>0.24</b>

Holdings	Financial assets at fair value through profit or loss		Unrealised Gain GBP£	% of Net Assets		
	Russian Federation: 0.07% (2018: Nil)					
660,000	MMC Norilsk Nickel ADR		359,755	0.07		
	<b>Total Russian Federation</b>		<b>359,755</b>	<b>0.07</b>		
	Spain: Nil (2018: 0.24%)		–	–		
	South Africa: 0.22% (2018: Nil)					
10,789,652	Sibanye Gold		1,099,554	0.22		
	<b>Total South Africa</b>		<b>1,099,554</b>	<b>0.22</b>		
	United Kingdom: 1.42% (2018: 2.91)					
(1,083,813)	Bunzl		10,838	–		
(3,765,135)	DS Smith		11,295	–		
(14,549,398)	Intu Properties Reits		71,292	0.01		
(1,057,340)	NMC Health		6,798,949	1.34		
(58,608)	Renishaw		7,033	–		
(2,500,000)	Rolls-Royce		351,326	0.07		
	<b>Total United Kingdom</b>		<b>7,250,733</b>	<b>1.42</b>		
	United States: Nil (2018: 0.33%)		–	–		
	<b>Total Contracts for Difference – Unrealised Gains</b>		<b>31,395,453</b>	<b>6.16</b>		
	<b>Open Forward Foreign Currency Contracts: Nil (2018: Nil)</b>					
	Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets
	GBP 201,423	EUR 235,438	0.8555	31/01/2020	1,105	–
	GBP 56,330	EUR 65,604	0.8587	31/01/2020	512	–
	GBP 86,821	EUR 101,561	0.8548	31/01/2020	410	–
	GBP 257,689	EUR 302,524	0.8518	31/01/2020	292	–
	GBP 139,759	EUR 164,076	0.8518	31/01/2020	159	–
	GBP 11,117	USD 14,500	0.7667	31/01/2020	149	–
	GBP 15,923	EUR 18,579	0.8570	31/01/2020	115	–
	GBP 11,919	EUR 13,881	0.8587	31/01/2020	108	–
	GBP 4,994	USD 6,469	0.7720	31/01/2020	101	–
	GBP 8,689	USD 11,404	0.7620	31/01/2020	63	–
	GBP 9,071	EUR 10,603	0.8555	31/01/2020	50	–
	GBP 210	USD 276	0.7620	31/01/2020	2	–
	<b>Total unrealised gain on forward foreign currency contracts</b>				<b>3,066</b>	<b>–</b>
	<b>Total Financial Assets at fair value through profit or loss</b>		<b>439,356,407</b>	<b>86.24</b>		

## UK Absolute Equity Fund continued

Holdings	Financial liabilities at fair value through profit or loss	Unrealised Loss GBP£	% of Net Assets
<b>Contracts for Difference – Unrealised Losses: (2.98)% (2018: (0.92%))</b>			
<b>Denmark: (0.09%) (2018: Nil)</b>			
(1,238,002)	ISS	(450,719)	(0.09)
	<b>Total Denmark</b>	<b>(450,719)</b>	<b>(0.09)</b>
<b>France: (0.02%) (2018: Nil)</b>			
(300,000)	Publicis Groupe	(108,781)	(0.02)
	<b>Total France</b>	<b>(108,781)</b>	<b>(0.02)</b>
<b>Germany: (0.18%) (2018: (0.14%))</b>			
(280,019)	Gerresheimer	(526,812)	(0.10)
550,000	Infineon Technologies	(182,323)	(0.04)
(111,975)	zooplus	(180,824)	(0.04)
	<b>Total Germany</b>	<b>(889,959)</b>	<b>(0.18)</b>
<b>Ireland: (0.11%) (2018: (0.15%))</b>			
(1,689,937)	UDG Healthcare	(582,093)	(0.11)
	<b>Total Ireland</b>	<b>(582,093)</b>	<b>(0.11)</b>
<b>Italy: Nil (2018: (0.21%))</b>			
		–	–
<b>Netherlands: (0.01%) (2018: Nil)</b>			
595,701	STMicroelectronics	(50,634)	(0.01)
	<b>Total Netherlands</b>	<b>(50,634)</b>	<b>(0.01)</b>
<b>United Kingdom: (2.55%) (2018: (0.40%))</b>			
(837,953)	Blue Prism	(1,046,290)	(0.20)
(3,013,666)	British Land Reits	(1,175,330)	(0.23)
(301,157)	Carnival	(1,049,853)	(0.20)
(10,017,135)	Cineworld	(1,262,159)	(0.25)
(582,378)	Dechra Pharmaceuticals	(1,362,764)	(0.27)
(988,040)	Keywords Studios	(2,040,303)	(0.40)
(6,384,779)	Kingfisher	(31,924)	(0.01)
(1,296,849)	Micro Focus International	(544,676)	(0.11)
(4,154,374)	Moneysupermarket.com	(980,432)	(0.19)
(1,624,754)	Pearson	(253,850)	(0.05)
(139,971)	Severn Trent	(438,562)	(0.09)
(807,486)	Spectris	(750,962)	(0.15)
(3,300,000)	Trainline	(1,980,000)	(0.39)
(134,871)	Vesuvius	(44,103)	(0.01)
	<b>Total United Kingdom</b>	<b>(12,961,208)</b>	<b>(2.55)</b>



Holdings	Financial liabilities at fair value through profit or loss				Unrealised Loss GBP£	% of Net Assets
<b>Contracts for Difference – Unrealised Losses: (2.98)% (2018: (0.92%))</b> continued						
United States: (0.03%) (2018: (0.02%))						
(570,000)	Textron				(154,291)	(0.03)
<b>Total United States</b>					(154,291)	(0.03)
<b>Total Contracts for Difference – Unrealised Losses</b>					(15,197,685)	(2.98)
<b>Open Forward Foreign Currency Contracts: (0.31%) (2018: (0.23%))</b>						
Currency Sold	Currency Bought	Currency Rate	Maturity Date	Unrealised Gain GBP£	% of Net Assets	
EUR 263,578,613	GBP 225,389,762	0.8551	31/01/2020	(1,128,488)	(0.22)	
USD 45,231,019	GBP 34,635,633	0.7658	31/01/2020	(423,222)	(0.09)	
EUR 2,396,229	GBP 2,048,472	0.8548	31/01/2020	(9,682)	–	
EUR 118,817	GBP 101,830	0.8570	31/01/2020	(736)	–	
USD 68,304	GBP 52,400	0.7672	31/01/2020	(736)	–	
USD 665	GBP 510	0.7667	31/01/2020	(7)	–	
<b>Total unrealised loss on forward foreign currency contracts</b>					(1,562,871)	(0.31)
<b>Futures Contracts – Unrealised Losses: (0.01%) (2018: Nil)</b>						
Description	Country	Currency	No. of Contracts	Unrealised Loss GBP£	% of Net Assets	
Future FTSE 100 Mar20	GB	GBP	(1,174)	(48,775)	(0.01)	
<b>Total Futures Contracts – Unrealised Losses</b>					(48,775)	(0.01)
<b>Total Financial Liabilities at fair value through profit and loss</b>					(16,809,331)	(3.30)
<b>Total Value of Investments (Cost: GBP 346,530,859)</b>					422,547,076	82.94
Cash at Bank					56,310,393	11.05
Deposit with Credit Institutions					31,536,872	6.19
Margin Cash					5,062,524	0.99
Other Net Liabilities					(5,988,502)	(1.18)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>					509,468,363	100.00

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

The counterparty for the contracts for difference and futures contract is Credit Suisse Securities (Europe) Limited.

The counterparty for the forward foreign currency contracts is The Northern Trust Company.



Portfolio Statements continued

As at 31 December 2019

UK Absolute Equity Fund continued

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities	76.11	42.31
Exchange traded financial derivative instruments	5.86	4.49
Other assets	18.03	53.20
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.

## UK Value Opportunities Fund

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>Equities: 94.62% (2018: 93.22%)</b>		
	<b>Basic Materials: 5.61% (2018: 5.54%)</b>		
885,509	Anglo American	19,144,704	1.51
7,468,180	Central Asia Metals	16,579,360	1.31
1,012,942	Mondi	17,934,138	1.42
385,962	Rio Tinto	17,345,132	1.37
	<b>Total Basic Materials</b>	<b>71,003,334</b>	<b>5.61</b>
	<b>Communications: 2.09% (2018: 3.01%)</b>		
9,377,201	Gocompare.com	9,705,412	0.76
11,149,432	ITV	16,785,470	1.33
	<b>Total Communications</b>	<b>26,490,882</b>	<b>2.09</b>
	<b>Consumer, Cyclical: 20.69% (2018: 17.35%)</b>		
2,430,609	Barratt Developments	18,176,094	1.43
25,128,773	Coats	18,846,580	1.49
2,259,791	Gamesys	16,044,516	1.27
1,735,684	Grafton	15,300,054	1.21
4,176,337	Henry Boot	13,489,569	1.07
3,254,140	IG Design	23,202,018	1.83
3,564,151	International Consolidated Airlines	22,283,072	1.76
845,868	JD Sports Fashion	7,101,908	0.56
2,265,487	MJ Gleeson	21,635,401	1.71
231,966	Next	16,214,423	1.28
2,173,264	On the Beach	10,691,372	0.84
976,686	Persimmon	26,341,221	2.08
4,357,604	Rank	12,092,351	0.95
167,284	Watches of Switzerland	631,664	0.05
1,002,816	WH Smith	25,992,991	2.05
4,676,803	Wincanton	14,077,177	1.11
	<b>Total Consumer, Cyclical</b>	<b>262,120,411</b>	<b>20.69</b>

## UK Value Opportunities Fund continued

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
	<b>Equities: 94.62% (2018: 93.22%)</b> continued		
	<b>Consumer, Non-cyclical: 20.72% (2018: 14.26%)</b>		
20,494,804	Alliance Pharma	17,359,099	1.37
3,968,524	C&C	15,893,939	1.25
516,857	Cranswick	17,614,487	1.39
3,615,089	Finsbury Food	3,546,402	0.28
984,364	GlaxoSmithKline	17,431,118	1.38
1,180,719	Hikma Pharmaceuticals	23,395,947	1.85
2,050,779	Hilton Food	22,558,569	1.78
9,861,659	Johnson Service	19,269,682	1.52
2,791,623	QinetiQ	10,021,927	0.79
14,955,933	Redde	15,972,936	1.26
4,796,586	Restore	25,997,496	2.05
33,385,615	Speedy Hire	25,218,158	1.99
4,426,996	SSP	28,775,474	2.27
2,171,084	SThree	8,184,987	0.65
5,596,441	Wm Morrison Supermarkets	11,220,864	0.89
	<b>Total Consumer, Non-cyclical</b>	<b>262,461,085</b>	<b>20.72</b>
	<b>Energy: 4.29% (2018: 1.36%)</b>		
2,218,956	BP	10,517,851	0.83
14,147,901	Jadestone Energy	13,023,143	1.03
735,573	Royal Dutch Shell Class B	16,495,225	1.30
11,104,380	Serica Energy	14,302,441	1.13
	<b>Total Energy</b>	<b>54,338,660</b>	<b>4.29</b>
	<b>Financial: 17.24% (2018: 19.41%)</b>		
2,448,089	3i	26,941,219	2.13
14,798,514	Barclays	26,631,406	2.10
5,742,653	Brewin Dolphin	21,316,671	1.68
7,783,769	Legal & General	23,740,495	1.87
1,397,336	Marlowe	7,175,320	0.57
2,161,656	Numis	6,582,243	0.52
6,674,821	OneSavings Bank	28,755,129	2.27
1,170,173	Prudential	16,909,000	1.34
6,426,622	Royal Bank of Scotland	15,539,572	1.23
687,834	Schroders	17,505,375	1.38
11,206,723	Watkin Jones	27,232,337	2.15
	<b>Total Financial</b>	<b>218,328,767</b>	<b>17.24</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP£	% of Net Assets
<b>Equities: 94.62% (2018: 93.22%)</b> continued			
<b>Industrial: 22.46% (2018: 31.06%)</b>			
924,377	Avon Rubber	19,333,345	1.53
23,527,371	Breedon	19,574,773	1.54
2,190,691	DiscoverIE	12,486,939	0.98
2,057,965	Electrocomponents	13,932,423	1.10
6,422,667	Forterra	22,359,231	1.77
947,894	Galliford Try	8,189,804	0.65
1,810,348	Hill & Smith	26,865,564	2.12
963,458	James Fisher & Sons	19,654,543	1.55
7,540,685	Morgan Advanced Materials	24,054,785	1.90
1,943,510	Morgan Sindall	30,940,679	2.44
3,545,219	Renew	19,144,183	1.51
15,047,516	Severfield	12,752,770	1.01
4,900,121	Strix	9,623,838	0.76
5,868,125	Trifast	10,591,966	0.84
9,377,191	TT Electronics	23,255,434	1.84
2,323,830	Vesuvius	11,667,950	0.92
<b>Total Industrial</b>		<b>284,428,227</b>	<b>22.46</b>
<b>Technology: 1.52% (31 Dec 2018: 1.23%)</b>			
1,083,837	Computacenter	19,248,945	1.52
<b>Total Technology</b>		<b>19,248,945</b>	<b>1.52</b>
<b>Total Equities</b>		<b>1,198,420,311</b>	<b>94.62</b>
<b>Total Transferable Securities</b>		<b>1,198,420,311</b>	<b>94.62</b>
<b>Total Value of Investments (Cost: GBP£ 1,054,144,203)</b>		<b>1,198,420,311</b>	<b>94.62</b>
	Cash at Bank	72,257,517	5.71
	Margin Cash	17,690	–
	Other Net Liabilities	(4,146,391)	(0.33)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b>1,266,549,127</b>	<b>100.00</b>

All securities are transferable securities and are admitted to an official stock exchange or dealt on a regulated market at the financial year end.

Analysis of total assets (unaudited)	31 December 2019 % of Total Assets	31 December 2018 % of Total Assets
Transferable securities admitted to official stock exchange listing	93.88	93.06
Other assets	6.12	6.94
	100.00	100.00

The % of Net Assets was rounded to Nil if the amount is less than 0.01.



## Statement of Financial Position

As at 31 December 2019

	Notes	Asian Opportunities Fund 31 December 2019 US\$	Asian Stars Fund 31 December 2019 US\$	Automation & Artificial Intelligence Fund 31 December 2019 US\$	Biotechnology Fund 31 December 2019 US\$
<b>Assets</b>					
Transferable securities	10	28,326,748	7,164,695	433,364,463	530,600,185
Financial derivative instruments	10	8,729	–	–	94,346
Dividends and interest receivable		28,104	9,954	172,981	3,079
Amounts receivable on sale of securities		–	–	112,578	–
Amounts receivable on sale of redeemable participating shares		421,074	–	230,176	2,472,965
Sundry debtors		5,235	2,521	4,087	19,943
Cash at bank	10	984,752	143,909	20,917,423	21,215,258
Margin receivable	10	–	–	–	–
Margin cash	10	–	–	–	–
<b>Total Assets</b>		<b>29,774,642</b>	<b>7,321,079</b>	<b>454,801,708</b>	<b>554,405,776</b>
<b>Liabilities</b>					
Financial derivative instruments	10	–	–	–	(285)
Bank overdraft	4	–	–	(17,354,599)	(1,857,468)
Margin payable		–	–	–	–
Amounts payable on redemption of redeemable participating shares		–	–	(461,645)	(2,784,252)
Redeemable participating shares not yet allotted		–	–	–	–
Amounts payable on purchase of securities		–	–	(608,195)	–
Dividends and interest payable		–	(15)	(22,370)	(2,437)
Investment management fee payable	3	(29,216)	(2,378)	(269,671)	(726,279)
Performance fee payable	3	(120,995)	(63,903)	–	(3,060,981)
Sundry creditors	3	(94,380)	(50,648)	(3,111,749)	(331,253)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(244,591)</b>	<b>(116,944)</b>	<b>(21,828,229)</b>	<b>(8,762,955)</b>
<b>Net Assets Attributable to holders of redeemable participating shares</b>		<b>29,530,051</b>	<b>7,204,135</b>	<b>432,973,479</b>	<b>545,642,821</b>

\* European Income Fund was terminated on 17 January 2019.

China Stars Fund 31 December 2019 US\$	Emerging Markets Income Fund 31 December 2019 US\$	Emerging Market Stars Fund 31 December 2019 US\$	European ex UK Income Fund 31 December 2019 EUR€	European Income Fund* 31 December 2019 EUR€	Financial Opportunities Fund 31 December 2019 US\$	Global Absolute Return Fund 31 December 2019 US\$	Global Convertible Fund 31 December 2019 US\$
7,388,146	144,281,216	41,679,540	264,648,343	–	18,412,308	66,174,844	941,492,071
–	–	–	1,197,067	–	–	763,405	3,824,739
2,133	603,666	46,092	–	–	2,172	138,379	2,756,501
–	–	–	–	–	–	2,238,785	–
7	154,923	3,160,856	35,446	–	23,567	36,365	779,135
2,502	4,939	2,809	3,034	–	2,190	27,593	377,047
201,003	3,653,707	794,082	4,911,441	21,946	412,116	835,655	17,624,771
–	–	–	–	–	–	3,640,834	4,280,787
–	–	–	–	–	–	–	4,714,039
7,593,791	148,698,451	45,683,379	270,795,331	21,946	18,852,353	73,855,860	975,849,090
–	–	–	(31,609)	–	–	(2,104,043)	(9,158,999)
(139,802)	–	–	–	–	–	(23,893,785)	(28,018,836)
–	–	–	–	–	–	–	–
–	(155,039)	(697)	(19,359)	–	(20,647)	(527)	(1,440,915)
–	–	(3,958)	–	–	–	–	–
(18,360)	(358,090)	(2,308,600)	–	–	–	(2,199,218)	(17,158,716)
(1,637)	(9)	(8)	(1,448)	–	(41)	(5,714)	–
(2,739)	(122,808)	(13,709)	(409,398)	–	(25,210)	(48,399)	(787,334)
–	–	(45,183)	–	–	–	(69,802)	–
(16,157)	(87,834)	(315,224)	(71,351)	(21,946)	(4,938)	(117,016)	(667,695)
(178,695)	(723,780)	(2,687,379)	(533,165)	(21,946)	(50,836)	(28,438,504)	(57,232,495)
7,415,096	147,974,671	42,996,000	270,262,166	–	18,801,517	45,417,356	918,616,595



# Statement of Financial Position continued

As at 31 December 2019

	Notes	Global Insurance Fund 31 December 2019 GBP£	Global Technology Fund 31 December 2019 US\$	Healthcare Blue Chip Fund 31 December 2019 US\$	Healthcare Opportunities Fund 31 December 2019 US\$
<b>Assets</b>					
Transferable securities	10	1,525,285,348	3,491,422,560	90,377,247	1,632,993,616
Financial derivative instruments	10	–	18,440,966	27	–
Dividends and interest receivable		479,651	1,463,333	63,858	897,966
Amounts receivable on sale of securities		210,949	917,820	–	–
Amounts receivable on sale of redeemable participating shares		6,462,126	11,032,047	223,743	8,018,494
Sundry debtors		61,564	100,658	4,057	173,048
Cash at bank	10	36,181,268	123,954,805	3,847,289	626,425
Margin receivable	10	–	–	–	–
Margin cash	10	–	32,736,764	–	20,431,031
<b>Total Assets</b>		<b>1,568,680,906</b>	<b>3,680,068,953</b>	<b>94,516,221</b>	<b>1,663,140,580</b>
<b>Liabilities</b>					
Financial derivative instruments	10	(176,702)	(16,612)	–	–
Bank overdraft	4	(1,773,050)	–	(1,810,815)	(23,186,649)
Margin payable		–	–	–	–
Amounts payable on redemption of redeemable participating shares		(7,601,921)	(10,415,233)	(131,332)	(3,428,945)
Redeemable participating shares not yet allotted		–	–	–	–
Amounts payable on purchase of securities		(5,011,252)	(13,198,015)	–	(5,161,424)
Dividends and interest payable		(34,501)	(1,384)	(2,732)	(2,344)
Investment management fee payable	3	(1,198,564)	(4,629,376)	(49,915)	(1,663,237)
Performance fee payable	3	–	(256,862)	–	–
Sundry creditors	3	(418,491)	(1,251,092)	(55,695)	(982,276)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(16,214,481)</b>	<b>(29,768,574)</b>	<b>(2,050,489)</b>	<b>(34,424,875)</b>
<b>Net Assets Attributable to holders of redeemable participating shares</b>		<b>1,552,466,425</b>	<b>3,650,300,379</b>	<b>92,465,732</b>	<b>1,628,715,705</b>

\* Japan Fund merged with the Japan Value Fund on 18 October 2019.

The Financial Statements were approved by the Board of Directors of Polar Capital Funds plc on 3 April 2020 and signed on its behalf by:

**David Hammond**  
Director

**Ronan Daly**  
Director

The accompanying notes form an integral part of these Financial Statements.



<b>Income Opportunities Fund</b>	<b>Japan Fund*</b>	<b>Japan Value Fund</b>	<b>North American Fund</b>	<b>UK Absolute Equity Fund</b>	<b>UK Value Opportunities Fund</b>	<b>Total</b>
<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>
<b>GBP£</b>	<b>JPY¥</b>	<b>JPY¥</b>	<b>US\$</b>	<b>GBP£</b>	<b>GBP£</b>	<b>US\$</b>
151,231,013	–	37,571,492,990	2,017,634,295	407,957,888	1,198,420,311	14,441,550,182
128,638	–	53,021,007	3,719,977	31,398,519	–	70,447,172
840,319	–	81,982,159	1,042,696	1,483,679	2,033,281	14,389,596
17,012	–	38,166,024	–	–	1,192,665	5,500,759
21,611	–	1,090,468,519	1,933,980	2,233,363	2,562,412	53,458,373
1,245	–	1,831,145	164,704	17,173	4,938	1,024,010
10,699,332	26,128,599	2,181,088,172	69,245,511	56,310,393	72,301,436	522,696,193
–	–	–	–	31,536,872	–	49,700,093
2,511,734	–	–	–	5,062,524	17,690	67,939,267
165,450,904	26,128,599	41,018,050,016	2,093,741,163	536,000,411	1,276,532,733	15,226,705,645
(554,251)	–	(388,815)	(17,989)	(16,809,331)	–	(34,573,462)
–	(2,916,622)	–	(1,667,875)	–	(43,919)	(100,363,575)
–	–	–	–	–	–	–
(155,101)	–	(69,682,376)	(17,364,957)	(3,570,948)	(973,726)	(53,160,884)
–	–	–	–	–	–	(3,958)
–	–	(5,167,161)	–	–	(7,428,581)	(57,537,618)
(47)	–	(431,851)	(590)	(309,526)	(123)	(500,837)
(282,378)	–	(38,345,184)	(1,516,490)	(459,687)	(790,588)	(14,315,733)
(247,596)	–	(15,329,629)	–	(5,088,939)	(467,760)	(11,447,386)
(52,979)	(23,211,977)	(16,840,247)	(658,872)	(293,617)	(278,909)	(9,599,468)
(1,292,352)	(26,128,599)	(146,185,263)	(21,226,773)	(26,532,048)	(9,983,606)	(281,502,921)
164,158,552	–	40,871,864,753	2,072,514,390	509,468,363	1,266,549,127	14,945,202,724

## Comparative Statement of Financial Position

As at 31 December 2018

	Notes	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund* 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$
<b>Assets</b>					
Transferable securities	10	38,428,308	9,153,060	292,787,012	396,567,551
Financial derivative instruments	10	12,381	–	–	24,733
Dividends and interest receivable		50,093	–	59,829	22,511
Amounts receivable on sale of securities		–	–	–	–
Amounts receivable on sale of redeemable participating shares		–	–	2,474,839	1,231,695
Sundry debtors		2,489	–	8,146	6,998
Cash at bank	10	2,886,921	10,009,250	31,956,533	41,907,152
Margin receivable	10	–	–	–	–
Margin cash	10	–	–	–	–
<b>Total Assets</b>		<b>41,380,192</b>	<b>19,162,310</b>	<b>327,286,359</b>	<b>439,760,640</b>
<b>Liabilities</b>					
Financial derivative instruments	10	–	–	–	(1,487)
Bank overdraft	4	–	–	–	–
Amounts payable on redemption of redeemable participating shares		(34,330)	–	(1,529,198)	(6,065,003)
Redeemable participating shares not yet allotted		–	–	–	–
Amounts payable on purchase of securities		–	(9,153,060)	(5,046,660)	–
Dividends and interest payable		–	–	–	(2,420)
Investment management fee payable	3	(41,817)	–	(173,601)	(610,140)
Performance fee payable	3	(1,454)	–	–	(2,280,522)
Sundry creditors	3	(25,704)	–	(145,603)	(268,808)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(103,305)</b>	<b>(9,153,060)</b>	<b>(6,895,062)</b>	<b>(9,228,380)</b>
<b>Net Assets Attributable to holders of redeemable participating shares</b>		<b>41,276,887</b>	<b>10,009,250</b>	<b>320,391,297</b>	<b>430,532,260</b>

\* Asian Stars Fund launched on 31 December 2018.

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018.

China Stars Fund** 31 December 2018 US\$	Emerging Markets Income Fund 31 December 2018 US\$	Emerging Market Stars Fund*** 31 December 2018 US\$	European ex UK Income Fund 31 December 2018 EUR€	European Income Fund 31 December 2018 EUR€	Financial Opportunities Fund 31 December 2018 US\$	Global Absolute Return Fund**** 31 December 2018 US\$	Global Convertible Fund 31 December 2018
8,423,241	155,018,907	11,934,550	197,293,093	–	29,601,245	–	682,297,563
–	–	–	415,805	–	–	–	2,962,201
228	927,480	12,061	126,145	8,143	4,279	–	2,649,070
44,150	–	6,525	–	–	–	–	–
–	48,701	–	2,252,622	–	20,428	–	1,572,062
12	2,967	9	2,066	2,149	183	–	839,083
354,275	4,558,911	139,830	1,286,388	9,966,778	1,409,099	10,194,361	7,954,325
–	–	–	–	–	–	–	33,012,349
–	–	–	–	–	–	–	2,906,649
8,821,906	160,556,966	12,092,975	201,376,119	9,977,070	31,035,234	10,194,361	734,193,302
–	–	–	–	–	–	–	–
–	–	–	(6,616)	–	–	–	(1,846,331)
–	(139,007)	–	(1,027,570)	–	–	–	–
–	(585,403)	–	(7,149)	–	(402,887)	–	(734,109)
(30,276)	(79)	–	–	–	–	–	–
(334)	–	–	–	–	–	–	(7,002)
(2,883)	(141,425)	(1)	(1,153)	(567)	(43)	(57)	–
–	–	(3,883)	(175,345)	(6,742)	(58,816)	–	(655,359)
(5,845)	(213,330)	–	(914,155)	–	–	–	(2,942,298)
(39,338)	(1,079,244)	(41,848)	(56,126)	(15,346)	(17,168)	–	(431,356)
8,782,568	159,477,722	12,047,243	199,188,005	9,954,415	30,556,320	10,194,304	727,576,847


**Comparative Statement of Financial Position** continued  
 As at 31 December 2018

	Notes	Global Insurance Fund 31 December 2018 GBP£	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$
<b>Assets</b>					
Transferable securities	10	1,191,677,798	2,325,409,980	73,182,159	1,535,589,210
Financial derivative instruments	10	10,454	6,746,001	16,871	–
Dividends and interest receivable		643,428	549,081	52,392	645,906
Amounts receivable on sale of securities		3,657,470	–	–	–
Amounts receivable on sale of redeemable participating shares		684,708	3,986,211	135,115	1,364,063
Sundry debtors		27,487	47,746	3,064	11,820
Cash at bank	10	20,950,550	169,931,050	257,516	114,476,293
Margin receivable	10	–	–	–	–
Margin cash	10	–	42,055,787	–	20,012,400
<b>Total Assets</b>		<b>1,217,651,895</b>	<b>2,548,725,856</b>	<b>73,647,117</b>	<b>1,672,099,692</b>
<b>Liabilities</b>					
Financial derivative instruments	10	(51,712)	(23,850)	(100)	–
Bank overdraft	4	–	–	–	–
Amounts payable on redemption of redeemable participating shares		(11,459,120)	(17,071,090)	(80,811)	(12,057,446)
Redeemable participating shares not yet allotted		(37,815)	(27,073)	–	–
Amounts payable on purchase of securities		–	(8,088,642)	(1,857)	(18,708,275)
Dividends and interest payable		–	–	(1,642)	(152)
Investment management fee payable	3	(920,346)	(3,456,484)	(38,777)	(1,731,219)
Performance fee payable	3	(2,271,718)	(23,091,843)	–	(13,925,660)
Sundry creditors	3	(365,052)	(1,061,983)	(71,179)	(921,433)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(15,105,763)</b>	<b>(52,820,965)</b>	<b>(194,366)</b>	<b>(47,344,185)</b>
<b>Net Assets Attributable to holders of redeemable participating shares</b>		<b>1,202,546,132</b>	<b>2,495,904,891</b>	<b>73,452,751</b>	<b>1,624,755,507</b>

The accompanying notes form an integral part of these Financial Statements.

Income Opportunities Fund	Japan Fund	Japan Value Fund	North American Fund	UK Absolute Equity Fund	UK Value Opportunities Fund	Total
31 December 2018	31 December 2018	31 December 2018	31 December 2018	31 December 2018	31 December 2018	31 December 2018
GBP£	JPY¥	JPY¥	US\$	GBP£	GBP£	US\$
264,949,407	82,185,781,120	2,209,801,090	2,048,910,349	222,924,511	708,782,396	11,651,489,582
455,973	71,654,153	515,512	2,206,078	23,671,949	–	43,921,264
1,826,747	104,420,545	2,475,582	1,337,938	22,802	2,052,077	13,241,812
–	2,137,649,622	139,075,329	–	–	466,986	26,068,045
63,750	1,048,358,191	–	3,704,317	1,028,194	570,835	29,665,076
1,792	244,821	276,184	9,009	3,628	1,636	985,198
4,045,746	2,666,543,722	12,293,791	200,009,961	80,385,166	49,709,949	831,346,593
–	–	–	–	198,360,711	–	286,279,311
1,600,769	–	–	–	487,680	17,632	67,663,880
272,944,184	88,214,652,174	2,364,437,488	2,256,177,652	526,884,641	761,601,511	12,950,660,761
(396,574)	(978,987,443)	(32,313,126)	(17,199)	(5,949,831)	–	(19,283,169)
–	–	(46,517,550)	–	–	–	(1,598,653)
(718,021)	(4,707,318,196)	(549,173)	(8,451,982)	–	(579,738)	(105,771,989)
–	–	–	(45,006)	(1,735,558)	(8,262)	(2,932,274)
–	(1,607,094,270)	(89,398,019)	(13,112,087)	(2,173)	(9,064)	(69,625,005)
(44)	(1,874,024)	(20,300)	(439)	(288,587)	–	(392,844)
(406,300)	(107,432,598)	(3,314,736)	(1,562,745)	(947,954)	(508,953)	(13,248,752)
(2,546,859)	–	–	–	–	–	(49,439,154)
(60,430)	(95,163,537)	(3,423,969)	(393,923)	(333,549)	(194,660)	(5,796,134)
(4,128,228)	(7,497,870,068)	(175,536,873)	(23,583,381)	(9,257,652)	(1,300,677)	(268,087,974)
268,815,956	80,716,782,106	2,188,900,615	2,232,594,271	517,626,989	760,300,834	12,682,572,787

# Statement of Comprehensive Income

For the financial year ended 31 December 2019

	Notes	Asian Opportunities Fund 31 December 2019 US\$	Asian Stars Fund 31 December 2019 US\$	Automation & Artificial Intelligence Fund 31 December 2019 US\$	Biotechnology Fund 31 December 2019 US\$
<b>Investment income</b>					
Investment income	2H	570,839	109,487	5,142,715	1,451,158
Net realised and unrealised gain on investments	2D	5,296,692	2,014,388	128,134,790	145,372,409
Income equalisation	2E	(3,870)	2	(34,224)	–
<b>Net investment income</b>		<b>5,863,661</b>	<b>2,123,877</b>	<b>133,243,281</b>	<b>146,823,567</b>
<b>Expenses</b>					
Investment management fees	3	(306,064)	(27,825)	(2,255,655)	(5,915,147)
Administration fees	3	(14,725)	(3,469)	(185,700)	(239,896)
General expenses	3	(33,245)	(21,697)	(116,237)	(197,961)
Performance fees	3	(120,995)	(63,903)	(2,961,789)	(3,060,046)
Depository's fees	3	(24,199)	(5,445)	(119,521)	(122,010)
Research fees		(2,772)	(4,874)	(94,778)	(304,588)
Legal fees		(1,558)	(311)	(20,682)	(26,951)
Directors' fees	8	(2,015)	(475)	(26,191)	(33,845)
Auditor's fees		(7,836)	(7,836)	(7,836)	(7,836)
<b>Operating expenses</b>		<b>(513,409)</b>	<b>(135,835)</b>	<b>(5,788,389)</b>	<b>(9,908,280)</b>
<b>Net income from operations before finance costs</b>		<b>5,350,252</b>	<b>1,988,042</b>	<b>127,454,892</b>	<b>136,915,287</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	(1)	(3)	(20,612)	(2,414)
Distributions to holders of redeemable participating shares	13	–	–	–	–
<b>Total finance costs</b>		<b>(1)</b>	<b>(3)</b>	<b>(20,612)</b>	<b>(2,414)</b>
<b>Profit for the financial year before tax</b>		<b>5,350,251</b>	<b>1,988,039</b>	<b>127,434,280</b>	<b>136,912,873</b>
Withholding tax		(61,446)	(12,602)	(913,710)	(315,615)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>5,288,805</b>	<b>1,975,437</b>	<b>126,520,570</b>	<b>136,597,258</b>

\* European Income Fund was terminated on 17 January 2019.

China Stars Fund	Emerging Markets Income Fund	Emerging Market Stars Fund	European ex UK Income Fund	European Income Fund*	Financial Opportunities Fund	Global Absolute Return Fund	Global Convertible Fund
31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019
US\$	US\$	US\$	EUR€	EUR€	US\$	US\$	US\$
160,931	7,494,020	556,129	11,397,283	–	762,078	1,108,332	32,813,800
2,213,211	15,677,342	6,568,452	46,525,661	169,503	5,381,401	344,020	52,384,689
1,642	(429,543)	40,343	1,083,997	(1,357)	(256,208)	131,002	3,013,060
2,375,784	22,741,819	7,164,924	59,006,941	168,146	5,887,271	1,583,354	88,211,549
(27,347)	(1,269,038)	(112,848)	(1,842,690)	(3,481)	(257,840)	(228,935)	(7,188,179)
(3,394)	(71,775)	(13,542)	(117,379)	(289)	(12,209)	(14,075)	(402,723)
(34,792)	(85,535)	(38,577)	(77,939)	(5,683)	(26,639)	(19,130)	(564,192)
–	–	(45,183)	–	–	–	(67,758)	–
(3,683)	(4,112)	(21,329)	(90,100)	–	(8,291)	(7,433)	(196,318)
(4,993)	(90,402)	(26,955)	–	–	(1,072)	(11,809)	(244,684)
(338)	(8,010)	(1,509)	(13,018)	(92)	(1,346)	(1,413)	(43,739)
(464)	(10,102)	(2,028)	(16,888)	–	(1,769)	(1,298)	(42,979)
(7,836)	(7,836)	(7,836)	(7,000)	(7,000)	(7,836)	(7,836)	(7,836)
(82,847)	(1,546,810)	(269,807)	(2,165,014)	(16,545)	(317,002)	(359,687)	(8,690,650)
2,292,937	21,195,009	6,895,117	56,841,927	151,601	5,570,269	1,223,667	79,520,899
(6,987)	(17)	(10)	(27,804)	(344)	(40)	(3,904)	(78,799)
–	(6,164,189)	–	(10,592,333)	(1,896)	(306,609)	–	(26,603,870)
(6,987)	(6,164,206)	(10)	(10,620,137)	(2,240)	(306,649)	(3,904)	(26,682,669)
2,285,950	15,030,803	6,895,107	46,221,790	149,361	5,263,620	1,219,763	52,838,230
(7,784)	(711,870)	(63,894)	(1,275,318)	13,956	(75,916)	(40,352)	(125,842)
2,278,166	14,318,933	6,831,213	44,946,472	163,317	5,187,704	1,179,411	52,712,388


**Statement of Comprehensive Income** continued  
 For the financial year ended 31 December 2019

	Notes	Global Insurance Fund 31 December 2019 GBP£	Global Technology Fund 31 December 2019 US\$	Healthcare Blue Chip Fund 31 December 2019 US\$	Healthcare Opportunities Fund 31 December 2019 US\$
<b>Investment income</b>					
Investment income	2H	25,242,539	22,087,728	1,156,228	20,577,584
Net realised and unrealised gain on investments	2D	252,265,255	1,005,205,571	18,149,698	274,865,654
Income equalisation	2E	1,587,957	–	(24,253)	(258,829)
<b>Net investment income</b>		<b>279,095,751</b>	<b>1,027,293,299</b>	<b>19,281,673</b>	<b>295,184,409</b>
<b>Expenses</b>					
Investment management fees	3	(10,762,434)	(35,929,306)	(496,917)	(16,903,224)
Administration fees	3	(660,763)	(1,512,080)	(40,236)	(762,189)
General expenses	3	(333,536)	(790,574)	(12,404)	(370,925)
Performance fees	3	–	(256,862)	–	–
Depository's fees	3	(353,930)	(967,480)	(21,519)	(401,194)
Research fees		(138,607)	(789,497)	(51,905)	(898,889)
Legal fees		(71,751)	(170,453)	(4,391)	(84,204)
Directors' fees	8	(94,877)	(213,463)	(5,707)	(106,628)
Auditor's fees		(6,136)	(7,836)	(7,836)	(7,836)
<b>Operating expenses</b>		<b>(12,422,034)</b>	<b>(40,637,551)</b>	<b>(640,915)</b>	<b>(19,535,089)</b>
<b>Net income from operations before finance costs</b>		<b>266,673,717</b>	<b>986,655,748</b>	<b>18,640,758</b>	<b>275,649,320</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	(345,147)	(178)	(3,719)	–
Distributions to holders of redeemable participating shares	13	(8,852,535)	–	(572,960)	–
<b>Total finance costs</b>		<b>(9,197,682)</b>	<b>(178)</b>	<b>(576,679)</b>	<b>–</b>
<b>Profit for the financial year before tax</b>		<b>257,476,035</b>	<b>986,655,570</b>	<b>18,064,079</b>	<b>275,649,320</b>
Withholding tax		(3,286,111)	(4,753,807)	(281,255)	(4,035,682)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>254,189,924</b>	<b>981,901,763</b>	<b>17,782,824</b>	<b>271,613,638</b>

\* Japan Fund merged with the Japan Value Fund on 18 October 2019.

The accompanying notes form an integral part of these Financial Statements.



<b>Income Opportunities Fund</b>	<b>Japan Fund*</b>	<b>Japan Value Fund</b>	<b>North American Fund</b>	<b>UK Absolute Equity Fund</b>	<b>UK Value Opportunities Fund</b>	<b>Total</b>
<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>	<b>31 December 2019</b>
<b>GBP£</b>	<b>JPY¥</b>	<b>JPY¥</b>	<b>US\$</b>	<b>GBP£</b>	<b>GBP£</b>	<b>US\$</b>
14,817,478	1,537,464,871	221,044,329	28,076,639	1,303,322	31,467,950	243,965,208
18,732,385	796,320,904	4,592,952,815	579,590,321	32,532,685	204,521,397	2,991,712,537
(5,991,126)	(722,362,657)	361,396,118	(396,231)	–	3,983,689	(851,674)
27,558,737	1,611,423,118	5,175,393,262	607,270,729	33,836,007	239,973,036	3,234,826,071
(2,233,994)	(579,892,121)	(75,509,297)	(17,613,380)	(5,020,264)	(6,072,701)	(127,373,302)
(121,371)	(24,910,052)	(4,248,881)	(1,173,122)	(242,382)	(460,239)	(6,744,421)
(80,838)	(19,640,112)	(8,231,825)	(563,954)	(252,163)	(257,163)	(4,404,733)
57,644	–	(15,256,506)	–	(5,160,724)	(467,760)	(13,830,735)
(68,651)	(16,488,885)	(2,785,775)	(598,978)	(82,706)	(145,174)	(3,609,839)
(19,997)	(432,487)	(9,128,858)	–	(328,867)	(180,639)	(3,468,129)
(14,061)	(11,083,983)	(905,709)	(131,981)	(28,331)	(50,764)	(832,128)
(17,888)	(3,548,011)	(691,925)	(167,768)	(34,073)	(67,298)	(945,990)
(6,136)	(853,347)	(853,347)	(7,836)	(6,136)	(6,136)	(172,375)
(2,505,292)	(656,848,998)	(117,612,123)	(20,257,019)	(11,155,646)	(7,707,874)	(161,381,652)
25,053,445	954,574,120	5,057,781,139	587,013,710	22,680,361	232,265,162	3,073,444,419
(2,276)	(29,114,894)	(4,068,680)	(184)	(5,455,880)	(763)	(7,864,850)
(2,857,429)	–	–	–	–	(7,509,697)	(70,051,947)
(2,859,705)	(29,114,894)	(4,068,680)	(184)	(5,455,880)	(7,510,460)	(77,916,797)
22,193,740	925,459,226	5,053,712,459	587,013,526	17,224,481	224,754,702	2,995,527,622
(739,541)	(189,932,056)	(89,729,329)	(6,400,551)	(201,930)	(535,423)	(27,860,072)
21,454,199	735,527,170	4,963,983,130	580,612,975	17,022,551	224,219,279	2,967,667,550

# Comparative Statement of Comprehensive Income

For the financial year ended 31 December 2018

	Notes	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund* 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$
<b>Investment income</b>					
Investment income	2H	985,466	–	3,502,535	2,567,968
Net realised and unrealised loss on investments	2D	(6,737,956)	–	(42,452,881)	(30,830,495)
Income equalisation	2E	4,335	–	55,227	–
<b>Net investment loss</b>		<b>(5,748,155)</b>	<b>–</b>	<b>(38,895,119)</b>	<b>(28,262,527)</b>
<b>Expenses</b>					
Investment management fees	3	(462,277)	–	(1,833,904)	(5,003,909)
Administration fees	3	(22,364)	–	(155,462)	(203,419)
General expenses	3	(38,912)	–	(89,199)	(137,974)
Performance fees	3	(1,501)	–	–	(2,281,293)
Depository's fees	3	(35,968)	–	(91,092)	(89,732)
Research fees		(3,390)	–	(135,205)	(241,924)
Legal fees		(2,770)	–	(18,901)	(24,438)
Directors' fees	8	(2,468)	–	(17,730)	(23,651)
Auditor's fees		(567)	–	(4,938)	(6,909)
<b>Operating expenses</b>		<b>(570,217)</b>	<b>–</b>	<b>(2,346,431)</b>	<b>(8,013,249)</b>
<b>Net expense from operations before finance costs</b>		<b>(6,318,372)</b>		<b>(41,241,550)</b>	<b>(36,275,776)</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	(1)	–	–	(29,355)
Distributions to holders of redeemable participating shares	13	(4,298)	–	–	–
<b>Total finance costs</b>		<b>(4,299)</b>	<b>–</b>	<b>–</b>	<b>(29,355)</b>
<b>Loss for the financial year before tax</b>		<b>(6,322,671)</b>		<b>(41,241,550)</b>	<b>(36,305,131)</b>
Withholding tax		(105,833)	–	(681,024)	(119,475)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>(6,428,504)</b>	<b>–</b>	<b>(41,922,574)</b>	<b>(36,424,606)</b>

\* Asian Stars Fund launched on 31 December 2018.

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018

China Stars Fund** 31 December 2018 US\$	Emerging Markets Income Fund 31 December 2018 US\$	Emerging Market Stars Fund*** 31 December 2018 US\$	European ex UK Income Fund 31 December 2018 EUR€	European Income Fund 31 December 2018 EUR€	Financial Opportunities Fund 31 December 2018 US\$	Global Absolute Return Fund**** 31 December 2018 US\$	Global Convertible Fund 31 December 2018 US\$
11,644	10,184,063	59,623	10,779,798	603,284	1,514,461	–	47,035,569
(1,329,849)	(17,257,034)	(1,557,374)	(18,472,917)	(1,325,344)	(10,463,986)	–	(60,811,555)
21	(1,150,821)	8,510	(464,554)	(27,093)	(504,863)	–	2,250,753
(1,318,184)	(8,223,792)	(1,489,241)	(8,157,673)	(749,153)	(9,454,388)	–	(11,525,233)
(11,607)	(1,807,385)	(20,081)	(1,271,029)	(86,980)	(597,835)	–	(6,059,968)
(1,485)	(99,379)	(2,539)	(99,877)	(5,592)	(28,660)	–	(336,982)
(9,980)	(105,416)	(11,984)	(53,201)	(11,936)	(46,198)	–	(168,292)
–	–	–	(927,510)	–	–	–	(2,977,659)
(1,626)	(275,034)	(2,371)	(74,306)	(4,422)	(20,042)	–	(173,924)
–	(94,439)	–	–	–	–	–	(221,398)
(128)	(12,686)	(209)	(11,455)	(642)	(3,713)	–	(39,907)
(126)	(10,145)	(285)	(10,707)	(590)	(3,015)	–	(36,845)
(115)	(1,268)	(153)	(2,698)	(141)	(703)	–	(8,631)
(25,067)	(2,405,752)	(37,622)	(2,450,783)	(110,303)	(700,166)	–	(10,023,606)
(1,343,251)	(10,629,544)	(1,526,863)	(10,608,456)	(859,456)	(10,154,554)	–	(21,548,839)
(411)	(18,302)	(1,157)	(187)	(1,357)	(474)	–	(976)
–	(7,399,287)	–	(7,860,316)	(43,828)	(441,047)	–	(23,426,299)
(411)	(7,417,589)	(1,157)	(7,860,503)	(45,185)	(441,521)	–	(23,427,275)
(1,343,662)	(18,047,133)	(1,528,020)	(18,468,959)	(904,641)	(10,596,075)	–	(44,976,114)
(795)	(932,787)	(7,560)	(1,308,445)	(59,359)	(213,341)	–	(703,068)
(1,344,457)	(18,979,920)	(1,535,580)	(19,777,404)	(964,000)	(10,809,416)	–	(45,679,182)



# Comparative Statement of Comprehensive Income continued

For the financial year ended 31 December 2018

	Notes	Global Insurance Fund 31 December 2018 GBP£	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$
<b>Investment income</b>					
Investment income	2H	24,329,346	15,165,195	1,246,582	12,408,934
Net realised and unrealised loss on investments	2D	13,355,486	387,720	443,365	142,390,495
Income equalisation	2E	256,277	–	(228,988)	–
<b>Net investment loss</b>		<b>37,941,109</b>	<b>15,552,915</b>	<b>1,460,959</b>	<b>154,799,429</b>
<b>Expenses</b>					
Investment management fees	3	(9,344,808)	(28,676,644)	(488,837)	(17,243,903)
Administration fees	3	(574,974)	(1,196,887)	(37,653)	(780,006)
General expenses	3	(248,332)	(555,160)	(37,434)	(339,761)
Performance fees	3	(2,271,552)	(23,173,098)	–	(13,925,660)
Depository's fees	3	(300,432)	(780,294)	(14,063)	(388,494)
Research fees		(198,648)	(1,042,130)	(44,664)	(925,451)
Legal fees		(71,863)	(150,423)	(4,584)	(100,177)
Directors' fees	8	(63,230)	(137,685)	(4,192)	(88,023)
Auditor's fees		(17,109)	(36,525)	(1,019)	(22,588)
<b>Operating expenses</b>		<b>(13,090,948)</b>	<b>(55,748,846)</b>	<b>(632,446)</b>	<b>(33,814,063)</b>
<b>Net expense from operations before finance costs</b>		<b>24,850,161</b>	<b>(40,195,931)</b>	<b>828,513</b>	<b>120,985,366</b>
<b>Finance costs</b>					
Bank interest/financing charges	2H	(5,437)	(6)	(10,563)	(14,609)
Distributions to holders of redeemable participating shares	13	(8,628,237)	–	(568,109)	–
<b>Total finance costs</b>		<b>(8,633,674)</b>	<b>(6)</b>	<b>(578,672)</b>	<b>(14,609)</b>
<b>Loss for the financial year before tax</b>		<b>16,216,487</b>	<b>(40,195,937)</b>	<b>249,841</b>	<b>120,970,757</b>
Withholding tax		(3,148,336)	(3,416,679)	(288,595)	(2,032,504)
<b>Change in net assets attributable to holders of redeemable participating shares</b>		<b>13,068,151</b>	<b>(43,612,616)</b>	<b>(38,754)</b>	<b>118,938,253</b>

The accompanying notes form an integral part of these Financial Statements.

<b>Income Opportunities Fund</b>	<b>Japan Fund</b>	<b>Japan Value Fund</b>	<b>North American Fund</b>	<b>UK Absolute Equity Fund</b>	<b>UK Value Opportunities Fund</b>	<b>Total</b>
<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>
<b>GBP£</b>	<b>JPY¥</b>	<b>JPY¥</b>	<b>US\$</b>	<b>GBP£</b>	<b>GBP£</b>	<b>US\$</b>
16,177,233	2,814,180,650	108,349,100	31,636,897	(2,939,845)	22,209,558	245,921,626
(23,482,890)	(32,608,032,160)	(1,056,004,651)	(343,489,114)	7,194,432	(132,825,935)	(880,939,536)
(1,604,021)	(104,140,083)	(36,168,273)	(36,096)	–	2,876,319	585,644
(8,909,678)	(29,897,991,593)	(983,823,824)	(311,888,313)	4,254,587	(107,740,058)	(634,432,266)
(2,894,553)	(1,308,473,010)	(22,719,152)	(19,770,724)	(5,813,591)	(4,565,444)	(125,793,863)
(151,965)	(56,144,328)	(2,195,979)	(1,323,631)	(278,902)	(349,740)	(6,648,769)
(66,825)	(23,364,516)	(1,778,059)	(510,754)	(283,341)	(183,172)	(3,397,891)
(2,517,941)	–	–	–	–	–	(49,839,956)
(88,025)	(38,338,168)	(1,483,919)	(652,317)	(89,535)	(108,731)	(3,760,806)
(18,145)	(95,602,794)	(3,657,152)	–	(284,340)	(123,381)	(4,440,197)
(17,946)	(6,906,885)	(1,540,870)	(159,626)	(30,423)	(40,364)	(822,476)
(16,221)	(6,033,028)	(224,853)	(146,617)	(29,957)	(38,670)	(738,230)
(3,755)	(1,331,976)	(10,380)	(33,655)	(7,014)	(11,406)	(184,958)
(5,775,376)	(1,536,194,705)	(33,610,364)	(22,597,324)	(6,817,103)	(5,420,908)	(195,627,146)
(14,685,054)	(31,434,186,298)	(1,017,434,188)	(334,485,637)	(2,562,516)	(113,160,966)	(830,059,412)
(25,329)	(31,059,385)	(827,559)	–	(4,871,924)	(52)	(6,903,831)
(3,937,807)	–	–	–	–	(1,122,970)	(59,418,170)
(3,963,136)	(31,059,385)	(827,559)	–	(4,871,924)	(1,123,022)	(66,322,001)
(18,648,190)	(31,465,245,683)	(1,018,261,747)	(334,485,637)	(7,434,440)	(114,283,988)	(896,381,413)
(1,042,249)	(422,127,100)	(16,252,369)	(7,544,773)	(268,231)	(237,418)	(27,892,110)
(19,690,439)	(31,887,372,783)	(1,034,514,116)	(342,030,410)	(7,702,671)	(114,521,406)	(924,273,523)



## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the financial year ended 31 December 2019

	Notes	Asian Opportunities Fund 31 December 2019 US\$	Asian Stars Fund 31 December 2019 US\$	Automation & Artificial Intelligence Fund 31 December 2019 US\$	Biotechnology Fund 31 December 2019 US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		41,276,887	10,009,250	320,391,297	430,532,260
Issue of redeemable shares during the financial year	9	839,279	250,763	69,314,241	307,357,896
Fx gain on consolidation	2	–	–	–	–
Redemption of redeemable shares during the financial year	9	(17,874,920)	(5,031,315)	(83,252,629)	(328,844,593)
Change in net assets attributable to holders of redeemable participating shares		5,288,805	1,975,437	126,520,570	136,597,258
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		29,530,051	7,204,135	432,973,479	545,642,821

  

	Notes	Global Insurance Fund 31 December 2019 GBP£	Global Technology Fund 31 December 2019 US\$	Healthcare Blue Chip Fund 31 December 2019 US\$	Healthcare Opportunities Fund 31 December 2019 US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		1,202,546,132	2,495,904,891	73,452,751	1,624,755,507
Issue of redeemable shares during the financial year	9	611,400,483	1,485,156,612	29,348,356	517,193,596
Fx gain on consolidation	2	–	–	–	–
Redemption of redeemable shares during the financial year	9	(515,670,114)	(1,312,662,887)	(28,118,199)	(784,847,036)
Change in net assets attributable to holders of redeemable participating shares		254,189,924	981,901,763	17,782,824	271,613,638
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		1,552,466,425	3,650,300,379	92,465,732	1,628,715,705

\* European Income Fund was terminated on 17 January 2019.

\*\* Japan Fund merged with the Japan Value Fund on 18 October 2019.

The accompanying notes form an integral part of these Financial Statements.

China Stars Fund 31 December 2019 US\$	Emerging Markets Income Fund 31 December 2019 US\$	Emerging Market Stars Fund 31 December 2019 US\$	European ex UK Income Fund 31 December 2019 EUR€	European Income Fund* 31 December 2019 EUR€	Financial Opportunities Fund 31 December 2019 US\$	Global Absolute Return Fund 31 December 2019 US\$	Global Convertible Fund 31 December 2019 US\$
8,782,568	159,477,722	12,047,243	199,188,005	9,954,415	30,556,320	10,194,304	727,576,847
381,995	26,854,849	24,540,175	155,975,041	225	2,476,650	42,568,842	404,210,968
–	–	–	–	–	–	–	–
(4,027,633)	(52,676,833)	(422,631)	(129,847,352)	(10,117,957)	(19,419,157)	(8,525,201)	(265,883,608)
2,278,166	14,318,933	6,831,213	44,946,472	163,317	5,187,704	1,179,411	52,712,388
7,415,096	147,974,671	42,996,000	270,262,166	–	18,801,517	45,417,356	918,616,595
Income Opportunities Fund 31 December 2019 GBP£	Japan Fund** 31 December 2019 JPY ¥	Japan Value Fund 31 December 2019 JPY ¥	North American Fund 31 December 2019 US\$	UK Absolute Equity Fund 31 December 2019 GBP£	UK Value Opportunities Fund 31 December 2019 GBP£	Total 31 December 2019 US\$	
268,815,956	80,716,782,106	2,188,900,615	2,232,594,271	517,626,989	760,300,834	12,682,572,787	
36,838,415	5,880,678,921	44,466,304,640	699,339,426	294,217,770	566,993,691	6,173,880,294	
						167,426,173	
(162,950,018)	(87,332,988,197)	(10,297,323,632)	(1,440,032,282)	(319,398,947)	(284,964,677)	(7,042,222,069)	
21,454,199	735,527,170	4,963,983,130	580,612,975	17,022,551	224,219,279	2,967,667,550	
164,158,552	–	41,321,864,753	2,072,514,390	509,468,363	1,266,549,127	14,949,324,735	

## Comparative Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

For the financial year ended 31 December 2018

	Notes	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund* 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		47,906,827	–	237,970,063	290,412,451
Issue of redeemable shares during the financial year	9	4,393,798	10,009,250	164,723,771	351,423,232
Fx gain on consolidation	2				
Redemption of redeemable shares during the financial year	9	(4,595,234)	–	(40,379,963)	(174,878,817)
Change in net assets attributable to holders of redeemable participating shares		(6,428,504)	–	(41,922,574)	(36,424,606)
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		41,276,887	10,009,250	320,391,297	430,532,260

  

	Notes	Global Insurance Fund 31 December 2018 GBP£	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$
<b>Net assets attributable to holders of redeemable participating shares at the beginning of the financial year</b>		1,028,304,080	1,866,248,771	77,272,315	1,482,215,514
Issue of redeemable shares during the financial year	9	489,353,791	1,558,946,389	70,739,093	506,953,928
Fx gain on consolidation	2				
Redemption of redeemable shares during the financial year	9	(328,179,890)	(885,677,653)	(74,519,903)	(483,352,188)
Change in net assets attributable to holders of redeemable participating shares		13,068,151	(43,612,616)	(38,754)	118,938,253
<b>Net assets attributable to holders of redeemable participating shares at the end of the financial year</b>		1,202,546,132	2,495,904,891	73,452,751	1,624,755,507

\* Asian Stars Fund launched on 31 December 2018.

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018.

The accompanying notes form an integral part of these Financial Statements.



<b>China Stars Fund**</b>	<b>Emerging Markets Income Fund</b>	<b>Emerging Market Stars Fund***</b>	<b>European ex UK Income Fund</b>	<b>European Income Fund</b>	<b>Financial Opportunities Fund</b>	<b>Global Absolute Return Fund****</b>	<b>Global Convertible Fund</b>
<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>
<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>EUR€</b>	<b>EUR€</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
–	327,017,522	–	204,265,715	12,304,206	62,727,988	–	635,310,342
10,127,025	54,534,977	13,582,823	37,839,118	96,276	26,062,334	10,194,304	274,605,340
–	(203,094,857)	–	(23,139,424)	(1,482,067)	(47,424,586)	–	(136,659,653)
(1,344,457)	(18,979,920)	(1,535,580)	(19,777,404)	(964,000)	(10,809,416)	–	(45,679,182)
8,782,568	159,477,722	12,047,243	199,188,005	9,954,415	30,556,320	10,194,304	727,576,847
<b>Income Opportunities Fund</b>	<b>Japan Fund</b>	<b>Japan Value Fund</b>	<b>North American Fund</b>	<b>UK Absolute Equity Fund</b>	<b>UK Value Opportunities Fund</b>	<b>Total</b>	
<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	<b>31 December 2018</b>	
<b>GBP£</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>US\$</b>	<b>GBP£</b>	<b>GBP£</b>	<b>US\$</b>	
321,648,365	126,771,659,190	9,077,543,266	2,453,598,460	501,850,546	558,206,091	12,203,235,998	
54,064,860	57,798,874,898	1,437,015,630	1,387,942,476	317,319,736	410,547,597	6,720,568,953	(181,739,103)
(87,206,830)	(71,966,379,199)	(7,291,144,165)	(1,266,916,255)	(293,840,622)	(93,931,448)	(5,135,219,538)	
(19,690,439)	(31,887,372,783)	(1,034,514,116)	(342,030,410)	(7,702,671)	(114,521,406)	(924,273,523)	
268,815,956	80,716,782,106	2,188,900,615	2,232,594,271	517,626,989	760,300,834	12,682,572,787	



## Statement of Cash Flows

For the financial year ended 31 December 2019

	Asian Opportunities Fund 31 December 2019 US\$	Asian Stars Fund 31 December 2019 US\$	Automation & Artificial Intelligence Fund 31 December 2019 US\$	Biotechnology Fund 31 December 2019 US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(6,254,537)	(13,181,863)	(186,871,115)	(476,228,294)
Proceeds from sale of financial assets	21,817,592	8,084,502	170,038,535	487,771,997
(Outflow)/inflow from forward foreign currency contracts and futures	(161,151)	(52,946)	(161,124)	(274,743)
Increase in margin accounts	–	–	–	–
Dividends and interest received	592,827	99,545	5,031,321	1,468,193
Operating expenses paid	(401,985)	(34,029)	(3,635,824)	(9,277,797)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>15,592,746</b>	<b>(5,084,791)</b>	<b>(15,598,207)</b>	<b>3,459,356</b>
<b>Cash flows from financing activities</b>				
Distributions	–	–	–	–
Income equalisation	(3,870)	2	(34,224)	–
Bank overdraft	–	–	–	–
Proceeds from redeemable participating shares issued	418,205	250,763	71,558,904	306,116,626
Redemptions paid to shareholders	(17,909,250)	(5,031,315)	(84,320,182)	(332,125,344)
<b>Net cash outflow from financing activities</b>	<b>(17,494,915)</b>	<b>(4,780,550)</b>	<b>(12,795,502)</b>	<b>(26,008,718)</b>
<b>Net decrease in cash</b>	<b>(1,902,169)</b>	<b>(9,865,341)</b>	<b>(28,393,709)</b>	<b>(22,549,362)</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>2,886,921</b>	<b>10,009,250</b>	<b>31,956,533</b>	<b>41,907,152</b>
<b>Cash at end of the financial year</b>	<b>984,752</b>	<b>143,909</b>	<b>3,562,824</b>	<b>19,357,790</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	579,926	98,902	5,002,030	1,237,723
Cash received during the financial year for bond interest income	–	–	–	–
Cash received/(paid) during the financial year for bank interest income	12,902	631	27,533	232,867
Cash paid during the financial year for interest expense	(1)	12	1,758	(2,397)
	592,827	99,545	5,031,321	1,468,193

\* European Income Fund was terminated on 17 January 2019.

China Stars Fund	Emerging Markets Income Fund	Emerging Market Stars Fund	European ex UK Income Fund	European Income Fund*	Financial Opportunities Fund	Global Absolute Return Fund	Global Convertible Fund
31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019
US\$	US\$	US\$	EUR€	EUR€	US\$	US\$	US\$
(4,892,385)	(25,990,234)	(34,374,772)	(127,786,820)	–	(9,477,239)	(192,981,300)	(2,346,946,707)
8,169,285	52,187,416	13,822,787	96,544,571	–	26,059,435	129,754,475	2,176,559,487
3,640	(9,461)	(309,429)	9,656,390	169,503	(11,858)	(1,302,928)	(12,813,753)
–	–	–	–	–	–	(3,640,834)	26,924,172
153,342	7,817,893	522,095	11,495,919	7,232	764,143	971,706	32,627,570
(82,953)	(2,404,912)	(4,157)	(4,106,176)	(582)	(440,761)	(192,415)	(10,928,440)
3,350,929	31,600,702	(20,343,476)	(14,196,116)	176,153	16,893,720	(67,391,296)	(134,577,671)
–	(6,164,189)	–	(10,592,333)	(1,896)	(306,609)	–	(26,603,870)
1,642	(429,543)	40,343	1,083,997	(1,357)	(256,208)	131,002	3,013,060
–	–	–	–	–	–	–	–
381,988	26,748,627	21,379,319	158,192,217	225	2,473,511	42,532,477	404,996,893
(4,027,633)	(52,660,801)	(421,934)	(129,835,142)	(10,117,957)	(19,801,397)	(8,524,674)	(265,176,802)
(3,644,003)	(32,505,906)	20,997,728	18,848,739	(10,120,985)	(17,890,703)	34,138,805	116,229,281
(293,074)	(905,204)	654,252	4,652,623	(9,944,832)	(996,983)	(33,252,491)	(18,348,390)
–	–	–	–	–	–	–	–
354,275	4,558,911	139,830	258,818	9,966,778	1,409,099	10,194,361	7,954,325
61,201	3,653,707	794,082	4,911,441	21,946	412,116	(23,058,130)	(10,394,065)
158,893	7,809,658	521,535	11,523,428	8,143	754,195	715,026	17,292,786
–	–	–	–	–	–	244,026	15,413,526
(201)	8,322	570	–	–	9,990	16,347	57
(5,350)	(87)	(10)	(27,509)	(911)	(42)	(3,693)	(78,799)
153,342	7,817,893	522,095	11,495,919	7,232	764,143	971,706	32,627,570



## Statement of Cash Flows continued

For the financial year ended 31 December 2019

	Global Insurance Fund 31 December 2019 GBP£	Global Technology Fund 31 December 2019 US\$	Healthcare Blue Chip Fund 31 December 2019 US\$	Healthcare Opportunities Fund 31 December 2019 US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(235,886,143)	(2,503,091,103)	(207,631,608)	(4,247,545,813)
Proceeds from sale of financial assets	164,186,108	2,343,646,622	208,594,173	4,412,215,793
(Outflow)/inflow from forward foreign currency contracts and futures	(1,049,043)	(8,873,179)	8,790	(755,583)
Increase in margin accounts	–	9,319,023	–	(418,631)
Dividends and interest received	25,088,447	21,173,494	1,141,918	20,327,716
Operating expenses paid	(17,675,060)	(66,916,061)	(927,510)	(37,664,798)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(65,335,691)</b>	<b>(204,741,204)</b>	<b>1,185,763</b>	<b>146,158,684</b>
<b>Cash flows from financing activities</b>				
Distributions	(8,852,535)	–	(572,960)	–
Income equalisation	1,587,957	–	(24,253)	(258,829)
Bank overdraft	–	–	–	–
Proceeds from redeemable participating shares issued	605,585,250	1,478,083,703	29,258,086	510,539,165
Redemptions paid to shareholders	(519,527,313)	(1,319,318,744)	(28,067,678)	(793,475,537)
<b>Net cash outflow from financing activities</b>	<b>78,793,359</b>	<b>158,764,959</b>	<b>593,195</b>	<b>(283,195,201)</b>
<b>Net decrease in cash</b>	<b>13,457,668</b>	<b>(45,976,245)</b>	<b>1,778,958</b>	<b>(137,036,517)</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>20,950,550</b>	<b>169,931,050</b>	<b>257,516</b>	<b>114,476,293</b>
<b>Cash at end of the financial year</b>	<b>34,408,218</b>	<b>123,954,805</b>	<b>2,036,474</b>	<b>(22,560,224)</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	25,406,316	19,718,873	1,144,374	19,404,208
Cash received during the financial year for bond interest income	–	–	–	–
Cash received/(paid) during the financial year for bank interest income	–	1,454,603	388	921,316
Cash paid during the financial year for interest expense	(317,869)	18	(2,844)	2,192
	25,088,447	21,173,494	1,141,918	20,327,716

\* Japan Fund merged with the Japan Value Fund on 18 October 2019.

The accompanying notes form an integral part of these Financial Statements.

Income Opportunities Fund	Japan Fund*	Japan Value Fund	North American Fund	UK Absolute Equity Fund	UK Value Opportunities Fund	Total
31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019	31 December 2019
GBP£	JPY¥	JPY¥	US\$	GBP£	GBP£	US\$
(59,720,345)	(45,757,977,172)	(39,879,494,327)	(792,452,033)	(857,695,330)	(730,940,389)	(14,382,037,549)
195,151,583	130,225,934,748	7,918,435,918	1,398,613,973	764,708,565	452,391,334	14,845,488,980
(2,511,282)	(1,860,035,752)	1,131,675,750	(9,920,761)	(56,380,997)	126,375	(107,313,169)
(910,965)	–	–	–	162,248,995	(58)	236,303,832
15,800,456	1,610,896,498	137,880,623	28,371,848	(5,592,496)	31,486,106	235,048,507
(5,674,922)	(1,028,518,129)	(145,120,058)	(26,594,571)	(6,810,381)	(7,412,955)	(222,383,268)
142,134,525	83,190,300,193	(30,836,622,094)	598,018,456	478,356	(254,349,587)	605,107,333
(2,857,429)	–	–	–	–	(7,509,697)	(70,051,947)
(5,991,126)	(722,362,657)	354,428,567	(396,231)	–	3,983,689	(915,581)
–	–	–	–	–	–	–
36,880,554	6,929,037,112	42,925,695,887	701,064,757	293,010,428	564,993,852	6,145,815,921
(163,512,938)	(92,040,306,393)	(10,228,190,429)	(1,431,119,307)	(317,563,557)	(284,570,689)	(7,097,049,135)
(135,480,939)	(85,833,631,938)	33,051,934,025	(730,450,781)	(24,553,129)	276,897,155	(1,022,200,742)
6,653,586	(2,643,331,745)	2,215,311,931	(132,432,325)	(24,074,773)	22,547,568	(417,093,409)
–	–	–	–	–	–	9,678,087
4,045,746	2,666,543,722	(34,223,759)	200,009,961	80,385,166	49,709,949	829,747,940
10,699,332	23,211,977	2,181,088,172	67,577,636	56,310,393	72,257,517	422,332,618
9,318,844	1,641,885,416	141,537,752	27,671,965	(741,217)	31,486,746	214,787,739
6,467,559	–	–	–	–	–	23,882,694
–	–	–	699,916	295,075	123	3,782,455
14,053	(30,988,918)	(3,657,129)	(33)	(5,146,354)	(763)	(7,404,381)
15,800,456	1,610,896,498	137,880,623	28,371,848	(5,592,496)	31,486,106	235,048,507



## Comparative Statement of Cash Flows

For the financial year ended 31 December 2018

	Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund* 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$	Biotechnology Fund 31 December 2018 US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(15,879,605)	–	(237,556,606)	(587,665,733)
Proceeds from sale of financial assets	15,795,714	–	127,110,836	441,819,915
(Outflow)/inflow from forward foreign currency contracts and futures	(163,270)	–	(995,636)	(99,047)
Increase in margin accounts	–	–	–	–
Dividends and interest received	984,526	–	3,408,356	2,516,449
Operating expenses paid	(1,996,441)	–	(2,931,443)	(7,257,378)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,259,076)</b>	<b>–</b>	<b>(110,964,493)</b>	<b>(150,685,794)</b>
<b>Cash flows from financing activities</b>				
Distributions	(4,298)	–	–	–
Income equalisation	4,335	–	55,227	–
Proceeds from redeemable participating shares issued	4,413,562	10,009,250	162,486,815	350,719,159
Redemptions paid to shareholders	(4,560,904)	–	(38,899,222)	(169,258,285)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(147,305)</b>	<b>10,009,250</b>	<b>123,642,820</b>	<b>181,460,874</b>
<b>Net (decrease)/increase in cash</b>	<b>(1,406,381)</b>	<b>10,009,250</b>	<b>12,678,327</b>	<b>30,775,080</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>4,293,302</b>	<b>–</b>	<b>19,278,206</b>	<b>11,132,072</b>
<b>Cash at end of the financial year</b>	<b>2,886,921</b>	<b>10,009,250</b>	<b>31,956,533</b>	<b>41,907,152</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	978,589	–	3,442,079	2,448,445
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	5,939	–	2,708	97,199
Cash paid during the financial year for interest expense	(2)	–	(36,431)	(29,195)
	984,526	–	3,408,356	2,516,449

\* Asian Stars Fund launched on 31 December 2018.

\*\* China Stars Fund launched on 31 August 2018.

\*\*\* Emerging Market Stars Fund launched on 29 June 2018.

\*\*\*\* Global Absolute Return Fund launched on 31 December 2018.

China Stars Fund** 31 December 2018 US\$	Emerging Markets Income Fund 31 December 2018 US\$	Emerging Market Stars Fund*** 31 December 2018 US\$	European ex UK Income Fund 31 December 2018 EUR€	European Income Fund 31 December 2018 EUR€	Financial Opportunities Fund 31 December 2018 US\$	Global Absolute Return Fund**** 31 December 2018 US\$	Global Convertible Fund 31 December 2018 US\$
(11,152,263)	(29,169,859)	(16,525,376)	(97,364,700)	(4,469,594)	(33,966,809)	–	(2,631,496,834)
1,383,613	183,724,749	3,072,905	81,831,979	15,357,469	54,606,005	–	2,551,631,574
1,685	311,976	(45,977)	(373,403)	30,100	39,839	–	9,706,441
–	–	–	–	–	–	–	(42,626,802)
11,339	10,283,558	46,406	10,774,292	611,452	1,526,895	57	47,223,121
(17,146)	(4,291,791)	539	(2,894,119)	(179,409)	(1,039,206)	–	(9,303,920)
(9,772,771)	160,858,633	(13,451,503)	(8,025,951)	11,350,018	21,166,724	57	(74,866,420)
–	(7,399,287)	–	(7,860,316)	(43,828)	(441,047)	–	(23,426,299)
21	(1,150,821)	8,510	(464,554)	(27,093)	(504,863)	–	2,250,753
10,127,025	54,612,933	13,582,823	35,592,538	107,527	26,086,385	10,194,361	273,566,297
–	(205,501,406)	–	(23,136,783)	(1,482,067)	(47,064,691)	–	(136,658,713)
10,127,046	(159,438,581)	13,591,333	4,130,885	(1,445,461)	(21,924,216)	10,194,361	115,732,038
354,275	1,420,052	139,830	(3,895,066)	9,904,557	(757,492)	10,194,418	40,865,618
–	–	–	–	–	–	–	–
–	3,138,859	–	4,153,884	62,221	2,166,591	–	(32,911,293)
354,275	4,558,911	139,830	258,818	9,966,778	1,409,099	10,194,418	7,954,325
11,571	10,302,025	47,623	10,758,600	612,272	1,522,978	–	31,256,277
–	–	–	–	–	–	–	15,967,430
179	32	(60)	16,612	–	4,852	57	390
(411)	(18,499)	(1,157)	(920)	(820)	(935)	–	(976)
11,339	10,283,558	46,406	10,774,292	611,452	1,526,895	57	47,223,121



## Comparative Statement of Cash Flows continued

For the financial year ended 31 December 2018

	Global Insurance Fund 31 December 2018 GBP£	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$
<b>Cash flows from operating activities</b>				
Purchase of financial assets	(396,353,259)	(2,577,830,075)	(77,913,446)	(3,727,993,751)
Proceeds from sale of financial assets	205,720,856	1,988,630,846	82,043,110	3,835,123,278
(Outflow)/inflow from forward foreign currency contracts and futures	(164,720)	(22,832,969)	(157,699)	(817,466)
Increase in margin accounts	–	(40,709,974)	–	(20,012,400)
Dividends and interest received	24,988,199	14,981,443	1,213,939	11,894,916
Operating expenses paid	(14,297,087)	(42,399,499)	(944,671)	(22,588,262)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(180,106,011)</b>	<b>(680,160,228)</b>	<b>4,241,233</b>	<b>75,606,315</b>
<b>Cash flows from financing activities</b>				
Distributions	(8,628,237)	–	(568,109)	–
Income equalisation	256,277	–	(228,988)	–
Proceeds from redeemable participating shares issued	491,609,345	1,560,737,625	70,704,724	509,404,104
Redemptions paid to shareholders	(317,779,027)	(874,980,018)	(74,559,632)	(473,069,170)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>165,458,358</b>	<b>685,757,607</b>	<b>(4,652,005)</b>	<b>36,334,934</b>
<b>Net (decrease)/increase in cash</b>	<b>(14,647,653)</b>	<b>5,597,379</b>	<b>(410,772)</b>	<b>111,941,249</b>
<b>Foreign exchange adjustment on aggregation</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash at beginning of the financial year</b>	<b>35,598,203</b>	<b>164,333,671</b>	<b>668,288</b>	<b>2,535,044</b>
<b>Cash at end of the financial year</b>	<b>20,950,550</b>	<b>169,931,050</b>	<b>257,516</b>	<b>114,476,293</b>
<b>Supplementary cash flow information</b>				
<b>Cash flows from operating activities include:</b>				
Cash received during the financial year for dividend income	24,974,967	14,425,314	1,224,467	11,726,204
Cash received during the financial year for bond interest income	–	–	–	–
Cash received during the financial year for bank interest income	11,459	556,991	(831)	184,034
Cash paid during the financial year for interest expense	1,773	(862)	(9,697)	(15,322)
	24,988,199	14,981,443	1,213,939	11,894,916

The accompanying notes form an integral part of these Financial Statements.



Income Opportunities Fund	Japan Fund	Japan Value Fund	North American Fund	UK Absolute Equity Fund	UK Value Opportunities Fund	Total
31 December 2018	31 December 2018	31 December 2018	31 December 2018	31 December 2018	31 December 2018	31 December 2018
GBP£	JPY¥	JPY¥	US\$	GBP£	GBP£	US\$
(88,285,990)	(129,204,959,589)	(1,570,137,487)	(1,326,158,409)	(460,543,040)	(592,024,881)	(14,627,028,632)
81,623,220	143,636,258,049	7,076,283,202	1,402,825,388	593,108,098	285,447,533	13,721,762,144
2,341,611	(2,847,810,472)	(207,076,962)	(35,923,182)	32,155,037	7,816	(32,237,854)
(447,344)	–	–	–	(88,285,155)	(35)	(208,335,425)
15,656,645	2,727,090,765	108,662,680	31,158,884	(7,463,650)	21,189,890	237,162,114
(4,362,238)	(2,021,855,455)	(50,803,396)	(34,339,677)	(26,908,330)	(7,941,320)	(221,789,570)
6,525,904	12,288,723,298	5,356,928,037	37,563,004	42,062,960	(293,320,997)	(1,130,467,223)
(3,937,807)	–	–	–	–	(1,122,970)	(59,418,170)
(1,604,021)	(104,140,083)	(36,168,273)	(36,096)	–	2,876,319	585,644
56,884,949	57,052,935,336	1,483,462,072	1,391,644,069	317,563,232	410,351,888	6,722,701,857
(86,951,995)	(67,689,808,493)	(7,334,336,770)	(1,262,426,420)	(293,878,104)	(93,607,210)	(5,052,293,266)
(35,608,874)	(10,741,013,240)	(5,887,042,971)	129,181,553	23,685,128	318,498,027	1,611,576,065
(29,082,970)	1,547,710,058	(530,114,934)	166,744,557	65,748,088	25,177,030	481,108,842
–	–	–	–	–	–	(27,448,454)
33,128,716	1,118,833,664	495,891,175	33,265,404	14,637,078	24,532,919	376,087,552
4,045,746	2,666,543,722	(34,223,759)	200,009,961	80,385,166	49,709,949	829,747,940
10,837,709	2,758,533,402	109,577,563	30,887,206	(2,898,172)	21,189,942	220,011,001
4,843,331	–	–	–	–	–	22,531,756
–	–	–	272,425	241,016	–	1,482,986
(24,395)	(31,442,637)	(914,883)	(747)	(4,806,494)	(52)	(6,863,629)
15,656,645	2,727,090,765	108,662,680	31,158,884	(7,463,650)	21,189,890	237,162,114



## Notes to the Financial Statements

For the financial year ended 31 December 2019

### 1. Organisation and Nature of Business

Polar Capital Funds plc (the 'Company') is an open-ended investment company with variable capital and segregated liability between its sub-funds (the 'Funds'), organised under the laws of Ireland. The Company has been authorised by the Central Bank of Ireland (the 'Central Bank') as an Undertaking for Collective Investment in Transferable Securities ('UCITS') pursuant to the UCITS Regulations and structured as an umbrella fund in that different sub-funds thereof may be established with the prior approval of the Central Bank. The redeemable participating shares of the Funds are listed on Euronext Dublin (formerly The Irish Stock Exchange). At 31 December 2019, the Company had twenty active Funds.

The following Funds are currently authorised:

	Date of first issue of share class	Investment management fee	Performance fee
Asian Opportunities Fund	30/03/2012	Up to 1.00%	10%
Asian Stars Fund	31/12/2018	Up to 1.25%	10%
Automation & Artificial Intelligence Fund	06/10/2017	Up to 1.30%	10%
Biotechnology Fund	31/10/2013	Up to 1.50%	10%
China Stars Fund	31/08/2018	Up to 1.25%	10%
Emerging Markets Income Fund	21/01/2011	Up to 1.50%	10%
Emerging Market Stars Fund	29/06/2018	Up to 1.25%	10%
European ex UK Income Fund	01/07/2015	Up to 0.75%	10%
European Income Fund*	31/10/2014	Up to 1.35%	10%
Financial Opportunities Fund	03/05/2011	Up to 1.50%	10%
Global Convertible Fund	30/08/2013	Up to 1.50%	10%
Global Insurance Fund	27/05/2011	Up to 1.25%	10%
Global Absolute Return Fund	31/12/2018	Up to 1.00%	15%
Global Technology Fund	22/10/2001	Up to 1.50%	10%
Healthcare Blue Chip Fund	11/09/2014	Up to 0.85%	10%
Healthcare Opportunities Fund	03/12/2007	Up to 1.50%	10%
Income Opportunities Fund	30/03/2012	Up to 1.25%	10%
Japan Fund**	22/10/2001	Up to 1.50%	10%
Japan Value Fund	01/11/2012	Up to 1.35%	10%
North American Fund	14/11/2011	Up to 1.35%	10%
UK Absolute Equity Fund	29/09/2014	Up to 1.50%	20%
UK Value Opportunities Fund	31/01/2017	Up to 0.75%	10%

\* European Income Fund terminated on 17 January 2019.

\*\* Japan Fund merged with Japan Value Fund on 18 October 2019.

For each Fund, share classes are available to both Institutional and Retail investors to which different fee rates may apply. For further information regarding the investment management fee and performance fee relating to each Fund please refer to the Prospectus and Supplements to the Prospectus.

The following table details the investment objectives for each of the active Funds. Investors should note that there can be no guarantee that any Fund will achieve its investment objectives.

Fund Name	Investment Objective
<b>Asian Opportunities Fund</b>	The investment objective of the Asian Opportunities Fund is to achieve medium-term capital appreciation and to generate growth of investors' capital. In order to achieve its objective the Fund will invest in equity securities of companies listed or traded on Regulated Markets in the Asian markets outside Japan (including Australasia) although the Fund reserves the right to invest in companies whose securities are traded on other Regulated Markets where these companies derive a substantial proportion (i.e. greater than 30 per cent) of their profits from Asian markets outside Japan (including Australasia). The Fund may also invest in listed securities (including ordinary shares, stocks and convertible bonds) issued by such companies.
<b>Asian Stars Fund</b>	The investment objective of the Asian Stars Fund is to achieve medium to long term growth and to primarily invest in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in Asian developed and emerging markets. The fund will generally not invest more than 30% of its Net Asset Value in securities issued by companies in Japan or outside of Asia (such as Australia or New Zealand).
<b>Automation &amp; Artificial Intelligence Fund</b>	The investment objective of Automation & Artificial Intelligence Fund is to achieve long-term capital appreciation by primarily investing in a diversified portfolio of global equity securities which may be listed or traded on a Regulated Market. The Fund is not expected to invest more than 20% of its Net Asset Value in emerging markets. The securities in which the Fund will primarily invest will include equity and equity related securities including, but not limited to, ordinary and preference shares and financial derivative instruments.
<b>Biotechnology Fund</b>	The investment objective of the Biotechnology Fund is to preserve capital and achieve long-term capital appreciation. The Fund will seek to achieve its investment objective by investing in a globally diversified portfolio of biotechnology, diagnostics and life sciences tools companies and will invest in transferable securities including shares, equity warrants and other types of equity related securities such as preferred shares, which will be listed and/or traded on a Regulated Market, and issued by biotechnology, diagnostics and life sciences tools companies. The Fund may also invest in Global depository receipts and American and European depository receipts to gain exposure to biotechnology companies. The Fund may invest in unlisted securities subject to a limit of 10% of its Net Asset Value in unlisted securities. The Fund will seek to outperform the NASDAQ Biotechnology Index.
<b>China Stars Fund</b>	The investment objective of China Stars Fund is to achieve long- term capital growth by primarily investing in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in The Peoples' Republic of China, Hong Kong and Taiwan (together 'Greater China'). The Fund is not expected to invest more than 40% of its Net Asset Value in securities issued by companies outside of Greater China. The securities in which the Fund will invest will include transferable securities, to include shares, equities, equity warrants, preferred shares, shares in collective investment schemes with investment policies that are consistent with the Fund's investment objective and securities convertible into shares, which may be listed on a Regulated Market or unlisted (subject to a limit of 10% of the Net Asset Value of the Fund in unlisted securities) and issued by companies.
<b>Emerging Markets Income Fund</b>	The investment objective of each of the Emerging Markets Income Funds is to achieve both income and long term capital growth by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part of their economic activities in markets/countries which are, in the Investment Manager's opinion, emerging markets/developing countries.
<b>Emerging Market Stars Fund</b>	The investment objective of the Emerging Market Stars Fund is to achieve long term capital growth. The Fund will seek to achieve its investment objective by primarily investing in a diversified portfolio of equity securities and equity related securities of, or relating to companies, which are domiciled, or exercise the predominant part of their economic activity, in emerging markets. The Fund is not expected to invest more than 30% of its Net Asset Value in securities issued by companies outside of the emerging markets. The securities in which the Fund will invest will include transferable securities, such as shares, equities, equity warrants, preferred shares, and shares in collective investment schemes.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

Fund Name	Investment Objective
<b>European ex UK Income Fund</b>	The investment objective of the European ex UK Income Fund is to deliver strong long term risk adjusted returns to achieve both income and capital growth by investing in securities of issuers that are incorporated, have their headquarters, or exercise a significant part greater than 20% of their economic activities in European markets/ countries excluding the United Kingdom. It is anticipated to target an overall yield of 10% higher than that of the Index (MSCI Daily Net Total Return Europe ex UK EUR); however, this cannot be guaranteed.
<b>Financial Opportunities Fund</b>	The investment objective of the Financial Opportunities Fund is to achieve long term capital growth, and in order to achieve its objective the Fund will invest in the securities of financial sector companies and companies related to the financial sector worldwide. These companies primarily include commercial and investment banks, life and non-life insurance and reinsurance companies, asset management and brokerage companies.
<b>Global Absolute Return Fund</b>	The investment objective of the Global Absolute Return Fund is to deliver capital growth over rolling 12-month periods, in all market conditions. There is no guarantee the Fund will achieve this objective over any given period.
<b>Global Convertible Fund</b>	The investment objective of the Global Convertible Fund is to generate both income and long term capital growth by investing in a diversified portfolio of convertible bonds (the underlying of which will be equity securities) and financial derivative instruments. Such securities will be listed and/or traded on a Recognised Exchange. The Fund will have a global geographical focus, and may invest more than 20% of its Net Asset Value in emerging markets.
<b>Global Insurance Fund</b>	The investment objective of the Global Insurance Fund is to provide an attractive total return irrespective of broader economic and financial market conditions. In order to achieve its investment objective the Fund will invest primarily in securities of insurance related companies worldwide. These companies include insurance and reinsurance companies, life assurance companies, insurance brokerage companies and other insurance related businesses including, but not limited to, insurance claims administration companies, insurance support service companies and companies that own insurance related assets.
<b>Global Technology Fund</b>	The investment objective of the Global Technology Fund is long term capital appreciation by way of investing in a globally diversified portfolio of technology companies. Although the Fund may receive income in the form of dividends, interest and from other sources, income is not a primary consideration. The Fund will invest at least two thirds of its net asset value in technology-related companies worldwide. The Fund will take a geographically diversified approach and operate within broad asset allocation ranges, but there are no specified limits on investing in any geographical region or single country.
<b>Healthcare Blue Chip Fund</b>	The investment objective of the Healthcare Blue Chip Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by investing in a globally diversified portfolio of healthcare companies. The Fund will invest in transferable securities including, shares, equity warrants and other types of equity related securities such as preferred shares, which will be listed and/or traded on a Regulated Market, and issued by healthcare companies, to include, but not limited to, pharmaceutical, biotechnology, medical device and healthcare services companies. The Healthcare Blue Chip Fund may also invest in Global depository receipts and American and European depository receipts to gain exposure to healthcare companies.
<b>Healthcare Opportunities Fund</b>	The investment objective of the Healthcare Opportunities Fund is to preserve capital and achieve long term capital appreciation by investing in a globally diversified portfolio of healthcare companies. The Fund will seek to outperform the MSCI Global Healthcare Index whilst striving to limit the volatility of the Fund's returns. The Fund will take a geographically diversified approach and operate within broad asset allocation ranges, but there are no specified limits on investing in any geographical region or in any sub-sector of healthcare. Non-healthcare related securities will not exceed one third of the Fund's total assets.
<b>Income Opportunities Fund</b>	The investment objective of the Income Opportunities Fund is to provide an attractive level of income together with capital growth. In order to achieve its objective the Fund will invest primarily in the equity, debt and other securities of listed financial companies. The debt securities in which the Fund will invest will be fixed and floating rate and include, but are not limited to, preference shares, convertible bonds, debentures and bonds with the restriction that unrated debt securities will not be greater than 25% of the Net Asset Value of the Fund. The other securities in which the Fund may invest will be securities with equity characteristics, including but not limited to preferred stocks, as well as depository receipts (including global depository receipts traded) for such securities.

Fund Name	Investment Objective
<b>Japan Value Fund</b>	The investment objective of the Japan Value Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by investing primarily in equity securities of issuers that exercise a significant part of their economic activities in Japan or are organised under the laws of Japan. The Fund intends to primarily invest its assets in securities listed on the Tokyo and regional Japanese exchanges that are Regulated Markets. Investment will primarily be concentrated in securities listed on the Tokyo Stock Exchange, however, the Fund may also, to a limited extent, invest in securities listed on regional Japanese exchanges. In addition, the Fund may also, to a limited extent, invest in securities listed and/or traded globally on Regulated Markets which securities provide exposure to the Japanese market.
<b>North American Fund</b>	The investment objective of the North American Fund is to achieve long term capital appreciation. The Fund invests in a diversified portfolio of securities of North American companies. The Investment Manager will invest in large, medium and small capitalisation companies depending on market liquidity and as it judges the available opportunities.
<b>UK Absolute Equity Fund</b>	The investment objective of the UK Absolute Equity Fund is to achieve a positive absolute return over rolling one year periods, notwithstanding changing market conditions. Capital is at risk and there is no guarantee that a positive return will be delivered over any one or a number of twelve month periods. The Fund will invest directly, or indirectly through the use of financial derivative instruments, predominantly in the equities of United Kingdom companies and, to a significantly lesser degree, European and global equities. The Fund may, at any one time, be significantly invested in financial derivative instruments.
<b>UK Value Opportunities Fund</b>	The investment objective of UK Value Opportunities Fund is to achieve long term capital appreciation. The Fund will seek to achieve its investment objective by primarily investing in a diversified portfolio of equity securities listed in the UK. The securities in which the Fund will invest will primarily include equity securities including, but not limited to ordinary and preference shares and equity warrants. The Fund will aim to outperform the FTSE All-Share Total Return Index by investing in undervalued companies or shares, whilst striving to reduce the volatility of the Fund's return by investing in a diversified portfolio.

## 2. Principal Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below.

### A. Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'), with Irish Statute comprising the Companies Act 2014 and with the Central Bank UCITS Regulations.

The financial statements have been prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss and derivative financial instruments in accordance with the relevant accounting standards. All other assets and liabilities are short term in nature and their carrying value approximates fair value. Redeemable participating shares are stated at redemption amount (redeemable participating shares).

The format and certain wording of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

European Income and Japan Fund financial information have been prepared on a non-going concern basis of accounting where all assets are stated at their estimated recoverable amounts. As the assets of the Funds were already carried at amounts which approximate their recoverable amounts the re-measurement has not resulted in any adjustments to their value.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 2. Principal Accounting Policies continued

### A. Basis of preparation continued

#### International Financial Reporting Standards

The Company has adopted all applicable International Financial Reporting Standards as endorsed by the European Union.

The Company classifies its redeemable shares as financial liabilities in accordance with IAS 32. The financial statements of the Company also include qualitative disclosure which indicates how the net asset value attributable to redeemable shareholders is calculated.

The combination of the above disclosures is considered, in this instance, to be sufficient to address the requirements of the amendments.

#### IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

On 7 June 2017, the international Accounting Standards Board issued IFRIC Interpretation 23 – uncertainty over Income Tax Treatments (the 'Interpretation'). The Interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over the income tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its financial statements.

Upon adoption of the Interpretation on 1 January 2019, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Company.

The accounting policies have been applied consistently by the Company.

### B. Swing pricing/dilution levy

A Fund may suffer dilution of the net asset value per share due to investors buying or selling shares in a Fund at a price that does not reflect dealing and other costs that arise when security trades are undertaken by the Investment Manager to accommodate cash inflows or outflows.

In order to counter this impact, a swing pricing mechanism has been adopted to protect the long-term interests of shareholders of the Funds. If, on any valuation date, the aggregate net capital activity of a Fund exceeds a pre-determined threshold, as established and reviewed by the Board of Directors of the Company, the net asset value per share will be adjusted upwards or downwards to reflect costs associated with the net capital inflows/(outflows) respectively.

The swing factor is impacted by three factors:

1. Adjustment for the spread between the bid and offer price of the underlying securities (currently a Fund will only swing to bid on material net redemptions).
2. An adjustment for broker fees and other market charges.
3. An adjustment for governmental taxes and duties payable on securities transactions.

As a result of capital activity at the financial year end on the UK Value Opportunities Fund, this Funds' net asset value per share at the financial year end was adjusted to reflect factors two and three above. The level of activity was not sufficiently material to justify applying factor one, or to require adjustment for any other Funds.

For financial reporting purposes, the net assets of each Fund at 31 December 2019 as disclosed in the Statement of Financial Position and Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares, does not reflect any swing pricing or duties and charges adjustment. The net asset value per share at 31 December 2019 used for dealing purposes, which is shown in Note 9 and Note 12, includes any swing price adjustments.

The following table sets out a reconciliation of the financial reporting net asset value per share and the dealing Net Asset Value per share for the two Funds affected:

	Dealing NAV per share	Swing Pricing Adjustment*	Financial Statements NAV per share
Income Opportunities Fund			
Class A1 Sterling Distribution	£1.39	–	£1.39
Class A2 Sterling Accumulation	£2.31	–	£2.31
Class B1 Sterling Distribution	£1.47	–	£1.47
Class B2 Sterling Accumulation	£2.41	–	£2.41
Class I Euro Accumulation	€2.84	–	€2.84
Class I Euro Distribution	€1.73	–	€1.73
Class I Euro Hedged Accumulation	€13.89	–	€13.89
Class I Euro Hedged Distribution	€11.84	–	€11.84
Class I US Dollar Accumulation	\$3.19	–	\$3.19
Class I US Dollar Distribution	\$1.94	–	\$1.94
Class R Euro Accumulation	€2.73	–	€2.73
Class R Euro Distribution	€1.64	–	€1.64
Class R Euro Hedged Accumulation	€13.66	–	€13.66
Class R Euro Hedged Distribution	€11.65	–	€11.65
Class R US Dollar Accumulation	\$3.06	–	\$3.06
Class R US Dollar Distribution	\$1.84	–	\$1.84
Class R US Dollar Hedged Accumulation	\$11.65	–	\$11.65
Class R US Dollar Hedged Distribution	\$10.47	–	\$10.47
Class Z Sterling Accumulation	£11.13	–	£11.13
Class Z Sterling Distribution	£11.13	–	£11.13

	Dealing NAV per share	Swing Pricing Adjustment	Financial Statements NAV per share
UK Value Opportunities Fund			
Class I Sterling Accumulation	£13.21	£0.06	£13.15
Class I Sterling Distribution	£12.82	£0.06	£12.76
Class R Sterling Accumulation	£11.13	£0.05	£11.08
Class S Sterling Accumulation	£13.25	£0.05	£13.20
Class S Sterling Distribution	£12.84	£0.06	£12.78
Class Z Sterling Accumulation	£11.78	£0.05	£11.73
Class Z Sterling Distribution	£11.78	£0.05	£11.73

\* There was no swing price adjustment during the financial year.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 2. Principal Accounting Policies continued

#### C. Foreign exchange translation

##### (i) Presentational currency

Items included in the Company's Financial Statements are measured using the currency of the primary economic environment in which it operates (the 'presentational currency'). The presentation currency for the Company is US Dollars ('\$' or 'US\$'). The functional currency for each Fund is driven by the investment policy of each Fund. This is US\$ for all Funds with the exception of European ex UK Income Fund and European Income Fund, for which the functional currency is Euro ('EUR or €'), Global Insurance Fund, Income Opportunities Fund, UK Absolute Equity Fund and UK Value Opportunities Fund, the functional currency of which is Sterling ('GBP or £') and Japan Fund and Japan Value Fund, for which the functional currency is Japanese yen ('JPY or ¥').

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. For the purposes of aggregation, the amounts in the financial statements for the European ex UK Income Fund, European Income Fund, Global Insurance Fund, Income Opportunities Fund, Japan Fund, Japan Value Fund, UK Absolute Equity Fund and UK Value Opportunities Fund have been translated to US\$ at the exchange rate ruling at the financial year end.

The foreign currency translation adjustment of US\$167,431,623 (31 December 2018: (US\$181,739,103)) included in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares is due to the movement in exchange rates between 1 January 2019 and 31 December 2019 and the rate difference arising on the translation of the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares at average rates. The translation is in relation to the notional value for the Company only and has no impact on any individual Fund.

Proceeds from subscriptions and amounts paid on redemption of redeemable participating shares are translated at daily rates, which approximate the rates prevailing at the dates of the transactions.

#### D. Investments at fair value

##### (i) Classification of financial assets

On initial recognition, the Company classifies financial assets as measured at amortised cost or fair value through profit or loss ('FVTPL'). A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are Solely Payments of Principal and Interest ('SPPI').

The Company's financial assets: Include equity investments, investments in unlisted open-ended investment funds and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place, other than short term receivables held for collection and which meet the criteria for measurement at amortised cost.



The Company's financial assets and liabilities are measured as follows:

<b>Financial Assets</b>	<b>Measurement</b>
Equities	FVTPL
Debt securities	FVTPL
Investment funds	FVTPL
Financial derivative instruments	FVTPL
Cash and cash equivalents	Amortised cost
Other assets	Amortised cost
<b>Financial Liabilities</b>	
Financial derivative instruments	FVTPL
Other liabilities	Amortised cost
Net assets attributable to unitholders	

### **(ii) Recognition and derecognition of financial liabilities**

Purchases and sales of investments are recognised on trade date, which is the date on which the Company commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

### **(iii) Measurement**

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Other financial assets are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method. Financial liabilities arising from the redeemable participating shares issued by the Funds are carried at the redemption amount representing the investors' right to a residual interest in the Funds' assets.

### **Gains and losses on investments**

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Statement of Comprehensive Income in the period in which they arise.

Investment transactions are accounted for on a trade date basis. Profits and losses on the disposal of investments are calculated by reference to the net proceeds received on disposal and the cost attributable to those investments based on the first in first out basis and are included in the Statement of Comprehensive Income.



## 2. Principal Accounting Policies continued

### D. Investments at fair value continued

#### (iv) Fair value measurement principles

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the Statement of Financial Position date. The value of financial assets and liabilities which is quoted, listed or normally dealt in on a regulated market shall be the last traded price on such regulated market as at the valuation point or the mid-price, where no trades occurred on such day where relevant.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the value of any investment which is not quoted, listed or normally dealt in on a regulated market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such investment (approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary).

#### Investment funds

Open-ended Investment funds are included in the accounts at the last reported NAV at close of business on the last dealing day of the reporting period. The changes in the daily net asset value of these Units are recognised in the Statement of Comprehensive Income.

#### Contracts for difference and swaps

Contracts for difference and equity swaps are agreements between the Company and third parties which allow the Company to acquire an exposure to the price movement of specific securities without actually purchasing the securities. The changes in contract values are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on contracts for difference and equity swaps are recognised in the Statement of Comprehensive Income.

#### Futures

A futures contract is an agreement between two parties to buy or sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Company is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as 'initial cash margin'. Subsequent payments ('variation margin') are made or received by the Company each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on futures contracts are recognised in the Statement of Comprehensive Income.

#### Forward foreign currency contracts

A forward foreign currency contract ('FFCC') involves an obligation to purchase or sell a specific currency at a future date at a price set at the time the contract is made. FFCCs will be valued by reference to the forward price at which a new FFCC of the same size and maturity could be undertaken at the valuation date. The realised and unrealised gain or loss on open FFCC is calculated as the difference between the contract rate and this FFCC price and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on FFCCs are recognised in the Statement of Comprehensive Income. Where a FFCC is purchased to hedge the currency risk of a specific class which is issued in a currency other than the measurement currency of the Company, all gains or losses on that contract are allocated to that class.

#### Options

As part of the Company's investment strategy, it enters into options which are recognised in the Statement of Financial Position at fair value. The premium on purchased put options exercised is subtracted from the proceeds of the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on purchased call options exercised is added to the cost of the securities or foreign currency purchased. Premiums paid on the purchase of options which expire unexercised are treated as realised losses. Unrealised gains or losses on options are included in assets or liabilities on the Statement of Financial Position and movements are dealt with through the Statement of Comprehensive Income.

#### Warrants

Warrants are sometimes used to gain exposure to emerging market equities where custody, liquidity, or other issues make ownership of local shares sub-optimal. The valuation of warrants depends on the level of trading. If the warrants are actively traded in the market then the market price is used. If the warrants are not actively traded in the market then the intrinsic value of the warrant based on the underlying equity price and the warrant strike price is used.

## E. Other measurement principles

### Cash and bank overdrafts

Cash, other liquid assets and bank overdrafts are valued at their face value with interest accrued, where applicable. Cash at bank and bank overdraft balances are comprised of cash balances held with The Northern Trust Company ('TNTC') and includes investors' money held in collection accounts.

### Margin cash and margin receivable

Cash provided by the Funds to a counterparty in relation to futures and option contracts is identified in the Statement of Financial Position as Margin Cash. Margin Cash is not included as a component of cash and cash equivalents in the Statement of Financial Position and is not available to the Funds on demand.

Margin receivable or payable is held with or due to Credit Suisse Securities (Europe) Limited and UBS AG.

### Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at amortised cost plus transaction costs that are directly attributable to their acquisition.

### Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between proceeds and amount payable is recognised over the period of the payable using the effective interest method.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Company has an ISDA Master Agreement (the 'Agreement') with UBS AG. Under certain conditions, as set out under the Agreement, amounts payable by one party to the other in respect of derivative contracts covered by the Agreement may be off-set against any other amounts payable by the payee to the payer.

### Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. Distributions on these redeemable participating shares are recognised in the Statement of Comprehensive Income as finance costs.

Redeemable participating shares can be put back to the Company at any time for cash equal to a proportionate share of the Company's net asset value. The redeemable participating shares are carried at the present value of the redemption amount that is payable at the Statement of Financial Position date if the shareholders exercised their rights to put the shares back to the Company.

### Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs on the purchase and sale of bonds, forward foreign currency contracts, CFDs, investment funds and warrants are included in the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

Transaction costs on purchases and sales of equities, futures and options are included in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income for each Fund. These costs are separately identifiable and are disclosed in Note 15.

### Income Equalisation

Income equalisation is a process by which accrued income included in the price of shares purchased and redeemed during the accounting financial year is reported to Shareholders. The subscription price of Shares is deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Fund and the first distribution in respect of any Share will include a payment of income usually equal to or greater than the amount of such equalisation payment. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the date of redemption. Income equalisation is classified as investment income in the Statement of Comprehensive Income.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 2. Principal Accounting Policies continued

#### F. Distribution policy

The share classes of certain Funds have been approved by the United Kingdom HM Revenue and Customs as Reporting Funds in accordance with the UK Offshore Funds (Tax) Regulations 2009. The Directors intend to continue the distribution policy as outlined below unless otherwise specified in the relevant fund supplement. Dividends, if declared, will only be paid out of the Company's net investment income return (i.e. income from dividends, interest or otherwise, less the Company's accrued expenses to be certified for the accounting period), realised and unrealised profits on the disposal/revaluation of investments and other assets less realised and unrealised losses of the Company, although the amount available for distribution in respect of certain Funds may be effectively increased by the charging of expenses to capital. Funds which can avail of this facility are identified in the relevant Fund supplement.

Dividends will normally be paid in May of each financial year for all of the Funds except for the Distributing Share Classes of the Emerging Market Income Fund, European ex UK Income Fund, European Income Fund, Global Convertible Fund and Financial Opportunities Fund for which dividends will be paid in July and January and for the Distributing Share Classes of the Global Insurance Fund and Income Opportunities Fund for which dividends are to be declared at the beginning of each calendar quarter in respect of the preceding quarter, and paid by the end of the month in which they are declared. Any dividend paid on a redeemable participating share that is not claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited for the benefit of the Company.

#### G. Operating expenses

The Company is responsible for all normal operating expenses including investment management fees, depositary fees, performance fees, administration fees, audit fees, stamp duties and accruals and other duties and charges incurred on the acquisition and realisation of investments. These are accounted for on an accruals basis. The Investment Manager, Polar Capital LLP ('the Investment Manager'), meets all other operating expenses incurred by it in connection with its services.

#### H. Interest and dividend income

Interest income and expense is recognised in the Statement of Comprehensive Income for all the relevant instruments using the effective interest method. The effective interest method is a method of calculating the amortised cost of the financial asset or the financial liability and of allocating the interest income or expense over the relevant period.

Dividends are recognised to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as 'ex-dividend'. Dividend income is recorded gross of irrecoverable dividend withholding tax which is disclosed separately in the Statement of Comprehensive Income. Bank interest income is recognised on an accruals basis.

### 3. Fees and Expenses

The Investment Manager is entitled to receive an investment management fee and a performance fee in respect of each Fund together with any extraordinary out of pocket expenses. The investment management fee is accrued daily and is payable monthly in arrears. Please see note 1 for a breakdown of investment management and performance fee rates for each Fund. Investment management fees are calculated before deduction for any accrued performance fees. An initial payment of the investment management fee based on the most recently published Net Asset Value will be made on the last day of each month, with an adjustment being made where necessary, on the last day of the next month. All fees paid to the Investment Manager, including any performance fees, are disclosed separately in the Statement of Comprehensive Income. US\$25,763,119 (31 December 2018: US\$62,687,906) was due to the Investment Manager at 31 December 2019, which includes both investment management and performance fees. Please refer to Note 3 for further details.

In general, the performance fee is calculated separately for each class of shares in a Fund and is equal to a percentage of the amount by which the increase in the Net Asset Value (prior to the provision for a performance fee) during the relevant performance period exceeds the increase in the Indexed Net Asset Value (the specific established index that the respective Fund is aiming to track) over the same period. However, the precise method of calculation may differ in each case. Full details are set out in the Prospectus supplement for each Fund. The performance fee is accrued daily and payable annually on 31 December, where there is a performance fee payable.

The Administrator is entitled to receive a fee of 0.09% of the first US\$1.5 billion of the Company's Net Asset Value, 0.07% of the next US\$3.5 billion of the Company's Net Asset Value, 0.04% of the next US\$5 billion of the Company's Net Asset Value and 0.02% of the Company's Net Asset Value thereafter, subject to a monthly minimum fee of US\$3,500 in respect of each Fund, which shall be accrued daily and paid monthly in arrears. The Administrator shall also be entitled to be repaid out of the assets of the Company or relevant Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Company (which shall include legal fees, couriers' fees and telecommunication costs and expenses).

The Depositary is entitled to an annual fee from the Company accrued daily and paid monthly in arrears of 0.015% of the Company's Net Asset Value, subject to a monthly minimum fee of US\$1,200 in respect of each Fund, which shall be accrued daily and paid monthly in arrears. The Depositary shall also be entitled to be repaid out of the assets of each Fund all reasonable out-of-pocket expenses incurred by it on behalf of the relevant Fund (such as telephone, postage, printing, legal and fax expenses) including stamp duties and registration fees and the fees and expenses of sub-custodians, at normal commercial rates.

The Austrian Paying Agent, Meindl Bank AG, is entitled to receive an annual fee of €3,000 and is entitled to receive reimbursement of agreed costs incurred in transmitting dividends, redemption proceeds and documentation to Shareholders in Austria.

The German Paying and Information Agent, Deutsche Bank AG, is entitled to receive an annual fee of €18,000, a proportional handling fee for each new Fund and agreed costs in transmitting dividends, redemption proceeds and documentation to Shareholders in Germany.

The French paying and information agent, BNP Paribas Securities Services, is entitled to receive an annual fee of €7,000, a proportional handling fee for each new Fund and agreed costs in transmitting dividends, redemption proceeds and documentation to Shareholders in France.

BNP Paribas Securities Services also act as the Swiss Representative and Swiss Paying Agent and for the financial year ended 31 December 2019 was entitled to receive the following fees for this service:

- (i) an annual fee of CHF 34,000;
- (ii) additional hours for extraordinary expenditures which are not covered by the agreement and which are billed at CHF 250 per hour;
- (iii) reimbursement for all external costs, such as the publication of rates or other publication costs, charges levied by the Swiss Financial Market Supervisory Authority ('FINMA') and any amounts charged by external lawyers on behalf of the Company.

The Austrian, German, French, Sweden and Swiss paying agents are also entitled to receive reimbursement of any reasonable out of pocket expenses incurred by them in the performance of their duties.

The Directors fees are disclosed in Note 8 and the Statement of Comprehensive Income.

### Auditors' remuneration

The remuneration for all work carried out by the statutory auditors in respect of the financial year is as follows:

	2019 EUR€	2018 EUR€
Statutory audit fee	154,000	154,000
Other assurance services	–	–
Tax advisory services	–	–
Other non audit services	–	–
	154,000	154,000



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 4. Bank Overdraft

The Company has an overdraft facility with The Northern Trust Company for liquidity purposes. The assets of the relevant Fund are held as collateral for the overdraft when it is utilised. As at the financial year end the following Funds had bank overdrafts:

Automation & Artificial Intelligence Fund: US\$17,354,599 (31 December 2018: US\$Nil)

Biotechnology Fund: US\$1,857,468 (31 December 2018: US\$Nil)

China Stars Fund: US\$139,802 (31 December 2018: US\$Nil)

European ex UK Income Fund: EUR €Nil (31 December 2018: EUR €1,027,570)

Global Absolute Return Fund: US\$23,893,785 (31 December 2018: US\$Nil)

Global Convertible Fund: US\$28,018,836 (31 December 2018: US\$Nil)

Global Insurance Fund: GBP£1,773,050 (31 December 2018: GBP£Nil)

Healthcare Blue Chip Fund: US\$1,810,815 (31 December 2018: US\$Nil)

Healthcare Opportunities Fund: US\$23,186,649 (31 December 2018: US\$Nil)

Japan Fund: JPY¥2,916,622 (31 December 2018: JPY¥Nil)

Japan Value Fund: JPY¥Nil (31 December 2018: JPY¥46,517,550)

North American Fund: US\$1,667,875 (31 December 2018: US\$Nil)

UK Value Opportunities Fund: GBP£43,919 (31 December 2018: GBP£Nil)

### 5. Soft Commissions and Investment Research

The Investment Manager has committed to the Company that it will bear the cost of all general written research consumed by its investment teams. For certain strategies where the consumption of specialised research is regarded as critical to the investment process, the Company will pay for such costs up to a level pre-agreed with the Directors. The Funds that paid for the cost of specialised research are listed below:

Asian Opportunities Fund	Global Insurance Fund
Asian Stars Fund	Global Technology Fund
Automation & Artificial Intelligence Fund	Healthcare Blue Chip Fund
Biotechnology Fund	Healthcare Opportunities Fund
China Stars Fund	Income Opportunities Fund
Emerging Markets Income Fund	Japan Fund
Emerging Market Stars Fund	Japan Value Fund
Financial Opportunities Fund	UK Absolute Equity Fund
Global Absolute Return Fund	UK Value Opportunities Fund
Global Convertible Fund	

The Investment Manager received no soft commissions during the financial year.

## 6. Exchange Rates

The exchange rates used at 31 December 2019 and 31 December 2018 were as follows:

Exchange Rate	31 December 2019 to US\$	31 December 2018 to US\$
Australian dollar	1.4226	1.4205
Brazilian real	4.0227	3.8758
Canadian dollar	1.2968	1.3658
Czech koruna	22.6406	22.5141
Danish krone	6.6570	6.5280
Egyptian pound	16.0500	17.9200
Euro	0.8909	0.8748
Hong Kong dollar	7.7918	7.8294
Hungary forint	294.6192	280.6281
Indian rupee	71.3782	69.8150
Indonesian rupiah	13,882.5000	14,380.0000
Japanese yen	108.9850	109.7150
South Korean won	1,156.4500	1,115.8000
Malaysian ringgit	4.0905	4.1325
Mexican peso	18.8840	19.6938
Norwegian krone	8.7873	8.6592
Pakistani rupee	154.8650	138.8000
Philippine peso	50.6450	52.5850
Polish zloty	3.7873	3.7568
Qatari riyal	3.6410	3.6413
Romanian leu	4.2639	4.0721
Singapore dollar	1.3447	1.3630
South Africa rand	13.9835	14.3850
Sri Lanka rupee	181.3750	182.9000
Sterling	0.7549	0.7852
Swedish krona	9.3611	8.8659
Swiss franc	0.9684	0.9858
Taiwan dollar	29.9770	30.7370
Thai baht	29.9538	32.5600
Turkish lira	5.9510	5.3199
UAE Dirham	3.6732	3.6732



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 6. Exchange Rates continued

Exchange Rate	31 December 2019 to EUR€	31 December 2018 to EUR€
Danish krone	7.4725	7.4624
Japanese yen	122.3357	125.4208
Norwegian krone	9.8638	9.8987
Sterling	0.8473	0.8976
Swedish krona	10.5078	10.1350
Swiss franc	1.0870	1.1269
United States dollar	1.1225	1.1432

Exchange Rate	31 December 2019 to GBP£	31 December 2018 to GBP£
Australian dollar	1.8846	1.8091
Brazilian real	5.3291	4.9362
Canadian dollar	1.7179	1.7395
Danish krone	8.8189	8.3140
Euro	1.1802	1.1141
Hong Kong dollar	10.3222	9.9715
Indian rupee	94.5583	88.9165
Indonesian rupiah	18,390.8518	18,314.3885
Japanese yen	144.3780	139.7332
Malaysian ringgit	5.4189	5.2632
Norwegian krone	11.6410	11.0283
Singapore dollar	1.7813	1.7359
South Africa rand	18.5247	18.3208
Swedish krona	12.4011	11.2916
Swiss franc	1.2828	1.2555
Thai baht	39.6813	41.4685
United States dollar	1.3248	1.2736

Exchange Rate	31 December 2019 to JPY¥	31 December 2018 to JPY¥
Euro	0.0082	0.0080
Sterling	0.0069	0.0072
Swiss franc	0.0089	0.0090
United States dollar	0.0092	0.0091

All exchange rates are official rates and come from quoted sources.



## 7. Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended (the 'TCA'). On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise if a 'chargeable event' occurs. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation, transfer or deemed disposal of shares for Irish tax purposes, arising as a result of holding shares in the Company for a period of eight years or more, or the appropriation or cancellation of shares of a shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- (i) transactions by a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided that a relevant declaration is in place (in accordance with Schedule 2b of the TCA) and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct; or
- (ii) transactions by a shareholder who is an exempt Irish investor (as defined in Section 739D TCA).

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

During the financial year ended 31 December 2019 and 31 December 2018 the following Funds were subject to Indian and Brazilian capital gain taxes on sale of investments: Asian Opportunities, Asian Stars, Emerging Market Stars and Financial Opportunities. Such charges are included in Net realised and unrealised gain/(loss) on investments in Statement of Comprehensive Income.

## 8. Related Party Transactions

A number of the Directors held interests in the funds during the financial year. At the end of the year, their interests were as follows:

Director	Fund	Share Class	Number of Holdings	
			31 December 2019	31 December 2018
David Astor	Financial Opportunities Fund	Class I Sterling Distribution	4,685	4,685
	Income Opportunities Fund	Class A1 Sterling Distribution	–	10,000
	Income Opportunities Fund	Class B1 Sterling Distribution	9,531	–
	Japan Fund	Class I Hedged Sterling Distribution	–	1,000
	Japan Value Fund	Class S Hedged	1,125	–
Charles Scott	Biotechnology Fund	Class I US Dollar Distribution	10,707	10,707
	Global Insurance Fund	Class R US Dollar Accumulation	61,690	61,690
	Income Opportunities Fund	Class B2 Sterling Accumulation	156,424	156,424
	Japan Fund	Class I Hedged Euro Distribution	–	8,383
	UK Absolute Equity Fund	Class I Sterling Distribution	–	6,930
Robert Bovet	Biotechnology Fund	Class I US Dollar Distribution	8,000	8,000
James Cayzer-Colvin	UK Absolute Equity Fund	Class I Sterling Distribution	2,500	–
Ronan Daly	Global Insurance Fund	Class I Hedged US Dollar Accumulation	9,232	9,232

No other Director had any interest in the redeemable participating shares of the Company during the financial year.

The remuneration of the Directors of the Company may not, in the aggregate, exceed €1,000,000. Directors fees earned during the financial year ended 31 December 2019 and 31 December 2018 are disclosed in the Statement of Comprehensive Income.

James Cayzer-Colvin is a Director of both the Company and the holding company of Polar Capital LLP.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 8. Related Party Transactions continued

Polar Capital LLP is the Investment Manager of Polar Capital Funds plc and Polar Capital Partners Limited is a controlling partner of Polar Capital LLP. As at 31 December 2019 and 31 December 2018, Polar Capital Partners Limited held shares in the Funds listed below:

Fund	Number of Shares	
	31 December 2019	31 December 2018
<b>Asian Opportunities Fund</b>		
Class I Euro Distribution	11	11
Class I Euro Hedged Distribution	100	100
Class I Sterling Distribution	12	12
Class I Sterling Hedged Distribution	100	100
Class I US Dollar Distribution	108	108
<b>Asian Stars Fund</b>		
Class I Euro Accumulation	114	114
Class I Sterling Accumulation	127	127
Class I US Dollar Accumulation	100	100
Class R Euro Accumulation	114	114
Class R Sterling Accumulation	127	127
Class R US Dollar Accumulation	100	100
Class S Euro Accumulation	114	114
Class S Sterling Accumulation	127	127
Class S US Dollar Accumulation	545,500	1,000,000
<b>Automation &amp; Artificial Intelligence Fund</b>		
Class I Euro Accumulation	117	117
Class I Sterling Accumulation	130	130
Class I US Dollar Accumulation	100	100
Class R Euro Accumulation	117	117
Class R US Dollar Accumulation	100	100
Class S Euro Accumulation	117	117
Class S Sterling Accumulation	99,486	60,521
Class S US Dollar Accumulation	100	100
Class Z Sterling Accumulation	100	–
<b>Biotechnology Fund</b>		
Class I Sterling Hedged Distribution	100	100
Class S Sterling Distribution	2,046	16

Fund	Number of Shares	
	31 December 2019	31 December 2018
<b>China Stars Fund</b>		
Class I Euro Accumulation	116	116
Class I Sterling Accumulation	130	130
Class I US Dollar Accumulation	100	100
Class R Euro Accumulation	116	116
Class R Sterling Accumulation	130	130
Class R US Dollar Accumulation	100	100
Class S Euro Accumulation	116	116
Class S Sterling Accumulation	3,343	130
Class S US Dollar Accumulation	601,196	1,000,000
<b>Emerging Market Stars Fund</b>		
Class I Euro Accumulation	12	12
Class I Sterling Accumulation	13	13
Class I US Dollar Accumulation	10	10
Class R Euro Accumulation	12	12
Class R Sterling Accumulation	13	13
Class R US Dollar Accumulation	10	10
Class S Euro Accumulation	12	12
Class S Sterling Accumulation	3,476	13
Class S US Dollar Accumulation	1,000,000	1,000,000
Class X US Dollar Accumulation	100	–
Class X Euro Accumulation	113	–
Class X Swedish Krona Accumulation	11	–
<b>Emerging Markets Income Fund</b>		
Class S Euro Accumulation	13	13
Class S Euro Distribution	18	17
Class S Sterling Accumulation	56,581	–
Class S US Dollar Accumulation	10	10
<b>European ex UK Income Fund</b>		
Class I Euro Accumulation	103	103
Class I Sterling Distribution	166	158
Class I Sterling Hedged Accumulation	100	100
Class I Sterling Hedged Distribution	118	113
Class S Sterling Accumulation	48,779	141
Class S Sterling Hedged Accumulation	100	100
Class S Sterling Hedged Distribution	118	113
Class X Sterling Accumulation	100	–
Class X Sterling Distribution	101	–



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 8. Related Party Transactions continued

Fund	Number of Shares	
	31 December 2019	31 December 2018
<b>European Income Fund</b>		
Class I Euro Accumulation	–	100
Class I Euro Distribution	–	116
Class I Sterling Accumulation	–	797,194
Class I Sterling Distribution	–	148
Class I Swiss Franc Accumulation	–	83
Class I Swiss Franc Distribution	–	96
Class I US Dollar Accumulation	–	80
Class I US Dollar Distribution	–	92
Class R Euro Accumulation	–	100
Class R Euro Distribution	–	116
Class R Sterling Accumulation	–	128
Class R Sterling Distribution	–	148
Class R Swiss Franc Accumulation	–	83
Class R Swiss Franc Distribution	–	96
Class R US Dollar Accumulation	–	80
Class R US Dollar Distribution	–	92
Class S Euro Accumulation	–	100
Class S Euro Distribution	–	116
Class S Sterling Accumulation	–	128
Class S Sterling Distribution	–	148
Class S Swiss Franc Accumulation	–	83
Class S Swiss Franc Distribution	–	96
Class S US Dollar Accumulation	–	80
Class S US Dollar Distribution	–	93
<b>Financial Opportunities Fund</b>		
Class I Euro Accumulation	11	11
Class I Euro Distribution	6	6
Class I US Dollar Accumulation	5	5
Class I US Dollar Distribution	6	6
Class R Euro Accumulation	10	10
Class R Euro Distribution	6	5
Class R Sterling Accumulation	17	17
Class R US Dollar Accumulation	11	11
Class R US Dollar Distribution	8	–

Fund	Number of Shares	
	31 December 2019	31 December 2018
<b>Global Absolute Return Fund</b>		
Class I Hedged Euro Accumulation	10	10
Class I Hedged Sterling Accumulation	10	10
Class I US Dollar Accumulation	10	10
Class S Hedged Euro Accumulation	10	10
Class S Hedged Sterling Accumulation	88,472	80,000
Class S US Dollar Accumulation	30,304	10
<b>Global Convertible Fund</b>		
Class I Hedged Euro Accumulation	100	100
Class I Hedged Swiss Franc Accumulation	50	50
Class Portfolio Currency Hedged Euro I Accumulation	20,500	20,500
Class Portfolio Currency Hedged Sterling I Distribution	1,116	1,072
Class Portfolio Currency Hedged Sterling S Distribution	100	–
Class R Euro Distribution	168	161
Class R Sterling Accumulation	155	155
Class R Sterling Distribution	197	189
Class R US Dollar Accumulation	100	100
Class R US Dollar Distribution	127	122
Class S Euro Accumulation	137	137
Class S Euro Distribution	171	164
Class S Hedged Sterling Accumulation	19,955	1,380
Class S Hedged Sterling Distribution	123	118
Class S Hedged Swiss Franc Accumulation	50	50
Class S US Dollar Accumulation	100	100
Class S US Dollar Distribution	124	119
Class SI Sterling Accumulation	100	100
<b>Global Insurance Fund</b>		
Class I Euro Distribution	51	50
Class I Hedged Euro Accumulation	100	100
Class I Hedged US Dollar Accumulation	100	100
Class I Sterling Accumulation	87,186	6,619
Class R Euro Distribution	51	51
Class R US Dollar Distribution	36	35



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 8. Related Party Transactions continued

Fund	Number of Shares	
	31 December 2019	31 December 2018
<b>Global Technology Fund</b>		
Class I Hedged Euro Distribution	100	100
Class I Hedged Sterling Distribution	934	100
Class I Hedged Swiss Franc Distribution	100	100
Class I Sterling Distribution	6,552	–
Class R Hedged Euro Accumulation	100	100
Class R Hedged Swiss Franc Distribution	100	100
<b>Healthcare Blue Chip Fund</b>		
Class I Euro Accumulation	65	65
Class I Euro Distribution	68	67
Class I US Dollar Distribution	52	52
Class S Sterling Accumulation	4,106	8,212
Class S Sterling Hedged Distribution	102	101
Class S US Dollar Accumulation	8	–
Class S US Dollar Distribution	52	52
Class SI Sterling Distribution	143	141
Class SI US Dollar Distribution	101	100
<b>Healthcare Opportunities</b>		
Class I Euro Accumulation	100	100
Class I Sterling Distribution	17,178	7,180
Class I US Dollar Distribution	514	–
<b>Income Opportunities Fund</b>		
Class B2 Sterling Accumulation	249,114	–
Class I Euro Accumulation	414	414
Class I Euro Distribution	679	650
Class I Euro Hedged Accumulation	100	100
Class I Euro Hedged Distribution	117	112
Class I US Dollar Accumulation	371	371
Class I US Dollar Distribution	609	584
Class R Euro Accumulation	424	424
Class R Euro Distribution	706	675
Class R Euro Hedged Accumulation	100	100
Class R Euro Hedged Distribution	117	112
Class R US Dollar Accumulation	381	381
Class R US Dollar Distribution	634	606
Class R US Dollar Hedged Accumulation	100	100

Fund	Number of Shares	
	31 December 2019	31 December 2018
<b>Income Opportunities Fund</b> continued		
Class R US Dollar Hedged Distribution	110	105
Class Z Sterling Accumulation	100	–
Class Z Sterling Distribution	100	–
<b>Japan Fund</b>		
Class SI Hedged US Dollar Distribution	–	1,000
Class SI Hedged Sterling Distribution	–	1,000
Class SI Hedged Euro Distribution	–	1,000
Class SI Euro Distribution	–	129
Class SI Sterling Distribution	–	148
Class SI Japanese Yen Distribution	–	100
Class SI US Dollar Distribution	–	105
<b>Japan Value Fund</b>		
Class I Euro Distribution	1,038	1,038
Class I Hedged Sterling Distribution	100	100
Class I Hedged US Dollar Distribution	100	100
Class I Hedged Euro Distribution	100	–
Class I Japanese Yen Distribution	1,415	100
Class I Sterling Distribution	1,168	1,415
Class I US Dollar Distribution	846	1,168
Class R Hedged Euro Distribution	–	846
Class R Hedged US Dollar Distribution	38	1,288
Class I Hedged Swiss Franc Distribution	100	–
Class R Hedged Swiss Franc Distribution	100	–
<b>Japan Value Fund</b>		
Class S Hedged Swiss Franc Distribution	100	–
Class R Euro Distribution	509	–
Class S Euro Distribution	960	–
Class R Sterling Distribution	575	–
Class S Japanese Yen Distribution	364	–
Class S Hedged US Dollar Distribution	3,021	–
Class S US Dollar Distribution	825	–
Class R Japanese Yen Distribution	120	120
Class R US Dollar Distribution	80	80
Class R Hedged Sterling Distribution	1,288	–
Class S Hedged Euro Distribution	4,668	621
Class S Hedged Sterling Distribution	–	4,010,766
Class S Sterling Distribution	667	129



## 8. Related Party Transactions continued

Fund	Number of Shares	
	31 December 2019	31 December 2018
<b>North American Fund</b>		
Class I Hedged Swiss Franc Distribution	100	100
Class R Hedged Euro Distribution	100	100
Class S Euro Distribution	14	14
Class S Hedged Euro Distribution	16,229	16,229
Class S Hedged Sterling Distribution	7,830	4,953
Class S Sterling Distribution	15,068	–
Class S US Dollar Distribution	695	–
<b>UK Absolute Equity Fund</b>		
Class I Euro Distribution	8	8
Class I Hedged Euro Distribution	39	39
Class I Hedged US Dollar Distribution	31	31
Class I Sterling Distribution	–	394,600
Class I US Dollar Distribution	6	6
Class R Euro Distribution	8	8
Class R Hedged US Dollar Distribution	31	31
Class R US Dollar Distribution	6	6
Class S Euro Distribution	8	8
Class S Hedged Euro Distribution	39	8,060
Class S Hedged US Dollar Distribution	31	31
Class S Sterling Distribution	50,197	9,521
Class S US Dollar Distribution	6	6
<b>UK Value Opportunities Fund</b>		
Class I Sterling Accumulation	2,812	100
Class I Sterling Distribution	103	101
Class R Sterling Accumulation	100	100
Class S Sterling Accumulation	69,793	56,269
Class S Sterling Distribution	103	101
Class Z Sterling Accumulation	100	–
Class Z Sterling Distribution	100	–



Partners, managers, employees and associated persons of the Investment Manager are the holders of the below shares in the Company. Individual ownership of such persons is not considered to be material.

Fund	Number of Shares	
	31 December 2019	31 December 2018
Asian Opportunities Fund	5,961	4,233
Asian Stars Fund	21,459	–
Automation & Artificial Intelligence Fund	253,327	162,619
Biotechnology Fund	60,591	57,129
China Stars Fund	16,471	11,877
Emerging Markets Income Fund	113,106	54,155
Emerging Market Stars Fund	27,015	12,455
European ex UK Income Fund	163,051	90,021
European Income Fund	–	–
Financial Opportunities Fund	13,246	20,329
Global Absolute Return Fund	42,400	–
Global Convertible Fund	178,711	119,638
Global Insurance Fund	266,871	261,609
Global Technology Fund	40,935	33,942
Healthcare Blue Chip Fund	11,105	16,853
Healthcare Opportunities Fund	38,884	23,830
Income Opportunities Fund	611,572	495,446
Japan Fund	–	171,650
Japan Value Fund	1,000,105	1,083,859
North American Fund	92,694	219,356
UK Absolute Equity Fund	400,902	299,931
UK Value Opportunities Fund	602,906	233,224



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 9. Shareholders' Funds

On incorporation, the authorised share capital of the Company was US\$40,000 divided into 40,000 Subscriber Shares with a par value of US\$1 each and 500,000,000,000 redeemable participating shares of no par value. There are 7 Subscriber Shares currently in issue which are held by the Investment Manager and nominees of the Investment Manager. These subscriber shares do not participate in any of the Company's Funds and are not included as part of the net asset value of the Company. The Directors consider this treatment is appropriate, given the nature of the Company as an investment Fund.

### Number of redeemable participating shares outstanding and net asset value per redeemable participating share

Asian Opportunities Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class A US Dollar Distribution	68,324	\$407.25	113,683	\$346.04
Class I Euro Distribution	4,311	€12.60	6,311	€10.45
Class I Euro Hedged Distribution	29,482	€13.05	83,793	€11.37
Class I Sterling Distribution	46,751	£10.71	6,617	£9.37
Class I Sterling Hedged Distribution	24,847	£13.46	41,289	£11.59
Class I US Dollar Distribution	7,763	\$14.14	6,807	\$11.97

Asian Stars Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Accumulation	114	€11.28	114	€10.00
Class I Sterling Accumulation	194	£9.56	127	£10.00
Class I US Dollar Accumulation	21,559	\$12.66	100	\$10.00
Class R Euro Accumulation	114	€11.22	114	€10.00
Class R Sterling Accumulation	127	£9.51	127	£10.00
Class R US Dollar Accumulation	100	\$12.59	100	\$10.00
Class S Euro Accumulation	114	€11.30	114	€10.00
Class S Sterling Accumulation	127	£9.58	127	£10.00
Class S US Dollar Accumulation	545,500	\$12.69	1,000,000	\$10.00

Automation & Artificial Intelligence Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Accumulation	859,389	€11.43	408,971	€8.04
Class I Sterling Accumulation	3,408,040	£9.69	3,460,026	£7.22
Class I US Dollar Accumulation	2,346,334	\$12.83	746,967	\$9.19
Class R Euro Accumulation	124,147	€11.33	59,511	€8.01
Class R US Dollar Accumulation	1,406,456	\$12.72	1,242,819	\$9.16
Class S Euro Accumulation	171,370	€11.49	43,718	€8.08
Class S Sterling Accumulation	24,429,922	£9.73	27,713,054	£7.25
Class S US Dollar Accumulation	882,223	\$12.90	1,047,800	\$9.24
Class Z Sterling Accumulation	100	£12.12	N/A	N/A

	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
<b>Biotechnology Fund</b>				
Class I Euro Distribution	2,583,323	€24.84	1,718,730	€18.58
Class I Sterling Distribution	4,000,444	£21.05	3,916,904	£16.67
Class I Sterling Hedged Distribution	415,756	£11.66	292,844	£9.05
Class I US Dollar Distribution	5,629,838	\$27.88	7,661,280	\$21.24
Class R Euro Distribution	2,046,288	€24.13	1,642,886	€18.13
Class R Sterling Distribution	175,817	£20.45	198,372	£16.27
Class R US Dollar Distribution	5,078,521	\$27.09	5,102,842	\$20.72
Class S Euro Distribution	10,033	€25.20	7,533	€18.80
Class S Sterling Distribution	4,971	£21.35	2,940	£16.87
Class S US Dollar Distribution	17,006	\$28.29	18,100	\$21.49

	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
<b>China Stars Fund</b>				
Class I Euro Accumulation	116	€10.12	116	€7.58
Class I Sterling Accumulation	10,867	£8.58	130	£6.80
Class I US Dollar Accumulation	100	\$11.36	100	\$8.66
Class R Euro Accumulation	116	€10.06	116	€7.56
Class R Sterling Accumulation	130	£8.52	130	£6.79
Class R US Dollar Accumulation	21,137	\$11.29	100	\$8.64
Class S Euro Accumulation	116	€10.18	116	€7.58
Class S Sterling Accumulation	15,309	£8.63	12,095	£6.81
Class S US Dollar Accumulation	601,196	\$11.43	1,000,000	\$8.67

	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
<b>Emerging Markets Income Fund</b>				
Class I Euro Accumulation	31,587	€11.84	31,503	€10.12
Class I Euro Distribution	159,432	€8.33	151,154	€7.46
Class I Sterling Accumulation	168,940	£10.03	155,671	£9.08
Class I Sterling Distribution	5,064,203	£7.06	6,974,222	£6.70
Class I US Dollar Accumulation	354,270	\$13.29	510,234	\$11.57
Class I US Dollar Distribution	53,461	\$9.36	86,432	\$8.53
Class R Euro Accumulation	60,430	€11.33	153,127	€9.73
Class R Euro Distribution	10,450	€8.02	6,699	€7.22
Class R Sterling Accumulation	8,938	£9.60	26,942	£8.74
Class R Sterling Distribution	36,127	£6.80	26,369	£6.48
Class R US Dollar Accumulation	720,746	\$12.72	915,583	\$11.13
Class R US Dollar Distribution	244,634	\$9.00	289,109	\$8.25
Class S Euro Accumulation	13	€11.67	13	€9.93
Class S Euro Distribution	18	€8.59	17	€7.65
Class S Sterling Accumulation	211,092	£9.89	146,478	£8.91
Class S Sterling Distribution	7,747,749	£7.28	8,340,577	£6.87
Class S US Dollar Accumulation	10	\$13.10	10	\$11.35
Class S US Dollar Distribution	113,514	\$9.64	49,329	\$8.75


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2019
**9. Shareholders' Funds** continued**Number of redeemable participating shares outstanding and net asset value per redeemable participating share** continued

	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
<b>Emerging Market Stars Fund</b>				
Class I Euro Accumulation	383,062	€9.77	12	€7.41
Class I Sterling Accumulation	229,560	£8.28	8,243	£6.65
Class I US Dollar Accumulation	72,935	\$10.97	10	\$8.47
Class R Euro Accumulation	252	€9.70	12	€7.39
Class R Sterling Accumulation	13	£8.22	13	£6.63
Class R US Dollar Accumulation	10	\$10.89	10	\$8.45
Class S Euro Accumulation	545,799	€9.82	329,717	€7.42
Class S Sterling Accumulation	497,505	£8.32	53,016	£6.66
Class S US Dollar Accumulation	2,175,639	\$11.02	1,028,800	\$8.49
Class SX Sterling Accumulation	100	N/A	N/A	N/A
Class X Swedish Krona Accumulation	11	SEK. 108.99	N/A	N/A
Class X Euro Accumulation	113	€10.37	N/A	N/A
Class X US Dollar Accumulation	100	\$11.64	N/A	N/A
	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
<b>European ex UK Income Fund</b>				
Class I Euro Accumulation	26,524	€12.91	15,619	€10.78
Class I Sterling Accumulation	2,560,255	£10.86	386,828	£9.61
Class I Sterling Distribution	398,550	£9.27	235,220	£8.59
Class I Sterling Hedged Accumulation	7,545	£13.28	7,526	£10.97
Class I Sterling Hedged Distribution	22,537	£11.23	4,843	£9.72
Class S Sterling Accumulation	107,881	£10.96	17,271	£9.68
Class S Sterling Distribution	1,070,077	£9.34	5,518,398	£8.64
Class S Sterling Hedged Accumulation	100	£13.33	100	£10.99
Class S Sterling Hedged Distribution	10,712,050	£11.28	12,809,158	£9.75
Class X Sterling Accumulation	100	£10.66	N/A	N/A
Class X Sterling Distribution	6,129,833	£10.58	N/A	N/A

European Income Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Accumulation	–	–	3,650	€11.63
Class I Euro Distribution	–	–	116	€10.00
Class I Sterling Accumulation	–	–	839,700	£10.44
Class I Sterling Distribution	–	–	11,986	£8.98
Class I Swiss Franc Accumulation	–	–	83	Sfr. 13.11
Class I Swiss Franc Distribution	–	–	96	Sfr. 11.27
Class I US Dollar Accumulation	–	–	80	\$13.30
Class I US Dollar Distribution	–	–	92	\$11.43
Class R Euro Accumulation	–	–	100	€11.36
Class R Euro Distribution	–	–	116	€9.77
Class R Sterling Accumulation	–	–	128	£10.19
Class R Sterling Distribution	–	–	148	£8.77
Class R Swiss Franc Accumulation	–	–	83	Sfr. 12.80
Class R Swiss Franc Distribution	–	–	96	Sfr. 11.01
Class R US Dollar Accumulation	–	–	80	\$12.98
Class R US Dollar Distribution	–	–	92	\$11.17
Class S Euro Accumulation	–	–	100	€11.69
Class S Euro Distribution	–	–	116	€10.07
Class S Sterling Accumulation	–	–	128	£10.49
Class S Sterling Distribution	–	–	148	£9.04
Class S Swiss Franc Accumulation	–	–	83	Sfr. 13.18
Class S Swiss Franc Distribution	–	–	96	Sfr. 11.35
Class S US Dollar Accumulation	–	–	80	\$13.37
Class S US Dollar Distribution	–	–	93	\$11.51

Financial Opportunities Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Accumulation	2,112	€13.45	2,112	€10.54
Class I Euro Distribution	85,579	€12.90	85,232	€10.36
Class I Sterling Accumulation	604,814	£11.40	988,203	£9.46
Class I Sterling Distribution	262,699	£10.93	982,980	£9.30
Class I US Dollar Accumulation	5	\$15.10	5	\$12.05
Class I US Dollar Distribution	276,703	\$14.48	436,530	\$11.85
Class R Euro Accumulation	8,101	€13.04	12,401	€10.27
Class R Euro Distribution	14	€12.40	5	€10.01
Class R Sterling Accumulation	2,495	£11.05	5,932	£9.21
Class R Sterling Distribution	6,472	£10.51	11,702	£8.99
Class R US Dollar Accumulation	23,161	\$14.63	37,770	\$11.74
Class R US Dollar Distribution	8	\$13.92	N/A	N/A



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 9. Shareholders' Funds continued

#### Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

Global Absolute Return Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Hedged Euro Accumulation	1,375	€99.83	10	€114.32
Class I Hedged Sterling Accumulation	8,376	£101.18	10	£127.36
Class I US Dollar Accumulation	30,071	\$102.29	10	\$100.00
Class S Hedged Euro Accumulation	38,774	€100.13	10	€114.32
Class S Hedged Sterling Accumulation	241,877	£101.35	80,000	£127.36
Class S US Dollar Accumulation	41,235	\$102.57	10	\$100.00

  

Global Convertible Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Accumulation	4,232,214	€12.13	4,119,293	€10.91
Class I Euro Distribution	212,910	€9.51	190,120	€8.91
Class I Hedged Euro Accumulation	21,020	€10.56	18,505	€9.99
Class I Hedged Sterling Accumulation	1,325,588	£11.03	1,409,623	£10.30
Class I Hedged Sterling Distribution	2,497,756	£8.95	2,990,857	£8.72
Class I Hedged Swiss Franc Accumulation	655,050	Sfr. 10.19	655,050	Sfr. 9.66
Class I Sterling Accumulation	1,699,055	£10.26	4,154,944	£9.80
Class I Sterling Distribution	16,603,780	£8.05	14,023,858	£8.01
Class I US Dollar Accumulation	600,288	\$13.61	671,232	\$12.49
Class I US Dollar Distribution	296,096	\$10.67	213,042	\$10.20
Class Portfolio Currency Hedged Euro I Accumulation	310,074	€11.18	184,476	€10.43
Class Portfolio Currency Hedged Sterling I Distribution	10,904,454	£10.26	10,540,294	£9.80
Class R Euro Accumulation	53,204	€11.82	24,274	€10.69
Class R Euro Distribution	121,793	€9.24	56,090	€8.70
Class R Sterling Accumulation	20,209	£10.00	17,335	£9.60
Class R Sterling Distribution	197	£7.82	189	£7.82
Class R US Dollar Accumulation	101	\$13.27	100	\$12.23
Class R US Dollar Distribution	105,352	\$10.37	45,817	\$9.96
Class S Euro Accumulation	11,090	€10.64	10,540	€9.53
Class S Euro Distribution	175	€8.54	10,391	€7.98
Class S Hedged Sterling Accumulation	138,670	£11.22	84,515	£10.45
Class S Hedged Sterling Distribution	374,780	£9.09	527,801	£8.82
Class S Hedged Swiss Franc Accumulation	50	Sfr. 10.34	50	Sfr. 9.78
Class S Sterling Accumulation	213,441	£9.01	262,512	£8.56
Class S Sterling Distribution	36,994,942	£7.23	28,617,047	£7.17
Class S US Dollar Accumulation	41,845	\$11.94	38,975	\$10.91
Class S US Dollar Distribution	347,107	\$9.59	360,712	\$9.14
Class SI Sterling Accumulation	3,906,425	£10.36	100	£9.87
Class Portfolio Currency Hedged Sterling S Distribution	1,008,297	£10.23	N/A	N/A

Global Insurance Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class A Sterling Distribution	382,738	£5.73	3,000,425	£4.75
Class B Sterling Accumulation	1,536,138	£7.38	1,878,718	£6.01
Class E Sterling Distribution	57,103,569	£5.98	59,890,589	£4.93
Class F Sterling Accumulation	25,326,475	£7.78	29,435,807	£6.31
Class I Euro Accumulation	9,518,410	€8.89	12,401,179	€6.81
Class I Euro Distribution	1,481,517	€6.90	1,444,883	€5.37
Class I Hedged Euro Accumulation	1,430,473	€14.46	941,162	€11.96
Class I Hedged US Dollar Accumulation	164,496	\$15.50	171,746	\$12.48
Class I Sterling Accumulation	45,653,951	£7.53	31,158,984	£6.11
Class I Sterling Distribution	33,988,282	£5.84	29,846,781	£4.82
Class I US Dollar Accumulation	33,450,101	\$9.98	35,707,591	\$7.78
Class I US Dollar Distribution	2,257,854	\$7.74	2,025,648	\$6.14
Class R Euro Accumulation	1,147,102	€8.46	538,565	€6.51
Class R Euro Distribution	151,502	€6.61	3,292	€5.17
Class R Sterling Accumulation	1,053,611	£7.17	900,345	£5.84
Class R Sterling Distribution	3,795,475	£5.60	3,744,528	£4.64
Class R US Dollar Accumulation	7,573,840	\$9.49	2,274,731	\$7.44
Class R US Dollar Distribution	135,128	\$7.42	10,523	\$5.91

Global Technology Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class A Euro Distribution	106,380	€53.41	94,607	€38.23
Class A Sterling Distribution	295,473	£45.25	256,998	£34.31
Class A US Dollar Distribution	965,212	\$59.95	884,849	\$43.70
Class I Euro Distribution	2,671,754	€49.05	2,167,631	€34.76
Class I Hedged Euro Distribution	3,876,323	€15.72	4,182,629	€11.66
Class I Hedged Sterling Distribution	4,180,751	£22.72	3,636,160	£16.68
Class I Hedged Swiss Franc Distribution	1,491,905	Sfr. 22.80	1,543,153	Sfr. 16.95
Class I Sterling Distribution	25,584,904	£41.56	26,258,561	£31.20
Class I US Dollar Distribution	15,840,266	\$55.06	12,496,768	\$39.74
Class R Euro Distribution	3,277,861	€46.72	2,102,297	€33.27
Class R Hedged Euro Accumulation	3,392,598	€15.51	2,813,988	€11.56
Class R Hedged Euro Distribution	2,456,570	€22.92	3,438,374	€17.08
Class R Hedged Swiss Franc Distribution	498,135	Sfr. 22.34	416,192	Sfr. 16.70
Class R Sterling Distribution	511,870	£39.58	464,689	£29.86
Class R US Dollar Distribution	11,033,055	\$52.44	11,759,962	\$38.03



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 9. Shareholders' Funds continued

## Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

Healthcare Blue Chip Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Accumulation	642	€13.25	65	€10.56
Class I Euro Distribution	36,664	€12.65	6,826	€10.21
Class I Sterling Accumulation	852,280	£11.23	606,748	£9.47
Class I Sterling Distribution	504,477	£10.72	221,450	£9.16
Class I US Dollar Accumulation	118,810	\$14.87	125,975	\$12.07
Class I US Dollar Distribution	1,601	\$14.20	18,361	\$11.67
Class S Sterling Accumulation	463,504	£11.31	82,691	£9.53
Class S Sterling Distribution	50,872	£10.80	265,446	£9.22
Class S Sterling Hedged Distribution	102	£13.66	160,895	£11.44
Class S US Dollar Accumulation	8	\$14.98	117,408	\$12.13
Class S US Dollar Distribution	52	\$14.31	22,467	\$11.74
Class SI Sterling Distribution	4,949,587	£9.53	5,197,583	£8.09
Class SI US Dollar Distribution	8,722	\$12.63	3,421	\$10.30

Healthcare Opportunities Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class A Euro Distribution	181,293	€32.05	242,100	€26.59
Class A Sterling Distribution	107,151	£27.15	114,803	£23.86
Class A US Dollar Distribution	247,338	\$35.97	292,905	\$30.39
Class I Euro Distribution	3,167,417	€48.45	2,220,001	€40.00
Class I Euro Accumulation	104,051	€11.57	100	€9.57
Class I Sterling Distribution	19,837,720	£41.05	25,162,358	£35.90
Class I US Dollar Distribution	3,232,707	\$54.39	4,260,780	\$45.73
Class R Euro Distribution	1,297,208	€46.03	1,209,274	€38.21
Class R Sterling Distribution	296,584	£39.01	315,415	£34.29
Class R US Dollar Distribution	1,911,073	\$51.67	2,094,129	\$43.68

Income Opportunities Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class A1 Sterling Distribution	5,301,711	£1.39	6,404,731	£1.29
Class A2 Sterling Accumulation	1,846,194	£2.31	3,493,531	£2.04
Class B1 Sterling Distribution	17,189,899	£1.47	26,597,169	£1.35
Class B2 Sterling Accumulation	35,025,951	£2.41	70,316,544	£2.12
Class I Euro Accumulation	414	€2.84	414	€2.36
Class I Euro Distribution	679	€1.73	650	€1.50
Class I Euro Hedged Accumulation	16,905	€13.89	32,605	€12.42
Class I Euro Hedged Distribution	4,917	€11.84	9,012	€11.05
Class I US Dollar Accumulation	371	\$3.19	371	\$2.70



Income Opportunities Fund continued	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I US Dollar Distribution	559,077	\$1.94	851,093	\$1.72
Class R Euro Accumulation	165,095	€2.73	1,073,307	€2.28
Class R Euro Distribution	487,241	€1.64	516,319	€1.43
Class R Euro Hedged Accumulation	200,389	€13.66	471,756	€12.26
Class R Euro Hedged Distribution	293,444	€11.65	485,765	€10.95
Class R US Dollar Accumulation	677,208	\$3.06	1,034,468	\$2.60
Class R US Dollar Distribution	1,953,434	\$1.84	3,825,853	\$1.64
Class R US Dollar Hedged Accumulation	2,103,222	\$11.65	3,557,397	\$10.16
Class R US Dollar Hedged Distribution	1,622,673	\$10.47	2,541,028	\$9.49
Class Z Sterling Accumulation	100	£11.13	N/A	N/A
Class Z Sterling Distribution	100	£11.13	N/A	N/A

Japan Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class A Japanese Yen Distribution	–	–	134,056	¥2,582.58
Class A Sterling Distribution	–	–	126,200	£18.49
Class A US Dollar Distribution	–	–	197,062	\$23.39
Class I Euro Distribution	–	–	264,398	€16.54
Class I Hedged Euro Distribution	–	–	3,114,167	€15.35
Class I Hedged Sterling Distribution	–	–	6,892,553	£19.34
Class I Hedged Swiss Franc Distribution	–	–	779,307	Sfr. 13.14
Class I Hedged US Dollar Distribution	–	–	3,752,487	\$20.13
Class I Japanese Yen Distribution	–	–	3,705,249	¥2,091.63
Class I Sterling Distribution	–	–	3,934,373	£14.97
Class I US Dollar Distribution	–	–	1,288,426	\$18.95
Class R Euro Distribution	–	–	46,871	€15.95
Class R Hedged Euro Distribution	–	–	1,920,953	€14.84
Class R Hedged Sterling Distribution	–	–	137,584	£18.54
Class R Hedged Swiss Franc Distribution	–	–	544,791	Sfr. 12.85
Class R Hedged US Dollar Distribution	–	–	5,121,694	\$19.36
Class R Japanese Yen Distribution	–	–	1,830,178	¥2,018.00
Class R Sterling Distribution	–	–	1,832	£14.45
Class R US Dollar Distribution	–	–	94,698	\$18.28
Class SI Euro Distribution	–	–	555,943	€6.76
Class SI Hedged Euro Distribution	–	–	1,430,366	€8.49
Class SI Hedged Sterling Distribution	–	–	1,000	£8.56
Class SI Hedged US Dollar Distribution	–	–	1,767,653	\$8.68
Class SI Japanese Yen Distribution	–	–	1,470,456	¥854.84
Class SI Sterling Distribution	–	–	148	£6.12
Class SI US Dollar Distribution	–	–	1,778,875	\$7.74



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 9. Shareholders' Funds continued

#### Number of redeemable participating shares outstanding and net asset value per redeemable participating share continued

Japan Value Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Distribution	1,820,909	€1.05	1,038	€0.83
Class I Hedged Swiss Franc Distribution	100	Sfr. 11.09	N/A	N/A
Class I Hedged Euro Distribution	100	€9.70	100	€8.01
Class I Hedged Sterling Distribution	100	£9.88	100	£8.08
Class I Hedged US Dollar Distribution	889	\$10.23	100	\$8.20
Class I Japanese Yen Distribution	1,415	¥128.25	1,415	¥105.20
Class I Sterling Distribution	40,561	£0.90	1,168	£0.75
Class I US Dollar Distribution	94,846	\$1.17	846	\$0.95
Class R Hedged Swiss Franc Distribution	388,692	Sfr. 11.09	N/A	N/A
Class R Hedged Euro Distribution	5,992,536	€2.32	1,192,078	€1.92
Class R Hedged Sterling Distribution	2,088,258	£1.91	56,364	£1.56
Class R Hedged US Dollar Distribution	17,591,798	\$3.25	1,362,393	\$2.62
Class R Euro Distribution	313,503	€2.14	N/A	N/A
Class R Sterling Distribution	6,409	£1.83	N/A	N/A
Class R Japanese Yen Distribution	7,629,856	¥261.40	140,120	¥214.95
Class R US Dollar Distribution	530,966	\$2.39	126	\$1.95
Class S Hedged Swiss Franc Distribution	429,668	Sfr. 11.11	N/A	N/A
Class S Hedged Euro Distribution	7,972,766	€2.41	622	€1.98
Class S Hedged Sterling Distribution	14,381,885	£1.99	4,718,880	£1.62
Class S Hedged US Dollar Distribution	14,639,192	\$3.40	426,142	\$2.72
Class S Euro Distribution	864,406	€2.23	N/A	N/A
Class S Japanese Yen Distribution	39,970,679	¥272.32	298,326	¥222.49
Class S Sterling Distribution	14,824,616	£1.91	895,401	£1.59
Class S US Dollar Distribution	6,570,534	\$2.49	N/A	N/A

North American Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Distribution	6,585,741	€24.29	12,280,509	€18.64
Class I Hedged Euro Distribution	5,177,121	€24.60	6,459,668	€19.78
Class I Hedged Sterling Distribution	3,118,282	£25.75	4,842,377	£20.49
Class I Hedged Swiss Franc Distribution	182,277	Sfr. 13.74	1,508,688	Sfr. 11.08
Class I Sterling Distribution	12,089,122	£20.58	12,616,899	£16.73
Class I US Dollar Distribution	18,747,933	\$27.26	29,364,818	\$21.30
Class R Euro Distribution	80,801	€23.20	24,141	€17.91
Class R Hedged Euro Distribution	387,037	€23.46	494,557	€18.98

North American Fund continued	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class R Hedged Sterling Distribution	50,589	£24.66	79,219	£19.73
Class R Sterling Distribution	20,068	£19.66	11,205	£16.07
Class R US Dollar Distribution	1,862,621	\$26.04	2,078,042	\$20.47
Class S Euro Distribution	46,044	€24.56	51,318	€18.82
Class S Hedged Euro Distribution	28,245	€24.91	21,921	€20.00
Class S Hedged Sterling Distribution	1,844,888	£26.07	2,008,801	£20.71
Class S Sterling Distribution	20,218,567	£20.81	26,094,798	£16.89
Class S US Dollar Distribution	4,137,935	\$27.57	5,364,322	\$21.51

UK Absolute Equity Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Euro Distribution	65,463	€25.99	166,756	€22.92
Class I Hedged Euro Distribution	8,750,989	€27.25	6,106,670	€25.60
Class I Hedged US Dollar Distribution	1,113,039	\$36.76	2,099,535	\$34.19
Class I Sterling Distribution	7,584,754	£22.09	9,854,113	£20.56
Class I US Dollar Distribution	640,771	\$29.18	561,155	\$26.25
Class R Euro Distribution	34,239	€25.50	59,375	€22.58
Class R Hedged Euro Distribution	1,140,720	€26.68	1,555,990	€25.18
Class R Hedged US Dollar Distribution	40,278	\$35.94	63,606	\$33.58
Class R Sterling Distribution	115,902	£21.67	175,857	£20.25
Class R US Dollar Distribution	8,829	\$28.63	8,816	\$25.86
Class S Euro Distribution	32,717	€26.31	8	€23.15
Class S Hedged Euro Distribution	40,979	€27.64	44,295	€25.92
Class S Hedged US Dollar Distribution	74,323	\$37.12	89,667	\$34.45
Class S Sterling Distribution	2,614,967	£22.36	2,816,119	£20.76
Class S US Dollar Distribution	6	\$29.53	6	\$26.50

UK Value Opportunities Fund	31 December 2019		31 December 2018	
	Number of Shares	NAV/Share	Number of Shares	NAV/Share
Class I Sterling Accumulation	12,356,996	£13.21	8,172,925	£10.40
Class I Sterling Distribution	5,426,362	£12.82	4,498,069	£10.34
Class R Sterling Accumulation	234,149	£11.13	266,487	£8.82
Class S Sterling Accumulation	29,013,541	£13.25	36,640,834	£10.43
Class S Sterling Distribution	50,791,709	£12.84	23,853,862	£10.36
Class Z Sterling Accumulation	100	£11.78	N/A	N/A
Class Z Sterling Distribution	100	£11.78	N/A	N/A



## 9. Shareholders' Funds continued

### Movement in redeemable participating shares in issue during the financial year

	31 December 2019		
	Shares Number Class A USD Distribution	Shares Number Class I EUR Distribution	Shares Number Class I EUR Hedged Distribution
<b>Asian Opportunities Fund</b>			
Shares in issue at 1 January 2019	113,683	6,311	83,793
Shares issued during financial year	321	0	351
Shares redeemed during financial year	(45,680)	(2,000)	(54,662)
<b>Shares in issue at 31 December 2019</b>	<b>68,324</b>	<b>4,311</b>	<b>29,482</b>
<b>Shares in issue at 31 December 2018</b>	<b>113,683</b>	<b>6,311</b>	<b>83,793</b>

	31 December 2019		
	Shares Number Class I GBP Distribution	Shares Number Class I GBP Hedged Distribution	Shares Number Class I USD Distribution
<b>Asian Opportunities Fund</b>			
Shares in issue at 1 January 2019	6,617	41,289	6,807
Shares issued during financial year	45,914	4,346	956
Shares redeemed during financial year	(5,780)	(20,788)	–
<b>Shares in issue at 31 December 2019</b>	<b>46,751</b>	<b>24,847</b>	<b>7,763</b>
<b>Shares in issue at 31 December 2018</b>	<b>6,617</b>	<b>41,289</b>	<b>6,807</b>

	31 December 2019		
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I USD Accumulation
<b>Asian Stars Fund</b>			
Shares in issue at 1 January 2019	114	127	100
Shares issued during financial year	–	67	21,459
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2019</b>	<b>114</b>	<b>194</b>	<b>21,559</b>
<b>Shares in issue at 31 December 2018</b>	<b>114</b>	<b>127</b>	<b>100</b>

	31 December 2019		
	Shares Number Class R EUR Accumulation	Shares Number Class R GBP Accumulation	Shares Number Class R USD Accumulation
<b>Asian Stars Fund</b>			
Shares in issue at 1 January 2019	114	127	100
Shares issued during financial year	–	–	–
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2019</b>	<b>114</b>	<b>127</b>	<b>100</b>
<b>Shares in issue at 31 December 2018</b>	<b>114</b>	<b>127</b>	<b>100</b>

	31 December 2019		
	Shares Number Class S EUR Accumulation	Shares Number Class S GBP Accumulation	Shares Number Class S USD Accumulation
<b>Asian Stars Fund</b>			
Shares in issue at 1 January 2019	114	127	1,000,000
Shares issued during financial year	–	–	–
Shares redeemed during financial year	–	–	(454,500)
<b>Shares in issue at 31 December 2019</b>	<b>114</b>	<b>127</b>	<b>545,500</b>
<b>Shares in issue at 31 December 2018</b>	<b>114</b>	<b>127</b>	<b>1,000,000</b>

	31 December 2019		
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I USD Accumulation
<b>Automation &amp; Artificial Intelligence Fund</b>			
Shares in issue at 1 January 2019	408,971	3,460,026	746,967
Shares issued during financial year	648,515	1,076,271	1,716,302
Shares redeemed during financial year	(198,097)	(1,128,257)	(116,935)
<b>Shares in issue at 31 December 2019</b>	<b>859,389</b>	<b>3,408,040</b>	<b>2,346,334</b>
<b>Shares in issue at 31 December 2018</b>	<b>408,971</b>	<b>3,460,026</b>	<b>746,967</b>

	31 December 2019		
	Shares Number Class R EUR Accumulation	Shares Number Class R USD Accumulation	Shares Number Class S EUR Accumulation
<b>Automation &amp; Artificial Intelligence Fund</b>			
Shares in issue at 1 January 2019	59,511	1,242,819	43,718
Shares issued during financial year	90,284	278,037	145,789
Shares redeemed during financial year	(25,648)	(114,400)	(18,137)
<b>Shares in issue at 31 December 2019</b>	<b>124,147</b>	<b>1,406,456</b>	<b>171,370</b>
<b>Shares in issue at 31 December 2018</b>	<b>59,511</b>	<b>1,242,819</b>	<b>43,718</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2019		
	Shares Number Class S GBP Accumulation	Shares Number Class S USD Accumulation	Shares Number Class Z GBP Accumulation
<b>Automation &amp; Artificial Intelligence Fund</b> continued			
Shares in issue at 1 January 2019	27,713,054	1,047,800	–
Shares issued during financial year	2,108,857	194,226	100
Shares redeemed during financial year	(5,391,989)	(359,803)	0
<b>Shares in issue at 31 December 2019</b>	<b>24,429,922</b>	<b>882,223</b>	<b>100</b>
<b>Shares in issue at 31 December 2018</b>	<b>27,713,054</b>	<b>1,047,800</b>	<b>–</b>

	31 December 2019		
	Shares Number Class I EUR Distribution	Shares Number Class I GBP Distribution	Shares Number Class I GBP Hedged Distribution
<b>Biotechnology Fund</b>			
Shares in issue at 1 January 2019	1,718,730	3,916,904	292,844
Shares issued during financial year	2,755,869	2,176,317	266,981
Shares redeemed during financial year	(1,891,276)	(2,092,777)	(144,069)
<b>Shares in issue at 31 December 2019</b>	<b>2,583,323</b>	<b>4,000,444</b>	<b>415,756</b>
<b>Shares in issue at 31 December 2018</b>	<b>1,718,730</b>	<b>3,916,904</b>	<b>292,844</b>

	31 December 2019		
	Shares Number Class I USD Distribution	Shares Number Class R EUR Distribution	Shares Number Class R GBP Distribution
<b>Biotechnology Fund</b>			
Shares in issue at 1 January 2019	7,661,280	1,642,886	198,372
Shares issued during financial year	3,864,743	1,613,596	32,966
Shares redeemed during financial year	(5,896,185)	(1,210,194)	(55,521)
<b>Shares in issue at 31 December 2019</b>	<b>5,629,838</b>	<b>2,046,288</b>	<b>175,817</b>
<b>Shares in issue at 31 December 2018</b>	<b>7,661,280</b>	<b>1,642,886</b>	<b>198,372</b>

	31 December 2019			
	Shares Number Class R USD Distribution	Shares Number Class S EUR Distribution	Shares Number Class S GBP Distribution	Shares Number Class S USD Distribution
<b>Biotechnology Fund</b>				
Shares in issue at 1 January 2019	5,102,842	7,533	2,940	18,100
Shares issued during financial year	2,200,711	2,500	2,031	2,606
Shares redeemed during financial year	(2,225,032)	–	–	(3,700)
<b>Shares in issue at 31 December 2019</b>	<b>5,078,521</b>	<b>10,033</b>	<b>4,971</b>	<b>17,006</b>
<b>Shares in issue at 31 December 2018</b>	<b>5,102,842</b>	<b>7,533</b>	<b>2,940</b>	<b>18,100</b>

	31 December 2019		
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I USD Accumulation
<b>China Stars Fund</b>			
Shares in issue at 1 January 2019	116	130	100
Shares issued during financial year	–	13,409	–
Shares redeemed during financial year	–	(2,672)	–
<b>Shares in issue at 31 December 2019</b>	<b>116</b>	<b>10,867</b>	<b>100</b>
<b>Shares in issue at 31 December 2018</b>	<b>116</b>	<b>130</b>	<b>100</b>

	31 December 2019		
	Shares Number Class R EUR Accumulation	Shares Number Class R GBP Accumulation	Shares Number Class R USD Accumulation
<b>China Stars Fund</b>			
Shares in issue at 1 January 2019	116	130	100
Shares issued during financial year	–	–	21,037
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2019</b>	<b>116</b>	<b>130</b>	<b>21,137</b>
<b>Shares in issue at 31 December 2018</b>	<b>116</b>	<b>130</b>	<b>100</b>

	31 December 2019		
	Shares Number Class S EUR Accumulation	Shares Number Class S GBP Accumulation	Shares Number Class S USD Accumulation
<b>China Stars Fund</b>			
Shares in issue at 1 January 2019	116	12,095	1,000,000
Shares issued during financial year	–	3,214	–
Shares redeemed during financial year	–	–	(398,804)
<b>Shares in issue at 31 December 2019</b>	<b>116</b>	<b>15,309</b>	<b>601,196</b>
<b>Shares in issue at 31 December 2018</b>	<b>116</b>	<b>12,095</b>	<b>1,000,000</b>

	31 December 2019		
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation
<b>Emerging Markets Income Fund</b>			
Shares in issue at 1 January 2019	31,503	151,154	155,671
Shares issued during financial year	341	9,278	46,875
Shares redeemed during financial year	(257)	(1,000)	(33,606)
<b>Shares in issue at 31 December 2019</b>	<b>31,587</b>	<b>159,432</b>	<b>168,940</b>
<b>Shares in issue at 31 December 2018</b>	<b>31,503</b>	<b>151,154</b>	<b>155,671</b>


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2019
**9. Shareholders' Funds** continued**Movement in redeemable participating shares in issue during the financial year** continued

	31 December 2019		
	Shares Number Class I GBP Distribution	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution
<b>Emerging Markets Income Fund</b> continued			
Shares in issue at 1 January 2019	6,974,222	510,234	86,432
Shares issued during financial year	965,382	6,129	197,508
Shares redeemed during financial year	(2,875,401)	(162,093)	(230,479)
<b>Shares in issue at 31 December 2019</b>	<b>5,064,203</b>	<b>354,270</b>	<b>53,461</b>
<b>Shares in issue at 31 December 2018</b>	<b>6,974,222</b>	<b>510,234</b>	<b>86,432</b>

	31 December 2019			
	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution
<b>Emerging Markets Income Fund</b>				
Shares in issue at 1 January 2019	153,127	6,699	26,942	26,369
Shares issued during financial year	14	3,751	–	11,084
Shares redeemed during financial year	(92,711)	–	(18,004)	(1,326)
<b>Shares in issue at 31 December 2019</b>	<b>60,430</b>	<b>10,450</b>	<b>8,938</b>	<b>36,127</b>
<b>Shares in issue at 31 December 2018</b>	<b>153,127</b>	<b>6,699</b>	<b>26,942</b>	<b>26,369</b>

	31 December 2019			
	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution	Shares Number Class S EUR Accumulation	Shares Number Class S EUR Distribution
<b>Emerging Markets Income Fund</b>				
Shares in issue at 1 January 2019	915,583	289,109	13	17
Shares issued during financial year	622,148	499	–	1
Shares redeemed during financial year	(816,985)	(44,974)	–	–
<b>Shares in issue at 31 December 2019</b>	<b>720,746</b>	<b>244,634</b>	<b>13</b>	<b>18</b>
<b>Shares in issue at 31 December 2018</b>	<b>915,583</b>	<b>289,109</b>	<b>13</b>	<b>17</b>

	31 December 2019			
	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution	Shares Number Class S USD Accumulation	Shares Number Class S USD Distribution
<b>Emerging Markets Income Fund</b>				
Shares in issue at 1 January 2019	146,478	8,340,577	10	49,329
Shares issued during financial year	68,760	830,225	–	67,885
Shares redeemed during financial year	(4,146)	(1,423,053)	–	(3,700)
<b>Shares in issue at 31 December 2019</b>	<b>211,092</b>	<b>7,747,749</b>	<b>10</b>	<b>113,514</b>
<b>Shares in issue at 31 December 2018</b>	<b>146,478</b>	<b>8,340,577</b>	<b>10</b>	<b>49,329</b>



	31 December 2019		
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I USD Accumulation
<b>Emerging Market Stars Fund</b>			
Shares in issue at 1 January 2019	12	8,243	10
Shares issued during financial year	383,050	233,804	99,634
Shares redeemed during financial year	–	(12,487)	(26,709)
<b>Shares in issue at 31 December 2019</b>	<b>383,062</b>	<b>229,560</b>	<b>72,935</b>
<b>Shares in issue at 31 December 2018</b>	<b>12</b>	<b>8,243</b>	<b>10</b>

	31 December 2019		
	Shares Number Class R EUR Accumulation	Shares Number Class R GBP Accumulation	Shares Number Class R USD Accumulation
<b>Emerging Market Stars Fund</b>			
Shares in issue at 1 January 2019	12	13	10
Shares issued during financial year	240	–	–
Shares redeemed during financial year	–	–	–
<b>Shares in issue at 31 December 2019</b>	<b>252</b>	<b>13</b>	<b>10</b>
<b>Shares in issue at 31 December 2018</b>	<b>12</b>	<b>13</b>	<b>10</b>

	31 December 2019		
	Shares Number Class S EUR Accumulation	Shares Number Class S GBP Accumulation	Shares Number Class S USD Accumulation
<b>Emerging Market Stars Fund</b>			
Shares in issue at 1 January 2019	329,717	53,016	1,028,800
Shares issued during financial year	216,082	450,575	1,146,839
Shares redeemed during financial year	–	(6,086)	–
<b>Shares in issue at 31 December 2019</b>	<b>545,799</b>	<b>497,505</b>	<b>2,175,639</b>
<b>Shares in issue at 31 December 2018</b>	<b>329,717</b>	<b>53,016</b>	<b>1,028,800</b>

	31 December 2019			
	Shares Number Class SX GBP Accumulation	Shares Number Class X SEK Accumulation	Shares Number Class X EUR Accumulation	Shares Number Class X USD Accumulation
<b>Emerging Market Stars Fund</b>				
Shares in issue at 1 January 2019	–	–	–	–
Shares issued during financial year	100	11	113	100
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2019</b>	<b>100</b>	<b>11</b>	<b>113</b>	<b>100</b>
<b>Shares in issue at 31 December 2018</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 9. Shareholders' Funds continued

## Movement in redeemable participating shares in issue during the financial year continued

	31 December 2019		
	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution
<b>European ex UK Income Fund</b>			
Shares in issue at 1 January 2019	15,619	386,828	235,220
Shares issued during financial year	10,905	2,469,192	246,836
Shares redeemed during financial year	–	(295,765)	(83,506)
<b>Shares in issue at 31 December 2019</b>	<b>26,524</b>	<b>2,560,255</b>	<b>398,550</b>
<b>Shares in issue at 31 December 2018</b>	<b>15,619</b>	<b>386,828</b>	<b>235,220</b>

	31 December 2019			
	Shares Number Class I GBP Hedged Accumulation	Shares Number Class I GBP Hedged Distribution	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution
<b>European ex UK Income Fund</b>				
Shares in issue at 1 January 2019	7,526	4,843	17,271	5,518,398
Shares issued during financial year	176,965	17,696	96,932	3,130,860
Shares redeemed during financial year	(176,946)	(2)	(6,322)	(7,579,181)
<b>Shares in issue at 31 December 2019</b>	<b>7,545</b>	<b>22,537</b>	<b>107,881</b>	<b>1,070,077</b>
<b>Shares in issue at 31 December 2018</b>	<b>7,526</b>	<b>4,843</b>	<b>17,271</b>	<b>5,518,398</b>

	31 December 2019			
	Shares Number Class S GBP Hedged Accumulation	Shares Number Class S GBP Hedged Distribution	Shares Number Class X GBP Accumulation	Shares Number Class X GBP Distribution
<b>European ex UK Income Fund</b>				
Shares in issue at 1 January 2019	100	12,809,158	–	–
Shares issued during financial year	–	1,100,926	100	6,460,833
Shares redeemed during financial year	–	(3,198,034)	–	(331,000)
<b>Shares in issue at 31 December 2019</b>	<b>100</b>	<b>10,712,050</b>	<b>100</b>	<b>6,129,833</b>
<b>Shares in issue at 31 December 2018</b>	<b>100</b>	<b>12,809,158</b>	<b>–</b>	<b>–</b>

	31 December 2019			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2019	3,650	116	839,700	11,986
Shares issued during financial year	–	2	–	5
Shares redeemed during financial year	(3,650)	(118)	(839,700)	(11,991)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	3,650	116	839,700	11,986

	31 December 2019			
	Shares Number Class I CHF Accumulation	Shares Number Class I CHF Distribution	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2019	83	96	80	92
Shares issued during financial year	–	1	–	1
Shares redeemed during financial year	(83)	(97)	(80)	(93)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	83	96	80	92

	31 December 2019			
	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2019	100	116	128	148
Shares issued during financial year	–	2	–	2
Shares redeemed during financial year	(100)	(118)	(128)	(150)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	100	116	128	148

	31 December 2019			
	Shares Number Class R CHF Accumulation	Shares Number Class R CHF Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
<b>European Income Fund</b>				
Shares in issue at 1 January 2019	83	96	80	92
Shares issued during financial year	–	1	–	1
Shares redeemed during financial year	(83)	(97)	(80)	(93)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	83	96	80	92



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2019			
	Shares Number Class S EUR Accumulation	Shares Number Class S EUR Distribution	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution
<b>European Income Fund</b> continued				
Shares in issue at 1 January 2019	100	116	128	148
Shares issued during financial year	–	2	–	2
Shares redeemed during financial year	(100)	(118)	(128)	(150)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	100	116	128	148

	31 December 2019			
	Shares Number Class S CHF Accumulation	Shares Number Class S CHF Distribution	Shares Number Class S USD Accumulation	Shares Number Class S USD Distribution
<b>European Income Fund</b> continued				
Shares in issue at 1 January 2019	83	96	80	93
Shares issued during financial year	–	1	–	1
Shares redeemed during financial year	(83)	(97)	(80)	(94)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	83	96	80	93

	31 December 2019			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution
<b>Financial Opportunities Fund</b>				
Shares in issue at 1 January 2019	2,112	85,232	988,203	982,980
Shares issued during financial year	–	1,998	91,886	67,128
Shares redeemed during financial year	–	(1,651)	(475,275)	(787,409)
<b>Shares in issue at 31 December 2019</b>	2,112	85,579	604,814	262,699
<b>Shares in issue at 31 December 2018</b>	2,112	85,232	988,203	982,980

	31 December 2019			
	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution
<b>Financial Opportunities Fund</b>				
Shares in issue at 1 January 2019	5	436,530	12,401	5
Shares issued during financial year	–	27,815	–	17
Shares redeemed during financial year	–	(187,642)	(4,300)	(8)
<b>Shares in issue at 31 December 2019</b>	5	276,703	8,101	14
<b>Shares in issue at 31 December 2018</b>	5	436,530	12,401	5

	31 December 2019			
	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
<b>Financial Opportunities Fund</b>				
Shares in issue at 1 January 2019	5,932	11,702	37,770	–
Shares issued during financial year	–	72	–	8
Shares redeemed during financial year	(3,437)	(5,302)	(14,609)	–
<b>Shares in issue at 31 December 2019</b>	<b>2,495</b>	<b>6,472</b>	<b>23,161</b>	<b>8</b>
<b>Shares in issue at 31 December 2018</b>	<b>5,932</b>	<b>11,702</b>	<b>37,770</b>	<b>–</b>

	31 December 2019		
	Shares Number Class I Hedged EUR Accumulation	Shares Number Class I Hedged GBP Accumulation	Shares Number Class I USD Accumulation
<b>Global Absolute Return Fund</b>			
Shares in issue at 1 January 2019	10	10	10
Shares issued during financial year	1,365	10,797	31,337
Shares redeemed during financial year	–	(2,431)	(1,276)
<b>Shares in issue at 31 December 2019</b>	<b>1,375</b>	<b>8,376</b>	<b>30,071</b>
<b>Shares in issue at 31 December 2018</b>	<b>10</b>	<b>10</b>	<b>10</b>

	31 December 2019		
	Shares Number Class S Hedged EUR Accumulation	Shares Number Class S Hedged GBP Accumulation	Shares Number Class S USD Accumulation
<b>Global Absolute Return Fund</b>			
Shares in issue at 1 January 2019	10	80,000	10
Shares issued during financial year	40,564	222,621	41,225
Shares redeemed during financial year	(1,800)	(60,744)	–
<b>Shares in issue at 31 December 2019</b>	<b>38,774</b>	<b>241,877</b>	<b>41,235</b>
<b>Shares in issue at 31 December 2018</b>	<b>10</b>	<b>80,000</b>	<b>10</b>

	31 December 2019		
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I EUR Hedged Accumulation
<b>Global Convertible Fund</b>			
Shares in issue at 1 January 2019	4,119,293	190,120	18,505
Shares issued during financial year	512,347	38,355	2,515
Shares redeemed during financial year	(399,426)	(15,565)	–
<b>Shares in issue at 31 December 2019</b>	<b>4,232,214</b>	<b>212,910</b>	<b>21,020</b>
<b>Shares in issue at 31 December 2018</b>	<b>4,119,293</b>	<b>190,120</b>	<b>18,505</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 9. Shareholders' Funds continued

## Movement in redeemable participating shares in issue during the financial year continued

	31 December 2019		
	Shares Number Class I GBP Hedged Accumulation	Shares Number Class I GBP Hedged Distribution	Shares Number Class I CHF Hedged Accumulation
<b>Global Convertible Fund</b> continued			
Shares in issue at 1 January 2019	1,409,623	2,990,857	655,050
Shares issued during financial year	839,013	2,356,305	–
Shares redeemed during financial year	(923,048)	(2,849,406)	–
<b>Shares in issue at 31 December 2019</b>	<b>1,325,588</b>	<b>2,497,756</b>	<b>655,050</b>
<b>Shares in issue at 31 December 2018</b>	<b>1,409,623</b>	<b>2,990,857</b>	<b>655,050</b>

	31 December 2019		
	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution	Shares Number Class I USD Accumulation
<b>Global Convertible Fund</b>			
Shares in issue at 1 January 2019	4,154,944	14,023,858	671,232
Shares issued during financial year	2,128,536	6,569,633	422,130
Shares redeemed during financial year	(4,584,425)	(3,989,711)	(493,074)
<b>Shares in issue at 31 December 2019</b>	<b>1,699,055</b>	<b>16,603,780</b>	<b>600,288</b>
<b>Shares in issue at 31 December 2018</b>	<b>4,154,944</b>	<b>14,023,858</b>	<b>671,232</b>

	31 December 2019			
	Shares Number Class I USD Distribution	Shares Number Class Portfolio Currency Hedged EUR I Accumulation	Shares Number Class Portfolio Currency Hedged GBP I Distribution	Shares Number Class R EUR Accumulation
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2019	213,042	184,476	10,540,294	24,274
Shares issued during financial year	86,771	150,583	2,342,416	29,340
Shares redeemed during financial year	(3,717)	(24,985)	(1,978,256)	(410)
<b>Shares in issue at 31 December 2019</b>	<b>296,096</b>	<b>310,074</b>	<b>10,904,454</b>	<b>53,204</b>
<b>Shares in issue at 31 December 2018</b>	<b>213,042</b>	<b>184,476</b>	<b>10,540,294</b>	<b>24,274</b>

	31 December 2019			
	Shares Number Class R EUR Distribution	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution	Shares Number Class R USD Accumulation
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2019	56,090	17,335	189	100
Shares issued during financial year	66,706	4,319	8	1
Shares redeemed during financial year	(1,003)	(1,445)	–	–
<b>Shares in issue at 31 December 2019</b>	<b>121,793</b>	<b>20,209</b>	<b>197</b>	<b>101</b>
<b>Shares in issue at 31 December 2018</b>	<b>56,090</b>	<b>17,335</b>	<b>189</b>	<b>100</b>

	31 December 2019			
	Shares Number Class R USD Distribution	Shares Number Class S EUR Accumulation	Shares Number Class S EUR Distribution	Shares Number Class S GBP Hedged Accumulation
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2019	45,817	10,540	10,391	84,515
Shares issued during financial year	59,535	1,593	12	60,835
Shares redeemed during financial year	–	(1,043)	(10,228)	(6,680)
<b>Shares in issue at 31 December 2019</b>	<b>105,352</b>	<b>11,090</b>	<b>175</b>	<b>138,670</b>
<b>Shares in issue at 31 December 2018</b>	<b>45,817</b>	<b>10,540</b>	<b>10,391</b>	<b>84,515</b>

	31 December 2019			
	Shares Number Class S GBP Hedged Distribution	Shares Number Class S CHF Hedged Accumulation	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2019	527,801	50	262,512	28,617,047
Shares issued during financial year	909,617	–	113,340	12,281,354
Shares redeemed during financial year	(1,062,638)	–	(162,411)	(3,903,459)
<b>Shares in issue at 31 December 2019</b>	<b>374,780</b>	<b>50</b>	<b>213,441</b>	<b>36,994,942</b>
<b>Shares in issue at 31 December 2018</b>	<b>527,801</b>	<b>50</b>	<b>262,512</b>	<b>28,617,047</b>

	31 December 2019			
	Shares Number Class S USD Accumulation	Shares Number Class S USD Distribution	Shares Number Class SI GBP Accumulation	Shares Number Class Portfolio Currency Hedged GBP S Distribution
<b>Global Convertible Fund</b>				
Shares in issue at 1 January 2019	38,975	360,712	100	–
Shares issued during financial year	7,509	18,855	6,408,720	1,014,978
Shares redeemed during financial year	(4,639)	(32,460)	(2,502,395)	(6,681)
<b>Shares in issue at 31 December 2019</b>	<b>41,845</b>	<b>347,107</b>	<b>3,906,425</b>	<b>1,008,297</b>
<b>Shares in issue at 31 December 2018</b>	<b>38,975</b>	<b>360,712</b>	<b>100</b>	<b>–</b>

## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2019		
	Shares Number Class A GBP Distribution	Shares Number Class B GBP Accumulation	Shares Number Class E GBP Distribution
Global Insurance Fund			
Shares in issue at 1 January 2019	3,000,425	1,878,718	59,890,589
Shares issued during financial year	594	25,407	11,078,635
Shares redeemed during financial year	(2,618,281)	(367,987)	(13,865,655)
<b>Shares in issue at 31 December 2019</b>	<b>382,738</b>	<b>1,536,138</b>	<b>57,103,569</b>
<b>Shares in issue at 31 December 2018</b>	<b>3,000,425</b>	<b>1,878,718</b>	<b>59,890,589</b>

	31 December 2019		
	Shares Number Class F GBP Accumulation	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution
Global Insurance Fund			
Shares in issue at 1 January 2019	29,435,807	12,401,179	1,444,883
Shares issued during financial year	10,561,405	5,796,878	519,167
Shares redeemed during financial year	(14,670,737)	(8,679,647)	(482,533)
<b>Shares in issue at 31 December 2019</b>	<b>25,326,475</b>	<b>9,518,410</b>	<b>1,481,517</b>
<b>Shares in issue at 31 December 2018</b>	<b>29,435,807</b>	<b>12,401,179</b>	<b>1,444,883</b>

	31 December 2019			
	Shares Number Class I Hedged EUR Accumulation	Shares Number Class I Hedged USD Accumulation	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution
Global Insurance Fund				
Shares in issue at 1 January 2019	941,162	171,746	31,158,984	29,846,781
Shares issued during financial year	792,739	86,357	26,369,928	9,631,363
Shares redeemed during financial year	(303,428)	(93,607)	(11,874,961)	(5,489,862)
<b>Shares in issue at 31 December 2019</b>	<b>1,430,473</b>	<b>164,496</b>	<b>45,653,951</b>	<b>33,988,282</b>
<b>Shares in issue at 31 December 2018</b>	<b>941,162</b>	<b>171,746</b>	<b>31,158,984</b>	<b>29,846,781</b>

	31 December 2019			
	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution
Global Insurance Fund				
Shares in issue at 1 January 2019	35,707,591	2,025,648	538,565	3,292
Shares issued during financial year	15,349,050	872,062	1,184,514	174,996
Shares redeemed during financial year	(17,606,540)	(639,856)	(575,977)	(26,786)
<b>Shares in issue at 31 December 2019</b>	<b>33,450,101</b>	<b>2,257,854</b>	<b>1,147,102</b>	<b>151,502</b>
<b>Shares in issue at 31 December 2018</b>	<b>35,707,591</b>	<b>2,025,648</b>	<b>538,565</b>	<b>3,292</b>



	31 December 2019			
	Shares Number Class R GBP Accumulation	Shares Number Class R GBP Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
<b>Global Insurance Fund</b>				
Shares in issue at 1 January 2019	900,345	3,744,528	2,274,731	10,523
Shares issued during financial year	316,886	61,300	5,791,951	124,641
Shares redeemed during financial year	(163,620)	(10,353)	(492,842)	(36)
<b>Shares in issue at 31 December 2019</b>	<b>1,053,611</b>	<b>3,795,475</b>	<b>7,573,840</b>	<b>135,128</b>
<b>Shares in issue at 31 December 2018</b>	<b>900,345</b>	<b>3,744,528</b>	<b>2,274,731</b>	<b>10,523</b>

	31 December 2019			
	Shares Number Class A EUR Distribution	Shares Number Class A GBP Distribution	Shares Number Class A USD Distribution	Shares Number Class I EUR Distribution
<b>Global Technology Fund</b>				
Shares in issue at 1 January 2019	94,607	256,998	884,849	2,167,631
Shares issued during financial year	66,093	132,043	164,332	1,413,213
Shares redeemed during financial year	(54,320)	(93,568)	(83,969)	(909,090)
<b>Shares in issue at 31 December 2019</b>	<b>106,380</b>	<b>295,473</b>	<b>965,212</b>	<b>2,671,754</b>
<b>Shares in issue at 31 December 2018</b>	<b>94,607</b>	<b>256,998</b>	<b>884,849</b>	<b>2,167,631</b>

	31 December 2019			
	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged GBP Distribution	Shares Number Class I Hedged CHF Distribution	Shares Number Class I GBP Distribution
<b>Global Technology Fund</b>				
Shares in issue at 1 January 2019	4,182,629	3,636,160	1,543,153	26,258,561
Shares issued during financial year	2,001,959	1,500,282	283,748	8,247,070
Shares redeemed during financial year	(2,308,265)	(955,691)	(334,996)	(8,920,727)
<b>Shares in issue at 31 December 2019</b>	<b>3,876,323</b>	<b>4,180,751</b>	<b>1,491,905</b>	<b>25,584,904</b>
<b>Shares in issue at 31 December 2018</b>	<b>4,182,629</b>	<b>3,636,160</b>	<b>1,543,153</b>	<b>26,258,561</b>

	31 December 2019			
	Shares Number Class I USD Distribution	Shares Number Class R EUR Distribution	Shares Number Class R Hedged EUR Accumulation	Shares Number Class R Hedged EUR Distribution
<b>Global Technology Fund</b>				
Shares in issue at 1 January 2019	12,496,768	2,102,297	2,813,988	3,438,374
Shares issued during financial year	10,837,780	1,981,694	2,132,224	570,267
Shares redeemed during financial year	(7,494,282)	(806,130)	(1,553,614)	(1,552,071)
<b>Shares in issue at 31 December 2019</b>	<b>15,840,266</b>	<b>3,277,861</b>	<b>3,392,598</b>	<b>2,456,570</b>
<b>Shares in issue at 31 December 2018</b>	<b>12,496,768</b>	<b>2,102,297</b>	<b>2,813,988</b>	<b>3,438,374</b>


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2019
**9. Shareholders' Funds** continued**Movement in redeemable participating shares in issue during the financial year** continued

	31 December 2019		
	Shares Number Class R Hedged CHF Distribution	Shares Number Class R GBP Distribution	Shares Number Class R USD Distribution
<b>Global Technology Fund</b> continued			
Shares in issue at 1 January 2019	416,192	464,689	11,759,962
Shares issued during financial year	184,672	166,852	5,465,771
Shares redeemed during financial year	(102,729)	(119,671)	(6,192,678)
<b>Shares in issue at 31 December 2019</b>	<b>498,135</b>	<b>511,870</b>	<b>11,033,055</b>
<b>Shares in issue at 31 December 2018</b>	<b>416,192</b>	<b>464,689</b>	<b>11,759,962</b>

	31 December 2019		
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I GBP Accumulation
<b>Healthcare Blue Chip Fund</b>			
Shares in issue at 1 January 2019	65	6,826	606,748
Shares issued during financial year	41,050	36,598	508,522
Shares redeemed during financial year	(40,473)	(6,760)	(262,990)
<b>Shares in issue at 31 December 2019</b>	<b>642</b>	<b>36,664</b>	<b>852,280</b>
<b>Shares in issue at 31 December 2018</b>	<b>65</b>	<b>6,826</b>	<b>606,748</b>

	31 December 2019		
	Shares Number Class I GBP Distribution	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution
<b>Healthcare Blue Chip Fund</b>			
Shares in issue at 1 January 2019	221,450	125,975	18,361
Shares issued during financial year	446,360	19,478	1,510
Shares redeemed during financial year	(163,333)	(26,643)	(18,270)
<b>Shares in issue at 31 December 2019</b>	<b>504,477</b>	<b>118,810</b>	<b>1,601</b>
<b>Shares in issue at 31 December 2018</b>	<b>221,450</b>	<b>125,975</b>	<b>18,361</b>

	31 December 2019		
	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution	Shares Number Class S GBP Hedged Distribution
<b>Healthcare Blue Chip Fund</b>			
Shares in issue at 1 January 2019	82,691	265,446	160,895
Shares issued during financial year	483,812	86,379	76,439
Shares redeemed during financial year	(102,999)	(300,953)	(237,232)
<b>Shares in issue at 31 December 2019</b>	<b>463,504</b>	<b>50,872</b>	<b>102</b>
<b>Shares in issue at 31 December 2018</b>	<b>82,691</b>	<b>265,446</b>	<b>160,895</b>

	31 December 2019			
	Shares Number Class S USD Accumulation	Shares Number Class S USD Distribution	Shares Number Class SI GBP Distribution	Shares Number Class SI USD Distribution
<b>Healthcare Blue Chip Fund</b>				
Shares in issue at 1 January 2019	117,408	22,467	5,197,583	3,421
Shares issued during financial year	8	1	634,385	5,301
Shares redeemed during financial year	(117,408)	(22,416)	(882,381)	–
<b>Shares in issue at 31 December 2019</b>	<b>8</b>	<b>52</b>	<b>4,949,587</b>	<b>8,722</b>
<b>Shares in issue at 31 December 2018</b>	<b>117,408</b>	<b>22,467</b>	<b>5,197,583</b>	<b>3,421</b>

	31 December 2019		
	Shares Number Class A EUR Distribution	Shares Number Class A GBP Distribution	Shares Number Class A USD Distribution
<b>Healthcare Opportunities Fund</b>			
Shares in issue at 1 January 2019	242,100	114,803	292,905
Shares issued during financial year	103,106	13,815	44,458
Shares redeemed during financial year	(163,913)	(21,467)	(90,025)
<b>Shares in issue at 31 December 2019</b>	<b>181,293</b>	<b>107,151</b>	<b>247,338</b>
<b>Shares in issue at 31 December 2018</b>	<b>242,100</b>	<b>114,803</b>	<b>292,905</b>

	31 December 2019		
	Shares Number Class I EUR Distribution	Shares Number Class I EUR Accumulation	Shares Number Class I GBP Distribution
<b>Healthcare Opportunities Fund</b>			
Shares in issue at 1 January 2019	2,220,001	100	25,162,358
Shares issued during financial year	2,238,464	103,951	5,773,002
Shares redeemed during financial year	(1,291,048)	–	(11,097,640)
<b>Shares in issue at 31 December 2019</b>	<b>3,167,417</b>	<b>104,051</b>	<b>19,837,720</b>
<b>Shares in issue at 31 December 2018</b>	<b>2,220,001</b>	<b>100</b>	<b>25,162,358</b>


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2019
**9. Shareholders' Funds** continued**Movement in redeemable participating shares in issue during the financial year** continued

	31 December 2019			
	Shares Number Class I USD Distribution	Shares Number Class R EUR Distribution	Shares Number Class R GBP Distribution	Shares Number Class R USD Distribution
<b>Healthcare Opportunities Fund</b> continued				
Shares in issue at 1 January 2019	4,260,780	1,209,274	315,415	2,094,129
Shares issued during financial year	1,296,498	440,510	58,474	644,996
Shares redeemed during financial year	(2,324,571)	(352,576)	(77,305)	(828,052)
<b>Shares in issue at 31 December 2019</b>	<b>3,232,707</b>	<b>1,297,208</b>	<b>296,584</b>	<b>1,911,073</b>
<b>Shares in issue at 31 December 2018</b>	<b>4,260,780</b>	<b>1,209,274</b>	<b>315,415</b>	<b>2,094,129</b>

	31 December 2019			
	Shares Number Class A1 GBP Distribution	Shares Number Class A2 GBP Accumulation	Shares Number Class B1 GBP Distribution	Shares Number Class B2 GBP Accumulation
<b>Income Opportunities Fund</b>				
Shares in issue at 1 January 2019	6,404,731	3,493,531	26,597,169	70,316,544
Shares issued during financial year	1,079,826	235,352	1,695,689	14,410,360
Shares redeemed during financial year	(2,182,846)	(1,882,689)	(11,102,959)	(49,700,953)
<b>Shares in issue at 31 December 2019</b>	<b>5,301,711</b>	<b>1,846,194</b>	<b>17,189,899</b>	<b>35,025,951</b>
<b>Shares in issue at 31 December 2018</b>	<b>6,404,731</b>	<b>3,493,531</b>	<b>26,597,169</b>	<b>70,316,544</b>

	31 December 2019			
	Shares Number Class I EUR Accumulation	Shares Number Class I EUR Distribution	Shares Number Class I EUR Hedged Accumulation	Shares Number Class I EUR Hedged Distribution
<b>Income Opportunities Fund</b>				
Shares in issue at 1 January 2019	414	650	32,605	9,012
Shares issued during financial year	–	29	2,000	5
Shares redeemed during financial year	–	–	(17,700)	(4,100)
<b>Shares in issue at 31 December 2019</b>	<b>414</b>	<b>679</b>	<b>16,905</b>	<b>4,917</b>
<b>Shares in issue at 31 December 2018</b>	<b>414</b>	<b>650</b>	<b>32,605</b>	<b>9,012</b>

	31 December 2019			
	Shares Number Class I USD Accumulation	Shares Number Class I USD Distribution	Shares Number Class R EUR Accumulation	Shares Number Class R EUR Distribution
<b>Income Opportunities Fund</b>				
Shares in issue at 1 January 2019	371	851,093	1,073,307	516,319
Shares issued during financial year	–	134,420	78,286	18,175
Shares redeemed during financial year	–	(426,436)	(986,498)	(47,253)
<b>Shares in issue at 31 December 2019</b>	<b>371</b>	<b>559,077</b>	<b>165,095</b>	<b>487,241</b>
<b>Shares in issue at 31 December 2018</b>	<b>371</b>	<b>851,093</b>	<b>1,073,307</b>	<b>516,319</b>

	31 December 2019			
	Shares Number Class R EUR Hedged Accumulation	Shares Number Class R EUR Hedged Distribution	Shares Number Class R USD Accumulation	Shares Number Class R USD Distribution
<b>Income Opportunities Fund</b>				
Shares in issue at 1 January 2019	471,756	485,765	1,034,468	3,825,853
Shares issued during financial year	–	5	34,052	27
Shares redeemed during financial year	(271,367)	(192,326)	(391,312)	(1,872,446)
<b>Shares in issue at 31 December 2019</b>	<b>200,389</b>	<b>293,444</b>	<b>677,208</b>	<b>1,953,434</b>
<b>Shares in issue at 31 December 2018</b>	<b>471,756</b>	<b>485,765</b>	<b>1,034,468</b>	<b>3,825,853</b>

	31 December 2019			
	Shares Number Class R USD Hedged Accumulation	Shares Number Class R USD Hedged Distribution	Shares Number Class Z GBP Accumulation	Shares Number Class Z GBP Distribution
<b>Income Opportunities Fund</b>				
Shares in issue at 1 January 2019	3,557,397	2,541,028	–	–
Shares issued during financial year	47,081	5	100	100
Shares redeemed during financial year	(1,501,256)	(918,360)	–	–
<b>Shares in issue at 31 December 2019</b>	<b>2,103,222</b>	<b>1,622,673</b>	<b>100</b>	<b>100</b>
<b>Shares in issue at 31 December 2018</b>	<b>3,557,397</b>	<b>2,541,028</b>	<b>–</b>	<b>–</b>

	31 December 2019		
	Shares Number Class A JPY Distribution	Shares Number Class A GBP Distribution	Shares Number Class A USD Distribution
<b>Japan Fund</b>			
Shares in issue at 1 January 2019	134,056	126,200	197,062
Shares issued during financial year	–	4,136	6,644
Shares redeemed during financial year	(134,056)	(130,336)	(203,706)
<b>Shares in issue at 31 December 2019</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Shares in issue at 31 December 2018</b>	<b>134,056</b>	<b>126,200</b>	<b>197,062</b>

	31 December 2019		
	Shares Number Class I EUR Distribution	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged GBP Distribution
<b>Japan Fund</b>			
Shares in issue at 1 January 2019	264,398	3,114,167	6,892,553
Shares issued during financial year	185,653	781,371	178,886
Shares redeemed during financial year	(450,051)	(3,895,538)	(7,071,439)
<b>Shares in issue at 31 December 2019</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Shares in issue at 31 December 2018</b>	<b>264,398</b>	<b>3,114,167</b>	<b>6,892,553</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 9. Shareholders' Funds continued

## Movement in redeemable participating shares in issue during the financial year continued

	31 December 2019			
	Shares Number Class I Hedged CHF Distribution	Shares Number Class I Hedged USD Distribution	Shares Number Class I JPY Distribution	Shares Number Class I GBP Distribution
Japan Fund continued				
Shares in issue at 1 January 2019	779,307	3,752,487	3,705,249	3,934,373
Shares issued during financial year	15,337	405,993	407,781	177,048
Shares redeemed during financial year	(794,644)	(4,158,480)	(4,113,030)	(4,111,421)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	779,307	3,752,487	3,705,249	3,934,373

	31 December 2019			
	Shares Number Class I USD Distribution	Shares Number Class R EUR Distribution	Shares Number Class R Hedged EUR Distribution	Shares Number Class R Hedged GBP Distribution
Japan Fund				
Shares in issue at 1 January 2019	1,288,426	46,871	1,920,953	137,584
Shares issued during financial year	47,760	17,167	80,731	120,924
Shares redeemed during financial year	(1,336,186)	(64,038)	(2,001,684)	(258,508)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	1,288,426	46,871	1,920,953	137,584

	31 December 2019			
	Shares Number Class R Hedged CHF Distribution	Shares Number Class R Hedged USD Distribution	Shares Number Class R JPY Distribution	Shares Number Class R GBP Distribution
Japan Fund				
Shares in issue at 1 January 2019	544,791	5,121,694	1,830,178	1,832
Shares issued during financial year	9,149	94,983	105,415	25
Shares redeemed during financial year	(553,940)	(5,216,677)	(1,935,593)	(1,857)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	544,791	5,121,694	1,830,178	1,832

	31 December 2019			
	Shares Number Class R USD Distribution	Shares Number Class SI EUR Distribution	Shares Number Class SI Hedged EUR Distribution	Shares Number Class SI Hedged GBP Distribution
<b>Japan Fund</b>				
Shares in issue at 1 January 2019	94,698	555,943	1,430,366	1,000
Shares issued during financial year	5,233	–	–	–
Shares redeemed during financial year	(99,931)	(555,943)	(1,430,366)	(1,000)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	94,698	555,943	1,430,366	1,000

	31 December 2019			
	Shares Number Class SI Hedged USD Distribution	Shares Number Class SI GBP Distribution	Shares Number Class SI JPY Distribution	Shares Number Class SI USD Distribution
<b>Japan Fund</b>				
Shares in issue at 1 January 2019	1,767,653	148	1,470,456	1,778,875
Shares issued during financial year	112,989	–	–	–
Shares redeemed during financial year	(1,880,642)	(148)	(1,470,456)	(1,778,875)
<b>Shares in issue at 31 December 2019</b>	–	–	–	–
<b>Shares in issue at 31 December 2018</b>	1,767,653	148	1,470,456	1,778,875

	31 December 2019			
	Shares Number Class I EUR Distribution	Shares Number Class I Hedged CHF Distribution	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged GBP Distribution
<b>Japan Value Fund</b>				
Shares in issue at 1 January 2019	1,038	–	100	100
Shares issued during financial year	1,819,871	100	–	–
Shares redeemed during financial year	–	–	–	–
<b>Shares in issue at 31 December 2019</b>	1,820,909	100	100	100
<b>Shares in issue at 31 December 2018</b>	1,038	–	100	100



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 9. Shareholders' Funds continued

#### Movement in redeemable participating shares in issue during the financial year continued

	31 December 2019			
	Shares Number Class I Hedged USD Distribution	Shares Number Class I JPY Distribution	Shares Number Class I GBP Distribution	Shares Number Class I USD Distribution
<b>Japan Value Fund</b> continued				
Shares in issue at 1 January 2019	100	1,415	1,168	846
Shares issued during financial year	789	–	39,680	94,000
Shares redeemed during financial year	–	–	(287)	–
<b>Shares in issue at 31 December 2019</b>	<b>889</b>	<b>1,415</b>	<b>40,561</b>	<b>94,846</b>
<b>Shares in issue at 31 December 2018</b>	<b>100</b>	<b>1,415</b>	<b>1,168</b>	<b>846</b>

	31 December 2019			
	Shares Number Class R Hedged CHF Distribution	Shares Number Class R Hedged EUR Distribution	Shares Number Class R Hedged GBP Distribution	Shares Number Class R Hedged USD Distribution
<b>Japan Value Fund</b>				
Shares in issue at 1 January 2019	–	1,192,078	56,364	1,362,393
Shares issued during financial year	479,382	7,038,549	2,134,131	19,315,688
Shares redeemed during financial year	(90,690)	(2,238,091)	(102,237)	(3,086,283)
<b>Shares in issue at 31 December 2019</b>	<b>388,692</b>	<b>5,992,536</b>	<b>2,088,258</b>	<b>17,591,798</b>
<b>Shares in issue at 31 December 2018</b>	<b>–</b>	<b>1,192,078</b>	<b>56,364</b>	<b>1,362,393</b>

	31 December 2019			
	Shares Number Class R EUR Distribution	Shares Number Class R GBP Distribution	Shares Number Class R JPY Distribution	Shares Number Class R USD Distribution
<b>Japan Value Fund</b>				
Shares in issue at 1 January 2019	–	–	140,120	126
Shares issued during financial year	443,645	6,409	8,565,042	530,886
Shares redeemed during financial year	(130,142)	–	(1,075,306)	(46)
<b>Shares in issue at 31 December 2019</b>	<b>313,503</b>	<b>6,409</b>	<b>7,629,856</b>	<b>530,966</b>
<b>Shares in issue at 31 December 2018</b>	<b>–</b>	<b>–</b>	<b>140,120</b>	<b>126</b>



	31 December 2019			
	Shares Number Class S Hedged CHF Distribution	Shares Number Class S Hedged EUR Distribution	Shares Number Class S Hedged GBP Distribution	Shares Number Class S Hedged USD Distribution
<b>Japan Value Fund</b>				
Shares in issue at 1 January 2019	–	622	4,718,880	426,142
Shares issued during financial year	540,303	9,953,963	22,413,242	18,864,790
Shares redeemed during financial year	(110,635)	(1,981,819)	(12,750,237)	(4,651,740)
<b>Shares in issue at 31 December 2019</b>	<b>429,668</b>	<b>7,972,766</b>	<b>14,381,885</b>	<b>14,639,192</b>
<b>Shares in issue at 31 December 2018</b>	<b>–</b>	<b>622</b>	<b>4,718,880</b>	<b>426,142</b>

	31 December 2019			
	Shares Number Class S EUR Distribution	Shares Number Class S JPY Distribution	Shares Number Class S GBP Distribution	Shares Number Class S USD Distribution
<b>Japan Value Fund</b>				
Shares in issue at 1 January 2019	–	298,326	895,401	–
Shares issued during financial year	2,483,257	48,805,481	14,383,059	7,141,446
Shares redeemed during financial year	(1,618,851)	(9,133,128)	(453,844)	(570,912)
<b>Shares in issue at 31 December 2019</b>	<b>864,406</b>	<b>39,970,679</b>	<b>14,824,616</b>	<b>6,570,534</b>
<b>Shares in issue at 31 December 2018</b>	<b>–</b>	<b>298,326</b>	<b>895,401</b>	<b>–</b>

	31 December 2019			
	Shares Number Class I EUR Distribution	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged GBP Distribution	Shares Number Class I Hedged CHF Distribution
<b>North American Fund</b>				
Shares in issue at 1 January 2019	12,280,509	6,459,668	4,842,377	1,508,688
Shares issued during financial year	951,746	7,051,245	643,206	169,788
Shares redeemed during financial year	(6,646,514)	(8,333,792)	(2,367,301)	(1,496,199)
<b>Shares in issue at 31 December 2019</b>	<b>6,585,741</b>	<b>5,177,121</b>	<b>3,118,282</b>	<b>182,277</b>
<b>Shares in issue at 31 December 2018</b>	<b>12,280,509</b>	<b>6,459,668</b>	<b>4,842,377</b>	<b>1,508,688</b>

	31 December 2019			
	Shares Number Class I GBP Distribution	Shares Number Class I USD Distribution	Shares Number Class R EUR Distribution	Shares Number Class R Hedged EUR Distribution
<b>North American Fund</b>				
Shares in issue at 1 January 2019	12,616,899	29,364,818	24,141	494,557
Shares issued during financial year	3,291,915	11,760,841	85,680	133,500
Shares redeemed during financial year	(3,819,692)	(22,377,726)	(29,020)	(241,020)
<b>Shares in issue at 31 December 2019</b>	<b>12,089,122</b>	<b>18,747,933</b>	<b>80,801</b>	<b>387,037</b>
<b>Shares in issue at 31 December 2018</b>	<b>12,616,899</b>	<b>29,364,818</b>	<b>24,141</b>	<b>494,557</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 9. Shareholders' Funds continued

## Movement in redeemable participating shares in issue during the financial year continued

	31 December 2019			
	Shares Number Class R Hedged GBP Distribution	Shares Number Class R GBP Distribution	Shares Number Class R USD Distribution	Shares Number Class S EUR Distribution
<b>North American Fund</b> continued				
Shares in issue at 1 January 2019	79,219	11,205	2,078,042	51,318
Shares issued during financial year	1,955	10,048	281,517	3,713
Shares redeemed during financial year	(30,585)	(1,185)	(496,938)	(8,987)
<b>Shares in issue at 31 December 2019</b>	<b>50,589</b>	<b>20,068</b>	<b>1,862,621</b>	<b>46,044</b>
<b>Shares in issue at 31 December 2018</b>	<b>79,219</b>	<b>11,205</b>	<b>2,078,042</b>	<b>51,318</b>

	31 December 2019			
	Shares Number Class S Hedged EUR Distribution	Shares Number Class S Hedged GBP Distribution	Shares Number Class S GBP Distribution	Shares Number Class S USD Distribution
<b>North American Fund</b>				
Shares in issue at 1 January 2019	21,921	2,008,801	26,094,798	5,364,322
Shares issued during financial year	7,655	277,452	2,998,199	250,101
Shares redeemed during financial year	(1,331)	(441,365)	(8,874,430)	(1,476,488)
<b>Shares in issue at 31 December 2019</b>	<b>28,245</b>	<b>1,844,888</b>	<b>20,218,567</b>	<b>4,137,935</b>
<b>Shares in issue at 31 December 2018</b>	<b>21,921</b>	<b>2,008,801</b>	<b>26,094,798</b>	<b>5,364,322</b>

	31 December 2019		
	Shares Number Class I EUR Distribution	Shares Number Class I Hedged EUR Distribution	Shares Number Class I Hedged USD Distribution
<b>UK Absolute Equity Fund</b>			
Shares in issue at 1 January 2019	166,756	6,106,670	2,099,535
Shares issued during financial year	250,741	6,577,772	516,055
Shares redeemed during financial year	(352,034)	(3,933,453)	(1,502,551)
<b>Shares in issue at 31 December 2019</b>	<b>65,463</b>	<b>8,750,989</b>	<b>1,113,039</b>
<b>Shares in issue at 31 December 2018</b>	<b>166,756</b>	<b>6,106,670</b>	<b>2,099,535</b>

	31 December 2019			
	Shares Number Class I GBP Distribution	Shares Number Class I USD Distribution	Shares Number Class R EUR Distribution	Shares Number Class R Hedged EUR Distribution
<b>UK Absolute Equity Fund</b>				
Shares in issue at 1 January 2019	9,854,113	561,155	59,375	1,555,990
Shares issued during financial year	4,810,767	160,780	30,980	533,122
Shares redeemed during financial year	(7,080,126)	(81,164)	(56,116)	(948,392)
<b>Shares in issue at 31 December 2019</b>	<b>7,584,754</b>	<b>640,771</b>	<b>34,239</b>	<b>1,140,720</b>
<b>Shares in issue at 31 December 2018</b>	<b>9,854,113</b>	<b>561,155</b>	<b>59,375</b>	<b>1,555,990</b>

	31 December 2019			
	Shares Number Class R Hedged USD Distribution	Shares Number Class R GBP Distribution	Shares Number Class R USD Distribution	Shares Number Class S EUR Distribution
<b>UK Absolute Equity Fund</b>				
Shares in issue at 1 January 2019	63,606	175,857	8,816	8
Shares issued during financial year	58,094	14,207	1,100	32,709
Shares redeemed during financial year	(81,422)	(74,162)	(1,087)	–
<b>Shares in issue at 31 December 2019</b>	<b>40,278</b>	<b>115,902</b>	<b>8,829</b>	<b>32,717</b>
<b>Shares in issue at 31 December 2018</b>	<b>63,606</b>	<b>175,857</b>	<b>8,816</b>	<b>8</b>

	31 December 2019			
	Shares Number Class S Hedged EUR Distribution	Shares Number Class S Hedged USD Distribution	Shares Number Class S GBP Distribution	Shares Number Class S USD Distribution
<b>UK Absolute Equity Fund</b>				
Shares in issue at 1 January 2019	44,295	89,667	2,816,119	6
Shares issued during financial year	10,674	–	366,915	–
Shares redeemed during financial year	(13,990)	(15,344)	(568,067)	–
<b>Shares in issue at 31 December 2019</b>	<b>40,979</b>	<b>74,323</b>	<b>2,614,967</b>	<b>6</b>
<b>Shares in issue at 31 December 2018</b>	<b>44,295</b>	<b>89,667</b>	<b>2,816,119</b>	<b>6</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**9. Shareholders' Funds** continued**Movement in redeemable participating shares in issue during the financial year** continued

	31 December 2019		
	Shares Number Class I GBP Accumulation	Shares Number Class I GBP Distribution	Shares Number Class R GBP Accumulation
UK Value Opportunities Fund			
Shares in issue at 1 January 2019	8,172,925	4,498,069	266,487
Shares issued during financial year	8,092,018	3,546,358	34,269
Shares redeemed during financial year	(3,907,947)	(2,618,065)	(66,607)
<b>Shares in issue at 31 December 2019</b>	<b>12,356,996</b>	<b>5,426,362</b>	<b>234,149</b>
<b>Shares in issue at 31 December 2018</b>	<b>8,172,925</b>	<b>4,498,069</b>	<b>266,487</b>

	31 December 2019			
	Shares Number Class S GBP Accumulation	Shares Number Class S GBP Distribution	Shares Number Class Z GBP Accumulation	Shares Number Distribution
UK Value Opportunities Fund				
Shares in issue at 1 January 2019	36,640,834	23,853,862	–	–
Shares issued during financial year	4,059,885	33,947,618	100	100
Shares redeemed during financial year	(11,687,178)	(7,009,771)	–	–
<b>Shares in issue at 31 December 2019</b>	<b>29,013,541</b>	<b>50,791,709</b>	<b>100</b>	<b>100</b>
<b>Shares in issue at 31 December 2018</b>	<b>36,640,834</b>	<b>23,853,862</b>	<b>–</b>	<b>–</b>

**10. Financial Risk Management**

In accordance with its investment objectives and policies, the Company holds financial instruments, which at any one time may comprise securities, cash and derivatives, held in accordance with the investment objective and policies of each Fund.

A review of the portfolio activity for the financial year is available in the Investment Manager's Reports and a detailed analysis of the investments is shown in the Portfolio Statements. Investments listed on the Portfolio Statements are stated at fair value as described in Note 2.

**Risks**

The following summary is not intended to be a comprehensive summary of all the risks inherent in investing in the Company and investors should refer to the prospectus for a more detailed discussion of these risks.

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## Strategy in using Financial Instruments

The Funds are exposed to a variety of financial risks in pursuing their stated investment objectives and policies. These risks are defined for financial reporting purposes by IFRS as credit risk, liquidity risk and market risk (which in turn includes currency risk, interest rate risk and price risk). The Funds take exposure to certain of these risks to generate investment returns on their portfolios, although these risks can also potentially result in a reduction in the Funds' assets. The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the Funds' performance where it can do so while still managing the investments of the Funds in ways that are consistent with each Fund's investment objectives and policies.

The risks, and the measures adopted by the Company for managing these risks, are detailed below.

### Market price risk

Market price risk is the risk that the fair value of a financial instrument or its future cash flows will fluctuate because of changes in market prices.

The assets of the Funds consist principally of equities, equity related securities, fixed income securities, contracts for difference ('CFDs') and currency derivatives used for hedging purposes. Credit default swaps, interest rate futures and options are also used by certain Funds from time to time.

The values of these instruments are determined by market forces and there is accordingly a risk that market prices can change in a way that is adverse to a Fund's performance.

The Directors have adopted a number of investment restrictions which are set out in the individual Fund supplements to the Company's prospectus and which limit the exposure of the Funds to adverse changes in the price of any individual financial asset. In accordance with Company policy, the Investment Manager monitors the Funds' positions on a daily basis and reports regularly to the Board of Directors. The Board reviews the information on each Fund's overall market exposure provided by the Investment Manager at its periodic meetings.

In addition, the Investment Manager manages the exposure of the portfolios to the risk of adverse changes in the general level of market prices to the extent consistent, in the judgement of the Investment Manager, with each Fund's respective investment objective.

### Use of Derivatives and Efficient Portfolio Management

Depending on the Funds involved, the Company may invest in financial derivative instruments for both speculative and efficient portfolio management purposes, subject to the conditions and within the limits from time to time stipulated by the Central Bank under the UCITS Regulations. A number of the Funds use currency forwards to hedge share class exposures.

Apart from the Global Absolute Return Fund, Global Convertible Fund and the UK Absolute Equity Fund, the Investment Manager has generally only used financial derivative instruments in the Funds for the purpose of efficient portfolio management and efficient access to markets during the financial year. This includes contracts for difference, option contracts, forward foreign currency contracts and futures contracts. Risks arising from the use of financial derivative instruments at the financial year end are consistent with those set out in the Prospectus.

Open financial derivative instrument contracts at the financial year end are disclosed in the Portfolio Statements, including the relevant counterparty, the underlying securities, currencies or indices, and the market value or unrealised gain/loss on the contract at the financial year end.

At 31 December 2019, market price risks applying to each Fund are affected by two main components: changes in market prices and currency exchange rates.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 10. Financial Risk Management continued

#### Market price risk continued

The following tables show the sensitivity of each Fund (for a representative share class) to changes in market prices based on a 10% price stress test on the portfolio as at 31 December 2019 and 31 December 2018.

As at 31 December 2019		NAV US\$/share 31 December 2019	% Increase/ (decrease) price levels	NAV US\$/share after price impact
Asian Opportunities Fund Class I US Dollar Distribution	US\$	14.14	10	15.50
Asian Opportunities Fund Class I US Dollar Distribution	US\$	14.14	(10)	12.78
Asian Stars I USD Accumulation	US\$	12.66	10	13.90
Asian Stars I USD Accumulation	US\$	12.66	(10)	11.42
Automation & AI – I USD Accumulation	US\$	12.83	10	14.01
Automation & AI – I USD Accumulation	US\$	12.83	(10)	11.65
Biotechnology Fund Class I US Dollar Distribution	US\$	27.88	10	30.55
Biotechnology Fund Class I US Dollar Distribution	US\$	27.88	(10)	25.21
China Stars I USD Accumulation	US\$	11.36	10	12.36
China Stars I USD Accumulation	US\$	11.36	(10)	10.36
Emerging Markets Income Fund Class I US Dollar Accumulation	US\$	13.29	10	14.57
Emerging Markets Income Fund Class I US Dollar Accumulation	US\$	13.29	(10)	12.01
Emerging Market Stars I USD Accumulation	US\$	10.97	10	11.98
Emerging Market Stars I USD Accumulation	US\$	10.97	(10)	9.96
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	15.10	10	16.58
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	15.10	(10)	13.62
Global Absolute Return I USD Accumulation	US\$	102.29	10	102.91
Global Absolute Return I USD Accumulation	US\$	102.29	(10)	102.01
Global Convertible Fund Class I US Dollar Accumulation	US\$	13.61	10	14.09
Global Convertible Fund Class I US Dollar Accumulation	US\$	13.61	(10)	13.20
Global Technology Fund Class I US Dollar Distribution	US\$	55.06	10	60.54
Global Technology Fund Class I US Dollar Distribution	US\$	55.06	(10)	49.80
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	14.87	10	16.27
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	14.87	(10)	13.47
Healthcare Opportunities Fund Class I US Dollar Distribution	US\$	54.39	10	59.82
Healthcare Opportunities Fund Class I US Dollar Distribution	US\$	54.39	(10)	48.96
North American Fund Class I US Dollar Distribution	US\$	27.26	10	29.86
North American Fund Class I US Dollar Distribution	US\$	27.26	(10)	24.66

As at 31 December 2019		NAV €/share 31 December 2019	% Increase/ (decrease) price levels	NAV €/share after price impact
European Ex UK Income Fund Class I Euro Accumulation	EUR€	12.91	10	14.17
European Ex UK Income Fund Class I Euro Accumulation	EUR€	12.91	(10)	11.65

		NAV £/share 31 December 2019	% Increase/ (decrease) price levels	NAV £/share after price impact
<b>As at 31 December 2019</b>				
Global Insurance Fund Class I Sterling Accumulation	GBP£	7.53	10	8.26
Global Insurance Fund Class I Sterling Accumulation	GBP£	7.53	(10)	6.80
Income Opportunities Fund B2 Sterling Accumulation	GBP£	2.41	10	2.56
Income Opportunities Fund B2 Sterling Accumulation	GBP£	2.41	(10)	2.25
UK Absolute Equity Fund Class I Sterling Distribution	GBP£	22.09	10	22.45
UK Absolute Equity Fund Class I Sterling Distribution	GBP£	22.09	(10)	21.73
UK Value Opportunities Fund Class I Sterling Accumulation	GBP£	13.21	10	14.46
UK Value Opportunities Fund Class I Sterling Accumulation	GBP£	13.21	(10)	11.96

		NAV ¥/share 31 December 2019	% Increase/ (decrease) price levels	NAV ¥/share after price impact
<b>As at 31 December 2019</b>				
Japan Value Fund Class S Japanese Yen Distribution	JPY ¥	272.32	10	297.13
Japan Value Fund Class S Japanese Yen Distribution	JPY ¥	272.32	(10)	247.52

		NAV US\$/share 31 December 2018	% Increase/ (decrease) price levels	NAV US\$/share after price impact
<b>As at 31 December 2018</b>				
Asian Opportunities Fund Class I US Dollar	US\$	11.97	10	13.09
Asian Opportunities Fund Class I US Dollar	US\$	11.97	(10)	10.85
Automation & AI – I USD Accumulation	US\$	9.19	10	10.03
Automation & AI – I USD Accumulation	US\$	9.19	(10)	8.35
Biotechnology Fund Class I US Dollar	US\$	21.24	10	23.17
Biotechnology Fund Class I US Dollar	US\$	21.24	(10)	19.31
China Stars I USD Accumulation	US\$	8.66	10	9.48
China Stars I USD Accumulation	US\$	8.66	(10)	9.48
Emerging Market Stars I USD Accumulation	US\$	8.47	10	9.29
Emerging Market Stars I USD Accumulation	US\$	8.47	(10)	7.65
Emerging Markets Income Fund Class I US Dollar Accumulation	US\$	11.57	10	12.72
Emerging Markets Income Fund Class I US Dollar Accumulation	US\$	11.57	(10)	10.42
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	12.05	10	13.20
Financial Opportunities Fund Class I US Dollar Accumulation	US\$	12.05	(10)	10.90
Global Convertible Fund Class I US Dollar Accumulation	US\$	12.49	10	12.82
Global Convertible Fund Class I US Dollar Accumulation	US\$	12.49	(10)	12.21
Global Technology Fund Class I US Dollar	US\$	39.74	10	43.32
Global Technology Fund Class I US Dollar	US\$	39.74	(10)	36.24
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	12.07	10	13.23
Healthcare Blue Chip Fund Class I US Dollar Accumulation	US\$	12.07	(10)	10.91
Healthcare Opportunities Fund Class I US Dollar	US\$	45.73	10	49.97
Healthcare Opportunities Fund Class I US Dollar	US\$	45.73	(10)	41.49
North American Fund Class I US Dollar	US\$	21.30	10	23.25
North American Fund Class I US Dollar	US\$	21.30	(10)	19.35



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 10. Financial Risk Management continued

#### Market price risk continued

		NAV €/share 31 December 2018	% Increase/ (decrease) price levels	NAV €/share after price impact
<b>As at 31 December 2018</b>				
European ex UK Income Fund Class I Euro Accumulation	EUR€	10.78	10	11.84
European ex UK Income Fund Class I Euro Accumulation	EUR€	10.78	(10)	9.72
European Income Fund Class I Euro Accumulation	EUR€	11.63	10	11.63
European Income Fund Class I Euro Accumulation	EUR€	11.63	(10)	11.63

		NAV £/share 31 December 2018	% Increase/ (decrease) price levels	NAV £/share after price impact
<b>As at 31 December 2018</b>				
Global Insurance Fund Class I Sterling Accumulation	GBP£	7.78	10	8.55
Global Insurance Fund Class I Sterling Accumulation	GBP£	7.78	(10)	7.01
Income Opportunities Fund B2 Sterling Accumulation	GBP£	2.12	10	2.25
Income Opportunities Fund B2 Sterling Accumulation	GBP£	2.12	(10)	1.99
UK Absolute Equity Fund Class I Sterling	GBP£	20.56	10	20.48
UK Absolute Equity Fund Class I Sterling	GBP£	20.56	(10)	20.82
UK Value Opportunities Fund Class I Accumulation	GBP£	10.40	10	11.37
UK Value Opportunities Fund Class I Accumulation	GBP£	10.40	(10)	9.43

		NAV ¥/share 31 December 2018	% Increase/ (decrease) price levels	NAV ¥/share after price impact
<b>As at 31 December 2018</b>				
Japan Fund Class I Japanese Yen	JPY ¥	2,091.63	10	2,292.19
Japan Fund Class I Japanese Yen	JPY ¥	2,091.63	(10)	1,891.07
Japan Value Fund Class S Japanese Yen	JPY ¥	222.49	10	243.96
Japan Value Fund Class S Japanese Yen	JPY ¥	222.49	(10)	201.01

Sensitivity analysis is calculated after an adjustment for swing pricing.

Market price risk analysis is based on the dealing NAV per share.

Some limitations of sensitivity analysis are:

- (i) the models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- (ii) the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- (iii) the market price information represents a hypothetical outcome and is not intended to be predictive; and
- (iv) future market conditions could vary significantly from those experienced in the past.



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## Exposure to derivatives

In respect of Global Absolute Return Fund and UK Absolute Equity Fund, the Investment Manager uses a Value at Risk ('VaR') based approach to limit the exposure of the Fund to derivatives. In accordance with the UCITS Regulations, derivatives exposure is limited to the extent necessary to keep the Fund's VaR within the limit set out below. VaR is measured using a 99% confidence level.

### Global Absolute Return Fund

The VaR limit for the Global Absolute Return Fund is 20% based on a 20-day holding period.

The minimum VaR during the financial year was 1.26%.

The maximum VaR during the financial year was 3.96%.

The average VaR during the financial year was 2.36%.

### UK Absolute Equity Fund

The VaR limit for the UK Absolute Equity Fund is 20% based on a 20-day holding period.

The minimum VaR during the financial year was 4.18%.

The maximum VaR during the financial year was 9.84%.

The average VaR during the financial year was 6.13%.

The VaR calculated for Global Absolute Return Fund and UK Absolute Equity Fund is a 20d Monte Carlo VaR, with a confidence level 99% and using five-year return history with a decay factor of 0.97. The VaR is calculated in Axioma.

Secondly, gross leverage, calculated as the sum of the absolute notional values of the derivatives used in the Fund, is not anticipated to exceed 250% of the Net Asset Value of the Fund at any given time.

All of the other Funds active during the financial year use the commitment approach to measure derivatives exposure.

## Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Each Fund is exposed to currency risk as the assets and liabilities of each Fund may be denominated in a currency other than the base currency of that Fund.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset when measured in the Fund's base currency. The Investment Manager may attempt to mitigate these risks through the use of financial derivative instruments.

The Investment Manager monitors each Fund's currency exposure, where relevant to the investment strategy for the Fund, on a daily basis and reports regularly to the Board of Directors.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Currency risk continued

At 31 December 2019 each Fund's currency exposure was as follows:

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Asian Opportunities Fund</b>				
Euro	1	(502)	427,900	427,399
Hong Kong dollar	4,492	–	7,645,199	7,649,691
Indian rupee	4,727,199	–	–	4,727,199
Indonesian rupiah	2,605,744	–	–	2,605,744
Korean won	1,846,443	–	–	1,846,443
Malaysian ringgit	851,703	–	–	851,703
Philippine peso	1,801,758	–	–	1,801,758
Singapore dollar	1,262,659	–	–	1,262,659
Sri Lanka rupee	16	–	–	16
Sterling	409,872	(410,654)	438,778	437,996
Taiwan dollar	2,671,962	–	–	2,671,962
Thai baht	1,600,751	–	–	1,600,751
	17,782,600	(411,156)	8,511,877	25,883,321

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Asian Stars Fund</b>				
Australian dollar	100,606	–	–	100,606
Hong Kong dollar	1,566,048	–	–	1,566,048
Indian rupee	1,393,091	–	–	1,393,091
Korean won	1,194,666	–	–	1,194,666
Philippine peso	61,371	–	–	61,371
Singapore dollar	165,743	–	–	165,743
Taiwan dollar	1,258,408	–	–	1,258,408
Vietnamese dong	409,912	–	–	409,912
	6,149,845	–	–	6,149,845

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Automation &amp; Artificial Intelligence Fund</b>				
Euro	51,740,910	(10,656)	(232)	51,730,022
Hong Kong dollar	2,535,795	(3,519)	–	2,532,276
Japanese yen	94,286,793	(17,984,985)	(18,421)	76,283,387
Korean won	6,941,583	–	–	6,941,583
Sterling	9,952,615	(192)	(27,771)	9,924,652
Swedish krona	25,991,100	–	–	25,991,100
Taiwan dollar	26,662,076	–	–	26,662,076
	218,110,872	(17,999,352)	(46,424)	200,065,096
<b>Biotechnology Fund</b>				
Canadian dollar	3,026,027	–	–	3,026,027
Euro	42,957,518	(738,814)	(150,807)	42,067,897
Danish krone	40,303,816	–	–	40,303,816
Sterling	19,221,219	(1,062,163)	3,290,186	21,449,242
Swedish krona	–	(76,199)	61,371	(14,828)
Swiss franc	1,639,387	–	–	1,639,387
	107,147,967	(1,877,176)	3,200,750	108,471,541
<b>China Stars Fund</b>				
China Yuan	1,766,197	–	–	1,766,197
Euro	116,541	(76,710)	–	39,831
Hong Kong dollar	662	(394,921)	3,492,005	3,097,746
Sterling	33,117	–	–	33,117
Taiwan dollar	686,529	–	–	686,529
	2,603,046	(471,631)	3,492,005	5,623,420



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Currency risk continued

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Emerging Markets Income Fund</b>				
Brazil real	9,516,930	–	–	9,516,930
Czech koruna	3,003,461	–	–	3,003,461
Euro	2,385,729	(2)	–	2,385,727
Hong Kong dollar	32,578,258	–	–	32,578,258
Indian rupee	14,380,989	–	–	14,380,989
Indonesian rupiah	2,160,994	–	–	2,160,994
Kuwait dinar	1,787,537	–	–	1,787,537
Korean won	21,272,534	–	–	21,272,534
Malaysian ringgit	3,996,789	–	–	3,996,789
Mexican peso	5,906,284	–	–	5,906,284
Polish zloty	2,853,774	–	–	2,853,774
Romanian leu	4,981,409	–	–	4,981,409
South Africa rand	6,739,020	–	–	6,739,020
Sterling	63,553	(7)	(5,718)	57,828
Taiwan dollar	10,939,822	–	–	10,939,822
Thai baht	3,843,416	–	–	3,843,416
UAE dirham	2,370,118	–	–	2,370,118
	128,780,617	(9)	(5,718)	128,774,890

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Emerging Market Stars Fund</b>				
Australian dollar	4	–	–	4
Brazil real	2,483,096	–	–	2,483,096
Canadian dollar	345,218	–	–	345,218
Euro	–	(2,343,782)	–	(2,343,782)
Hong Kong dollar	7,117,484	(508,739)	508,271	7,117,016
Indian rupee	6,834,751	(487,770)	–	6,346,981
Korean won	5,441,172	–	–	5,441,172
Mexican peso	187	–	–	187
Polish zloty	731,498	(221)	–	731,277
Singapore dollar	353,163	(25,172)	25,172	353,163
South Africa rand	–	(528)	–	(528)
Sri Lanka rupee	23,011	–	–	23,011
Sterling	692,211	(43,309)	43,235	692,137
Taiwan dollar	6,662,685	(448,057)	–	6,214,628
Vietnamese dong	2,169,271	(115,893)	–	2,053,378
	32,853,751	(3,973,471)	576,678	29,456,958

	Non-EUR Currency Assets EUR€	Non-EUR Currency Liabilities EUR€	Forward Foreign Currency Contracts EUR€	Net Non-EUR Currency Assets EUR€
<b>European ex UK Income Fund</b>				
Danish kroner	5,590,697	–	–	5,590,697
Sterling	34,931	(549,070)	142,836,614	142,322,475
Swedish krona	7,025,622	–	–	7,025,622
Swiss franc	45,460,621	–	–	45,460,621
United States dollar	2,017	–	–	2,017
	58,113,888	(549,070)	142,836,614	200,401,432
<b>European Income Fund</b>				
Swedish krona	–	–	–	–
United States dollar	58	–	–	58
	58	(294)	–	(236)
<b>Financial Opportunities Fund</b>				
	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Brazil real	11	–	–	11
Canadian dollar	700,459	–	–	700,459
Euro	1,512,468	(1,558)	–	1,510,910
Hong Kong dollar	1,153,185	–	–	1,153,185
Indian rupee	955,742	–	–	955,742
Indonesian rupiah	587,009	–	–	587,009
Mexican peso	279,175	–	–	279,175
Norwegian krone	517,963	–	–	517,963
Philippine peso	311,380	–	–	311,380
Singapore dollar	166,762	–	–	166,762
Sterling	1,658,815	(1,049)	–	1,657,766
Swiss franc	26,284	(40)	–	26,244
Taiwan dollar	281,084	–	–	281,084
Thai baht	221,669	–	–	221,669
Turkish lira	176,756	–	–	176,756
	8,548,762	(2,647)	–	8,546,115


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2019
**10. Financial Risk Management** continued**Currency risk** continued

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Absolute Return Fund</b>				
Euro	10,898,162	(6,323,819)	–	4,574,343
Hong Kong dollar	12,312	–	–	12,312
Japanese yen	13,537,062	(13,495,102)	–	41,960
Sterling	8,195,054	(7,882,375)	33,675,384	33,988,063
Swedish krona	–	(1,090)	–	(1,090)
Swiss franc	–	(31)	–	(31)
	32,642,590	(27,702,417)	33,675,384	38,615,557
<b>Global Convertible Fund</b>				
	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Euro	109,384,943	(28,843,462)	(29,065,402)	51,476,079
Hong Kong dollar	33,724,167	–	–	33,724,167
Japanese yen	55,724,871	(18,825,742)	(16,277,483)	20,621,646
Sterling	83,332,562	(34,445,714)	213,963,472	262,850,320
Swedish krona	45,312	(434,334)	–	(389,022)
Swiss franc	–	(20,288)	6,817,429	6,797,141
	282,211,855	(82,569,540)	175,438,016	375,080,331
<b>Global Insurance Fund</b>				
	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
Canadian dollar	150,389,721	–	–	150,389,721
Euro	441,358	(264,262)	17,513,207	17,690,303
Hong Kong dollar	64,241,375	–	–	64,241,375
United States dollar	1,151,651,883	(5,884,612)	479,782	1,146,247,053
	1,366,724,337	(6,148,874)	17,992,989	1,378,568,452

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Technology Fund</b>				
Euro	105,471,593	(5,747,447)	193,397,842	293,121,988
Hong Kong dollar	84,471,867	–	–	84,471,867
Indian rupee	3,395	–	–	3,395
Japanese yen	231,978,243	(37)	–	231,978,206
Korean won	132,536,205	–	–	132,536,205
Sterling	868,899	(427,703)	123,490,230	123,931,426
Swiss franc	5,461	(113,287)	46,204,140	46,096,314
Taiwan dollar	104,126,939	–	–	104,126,939
	659,462,602	(6,288,474)	363,092,212	1,016,266,340
<b>Healthcare Blue Chip Fund</b>				
	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Danish krone	1,278,314	(2)	–	1,278,312
Euro	8,559,918	(1,205)	–	8,558,713
Japanese yen	1,556,706	–	–	1,556,706
Sterling	6,653,824	(1,809,602)	(17,843)	4,826,379
	18,048,762	(1,810,809)	(17,843)	16,220,110
<b>Healthcare Opportunities Fund</b>				
	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Danish krone	47,136,056	(21)	–	47,136,035
Euro	234,014,182	(171,593)	129,618	233,972,207
Indian rupee	6,950	–	–	6,950
Japanese yen	29,386,583	–	–	29,386,583
Sterling	173,735,617	–	(664,092)	173,071,525
Swiss franc	104,152,900	(3)	–	104,152,897
	588,432,288	(171,617)	(534,474)	587,726,197



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Currency risk continued

Income Opportunities Fund	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
Canadian dollar	1,786,124	–	–	1,786,124
Euro	18,488,777	(320,723)	5,475,407	23,643,461
Georgian lari	735,098	–	–	735,098
Hong Kong dollar	1,805,287	–	–	1,805,287
Japanese yen	1,290,210	–	–	1,290,210
Norwegian krone	2,864,214	–	(23,731)	2,840,483
Singapore dollar	5,674,034	–	–	5,674,034
Swedish krona	1,727,731	–	–	1,727,731
Swiss franc	1,500,939	–	–	1,500,939
Thai baht	1,763,334	–	–	1,763,334
United States dollar	67,911,419	(367,658)	31,637,724	99,181,485
	105,547,167	(688,381)	37,089,400	141,948,186

Japan Fund	Non-JPY Currency Assets JPY ¥	Non-JPY Currency Liabilities JPY ¥	Forward Foreign Currency Contracts JPY ¥	Net Non-JPY Currency Assets JPY ¥
Euro	–	(639,768)	–	(639,768)
Sterling	–	(313,216)	–	(313,216)
Swiss franc	–	(144,876)	–	(144,876)
United States dollar	–	(1,818,762)	–	(1,818,762)
	–	(2,916,622)	–	(2,916,622)

Japan Value Fund	Non-JPY Currency Assets JPY ¥	Non-JPY Currency Liabilities JPY ¥	Forward Foreign Currency Contracts JPY ¥	Net Non-JPY Currency Assets JPY ¥
Euro	193,593,549	(199,392,487)	4,089,372,224	4,083,573,286
Sterling	1,581,017	(59,235,457)	4,798,188,181	4,740,533,741
Swiss franc	3	(8,549,293)	1,039,884,780	1,031,335,490
United States dollar	5,717,763	(51,291,357)	11,780,906,994	11,735,333,400
	200,892,332	(318,468,594)	21,708,352,179	21,590,775,917



	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>North American Fund</b>				
Canadian dollar	92,276,888	–	–	92,276,888
Euro	203,252	(983,997)	152,158,325	151,377,580
Sterling	195,702,126	(12,965,382)	(180,479,176)	2,257,568
Swiss franc	–	(567,864)	3,095,456	2,527,592
	288,182,266	(14,517,243)	(25,225,395)	248,439,628
<b>UK Absolute Equity Fund</b>				
	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
Euro	2,108,830	(1,578,115)	222,767,522	223,298,237
United States dollar	37,318	(1,018,225)	33,898,390	32,917,483
	2,146,148	(2,596,340)	256,665,912	256,215,720
<b>UK Value Opportunities Fund</b>				
	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
Euro	–	(1,010)	–	(1,010)
United States dollar	–	(43,031)	–	(43,031)
	–	(44,041)	–	(44,041)



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Currency risk continued

At 31 December 2018 each Fund's currency exposure was as follows:

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Asian Opportunities Fund</b>				
Euro	–	(1,733)	1,081,268	1,079,535
Hong Kong dollar	9,372,114	–	–	9,372,114
Indian rupee	8,680,370	–	–	8,680,370
Indonesian rupiah	3,275,174	–	–	3,275,174
Korean won	2,755,087	–	–	2,755,087
Malaysian ringgit	938,216	–	–	938,216
Philippine peso	2,513,049	–	–	2,513,049
Singapore dollar	1,941,085	–	–	1,941,085
Sri Lanka rupee	274,034	–	–	274,034
Sterling	–	(989)	605,190	604,201
Taiwan dollar	2,657,889	–	–	2,657,889
Thai baht	2,668,310	–	–	2,668,310
	35,075,328	(2,722)	1,686,458	36,759,064

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Asian Stars Fund</b>				
Euro	3,429	–	–	3,429
Sterling	3,821	–	–	3,821
Vietnamese dong	369,512	–	–	369,512
	376,762	–	–	376,762

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Automation &amp; Artificial Intelligence Fund</b>				
Euro	44,187,404	(5,233)	–	44,182,171
Japanese yen	56,394,159	(1,871,695)	1,857,028	56,379,492
Sterling	6,373,797	(144)	(25,804)	6,347,849
Swedish krona	14,487,595	(463,976)	463,976	14,487,595
Taiwan dollar	12,330,414	(146,357)	–	12,184,057
	133,773,369	(2,487,405)	2,295,200	133,581,164

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Biotechnology Fund</b>				
Euro	57,407,665	(1,489,368)	(473,924)	55,444,373
Danish krone	12,264,570	–	–	12,264,570
Sterling	6,992,962	(1,169,109)	3,241,176	9,065,029
Swedish krona	7,024,707	–	–	7,024,707
Swiss franc	1,422,702	–	–	1,422,702
	85,112,606	(2,658,477)	2,767,252	85,221,381
<b>China Stars Fund</b>				
China Yuan	1,833,398	–	–	1,833,398
Euro	55,194	–	–	55,194
Hong Kong dollar	4,133,828	(69,234)	13,147	4,077,741
Taiwan dollar	706,055	–	–	706,055
	6,728,475	(69,234)	13,147	6,672,388
<b>Emerging Markets Income Fund</b>				
Brazil real	8,025,672	(585,403)	–	7,440,269
Czech koruna	3,220,204	–	–	3,220,204
Euro	2,333,884	(7)	134	2,334,011
Hong Kong dollar	38,293,067	–	–	38,293,067
Indian rupee	16,437,272	–	–	16,437,272
Indonesian rupiah	2,878,999	–	–	2,878,999
Kuwait dinar	1,620,287	–	–	1,620,287
Korean won	18,603,746	–	–	18,603,746
Malaysian ringgit	6,085,680	–	–	6,085,680
Mexican peso	5,918,157	–	–	5,918,157
Polish zloty	3,973,115	–	–	3,973,115
Romanian leu	3,652,380	–	–	3,652,380
Singapore dollar	4,672,194	–	–	4,672,194
South Africa rand	10,806,114	–	–	10,806,114
Sterling	48,917	(72)	368	49,213
Taiwan dollar	13,852,304	–	–	13,852,304
Thai baht	3,980,420	–	–	3,980,420
UAE dirham	2,150,743	–	–	2,150,743
	146,553,155	(585,482)	502	145,968,175



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Currency risk continued

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Emerging Market Stars Fund</b>				
Australian dollar	142,842	–	–	142,842
Brazil real	891,888	–	–	891,888
China Yuan	280,440	–	–	280,440
Hong Kong dollar	1,999,437	–	–	1,999,437
Indian rupee	1,989,213	–	–	1,989,213
Korean won	1,486,141	–	–	1,486,141
Mexican peso	135,831	–	–	135,831
Philippine peso	200,302	–	–	200,302
Polish zloty	178,269	–	–	178,269
South Africa rand	676,496	(90)	–	676,406
Sri Lanka rupee	100,129	–	–	100,129
Sterling	405,729	–	–	405,729
Taiwan dollar	1,798,809	–	–	1,798,809
Vietnamese dong	116,918	–	–	116,918
	10,402,444	(90)	–	10,402,354

	Non-EUR Currency Assets EUR€	Non-EUR Currency Liabilities EUR€	Forward Foreign Currency Contracts EUR€	Net Non-EUR Currency Assets EUR€
<b>European ex UK Income Fund</b>				
Danish kroner	4,294,740	–	–	4,294,740
Norwegian krone	5,482,680	–	–	5,482,680
Sterling	2,246,190	(1,114,132)	140,100,240	141,232,298
Swedish krona	5,400,750	–	–	5,400,750
Swiss franc	24,942,623	–	–	24,942,623
United States dollar	4,168	–	–	4,168
	42,371,151	(1,114,132)	140,100,240	181,357,259

	Non-EUR Currency Assets EUR€	Non-EUR Currency Liabilities EUR€	Forward Foreign Currency Contracts EUR€	Net Non-EUR Currency Assets EUR€
<b>European Income Fund</b>				
Sterling	9,305,828	–	–	9,305,828
United States dollar	57	–	–	57
	9,305,885	–	–	9,305,885

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Financial Opportunities Fund</b>				
Brazil real	12	–	–	12
Canadian dollar	506,689	–	–	506,689
Euro	2,203,533	(1,432)	–	2,202,101
Hong Kong dollar	1,339,488	–	–	1,339,488
Indian rupee	1,591,689	–	–	1,591,689
Indonesian rupiah	453,463	–	–	453,463
Japanese yen	907,305	(3)	–	907,302
Malaysian ringgit	505,685	–	–	505,685
Norwegian krone	865,868	–	–	865,868
Philippine peso	329,496	–	–	329,496
Singapore dollar	794,080	–	–	794,080
Sterling	2,954,636	–	12,196	2,966,832
Swedish krona	733,467	–	–	733,467
Swiss franc	374,984	(39)	–	374,945
Taiwan dollar	412,624	–	–	412,624
Thai baht	365,535	–	–	365,535
	14,338,554	(1,474)	12,196	14,349,276
<b>Global Absolute Return Fund</b>				
Euro	2,286	–	–	2,286
Sterling	10,190,075	–	–	10,190,075
	10,192,361	–	–	10,192,361
<b>Global Convertible Fund</b>				
Euro	130,887,528	(27,969,708)	(24,134,694)	78,783,126
Hong Kong dollar	78,324	–	–	78,324
Hungarian forint	–	(16)	–	(16)
Japanese yen	83,611,355	(6,058,578)	(18,573,827)	58,978,950
Sterling	105,449,440	(30,237,742)	185,935,837	261,147,535
Swedish krona	–	(67)	–	(67)
Swiss franc	–	(34,509)	6,455,815	6,421,306
	320,026,647	(64,300,620)	149,683,131	405,409,158



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Currency risk continued

	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
<b>Global Insurance Fund</b>				
Canadian dollar	90,956,638	–	–	90,956,638
Euro	40,245,793	(3,804,224)	12,548,727	48,990,296
Hong Kong dollar	40,450,315	–	–	40,450,315
United States dollar	929,615,694	(1,098)	865,612	930,480,208
	1,101,268,440	(3,805,322)	13,414,339	1,110,877,457

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Global Technology Fund</b>				
Euro	91,793,736	(7,589,406)	2,360,193	86,564,523
Hong Kong dollar	81,192,287	–	–	81,192,287
Indian rupee	3,471	–	–	3,471
Japanese yen	141,205,090	(3,039,087)	3,039,539	141,205,542
Korean won	54,868,286	(5,049,555)	5,049,555	54,868,286
Sterling	3,200,893	(3,590,047)	80,450,486	80,061,332
Swiss franc	5,492	(166,376)	34,588,584	34,427,700
Taiwan dollar	71,095,721	–	–	71,095,721
	443,364,976	(19,434,471)	125,488,357	549,418,862

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Healthcare Blue Chip Fund</b>				
Danish krone	3,559,494	–	–	3,559,494
Japanese yen	4,559,570	–	–	4,559,570
Sterling	2,375,452	(1,274,704)	2,250,268	3,351,016
Swiss franc	4,262,528	–	–	4,262,528
	14,757,044	(1,274,704)	2,250,268	15,732,608

	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
<b>Healthcare Opportunities Fund</b>				
Danish krone	63,888,357	–	–	63,888,357
Euro	14,279,069	(91)	18,580	14,297,558
Indian rupee	7,106	–	–	7,106
Japanese yen	430	–	–	430
Sterling	89,515,069	(59)	9,398	89,524,408
Swiss franc	68,394,547	(3)	–	68,394,544
Swedish krona	26,387,797	–	–	26,387,797
	262,472,375	(153)	27,978	262,500,200
	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
<b>Income Opportunities Fund</b>				
Australian dollar	3,343,584	–	–	3,343,584
Canadian dollar	2,789,329	–	–	2,789,329
Euro	38,580,962	(90,123)	10,539,500	49,030,339
Georgian lari	1,931,012	–	–	1,931,012
Hong Kong dollar	5,241,785	–	–	5,241,785
Japanese yen	3,391,109	–	–	3,391,109
Norwegian krone	4,199,199	–	–	4,199,199
Singapore dollar	8,865,487	–	–	8,865,487
Swedish krona	3,940,447	–	–	3,940,447
Swiss franc	2,996,589	–	–	2,996,589
Thai baht	2,265,883	–	–	2,265,883
United States dollar	100,535,567	(777,293)	48,094,814	147,853,088
	178,080,953	(867,416)	58,634,314	235,847,851
	Non-JPY Currency Assets JPY ¥	Non-JPY Currency Liabilities JPY ¥	Forward Foreign Currency Contracts JPY ¥	Net Non-JPY Currency Assets JPY ¥
<b>Japan Fund</b>				
Euro	479,032,020	(2,725,387,535)	13,533,986,171	11,287,630,656
Sterling	–	(1,928,624,658)	19,546,562,348	17,617,937,690
Swiss franc	14	(4,134,150)	1,947,858,065	1,943,723,929
United States dollar	2,894,531,265	(1,664,843,691)	(474,688,795)	754,998,779
	3,373,563,299	(6,322,990,034)	34,553,717,789	31,604,291,054



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Currency risk continued

	Non-JPY Currency Assets JPY ¥	Non-JPY Currency Liabilities JPY ¥	Forward Foreign Currency Contracts JPY ¥	Net Non-JPY Currency Assets JPY ¥
<b>Japan Value Fund</b>				
Euro	66	(1,976,365)	302,045,315	300,069,016
Sterling	–	(6,023,938)	1,128,576,420	1,122,552,482
United States dollar	–	(7,263,498)	(29,676,440)	(36,939,938)
	66	(15,263,801)	1,400,945,295	1,385,681,560
<b>North American Fund</b>				
	Non-USD Currency Assets US\$	Non-USD Currency Liabilities US\$	Forward Foreign Currency Contracts US\$	Net Non-USD Currency Assets US\$
Canadian dollar	100,036,113	–	–	100,036,113
Euro	1,700,745	(4,527,615)	152,667,596	149,840,726
Sterling	1,344,051	(644,151)	172,958,096	173,657,996
Swiss franc	–	(31,023)	16,254,934	16,223,911
	103,080,909	(5,202,789)	341,880,626	439,758,746
<b>UK Absolute Equity Fund</b>				
	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
Canadian dollar	886,139	(31,243)	–	854,896
Euro	1,139,317	(1,937,724)	172,573,370	171,774,963
Danish kroner	469,619	(4,142)	–	465,477
Japanese yen	631,242	(1,113)	–	630,129
Swedish krona	–	(3,676)	–	(3,676)
United States dollar	10,557,514	(3,175,880)	(69)	7,381,565
	13,683,831	(5,153,778)	172,573,301	181,103,354
<b>UK Value Opportunities Fund</b>				
	Non-GBP Currency Assets GBP£	Non-GBP Currency Liabilities GBP£	Forward Foreign Currency Contracts GBP£	Net Non-GBP Currency Assets GBP£
Euro	–	(10)	–	(10)
United States dollar	–	(1,731)	–	(1,731)
	–	(1,741)	–	(1,741)



If the exchange rate at 31 December 2019 between the individual Funds' base currencies and all other relevant currencies had increased or decreased by 5% with all other variables held constant, this would have decreased or increased net assets attributable to holders of redeemable participating shares of the Funds as set out below:

<b>As at 31 December 2019</b>	<b>Net Non-USD Currency Monetary Assets US\$</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease US\$</b>
Asian Opportunities Fund	25,883,321	5	+/- 1,294,166
Asian Stars Fund	6,149,845	5	+/- 307,492
Automation & Artificial Intelligence Fund	200,065,096	5	+/- 10,003,255
Biotechnology Fund	108,471,541	5	+/- 5,423,577
China Stars Fund	5,623,420	5	+/- 281,171
Emerging Markets Income Fund	128,774,890	5	+/- 6,438,745
Emerging Market Stars Fund	29,456,958	5	+/- 1,472,848
Financial Opportunities Fund	8,546,115	5	+/- 427,306
Global Absolute Return Fund	38,615,557	5	+/- 1,930,778
Global Convertible Fund	375,080,331	5	+/- 18,754,017
Global Technology Fund	1,016,266,340	5	+/- 50,813,317
Healthcare Blue Chip Fund	16,220,110	5	+/- 811,006
Healthcare Opportunities Fund	587,726,197	5	+/- 29,386,310
North American Fund	248,439,628	5	+/- 12,421,981

<b>As at 31 December 2019</b>	<b>Net Non-JPY ¥ Currency Monetary Assets JPY ¥'000</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease JPY ¥'000</b>
Japan Fund	(2,916,622)	5	+/- 145,831
Japan Value Fund	21,590,775,917	5	+/- 1,079,538,796

<b>As at 31 December 2019</b>	<b>Net Non-GBP £ Currency Monetary Assets GBP£</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease GBP£</b>
Global Insurance Fund	1,378,568,452	5	+/- 68,928,423
Income Opportunities Fund	141,948,186	5	+/- 7,097,409
UK Absolute Equity Fund	256,215,720	5	+/- 12,810,786
UK Value Opportunities	(44,041)	5	+/- 2,202

<b>As at 31 December 2019</b>	<b>Net Non-EUR € Currency Monetary Assets EUR€</b>	<b>% Increase/ (decrease) in exchange rate</b>	<b>Effect of increase/decrease EUR€</b>
European ex UK Income Fund	200,401,432	5	+/- 10,020,072
European Income Fund	(236)	5	+/- 12



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Currency risk continued

As at 31 December 2018	Net Non-USD Currency Monetary Assets US\$	% Increase/ (decrease) in exchange rate	Effect of increase/decrease US\$
Asian Stars Fund	376,762	5	+/- 18,838
Asian Opportunities Fund	36,759,064	5	+/- 1,837,953
Automation & Artificial Intelligence Fund	133,581,164	5	+/- 6,679,058
Biotechnology Fund	85,221,381	5	+/- 4,261,069
China Stars Fund	6,672,388	5	+/- 333,619
Emerging Markets Income Fund	145,968,175	5	+/- 7,298,409
Emerging Market Stars Fund	10,402,354	5	+/- 520,118
Financial Opportunities Fund	14,349,276	5	+/- 717,464
Global Absolute Return Fund	10,192,361	5	+/- 509,618
Global Convertible Fund	405,409,158	5	+/- 20,270,458
Global Technology Fund	549,418,862	5	+/- 27,470,943
Healthcare Blue Chip Fund	15,732,608	5	+/- 786,630
Healthcare Opportunities Fund	262,500,200	5	+/- 13,125,010
North American Fund	439,758,746	5	+/- 21,987,937

As at 31 December 2018	Net Non-JPY ¥ Currency Monetary Assets JPY ¥'000	% Increase/ (decrease) in exchange rate	Effect of increase/decrease JPY ¥'000
Japan Fund	31,604,291,054	5	+/- 1,580,214,553
Japan Value Fund	1,385,681,560	5	+/- 69,284,078

As at 31 December 2018	Net Non-GBP £ Currency Monetary Assets GBP£	% Increase/ (decrease) in exchange rate	Effect of increase/decrease GBP£
Global Insurance Fund	1,110,877,457	5	+/- 55,543,873
Income Opportunities Fund	235,847,851	5	+/- 11,792,393
UK Absolute Equity Fund	181,103,354	5	+/- 9,055,168
UK Value Opportunities	(1,741)	5	–

As at 31 December 2018	Net Non-EUR € Currency Monetary Assets EUR€	% Increase/ (decrease) in exchange rate	Effect of increase/decrease EUR€
European ex UK Income Fund	181,357,259	5	+/- 9,067,863
European Income Fund	9,305,885	5	+/- 465,294

## Interest rate risk

Most of the Funds' financial assets and liabilities are non-interest bearing and any excess cash and cash equivalents are invested at short term market interest rates. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates.

The three Funds which invest in interest bearing securities are Global Absolute Return Fund, Global Convertible Fund and Income Opportunities Fund and as such their net asset values are exposed to change in interest rates, the risk being that if interest rates rise, they will cause the value of the interest-bearing securities component of the Funds' portfolio to decline. These portfolios consist of a variety of positions with varying maturity dates; in general, the longer the period to maturity of the securities, the greater the risk that the net asset value will decline as a result of an increase in interest rates. The Investment Manager regularly monitors the portfolio and particularly the spread of maturity dates and portfolio balances to achieve the investment objective in line with change in interest rates.

As part of its monitoring process the Investment Manager, when looking at individual bonds and the portfolios as a whole, will consider their sensitivity to changes in interest rates. This will include taking into account their position in the capital structure, whether they have fixed maturities or are perpetual, and whether they have call dates. If they have call dates, the terms if not called will be considered, whether fixed or floating, and what margin over LIBOR the bond will yield if not called. The Investment Manager will also compare the yield on corporate bonds relative to government bonds and the impact that this may have in increasing or reducing the sensitivity of the portfolio to moves in interest rates.

## Global Absolute Return Fund

31 December 2019	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non-Interest bearing (GBP£)	Total US\$
Financial assets at fair value through profit or loss	–	1,143,247	33,661,528	31,370,069	66,174,844
Amounts receivable on sale of redeemable participating shares	–	–	–	36,365	36,365
Amounts receivable on sale of securities	–	–	–	2,238,785	2,238,785
Cash at bank	(23,058,130)	–	–	–	(23,058,130)
Margin receivable	–	–	–	3,640,834	3,640,834
Other debtors	–	–	–	165,972	165,972
Financial derivative instruments	–	–	–	(1,340,638)	(1,340,638)
Fees and sundry creditors payable	–	–	–	(2,440,676)	(2,440,676)
<b>Total</b>	(23,058,130)	1,143,247	33,661,528	33,670,711	45,417,356

31 December 2018	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non-Interest bearing (GBP£)	Total US\$
Cash at bank	10,194,361	–	–	–	10,194,361
Fees and sundry creditors payable	–	–	–	(57)	(57)
<b>Total</b>	10,194,361	–	–	(57)	10,194,304

As at 31 December 2019, should interest rates have fallen by 0.25%, with all other variables remaining constant, the increase in net assets attributable to the holders of redeemable shares would amount to approximately 0.37% (31 December 2018: Nil). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares by 0.36% (31 December 2018: Nil).



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 10. Financial Risk Management continued

#### Interest rate risk continued

##### Global Convertible Fund

31 December 2019	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non Interest bearing (US\$)	Total US\$
Financial assets at fair value through profit or loss	–	46,873,607	675,614,159	219,004,305	941,492,071
Amounts receivable on sale of redeemable participating shares	–	–	–	779,135	779,135
Cash at bank	(10,394,065)	–	–	–	(10,394,065)
Margin receivable	4,280,787	–	–	–	4,280,787
Margin cash	–	–	–	4,714,039	4,714,039
Other debtors	–	–	–	3,133,548	3,133,548
Financial derivative instruments	–	–	–	(5,334,260)	(5,334,260)
Fees and sundry creditors payable	–	–	–	(20,054,660)	(20,054,660)
<b>Total</b>	<b>(6,113,278)</b>	<b>46,873,607</b>	<b>675,614,159</b>	<b>202,242,107</b>	<b>918,616,595</b>

31 December 2018	Less than 1 month (US\$)	1 month – 1 year (US\$)	Greater than 1 year (US\$)	Non Interest bearing (US\$)	Total US\$
Financial assets at fair value through profit or loss	–	29,710,189	436,800,241	215,787,133	682,297,563
Amounts receivable on sale of redeemable participating shares	–	–	–	1,572,062	1,572,062
Cash at bank	7,954,325	–	–	–	7,954,325
Margin payable	2,906,649	–	–	–	2,906,649
Margin cash	–	–	–	33,012,349	33,012,349
Other debtors	–	–	–	3,488,152	3,488,152
Financial derivative instruments	–	–	–	1,115,870	1,115,870
Fees and sundry creditors payable	–	–	–	(4,771,383)	(4,771,383)
<b>Total</b>	<b>10,860,974</b>	<b>29,710,189</b>	<b>436,800,241</b>	<b>250,204,183</b>	<b>727,575,587</b>

As at 31 December 2019 should interest rates have fallen by 0.25%, with all other variables remaining constant, the increase in net assets attributable to the holders of redeemable shares would amount to approximately 0.44% (31 December 2018: 0.48%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares for the period by 0.44% (31 December 2018: 0.48%).

## Income Opportunities Fund

31 December 2019	Less than 1 month (GBP£)	1 month – 1 year (GBP£)	Greater than 1 year (GBP£)	Non Interest bearing (GBP£)	Total GBP£
Financial assets at fair value through profit or loss	–	2,628,497	41,341,501	107,261,015	151,231,013
Amounts receivable on sale of redeemable participating shares	–	–	–	21,611	21,611
Amounts receivable on sale of securities	–	–	–	17,012	17,012
Cash at bank	10,699,332	–	–	–	10,699,332
Margin cash	–	–	–	2,511,734	2,511,734
Other debtors	–	–	–	841,564	841,564
Financial derivative instruments	–	–	–	(425,613)	(425,613)
Fees and sundry creditors payable	–	–	–	(738,101)	(738,101)
<b>Total</b>	<b>10,699,332</b>	<b>2,628,497</b>	<b>41,341,501</b>	<b>109,489,222</b>	<b>164,158,552</b>

31 December 2018	Less than 1 month (GBP£)	1 month – 1 year (GBP£)	Greater than 1 year (GBP£)	Non Interest bearing (GBP£)	Total GBP£
Financial assets at fair value through profit or loss	3,927,415	5,069,063	80,889,529	175,063,400	264,949,407
Amounts receivable on sale of redeemable participating shares	–	–	–	63,750	63,750
Cash at bank	4,045,746	–	–	–	4,045,746
Margin cash	–	–	–	1,600,769	1,600,769
Other debtors	–	–	–	1,828,539	1,828,539
Financial derivative instruments	–	–	–	59,399	59,399
Fees and sundry creditors payable	–	–	–	(3,731,654)	(3,731,654)
<b>Total</b>	<b>7,973,161</b>	<b>5,069,063</b>	<b>80,889,529</b>	<b>174,884,203</b>	<b>268,815,956</b>

As at 31 December 2019, should interest rates have fallen by 0.25%, with all other variables remaining constant, the increase in net assets attributable to the holders of redeemable shares would amount to approximately 0.13% (31 December 2018: 0.19%). An equal change in interest rates in the opposite direction would have decreased net assets attributable to the holders of redeemable shares by 0.54% (31 December 2018: 0.19%).



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 10. Financial Risk Management continued

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The majority of the Funds' financial assets are equity securities. As a result, they are not subject to significant amounts of credit risk.

The credit rating of the fixed income securities held in the two Funds that do invest in debt securities were as follows at 31 December 2019:

Global Absolute Return Fund	31 December 2019		31 December 2018	
	% Holding	Value US\$	% Holding	Value US\$
A+	0.00%	–	0.00%	–
A	0.93%	420,470	0.00%	–
A-	10.62%	4,820,883	0.00%	–
BBB+	0.00%	–	0.00%	–
BBB	2.42%	1,100,936	0.00%	–
BBB-	0.00%	–	0.00%	–
BB+	1.05%	479,402	0.00%	–
BB	0.00%	–	0.00%	–
BB-	4.20%	1,905,861	0.00%	–
B+	1.60%	725,133	0.00%	–
B	0.00%	–	0.00%	–
B-	0.28%	127,714	0.00%	–
CCC+	0.00%	–	0.00%	–
NR	98.61%	44,791,765	0.00%	–
Total	119.71%	54,372,164	0.00%	–

Global Convertible Fund	31 December 2019		31 December 2018	
	% Holding	Value US\$	% Holding	Value US\$
A+	0.00%	–	3.22%	23,452,851
A	0.00%	–	0.00%	–
A-	0.00%	–	5.18%	37,655,003
BBB+	0.00%	–	1.50%	10,921,226
BBB	3.81%	34,956,330	1.39%	10,088,470
BBB-	0.00%	–	0.00%	–
BB+	2.45%	22,531,894	0.00%	–
BB	0.00%	–	0.00%	–
BB-	2.96%	27,178,616	3.68%	26,714,371
B+	2.65%	24,372,500	0.00%	–
B	0.00%	–	0.00%	–
B-	2.02%	18,518,514	0.00%	–
CCC+	0.00%	–	0.00%	–
NR	84.83%	779,299,104	78.56%	571,728,641
Total	98.72%	906,856,958	93.53%	680,560,562

Income Opportunities Fund	31 December 2019		31 December 2018	
	% Holding	Value GBP£	% Holding	Value GBP£
AAA	0.00%	–	0.00%	–
AA-	0.00%	–	0.00%	–
A+	0.37%	601,679	0.17%	468,161
A	0.00%	–	0.00%	–
A-	0.00%	–	0.27%	716,800
BBB+	4.39%	7,207,344	5.64%	15,161,082
BBB	0.84%	1,387,882	2.25%	6,039,692
BBB-	1.37%	2,246,921	2.65%	7,122,133
BB+	2.44%	4,007,114	0.45%	1,208,680
BB	0.62%	1,018,169	0.95%	2,555,801
B+	0.00%	–	1.73%	4,662,477
B	3.03%	4,966,226	1.02%	2,752,500
NR	16.50%	27,087,418	19.01%	51,095,263
Total	29.56%	48,522,753	34.14%	91,782,589

### Credit risk on settlement

Transactions in securities are generally settled or paid for on delivery or cleared through the appropriate clearing system for the market on which the securities are traded. The risk of default is not considered to be material, as delivery of securities sold is only made once the Depository has received confirmation of payment. Payment is also only made on a purchase once confirmation of delivery of the securities has been received by the Depository. The trade will fail if either party fails to deliver the required confirmations.

### Credit risk on cash and receivables

The following are the assets for which the Company has an exposure as an unsecured creditor to either counterparty risk or the Depository which would involve a significant risk of loss in the event of a default by either.

At 31 December 2019	Asian Opportunities Fund	Asian Stars Fund	Automation & Artificial Intelligence Fund
	31 December 2019	31 December 2019	31 December 2019
Asset Type	US\$	US\$	US\$
Dividends and interest receivable	28,104	9,954	172,981
Cash at bank	984,752	143,909	20,917,423
Margin receivable	–	–	–
Margin cash	–	–	–
Sundry debtors	5,235	2,521	4,087
	1,018,091	156,384	21,094,491



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Credit risk continued

## Credit risk on cash and receivables continued

	Biotechnology Fund 31 December 2019 US\$	China Stars Fund 31 December 2019 US\$	Emerging Markets Income Fund 31 December 2019 US\$	Emerging Market Stars Fund 31 December 2019 US\$	European ex UK Income Fund 31 December 2019 EUR€
<b>At 31 December 2019</b>					
<b>Asset Type</b>					
Dividends and interest receivable	3,079	2,133	603,666	46,092	–
Cash at bank	21,215,258	201,003	3,653,707	794,082	4,911,441
Margin receivable	–	–	–	–	–
Margin cash	–	–	–	–	–
Sundry debtors	19,943	2,502	4,939	2,809	3,034
	21,238,280	205,638	4,262,312	842,983	4,914,475

	European Income Fund 31 December 2019 EUR€	Financial Opportunities Fund 31 December 2019 US\$	Global Absolute Return Fund 31 December 2019 US\$	Global Convertible Fund 31 December 2019 US\$	Global Insurance Fund 31 December 2019 GBP£
<b>At 31 December 2019</b>					
<b>Asset Type</b>					
Dividends and interest receivable	–	2,172	138,379	2,756,501	479,651
Cash at bank	21,946	412,116	835,655	17,624,771	36,181,268
Margin receivable	–	–	3,640,834	4,280,787	–
Margin cash	–	–	–	4,714,039	–
Sundry debtors	–	2,190	27,593	377,047	61,564
	21,946	416,478	4,642,461	29,753,145	36,722,483

	Global Technology Fund 31 December 2019 US\$	Healthcare Blue Chip Fund 31 December 2019 US\$	Healthcare Opportunities Fund 31 December 2019 US\$	Income Opportunities Fund 31 December 2019 GBP£	Japan Fund 31 December 2019 JPY ¥
<b>At 31 December 2019</b>					
<b>Asset Type</b>					
Dividends and interest receivable	1,463,333	63,858	897,966	840,319	–
Cash at bank	123,954,805	3,847,289	626,425	10,699,332	26,128,599
Margin receivable	–	–	–	–	–
Margin cash	32,736,764	–	20,431,031	2,511,734	–
Sundry debtors	100,658	4,057	173,048	1,245	–
	158,255,560	3,915,204	22,128,470	14,052,630	26,128,599



	Japan Value Fund 31 December 2019 JPY ¥	North American Fund 31 December 2019 US\$	UK Absolute Equity Fund 31 December 2019 GBP£	UK Value Opportunities Fund 31 December 2019 GBP£	Total 31 December 2019 US\$
<b>At 31 December 2019</b>					
<b>Asset Type</b>					
Dividends and interest receivable	81,982,159	1,042,696	1,483,679	2,033,281	14,389,596
Cash at bank	2,181,088,172	69,245,511	56,310,393	72,301,436	522,696,193
Margin receivable	–	–	31,536,872	–	49,700,093
Margin cash	–	–	5,062,524	17,690	67,939,267
Sundry debtors	1,831,145	164,704	17,173	4,938	1,024,010
	2,264,901,476	70,452,911	94,410,641	74,357,345	655,749,159

  

		Asian Opportunities Fund 31 December 2018 US\$	Asian Stars Fund 31 December 2018 US\$	Automation & Artificial Intelligence Fund 31 December 2018 US\$
<b>At 31 December 2018</b>				
<b>Asset Type</b>				
Dividends and interest receivable		50,093	–	59,829
Cash at bank		2,886,921	10,009,250	34,116,528
Margin receivable		–	–	–
Margin cash		–	–	–
Sundry debtors		2,489	–	8,146
		2,939,503	10,009,250	34,184,503

  

	Biotechnology Fund 31 December 2018 US\$	China Stars Fund 31 December 2018 US\$	Emerging Markets Income Fund 31 December 2018 US\$	Emerging Market Stars Fund 31 December 2018 US\$	European ex UK Income Fund 31 December 2018 EUR€
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	22,511	228	927,480	12,061	126,145
Cash at bank	41,907,152	354,275	4,558,911	139,830	1,286,388
Margin receivable	–	–	–	–	–
Margin cash	–	–	–	–	–
Sundry debtors	6,998	12	2,967	9	2,254,688
	41,936,661	354,515	5,489,358	151,900	3,667,221

## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 10. Financial Risk Management continued

#### Credit risk continued

#### Credit risk on cash and receivables continued

	European Income Fund 31 December 2018 EUR€	Financial Opportunities Fund 31 December 2018 US\$	Global Absolute Return Fund 31 December 2018 US\$	Global Convertible Fund 31 December 2018 US\$	Global Insurance Fund 31 December 2018 GBP£
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	8,143	4,279	–	2,649,070	643,428
Cash at bank	9,966,778	1,409,099	10,194,361	7,954,325	20,950,550
Margin receivable	–	–	–	33,012,349	–
Margin cash	–	–	–	2,906,649	–
Sundry debtors	2,149	183	–	839,083	27,487
	9,977,070	1,413,561	10,194,361	47,361,476	21,621,465

	Global Technology Fund 31 December 2018 US\$	Healthcare Blue Chip Fund 31 December 2018 US\$	Healthcare Opportunities Fund 31 December 2018 US\$	Income Opportunities Fund 31 December 2018 GBP£	Japan Fund 31 December 2018 JPY ¥
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	549,081	52,392	645,906	1,826,747	104,420,545
Cash at bank	169,931,050	257,516	114,476,293	4,045,746	2,666,543,722
Margin receivable	–	–	–	–	–
Margin cash	42,055,787	–	20,012,400	1,600,769	–
Sundry debtors	47,746	3,064	11,820	1,792	3,791,750
	212,583,664	312,972	135,146,419	7,475,054	2,774,756,017

	Japan Value Fund 31 December 2018 JPY ¥	North American Fund 31 December 2018 US\$	UK Absolute Equity Fund 31 December 2018	UK Value Opportunities Fund 31 December 2018	Total 31 December 2018
<b>At 31 December 2018</b>					
<b>Asset Type</b>					
Dividends and interest receivable	2,475,582	1,337,938	22,802	2,052,077	13,241,812
Cash at bank	12,293,791	200,009,961	81,139,386	49,709,949	834,469,577
Margin receivable	–	–	197,528,169	–	285,216,322
Margin cash	–	–	566,001	17,632	67,763,881
Sundry debtors	139,351,513	9,009	3,628	1,636	4,860,219
	154,120,886	201,356,908	279,259,986	51,781,294	1,205,551,810

At 31 December 2019 and 31 December 2018, none of the Funds' financial assets were past due or impaired.

The Investment Manager monitors each Fund's credit exposure where relevant to the Fund's investment strategy on a daily basis and reports regularly to the Board of Directors, which reviews the information provided by the Investment Manager on significant exposures at its periodic meetings.

### Credit risk statement

The Depositary is responsible for the safe-keeping of assets. The Depositary has appointed The Northern Trust Company ('TNTC') as its global sub-custodian. Both the Depositary and TNTC are wholly owned subsidiaries of Northern Trust Corporation ('NTC'). As at 31 December 2019, NTC had a long-term credit rating from Standard & Poor's of A+ (31 December 2018: A+).

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, Depositary and NTC.

In addition, TNTC, as banker, holds cash of the Funds on deposit. Such cash is held on the balance sheet of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of Depositary and or one of its agents or affiliates may cause the Fund's rights with respect to its assets to be delayed or may result in the Company not receiving the full value of its assets.

As per Note 2 (E), Cash at bank and bank overdraft balances are comprised of cash balances held at TNTC. As at 31 December 2019 cash was held with counterparties and brokers as follows:

Global Absolute Return Fund	US\$3,640,834	(31 December 2018: US\$Nil)
Global Convertible Fund	US\$8,994,826	(31 December 2018: US\$35,918,998)
Global Technology Fund	US\$ 32,736,764	(31 December 2018: US\$42,055,787)
Healthcare Opportunities Fund	US\$20,431,031	(31 December 2018: US\$20,012,400)
Income Opportunities Fund	GBP£2,511,734	(31 December 2018: GBP£1,600,769)
UK Absolute Equity Fund	GBP£36,599,396	(31 December 2018: GBP£198,848,391)
UK Value Opportunities Fund	GBP£17,690	(31 December 2018: GBP£17,632)

The Funds' counterparties and brokers had the following long-term credit ratings from Standard & Poor's as at 31 December 2019:

Credit Suisse Securities (Europe) Limited: A+ (31 December 2018: A+).

UBS AG: A+ (31 December 2018: A+).

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they fall due.

The Funds are exposed to daily cash redemptions of redeemable participating shares. The Funds invest the majority of their assets in securities and other instruments that are traded on an active market and which are considered to be liquid as under normal market conditions, they can be readily disposed of in the event that cash needs to be raised to meet redemptions or to pay expenses.

In accordance with Company policy, the Investment Manager monitors the Funds' liquidity on a daily basis and reports regularly to the Board of Directors, which reviews the information provided by the Investment Manager on significant exposures at its periodic meetings.

The Funds' listed securities are considered to be readily realisable as they are principally listed on major European, Asian and US stock exchanges. At 31 December 2019 and 31 December 2018, the Funds all held liquid assets and liabilities that could be realised in less than one month. The residual contractual maturities of financial liabilities held by the Funds are all within 3 months.

## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 10. Financial Risk Management continued

#### Offsetting Financial Instruments

The Company has not offset any financial assets and financial liabilities in the Statement of Financial Position. Financial assets and financial liabilities which are subject to enforceable master netting arrangements are detailed in the tables below.

	Gross amounts of recognised assets 2019 US\$	Gross amounts offset in the statement of financial position 2019 US\$	Net amount presented on the statement of financial position 2019 US\$	Related amounts not set off in the Statement of Financial Position		Net amount 2019 US\$
				Financial instruments 2019 US\$	Cash collateral pledged / received 2019 US\$	
<b>Global Absolute Return Fund</b>						
<b>Assets</b>						
Contracts for difference	225,480	–	225,480	(225,480)	–	–
Forward foreign currency contracts	537,925	–	537,925	(7)	–	537,918
<b>Total</b>	<b>763,405</b>	<b>–</b>	<b>763,405</b>	<b>(225,487)</b>	<b>–</b>	<b>537,918</b>
<b>Liabilities</b>						
Contracts for difference	(2,104,036)	–	(2,104,036)	225,480	–	(1,878,556)
Forward foreign currency contracts	(7)	–	(7)	7	–	–
<b>Total</b>	<b>(2,104,043)</b>	<b>–</b>	<b>(2,104,043)</b>	<b>225,487</b>	<b>–</b>	<b>(1,878,556)</b>

	Gross amounts of recognised assets 2019 US\$	Gross amounts offset in the statement of financial position 2019 US\$	Net amount presented on the statement of financial position 2019 US\$	Related amounts not set off in the Statement of Financial Position		Net amount 2019 US\$
				Financial instruments 2019 US\$	Cash collateral pledged / received 2019 US\$	
<b>Global Convertible Fund</b>						
<b>Assets</b>						
Contracts for difference	388,759	–	388,759	(388,759)	–	–
Futures contracts	1,074,094	–	1,074,094	–	–	1,074,094
Forward foreign currency contracts	2,361,886	–	2,361,886	(49,256)	–	2,312,630
<b>Total</b>	<b>3,824,739</b>	<b>–</b>	<b>3,824,739</b>	<b>(438,015)</b>	<b>–</b>	<b>3,386,724</b>
<b>Liabilities</b>						
Contracts for difference	(9,109,743)	–	(9,109,743)	388,759	–	(8,720,984)
Forward foreign currency contracts	(49,256)	–	(49,256)	49,256	–	–
<b>Total</b>	<b>(9,158,999)</b>	<b>–</b>	<b>(9,158,999)</b>	<b>438,015</b>	<b>–</b>	<b>(8,720,984)</b>

	Gross amounts of recognised assets 2018 US\$	Gross amounts offset in the statement of financial position 2018 US\$	Net amount presented on the statement of financial position 2018 US\$	Related amounts not set off in the Statement of Financial Position		
				Financial instruments 2018 US\$	Cash collateral pledged / received 2018 US\$	Net amount 2018 US\$
<b>Global Convertible Fund</b>						
<b>Assets</b>						
Contracts for difference	530,632	–	530,632	(530,632)	–	–
Futures contracts	830,006	–	830,006	(513,538)	–	316,468
Forward foreign currency contracts	1,601,563	–	1,601,563	(378,939)	–	1,222,624
<b>Total</b>	<b>2,962,201</b>	<b>–</b>	<b>2,962,201</b>	<b>(1,423,109)</b>	<b>–</b>	<b>1,539,092</b>
<b>Liabilities</b>						
Contracts for difference	(953,854)	–	(953,854)	530,632	–	(423,222)
Futures contracts	(513,538)	–	(513,538)	513,538	–	–
Forward foreign currency contracts	(378,939)	–	(378,939)	378,939	–	–
<b>Total</b>	<b>(1,846,331)</b>	<b>–</b>	<b>(1,846,331)</b>	<b>1,423,109</b>	<b>–</b>	<b>(423,222)</b>

	Gross amounts of recognised assets 2019 US\$	Gross amounts offset in the statement of financial position 2019 US\$	Net amount presented on the statement of financial position 2019 US\$	Related amounts not set off in the Statement of Financial Position		
				Financial instruments 2019 US\$	Cash collateral pledged / received 2019 US\$	Net amount 2019 US\$
<b>UK Absolute Equity Fund</b>						
<b>Assets</b>						
Contracts for difference	31,395,453	–	31,395,453	(15,197,685)	–	16,197,768
Forward foreign currency contracts	3,066	–	3,066	(3,066)	–	–
<b>Total</b>	<b>31,398,519</b>	<b>–</b>	<b>31,398,519</b>	<b>(15,200,751)</b>	<b>–</b>	<b>16,197,768</b>
<b>Liabilities</b>						
Contracts for difference	(15,197,685)	–	(15,197,685)	15,197,685	–	–
Futures contracts	(48,775)	–	(48,775)	–	–	(48,775)
Forward foreign currency contracts	(1,562,871)	–	(1,562,871)	3,066	–	(1,559,805)
<b>Total</b>	<b>(16,809,331)</b>	<b>–</b>	<b>(16,809,331)</b>	<b>15,200,751</b>	<b>–</b>	<b>(1,608,580)</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Offsetting Financial Instruments continued

	Gross amounts of recognised assets 2018 US\$	Gross amounts offset in the statement of financial position 2018 US\$	Net amount presented on the statement of financial position 2018 US\$	Related amounts not set off in the Statement of Financial Position		
				Financial instruments 2018 US\$	Cash collateral pledged / received 2018 US\$	Net amount 2018 US\$
<b>UK Absolute Equity Fund</b>						
<b>Assets</b>						
Contracts for difference	23,277,446	–	23,277,446	(4,734,930)	–	18,542,516
Forward foreign currency contracts	15,039	–	15,039	(15,039)	–	–
<b>Total</b>	<b>23,292,485</b>	<b>–</b>	<b>23,292,485</b>	<b>(4,749,969)</b>	<b>–</b>	<b>18,542,516</b>
<b>Liabilities</b>						
Contracts for difference	(4,734,930)	–	(4,734,930)	4,734,930	–	–
Forward foreign currency contracts	(1,214,901)	–	(1,214,901)	15,039	–	(1,199,862)
<b>Total</b>	<b>(5,949,831)</b>	<b>–</b>	<b>(5,949,831)</b>	<b>4,749,969</b>	<b>–</b>	<b>(1,199,862)</b>

Global Convertible Fund is party to an ISDA Master Agreement with UBS AG, which was signed on 30 August 2013. The existing Agreement was amended by adding UK Absolute Equity Fund on 23 November 2016 and Global Absolute Return Fund on 31 December 2018.

**Fair value hierarchy**

Financial assets and financial liabilities at fair value through profit and loss are valued at fair value at the Statement of Financial Position date. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'Net gain/loss on financial assets and financial liabilities at fair value through profit or loss' in the period in which they arise. Fair value is the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

In determining fair value, securities which are quoted, listed or traded on a recognised exchange will be valued at the last traded price (or, if no last traded price is available, at the mid-market price).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry.

Valuation models are used primarily to value unlisted equities, for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The table below sets out fair value measurements using the fair value hierarchy:

### Financial assets and liabilities at fair value through profit or loss as at 31 December 2019

	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Asian Opportunities Fund</b>				
<b>Assets</b>				
Equity investments	28,326,748	28,326,748	–	–
Forward foreign currency contracts	8,729	–	8,729	–
<b>Total</b>	<b>28,335,477</b>	<b>28,326,748</b>	<b>8,729</b>	<b>–</b>
<b>Asian Stars Fund</b>				
<b>Assets</b>				
Equity investments	7,164,695	7,164,695	–	–
<b>Total</b>	<b>7,164,695</b>	<b>7,164,695</b>	<b>–</b>	<b>–</b>
<b>Automation &amp; Artificial Intelligence Fund</b>				
<b>Assets</b>				
Equity investments	433,364,463	433,364,463	–	–
<b>Total</b>	<b>433,364,463</b>	<b>433,364,463</b>	<b>–</b>	<b>–</b>
<b>Biotechnology Fund</b>				
<b>Assets</b>				
Equity investments	530,600,185	530,600,185	–	–
Forward foreign currency contracts	94,346	–	94,346	–
<b>Total</b>	<b>530,694,531</b>	<b>530,600,185</b>	<b>94,346</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(285)	–	(285)	–
<b>Total</b>	<b>(285)</b>	<b>–</b>	<b>(285)</b>	<b>–</b>
<b>China Stars Fund</b>				
<b>Assets</b>				
Equity investments	7,388,146	7,388,146	–	–
<b>Total</b>	<b>7,388,146</b>	<b>7,388,146</b>	<b>–</b>	<b>–</b>
<b>Emerging Markets Income Fund</b>				
<b>Assets</b>				
Equity investments	144,281,216	144,281,216	–	–
<b>Total</b>	<b>144,281,216</b>	<b>144,281,216</b>	<b>–</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Fair value hierarchy continued

## Financial assets and liabilities at fair value through profit or loss as at 31 December 2019 continued

Emerging Market Stars Fund	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Assets</b>				
Equity investments	41,679,540	41,679,540	–	–
<b>Total</b>	41,679,540	41,679,540	–	–
<b>European ex UK Income Fund</b>				
	EUR€	EUR€	EUR€	EUR€
<b>Assets</b>				
Equity investments	264,648,343	264,648,343	–	–
Forward foreign currency contracts	1,197,067	–	1,197,067	–
<b>Total</b>	265,845,410	264,648,343	1,197,067	–
<b>Liabilities</b>				
Forward foreign currency contracts	(31,609)	–	(31,609)	–
<b>Total</b>	(31,609)	–	(31,609)	–
<b>Financial Opportunities Fund</b>				
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	18,412,308	18,412,308	–	–
<b>Total</b>	18,412,308	18,412,308	–	–
<b>Global Absolute Return Fund</b>				
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Corporate bonds	54,372,164	–	54,372,164	–
Investment funds	3,900,000	–	3,900,000	–
Equity investments	7,798,700	7,798,700	–	–
Warrants	103,980	–	103,980	–
Contracts for difference	225,480	–	225,480	–
Forward foreign currency contracts	537,925	–	537,925	–
<b>Total</b>	66,938,249	7,798,700	59,139,549	–
<b>Liabilities</b>				
Contracts for difference	(2,104,036)	–	(2,104,036)	–
Forward foreign currency contracts	(7)	–	(7)	–
<b>Total</b>	(2,104,043)	–	(2,104,043)	–



<b>Global Convertible Fund</b>	<b>Total US\$</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>
<b>Assets</b>				
Corporate bonds	906,856,958	–	906,856,958	–
Equity investments	30,894,850	30,894,850	–	–
Warrants	3,740,263	–	3,740,263	–
Contracts for difference	388,759	–	388,759	–
Forward foreign currency contracts	2,361,886	–	2,361,886	–
Futures contracts	1,074,094	1,074,094	–	–
<b>Total</b>	<b>945,316,810</b>	<b>31,968,944</b>	<b>913,347,866</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference	(9,109,743)	–	(9,109,743)	–
Forward foreign currency contracts	(49,256)	–	(49,256)	–
<b>Total</b>	<b>(9,158,999)</b>	<b>–</b>	<b>(9,158,999)</b>	<b>–</b>
<b>Global Insurance Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Investment funds	27,695,080	–	27,695,080	–
Equity investments	1,497,590,268	1,497,590,268	–	–
<b>Total</b>	<b>1,525,285,348</b>	<b>1,497,590,268</b>	<b>27,695,080</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(176,702)	–	(176,702)	–
<b>Total</b>	<b>(176,702)</b>	<b>–</b>	<b>(176,702)</b>	<b>–</b>
<b>Global Technology Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	3,491,422,560	3,491,422,560	–	–
Forward foreign currency contracts	3,644,066	–	3,644,066	–
Options	14,796,900	–	14,796,900	–
<b>Total</b>	<b>3,509,863,526</b>	<b>3,491,422,560</b>	<b>18,440,966</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(16,612)	–	(16,612)	–
<b>Total</b>	<b>(16,612)</b>	<b>–</b>	<b>(16,612)</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Fair value hierarchy continued

## Financial assets and liabilities at fair value through profit or loss as at 31 December 2019 continued

Healthcare Blue Chip Fund	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Assets</b>				
Equity investments	90,377,247	90,377,247	–	–
Forward foreign currency contracts	27	–	27	–
<b>Total</b>	<b>90,377,274</b>	<b>90,377,247</b>	<b>27</b>	<b>–</b>
<b>Healthcare Opportunities Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	1,632,993,616	1,632,993,616	–	–
<b>Total</b>	<b>1,632,993,616</b>	<b>1,632,993,616</b>	<b>–</b>	<b>–</b>
<b>Income Opportunities Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Corporate bonds	48,522,753	–	48,522,753	–
Equity investments	102,708,260	102,708,260	–	–
Futures contracts	128,638	128,638	–	–
<b>Total</b>	<b>151,359,651</b>	<b>102,836,898</b>	<b>48,522,753</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(526,251)	–	(526,251)	–
Futures contracts	(28,000)	(28,000)	–	–
<b>Total</b>	<b>(554,251)</b>	<b>(28,000)</b>	<b>(526,251)</b>	<b>–</b>
<b>Japan Value Fund</b>				
	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>JPY ¥</b>
<b>Assets</b>				
Equity investments	37,571,492,990	37,571,492,990	–	–
Forward foreign currency contracts	53,021,007	–	53,021,007	–
<b>Total</b>	<b>37,624,513,997</b>	<b>37,571,492,990</b>	<b>53,021,007</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(388,815)	–	(388,815)	–
<b>Total</b>	<b>(388,815)</b>	<b>–</b>	<b>(388,815)</b>	<b>–</b>

North American Fund	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Assets</b>				
Investment funds	26,650,000		26,650,000	
Equity investments	1,990,984,295	1,990,984,295	–	–
Forward foreign currency contracts	3,719,977	–	3,719,977	–
<b>Total</b>	<b>2,021,354,272</b>	<b>1,990,984,295</b>	<b>30,369,977</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(17,989)	–	(17,989)	–
<b>Total</b>	<b>(17,989)</b>	<b>–</b>	<b>(17,989)</b>	<b>–</b>
<b>UK Absolute Equity Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Equity investments	407,957,888	407,957,888	–	–
Contracts for difference	31,395,453	–	31,395,453	–
Forward foreign currency contracts	3,066	–	3,066	–
<b>Total</b>	<b>439,356,407</b>	<b>407,957,888</b>	<b>31,398,519</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference	(15,197,685)	–	(15,197,685)	–
Forward foreign currency contracts	(1,562,871)	–	(1,562,871)	–
Futures contracts	(48,775)	(48,775)	–	–
<b>Total</b>	<b>(16,809,331)</b>	<b>(48,775)</b>	<b>(16,760,556)</b>	<b>–</b>
<b>UK Value Opportunities Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Equity investments	1,198,420,311	1,198,420,311	–	–
<b>Total</b>	<b>1,198,420,311</b>	<b>1,198,420,311</b>	<b>–</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Fair value hierarchy continued

## Financial assets and liabilities at fair value through profit or loss as at 31 December 2018

	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<b>Asian Opportunities Fund</b>				
<b>Assets</b>				
Equity investments	38,428,308	38,428,308	–	–
Forward foreign currency contracts	12,381	–	12,381	–
<b>Total</b>	<b>38,440,689</b>	<b>38,428,308</b>	<b>12,381</b>	<b>–</b>
<b>Asian Stars Fund</b>				
<b>Automation &amp; Artificial Intelligence Fund</b>				
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	292,787,012	292,787,012	–	–
<b>Total</b>	<b>292,787,012</b>	<b>292,787,012</b>	<b>–</b>	<b>–</b>
<b>Biotechnology Fund</b>				
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	396,146,801	396,146,801	–	–
<b>Total</b>	<b>396,146,801</b>	<b>396,146,801</b>	<b>–</b>	<b>–</b>
<b>China Stars Fund</b>				
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	8,423,241	8,423,241	–	–
<b>Total</b>	<b>8,423,241</b>	<b>8,423,241</b>	<b>–</b>	<b>–</b>
<b>Emerging Markets Income Fund</b>				
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	155,018,907	155,018,907	–	–
<b>Total</b>	<b>155,018,907</b>	<b>155,018,907</b>	<b>–</b>	<b>–</b>
<b>Emerging Market Stars Fund</b>				
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Equity investments	11,934,550	11,934,550	–	–
<b>Total</b>	<b>11,934,550</b>	<b>11,934,550</b>	<b>–</b>	<b>–</b>

<b>European ex UK Income Fund</b>	<b>Total EUR€</b>	<b>Level 1 EUR€</b>	<b>Level 2 EUR€</b>	<b>Level 3 EUR€</b>
<b>Assets</b>				
Equity investments	197,293,093	197,293,093	–	–
Forward foreign currency contracts	415,805	–	415,805	–
<b>Total</b>	<b>197,708,898</b>	<b>197,293,093</b>	<b>415,805</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(6,616)	–	(6,616)	–
<b>Total</b>	<b>(6,616)</b>	<b>–</b>	<b>(6,616)</b>	<b>–</b>
<b>European Income Fund</b>				
<b>Financial Opportunities Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	29,601,245	29,601,245	–	–
<b>Total</b>	<b>29,601,245</b>	<b>29,601,245</b>	<b>–</b>	<b>–</b>
<b>Global Absolute Return Fund</b>				
<b>Global Convertible Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Corporate bonds	680,560,562	–	680,560,562	–
Warrants	1,737,001	–	1,737,001	–
Contracts for difference	530,632	–	530,632	–
Forward foreign currency contracts	1,601,563	–	1,601,563	–
Futures contracts	830,006	830,006	–	–
<b>Total</b>	<b>685,259,764</b>	<b>830,006</b>	<b>684,429,758</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference	(953,854)	–	(953,854)	–
Forward foreign currency contracts	(378,939)	–	(378,939)	–
Futures contracts	(513,538)	(513,538)	–	–
<b>Total</b>	<b>(1,846,331)</b>	<b>(513,538)</b>	<b>(1,332,793)</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 10. Financial Risk Management continued

## Fair value hierarchy continued

## Financial assets and liabilities at fair value through profit or loss as at 31 December 2018 continued

Global Insurance Fund	Total GBP£	Level 1 GBP£	Level 2 GBP£	Level 3 GBP£
<b>Assets</b>				
Investment funds	11,457,558	–	11,457,558	–
Equity investments	1,180,220,240	1,180,220,240	–	–
Forward foreign currency contracts	10,454	–	10,454	–
<b>Total</b>	<b>1,191,688,252</b>	<b>1,180,220,240</b>	<b>11,468,012</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(51,712)	–	(51,712)	–
<b>Total</b>	<b>(51,712)</b>	<b>–</b>	<b>(51,712)</b>	<b>–</b>
<b>Global Technology Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	2,325,409,980	2,325,409,980	–	–
Forward foreign currency contracts	1,374,131	–	1,374,131	–
Options	5,371,870	–	5,371,870	–
<b>Total</b>	<b>2,332,155,981</b>	<b>2,325,409,980</b>	<b>6,746,001</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(23,850)	–	(23,850)	–
<b>Total</b>	<b>(23,850)</b>	<b>–</b>	<b>(23,850)</b>	<b>–</b>
<b>Healthcare Blue Chip Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	73,182,159	73,182,159	–	–
Forward foreign currency contracts	16,871	–	16,871	–
<b>Total</b>	<b>73,199,030</b>	<b>73,182,159</b>	<b>16,871</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(100)	–	(100)	–
<b>Total</b>	<b>(100)</b>	<b>–</b>	<b>(100)</b>	<b>–</b>
<b>Healthcare Opportunities Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Investment funds	140,000,000	–	140,000,000	–
Equity investments	1,393,381,114	1,393,381,114	–	–
Warrants	2,208,096	–	2,208,096	–
<b>Total</b>	<b>1,535,589,210</b>	<b>1,393,381,114</b>	<b>142,208,096</b>	<b>–</b>

<b>Income Opportunities Fund</b>	<b>Total GBP£</b>	<b>Level 1 GBP£</b>	<b>Level 2 GBP£</b>	<b>Level 3 GBP£</b>
<b>Assets</b>				
Corporate bonds	91,782,589	–	91,782,589	–
Equity investments	173,166,818	173,166,818	–	–
Forward foreign currency contracts	1,428	–	1,428	–
Futures contracts	454,545	454,545	–	–
<b>Total</b>	<b>265,405,380</b>	<b>173,621,363</b>	<b>91,784,017</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(374,174)	–	(374,174)	–
Futures contracts	(22,400)	(22,400)	–	–
<b>Total</b>	<b>(396,574)</b>	<b>(22,400)</b>	<b>(374,174)</b>	<b>–</b>
<b>Japan Fund</b>				
	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>JPY ¥</b>
<b>Assets</b>				
Equity investments	82,185,781,120	82,185,781,120	–	–
Forward foreign currency contracts	71,654,153	–	71,654,153	–
<b>Total</b>	<b>82,257,435,273</b>	<b>82,185,781,120</b>	<b>71,654,153</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(978,987,443)	–	(978,987,443)	–
<b>Total</b>	<b>(978,987,443)</b>	<b>–</b>	<b>(978,987,443)</b>	<b>–</b>
<b>Japan Value Fund</b>				
	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>JPY ¥</b>	<b>JPY ¥</b>
<b>Assets</b>				
Equity investments	2,209,801,090	2,209,801,090	–	–
Forward foreign currency contracts	515,512	–	515,512	–
<b>Total</b>	<b>2,210,316,602</b>	<b>2,209,801,090</b>	<b>515,512</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(32,313,126)	–	(32,313,126)	–
<b>Total</b>	<b>(32,313,126)</b>	<b>–</b>	<b>(32,313,126)</b>	<b>–</b>
<b>North American Fund</b>				
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Assets</b>				
Equity investments	2,048,910,349	2,048,910,349	–	–
Forward foreign currency contracts	2,206,078	–	2,206,078	–
<b>Total</b>	<b>2,051,116,427</b>	<b>2,048,910,349</b>	<b>2,206,078</b>	<b>–</b>
<b>Liabilities</b>				
Forward foreign currency contracts	(17,199)	–	(17,199)	–
<b>Total</b>	<b>(17,199)</b>	<b>–</b>	<b>(17,199)</b>	<b>–</b>



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**10. Financial Risk Management** continued**Fair value hierarchy** continued**Financial assets and liabilities at fair value through profit or loss as at 31 December 2018** continued

<b>UK Absolute Equity Fund</b>	<b>Total GBP£</b>	<b>Level 1 GBP£</b>	<b>Level 2 GBP£</b>	<b>Level 3 GBP£</b>
<b>Assets</b>				
Investment Funds	40,000,000	–	40,000,000	–
Equity investments	182,924,511	182,924,511	–	–
Contracts for difference	23,277,446	–	23,277,446	–
Forward foreign currency contracts	15,039	–	15,039	–
Options	379,464	–	379,464	–
<b>Total</b>	<b>246,596,460</b>	<b>182,924,511</b>	<b>63,671,949</b>	<b>–</b>
<b>Liabilities</b>				
Contracts for difference	(4,734,930)	–	(4,734,930)	–
Forward foreign currency contracts	(1,214,901)	–	(1,214,901)	–
<b>Total</b>	<b>(5,949,831)</b>	<b>–</b>	<b>(5,949,831)</b>	<b>–</b>
<b>UK Value Opportunities Fund</b>				
	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>	<b>GBP£</b>
<b>Assets</b>				
Equity investments	708,782,396	708,782,396	–	–
<b>Total</b>	<b>708,782,396</b>	<b>708,782,396</b>	<b>–</b>	<b>–</b>

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

- Level 1 valued using quoted prices in active markets for identical assets.
- Level 2 valued by reference to valuation techniques using observable inputs other than quoted prices included within level 1.
- Level 3 valued by reference to valuation techniques using inputs that are not based on observable market data.

There are no assets held in level 3 at 31 December 2019 (31 December 2018: Nil). In addition, there were no transfers between level 1 and level 2 of the fair value hierarchy during the financial year from 1 January 2019 to 31 December 2019 and 1 January 2018 to 31 December 2018.

The valuation techniques used by the Company are explained in the accounting policies described in note 2.

**11. Cross/Segregated Liability**

The Company is an umbrella fund investment company with segregated liability between the Funds of the Company. Under Irish law, being the law applicable to the Company, this should result in any liabilities attributable to any Fund being borne solely by that Fund in the event of any insolvency.



## 12. Comparative Figures

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>Asian Opportunities Fund</b>			
Class A US Dollar Distribution	\$27,824,753	\$39,338,816	\$46,988,102
Class I Euro Distribution	€54,314	€65,946	€122
Class I Euro Hedged Distribution	€384,743	€952,728	€656,333
Class I Sterling Distribution	£500,701	£61,998	£126
Class I Sterling Hedged Distribution	£334,436	£478,542	£96,424
Class I US Dollar Distribution	\$109,773	\$81,482	\$1,489
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A US Dollar Distribution	\$407.25	\$346.04	\$396.67
Class I Euro Distribution	€12.60	€10.45	€11.53
Class I Euro Hedged Distribution	€13.05	€11.37	€13.53
Class I Sterling Distribution	£10.71	£9.37	£10.23
Class I Sterling Hedged Distribution	£13.46	£11.59	£13.64
Class I US Dollar Distribution	\$14.14	\$11.97	\$13.82
<b>Asian Stars Fund</b>			
	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
Class I Euro Accumulation	€1,289	€1,143	N/A
Class I Sterling Accumulation	£1,853	£1,274	N/A
Class I US Dollar Accumulation	\$272,940	\$1,000	N/A
Class R Euro Accumulation	€1,282	€1,143	N/A
Class R Sterling Accumulation	£1,211	£1,274	N/A
Class R US Dollar Accumulation	\$1,259	\$1,000	N/A
Class S Euro Accumulation	€1,291	€1,143	N/A
Class S Sterling Accumulation	£1,220	£1,274	N/A
Class S US Dollar Accumulation	\$6,922,395	\$10,000,000	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€11.28	€10.00	N/A
Class I Sterling Accumulation	£9.56	£10.00	N/A
Class I US Dollar Accumulation	\$12.66	\$10.00	N/A
Class R Euro Accumulation	€11.22	€10.00	N/A
Class R Sterling Accumulation	£9.51	£10.00	N/A
Class R US Dollar Accumulation	\$12.59	\$10.00	N/A
Class S Euro Accumulation	€11.30	€10.00	N/A
Class S Sterling Accumulation	£9.58	£10.00	N/A
Class S US Dollar Accumulation	\$12.69	\$10.00	N/A



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 12. Comparative Figures continued

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>Automation &amp; Artificial Intelligence Fund</b>			
Class I Euro Accumulation	€9,822,814	€3,288,129	€1,732,304
Class I Sterling Accumulation	£33,023,912	£24,981,385	£14,313,476
Class I US Dollar Accumulation	\$30,103,462	\$6,864,627	\$555,949
Class R Euro Accumulation	€1,406,585	€476,687	€1,009
Class R US Dollar Accumulation	\$17,890,123	\$11,384,221	\$10,121,955
Class S Euro Accumulation	€1,969,041	€353,242	€180,191
Class S Sterling Accumulation	£237,703,144	£200,919,640	£139,129,577
Class S US Dollar Accumulation	\$11,380,676	\$9,681,669	\$17,382,677
Class Z Sterling Accumulation	£1,212.00	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€11.43	€8.04	€8.60
Class I Sterling Accumulation	£9.69	£7.22	£7.64
Class I US Dollar Accumulation	\$12.83	\$9.19	\$10.33
Class R Euro Accumulation	€11.33	€8.01	€8.61
Class R US Dollar Accumulation	\$12.72	\$9.16	\$10.34
Class S Euro Accumulation	€11.49	€8.08	€8.61
Class S Sterling Accumulation	£9.73	£7.25	£7.64
Class S US Dollar Accumulation	\$12.90	\$9.24	\$10.34
Class Z Sterling Accumulation	£12.12	N/A	N/A
	<b>Net Asset Value Audited 31 December 2019</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>
<b>Biotechnology Fund</b>			
Class I Euro Distribution	€64,169,754	€31,934,011	€24,776,408
Class I Sterling Distribution	£84,209,344	£65,294,784	£44,643,156
Class I Sterling Hedged Distribution	£4,847,709	£2,650,240	N/A
Class I US Dollar Distribution	\$156,959,893	\$162,725,590	\$84,738,323
Class R Euro Distribution	€49,376,939	€29,785,528	€16,647,439
Class R Sterling Distribution	£3,595,457	£3,227,520	£2,456,565
Class R US Dollar Distribution	\$137,577,143	\$105,730,895	\$88,638,191
Class S Euro Distribution	€252,834	€141,622	€139,589
Class S Sterling Distribution	£106,122	£49,600	£345,782
Class S US Dollar Distribution	\$481,086	\$388,969	\$2,957,854

<b>Biotechnology Fund</b> continued	<b>NAV per share 31 December 2019</b>	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>
Class I Euro Distribution	€24.84	€18.58	€18.39
Class I Sterling Distribution	£21.05	£16.67	£16.33
Class I Sterling Hedged Distribution	£11.66	£9.05	N/A
Class I US Dollar Distribution	\$27.88	\$21.24	\$22.09
Class R Euro Distribution	€24.13	€18.13	€18.01
Class R Sterling Distribution	£20.45	£16.27	£15.99
Class R US Dollar Distribution	\$27.09	\$20.72	\$21.63
Class S Euro Distribution	€25.20	€18.80	€18.53
Class S Sterling Distribution	£21.35	£16.87	£16.45
Class S US Dollar Distribution	\$28.29	\$21.49	\$22.26

  

<b>China Stars Fund</b>	<b>Net Asset Value Audited 31 December 2019</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>
Class I Euro Accumulation	€1,177	€881	N/A
Class I Sterling Accumulation	£93,240	£883	N/A
Class I US Dollar Accumulation	\$1,136	\$866	N/A
Class R Euro Accumulation	€1,170	€879	N/A
Class R Sterling Accumulation	£1,106	£882	N/A
Class R US Dollar Accumulation	\$238,631	\$864	N/A
Class S Euro Accumulation	€1,184	€881	N/A
Class S Sterling Accumulation	£132,114	£82,370	N/A
Class S US Dollar Accumulation	\$6,871,675	\$8,670,000	N/A

  

	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€10.12	€7.58	N/A
Class I Sterling Accumulation	£8.58	£6.80	N/A
Class I US Dollar Accumulation	\$11.36	\$8.66	N/A
Class R Euro Accumulation	€10.06	€7.56	N/A
Class R Sterling Accumulation	£8.52	£6.79	N/A
Class R US Dollar Accumulation	\$11.29	\$8.64	N/A
Class S Euro Accumulation	€10.18	€7.58	N/A
Class S Sterling Accumulation	£8.63	£6.81	N/A
Class S US Dollar Accumulation	\$11.43	\$8.67	N/A



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 12. Comparative Figures continued

Emerging Markets Income Fund	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
Class I Euro Accumulation	€373,989	€318,806	€3,771,909
Class I Euro Distribution	€1,328,070	€1,127,611	€1,432,347
Class I Sterling Accumulation	£1,694,473	£1,413,490	£1,748,152
Class I Sterling Distribution	£35,753,276	£46,727,287	£67,386,874
Class I US Dollar Accumulation	\$4,708,250	\$5,903,408	\$73,762,392
Class I US Dollar Distribution	\$500,391	\$737,264	\$18,184,121
Class R Euro Accumulation	€684,669	€1,489,928	€4,228,080
Class R Euro Distribution	€83,809	€48,367	€51,925
Class R Sterling Accumulation	£85,807	£235,471	£375,839
Class R Sterling Distribution	£245,661	£170,870	£228,937
Class R US Dollar Accumulation	\$9,167,883	\$10,190,437	\$24,336,755
Class R US Dollar Distribution	\$2,201,709	\$2,385,147	\$3,665,000
Class S Euro Accumulation	€153	€130	€133
Class S Euro Distribution	€153	€130	€22,111
Class S Sterling Accumulation	£2,087,697	£1,305,119	£2,263,240
Class S Sterling Distribution	£56,403,611	£57,299,762	£71,987,600
Class S US Dollar Accumulation	\$131	\$114	\$122
Class S US Dollar Distribution	\$1,094,278	\$431,631	\$829,160
	NAV per share	NAV per share	NAV per share
Class I Euro Accumulation	€11.84	€10.12	€10.36
Class I Euro Distribution	€8.33	€7.46	€7.97
Class I Sterling Accumulation	£10.03	£9.08	£9.20
Class I Sterling Distribution	£7.06	£6.70	£7.07
Class I US Dollar Accumulation	\$13.29	\$11.57	\$12.45
Class I US Dollar Distribution	\$9.36	\$8.53	\$9.57
Class R Euro Accumulation	€11.33	€9.73	€10.02
Class R Euro Distribution	€8.02	€7.22	€7.75
Class R Sterling Accumulation	£9.60	£8.74	£8.89
Class R Sterling Distribution	£6.80	£6.48	£6.88
Class R US Dollar Accumulation	\$12.72	\$11.13	\$12.03
Class R US Dollar Distribution	\$9.00	\$8.25	\$9.30
Class S Euro Accumulation	€11.67	€9.93	€10.13
Class S Euro Distribution	€8.59	€7.65	€8.14
Class S Sterling Accumulation	£9.89	£8.91	£8.99
Class S Sterling Distribution	£7.28	£6.87	£7.22
Class S US Dollar Accumulation	\$13.10	\$11.35	\$12.17
Class S US Dollar Distribution	\$9.64	\$8.75	\$9.77

<b>Emerging Market Stars Fund</b>	<b>Net Asset Value Audited 31 December 2019</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>
Class I Euro Accumulation	€3,742,520	€86	N/A
Class I Sterling Accumulation	£1,900,760	£54,818	N/A
Class I US Dollar Accumulation	\$800,097	\$85	N/A
Class R Euro Accumulation	€2,446	€86	N/A
Class R Sterling Accumulation	£109	£88	N/A
Class R US Dollar Accumulation	\$109	\$85	N/A
Class S Euro Accumulation	€5,359,749	€2,446,497	N/A
Class S Sterling Accumulation	£4,139,243	£353,087	N/A
Class S US Dollar Accumulation	\$23,975,538	\$8,734,512	N/A
Class SX Sterling Accumulation	N/A	N/A	N/A
Class X Swedish Krona Accumulation	SEK. 1,180	N/A	N/A
Class X Euro Accumulation	€1,170	N/A	N/A
Class X US Dollar Accumulation	\$1,164	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€9.77	€7.41	N/A
Class I Sterling Accumulation	£8.28	£6.65	N/A
Class I US Dollar Accumulation	\$10.97	\$8.47	N/A
Class R Euro Accumulation	€9.70	€7.39	N/A
Class R Sterling Accumulation	£8.22	£6.63	N/A
Class R US Dollar Accumulation	\$10.89	\$8.45	N/A
Class S Euro Accumulation	€9.82	€7.42	N/A
Class S Sterling Accumulation	£8.32	£6.66	N/A
Class S US Dollar Accumulation	\$11.02	\$8.49	N/A
Class SX Sterling Accumulation	N/A	N/A	N/A
Class X Swedish Krona Accumulation	SEK. 108.99	N/A	N/A
Class X Euro Accumulation	€10.37	N/A	N/A
Class X US Dollar Accumulation	\$11.64	N/A	N/A



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 12. Comparative Figures continued

European ex UK Income Fund	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
Class I Euro Accumulation	€342,421	€168,378	€231,040
Class I Sterling Accumulation	£27,804,365	£3,717,419	£18,093,164
Class I Sterling Distribution	£3,694,555	£2,020,541	£1,189,780
Class I Sterling Hedged Accumulation	£100,197	£82,556	£61,414
Class I Sterling Hedged Distribution	£253,094	£47,075	£51,385
Class S Sterling Accumulation	£1,182,379	£167,187	£326,216
Class S Sterling Distribution	£9,994,524	£47,678,957	£40,399,971
Class S Sterling Hedged Accumulation	£1,333	£1,099	£1,152
Class S Sterling Hedged Distribution	£120,831,926	£124,889,291	£120,975,680
Class X Sterling Accumulation	£1,066	N/A	N/A
Class X Sterling Distribution	£64,853,634	N/A	N/A
	NAV per share	NAV per share	NAV per share
Class I Euro Accumulation	€12.91	€10.78	€11.42
Class I Sterling Accumulation	£10.86	£9.61	£10.14
Class I Sterling Distribution	£9.27	£8.59	£9.39
Class I Sterling Hedged Accumulation	£13.28	£10.97	£11.49
Class I Sterling Hedged Distribution	£11.23	£9.72	£10.62
Class S Sterling Accumulation	£10.96	£9.68	£10.17
Class S Sterling Distribution	£9.34	£8.64	£9.43
Class S Sterling Hedged Accumulation	£13.33	£10.99	£11.52
Class S Sterling Hedged Distribution	£11.28	£9.75	£10.65
Class X Sterling Accumulation	£10.66	N/A	N/A
Class X Sterling Distribution	£10.58	N/A	N/A

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>European Income Fund</b>			
Class I Euro Accumulation	–	€42,450	€222,652
Class I Euro Distribution	–	€1,160	€1,258
Class I Sterling Accumulation	–	£8,766,473	£9,796,897
Class I Sterling Distribution	–	£107,636	£909,174
Class I Swiss Franc Accumulation	–	Sfr. 1,087	Sfr. 1,221
Class I Swiss Franc Distribution	–	Sfr. 1,083	Sfr. 1,219
Class I US Dollar Accumulation	–	\$1,061	\$1,207
Class I US Dollar Distribution	–	\$1,057	\$1,205
Class R Euro Accumulation	–	€1,136	€1,236
Class R Euro Distribution	–	€1,132	€1,235
Class R Sterling Accumulation	–	£1,300	£1,399
Class R Sterling Distribution	–	£1,295	£1,397
Class R Swiss Franc Accumulation	–	Sfr. 1,061	Sfr. 1,200
Class R Swiss Franc Distribution	–	Sfr. 1,057	Sfr. 1,197
Class R US Dollar Accumulation	–	\$1,036	\$1,184
Class R US Dollar Distribution	–	\$1,032	\$1,184
Class S Euro Accumulation	–	€1,169	€1,263
Class S Euro Distribution	–	€1,168	€1,264
Class S Sterling Accumulation	–	£1,338	£1,430
Class S Sterling Distribution	–	£1,336	£1,430
Class S Swiss Franc Accumulation	–	Sfr. 1,093	Sfr. 1,226
Class S Swiss Franc Distribution	–	Sfr. 1,090	Sfr. 1,226
Class S US Dollar Accumulation	–	\$1,067	\$1,211
Class S US Dollar Distribution	–	\$1,065	\$1,211
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	–	€11.63	€12.59
Class I Euro Distribution	–	€10.00	€11.31
Class I Sterling Accumulation	–	£10.44	£11.18
Class I Sterling Distribution	–	£8.98	£10.04
Class I Swiss Franc Accumulation	–	Sfr. 13.11	Sfr. 14.73
Class I Swiss Franc Distribution	–	Sfr. 11.27	Sfr. 13.24
Class I US Dollar Accumulation	–	\$13.30	\$15.12
Class I US Dollar Distribution	–	\$11.43	\$13.58
Class R Euro Accumulation	–	€11.36	€12.36
Class R Euro Distribution	–	€9.77	€11.11
Class R Sterling Accumulation	–	£10.19	£10.97
Class R Sterling Distribution	–	£8.77	£9.87



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 12. Comparative Figures continued

<b>European Income Fund</b> continued	<b>NAV per share</b> <b>31 December 2019</b>	<b>NAV per share</b> <b>31 December 2018</b>	<b>NAV per share</b> <b>31 December 2017</b>
Class R Swiss Franc Accumulation	–	Sfr. 12.80	Sfr. 14.47
Class R Swiss Franc Distribution	–	Sfr. 11.01	Sfr. 13.01
Class R US Dollar Accumulation	–	\$12.98	\$14.84
Class R US Dollar Distribution	–	\$11.17	\$13.35
Class S Euro Accumulation	–	€11.69	€12.63
Class S Euro Distribution	–	€10.07	€11.37
Class S Sterling Accumulation	–	£10.49	£11.21
Class S Sterling Distribution	–	£9.04	£10.09
Class S Swiss Franc Accumulation	–	Sfr. 13.18	Sfr. 14.78
Class S Swiss Franc Distribution	–	Sfr. 11.35	Sfr. 13.31
Class S US Dollar Accumulation	–	\$13.37	\$15.17
Class S US Dollar Distribution	–	\$11.51	\$13.65

  

<b>Financial Opportunities Fund</b>	<b>Net Asset Value Audited</b> <b>31 December 2019</b>	<b>Net Asset Value Audited</b> <b>31 December 2018</b>	<b>Net Asset Value Audited</b> <b>31 December 2017</b>
Class I Euro Accumulation	€28,406	€22,260	€130
Class I Euro Distribution	€1,103,972	€882,999	€1,031,418
Class I Sterling Accumulation	£6,894,875	£9,348,403	£18,993,684
Class I Sterling Distribution	£2,871,305	£9,141,712	£11,147,598
Class I US Dollar Accumulation	\$81	\$65	\$14,156,543
Class I US Dollar Distribution	\$4,006,660	\$5,172,880	\$5,858,241
Class R Euro Accumulation	€105,634	€127,356	€131,525
Class R Euro Distribution	€174	€55	€64
Class R Sterling Accumulation	£27,575	£54,636	£63,238
Class R Sterling Distribution	£68,018	£105,201	£143,126
Class R US Dollar Accumulation	\$338,839	\$443,421	\$187,620
Class R US Dollar Distribution	\$118	N/A	\$61,086

  

	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€13.45	€10.54	€12.27
Class I Euro Distribution	€12.90	€10.36	€12.29
Class I Sterling Accumulation	£11.40	£9.46	£10.89
Class I Sterling Distribution	£10.93	£9.30	£10.91
Class I US Dollar Accumulation	\$15.10	\$12.05	\$14.74
Class I US Dollar Distribution	\$14.48	\$11.85	\$14.76
Class R Euro Accumulation	€13.04	€10.27	€12.00
Class R Euro Distribution	€12.40	€10.01	€11.93
Class R Sterling Accumulation	£11.05	£9.21	£10.66
Class R Sterling Distribution	£10.51	£8.99	£10.59
Class R US Dollar Accumulation	\$14.63	\$11.74	\$14.41
Class R US Dollar Distribution	\$13.92	N/A	\$14.33



	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>Global Absolute Return Fund</b>			
Class I Hedged Euro Accumulation	€137,294	€1,143	N/A
Class I Hedged Sterling Accumulation	£847,481	£1,274	N/A
Class I US Dollar Accumulation	\$3,075,917	\$1,000	N/A
Class S Hedged Euro Accumulation	€3,882,424	€1,143	N/A
Class S Hedged Sterling Accumulation	£24,514,233	£10,188,811	N/A
Class S US Dollar Accumulation	\$4,229,429	\$1,000	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Hedged Euro Accumulation	€99.83	€114.32	N/A
Class I Hedged Sterling Accumulation	£101.18	£127.36	N/A
Class I US Dollar Accumulation	\$102.29	\$100.00	N/A
Class S Hedged Euro Accumulation	€100.13	€114.32	N/A
Class S Hedged Sterling Accumulation	£101.35	£127.36	N/A
Class S US Dollar Accumulation	\$102.57	\$100.00	N/A

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>Global Convertible Fund</b>			
Class I Euro Accumulation	€51,336,753	€44,941,483	€40,184,695
Class I Euro Distribution	€2,024,775	€1,693,969	€2,916,918
Class I Hedged Euro Accumulation	€221,971	€184,865	€1,035
Class I Hedged Sterling Accumulation	£14,621,231	£14,519,118	£13,662,699
Class I Hedged Sterling Distribution	£22,354,918	£26,080,276	£21,402,763
Class I Hedged Swiss Franc Accumulation	Sfr. 6,674,960	Sfr. 6,327,783	Sfr. 6,955,704
Class I Sterling Accumulation	£17,432,307	£40,718,452	£13,806,042
Class I Sterling Distribution	£133,660,426	£112,331,102	£83,106,554
Class I US Dollar Accumulation	\$8,169,918	\$8,383,691	\$6,633,769
Class I US Dollar Distribution	\$3,159,349	\$2,173,032	\$1,817,533
Class Portfolio Currency Hedged Euro I Accumulation	€3,466,629	€1,924,081	€2,645,876
Class Portfolio Currency Hedged Sterling I Distribution	£111,879,694	£103,294,885	£87,576,714
Class R Euro Accumulation	€628,871	€259,491	€255,764
Class R Euro Distribution	€1,125,370	€487,987	€424,957
Class R Sterling Accumulation	£202,089	£166,417	£142,294
Class R Sterling Distribution	£1,539	£1,477	£1,411
Class R US Dollar Accumulation	\$1,338	\$1,223	\$1,238
Class R US Dollar Distribution	\$1,092,503	\$456,339	\$50,075
Class S Euro Accumulation	€117,993	€100,446	€1,254
Class S Euro Distribution	€1,498	€82,918	€82,645
Class S Hedged Sterling Accumulation	£1,555,873	£883,178	£2,263,985



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 12. Comparative Figures continued

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>Global Convertible Fund</b> continued			
Class S Hedged Sterling Distribution	£3,406,749	£4,655,207	£1,214,208
Class S Hedged Swiss Franc Accumulation	Sfr. 517.00	Sfr. 489.00	Sfr. 508.00
Class S Sterling Accumulation	£1,923,103	£2,247,106	£2,982,412
Class S Sterling Distribution	£267,473,432	£205,184,227	£186,911,169
Class S US Dollar Accumulation	\$499,628	\$425,213	\$156,995
Class S US Dollar Distribution	\$3,328,757	\$3,296,909	\$4,834,522
Class SI Sterling Accumulation	£40,470,568	£987	N/A
Class Portfolio Currency Hedged Sterling S Distribution	£10,314,876	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€12.13	€10.91	€10.48
Class I Euro Distribution	€9.51	€8.91	€8.93
Class I Hedged Euro Accumulation	€10.56	€9.99	€10.35
Class I Hedged Sterling Accumulation	£11.03	£10.30	£10.59
Class I Hedged Sterling Distribution	£8.95	£8.72	£9.34
Class I Hedged Swiss Franc Accumulation	Sfr. 10.19	Sfr. 9.66	Sfr. 10.08
Class I Sterling Accumulation	£10.26	£9.80	£9.32
Class I Sterling Distribution	£8.05	£8.01	£7.94
Class I US Dollar Accumulation	\$13.61	\$12.49	\$12.60
Class I US Dollar Distribution	\$10.67	\$10.20	\$10.73
Class Portfolio Currency Hedged Euro I Accumulation	€11.18	€10.43	€10.61
Class Portfolio Currency Hedged Sterling I Distribution	£10.26	£9.80	£10.29
Class R Euro Accumulation	€11.82	€10.69	€10.30
Class R Euro Distribution	€9.24	€8.70	€8.76
Class R Sterling Accumulation	£10.00	£9.60	£9.15
Class R Sterling Distribution	£7.82	£7.82	£7.79
Class R US Dollar Accumulation	\$13.27	\$12.23	\$12.38
Class R US Dollar Distribution	\$10.37	\$9.96	\$10.53
Class S Euro Accumulation	€10.64	€9.53	€9.13
Class S Euro Distribution	€8.54	€7.98	€7.97
Class S Hedged Sterling Accumulation	£11.22	£10.45	£10.71
Class S Hedged Sterling Distribution	£9.09	£8.82	£9.43
Class S Hedged Swiss Franc Accumulation	Sfr. 10.34	Sfr. 9.78	Sfr. 10.17
Class S Sterling Accumulation	£9.01	£8.56	£8.11
Class S Sterling Distribution	£7.23	£7.17	£7.08
Class S US Dollar Accumulation	\$11.94	\$10.91	\$10.97
Class S US Dollar Distribution	\$9.59	\$9.14	\$9.58
Class SI Sterling Accumulation	£10.36	£9.87	N/A
Class Portfolio Currency Hedged Sterling S Distribution	£10.23	N/A	N/A

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>Global Insurance Fund</b>			
Class A Sterling Distribution	£2,192,020	£14,240,918	£62,480,850
Class B Sterling Accumulation	£11,332,394	£11,298,798	£11,751,708
Class E Sterling Distribution	£341,673,496	£295,476,211	£205,077,102
Class F Sterling Accumulation	£196,920,938	£185,651,636	£140,355,150
Class I Euro Accumulation	€84,608,193	€84,427,229	€68,408,551
Class I Euro Distribution	€10,218,320	€7,757,432	€1,334,282
Class I Hedged Euro Accumulation	€20,690,644	€11,260,536	€19,362,396
Class I Hedged US Dollar Accumulation	\$2,549,571	\$2,144,089	\$8,954,070
Class I Sterling Accumulation	£343,856,432	£190,403,201	£153,998,346
Class I Sterling Distribution	£198,634,320	£143,831,636	£133,652,586
Class I US Dollar Accumulation	\$333,758,414	\$277,897,897	\$249,577,609
Class I US Dollar Distribution	\$17,480,532	\$12,432,210	\$13,738,109
Class R Euro Accumulation	€9,702,647	€3,507,030	€3,464,593
Class R Euro Distribution	€1,001,350	€17,024	€9,534
Class R Sterling Accumulation	£7,551,333	£5,262,336	£4,354,411
Class R Sterling Distribution	£21,256,176	£17,378,356	£13,838,152
Class R US Dollar Accumulation	\$71,910,584	\$16,933,098	\$26,109,498
Class R US Dollar Distribution	\$1,002,538	\$62,199	\$59,263
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Sterling Distribution	£5.73	£4.75	£4.77
Class B Sterling Accumulation	£7.38	£6.01	£5.94
Class E Sterling Distribution	£5.98	£4.93	£4.94
Class F Sterling Accumulation	£7.78	£6.31	£6.20
Class I Euro Accumulation	€8.89	€6.81	€6.78
Class I Euro Distribution	€6.90	€5.37	€5.45
Class I Hedged Euro Accumulation	€14.46	€11.96	€11.92
Class I Hedged US Dollar Accumulation	\$15.50	\$12.48	\$12.14
Class I Sterling Accumulation	£7.53	£6.11	£6.02
Class I Sterling Distribution	£5.84	£4.82	£4.84
Class I US Dollar Accumulation	\$9.98	\$7.78	\$8.15
Class I US Dollar Distribution	\$7.74	\$6.14	\$6.55
Class R Euro Accumulation	€8.46	€6.51	€6.52
Class R Euro Distribution	€6.61	€5.17	€5.27
Class R Sterling Accumulation	£7.17	£5.84	£5.79
Class R Sterling Distribution	£5.60	£4.64	£4.68
Class R US Dollar Accumulation	\$9.49	\$7.44	\$7.83
Class R US Dollar Distribution	\$7.42	\$5.91	\$6.33



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 12. Comparative Figures continued

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>Global Technology Fund</b>			
Class A Euro Distribution	€5,681,779	€3,616,843	€1,107,339
Class A Sterling Distribution	£13,370,134	£8,817,587	£7,164,688
Class A US Dollar Distribution	\$57,864,482	\$38,667,901	\$54,532,442
Class I Euro Distribution	€131,049,557	€75,346,847	€49,130,516
Class I Hedged Euro Distribution	€60,935,800	€48,769,459	€4,614,401
Class I Hedged Sterling Distribution	£94,986,655	£60,651,143	£47,387,846
Class I Hedged Swiss Franc Distribution	Sfr. 34,015,441	Sfr. 26,156,442	Sfr. 17,871,390
Class I Sterling Distribution	£1,063,308,625	£819,267,119	£637,286,056
Class I US Dollar Distribution	\$872,165,059	\$496,621,570	\$366,945,251
Class R Euro Distribution	€153,141,681	€69,943,436	€26,250,934
Class R Hedged Euro Accumulation	€52,619,192	€32,529,696	€4,637,076
Class R Hedged Euro Distribution	€56,304,582	€58,727,423	€50,771,499
Class R Hedged Swiss Franc Distribution	Sfr. 11,128,344	Sfr. 6,950,411	Sfr. 2,889,965
Class R Sterling Distribution	£20,259,809	£13,875,604	£10,457,242
Class R US Dollar Distribution	\$578,573,409	\$447,231,349	\$309,533,578
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Euro Distribution	€53.41	€38.23	€35.33
Class A Sterling Distribution	£45.25	£34.31	£31.36
Class A US Dollar Distribution	\$59.95	\$43.70	\$42.42
Class I Euro Distribution	€49.05	€34.76	€32.26
Class I Hedged Euro Distribution	€15.72	€11.66	€11.70
Class I Hedged Sterling Distribution	£22.72	£16.68	£16.54
Class I Hedged Swiss Franc Distribution	Sfr. 22.80	Sfr. 16.95	Sfr. 17.05
Class I Sterling Distribution	£41.56	£31.20	£28.64
Class I US Dollar Distribution	\$55.06	\$39.74	\$38.74
Class R Euro Distribution	€46.72	€33.27	€31.03
Class R Hedged Euro Accumulation	€15.51	€11.56	€11.65
Class R Hedged Euro Distribution	€22.92	€17.08	€17.19
Class R Hedged Swiss Franc Distribution	Sfr. 22.34	Sfr. 16.70	Sfr. 16.88
Class R Sterling Distribution	£39.58	£29.86	£27.54
Class R US Dollar Distribution	\$52.44	\$38.03	\$37.26

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>Healthcare Blue Chip Fund</b>			
Class I Euro Accumulation	€8,512	€683	€645
Class I Euro Distribution	€463,803	€69,698	€645
Class I Sterling Accumulation	£9,571,104	£5,745,905	£3,415,960
Class I Sterling Distribution	£5,407,991	£2,028,486	£1,458,818
Class I US Dollar Accumulation	\$1,766,712	\$1,520,513	\$1,138,965
Class I US Dollar Distribution	\$22,740	\$214,277	\$339,029
Class S Sterling Accumulation	£5,242,226	£788,044	£2,221,039
Class S Sterling Distribution	£549,416	£2,447,411	£44,362,353
Class S Sterling Hedged Distribution	£1,394	£1,840,640	£2,495,782
Class S US Dollar Accumulation	\$114	\$1,424,154	\$2,519,723
Class S US Dollar Distribution	\$749	\$263,758	\$289,042
Class SI Sterling Distribution	£47,169,563	£42,048,443	N/A
Class SI US Dollar Distribution	\$110,155	\$35,235	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Accumulation	€13.25	€10.56	€9.97
Class I Euro Distribution	€12.65	€10.21	€9.72
Class I Sterling Accumulation	£11.23	£9.47	£8.85
Class I Sterling Distribution	£10.72	£9.16	£8.63
Class I US Dollar Accumulation	\$14.87	\$12.07	\$11.97
Class I US Dollar Distribution	\$14.20	\$11.67	\$11.67
Class S Sterling Accumulation	£11.31	£9.53	£8.88
Class S Sterling Distribution	£10.80	£9.22	£8.67
Class S Sterling Hedged Distribution	£13.66	£11.44	£11.64
Class S US Dollar Accumulation	\$14.98	\$12.13	\$12.02
Class S US Dollar Distribution	\$14.31	\$11.74	\$11.73
Class SI Sterling Distribution	£9.53	£8.09	N/A
Class SI US Dollar Distribution	\$12.63	\$10.30	N/A



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 12. Comparative Figures continued

Healthcare Opportunities Fund	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
Class A Euro Distribution	€5,810,432	€6,437,436	€4,613,382
Class A Sterling Distribution	£2,909,160	£2,739,194	£3,651,200
Class A US Dollar Distribution	\$8,896,760	\$8,901,388	\$9,693,834
Class I Euro Distribution	€153,461,338	€88,800,055	€75,338,253
Class I Euro Accumulation	€1,203,872	€957	N/A
Class I Sterling Distribution	£814,338,418	£903,328,668	£777,378,791
Class I US Dollar Distribution	\$175,826,922	\$194,845,472	\$148,593,976
Class R Euro Distribution	€59,710,465	€46,206,359	€49,016,637
Class R Sterling Distribution	£11,569,737	£10,815,591	£8,401,827
Class R US Dollar Distribution	\$98,745,136	\$91,471,565	\$101,111,311
	NAV per share	NAV per share	NAV per share
Class A Euro Distribution	€32.05	€26.59	€23.52
Class A Sterling Distribution	£27.15	£23.86	£20.88
Class A US Dollar Distribution	\$35.97	\$30.39	\$28.24
Class I Euro Distribution	€48.45	€40.00	€35.02
Class I Euro Accumulation	€11.57	€9.57	N/A
Class I Sterling Distribution	£41.05	£35.90	£31.08
Class I US Dollar Distribution	\$54.39	\$45.73	\$42.05
Class R Euro Distribution	€46.03	€38.21	€33.61
Class R Sterling Distribution	£39.01	£34.29	£29.84
Class R US Dollar Distribution	\$51.67	\$43.68	\$40.36

<b>Income Opportunities Fund</b> (based on dealing NAV per share)	<b>Net Asset Value Audited 31 December 2019</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>
Class A1 Sterling Distribution	£7,366,727	£8,237,125	£7,861,239
Class A2 Sterling Accumulation	£4,264,708	£7,140,427	£11,262,281
Class B1 Sterling Distribution	£25,190,078	£35,884,901	£40,257,356
Class B2 Sterling Accumulation	£84,374,013	£149,085,137	£163,933,979
Class I Euro Accumulation	€1,177	€978	€16,566
Class I Euro Distribution	€1,174	€977	€1,051
Class I Euro Hedged Accumulation	€234,861	€404,868	€1,429,716
Class I Euro Hedged Distribution	€58,204	€99,569	€492,961
Class I US Dollar Accumulation	\$1,185	\$1,003	\$1,132
Class I US Dollar Distribution	\$1,085,281	\$1,462,434	\$928,724
Class R Euro Accumulation	€450,081	€2,444,027	€912,071
Class R Euro Distribution	€798,978	€739,834	€1,042
Class R Euro Hedged Accumulation	€2,737,033	€5,784,483	€10,997,427
Class R Euro Hedged Distribution	€3,418,823	€5,317,424	€6,090,983
Class R US Dollar Accumulation	\$2,072,392	\$2,692,823	\$2,624,206
Class R US Dollar Distribution	\$3,595,686	\$6,266,747	\$2,925,607
Class R US Dollar Hedged Accumulation	\$24,509,687	\$36,131,059	\$63,849,203
Class R US Dollar Hedged Distribution	\$16,982,246	\$24,104,958	\$39,211,334
Class Z Sterling Accumulation	£1,113	N/A	N/A
Class Z Sterling Distribution	£1,113	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A1 Sterling Distribution	£1.39	£1.29	£1.43
Class A2 Sterling Accumulation	£2.31	£2.04	£2.18
Class B1 Sterling Distribution	£1.47	£1.35	£1.50
Class B2 Sterling Accumulation	£2.41	£2.12	£2.25
Class I Euro Accumulation	€2.84	€2.36	€2.54
Class I Euro Distribution	€1.73	€1.50	€1.69
Class I Euro Hedged Accumulation	€13.89	€12.42	€13.30
Class I Euro Hedged Distribution	€11.84	€11.05	€12.38
Class I US Dollar Accumulation	\$3.19	\$2.70	\$3.05
Class I US Dollar Distribution	\$1.94	\$1.72	\$2.03
Class R Euro Accumulation	€2.73	€2.28	€2.45
Class R Euro Distribution	€1.64	€1.43	€1.61
Class R Euro Hedged Accumulation	€13.66	€12.26	€13.18
Class R Euro Hedged Distribution	€11.65	€10.95	€12.26
Class R US Dollar Accumulation	\$3.06	\$2.60	\$2.95
Class R US Dollar Distribution	\$1.84	\$1.64	\$1.93
Class R US Dollar Hedged Accumulation	\$11.65	\$10.16	\$10.71
Class R US Dollar Hedged Distribution	\$10.47	\$9.49	\$10.46
Class Z Sterling Accumulation	£11.13	N/A	N/A
Class Z Sterling Distribution	£11.13	N/A	N/A



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 12. Comparative Figures continued

Japan Fund	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
Class A Japanese Yen Distribution	–	¥346,211,375	¥460,804,469
Class A Sterling Distribution	–	£2,333,445	£2,961,829
Class A US Dollar Distribution	–	\$4,609,286	\$4,354,038
Class I Euro Distribution	–	€4,373,140	€1,687,176
Class I Hedged Euro Distribution	–	€47,802,457	€119,647,995
Class I Hedged Sterling Distribution	–	£133,301,979	£219,918,938
Class I Hedged Swiss Franc Distribution	–	Sfr. 10,240,094	Sfr. 14,620,863
Class I Hedged US Dollar Distribution	–	\$75,537,562	\$121,268,227
Class I Japanese Yen Distribution	–	¥7,750,010,142	¥11,046,371,075
Class I Sterling Distribution	–	£58,897,561	£76,652,134
Class I US Dollar Distribution	–	\$24,415,681	\$31,054,945
Class R Euro Distribution	–	€747,599	€1,540,870
Class R Hedged Euro Distribution	–	€28,506,947	€54,949,815
Class R Hedged Sterling Distribution	–	£2,550,801	£4,284,369
Class R Hedged Swiss Franc Distribution	–	Sfr. 7,000,568	Sfr. 10,880,702
Class R Hedged US Dollar Distribution	–	\$99,155,997	\$161,225,171
Class R Japanese Yen Distribution	–	¥3,693,299,004	¥5,935,548,192
Class R Sterling Distribution	–	£26,477	£31,306
Class R US Dollar Distribution	–	\$1,731,083	\$3,810,994
Class SI Euro Distribution	–	€3,758,177	N/A
Class SI Hedged Euro Distribution	–	€12,143,808	N/A
Class SI Hedged Sterling Distribution	–	£8,560	N/A
Class SI Hedged US Dollar Distribution	–	\$15,343,231	N/A
Class SI Japanese Yen Distribution	–	¥1,257,004,371	N/A
Class SI Sterling Distribution	–	£905	N/A
Class SI US Dollar Distribution	–	\$13,768,493	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class A Japanese Yen Distribution	–	¥2,582.58	¥3,367.16
Class A Sterling Distribution	–	£18.49	£22.14
Class A US Dollar Distribution	–	\$23.39	\$29.91
Class I Euro Distribution	–	€16.54	€20.14
Class I Hedged Euro Distribution	–	€15.35	€20.09
Class I Hedged Sterling Distribution	–	£19.34	£25.08
Class I Hedged Swiss Franc Distribution	–	Sfr. 13.14	Sfr. 17.24
Class I Hedged US Dollar Distribution	–	\$20.13	\$25.64
Class I Japanese Yen Distribution	–	¥2,091.63	¥2,713.57
Class I Sterling Distribution	–	£14.97	£17.84
Class I US Dollar Distribution	–	\$18.95	\$24.10
Class R Euro Distribution	–	€15.95	€19.53
Class R Hedged Euro Distribution	–	€14.84	€19.51
Class R Hedged Sterling Distribution	–	£18.54	£24.16
Class R Hedged Swiss Franc Distribution	–	Sfr. 12.85	Sfr. 16.93



<b>Japan Fund</b> continued	<b>NAV per share 31 December 2019</b>	<b>NAV per share 31 December 2018</b>	<b>NAV per share 31 December 2017</b>
Class R Hedged US Dollar Distribution	–	\$19.36	\$24.79
Class R Japanese Yen Distribution	–	¥2,018.00	¥2,631.24
Class R Sterling Distribution	–	£14.45	£17.30
Class R US Dollar Distribution	–	\$18.28	\$23.37
Class SI Euro Distribution	–	€6.76	N/A
Class SI Hedged Euro Distribution	–	€8.49	N/A
Class SI Hedged Sterling Distribution	–	£8.56	N/A
Class SI Hedged US Dollar Distribution	–	\$8.68	N/A
Class SI Japanese Yen Distribution	–	¥854.84	N/A
Class SI Sterling Distribution	–	£6.12	N/A
Class SI US Dollar Distribution	–	\$7.74	N/A

<b>Japan Value Fund</b>	<b>Net Asset Value Audited 31 December 2019</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>
Class I Euro Distribution	€1,910,498	€864	N/A
Class I Hedged Swiss Franc Distribution	Sfr. 1,109	N/A	N/A
Class I Hedged Euro Distribution	€970	€801	N/A
Class I Hedged Sterling Distribution	£988	£808	N/A
Class I Hedged US Dollar Distribution	\$9,092	\$820	N/A
Class I Japanese Yen Distribution	¥181,472	¥148,858	¥178,310
Class I Sterling Distribution	£36,395	£880	N/A
Class I US Dollar Distribution	\$111,425	\$806	N/A
Class R Hedged Swiss Franc Distribution	4,311,454	N/A	N/A
Class R Hedged Euro Distribution	€13,882,908	€2,284,021	€5,398,484
Class R Hedged Sterling Distribution	£3,980,429	£88,046	£105,637
Class R Hedged US Dollar Distribution	\$57,208,526	\$3,573,693	\$6,624,066
Class R Euro Distribution	€670,426	N/A	N/A
Class R Sterling Distribution	£11,721	N/A	N/A
Class R Japanese Yen Distribution	¥1,994,412,986	¥30,118,822	¥54,296,038
Class R US Dollar Distribution	\$1,271,346	\$245	\$54,055
Class S Hedged Swiss Franc Distribution	Sfr. 4,774,128	N/A	N/A
Class S Hedged Euro Distribution	€19,231,110	€1,234	€1,484
Class S Hedged Sterling Distribution	£28,631,456	£7,649,776	£1,767,299
Class S Hedged US Dollar Distribution	\$49,782,036	\$1,158,937	\$2,421,409
Class S Euro Distribution	€1,925,809	N/A	N/A
Class S Japanese Yen Distribution	¥10,884,995,284	¥66,373,251	¥96,065,181
Class S Sterling Distribution	£28,246,822	£1,426,194	£107,775
Class S US Dollar Distribution	\$16,390,198	N/A	N/A



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 12. Comparative Figures continued

Japan Value Fund continued	NAV per share 31 December 2019	NAV per share 31 December 2018	NAV per share 31 December 2017
Class I Euro Distribution	€1.05	€0.83	N/A
Class I Hedged Swiss Franc Distribution	Sfr. 11.09	N/A	N/A
Class I Hedged Euro Distribution	€9.70	€8.01	N/A
Class I Hedged Sterling Distribution	£9.88	£8.08	N/A
Class I Hedged US Dollar Distribution	\$10.23	\$8.20	N/A
Class I Japanese Yen Distribution	¥128.25	¥105.20	¥126.01
Class I Sterling Distribution	£0.90	£0.75	N/A
Class I US Dollar Distribution	\$1.17	\$0.95	N/A
Class R Hedged Swiss Franc Distribution	Sfr. 11.09	N/A	N/A
Class R Hedged Euro Distribution	€2.32	€1.92	€2.32
Class R Hedged Sterling Distribution	£1.91	£1.56	£1.87
Class R Hedged US Dollar Distribution	\$3.25	\$2.62	\$3.10
Class R Euro Distribution	€2.14	N/A	N/A
Class R Sterling Distribution	£1.83	N/A	N/A
Class R Japanese Yen Distribution	¥261.40	¥214.95	¥258.40
Class R US Dollar Distribution	\$2.39	\$1.95	\$2.30
Class S Hedged Swiss Franc Distribution	Sfr. 11.11	N/A	N/A
Class S Hedged Euro Distribution	€2.41	€1.98	€2.39
Class S Hedged Sterling Distribution	£1.99	£1.62	£1.93
Class S Hedged US Dollar Distribution	\$3.40	\$2.72	\$3.19
Class S Euro Distribution	€2.23	N/A	N/A
Class S Japanese Yen Distribution	¥272.32	¥222.49	¥265.87
Class S Sterling Distribution	£1.91	£1.59	£1.75
Class S US Dollar Distribution	\$2.49	N/A	N/A

	Net Asset Value Audited 31 December 2019	Net Asset Value Audited 31 December 2018	Net Asset Value Audited 31 December 2017
<b>North American Fund</b>			
Class I Euro Distribution	€159,967,651	€228,908,693	€161,624,156
Class I Hedged Euro Distribution	€127,357,165	€127,772,228	€161,909,558
Class I Hedged Sterling Distribution	£80,295,758	£99,220,308	£33,513,795
Class I Hedged Swiss Franc Distribution	Sfr. 2,504,482	Sfr. 16,716,267	Sfr. 19,047,054
Class I Sterling Distribution	£248,794,128	£211,080,727	£262,054,960
Class I US Dollar Distribution	\$511,068,660	\$625,470,629	\$817,137,377
Class R Euro Distribution	€1,874,587	€432,372	€530,578
Class R Hedged Euro Distribution	€9,079,896	€9,386,700	€13,494,782
Class R Hedged Sterling Distribution	£1,247,525	£1,562,991	£1,187,234
Class R Sterling Distribution	£394,536	£180,065	£229,798
Class R US Dollar Distribution	\$48,502,643	\$42,537,510	\$44,716,006
Class S Euro Distribution	€1,130,831	€965,803	€543,309
Class S Hedged Euro Distribution	€703,587	€438,423	€274,463
Class S Hedged Sterling Distribution	£48,096,232	£41,602,261	£47,296,353
Class S Sterling Distribution	£420,748,385	£440,741,133	£422,910,515
Class S US Dollar Distribution	\$114,082,854	\$115,386,570	\$128,252,136
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Distribution	€24.29	€18.64	€20.06
Class I Hedged Euro Distribution	€24.60	€19.78	€23.01
Class I Hedged Sterling Distribution	£25.75	£20.49	£23.61
Class I Hedged Swiss Franc Distribution	Sfr. 13.74	Sfr. 11.08	Sfr. 12.93
Class I Sterling Distribution	£20.58	£16.73	£17.81
Class I US Dollar Distribution	\$27.26	\$21.30	\$24.09
Class R Euro Distribution	€23.20	€17.91	€19.39
Class R Hedged Euro Distribution	€23.46	€18.98	€22.20
Class R Hedged Sterling Distribution	£24.66	£19.73	£22.86
Class R Sterling Distribution	£19.66	£16.07	£17.21
Class R US Dollar Distribution	\$26.04	\$20.47	\$23.28
Class S Euro Distribution	€24.56	€18.82	€20.22
Class S Hedged Euro Distribution	€24.91	€20.00	€23.22
Class S Hedged Sterling Distribution	£26.07	£20.71	£23.82
Class S Sterling Distribution	£20.81	£16.89	£17.95
Class S US Dollar Distribution	\$27.57	\$21.51	\$24.28


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2019
**12. Comparative Figures** continued

<b>UK Absolute Equity Fund</b>	<b>Net Asset Value Audited 31 December 2019</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>
Class I Euro Distribution	€1,701,372	€3,822,036	€2,866,546
Class I Hedged Euro Distribution	€238,464,437	€156,330,751	€189,470,567
Class I Hedged US Dollar Distribution	\$40,915,302	\$71,783,096	\$62,733,293
Class I Sterling Distribution	£167,547,222	£202,600,560	£192,132,380
Class I US Dollar Distribution	\$18,697,704	\$14,730,314	\$12,418,272
Class R Euro Distribution	€873,098	€1,340,694	€885,809
Class R Hedged Euro Distribution	€30,434,398	€39,179,831	€9,382,314
Class R Hedged US Dollar Distribution	\$1,447,597	\$2,135,882	\$1,220,783
Class R Sterling Distribution	£2,511,592	£3,561,094	£3,013,325
Class R US Dollar Distribution	\$252,774	\$227,991	\$110,246
Class S Euro Distribution	€860,779	€181	€184
Class S Hedged Euro Distribution	€1,132,664	€1,148,131	€606,307
Class S Hedged US Dollar Distribution	\$2,758,886	\$3,089,029	\$3,949,660
Class S Sterling Distribution	£58,470,670	£58,462,623	£66,875,831
Class S US Dollar Distribution	\$181	\$163	\$174
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Euro Distribution	€25.99	€22.92	€23.38
Class I Hedged Euro Distribution	€27.25	€25.60	€26.06
Class I Hedged US Dollar Distribution	\$36.76	\$34.19	\$34.06
Class I Sterling Distribution	£22.09	£20.56	£20.74
Class I US Dollar Distribution	\$29.18	\$26.25	\$28.02
Class R Euro Distribution	€25.50	€22.58	€23.15
Class R Hedged Euro Distribution	€26.68	€25.18	€25.76
Class R Hedged US Dollar Distribution	\$35.94	\$33.58	\$33.62
Class R Sterling Distribution	£21.67	£20.25	£20.54
Class R US Dollar Distribution	\$28.63	\$25.86	\$27.75
Class S Euro Distribution	€26.31	€23.15	€23.55
Class S Hedged Euro Distribution	€27.64	€25.92	€26.31
Class S Hedged US Dollar Distribution	\$37.12	\$34.45	\$34.24
Class S Sterling Distribution	£22.36	£20.76	£20.89
Class S US Dollar Distribution	\$29.53	\$26.50	\$28.23

<b>UK Value Opportunities Fund (based on dealing NAV per share)</b>	<b>Net Asset Value Audited 31 December 2019</b>	<b>Net Asset Value Audited 31 December 2018</b>	<b>Net Asset Value Audited 31 December 2017</b>
Class I Sterling Accumulation	£163,235,912	£84,998,425	£52,579,865
Class I Sterling Distribution	£69,565,964	£46,510,036	£29,853,929
Class R Sterling Accumulation	£2,606,083	£2,350,416	N/A
Class S Sterling Accumulation	£384,429,419	£382,163,896	£318,726,236
Class S Sterling Distribution	£652,165,547	£247,126,008	£159,313,766
Class Z Sterling Accumulation	£1,178.00	N/A	N/A
Class Z Sterling Distribution	£1,178.00	N/A	N/A
	<b>NAV per share</b>	<b>NAV per share</b>	<b>NAV per share</b>
Class I Sterling Accumulation	£13.21	£10.40	£12.14
Class I Sterling Distribution	£12.82	£10.34	£12.13
Class R Sterling Accumulation	£11.13	£8.82	N/A
Class S Sterling Accumulation	£13.25	£10.43	£12.15
Class S Sterling Distribution	£12.84	£10.36	£12.15
Class Z Sterling Accumulation	£11.78	N/A	N/A
Class Z Sterling Distribution	£11.78	N/A	N/A



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 13. Distributions

In the financial year ended 31 December 2019 the following Funds declared and paid distributions as follows:

31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Emerging Markets Income Fund</b>						
<b>Class R Distribution Shares</b>					<b>US\$124,452</b>	
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.1956	289,108.70	\$56,550	01/07/2018 – 31/12/2018
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.1536	26,368.86	£4,050	01/07/2018 – 31/12/2018
Class R Euro Distribution	02/01/2019	31/01/2019	€0.1711	6,700.00	€1,146	01/07/2018 – 31/12/2018
Class R US Dollar Distribution	01/07/2019	31/07/2019	\$0.1957	270,147.70	\$52,868	01/01/2019 – 30/06/2019
Class R Sterling Distribution	01/07/2019	31/07/2019	£0.1538	37,070.11	£5,701	01/01/2019 – 30/06/2019
Class R Euro Distribution	01/07/2019	31/07/2019	€0.1718	6,700.00	€1,151	01/01/2019 – 30/06/2019
<b>Class I Distribution Shares</b>					<b>US\$2,622,553</b>	
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.2016	86,431.93	\$17,425	01/07/2018 – 31/12/2018
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.1583	6,974,769.35	£1,104,106	01/07/2018 – 31/12/2018
Class I Euro Distribution	02/01/2019	31/01/2019	€0.1764	151,154.23	€26,664	01/07/2018 – 31/12/2018
Class I US Dollar Distribution	01/07/2019	31/07/2019	\$0.1997	88,213.06	\$17,616	01/01/2019 – 30/06/2019
Class I Sterling Distribution	01/07/2019	31/07/2019	£0.1569	5,606,931.59	£879,728	01/01/2019 – 30/06/2019
Class I Euro Distribution	01/07/2019	31/07/2019	€0.1754	156,345.58	€27,423	01/01/2019 – 30/06/2019
<b>Class S Distribution Shares</b>					<b>US\$3,417,183</b>	
Class S US Dollar Distribution	02/01/2019	31/01/2019	\$0.2063	49,329.28	\$10,177	01/07/2018 – 31/12/2018
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.1620	8,348,720.24	£1,352,493	01/07/2018 – 31/12/2018
Class S Euro Distribution	02/01/2019	31/01/2019	€0.1805	17.04	€3	01/07/2018 – 31/12/2018
Class S US Dollar Distribution	01/07/2019	31/07/2019	\$0.2028	49,329.28	\$10,004	01/01/2019 – 30/06/2019
Class S Sterling Distribution	01/07/2019	31/07/2019	£0.1593	8,257,665.96	£1,315,446	01/01/2019 – 30/06/2019
Class S Euro Distribution	01/07/2019	31/07/2019	€0.1781	17.43	€3	01/01/2019 – 30/06/2019
<b>Total Distributions for Emerging Markets Income Fund</b>					<b>US\$6,164,189</b>	

31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European ex UK Income Fund</b>						
<b>Class I Sterling Distribution Shares</b>					<b>GBP£115,272</b>	
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.0645	235,720.67	£15,204	01/10/2018 – 31/12/2018
Class I Sterling Distribution	01/04/2019	29/04/2019	£0.0925	246,007.04	£22,756	01/01/2019 – 31/03/2019
Class I Sterling Distribution	01/07/2019	31/07/2019	£0.2160	255,286.13	£55,142	01/04/2019 – 30/06/2019
Class I Sterling Distribution	01/10/2019	31/10/2019	£0.0528	419,895.51	£22,170	01/07/2019 – 30/09/2019
<b>Class S Sterling Distribution Shares</b>					<b>GBP£2,667,607</b>	
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.0648	5,518,397.84	£357,592	01/10/2018 – 31/12/2018
Class S Sterling Distribution	01/04/2019	29/04/2019	£0.0931	5,527,075.10	£514,571	01/01/2019 – 31/03/2019
Class S Sterling Distribution	01/07/2019	31/07/2019	£0.2172	8,008,208.72	£1,739,383	01/04/2019 – 30/06/2019
Class S Sterling Distribution	01/10/2019	31/10/2019	£0.0531	1,055,755.33	£56,061	01/07/2019 – 30/09/2019
<b>Class I Sterling Hedged Distribution Shares</b>					<b>GBP£7,464</b>	
Class I Sterling Hedged Distribution	02/01/2019	31/01/2019	£0.0736	4,843.06	£356	01/10/2018 – 31/12/2018
Class I Sterling Hedged Distribution	01/04/2019	29/04/2019	£0.1093	5,843.89	£639	01/01/2019 – 31/03/2019
Class I Sterling Hedged Distribution	01/07/2019	31/07/2019	£0.2540	20,535.04	£5,216	01/04/2019 – 30/06/2019
Class I Sterling Hedged Distribution	01/10/2019	31/10/2019	£0.0599	20,912.74	£1,253	01/07/2019 – 30/09/2019
<b>Class S Sterling Hedged Distribution Shares</b>					<b>GBP£6,258,929</b>	
Class S Sterling Hedged Distribution	02/01/2019	31/01/2019	£0.0738	12,809,158.09	£945,316	01/10/2018 – 31/12/2018
Class S Sterling Hedged Distribution	01/04/2019	29/04/2019	£0.1097	12,475,743.70	£1,368,589	01/01/2019 – 31/03/2019
Class S Sterling Hedged Distribution	01/07/2019	31/07/2019	£0.2549	12,575,732.09	£3,205,554	01/04/2019 – 30/06/2019
Class S Sterling Hedged Distribution	01/10/2019	31/10/2019	£0.0601	12,303,994.89	£739,470	01/07/2019 – 30/09/2019
<b>Class X Sterling Distribution Shares</b>					<b>GBP£235,825</b>	
Class X Sterling Distribution	01/07/2019	31/07/2019	£0.0499	100.00	£5	01/04/2019 – 30/06/2019
Class X Sterling Distribution	01/10/2019	31/10/2019	£0.0365	6,460,832.73	£235,820	01/07/2019 – 30/09/2019
<b>Total Distributions for European ex UK Income Fund</b>					<b>EUR€10,592,333</b>	



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 13. Distributions continued

31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European Income Fund</b>						
<b>Class R Distribution Shares</b>					<b>EUR€63</b>	
Class R Euro Distribution	02/01/2019	31/01/2019	€0.1395	115.89	€16	01/07/2018 – 31/12/2018
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.1595	92.42	\$15	01/07/2018 – 31/12/2018
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.1252	147.63	£18	01/07/2018 – 31/12/2018
Class R Swiss Franc Distribution	02/01/2019	31/01/2019	Sfr.0.1572	95.99	Sfr.15	01/07/2018 – 31/12/2018
<b>Class I Distribution Shares</b>					<b>EUR€1,767</b>	
Class I Euro Distribution	02/01/2019	31/01/2019	€0.1438	115.98	€17	01/07/2018 – 31/12/2018
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.1644	92.50	\$15	01/07/2018 – 31/12/2018
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.1291	11,986.19	£1,547	01/07/2018 – 31/12/2018
Class I Swiss Franc Distribution	02/01/2019	31/01/2019	Sfr.0.1621	96.06	Sfr.16	01/07/2018 – 31/12/2018
<b>Class S Distribution Shares</b>					<b>EUR€66</b>	
Class S Euro Distribution	02/01/2019	31/01/2019	€0.1449	115.98	€17	01/07/2018 – 31/12/2018
Class S US Dollar Distribution	02/01/2019	31/01/2019	\$0.1656	92.50	\$15	01/07/2018 – 31/12/2018
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.1301	147.76	£19	01/07/2018 – 31/12/2018
Class S Swiss Franc Distribution	02/01/2019	31/01/2019	Sfr.0.1633	96.06	Sfr.16	01/07/2018 – 31/12/2018
<b>Total Distributions for European Income Fund</b>					<b>EUR€1,896</b>	

31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Financial Opportunities Fund</b>						
<b>Class R Distribution Shares</b>					<b>US\$164,751</b>	
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.1048	–	\$0	01/01/2018 – 31/12/2018
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.0823	11,701.99	£963	01/01/2018 – 31/12/2018
Class R Euro Distribution	02/01/2019	31/01/2019	€0.0917	5.49	€1	01/01/2018 – 31/12/2018
Class R Sterling Distribution	01/07/2019	31/07/2019	£0.1572	8,926.41	£1,403	01/01/2019 – 30/06/2019
Class R Euro Distribution	01/07/2019	31/07/2019	€0.1756	5.54	€1	01/01/2019 – 30/06/2019
<b>Class I Distribution Shares</b>					<b>US\$141,858</b>	
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.1083	436,529.93	\$47,276	01/01/2018 – 31/12/2018
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.0851	982,983.05	£83,652	01/01/2018 – 31/12/2018
Class I Euro Distribution	02/01/2019	31/01/2019	€0.0948	85,231.59	€8,080	01/01/2018 – 31/12/2018
Class I US Dollar Distribution	01/07/2019	31/07/2019	\$0.2073	316,742.98	\$65,661	01/01/2019 – 30/06/2019
Class I Sterling Distribution	01/07/2019	31/07/2019	£0.1629	277,355.01	£45,181	01/01/2019 – 30/06/2019
Class I Euro Distribution	01/07/2019	31/07/2019	€0.1820	84,295.43	€15,342	01/01/2019 – 30/06/2019
<b>Total Distributions for Financial Opportunities Fund</b>					<b>US\$306,609</b>	



31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b>						
<b>Class R Distribution Shares</b>					<b>US\$52,585</b>	
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.0996	45,817.20	\$4,563	01/10/2018 – 31/12/2018
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.0782	188.87	£15	01/10/2018 – 31/12/2018
Class R Euro Distribution	02/01/2019	31/01/2019	€0.0870	56,090.48	€4,880	01/10/2018 – 31/12/2018
Class R US Dollar Distribution	01/04/2019	29/04/2019	\$0.1055	45,818.38	\$4,834	01/01/2019 – 31/03/2019
Class R Sterling Distribution	01/04/2019	29/04/2019	£0.0812	190.75	£15	01/01/2019 – 31/03/2019
Class R Euro Distribution	01/04/2019	29/04/2019	€0.0940	56,092.04	€5,273	01/01/2019 – 31/03/2019
Class R US Dollar Distribution	01/07/2019	31/07/2019	\$0.1109	62,219.62	\$6,900	01/04/2019 – 30/06/2019
Class R Sterling Distribution	01/07/2019	31/07/2019	£0.0874	192.64	£17	01/04/2019 – 30/06/2019
Class R Euro Distribution	01/07/2019	31/07/2019	€0.0976	73,829.56	€7,206	01/04/2019 – 30/06/2019
Class R US Dollar Distribution	01/10/2019	31/10/2019	\$0.1054	62,250.94	\$6,561	01/07/2019 – 30/09/2019
Class R Sterling Distribution	01/10/2019	31/10/2019	£0.0858	194.61	£17	01/07/2019 – 30/09/2019
Class R Euro Distribution	01/10/2019	31/10/2019	€0.0967	94,434.50	€9,132	01/07/2019 – 30/09/2019
<b>Class I Distribution Shares</b>					<b>US\$6,880,720</b>	
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.1020	213,042.31	\$21,730	01/10/2018 – 31/12/2018
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.0800	14,023,857.91	£1,121,909	01/10/2018 – 31/12/2018
Class I Euro Distribution	02/01/2019	31/01/2019	€0.0891	190,119.98	€16,940	01/10/2018 – 31/12/2018
Class I US Dollar Distribution	01/04/2019	29/04/2019	\$0.1080	220,167.31	\$23,778	01/01/2019 – 31/03/2019
Class I Sterling Distribution	01/04/2019	29/04/2019	£0.0831	14,905,831.26	£1,238,675	01/01/2019 – 31/03/2019
Class I Euro Distribution	01/04/2019	29/04/2019	€0.0962	190,119.98	€18,290	01/01/2019 – 31/03/2019
Class I US Dollar Distribution	01/07/2019	31/07/2019	\$0.1130	279,607.26	\$31,596	01/04/2019 – 30/06/2019
Class I Sterling Distribution	01/07/2019	31/07/2019	£0.0890	16,241,151.46	£1,445,462	01/04/2019 – 30/06/2019
Class I Euro Distribution	01/07/2019	31/07/2019	€0.0995	216,134.98	€21,505	01/04/2019 – 30/06/2019
Class I US Dollar Distribution	01/10/2019	31/10/2019	\$0.1084	295,951.42	\$32,081	01/07/2019 – 30/09/2019
Class I Sterling Distribution	01/10/2019	31/10/2019	£0.0882	16,688,312.96	£1,471,909	01/07/2019 – 30/09/2019
Class I Euro Distribution	01/10/2019	31/10/2019	€0.0994	211,470.10	€21,020	01/07/2019 – 30/09/2019
<b>Class S Distribution Shares</b>					<b>US\$12,539,983</b>	
Class S US Dollar Distribution	02/01/2019	31/01/2019	\$0.0914	360,712.11	\$32,969	01/10/2018 – 31/12/2018
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.0717	28,617,047.04	£2,051,842	01/10/2018 – 31/12/2018
Class S Euro Distribution	02/01/2019	31/01/2019	€0.0798	10,390.69	€829	01/10/2018 – 31/12/2018
Class S US Dollar Distribution	01/04/2019	29/04/2019	\$0.0968	361,713.27	\$35,014	01/01/2019 – 31/03/2019
Class S Sterling Distribution	01/04/2019	29/04/2019	£0.0745	30,045,262.49	£2,238,372	01/01/2019 – 31/03/2019
Class S Euro Distribution	01/04/2019	29/04/2019	€0.0863	170.05	€15	01/01/2019 – 31/03/2019
Class S US Dollar Distribution	01/07/2019	31/07/2019	\$0.1019	351,934.47	\$35,862	01/04/2019 – 30/06/2019
Class S Sterling Distribution	01/07/2019	31/07/2019	£0.0803	32,929,843.11	£2,644,266	01/04/2019 – 30/06/2019
Class S Euro Distribution	01/07/2019	31/07/2019	€0.0897	171.75	€15	01/04/2019 – 30/06/2019
Class S US Dollar Distribution	01/10/2019	31/10/2019	\$0.0971	339,055.77	\$32,922	01/07/2019 – 30/09/2019
Class S Sterling Distribution	01/10/2019	31/10/2019	£0.0790	36,285,498.03	£2,866,554	01/07/2019 – 30/09/2019
Class S Euro Distribution	01/10/2019	31/10/2019	€0.0890	173.54	€15	01/07/2019 – 30/09/2019



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 13. Distributions continued

31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b> continued						
<b>Class I Hedged Sterling Distribution Shares</b>				<b>GBP£1,075,159</b>		
Class I Hedged Sterling Distribution	02/01/2019	31/01/2019	£0.0872	2,990,857.34	£260,803	01/10/2018 – 31/12/2018
Class I Hedged Sterling Distribution	01/04/2019	29/04/2019	£0.0919	2,766,656.72	£254,256	01/01/2019 – 31/03/2019
Class I Hedged Sterling Distribution	01/07/2019	31/07/2019	£0.0963	2,813,305.74	£270,921	01/04/2019 – 30/06/2019
Class I Hedged Sterling Distribution	01/10/2019	31/10/2019	£0.0913	3,167,354.15	£289,179	01/07/2019 – 30/09/2019
<b>Class S Hedged Sterling Distribution Shares</b>				<b>GBP£280,490</b>		
Class S Hedged Sterling Distribution	02/01/2019	31/01/2019	£0.0882	527,801.29	£46,552	01/10/2018 – 31/12/2018
Class S Hedged Sterling Distribution	01/04/2019	29/04/2019	£0.0931	563,729.89	£52,483	01/01/2019 – 31/03/2019
Class S Hedged Sterling Distribution	01/07/2019	31/07/2019	£0.0976	873,799.77	£85,283	01/04/2019 – 30/06/2019
Class S Hedged Sterling Distribution	01/10/2019	31/10/2019	£0.0926	1,038,568.73	£96,171	01/07/2019 – 30/09/2019
<b>Class Portfolio Currency Hedged Sterling Distribution Shares</b>				<b>GBP£4,271,776</b>		
Class Portfolio Currency Hedged Sterling I Distribution	02/01/2019	31/01/2019	£0.0980	10,540,294.37	£1,032,949	01/10/2018 – 31/12/2018
Class Portfolio Currency Hedged Sterling I Distribution	01/04/2019	29/04/2019	£0.1068	9,744,332.64	£1,040,695	01/01/2019 – 31/03/2019
Class Portfolio Currency Hedged Sterling I Distribution	01/07/2019	31/07/2019	£0.1087	10,070,369.49	£1,094,649	01/04/2019 – 30/06/2019
Class Portfolio Currency Hedged Sterling I Distribution	01/10/2019	31/10/2019	£0.1045	10,559,647.59	£1,103,483	01/07/2019 – 30/09/2019
<b>Total Distributions for Global Convertible Fund</b>				<b>US\$26,603,870</b>		
<hr/>						
31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b>						
<b>Class R Distribution Shares</b>				<b>GBP£334,016</b>		
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.0196	10,522.95	\$206	01/10/2018 – 31/12/2018
Class R Sterling Distribution	02/01/2019	31/01/2019	£0.0154	3,744,528.26	£57,666	01/10/2018 – 31/12/2018
Class R Euro Distribution	02/01/2019	31/01/2019	€0.0172	3,292.32	€57	01/10/2018 – 31/12/2018
Class R US Dollar Distribution	01/04/2019	29/04/2019	\$0.0271	14,928.91	\$405	01/01/2019 – 31/03/2019
Class R Sterling Distribution	01/04/2019	29/04/2019	£0.0208	3,747,330.04	£77,944	01/01/2019 – 31/03/2019
Class R Euro Distribution	01/04/2019	29/04/2019	€0.0242	6,066.07	€147	01/01/2019 – 31/03/2019
Class R US Dollar Distribution	01/07/2019	31/07/2019	\$0.0434	46,319.01	\$2,010	01/04/2019 – 30/06/2019
Class R Sterling Distribution	01/07/2019	31/07/2019	£0.0341	3,763,423.20	£128,333	01/04/2019 – 30/06/2019
Class R Euro Distribution	01/07/2019	31/07/2019	€0.0381	65,258.36	€2,486	01/04/2019 – 30/06/2019
Class R US Dollar Distribution	01/10/2019	31/10/2019	\$0.0203	61,312.84	\$1,245	01/07/2019 – 30/09/2019
Class R Sterling Distribution	01/10/2019	31/10/2019	£0.0165	3,780,607.22	£62,380	01/07/2019 – 30/09/2019
Class R Euro Distribution	01/10/2019	31/10/2019	€0.0186	135,044.98	€2,512	01/07/2019 – 30/09/2019

31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b> continued						
<b>Class I Distribution Shares</b>				<b>GBP£3,036,174</b>		
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.0205	2,025,647.65	\$41,526	01/10/2018 – 31/12/2018
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.0161	29,853,983.50	£480,649	01/10/2018 – 31/12/2018
Class I Euro Distribution	02/01/2019	31/01/2019	€0.0179	1,444,883.01	€25,863	01/10/2018 – 31/12/2018
Class I US Dollar Distribution	01/04/2019	29/04/2019	\$0.0281	1,801,831.36	\$50,631	01/01/2019 – 31/03/2019
Class I Sterling Distribution	01/04/2019	29/04/2019	£0.0215	31,137,035.47	£669,446	01/01/2019 – 31/03/2019
Class I Euro Distribution	01/04/2019	29/04/2019	€0.0250	1,395,768.55	€34,894	01/01/2019 – 31/03/2019
Class I US Dollar Distribution	01/07/2019	31/07/2019	\$0.0452	2,098,372.49	\$94,846	01/04/2019 – 30/06/2019
Class I Sterling Distribution	01/07/2019	31/07/2019	£0.0355	30,019,455.40	£1,065,691	01/04/2019 – 30/06/2019
Class I Euro Distribution	01/07/2019	31/07/2019	€0.0397	1,412,516.57	€56,077	01/04/2019 – 30/06/2019
Class I US Dollar Distribution	01/10/2019	31/10/2019	\$0.0211	2,143,679.65	\$45,232	01/07/2019 – 30/09/2019
Class I Sterling Distribution	01/10/2019	31/10/2019	£0.0172	29,881,619.93	£513,964	01/07/2019 – 30/09/2019
Class I Euro Distribution	01/10/2019	31/10/2019	€0.0194	1,179,701.31	€22,886	01/07/2019 – 30/09/2019
<b>Class A Sterling Distribution Shares</b>				<b>GBP£78,356</b>		
Class A Sterling Distribution	02/01/2019	31/01/2019	£0.0158	3,000,425.14	£47,407	01/10/2018 – 31/12/2018
Class A Sterling Distribution	01/04/2019	29/04/2019	£0.0212	436,979.16	£9,264	01/01/2019 – 31/03/2019
Class A Sterling Distribution	01/07/2019	31/07/2019	£0.0349	435,074.09	£15,184	01/04/2019 – 30/06/2019
Class A Sterling Distribution	01/10/2019	31/10/2019	£0.0169	384,672.84	£6,501	01/07/2019 – 30/09/2019
<b>Class E Sterling Distribution Shares</b>				<b>GBP£5,403,989</b>		
Class E Sterling Distribution	02/01/2019	31/01/2019	£0.0164	59,895,839.06	£982,292	01/10/2018 – 31/12/2018
Class E Sterling Distribution	01/04/2019	29/04/2019	£0.0221	62,199,870.82	£1,374,617	01/01/2019 – 31/03/2019
Class E Sterling Distribution	01/07/2019	31/07/2019	£0.0363	55,205,493.99	£2,052,915	01/04/2019 – 30/06/2019
Class E Sterling Distribution	01/10/2019	31/10/2019	£0.0176	56,486,670.06	£994,165	01/07/2019 – 30/09/2019
<b>Total Distributions for Global Insurance Fund</b>				<b>GBP£8,852,535</b>		
31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Healthcare Blue Chip Fund</b>						
<b>Class I Distribution Shares</b>				<b>US\$36,442</b>		
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.1472	18,361.32	\$2,703	01/10/2018 – 31/12/2018
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.1155	222,533.99	£25,703	01/10/2018 – 31/12/2018
Class I Euro Distribution	02/01/2019	31/01/2019	€0.1287	6,826.45	€879	01/10/2018 – 31/12/2018
<b>Class S Sterling Hedged Distribution Shares</b>				<b>GBP£24,504</b>		
Class S Sterling Hedged Distribution	02/01/2019	31/01/2019	£0.1523	160,895.13	£24,504	01/10/2018 – 31/12/2018
<b>Class S Distribution Shares</b>				<b>US\$505,307</b>		
Class S US Dollar Distribution	02/01/2019	31/01/2019	\$0.1481	22,466.65	\$3,327	01/10/2018 – 31/12/2018
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.1163	263,095.91	£30,598	01/10/2018 – 31/12/2018
Class SI US Dollar Distribution	02/01/2019	31/01/2019	\$0.0890	3,420.89	\$304	01/10/2018 – 31/12/2018
Class SI Sterling Distribution	02/01/2019	31/01/2019	£0.0699	5,197,502.62	£363,305	01/10/2018 – 31/12/2018
<b>Total Distributions for Healthcare Blue Chip Fund</b>				<b>US\$572,960</b>		



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 13. Distributions continued

31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b>						
<b>Class A1 and R Distribution Shares</b>					<b>GBP£546,527</b>	
Class A1 Sterling Distribution	02/01/2019	31/01/2019	£0.0150	6,404,731.43	£96,071	01/10/2018 – 31/12/2018
Class R US Dollar Distribution	02/01/2019	31/01/2019	\$0.0191	3,825,852.87	\$73,074	01/10/2018 – 31/12/2018
Class R Euro Distribution	02/01/2019	31/01/2019	€0.0167	534,464.51	€8,926	01/10/2018 – 31/12/2018
Class A1 Sterling Distribution	01/04/2019	29/04/2019	£0.0150	6,009,047.35	£90,136	01/01/2019 – 31/03/2019
Class R US Dollar Distribution	01/04/2019	29/04/2019	\$0.0191	3,400,622.76	\$64,952	01/01/2019 – 31/03/2019
Class R Euro Distribution	01/04/2019	29/04/2019	€0.0167	487,218.46	€8,137	01/01/2019 – 31/03/2019
Class A1 Sterling Distribution	01/07/2019	31/07/2019	£0.0150	5,192,303.18	£77,885	01/04/2019 – 30/06/2019
Class R US Dollar Distribution	01/07/2019	31/07/2019	\$0.0191	2,636,434.17	\$50,356	01/04/2019 – 30/06/2019
Class R Euro Distribution	01/07/2019	31/07/2019	€0.0168	487,225.99	€8,185	01/04/2019 – 30/06/2019
Class A1 Sterling Distribution	01/10/2019	31/10/2019	£0.0150	4,811,697.84	£72,175	01/07/2019 – 30/09/2019
Class R US Dollar Distribution	01/10/2019	31/10/2019	\$0.0185	2,158,290.81	\$39,928	01/07/2019 – 30/09/2019
Class R Euro Distribution	01/10/2019	31/10/2019	€0.0170	487,233.68	€8,283	01/07/2019 – 30/09/2019
<b>Class B1 and I Distribution Shares</b>					<b>GBP£1,441,426</b>	
Class B1 Sterling Distribution	02/01/2019	31/01/2019	£0.0155	26,597,169.13	£412,256	01/10/2018 – 31/12/2018
Class I US Dollar Distribution	02/01/2019	31/01/2019	\$0.0197	851,093.24	\$16,767	01/10/2018 – 31/12/2018
Class I Euro Distribution	02/01/2019	31/01/2019	€0.0173	650.08	€11	01/10/2018 – 31/12/2018
Class B1 Sterling Distribution	01/04/2019	29/04/2019	£0.0155	21,256,620.80	£329,478	01/01/2019 – 31/03/2019
Class I US Dollar Distribution	01/04/2019	29/04/2019	\$0.0197	851,099.65	\$16,767	01/01/2019 – 31/03/2019
Class I Euro Distribution	01/04/2019	29/04/2019	€0.0173	657.26	€11	01/01/2019 – 31/03/2019
Class B1 Sterling Distribution	01/07/2019	31/07/2019	£0.0158	20,908,846.60	£329,314	01/04/2019 – 30/06/2019
Class I US Dollar Distribution	01/07/2019	31/07/2019	\$0.0200	559,064.22	\$11,181	01/04/2019 – 30/06/2019
Class I Euro Distribution	01/07/2019	31/07/2019	€0.0176	664.39	€12	01/04/2019 – 30/06/2019
Class B1 Sterling Distribution	01/10/2019	31/10/2019	£0.0158	20,720,139.16	£326,342	01/07/2019 – 30/09/2019
Class I US Dollar Distribution	01/10/2019	31/10/2019	\$0.0194	559,070.96	\$10,846	01/07/2019 – 30/09/2019
Class I Euro Distribution	01/10/2019	31/10/2019	€0.0178	671.76	€12	01/07/2019 – 30/09/2019
<b>Class R Euro Hedged Distribution Shares</b>					<b>EUR€200,615</b>	
Class R Euro Hedged Distribution	02/01/2019	31/01/2019	€0.1250	485,764.76	€60,721	01/10/2018 – 31/12/2018
Class R Euro Hedged Distribution	01/04/2019	29/04/2019	€0.1250	473,466.02	€59,183	01/01/2019 – 31/03/2019
Class R Euro Hedged Distribution	01/07/2019	31/07/2019	€0.1275	339,587.24	€43,297	01/04/2019 – 30/06/2019
Class R Euro Hedged Distribution	01/10/2019	31/10/2019	€0.1275	293,442.30	€37,414	01/07/2019 – 30/09/2019

31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b> continued						
<b>Class I Euro Hedged Distribution Shares</b>					<b>EUR€4,131</b>	
Class I Euro Hedged Distribution	02/01/2019	31/01/2019	€0.1250	9,011.79	€1,126	01/10/2018 – 31/12/2018
Class I Euro Hedged Distribution	01/04/2019	29/04/2019	€0.1250	8,913.04	€1,114	01/01/2019 – 31/03/2019
Class I Euro Hedged Distribution	01/07/2019	31/07/2019	€0.1275	8,914.24	€1,137	01/04/2019 – 30/06/2019
Class I Euro Hedged Distribution	01/10/2019	31/10/2019	€0.1275	5,915.48	€754	01/07/2019 – 30/09/2019
<b>Class R US Dollar Hedged Distribution Shares</b>					<b>US\$867,853</b>	
Class R US Dollar Hedged Distribution	02/01/2019	31/01/2019	\$0.1050	2,541,028.42	\$266,808	01/10/2018 – 31/12/2018
Class R US Dollar Hedged Distribution	01/04/2019	29/04/2019	€0.1050	2,157,146.56	\$226,500	01/01/2019 – 31/03/2019
Class R US Dollar Hedged Distribution	01/07/2019	31/07/2019	€0.1075	1,790,727.66	\$192,503	01/04/2019 – 30/06/2019
Class R US Dollar Hedged Distribution	01/10/2019	31/10/2019	€0.1075	1,693,406.79	€182,041	01/07/2019 – 30/09/2019
<b>Class Z Sterling Distribution Shares</b>						
Class Z Sterling Distribution	01/04/2019	29/04/2019	£0.0243	100.00	£2	01/01/2019 – 31/03/2019
<b>Total Distributions for Income Opportunities Fund</b>					<b>GBP£2,857,429</b>	
31 December 2019	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>UK Value Opportunities Fund</b>						
Class I Sterling Distribution	02/01/2019	31/01/2019	£0.2497	4,502,110.62	£1,124,177	01/01/2018 – 31/12/2018
Class S Sterling Distribution	02/01/2019	31/01/2019	£0.2674	23,880,030.95	£6,385,520	01/01/2018 – 31/12/2018
<b>Total Distributions for UK Value Opportunities Fund</b>					<b>GBP£7,509,697</b>	

## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 13. Distributions continued

In the financial year ended 31 December 2018 the following Funds declared and paid distributions as follows:

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Asian Opportunities Fund</b>						
<b>Class I US Dollar Distribution Shares</b>					<b>US\$10</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.0777	108	\$8	01/01/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0648	11	€1	01/01/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0575	12	£1	01/01/2017 – 31/12/2017
<b>Class I Euro Hedged Distribution Shares</b>					<b>US\$3,628</b>	
Class I Euro Hedged Distribution	02/01/2018	31/01/2018	€0.0618	48,509	€2,998	01/01/2017 – 31/12/2017
<b>Class I Sterling Hedged Distribution Shares</b>					<b>US\$659</b>	
Class I Sterling Hedged Distribution	02/01/2018	31/01/2018	£0.0678	7,069	£479	01/01/2017 – 31/12/2017
<b>Total Distributions for Asian Opportunities Fund</b>					<b>US\$4,298</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Emerging Markets Income Fund</b>						
<b>Class R US Dollar Distribution Shares</b>					<b>US\$139,677</b>	
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.1746	394,086	\$68,807	01/07/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.1291	33,276	£4,296	01/07/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.1454	6,699	€974	01/07/2017 – 31/12/2017
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.1900	299,849	\$56,971	01/01/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.1439	29,715	£4,276	01/01/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.1627	6,700	€1,090	01/01/2018 – 30/06/2018
<b>Class I US Dollar Distribution Shares</b>					<b>US\$3,661,529</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.1800	1,900,117	\$342,021	01/07/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.1331	9,531,383	£1,268,627	01/07/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.1499	179,718	€26,940	01/07/2017 – 31/12/2017
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.1939	193,174	\$37,456	01/01/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.1469	7,763,320	£1,140,432	01/01/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.1661	148,251	€24,624	01/01/2018 – 30/06/2018
<b>Class S US Dollar Distribution Shares</b>					<b>US\$3,598,081</b>	
Class S US Dollar Distribution	02/01/2018	31/01/2018	\$0.1842	84,867	\$15,633	01/07/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.1362	9,970,582	£1,357,665	01/07/2017 – 31/12/2017
Class S Euro Distribution	02/01/2018	31/01/2018	€0.1534	2,717	€417	01/07/2017 – 31/12/2017
Class S US Dollar Distribution	02/07/2018	31/07/2018	\$0.1969	48,429	\$9,536	01/01/2018 – 30/06/2018
Class S Sterling Distribution	02/07/2018	31/07/2018	£0.1491	8,815,782	£1,314,433	01/01/2018 – 30/06/2018
Class S Euro Distribution	02/07/2018	31/07/2018	€0.1686	17	€3	01/01/2018 – 30/06/2018
<b>Total Distributions for Emerging Markets Income Fund</b>					<b>US\$7,399,287</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European ex UK Income Fund</b>						
<b>Class I Sterling Distribution Shares</b>					<b>GBP£49,534</b>	
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0285	126,707	£3,611	01/10/2017 – 31/12/2017
Class I Sterling Distribution	03/04/2018	30/04/2018	£0.0840	132,143	£11,100	01/01/2018 – 31/03/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.2178	132,093	£28,770	01/04/2018 – 30/06/2018
Class I Sterling Distribution	01/10/2018	31/10/2018	£0.0451	134,208	£6,053	01/07/2018 – 30/09/2018
<b>Class S Sterling Distribution Shares</b>					<b>GBP£1,604,274</b>	
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.0285	4,284,196	£122,100	01/10/2017 – 31/12/2017
Class S Sterling Distribution	03/04/2018	30/04/2018	£0.0844	4,286,486	£361,779	01/01/2018 – 31/03/2018
Class S Sterling Distribution	02/07/2018	31/07/2018	£0.2189	4,243,544	£928,912	01/04/2018 – 30/06/2018
Class S Sterling Distribution	01/10/2018	31/10/2018	£0.0453	4,226,993	£191,483	01/07/2018 – 30/09/2018
<b>Class I Hedged Sterling Distribution Shares</b>					<b>GBP£2,080</b>	
Class I Hedged Sterling Distribution	02/01/2018	31/01/2018	£0.0323	4,838	£156	01/10/2017 – 31/12/2017
Class I Hedged Sterling Distribution	03/04/2018	30/04/2018	£0.0957	4,838	£463	01/01/2018 – 31/03/2018
Class I Hedged Sterling Distribution	02/07/2018	31/07/2018	£0.2507	4,840	£1,213	01/04/2018 – 30/06/2018
Class I Hedged Sterling Distribution	01/10/2018	31/10/2018	£0.0510	4,842	£247	01/07/2018 – 30/09/2018
<b>Class S Hedged Sterling Distribution Shares</b>					<b>GBP£5,286,192</b>	
Class S Hedged Sterling Distribution	02/01/2018	31/01/2018	£0.0323	11,359,219	£366,903	01/10/2017 – 31/12/2017
Class S Hedged Sterling Distribution	03/04/2018	30/04/2018	£0.0960	12,135,098	£1,164,969	01/01/2018 – 31/03/2018
Class S Hedged Sterling Distribution	02/07/2018	31/07/2018	£0.2516	12,356,905	£3,108,997	01/04/2018 – 30/06/2018
Class S Hedged Sterling Distribution	01/10/2018	31/10/2018	£0.0512	12,603,954	£645,322	01/07/2018 – 30/09/2018
<b>Total Distributions for European ex UK Income Fund</b>					<b>EUR€7,860,316</b>	
<b>European Income Fund</b>						
<b>Class R Euro Distribution Shares</b>					<b>EUR€200</b>	
Class R Euro Distribution	02/01/2018	31/01/2018	€0.1102	112	€12	01/07/2017 – 31/12/2017
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.1323	89	\$12	01/07/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.0978	142	£14	01/07/2017 – 31/12/2017
Class R Swiss Franc Distribution	02/01/2018	31/01/2018	Sfr.0.129	92	Sfr.12	01/07/2017 – 31/12/2017
Class R Euro Distribution	02/07/2018	31/07/2018	€0.3486	112	€39	01/01/2018 – 30/06/2018
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.4070	90	\$36	01/01/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.3083	143	£44	01/01/2018 – 30/06/2018
Class R Swiss Franc Distribution	02/07/2018	31/07/2018	Sfr.0.4041	93	Sfr.38	01/01/2018 – 30/06/2018



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 13. Distributions continued

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European Income Fund</b> continued						
<b>Class I Euro Distribution Shares</b>					<b>EUR€43,421</b>	
Class I Euro Distribution	02/01/2018	31/01/2018	€0.1129	112	€13	01/07/2017 – 31/12/2017
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.1356	89	\$12	01/07/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.1002	90,555	£9,074	01/07/2017 – 31/12/2017
Class I Swiss Franc Distribution	02/01/2018	31/01/2018	Sfr.0.1321	92	Sfr.12	01/07/2017 – 31/12/2017
Class I Euro Distribution	02/07/2018	31/07/2018	€0.3564	112	€40	01/01/2018 – 30/06/2018
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.4161	90	\$37	01/01/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.3152	92,758	£29,237	01/01/2018 – 30/06/2018
Class I Swiss Franc Distribution	02/07/2018	31/07/2018	Sfr.0.4132	93	Sfr.38	01/01/2018 – 30/06/2018
<b>Class S Euro Distribution Shares</b>					<b>EUR€207</b>	
Class S Euro Distribution	02/01/2018	31/01/2018	€0.1137	112	€13	01/07/2017 – 31/12/2017
Class S US Dollar Distribution	02/01/2018	31/01/2018	\$0.1365	89	\$12	01/07/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.1009	142	£14	01/07/2017 – 31/12/2017
Class S Swiss Franc Distribution	02/01/2018	31/01/2018	Sfr.0.133	92	Sfr.12	01/07/2017 – 31/12/2017
Class S Euro Distribution	02/07/2018	31/07/2018	€0.3589	112	€40	01/01/2018 – 30/06/2018
Class S US Dollar Distribution	02/07/2018	31/07/2018	\$0.4190	90	\$38	01/01/2018 – 30/06/2018
Class S Sterling Distribution	02/07/2018	31/07/2018	£0.3174	143	£45	01/01/2018 – 30/06/2018
Class S Swiss Franc Distribution	02/07/2018	31/07/2018	Sfr.0.4161	93	Sfr.39	01/01/2018 – 30/06/2018
<b>Total Distributions for European Income Fund</b>					<b>EUR€43,828</b>	
<b>Financial Opportunities Fund</b>						
<b>Class R US Dollar Distribution Shares</b>					<b>US\$4,835</b>	
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.0841	4,263	\$359	01/07/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.0622	13,516	£841	01/07/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.0700	5	–	01/07/2017 – 31/12/2017
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.1814	4,271	\$775	01/01/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.1374	14,131	£1,942	01/01/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.1554	5	1	01/01/2018 – 30/06/2018
<b>Class I US Dollar Distribution Shares</b>					<b>US\$436,212</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.0865	396,900	\$34,332	01/07/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0640	1,021,778	£65,394	01/07/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0720	83,923	€6,042	01/07/2017 – 31/12/2017
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.1872	448,535	€83,966	01/01/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.1418	1,077,042	€152,725	01/01/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.1603	110,305	€17,682	01/01/2018 – 30/06/2018
<b>Total Distributions for Financial Opportunities Fund</b>					<b>US\$441,047</b>	



31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b>						
<b>Class R US Dollar Distribution Shares</b>					<b>US\$29,952</b>	
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.1042	4,756	\$496	01/10/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.0771	180	£14	01/10/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.0867	48,510	€4,206	01/10/2017 – 31/12/2017
Class R US Dollar Distribution	03/04/2018	30/04/2018	\$0.1071	4,756	\$509	01/01/2018 – 31/03/2018
Class R Sterling Distribution	03/04/2018	30/04/2018	£0.0764	183	£14	01/01/2018 – 31/03/2018
Class R Euro Distribution	03/04/2018	30/04/2018	€0.0871	48,513	€4,225	01/01/2018 – 31/03/2018
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.1196	7,114	\$851	01/04/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.0907	185	£17	01/04/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.1024	53,187	€5,446	01/04/2018 – 30/06/2018
Class R US Dollar Distribution	01/10/2018	31/10/2018	\$0.1138	45,816	\$5,214	01/07/2018 – 30/09/2018
Class R Sterling Distribution	01/10/2018	31/10/2018	£0.0873	187	£16	01/07/2018 – 30/09/2018
Class R Euro Distribution	01/10/2018	31/10/2018	€0.0980	54,386	€5,330	01/07/2018 – 30/09/2018
<b>Class I US Dollar Distribution Shares</b>					<b>US\$5,511,549</b>	
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.1062	169,388	\$17,989	01/10/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0785	10,466,844	£821,647	01/10/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0883	326,642	€28,843	01/10/2017 – 31/12/2017
Class I US Dollar Distribution	03/04/2018	30/04/2018	\$0.1092	183,311	\$20,018	01/01/2018 – 31/03/2018
Class I Sterling Distribution	03/04/2018	30/04/2018	£0.0779	10,879,690	£847,528	01/01/2018 – 31/03/2018
Class I Euro Distribution	03/04/2018	30/04/2018	€0.0888	330,045	€29,308	01/01/2018 – 31/03/2018
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.1220	157,432	\$19,207	01/04/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.0925	12,117,567	£1,120,875	01/04/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.1045	172,223	€17,997	01/04/2018 – 30/06/2018
Class I US Dollar Distribution	01/10/2018	31/10/2018	\$0.1153	180,802	\$20,846	01/07/2018 – 30/09/2019
Class I Sterling Distribution	01/10/2018	31/10/2018	£0.0884	13,377,396	£1,182,562	01/07/2018 – 30/09/2019
Class I Euro Distribution	01/10/2018	31/10/2018	€0.0993	185,170	€18,387	01/07/2018 – 30/09/2019
<b>Class S US Dollar Distribution Shares</b>					<b>US\$17,884,798</b>	
Class S US Dollar Distribution	02/01/2018	31/01/2018	\$0.0949	504,647	\$47,891	01/10/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.0702	26,400,941	£1,853,346	01/10/2017 – 31/12/2017
Class S Euro Distribution	02/01/2018	31/01/2018	€0.0789	10,370	€818	01/10/2017 – 31/12/2017
Class S US Dollar Distribution	03/04/2018	30/04/2018	\$0.0976	481,986	\$47,042	01/01/2018 – 31/03/2018
Class S Sterling Distribution	03/04/2018	30/04/2018	£0.0697	24,754,460	£1,725,386	01/01/2018 – 31/03/2018
Class S Euro Distribution	03/04/2018	30/04/2018	€0.0794	10,376	€824	01/01/2018 – 31/03/2018
Class S US Dollar Distribution	02/07/2018	31/07/2018	\$0.1091	432,584	\$47,195	01/04/2018 – 30/06/2018
Class S Sterling Distribution	02/07/2018	31/07/2018	£0.0827	26,333,818	£2,177,807	01/04/2018 – 30/06/2018
Class S Euro Distribution	02/07/2018	31/07/2018	€0.0934	10,382	€970	01/04/2018 – 30/06/2018
Class S US Dollar Distribution	01/10/2018	31/10/2018	\$0.1038	369,111	\$38,314	01/07/2018 – 30/09/2019
Class S Sterling Distribution	01/10/2018	31/10/2018	£0.0796	28,085,995	£2,235,645	01/07/2018 – 30/09/2019
Class S Euro Distribution	01/10/2018	31/10/2018	€0.0894	10,389	€929	01/07/2018 – 30/09/2019



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 13. Distributions continued

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b> continued						
<b>Class I Hedged Sterling Distribution Shares</b>				<b>GBP£1,033,160</b>		
Class I Hedged Sterling Distribution	02/01/2018	31/01/2018	£0.0923	2,297,709	£212,079	01/10/2017 – 31/12/2017
Class I Hedged Sterling Distribution	03/04/2018	30/04/2018	£0.0946	2,523,989	£238,769	01/01/2018 – 31/03/2018
Class I Hedged Sterling Distribution	02/07/2018	31/07/2018	£0.1053	2,787,907	£293,567	01/04/2018 – 30/06/2018
Class I Hedged Sterling Distribution	01/10/2018	31/10/2018	£0.0997	2,896,137	£288,745	01/07/2018 – 30/09/2019
<b>Class S Hedged Sterling Distribution Shares</b>				<b>GBP£128,059</b>		
Class S Hedged Sterling Distribution	02/01/2018	31/01/2018	£0.0914	131,430	£12,013	01/10/2017 – 31/12/2017
Class S Hedged Sterling Distribution	03/04/2018	30/04/2018	£0.0955	264,101	£25,222	01/01/2018 – 31/03/2018
Class S Hedged Sterling Distribution	02/07/2018	31/07/2018	£0.1065	427,655	£45,545	01/04/2018 – 30/06/2018
Class S Hedged Sterling Distribution	01/10/2018	31/10/2018	£0.1011	447,867	£45,279	01/07/2018 – 30/09/2019
<b>Portfolio Currency Hedged Sterling Distribution Shares</b>				<b>GBP£4,013,505</b>		
Portfolio Currency Hedged Sterling I Distribution	02/01/2018	31/01/2018	£0.1019	8,510,857	£867,256	01/10/2017 – 31/12/2017
Portfolio Currency Hedged Sterling I Distribution	03/04/2018	30/04/2018	£0.1029	7,884,370	£811,302	01/01/2018 – 31/03/2018
Portfolio Currency Hedged Sterling I Distribution	02/07/2018	31/07/2018	£0.1175	9,971,435	£1,171,644	01/04/2018 – 30/06/2018
Portfolio Currency Hedged Sterling I Distribution	01/10/2018	31/10/2018	£0.1122	10,368,123	£1,163,303	01/07/2018 – 30/09/2019
<b>Total Distributions for Global Convertible Fund</b>				<b>US\$23,426,299</b>		

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b>						
<b>Class R Sterling Distribution Shares</b>				<b>GBP£309,992</b>		
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.0231	9,362	\$216	01/10/2017 – 31/12/2017
Class R Sterling Distribution	02/01/2018	31/01/2018	£0.0171	2,957,186	£50,568	01/10/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.0193	1,808	€35	01/10/2017 – 31/12/2017
Class R US Dollar Distribution	03/04/2018	30/04/2018	\$0.0285	8,251	\$235	01/01/2018 – 31/03/2018
Class R Sterling Distribution	03/04/2018	30/04/2018	£0.0203	3,734,803	£75,817	01/01/2018 – 31/03/2018
Class R Euro Distribution	03/04/2018	30/04/2018	€0.0232	437	€10	01/01/2018 – 31/03/2018
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.0424	8,266	\$350	01/04/2018 – 30/06/2018
Class R Sterling Distribution	02/07/2018	31/07/2018	£0.0321	3,773,878	£121,141	01/04/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.0363	439	€16	01/04/2018 – 30/06/2018
Class R US Dollar Distribution	01/10/2018	31/10/2018	\$0.0213	10,504	\$224	01/07/2018 – 30/09/2019
Class R Sterling Distribution	01/10/2018	31/10/2018	£0.0163	3,781,658	£61,641	01/07/2018 – 30/09/2019
Class R Euro Distribution	01/10/2018	31/10/2018	€0.0183	442	€8	01/07/2018 – 30/09/2019

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b> continued						
<b>Class I Sterling Distribution Shares</b>				<b>GBP£2,943,417</b>		
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.0239	2,099,024	\$50,167	01/10/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0177	27,988,487	£495,396	01/10/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0199	244,796	€4,871	01/10/2017 – 31/12/2017
Class I US Dollar Distribution	03/04/2018	30/04/2018	\$0.0294	2,203,564	\$64,785	01/01/2018 – 31/03/2018
Class I Sterling Distribution	03/04/2018	30/04/2018	£0.0210	29,289,611	£615,082	01/01/2018 – 31/03/2018
Class I Euro Distribution	03/04/2018	30/04/2018	€0.0240	258,593	€6,206	01/01/2018 – 31/03/2018
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.0438	2,073,661	\$90,826	01/04/2018 – 30/06/2018
Class I Sterling Distribution	02/07/2018	31/07/2018	£0.0332	31,264,568	£1,037,984	01/04/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.0375	1,188,805	€44,580	01/04/2018 – 30/06/2018
Class I US Dollar Distribution	01/10/2018	31/10/2018	\$0.0220	2,124,080	\$46,730	01/07/2018 – 30/09/2019
Class I Sterling Distribution	01/10/2018	31/10/2018	£0.0169	31,531,601	£532,884	01/07/2018 – 30/09/2019
Class I Euro Distribution	01/10/2018	31/10/2018	€0.0190	1,459,791	€27,736	01/07/2018 – 30/09/2019
<b>Class A Sterling Distribution Shares</b>				<b>GBP£577,413</b>		
Class A Sterling Distribution	02/01/2018	31/01/2018	£0.0175	13,087,188	£229,026	01/10/2017 – 31/12/2017
Class A Sterling Distribution	03/04/2018	30/04/2018	£0.0207	5,939,114	£122,940	01/01/2018 – 31/03/2018
Class A Sterling Distribution	02/07/2018	31/07/2018	£0.0328	4,913,242	£161,154	01/04/2018 – 30/06/2018
Class A Sterling Distribution	01/10/2018	31/10/2018	£0.0166	3,873,067	£64,293	01/07/2018 – 30/09/2019
<b>Class E Sterling Distribution Shares</b>				<b>GBP£4,797,415</b>		
Class E Sterling Distribution	02/01/2018	31/01/2018	£0.0181	41,532,892	£751,745	01/10/2017 – 31/12/2017
Class E Sterling Distribution	03/04/2018	30/04/2018	£0.0214	55,077,792	£1,178,665	01/01/2018 – 31/03/2018
Class E Sterling Distribution	02/07/2018	31/07/2018	£0.0340	55,205,494	£1,876,987	01/04/2018 – 30/06/2018
Class E Sterling Distribution	01/10/2018	31/10/2018	£0.0172	57,559,178	£990,018	01/07/2018 – 30/09/2019
<b>Total Distributions for Global Insurance Fund</b>				<b>GBP£8,628,237</b>		
31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Healthcare Blue Chip Fund</b>						
<b>Class I US Dollar Distribution Shares</b>				<b>US\$20,158</b>		
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.1006	29,051	\$2,923	01/01/2017 – 31/12/2017
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0743	171,264	£12,725	01/01/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.0837	67	€6	01/01/2017 – 31/12/2017
<b>Class S Sterling Hedged Distribution Shares</b>				<b>GBP£20,755</b>		
Class S Sterling Hedged Distribution	02/01/2018	31/01/2018	£0.0968	214,414	£20,755	01/01/2017 – 31/12/2017
<b>Class S US Dollar Distribution Shares</b>				<b>US\$519,395</b>		
Class S US Dollar Distribution	02/01/2018	31/01/2018	\$0.1010	24,642	\$2,489	01/01/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.0747	5,117,885	£382,306	01/01/2017 – 31/12/2017
<b>Total Distributions for Healthcare Blue Chip Fund</b>				<b>US\$568,109</b>		


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2019
**13. Distributions** continued

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b>						
<b>Class A1 Sterling Distribution</b>					<b>GBP£518,241</b>	
Class A1 Sterling Distribution	02/01/2018	31/01/2018	£0.0150	5,499,293	£82,489	01/10/2017 – 31/12/2017
Class R US Dollar Distribution	02/01/2018	31/01/2018	\$0.0203	1,512,958	\$30,713	01/10/2017 – 31/12/2017
Class R Euro Distribution	02/01/2018	31/01/2018	€0.0169	647	€11	01/10/2017 – 31/12/2017
Class A1 Sterling Distribution	03/04/2018	30/04/2018	£0.0150	6,465,360	£96,980	01/01/2018 – 31/03/2018
Class R US Dollar Distribution	03/04/2018	30/04/2018	\$0.0210	6,454,051	\$135,535	01/01/2018 – 31/03/2018
Class R Euro Distribution	03/04/2018	30/04/2018	€0.0171	915,361	€15,653	01/01/2018 – 31/03/2018
Class A1 Sterling Distribution	02/07/2018	31/07/2018	£0.0150	6,573,244	£98,599	01/04/2018 – 30/06/2018
Class R US Dollar Distribution	02/07/2018	31/07/2018	\$0.0198	6,254,133	\$123,832	01/04/2018 – 30/06/2018
Class R Euro Distribution	02/07/2018	31/07/2018	€0.0175	874,342	€15,301	01/04/2018 – 30/06/2018
Class A1 Sterling Distribution	01/10/2018	31/10/2018	£0.0150	6,436,954	£96,554	01/07/2018 – 30/09/2019
Class R US Dollar Distribution	01/10/2018	31/10/2018	\$0.0196	5,359,018	\$105,037	01/07/2018 – 30/09/2019
Class R Euro Distribution	01/10/2018	31/10/2018	€0.0168	879,589	€14,777	01/07/2018 – 30/09/2019
<b>Class B1 Sterling Distribution Shares</b>					<b>GBP£1,415,977</b>	
Class B1 Sterling Distribution	02/01/2018	31/01/2018	£0.0155	26,899,410	£416,941	01/10/2017 – 31/12/2017
Class I US Dollar Distribution	02/01/2018	31/01/2018	\$0.0210	458,494	\$9,628	01/10/2017 – 31/12/2017
Class I Euro Distribution	02/01/2018	31/01/2018	€0.1750	622	€11	01/10/2017 – 31/12/2017
Class B1 Sterling Distribution	03/04/2018	30/04/2018	£0.0155	29,988,532	£464,822	01/01/2018 – 31/03/2018
Class I US Dollar Distribution	03/04/2018	30/04/2018	\$0.0217	771,074	\$16,732	01/01/2018 – 31/03/2018
Class I Euro Distribution	03/04/2018	30/04/2018	€0.0177	629	€11	01/01/2018 – 31/03/2018
Class B1 Sterling Distribution	02/07/2018	31/07/2018	£0.0155	32,277,675	£500,304	01/04/2018 – 30/06/2018
Class I US Dollar Distribution	02/07/2018	31/07/2018	\$0.0205	956,269	\$19,604	01/04/2018 – 30/06/2018
Class I Euro Distribution	02/07/2018	31/07/2018	€0.0181	636	€12	01/04/2018 – 30/06/2018
Class B1 Sterling Distribution	01/10/2018	31/10/2018	£0.0155	30,060,977	£465,945	01/07/2018 – 30/09/2019
Class I US Dollar Distribution	01/10/2018	31/10/2018	\$0.0202	905,275	\$18,287	01/07/2018 – 30/09/2019
Class I Euro Distribution	01/10/2018	31/10/2018	€0.0174	643	€11	01/07/2018 – 30/09/2019
<b>Class R Euro Hedged Distribution Shares</b>					<b>EUR€199,728</b>	
Class R Euro Hedged Distribution	02/01/2018	31/01/2018	€0.1250	496,639	€62,080	01/10/2017 – 31/12/2017
Class R Euro Hedged Distribution	03/04/2018	30/04/2018	€0.1250	631,735	€78,967	01/01/2018 – 31/03/2018
Class R Euro Hedged Distribution	02/07/2018	31/07/2018	€0.1250	469,453	€58,682	01/04/2018 – 30/06/2018
Class R Euro Hedged Distribution	01/10/2018	31/10/2018	€0.1250	441,324	€55,165	01/07/2018 – 30/09/2019
<b>Class I Euro Hedged Distribution Shares</b>					<b>EUR€12,278</b>	
Class I Euro Hedged Distribution	02/01/2018	31/01/2018	€0.1250	39,807	€4,976	01/10/2017 – 31/12/2017
Class I Euro Hedged Distribution	03/04/2018	30/04/2018	€0.1250	39,807	€4,976	01/01/2018 – 31/03/2018
Class I Euro Hedged Distribution	02/07/2018	31/07/2018	€0.1250	18,609	€2,326	01/04/2018 – 30/06/2018
Class I Euro Hedged Distribution	01/10/2018	31/10/2018	€0.1250	17,011	€2,126	01/07/2018 – 30/09/2019

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b> continued						
<b>Class R US Dollar Hedged Distribution Shares</b>					<b>US\$1,169,393</b>	
Class R US Dollar Hedged Distribution	02/01/2018	31/01/2018	\$0.1050	3,748,765	\$393,620	01/10/2017 – 31/12/2017
Class R US Dollar Hedged Distribution	03/04/2018	30/04/2018	\$0.1050	3,929,484	\$412,596	01/01/2018 – 31/03/2018
Class R US Dollar Hedged Distribution	02/07/2018	31/07/2018	\$0.1050	3,458,828	\$363,177	01/04/2018 – 30/06/2018
Class R US Dollar Hedged Distribution	01/10/2018	31/10/2018	\$0.1050	2,769,576	\$290,806	01/07/2018 – 30/09/2019
<b>Total Distributions for Income Opportunities Fund</b>					<b>GBP£3,937,807</b>	

31 December 2018	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>UK Value Opportunities Fund</b>						
Class I Sterling Distribution	02/01/2018	31/01/2018	£0.0618	2,461,140	£152,098	01/01/2017 – 31/12/2017
Class S Sterling Distribution	02/01/2018	31/01/2018	£0.0740	13,119,891	£970,872	01/01/2017 – 31/12/2017
<b>Total Distributions for UK Value Opportunities Fund</b>					<b>GBP£1,122,970</b>	

The following distributions were declared in respect of the Company on 2 January 2020 and are therefore not accrued in the financial statements for the financial year ended 31 December 2019:

2020	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Emerging Markets Income Fund</b>						
<b>Class R US Dollar Distributing Shares</b>					<b>US\$60,368</b>	
Class R US Dollar Distribution	02/01/2020	31/01/2020	\$0.2073	244,634.30	\$50,713	01/07/2019 – 31/12/2019
Class R Sterling Distribution	02/01/2020	31/01/2020	£0.1565	36,126.66	£5,654	01/07/2019 – 31/12/2019
Class R Euro Distribution	02/01/2020	31/01/2020	€0.1847	10,450.00	€1,930	01/07/2019 – 31/12/2019
<b>Class I US Dollar Distributing Shares</b>					<b>US\$1,128,168</b>	
Class I US Dollar Distribution	02/01/2020	31/01/2020	\$0.2137	53,460.54	\$11,425	01/07/2019 – 31/12/2019
Class I Sterling Distribution	02/01/2020	31/01/2020	£0.1613	5,066,321.13	£817,198	01/07/2019 – 31/12/2019
Class I Euro Distribution	02/01/2020	31/01/2020	€0.1904	159,432.19	€30,356	01/07/2019 – 31/12/2019
<b>Class S US Dollar Distributing Shares</b>					<b>US\$1,719,218</b>	
Class S US Dollar Distribution	02/01/2020	31/01/2020	\$0.2187	113,514.28	\$24,826	01/07/2019 – 31/12/2019
Class S Sterling Distribution	02/01/2020	31/01/2020	£0.1651	7,747,548.81	£1,279,120	01/07/2019 – 31/12/2019
Class S Euro Distribution	02/01/2020	31/01/2020	€0.1948	17.82	€3	01/07/2019 – 31/12/2019
<b>Total Distributions for Emerging Markets Income Fund</b>					<b>US\$2,907,754</b>	



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

## 13. Distributions continued

2020	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>European ex UK Income Fund</b>						
<b>Class I Sterling Distribution Shares</b>					<b>GBP£10,182</b>	
Class I Sterling Distribution	02/01/2020	31/01/2020	£0.0255	399,280.11	£10,182	01/10/2019 – 31/12/2019
<b>Class S Sterling Distribution Shares</b>					<b>GBP£27,502</b>	
Class S Sterling Distribution	02/01/2020	31/01/2020	£0.0257	1,070,100.45	£27,502	01/10/2019 – 31/12/2019
<b>Class I Sterling Hedged Distribution Shares</b>					<b>GBP£690</b>	
Class I Sterling Hedged Distribution	02/01/2020	31/01/2020	£0.0306	22,537.28	£690	01/10/2019 – 31/12/2019
<b>Class S Sterling Hedged Distribution Shares</b>					<b>GBP£329,931</b>	
Class S Sterling Hedged Distribution	02/01/2020	31/01/2020	£0.0308	10,712,050.17	£329,931	01/10/2019 – 31/12/2019
<b>Class X Sterling Distribution Shares</b>					<b>GBP£20,841</b>	
Class X Sterling Distribution	02/01/2020	31/01/2020	£0.0034	6,129,833.08	£20,841	01/10/2019 – 31/12/2019
<b>Total Distributions for European ex UK Income Fund</b>					<b>EUR€436,816</b>	

2020	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Financial Opportunities Fund</b>						
<b>Class R US Dollar Distributing Shares</b>					<b>US\$709</b>	
Class R US Dollar Distribution	02/01/2020	31/01/2020	\$0.1092	8.460	\$1	01/01/2019 – 31/12/2019
Class R Sterling Distribution	02/01/2020	31/01/2020	£0.0824	6,471.750	£533	01/01/2019 – 31/12/2019
Class R Euro Distribution	02/01/2020	31/01/2020	€0.0973	14.061	€1	01/01/2019 – 31/12/2019
<b>Class I US Dollar Distributing Shares</b>					<b>US\$70,935</b>	
Class I US Dollar Distribution	02/01/2020	31/01/2020	\$0.1135	276,703.064	\$31,406	01/01/2019 – 31/12/2019
Class I Sterling Distribution	02/01/2020	31/01/2020	£0.0857	262,699.473	£22,513	01/01/2019 – 31/12/2019
Class I Euro Distribution	02/01/2020	31/01/2020	€0.1011	85,579.256	€8,652	01/01/2019 – 31/12/2019
<b>Total Distributions for Financial Opportunities Fund</b>					<b>US\$71,644</b>	

2020	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Convertible Fund</b>						
<b>Class R US Dollar Distributing Shares</b>					<b>US\$23,575</b>	
Class R US Dollar Distribution	02/01/2020	31/01/2020	\$0.1037	105,352	\$10,925	01/10/2019 – 31/12/2019
Class R Sterling Distribution	02/01/2020	31/01/2020	£0.0782	197	£15	01/10/2019 – 31/12/2019
Class R Euro Distribution	02/01/2020	31/01/2020	€0.0924	121,793	€11,254	01/10/2019 – 31/12/2019
<b>Class I US Dollar Distributing Shares</b>					<b>US\$1,826,026</b>	
Class I US Dollar Distribution	02/01/2020	31/01/2020	\$0.1067	296,096	\$31,593	01/10/2019 – 31/12/2019
Class I Sterling Distribution	02/01/2020	31/01/2020	£0.0804	16,604,639	£1,335,013	01/10/2019 – 31/12/2019
Class I Euro Distribution	02/01/2020	31/01/2020	€0.0950	212,910	€20,226	01/10/2019 – 31/12/2019
<b>Class S US Dollar Distributing Shares</b>					<b>US\$3,582,179</b>	
Class S US Dollar Distribution	02/01/2020	31/01/2020	\$0.0959	347,107	\$33,288	01/10/2019 – 31/12/2019
Class S Sterling Distribution	02/01/2020	31/01/2020	£0.0723	37,005,990	£2,675,533	01/10/2019 – 31/12/2019
Class S Euro Distribution	02/01/2020	31/01/2020	€0.0854	175	€15	01/10/2019 – 31/12/2019
<b>Class I Hedged Sterling Distributing Shares</b>					<b>GBP£223,496</b>	
Class I Hedged Sterling Distribution	02/01/2020	31/01/2020	£0.0895	2,497,162	£223,496	01/10/2019 – 31/12/2019
<b>Class S Hedged Sterling Distributing Shares</b>					<b>GBP£34,067</b>	
Class S Hedged Sterling Distribution	02/01/2020	31/01/2020	£0.0909	374,780	£34,067	01/10/2019 – 31/12/2019
<b>Class Portfolio Currency Hedged Sterling I Distribution Shares</b>					<b>GBP£1,117,879</b>	
Class Portfolio Currency Hedged Sterling I Distribution	02/01/2020	31/01/2020	£0.1025	10,906,141	£1,117,879	01/10/2019 – 31/12/2019
<b>Class Portfolio Currency Hedged Sterling S Distribution Shares</b>					<b>GBP£103,149</b>	
Class Portfolio Currency Hedged Sterling S Distribution	02/01/2020	31/01/2020	£0.1023	1,008,297	£103,149	01/10/2019 – 31/12/2019
<b>Total Distributions for Global Convertible Fund</b>					<b>US\$7,392,984</b>	



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 13. Distributions continued

2020	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Global Insurance Fund</b>						
<b>Class R Sterling Distributing Shares</b>					<b>GBP£55,935</b>	
Class R US Dollar Distribution	02/01/2020	31/01/2020	\$0.0182	135,128	\$2,459	01/10/2019 – 31/12/2019
Class R Sterling Distribution	02/01/2020	31/01/2020	£0.0137	3,795,475	£51,998	01/10/2019 – 31/12/2019
Class R Euro Distribution	02/01/2020	31/01/2020	€0.0162	152,258	€2,467	01/10/2019 – 31/12/2019
<b>Class I Sterling Distributing Shares</b>					<b>GBP£539,612</b>	
Class I US Dollar Distribution	02/01/2020	31/01/2020	\$0.0189	2,257,854	\$42,673	01/10/2019 – 31/12/2019
Class I Sterling Distribution	02/01/2020	31/01/2020	£0.0143	33,993,700	£486,110	01/10/2019 – 31/12/2019
Class I Euro Distribution	02/01/2020	31/01/2020	€0.0169	1,483,517	€25,071	01/10/2019 – 31/12/2019
<b>Class A Sterling Distributing Shares</b>					<b>GBP£5,397</b>	
Class A Sterling Distribution	02/01/2020	31/01/2020	£0.0141	382,738	£5,397	01/10/2019 – 31/12/2019
<b>Class E Sterling Distributing Shares</b>					<b>GBP£839,547</b>	
Class E Sterling Distribution	02/01/2020	31/01/2020	£0.0147	57,112,051	£839,547	01/10/2019 – 31/12/2019
<b>Total Distributions for Global Insurance Fund</b>					<b>GBP£1,440,490</b>	

2020	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Healthcare Blue Chip Fund</b>						
<b>Class I US Dollar Distributing Shares</b>					<b>US\$70,735</b>	
Class I US Dollar Distribution	02/01/2020	31/01/2020	\$0.1304	1,601.416	\$209	01/10/2019 – 31/12/2019
Class I Sterling Distribution	02/01/2020	31/01/2020	£0.0984	504,177.498	£49,611	01/10/2019 – 31/12/2019
Class I Euro Distribution	02/01/2020	31/01/2020	€0.1162	36,664.275	€4,260	01/10/2019 – 31/12/2019
<b>Class S US Dollar Distributing Shares</b>					<b>US\$7,648</b>	
Class S US Dollar Distribution	02/01/2020	31/01/2020	\$0.1315	52.352	\$7	01/10/2019 – 31/12/2019
Class S Sterling Distribution	02/01/2020	31/01/2020	£0.0993	58,106.255	£5,770	01/10/2019 – 31/12/2019
<b>Class SI US Dollar Distributing Shares</b>					<b>US\$574,036</b>	
Class SI US Dollar Distribution	02/01/2020	31/01/2020	\$0.1158	8,721.726	\$1,010	01/10/2019 – 31/12/2019
Class SI Sterling Distribution	02/01/2020	31/01/2020	£0.0874	4,948,411.750	£432,491	01/10/2019 – 31/12/2019
<b>Total Distributions for Healthcare Blue Chip Fund</b>					<b>US\$652,419</b>	



2020	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>Income Opportunities Fund</b>						
<b>Class A1 Sterling Distribution Shares</b>					<b>GBP£116,136</b>	
Class A1 Sterling Distribution	02/01/2020	31/01/2020	£0.0150	5,301,710.65	£79,526	01/10/2019 – 31/12/2019
Class R US Dollar Distribution	02/01/2020	31/01/2020	\$0.0199	1,953,433.78	\$38,873	01/10/2019 – 31/12/2019
Class R Euro Distribution	02/01/2020	31/01/2020	€0.0177	487,241.29	€8,624	01/10/2019 – 31/12/2019
<b>Class B1 Sterling Distribution Shares</b>					<b>GBP£279,451</b>	
Class B1 Sterling Distribution	02/01/2020	31/01/2020	£0.0158	17,183,141.34	£270,634	01/10/2019 – 31/12/2019
Class I US Dollar Distribution	02/01/2020	31/01/2020	\$0.0209	559,077.36	\$11,685	01/10/2019 – 31/12/2019
Class I Euro Distribution	02/01/2020	31/01/2020	€0.0186	679.03	€13	01/10/2019 – 31/12/2019
<b>Class R Euro Hedged Distribution Shares</b>					<b>EUR€37,414</b>	
Class R Euro Hedged Distribution	02/01/2020	31/01/2020	€0.1275	293,443.60	€37,414	01/10/2019 – 31/12/2019
<b>Class I Euro Hedged Distribution Shares</b>					<b>EUR€627</b>	
Class I Euro Hedged Distribution	02/01/2020	31/01/2020	€0.1275	4,916.76	€627	01/10/2019 – 31/12/2019
<b>Class R US Dollar Hedged Distribution Shares</b>					<b>US\$174,437</b>	
Class R US Dollar Hedged Distribution	02/01/2020	31/01/2020	\$0.1075	1,622,672.94	\$174,437	01/10/2019 – 31/12/2019
<b>Total Distributions for Income Opportunities Fund</b>					<b>GBP£559,495</b>	
<hr/>						
2020	Date declared	Date of payment	Rate per share	No. of shares	Amount	Relevant period
<b>UK Value Opportunities Fund</b>						
Class I Sterling Distribution	02/01/2020	31/01/2020	£0.2645	5,430,291.178	£1,436,462	01/01/2019 – 31/12/2019
Class S Sterling Distribution	02/01/2020	31/01/2020	£0.2798	50,821,881.883	£14,222,001	01/01/2019 – 31/12/2019
Class Z Sterling Distribution	02/01/2020	31/01/2020	£0.2931	100.000	£29	01/01/2019 – 31/12/2019
<b>Total Distributions for UK Value Opportunities Fund</b>					<b>GBP£15,658,492</b>	

## 14. FCA Side Letter Policy

The Financial Conduct Authority ('FCA') in the United Kingdom, which regulates the Investment Manager, expects all investment managers authorised and regulated by the FCA to write to investors in the funds managed by them with details of any Side Letter that may have been entered into by the Investment Manager. The FCA considers a Side Letter to be an arrangement which can reasonably be expected to provide an investor with materially more favourable rights than other investors, such as enhanced redemption rights or the provision of portfolio information which are not generally available. The Investment Manager has confirmed to the Company that it is not aware or party to an arrangement whereby an investor has any preferential redemption terms. However in exceptional circumstances, for example where an investor seeds a new Fund, the Investment Manager has provided investors on the Fund's behalf with portfolio information and capacity commitments.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 15. Transaction Costs

During the financial year ended 31 December 2019 and 31 December 2018, the Funds incurred transaction costs in the purchase and sale of investments as follows:

	Currency	31 December 2019	31 December 2018
Asian Opportunities Fund	US\$	63,982	84,358
Asian Stars Fund	US\$	37,120	–
Automation & Artificial Intelligence Fund	US\$	194,999	216,492
Biotechnology Fund	US\$	400,211	450,320
China Stars Fund	US\$	26,102	21,101
Emerging Markets Income Fund	US\$	171,706	444,378
Emerging Market Stars Fund	US\$	80,298	30,034
European ex UK Income Fund	EUR	175,934	83,159
European Income Fund	EUR	–	13,251
Financial Opportunities Fund	US\$	31,989	87,130
Global Absolute Return Fund	US\$	232	–
Global Convertible Fund	US\$	–	5,856
Global Insurance Fund	GBP	365,920	539,592
Global Technology Fund	US\$	2,225,658	2,214,026
Healthcare Blue Chip Fund	US\$	268,707	87,849
Healthcare Opportunities Fund	US\$	5,260,002	4,474,046
Income Opportunities Fund	GBP	109,459	83,418
Japan Fund	JPY	79,514,216	167,745,318
Japan Value Fund	JPY	7,066,852	3,907,384
North American Fund	US\$	811,406	1,117,290
UK Absolute Equity Fund	GBP	3,177,945	1,358,109
UK Value Opportunities Fund	GBP	3,680,418	2,541,304

For further information regarding the accounting policy for transaction costs please refer to Note 2.

## 16. Reconciliation to US GAAP

The following adjustments would be required to these financial statements in order to reflect the redemptions payable on 1 January 2020, as required by US GAAP. The adjustments relate to the below funds. The effects of the adjustments for the remaining Funds are not material in the context of the financial statements.

	<b>Automation &amp; Artificial Intelligence Fund 2019 US\$</b>	<b>Biotechnology Fund 2019 US\$</b>	<b>China Stars Fund 2019 US\$</b>	<b>Emerging Markets Income Fund 2019 US\$</b>
Net Assets at 31 December 2019, under IFRS	432,973,479	545,642,821	7,415,096	147,974,671
Redemptions payable 1 January 2020	(12,326)	(196,059)	(144)	(72,737)
Net Assets at 31 December 2019, under US GAAP	432,961,153	545,446,762	7,414,952	147,901,934

	<b>Emerging Market Stars Fund 2019 US\$</b>	<b>European ex UK Fund 2019 EUR€</b>	<b>Financial Opportunities Fund 2019 US\$</b>	<b>Global Convertible Fund 2019 US\$</b>
Net Assets at 31 December 2019, under IFRS	42,996,000	270,262,166	18,801,517	918,616,595
Redemptions payable 1 January 2020	(25)	(713)	(14,162)	(56,958)
Net Assets at 31 December 2019, under US GAAP	42,995,975	270,261,453	18,787,355	918,559,637

	<b>Global Insurance Fund 2019 GBP£</b>	<b>Global Technology Fund 2019 US\$</b>	<b>Healthcare Blue Chip Fund 2019 US\$</b>	<b>Healthcare Opportunities Fund 2019 US\$</b>
Net Assets at 31 December 2019, under IFRS	1,552,466,425	3,650,300,379	92,465,732	1,628,715,705
Redemptions payable 1 January 2020	(1,015,499)	(2,720,880)	(43,192)	(368,592)
Net Assets at 31 December 2019, under US GAAP	1,551,450,926	3,647,579,499	92,422,540	1,628,347,113

	<b>Income Opportunities Fund 2019 GBP£</b>	<b>Japan Value Fund 2019 JPY ¥</b>	<b>North American Fund 2019 US\$</b>	<b>UK Absolute Equity Fund 2019 GBP£</b>
Net Assets at 31 December 2019, under IFRS	164,158,552	40,871,864,753	2,072,514,390	509,468,363
Redemptions payable 1 January 2020	(62,996)	(51,710,432)	(6,070,973)	(489,422)
Net Assets at 31 December 2019, under US GAAP	164,095,556	40,820,154,321	2,066,443,417	508,978,941

	<b>UK Value Opportunities Fund 2019 GBP£</b>
Net Assets at 31 December 2019, under IFRS	1,266,549,127
Redemptions payable 1 January 2020	(74,001)
Net Assets at 31 December 2019, under US GAAP	1,266,475,126



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**16. Reconciliation to US GAAP** continued

The following adjustments would be required to these financial statements in order to reflect the redemptions payable on 1 January 2019, as required by US GAAP. The adjustments relate to the below funds. The effects of the adjustments for the remaining Funds are not material in the context of the financial statements.

	<b>Automation &amp; Artificial Intelligence Fund 2018 US\$</b>	<b>Biotechnology Fund 2018 US\$</b>	<b>Emerging Markets Income Fund 2018 US\$</b>	<b>Global Convertible Fund 2018 US\$</b>
Net Assets at 31 December 2018, under IFRS	320,391,297	430,532,260	159,477,722	727,576,847
Redemptions payable 1 January 2019	(1,856)	(29,669)	(10,031)	(25,133)
Net Assets at 31 December 2018, under US GAAP	320,389,441	430,502,591	159,467,691	727,551,714

	<b>Global Insurance Fund 2018 GBP£</b>	<b>Global Technology Fund 2018 US\$</b>	<b>Healthcare Blue Chip Fund 2018 US\$</b>	<b>Healthcare Opportunities Fund 2018 US\$</b>
Net Assets at 31 December 2018, under IFRS	1,202,546,132	2,495,904,891	73,452,751	1,624,755,507
Redemptions payable 1 January 2019	(116,211)	(372,430)	(54,046)	(195,022)
Net Assets at 31 December 2018, under US GAAP	1,202,429,921	2,495,532,461	73,398,705	1,624,560,485

	<b>Income Opportunities Fund 2018 GBP£</b>	<b>Japan Fund 2018 JPY¥</b>	<b>North American Fund 2018 US\$</b>	<b>UK Absolute Equity Fund 2018 GBP£</b>
Net Assets at 31 December 2018, under IFRS	268,815,956	80,716,782,106	2,232,594,271	517,626,989
Redemptions payable 1 January 2019	(6,196)	(237,884,627)	(183,984)	(105,978)
Net Assets at 31 December 2018, under US GAAP	268,809,760	80,478,897,479	2,232,410,287	517,521,011

	<b>UK Value Opportunities Fund 2018 GBP£</b>
Net Assets at 31 December 2018, under IFRS	760,300,834
Redemptions payable 1 January 2019	(93,777)
Net Assets at 31 December 2018, under US GAAP	760,207,057

The following summarises the Company's financial highlights for the financial year ended 31 December 2019.

## Financial Highlights

### For the financial year ended 31 December 2019

	Asian Opportunities Fund 31 December 2019 Class I USD Distribution US\$	Asian Stars Fund 31 December 2019 Class I USD Accumulation US\$	Automation & Artificial Intelligence Fund 31 December 2019 Class I USD Accumulation US\$	Biotechnology Fund 31 December 2019 Class I USD Distribution US\$
For a participating share outstanding throughout the financial year ended 31 December 2019				
Net investment gain/(loss)*	0.00	(0.00)	–	–
Net realised and unrealised (loss)/gain	2.17	2.66	3.64	6.64
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	2.17	2.66	3.64	6.64
Net asset value at beginning of financial year	11.97	10.00	9.19	21.24
Net asset value at end of financial year	14.14	12.66	12.83	27.88
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	18.13%	27.40%	39.82%	31.43%
Performance fee	0.00	(0.80)%	(0.21)%	(0.17)%
Total return after performance fee	18.13%	26.60%	39.61%	31.26%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(0.20)%	(1.58)%	(0.42)%	(0.36)%
Performance fee	0.00	(0.80)%	(0.21)%	(0.17)%
Total expenses	(0.20)%	(2.38)%	(0.63)%	(0.53)%
<b>Net investment income/(loss) to average net assets:</b>				
Net investment income/(loss) before performance fee	0.20%	0.56%	0.04%	(0.28)%
Performance fee	0.00	(0.80)%	(0.21)%	(0.17)%
Total net investment income/loss	0.00	(0.24)%	(0.17)%	(0.45)%

\* Average net assets held during the financial year were used for this calculation



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**16. Reconciliation to US GAAP** continued**Financial Highlights** continued

For the financial year ended 31 December 2019 continued

	China Stars Fund 31 December 2019 Class I USD Accumulation US\$	Emerging Markets Income Fund 31 December 2019 Class I USD Accumulation US\$	Emerging Market Stars Fund 31 December 2019 Class I USD Accumulation US\$	European ex UK Income Fund 31 December 2019 Class I Euro Accumulation EUR€
For a participating share outstanding throughout the financial year ended 31 December 2019				
Net investment income*	–	0.02	0.00	0.04
Net realised and unrealised (loss)/gain	2.70	1.70	2.50	2.09
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	2.70	1.72	2.50	2.13
Net asset value at beginning of financial year	8.66	11.57	8.47	10.78
Net asset value at end of financial year	11.36	13.29	10.97	12.91
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	31.18%	14.87%	29.52%	19.75%
Performance fee	–	–	–	–
Total return after performance fee	31.18%	14.87%	29.52%	19.75%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(0.01)%	(1.02)%	(0.15)%	(1.41)%
Performance fee	–	–	(0.01)%	–
Total expenses	(0.01)%	(1.02)%	(0.16)%	(1.42)%
<b>Net investment income/(loss) to average net assets:</b>				
Net investment (loss) before performance fee	0.04%	1.83%	0.20%	4.25%
Performance fee	–	–	(0.01)%	–
Total net investment income	0.04%	1.83%	0.19%	4.25%

\* Average net assets held during the financial year were used for this calculation.

	European Income Fund 31 December 2019 Class I Euro Accumulation EUR€	Financial Opportunities Fund 31 December 2019 Class I USD Accumulation US\$	Global Absolute Return Fund 31 December 2019 Class I USD Accumulation US\$	Global Convertible Fund 31 December 2019 Class I USD Accumulation US\$
For a participating share outstanding throughout the financial year ended 31 December 2019				
Net investment income/(loss)*	(0.00)	–	0.03	–
Net realised and unrealised (loss)/ gain	(11.63)	3.05	2.26	1.12
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(11.63)	3.05	2.29	1.12
Net asset value at beginning of financial year	11.63	12.05	100.00	12.49
Net asset value at end of financial year	–	15.10	102.29	13.61
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	0.00%	25.31%	2.66%	8.97%
Performance fee	–	–	(0.37)%	–
Total return after performance fee	0.00%	25.31%	2.29%	8.97%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(0.25)%	(0.00)%	(1.41)%	(0.11)%
Performance fee	–	–	(0.37)%	–
Total expenses	(0.25)%	(0.00)%	(1.78)%	(0.11)%
<b>Net investment income/(loss) to average net assets:</b>				
Net investment (loss)/income before performance fee	(0.27)%	0.00%	3.73%	0.21%
Performance fee	–	–	(0.37)%	–
Total net investment income	(0.27)%	0.00%	3.37%	0.21%

\* Average net assets held during the financial year were used for this calculation.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**16. Reconciliation to US GAAP** continued**Financial Highlights** continued

For the financial year ended 31 December 2019 continued

	Global Insurance Fund 31 December 2019 Class I Sterling Accumulation GBP£	Global Technology Fund 31 December 2019 Class I USD Distribution US\$	Healthcare Blue Chip Fund 31 December 2019 Class I USD Accumulation US\$	Healthcare Opportunities Fund 31 December 2019 Class I USD Distribution US\$
For a participating share outstanding throughout the financial year ended 31 December 2019				
Net investment income/(loss)*	–	–	–	–
Net realised and unrealised gain/(loss)	1.42	15.32	2.80	8.66
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase/(decrease) in net asset value	1.42	15.32	2.80	8.66
Net asset value at beginning of financial year	6.11	39.74	12.07	45.73
Net asset value at end of financial year	7.53	55.06	14.87	54.39
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	23.27%	38.55%	23.21%	18.94%
Performance fee	–	–	–	–
Total return after performance fee	23.27%	38.55%	23.21%	18.94%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(0.58)%	(0.46)%	(0.17)%	(0.17)%
Performance fee	–	–	–	–
Total expenses	(0.58)%	(0.46)%	(0.16)%	(0.17)%
<b>Net investment (loss)/income to average net assets:</b>				
Net investment (loss)/income before performance fee	0.46%	(0.21)%	0.02%	(0.02)%
Performance fee	–	–	–	–
Total net investment (loss)/income	0.46%	(0.20)%	0.03%	(0.02)%

\* Average net assets held during the financial year were used for this calculation.



	Income Opportunities 31 December 2019 Class B2 Sterling Accumulation GBP£	Japan Fund 31 December 2019 Class I JPY Distribution JPY¥	Japan Value Fund 31 December 2019 Class S JPY Distribution JPY¥	North American Fund 31 December 2019 Class I USD Distribution US\$
For a participating share outstanding throughout the financial year ended 31 December 2019				
Net investment income*	0.02	–	0.01	–
Net realised and unrealised loss	0.27	(2,091.63)	49.82	5.96
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net decrease in net asset value	0.29	(2,091.63)	49.83	5.96
Net asset value at beginning of financial year	2.12	2,091.63	222.49	21.30
Net asset value at end of financial year	2.41	–	272.32	27.26
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	13.63%	0.00%	22.40%	27.98%
Performance fee	–	–	–	–
Total return after performance fee	13.63%	0.00%	22.40%	27.98%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.17)%	(0.52)%	(1.52)%	(0.56)%
Performance fee	–	–	–	–
Total expenses	(1.17)%	(0.52)%	(1.52)%	(0.56)%
<b>Net investment (loss)/income to average net assets:</b>				
Net investment (loss)/income before performance fee	1.90%	(0.00)%	0.52%	0.01%
Performance fee	–	–	–	–
Total net investment (loss)/income	1.90%	(0.00)%	0.52%	0.01%

\* Average net assets held during the financial year were used for this calculation.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**16. Reconciliation to US GAAP** continued**Financial Highlights** continued

For the financial year ended 31 December 2019 continued

	UK Absolute Equity Fund 31 December 2019 Class I Sterling Distribution GBP£	UK Value Opportunities Fund 31 December 2019 Class I Sterling Accumulation GBP£
For a participating share outstanding throughout the financial year ended 31 December 2019		
Net investment income*	–	–
Net realised and unrealised loss	1.53	2.81
Distributions	–	–
Less Redemptions	–	–
Net decrease in net asset value	1.53	2.81
Net asset value at beginning of financial year	20.56	10.40
Net asset value at end of financial year	22.09	13.21
<b>Ratios</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>		
Total return before performance fee	8.47%	27.05%
Performance fee	(1.03)%	(0.03)%
Total return after performance fee	7.44%	27.02%
<b>Ratios to average net assets:</b>		
Expenses to average net assets	(2.25)%	(0.93)%
Performance fee	(1.03)%	–
Total expenses	(3.28)%	(0.93)%
<b>Net investment (loss)/income to average net assets:</b>		
Net investment (loss)/income before performance fee	(2.00)%	3.11%
Performance fee	(1.03)%	(0.03)%
Total net investment (loss)/income	(3.03)%	3.08%

\* Average net assets held during the financial year were used for this calculation.

Financial Highlights are based on financial statements NAV per share.

The above shares classes represent the overall performance of each Fund. Other share classes may have a different performance depending on the specific characteristics of the share class.

The following summarises the Company's financial highlights for the financial year ended 31 December 2018.

#### For the financial year ended 31 December 2018

	Asian Opportunities Fund 31 December 2018 USD Class A US\$	Automation & Artificial Intelligence Fund 31 December 2018 USD Class I Accumulation US\$	Biotechnology Fund 31 December 2018 USD Class I US\$	China Stars Fund 31 December 2018 USD Class I Accumulation US\$
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment gain/(loss)*	0.01	–	(0.01)	–
Net realised and unrealised (loss)/gain	(50.64)	(1.14)	(0.84)	(1.34)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(50.63)	(1.14)	(0.85)	(1.34)
Net asset value at beginning of financial year	396.67	10.33	22.09	10.00
Net asset value at end of financial year	346.04	9.19	21.24	8.66
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(12.76)%	(11.04)%	(3.83)%	(13.40)%
Performance fee	–	–	(0.02)%	–
Total return after performance fee	(12.76)%	(11.04)%	(3.85)%	(13.40)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.47)%	(3.37)%	(0.89)%	(0.36)%
Performance fee	–	–	(0.02)%	–
Total expenses	(1.47)%	(3.37)%	(0.91)%	(0.36)%
<b>Net investment income/(loss) to average net assets:</b>				
Net investment income/(loss) before performance fee	0.68%	(0.30)%	(0.87)%	(0.23)%
Performance fee	–	–	(0.02)%	–
Total net investment income/loss	0.68%	(0.30)%	(0.89)%	(0.23)%

\* Average month-end shares outstanding were used for this calculation.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**16. Reconciliation to US GAAP** continued**Financial Highlights** continued

For the financial year ended 31 December 2018 continued

	Emerging Markets Income Fund 31 December 2018 USD Class I Accumulation US\$	Emerging Market Stars Fund 31 December 2018 USD Class I Accumulation US\$	European ex UK Income Fund 31 December 2018 EUR Class I Accumulation EUR€	European Income Fund 31 December 2018 EUR Class I Accumulation EUR€
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment income*	0.01	0.00	0.02	0.03
Net realised and unrealised (loss)/gain	(0.89)	(1.53)	(0.66)	(0.99)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(0.88)	(1.53)	(0.64)	(0.96)
Net asset value at beginning of financial year	12.45	10.00	11.42	12.59
Net asset value at end of financial year	11.57	8.47	10.78	11.63
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(7.07)%	(15.30)%	(5.19)%	(7.63)%
Performance fee	–	–	(0.43)%	–
Total return after performance fee	(7.07)%	(15.30)%	(5.61)%	(7.63)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.60)%	(0.16)%	(1.50)%	(1.18)%
Performance fee	–	–	(0.43)%	–
Total expenses	(1.60)%	(0.16)%	(1.94)%	(1.18)%
<b>Net investment income to average net assets:</b>				
Net investment income before performance fee	0.68%	0.01%	2.63%	2.84%
Performance fee	–	–	(0.43)%	–
Total net investment income	0.68%	0.01%	2.21%	2.84%

\* Average net assets held during the financial year were used for this calculation.

	Financial Opportunities Fund 31 December 2018 USD Class I Accumulation US\$	Global Convertible Fund 31 December 2018 USD Class I Accumulation US\$	Global Insurance Fund 31 December 2018 GBP Class I Accumulation GBP£	Global Technology Fund 31 December 2018 USD Class I US\$
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment income/(loss)*	–	0.05	0.01	(0.02)
Net realised and unrealised (loss)/gain	(2.69)	(0.16)	0.08	1.02
Distributions	(0.00)	–	–	–
Less Redemptions	–	–	–	–
Net (decrease)/increase in net asset value	(2.69)	(0.11)	0.09	1.00
Net asset value at beginning of financial year	14.74	12.60	6.02	38.74
Net asset value at end of financial year	12.05	12.49	6.11	39.74
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(18.25)%	0.27%	1.86%	3.61%
Performance fee	–	(1.14)%	(0.36)%	(1.03)%
Total return after performance fee	(18.25)%	(0.87)%	1.50%	2.58%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	–	(0.19)%	(1.24)%	(1.39)%
Performance fee	–	(1.14)%	(0.36)%	(1.03)%
Total expenses	–	(1.33)%	(1.60)%	(2.41)%
<b>Net investment income/(loss) to average net assets:</b>				
Net investment income before performance fee	–	6.32%	1.01%	(0.74)%
Performance fee	–	(1.14)%	(0.36)%	(1.03)%
Total net investment income	–	5.17%	0.65%	(1.77)%

\* Average net assets held during the financial year were used for this calculation.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

### 16. Reconciliation to US GAAP continued

#### Financial Highlights continued

#### For the financial year ended 31 December 2018 continued

	Healthcare Blue Chip Fund 31 December 2018 USD Class I Accumulation US\$	Healthcare Opportunities Fund 31 December 2018 USD Class I US\$	Income Opportunities Fund 31 December 2018 GBP Class B2 Accumulation GBP£	Japan Fund 31 December 2018 JPY Class I JPY¥
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment income/(loss)*	0.01	(0.10)	0.03	0.01
Net realised and unrealised gain/(loss)	0.09	3.78	(0.16)	(621.95)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net increase/(decrease) in net asset value	0.10	3.68	(0.13)	(621.94)
Net asset value at beginning of financial year	11.97	42.05	2.25	2,713.57
Net asset value at end of financial year	12.07	45.73	2.12	2,091.63
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	0.84%	14.82%	(5.07)%	(22.92)%
Performance fee	–	(6.06)%	(0.81)%	–
Total return after performance fee	0.84%	8.76%	(5.88)%	(22.92)%
<b>Ratios to average net assets:</b>				
Expenses to average net assets	(1.38)%	(9.23)%	(1.21)%	(1.59)%
Performance fee	–	(6.06)%	(0.81)%	0.00%
Total expenses	(1.38)%	(15.28)%	(2.02)%	(1.59)%
<b>Net investment (loss)/income to average net assets:</b>				
Net investment (loss)/income before performance fee	0.57%	(3.77)%	3.65%	0.73%
Performance fee	–	(6.06)%	(0.81)%	–
Total net investment (loss)/income	0.57%	(19.81)%	2.84%	0.73%

\* Average net assets held during the financial year were used for this calculation.

	Japan Value Fund 31 December 2018 JPY Class S JPY¥	North American Fund 31 December 2018 USD Class I US\$	UK Absolute Equity Fund 31 December 2018 GBP Class I GBP£	UK Value Opportunities Fund 31 December 2018 GBP Class I Accumulation GBP£
For a participating share outstanding throughout the financial year ended 31 December 2018				
Net investment income*	0.01	–	–	–
Net realised and unrealised loss	(43.39)	(2.79)	(0.18)	(1.74)
Distributions	–	–	–	–
Less Redemptions	–	–	–	–
Net decrease in net asset value	(43.38)	(2.79)	(0.18)	(1.74)
Net asset value at beginning of financial year	265.87	24.09	20.74	12.14
Net asset value at end of financial year	222.49	21.30	20.56	10.40
<b>Ratios</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Total return:</b>				
Total return before performance fee	(16.32)%	(11.58)%	(0.87)%	(14.33)%
Performance fee	–	–	–	–
<b>Total return after performance fee</b>	<b>(16.32)%</b>	<b>(11.58)%</b>	<b>(0.87)%</b>	<b>(14.33)%</b>
Ratios to average net assets:				
Expenses to average net assets	(0.84)%	(1.08)%	(2.07)%	(0.90)%
Performance fee	–	–	–	–
<b>Total expenses</b>	<b>(0.84)%</b>	<b>(1.08)%</b>	<b>(2.07)%</b>	<b>(0.90)%</b>
Net investment (loss)/income to average net assets:				
Net investment (loss)/income before performance fee	1.05%	0.02%	(2.58)%	2.24%
Performance fee	–	–	–	–
<b>Total net investment (loss)/income</b>	<b>1.05%</b>	<b>0.00</b>	<b>(2.58)%</b>	<b>2.24%</b>

\* Average net assets held during the financial year were used for this calculation.

Financial Highlights are based on financial statements NAV per share.

The above shares classes represent the overall performance of each Fund. Other share classes may have a different performance depending on the specific characteristics of the share class.

ASC 740-10 'Accounting for Uncertainty in Income Taxes – an interpretation of ASC 740' clarifies the accounting for uncertainty in income taxes recognised in the Fund's financial statements in conformity with ASC 740 'Accounting for Income Taxes'.

ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return.

In conformity with ASC 740-10, the Directors have analysed the Funds' tax positions to be taken for the financial year ended 31 December 2019 and have concluded that no provision for income tax is required in the financial statements.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**16. Reconciliation to US GAAP** continued

For the financial year ended 31 December 2019 and 31 December 2018, the average volume of the Company's derivative activities based on their notional amounts and number of contracts, categorized by primary underlying risk, are as follows:

**Asian Opportunities Fund****Average Balances of Derivative Instruments\***

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	337,911	(337,911)	14,518	(14,518)

**European ex UK Income Fund****Average Balances of Derivative Instruments\***

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions EUR€	Short Positions EUR€	Long Positions EUR€	Short Positions EUR€
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	12,876,065	(12,876,065)	17,674,241	(17,674,241)

**Global Absolute Return Fund****Average Balances of Derivative Instruments\***

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Equity Price Risk</b>				
Contracts for difference	580,759	(598,787)	–	–
Futures contracts	–	(1,340,688)	–	–
Warrants	88,030	–	–	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	2,770,909	(2,770,909)	–	–

\* Amounts represent average notional balances of derivative instruments



## Global Convertible Fund

### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Equity Price Risk</b>				
Contracts for difference	4,239,410	(7,373,729)	1,863,989	(11,973,120)
Futures contracts	44,458,814	(45,200,599)	9,399,101	(17,456,657)
Warrants	2,630,645	–	–	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	1,329,463	(1,329,463)	1,743,281	(1,743,281)

## Global Insurance Fund

### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	926,094	(926,094)	1,407,687	(1,407,687)

## Global Technology Fund

### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Equity Price Risk</b>				
Options	4,045,118	–	3,332,758	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	3,770,299	(3,770,299)	3,247,083	(3,247,083)

\* Amounts represent average notional balances of derivative instruments



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**16. Reconciliation to US GAAP** continued**Healthcare Blue Chip Fund****Average Balances of Derivative Instruments\***

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	64,310	(64,310)	307,336	(307,336)

**16. Reconciliation to US GAAP** continued**Income Opportunities Fund****Average Balances of Derivative Instruments\***

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Equity Price Risk</b>				
Futures contracts	18,050,202	(5,559,281)	9,974,267	(6,355,749)
Options	162,523	(220,445)	124,037	(88,002)
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	3,544,852	(3,544,852)	4,663,771	(4,663,771)

**Japan Fund****Average Balances of Derivative Instruments\***

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions JPY¥	Short Positions JPY¥	Long Positions JPY¥	Short Positions JPY¥
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	648,330,239	(648,330,239)	965,751,984	(965,751,984)

**Japan Value Fund****Average Balances of Derivative Instruments\***

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions JPY¥	Short Positions JPY¥	Long Positions JPY¥	Short Positions JPY¥
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	331,393,134	(331,393,134)	287,087,971	(287,087,971)

\* Amounts represent average notional balances of derivative instruments

## North American Fund

### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions US\$	Short Positions US\$	Long Positions US\$	Short Positions US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	6,571,337	(6,571,337)	3,247,083	(3,247,083)

## UK Absolute Equity Fund

### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Equity Price Risk</b>				
Contracts for difference	19,119,226	(11,430,962)	17,234,969	(11,951,645)
Futures contracts	–	(78,475,383)	–	(87,427,465)
Options	2,617,403	–	1,901,279	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	6,893,700	(6,893,700)	6,791,198	(6,791,198)

## UK Value Opportunities Fund

### Average Balances of Derivative Instruments\*

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Long Positions GBP£	Short Positions GBP£	Long Positions GBP£	Short Positions GBP£
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	31,600	(31,600)	18,732	(18,732)

\* Amounts represent average notional balances of derivative instruments



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

**16. Reconciliation to US GAAP** continued

The following tables identifies the net gain and loss amounts included in the Statement of Comprehensive Income from derivative contracts, categorised by primary underlying risk, for the financial year ended 31 December 2019 and 31 December 2018.

**Asian Opportunities Fund**

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(64,533)	(3,696)	(161,585)	6,718

**European ex UK Income Fund**

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) EUR€	Unrealised appreciation/ (depreciation) EUR€	Realised gain/(loss) EUR€	Unrealised appreciation/ (depreciation) EUR€
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	9,121,633	707,574	(681,563)	438,665

**Healthcare Blue Chip Fund**

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	9,733	(16,790)	(148,605)	(9,564)

## Global Absolute Return Fund

	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	(1,878,556)	–	–	–
Futures contracts	(480,125)	–	–	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(234,781)	519,676	–	–

## Global Convertible Fund

	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	(16,967,452)	(8,311,564)	22,803,687	8,268,472
Futures contracts	(1,997,226)	757,625	394,596	(74,854)
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	5,954,500	1,002,839	(12,033,716)	287,267

## Global Insurance Fund

	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(1,137,127)	(142,438)	(73,395)	27,449


**Notes to the Financial Statements** continued  
 For the financial year ended 31 December 2019
**16. Reconciliation to US GAAP** continued**Global Technology Fund**

Primary Underlying Risk	For the financial year ended 31 December 2018		For the financial year ended 31 December 2018	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Equity Price Risk</b>				
Options	(1,596,417)	1,215,473	31,451,384	(3,276,242)
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(9,212,811)	2,210,301	(22,663,971)	141,334

**Income Opportunities Fund**

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Equity Price Risk</b>				
Futures contracts	(1,186,179)	(331,508)	(1,440,089)	501,134
Options	319,766	–	277,738	–
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(1,108,741)	(174,787)	3,482,515	260,862

**Japan Fund**

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(2,562,660,423)	895,538,083	(3,160,451,640)	(819,216,541)

**Japan Value Fund**

Primary Underlying Risk	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥	Realised gain/(loss) JPY¥	Unrealised appreciation/ (depreciation) JPY¥
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	683,613,608	85,069,191	(220,582,652)	(38,101,925)

**North American Fund**

	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$	Realised gain/(loss) US\$	Unrealised appreciation/ (depreciation) US\$
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(10,386,049)	1,432,392	(35,916,182)	(495,978)

**UK Absolute Equity Fund**

	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Equity Price Risk</b>				
Contracts for difference	(30,427,663)	(2,343,671)	26,138,794	16,565,708
Futures contracts	(40,716,878)	(48,775)	26,732,940	3,912,730
Options	(2,081,535)	1,702,071	1,498,532	(1,688,596)
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(16,396,599)	–	4,818,471	(771,378)

**UK Value Opportunities Fund**

	For the financial year ended 31 December 2019		For the financial year ended 31 December 2018	
	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£	Realised gain/(loss) GBP£	Unrealised appreciation/ (depreciation) GBP£
<b>Primary Underlying Risk</b>				
<b>Foreign Currency Exchange Rates</b>				
Forward foreign currency contracts	(15,871)	744	–	–

For detailed information on the fair value of derivatives by contract type as included in the Statement of Financial Position as of 31 December 2019 please refer to the Portfolio Statements.



## Notes to the Financial Statements continued

For the financial year ended 31 December 2019

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### 17. Significant Events during the Financial year

On 17 January 2019, the European Income Fund terminated.

On 25 March 2019 the Company issued a new Prospectus. The main changes related to the establishment of Class X Shares for Emerging Market Stars Fund and Class Z Shares for each of Income Opportunities Fund, UK Value Opportunities Fund and the Automation & Artificial Intelligence Fund.

On 26 March 2019, the UK Value Opportunities Fund launched the following share classes: Class Z Sterling Accumulation and Class Z Sterling Distribution.

On 26 March 2019, the Income Opportunities Fund launched the following share classes: Class Z Sterling Accumulation and Class Z Sterling Distribution.

On 26 March 2019, the Automation & Artificial Intelligence Fund launched the Class Z Sterling Accumulation share class.

On 26 March 2019, the Emerging Market Stars Fund launched the following share classes: Class X Swedish Krona Accumulation, Class X Euro Accumulation Shares and Class X US Dollar Accumulation.

On 31 May 2019, the European ex UK Income Fund launched the following share classes: Class X Sterling Accumulation and Class X Sterling Distribution.

On 19 September 2019, the Japan Value Fund launched the following share classes: Class I Hedged Swiss Franc Distribution, Class R Swiss Franc Hedged Distribution, Class R Euro Distribution, Class R Sterling Distribution, Class S Hedged Swiss Franc Distribution, Class S Euro Distribution and Class S US Dollar Distribution.

On 18 September 2019, the Company issued a new Prospectus. The main changes related to the Japan Fund merger with Japan Value Fund on 18 October 2019 and the inclusion of provisions to amend the index on the China Stars Fund (effective from 31 October 2019).

On 19 September 2019, the Global Convertible Fund launched the Class S Currency Hedged Sterling Distribution share class.

On 18 October 2019, the Japan Fund merged with the Japan Value Fund.

On 31 December 2019, the Emerging Market Stars Fund launched the Class SX Sterling Accumulation share class.

All share classes launched during the year were subsequently listed on Euronext Dublin Official Listing.



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## 18. Subsequent Events

On 1 January 2020, the Company issued a new Prospectus Supplement for Emerging Markets Income Fund, European ex UK Income Fund and North American Fund. The main changes related to reductions in the Investment Management Fees and Performance Fees for the funds.

On 2 January 2020, Emerging Markets Income Fund, European ex UK Income Fund, Financial Opportunities Fund, Global Convertible Fund, Global Insurance Fund, Healthcare Blue Chip Fund, Income Opportunities Fund and UK Value Opportunities Fund each declared a dividend as disclosed in Note 13.

On 31 January 2020, Healthcare Discovery Fund launched with the following share classes: Class I Sterling Accumulation, Class S Sterling Accumulation, Class I US Dollar Accumulation and Class S US Dollar Accumulation.

Since the start of January 2020, global financial markets have been monitoring and reacting to the novel coronavirus (2019-nCoV) that is believed to have originated in Wuhan, China. As of mid-March 2020, the virus has sickened more than 210,000 people in at least 170 countries, with most confirmed cases concentrated in mainland China. While containment efforts have helped to slow the growth of the virus in mainland China, in late February 2020, global financial markets reacted sharply to the news that the virus continued to spread into South Korea, Italy and Iran, as well as concerns regarding the economic impact this may have on a global scale. Factories around the world are grappling with parts shortages as their Chinese suppliers struggle to resume normal operations. China's leaders postponed the biggest event on their political calendar, the National People's Congress, as the country's battle against the virus, which has hampered the domestic economy. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak. The Investment Management team continues to monitor this situation closely.

There have been no other events subsequent to the financial year end, which, in the opinion of the Directors of the Company, may have had an impact on the Financial Statements for the financial year ended 31 December 2019.

## 19. Approval of the Financial Statements

The Financial Statements were authorised by the Board of Directors on 3 April 2020.



## Statement of Significant Portfolio Movements (unaudited)

For the financial year ended 31 December 2019

## Asian Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Taiwan Semiconductor Manufacturing	539	Yes Bank	912
Alibaba ADR	454	Indiabulls Housing Finance	869
Keppel DC REIT	452	Oversea-Chinese Banking	859
Link REIT	426	Alibaba ADR	833
IHH Healthcare	394	Industrial & Commercial Bank of China	815
Hong Kong Exchanges & Clearing	376	HDFC Bank ADR	767
China Education	375	Standard Chartered	745
Longfor	314	Oberoi Realty	718
Kotak Mahindra Bank	306	IndusInd Bank	678
Ciputra Development	306	Tencent	608
Shriram Transport Finance	273	Samsung Electronics	604
IndusInd Bank	246	Bajaj Finance	597
Tencent	225	AIA	579
Bank of the Philippine Islands	126	China Construction Bank	578
Summarecon Agung	115	Chailease	574
Metropolitan Bank & Trust	111	Manappuram Finance	525
Samsung Electronics	111	Metropolitan Bank & Trust	485
Axis Bank	108	Bank Central Asia	476
Dah Sing Financial	106	Axis Bank	474
CK Asset	102	Siam Commercial Bank Plc	467
Ayala Land	84	Tisco Financial	439
My EG Services	83	Shinhan Financial	434
Naver	82	Samsung Fire & Marine Insurance	422
Bangkok Dusit Medical Services	78	Public Bank	416
BOC Hong Kong	77	CK Asset	415
DBS	67	DBS	412
		Summarecon Agung	400
		Bank Rakyat Indonesia Persero	397
		Bangkok Dusit Medical Services	391
		E.Sun Financial	379
		Housing Development Finance	377
		Ayala Land	370
		Taiwan Semiconductor Manufacturing	363

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
		Apollo Hospitals Enterprise	332
		Ping An Insurance Group of China Class H	315
		Astra International	312
		Shriram Transport Finance	302
		Commercial Bank of Ceylon	253
		BOC Hong Kong	251
		Sinopharm	230
		Dah Sing Financial	227
		Bank of the Philippine Islands	221

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Asian Stars Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Tencent	800	Tencent	438
Samsung Electronics	794	Samsung Electronics	437
Alibaba ADR	747	Alibaba ADR	378
Taiwan Semiconductor Manufacturing	694	Taiwan Semiconductor Manufacturing	339
Ping An Insurance Group of China Class H	491	Ping An Insurance Group of China Class H	284
AIA	470	Reliance Industries	279
Samsung SDI	443	AIA	266
Reliance Industries	387	China Resources Sanjiu Medical & Pharmaceutical	233
Housing Development Finance	358	Bank Mandiri Persero	213
ICICI Bank	334	SK Hynix	213
SK Hynix	304	Samsung SDI	211
Phoenix Mills	261	Housing Development Finance	198
21Vianet ADR	236	ICICI Bank	194
Bank Mandiri Persero	232	Sea ADR Limited	181
DBS	230	Oil Search	176
Vincom Retail	220	Phoenix New Media ADR	169
SM Investments	211	SM Investments	162
LandMark Optoelectronics	210	DBS	158
Apollo Hospitals Enterprise	208	21Vianet ADR	155
China Resources Sanjiu Medical & Pharmaceutical	206	CSL Ltd	145
CSL Ltd	195	Apollo Hospitals Enterprise	145
NetEase ADR	189	Zee Entertainment Enterprise	139
Microport Scientific	184	Silergy	133
Sea ADR Limited	182	Vincom Retail	130
Oil Search	173	Kingpak Technology	129
Chroma ATE	172	JNBY Design	128
Oberoi Realty	162	Parag Milk Foods	127
Advanced Ceramic X	160	BYD	120
Larsen & Toubro	156	iQIYI ADR	119
Larsen & Toubro Infotech	152	NetEase ADR	118
Parag Milk Foods	150	Future Lifestyle Fashions	116
Silergy	147	City Developments	112
BYD	143	LandMark Optoelectronics	111
Phoenix New Media ADR	142	ASPEED Technology	109
Prestige Estates Projects	132	Microport Scientific	107
		Yunnan Energy New Material	101

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
		Chroma ATE	99
		Oberoi Realty	97
		John Keells Holdings	97
		Shenzhen Inovance Technology	94
		Phoenix Mills	94
		Wonik Ips	92
		Dixon Technologies (India)	90
		eMemory Technology	86

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Automation &amp; Artificial Intelligence Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Qualcomm	7,652	Advantest	6,653
Alphabet	7,336	PTC	6,220
Analog Devices	7,235	Corning	6,138
Applied Materials	7,176	Advanced Micro Devices	5,434
Microsoft	6,534	Honeywell International	5,285
S&P Global	6,240	Medidata Solutions	4,695
Samsung Electro-Mechanics	5,866	Ansys	4,430
Facebook	5,519	GMO Payment Gateway	4,306
Advanced Micro Devices	4,964	Komatsu	4,129
Shin-Etsu Chemical	4,603	Synopsys	4,116
Hirose Electric	4,521	Alphabet	4,037
Alibaba ADR	4,220	Aspen Technology	3,984
Uber Technologies	4,188	Align Technology	3,835
Intuitive Surgical	3,933	Dassault Systemes	3,732
Atlas Copco	3,642	Infineon Technologies	3,701
DocuSign	3,356	Hamamatsu Photonics	3,626
STMicroelectronics	3,269	CKD	3,582
eMemory Technology	3,213	Yahoo Japan	3,577
Aspen Technology	2,943	Roper Technologies	3,165
Tong Hsing Electronic Industries	2,857	Autodesk	3,098
Tokyo Electron	2,795	Cree	3,075
Taiyo Yuden	2,784	iRhythm Technologies	2,953
NGK Insulators	2,766	Intuitive Surgical	2,871
PayPal	2,589	Universal Display	2,870
Meituan Dianping	2,582	Cognex	2,828
Daifuku	2,570	DocuSign	2,827
Nel	2,505	RELX	2,720
Universal Display	2,436	Caterpillar	2,704
Corning	2,434	GrubHub	2,638
Cognex	2,403	Alibaba ADR	2,599
Nitto Boseki	2,259	Horiba	2,593
Xilinx	2,244	Thermo Fisher Scientific	2,576
CKD	2,242	PayPal	2,446
Dassault Systemes	2,240	Aptiv	2,376
Horiba	2,168	Globalwafers	2,336

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
TDK	2,065	Assa Abloy	2,280
Coherent	2,020	Amazon.com	2,183
MediaTek	1,994	Pure Storage	2,145
Spotify Technology	1,958	ASM International	2,117
VARTA	1,907	Shima Seiki Manufacturing	2,046
Taiwan Semiconductor Manufacturing	1,903	Jungheinrich	1,889
AirTAC International	1,830	Amphenol	1,814
		E Ink	1,806
		Xilinx	1,746

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**Statement of Significant Portfolio Movements (unaudited) continued**  
 For the financial year ended 31 December 2019

## Biotechnology Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Amgen	29,394	Gilead Sciences	37,254
Seattle Genetics	24,784	Incyte	28,555
Gilead Sciences	23,326	Celgene	25,413
MyoKardia	20,457	Biogen	23,732
Novo Nordisk	19,638	BeiGene ADR	22,214
Stemline Therapeutics	15,819	Sage Therapeutics	19,908
Amarin	15,449	ArQule	19,692
Sage Therapeutics	14,938	Evotec	17,550
Mirati Therapeutics	12,737	Regeneron Pharmaceuticals	17,444
Biogen	12,007	Vertex Pharmaceuticals	15,861
ACADIA Pharmaceuticals	11,669	MorphoSys	14,321
Deciphera Pharmaceuticals	11,597	MyoKardia	14,019
Dermira	11,589	Madrigal Pharmaceuticals	13,793
Vertex Pharmaceuticals	11,043	Takeda Pharmaceutical ADR	13,284
Regeneron Pharmaceuticals	10,390	Amgen	12,630
ArQule	8,906	Alnylam Pharmaceuticals	10,947
Ionis Pharmaceuticals	8,149	ArGEN-X	10,513
ArGEN-X ADR	7,841	Agios Pharmaceuticals	9,811
BioMarin Pharmaceutical	7,818	GW Pharmaceuticals ADR	8,360
Alexion Pharmaceuticals	7,579	Alexion Pharmaceuticals	7,623
Neurocrine Biosciences	7,319	Ionis Pharmaceuticals	7,548
Y-mAbs Therapeutics	7,182	Amarin	7,196
Global Blood Therapeutics	7,165	Array BioPharma	7,100
Madrigal Pharmaceuticals	7,131	Genmab	6,799
NanoString Technologies	6,954	Seattle Genetics	6,319
Turning Point Therapeutics	6,734	Sarepta Therapeutics	5,943
Genmab	6,483	BioMarin Pharmaceutical	5,923
uniQure	6,418	ArGEN-X ADR	5,907
Exelixis	6,307	Loxo Oncology	5,800
Evotec	5,621	Allakos	5,582
Ascendis Pharma	5,534	Novo Nordisk	5,460
Orchard Therapeutics	5,513	Zai Lab ADR	5,441
Allakos	5,481		
KalVista Pharmaceuticals	5,409		
BELLUS Health	5,245		
Insmed	5,234		
Renalytix AI	5,123		
Takeda Pharmaceutical ADR	5,050		
Sarepta Therapeutics	5,032		

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## China Stars Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
CITIC Securities	392	Phoenix New Media ADR	475
Ping An Insurance Group of China Class A	249	Tencent	460
China Foods	194	Alibaba ADR	457
Alibaba ADR	191	51job ADR	359
NetEase ADR	178	Ping An Insurance Group of China Class A	320
Phoenix New Media ADR	172	Ping An Insurance Group of China Class H	319
China Construction Bank	162	China Merchants Bank	301
China Resources Pharmaceutical	161	China Construction Bank	287
Hong Kong Exchanges & Clearing	154	CITIC Securities	282
Tencent	152	Dadi Early-Childhood Education	275
51job ADR	146	West China Cement	273
iQIYI ADR	135	China Resources Beer	254
China Meidong Auto	135	Hui Xian Real Estate Investment Trust Reits	236
China Merchants Bank	121	China Resources Sanjiu Medical & Pharmaceutical	221
JNBY Design	119	Midea	213
China Vanke	114	NetEase ADR	169
Suofeiya Home Collection	109	Hangzhou Hikvision Digital Technology	161
Yunnan Energy New Material	106	China Meidong Auto	155
21Vianet ADR	102	Silergy	153
Longfor	96	Fuyao Glass Industry	143
China Resources Beer	94	Suofeiya Home Collection	139
China Building Material Test & Certification	93	China Foods	128
Geely Automobile	92	Tong Ren Tang Technologies	127
Glodon	86	China Yuhua Education	121
Shenzhen Inovance Technology	81	New Oriental Education & Technology ADR	119
ManpowerGreater China	79	Longfor	108
Prosus	70	Geely Automobile	107
Yunnan Baiyao	69	Gree Electric Appliancesof Zhuhai	107
Meituan Dianping	68	Inner Mongolia Yili Industrial	106
BYD	66	Yunnan Energy New Material	104
Micron Technology	66	eMemory Technology	103
Chongqing Fuling Zhacai Group	64	Addcn Technology	98
Sporton International	63	Jiangsu Hengrui Medicine	96
Microport Scientific	61	Samsonite International	94
Bilibili ADR	56	JNBY Design	85
		21Vianet ADR	84

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Emerging Markets Income Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
LOTTE Reit	4,178	Shanghai Industrial	3,214
Emirates NBD Bank	2,444	ICICI Bank	2,707
Minth	2,217	CTCI	2,619
Light	1,905	Merrill Lynch International	2,085
Fondul Proprietatea	1,843	AVI	2,070
NAC Kazatomprom	1,701	OMV Petrom	2,002
Merrill Lynch International	1636	Ambev	1,949
Topsports International	1478	Industrial & Commercial Bank of China	1,914
Inter RAO UES	1428	Digital Telecommunications Infrastructure	1,806
NTPC	1146	Taiwan Semiconductor Manufacturing	1,651
KAP Industrial	1128	China BlueChemical	1,588
Banco do Brasil	1066	Gazprom Neft ADR	1,575
Foschini Group	555	Redefine Properties REIT	1,569
Halyk Savings Bank Of Kazakhstan	470	Delta Electronics	1,433
CPFL Energia	358	Bolsa Mexicana de Valores	1,104
Human Soft	324	LOTTE Reit	1,084
Moneta Money Bank	307	Moneta Money Bank	1,037
Nova Ljubljanska Banka	243	Samsung Electronics	1,026
Neoenergia	20	Semen Indonesia Persero	1,010
		China Tower	979
		KAP Industrial	973
		Rural Electrification	972
		Jiangsu Expressway	861
		Malayan Banking	844
		Macquarie Mexico Real Estate Management	826
		Malaysia Airports	798
		Telefonica Brasil	772
		Powszechny Zaklad Ubezpieczen	722
		Chicony Electronics	715
		China Construction Bank	676
		Haier Electronics	647
		Guangdong Investment	570
		Bharat Petroleum	543
		Halyk Savings Bank Of Kazakhstan	541
		Foschini Group	537

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## Emerging Market Stars Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Alibaba ADR	2,112	Naspers	921
Samsung Electronics	1,530	Bank Mandiri Persero	544
Tencent	1,418	NMC Health	542
Taiwan Semiconductor Manufacturing	1,414	Prosus	514
Ping An Insurance Group of China Class H	1,177	China Resources Sanjiu Medical & Pharmaceutical	484
Samsung SDI	937	Notre Dame Intermedica Participacoes	467
ICICI Bank	913	Antofagasta	449
Phoenix Mills	905	Yunnan Energy New Material	426
Naspers	855	Kingpak Technology	411
Housing Development Finance	846	SM Investments	399
Mail.Ru GDR	710	Reliance Industries	354
MediaTek	687	Grupo Financiero Banorte	341
LandMark Optoelectronics	684	Oil Search	339
MercadoLibre	658	SK Hynix	326
Reliance Industries	636	Zee Entertainment Enterprise	310
SK Hynix	635	ICICI Bank	293
Vincom Retail	625	21Vianet ADR	288
Meituan Dianping	625	Yandex	276
Itau Unibanco	620	JNBY Design	271
21Vianet ADR	603	BB Seguridade Participacoes	270
China Resources Pharmaceutical	602	FirstRand	261
Bank Mandiri Persero	570	BYD	245
Linx	569	John Keells Holdings	226
Chroma ATE	565	Shenzhen Inovance Technology	222
Arco Platform	553	Apollo Hospitals Enterprise	214
Yandex	533	China Medical System	202
Ping An Healthcare and Technology	506	Silergy	192
Larsen & Toubro Infotech	485	Info Edge	192
Info Edge	485	Housing Development Finance	185
China Foods	484	Chroma ATE	183
Avast	482	AIA	180
Bilibili ADR	466	PSG	180
Ivanhoe Mines	450	Samsung SDI	177
Koh Young Technology	439	Taiwan Semiconductor Manufacturing	167
Vinhomes	437	Parag Milk Foods	164
Kinh Bac City Development	423	ASPEED Technology	151
AIA	420	China Resources Pharmaceutical	149
BR Malls Participacoes	409	China Foods	147
KMW	408	Ping An Insurance Group of China Class H	137
Yunnan Energy New Material	377	Samsung Electronics	137
Yoma Strategic	365		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## European ex UK Income Fund

Purchases	Cost EUR€'000	Sales	Proceeds EUR€'000
Zurich Insurance	8,831	Muenchener Rueckversicherungs	9,283
UPM-Kymmene	8,802	Enel	8,551
Industria de Diseno Textil	8,249	Novartis	7,797
Swiss Re	7,544	Kone	7,070
Galp Energia	7,285	Euskaltel	6,934
Danone	6,917	Gjensidige Forsikring	6,849
AXA	6,822	Ferrovial	6,257
Siemens	6,579	Hannover Rueck	5,658
Cie Financiere Richemont	6,397	Deutsche Post	5,065
Roche	5,291	Roche	4,729
Deutsche Post	5,261	Siemens	3,555
BASF	5,037	PostNL	3,150
TOTAL	4,602	Sanofi	2,928
Brenntag	3,985	UPM-Kymmene	2,520
Societe BIC	3,801	UBS	2,080
Sanofi	3,736	Cie Financiere Richemont	1792
Sampo	2,939	Getlink	1495
Orange	2,850	Brenntag	1317
Telenet	2,670	Bayer	1315
Aena SME	2,529	Industria de Diseno Textil	1226
Bayer	2,399	Telenet	1178
Deutsche Telekom	2,334	Zurich Insurance	1067
Koninklijke	1,809	TOTAL	1045
NOS	1,768	Aena SME	1044
ING Groep	1,768		
Svenska Handelsbanken Class A	1,738		
Red Electrica	1,712		

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## European Income Fund

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European Income Fund terminated on 17 January 2019. There were no purchases or sales during the year.



## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Financial Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
ING Groep	717	JPMorgan Chase	1,235
Grupo Financiero Banorte	599	Arch Capital	1,145
Intact Financial	451	Citigroup	1,117
Ping An Insurance Group of China Class H	432	Sumitomo Mitsui Financial	965
Sampo	428	Mastercard	815
Texas Capital Bancshares	381	Bank of America	759
Adyen	356	PNC Financial Services Group	676
Bank of the Philippine Islands	335	Banco Santander	631
Enterprise Financial Services	298	Chubb	629
KBC Bank	266	Oversea-Chinese Banking	619
Itau Unibanco	262	PayPal	602
BNP Paribas	250	Pacific Premier Bancorp	584
Visa	244	Citizens Financial	569
Chubb	237	Visa	555
Manappuram Finance	212	Swedbank Class A	537
Berkshire Hathaway	206	Texas Capital Bancshares	528
Lloyds Banking	203	Esquire Financial	481
SVB Financial	194	Indiabulls Housing Finance	477
OneSavings Bank	192	Charter Court Financial Services	465
IndusInd Bank	188	Public Bank	448
East West Bancorp	181	AIA	412
Augmentum Fintech	164	BOC Hong Kong	397
HDFC Bank ADR	162	CaixaBank	392
Hellenic Exchanges	156	Lloyds Banking	382
Prudential	154	Goldman Sachs Group	381
Turkiye Sinai Kalkinma Bankasi	136	Sampo	380
Wells Fargo Class A	134	HDFC Bank ADR	375
Bank of NT Butterfield & Son	131	Bank of NT Butterfield & Son	360
DNB	129	Yes Bank	342
Bank Rakyat Indonesia Persero	126	SVB Financial	341
Toronto-Dominion Bank	106	UBS	340
Sanne	104	Banca Generali	340
Citigroup	100	OneSavings Bank	336
First Republic Bank	98	ING Groep	334
PNC Financial Services Group	96	Intesa Sanpaolo	327

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
		Sanne	323
		East West Bancorp	322
		Metropolitan Bank & Trust	321
		Intact Financial	320
		Grupo Financiero Banorte	316
		Wells Fargo	315
		TBC Bank	310
		IndusInd Bank	294
		BNP Paribas	290
		Standard Chartered	289
		Komplett Bank	287
		First Republic Bank	284
		AJ Bell	283
		DNB	274
		Chailease	272
		Tisco Financial	264

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**Statement of Significant Portfolio Movements (unaudited) continued**  
 For the financial year ended 31 December 2019

## Global Absolute Return Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Change Healthcare	9,930	Yamada Denki 0.000% 28/06/2019	4,127
J Sainsbury FRN 31/12/2049	6,704	J Sainsbury FRN 31/12/2049	4,053
Northern Trust Global Funds – USD Fund	6,701	Dominion Virginia Power	3,795
BP Capital Markets 1.000% 28/04/2023	4,727	Change Healthcare	3,403
Yamada Denki 0.000% 28/06/2019	4,266	DTE Energy Company	3,046
Dominion Virginia Power	3,759	Broadcom	3,043
Elm B.V. 3.250% 13/06/2024	3,379	Southern Company	3,018
QIAGEN 0.875% 19/03/2021	3,321	Ocado Group 0.875% 09/12/2025	2,997
Fuji Corp 0.000% 25/03/2021	3,239	Sirius Minerals Finance 5.000% 23/05/2027	2,944
Sirius Minerals Finance 5.000% 23/05/2027	3,045	Biocartis 4.000% 09/05/2024	2,869
Chugoku Electric Power 0.000% 25/01/2022	3,016	Sacyr Sa Corpconv 3.750% 25/04/2024	2,819
DTE Energy Company	3,000	Orpea 0.375% 17/05/2027	2,808
Broadcom	3,000	Northern Trust Global Funds – USD Fund	2,801
Southern Company	3,000	Ubisoft Entertainment 0.000% 27/09/2021	2,756
Ocado Group 0.875% 09/12/2025	2,989	NextEra Energy	2,356
Daio Paper 0.000% 17/09/2020	2,877	TOA 0.000% 13/12/2024	2,355
Sacyr Sa Corpconv 3.750% 25/04/2024	2,813	Shop Apotheke Europe 4.500% 19/04/2023	2,273
Biocartis 4.000% 09/05/2024	2,796	Ubisoft Entertainment 0.000% 24/09/2024	2,235
Orpea 0.375% 17/05/2027	2,792	Nagoya Railroad 0.000% 11/12/2024	2,220
Cellnex Telecom 1.500% 16/01/2026	2,780	Tullow Oil Jersey 6.625% 12/07/2021	2,160
Ubisoft Entertainment 0.000% 27/09/2021	2,678	Repligen 0.375% 15/07/2024	2,155
AXA 7.250% 15/05/2021	2,586	Zenrin 0.000% 31/03/2023	2,050
STMmicroelectronics 0.000% 03/07/2022	2,384	Poseidon Finance 1 0.000% 01/02/2025	2,042
NextEra Energy	2,374	LG Display 1.500% 22/08/2024	2,015
TOA 0.000% 13/12/2024	2,343	Rohm 0.000% 05/12/24	1,971
JPMorgan Chase Bank 0.000% 24/05/2022	2,335	CyberAgent 0.000% 02/19/2025	1,944
Tullow Oil Jersey 6.625% 12/07/2021	2,318	Kyoritsu Maintenance 0.000% 31/03/2021	1,883
Genfit 3.500% 16/10/2022	2,274	Toppan Printing 0.000% 19/12/2019	1,875
Shop Apotheke Europe 4.500% 19/04/2023	2,238	H.I.S. 0.000% 15/11/2024	1,841
Nagoya Railroad 0.000% 11/12/2024	2,216	Iida Group 0.000% 18/06/2020	1,830
Ubisoft Entertainment 0.000% 24/09/2024	2,202	DCM 0.000% 21/12/2020	1,758
Zenrin 0.000% 31/03/2023	2,079	Deutsche Wohnen 0.600% 05/01/2026	1,749
Repligen 0.375% 15/07/2024	2,040	QIAGEN 0.875% 19/03/2021	1,723
Hurricane Energy 7.500% 24/07/2022	2,029	Air France-KLM 0.125% 25/03/2026	1,694
Poseidon Finance 1 0.000% 01/02/2025	2,004	Airbus 0.000% 01/07/2022	1,556
LG Display 1.500% 22/08/2024	2,000	Sirius Minerals	1,529
Kyoritsu Maintenance 0.000% 31/03/2021	1,938	BASF 0.925% 03/09/2023	1,433
Rohm 0.000% 05/12/24	1,936	Argentum Netherlands B.V. 0.500% 02/10/2024	1,397
Volcan 4.125% 11/04/2020	1,929	Archer Obligations 0.000% 31/03/2023	1,394



Purchases	Cost US\$'000	Sales	Proceeds US\$'000
		STMicroelectronics 0.000% 03/07/2022	1,350
		Cellnex Telecom 1.500% 16/01/2026	1,339
		Unicharm 0.000% 25/09/2020	1,302

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Global Convertible Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Microchip Technology 1.625% 15/02/2027	51,592	Anglo American	57,862
AXA 7.250% 15/05/2021	44,194	Splunk 1.125% 15/09/2025	34,257
BioMarin Pharmaceutical 1.500% 15/10/2020	38,841	Microchip Technology 1.625% 15/02/2027	33,136
Snap 0.750% 01/08/2026	37,085	Exact Sciences 0.375% 03/15/2027	31,696
iQIYI 3.750% 12/01/2023	36,692	BioMarin Pharmaceutical 0.599% 01/08/2024	29,750
J Sainsbury FRN 31/12/2049	32,908	iQIYI 2.000% 04/01/2025	29,419
Exact Sciences 0.375% 03/15/2027	30,620	America Movil 0.000% 28/05/2020	28,240
iQIYI 2.000% 04/01/2025	30,387	NXP Semiconductors 1.000% 01/12/2019	27,944
Palo Alto Networks 0.750% 01/07/2023	28,699	Sirius Minerals Finance 5.000% 23/05/2027	27,254
NXP Semiconductors 1.000% 01/12/2019	28,354	Palo Alto Networks 0.750% 01/07/2023	27,210
Chegg 0.125% 15/03/2025	28,218	Cellnex Telecom 1.500% 16/01/2026	25,897
Sirius Minerals Finance 5.000% 23/05/2027	28,052	iQIYI 3.750% 12/01/2023	25,601
Change Healthcare	26,749	Proofpoint 0.25% 15/08/2024	25,173
Cellnex Telecom 0.500% 06/07/2028	26,668	Snap 0.750% 01/08/2026	24,665
Splunk 1.125% 15/09/2025	26,003	BASF 0.925% 03/09/2023	23,900
Ligand Pharmaceuticals 0.750% 15/05/2023	25,910	Fortive 0.875% 15/02/2022	22,548
Proofpoint 0.25% 15/08/2024	25,349	Palo Alto Networks 0.750% 01/07/2023	21,244
Cellnex Telecom 1.500% 16/01/2026	23,650	ON Semiconductor 1.625% 10/15/2023	20,332
BASF 0.925% 03/09/2023	23,512	Liberty Media 1.375% 15/10/2023	20,146
Liberty Media 2.250% 30/09/2046	23,404	Elm B.V. 3.250% 13/06/2024	19,861
Alteryx 1.000% 01/08/2026	23,053		
Liberty Media 1.375% 15/10/2023	22,839		
STMicroelectronics 0.000% 03/07/2022	22,013		

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## Global Insurance Fund

Purchases	Cost GBP £'000	Sales	Proceeds GBP £'000
Hiscox	45,075	Muenchener Rueckversicherungs	17,849
Markel	20,236	Admiral	14,841
Fairfax Financial	18,961	WR Berkley	13,197
Everest Re	18,947	Arch Capital	12,764
AIA	18,679	Marsh & McLennan	11,970
Direct Line Insurance	17,524	Chubb	8,656
James River	13,851	Progressive Corp	7,048
Berkshire Hathaway	13,671	Essent	6,980
AlphaCat Opportunities T-2019	9,817	Alleghany	6,721
Chubb	9,519	RenaissanceRe	6,442
Lancashire	9,012	Berkshire Hathaway	6,005
Kinesis 2019 NPV	7,602	Intact Financial	5,294
Progressive Corp	7,116	Heritage Insurance	4,576
Intact Financial	6,496	Aon	4,350
First American Financial	5,725	Markel	4,050
Travelers Cos	4,226	Ping An Insurance Group of China Class H	3,577
Kinesis	4,026	Catco Reinsurance Opportunities Fund Class C	3,538
ProAssurance	3,846	Reinsurance of America	3,400
Essent	2,536	Fairfax Financial	2,701
Sampo	1,853	Aflac	2,517
		Travelers Cos	2,292
		Direct Line Insurance	2,119
		Brown & Brown	1,763

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Global Technology Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Facebook	105,614	Advanced Micro Devices	99,343
Qualcomm	95,024	Arista Networks	97,220
Apple	82,585	ServiceNow	86,707
Pinterest	69,777	Alteryx	52,898
Zendesk	62,259	Universal Display	52,595
Advanced Micro Devices	61,977	Amazon.com	50,476
Alteryx	60,124	Zendesk	49,532
Samsung Electronics	59,573	Advantest	48,260
Uber Technologies	59,469	Microsoft	46,472
Synopsys	51,527	RingCentral	43,922
Marvell Technology	48,311	Synopsys	40,697
STMicroelectronics	44,402	Medidata Solutions	40,487
Alibaba ADR	43,917	Xilinx	40,176
Arista Networks	43,448	PayPal	38,403
Spotify Technology	43,415	salesforce.com	37,165
salesforce.com	41,621	Proofpoint	36,792
ServiceNow	41,500	Autodesk	36,413
Workday	41,305	Adobe Systems	36,338
Microsoft	40,927	iRhythm Technologies	35,663
Coupa	38,549	Lam Research	34,861
Analog Devices	38,507	Pinterest	33,713
LivePerson	37,885	Tableau Software	33,634
Amazon.com	37,092	Alibaba ADR	33,341
Activision Blizzard	32,005	Pure Storage	33,255
IAC Interactive	31,694	ANSYS	32,491
Cadence Design Systems	31,291	Dropbox	29,603
Keysight Technologies	30,636	Facebook	28,717
Medallia	29,917	Zynga	28,367
Zynga	29,850	Apple	28,187
Splunk	29,288	Monolithic Power Systems	27,988
Lam Research	29,127	Tencent	27,452
Akamai Technologies	28,798	Dolby Laboratories	27,185
Taiwan Semiconductor Manufacturing	28,755	Infineon Technologies	26,949
SolarEdge	28,529	Intel	26,906
Square	28,506	Smartsheet	26,570
Applied Materials	27,670	Uber Technologies	26,263
PROS	27,403	New Relic	25,963
Electronic Arts	25,349	Nutanix	25,936

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
		Ubisoft Entertainment	25,846
		Twilio	25,773
		Splunk	25,467
		GMO Payment Gateway	25,204
		Cognex	24,944
		ASML	24,707
		Qualcomm	24,354
		Everbridge	24,304
		GrubHub	24,067

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Healthcare Blue Chip Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Anthem	11,538	Novartis	11,599
Smith & Nephew	8,960	Novo Nordisk	11,098
Humana	7,895	Anthem	9,254
Novartis	7,547	Humana	8,255
Novo Nordisk	6,914	Medtronic	7,343
Eli Lilly	6,769	Eli Lilly	7,265
Alexion Pharmaceuticals	6,541	Johnson & Johnson	6,874
GlaxoSmithKline	6,222	Smith & Nephew	6,367
Regeneron Pharmaceuticals	6,171	Alexion Pharmaceuticals	6,065
Philips	5,658	Philips	5,833
Pfizer	5,460	Abbott Laboratories	5,571
Sanofi	5,284	Pfizer	5,367
Intuitive Surgical	5,222	Dexcom	5,277
Roche	4,899	Roche	5,041
Agilent Technologies	4,889	Danaher	4,896
Becton Dickinson	4,830	PRA Health Sciences	4,639
PRA Health Sciences	4,755	Otsuka	4,500
Baxter International	4,715	HCA Healthcare	4,143
AbbVie	4,681	AstraZeneca	4,077
Cigna	4,593	Becton Dickinson	3,946
Danaher	4,567	UnitedHealth	3,932
Dexcom	4,319	Regeneron Pharmaceuticals	3,875
Boston Scientific	4,208	Merck	3,789
Otsuka	4,158	Laboratory of America	3,507
HCA Healthcare	4,106	Amgen	3,439
IQVIA	3,913	Takeda Pharmaceutical	3,334
Merck	3,492	Agilent Technologies	3,327
Laboratory of America	3,463	CVS Health	3,259
Hill-Rom	3,084	GlaxoSmithKline	2,907
Teleflex	3,036	Incyte	2,692
Varian Medical Systems	2,962	Avantor	2,665
Catalent	2,872	Cigna	2,513
PerkinElmer	2,784	Varian Medical Systems	2,493
UCB	2,761	Edwards Lifesciences	2,487
Genmab	2,755	Baxter International	2,426
Stryker	2,627	Quest Diagnostics	2,365

<b>Purchases</b>	<b>Cost US\$'000</b>	<b>Sales</b>	<b>Proceeds US\$'000</b>
Zimmer Biomet	2,615	Jazz Pharmaceuticals	2,278
Fresenius Medical Care	2,480	Siemens	2,167
Avantor	2,380	Sanofi	2,107
Edwards Lifesciences	2,168		
Medtronic	2,134		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Healthcare Opportunities Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Novartis	220,636	Northern Trust Global Funds – USD Fund	255,569
Roche	176,988	Novartis	204,860
Danaher	163,111	Novo Nordisk	203,686
AstraZeneca	147,631	Roche	162,840
Merck	144,108	Medtronic	160,470
Novo Nordisk	131,607	Johnson & Johnson	155,291
Northern Trust Global Funds – USD Fund	115,569	Danaher	153,086
Intuitive Surgical	112,077	AstraZeneca	152,893
Eli Lilly	105,174	Intuitive Surgical	152,507
Edwards Lifesciences	88,628	Abbott Laboratories	116,419
IQVIA	84,547	Eli Lilly	105,627
GlaxoSmithKline	84,300	UnitedHealth	98,153
HCA Healthcare	83,532	Edwards Lifesciences	96,663
Medtronic	82,307	IQVIA	95,064
Boston Scientific	80,683	Merck	95,019
Koninklijke Philips	79,268	Boston Scientific	84,145
Dexcom	77,529	Koninklijke Philips	83,717
Baxter International	76,231	Humana	81,857
Fresenius Medical Care	72,046	Dexcom	78,680
Regeneron Pharmaceuticals	71,792	Loxo Oncology	74,754
Bristol-Myers Squibb	70,808	Thermo Fisher Scientific	74,018
AbbVie	70,799	Regeneron Pharmaceuticals	72,206
Zimmer Biomet	69,315	HCA Healthcare	58,885
Takeda Pharmaceutical	59,663	Laboratory of America	52,865
Sanofi	56,920	Varian Medical Systems	49,072
Varian Medical Systems	55,212	Takeda Pharmaceutical	48,118
Laboratory of America	52,214	Agilent Technologies	44,909
Grifols	49,372		
Penumbra	48,622		
UCB	48,523		
Horizon Pharma	47,622		
Teleflex	47,567		
Stryker	47,562		
Humana	46,398		
Agilent Technologies	44,153		
Tandem Diabetes Care	43,293		

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## Income Opportunities Fund

Purchases	Cost GBP £'000	Sales	Proceeds GBP £'000
United Kingdom (Government of) 4.750% 07/03/2020	4,138	JPMorgan Chase	5,125
Pension Insurance FRN 31/12/2049	3,011	United Kingdom (Government of) 4.750% 07/03/2020	4,118
Allianz	2,925	PennantPark Floating Rate Capital Class C	3,705
Riverstone Credit Opportunities Income Fund	2,921	VPC Specialty Lending Investments	3,668
Goldman Sachs Group 5.375% 15/03/2020	2,769	Nationwide Building Society FRN 31/12/2049	3,609
UBS AG Stamford 2.375% 14/08/2019	2,706	International Personal Finance 5.750% 07/04/2021	3,489
Dresdner Funding Trust I 8.151% 30/06/2031	2,030	Civitas Social Housing Reits	3,431
TwentyFour Income Fund	2,003	Pershing Square 5.500% 15/07/2022	3,149
ING Groep FRN 30/06/2049	1,956	Chubb	3,140
DP Aircraft I	1,776	Swedbank Class A	3,015
UK Mortgages	1,753	Greencoat Renewables	2,979
East West Bancorp	1,734	Green REIT	2,907
International Personal Finance FRN 15/06/2022	1,667	UBS AG Stamford 2.375% 14/08/2019	2,900
Bayport Management 11.500% 14/06/2022	1,583	Banco Santander	2,889
Citigroup FRN 18/06/2034	1,575	P2P Global Investments	2,884
Metro Bank FRN 08/10/2025	1,517	Sampo	2,865
Bank of Georgia	1,444	Citigroup	2,692
National Westminster Bank FRN 29/07/2049	1,160	PNC Financial Services Group	2,586
International Personal Finance 7.750% 14/12/2023	990	XL Group	2,559
PNC Financial Services Group	978	Real Estate Credit Investments	2,557
International Personal Finance	937	Aegon FRN 31/12/2049	2,467
Rothsay Life FRN 31/12/2049	937	Lloyds Banking	2,453
Bank of America	898	Ares Capital	2,445
VPC Specialty Lending Investments	787	HSBC	2,434
Civitas Social Housing Reits	777	Mapletree Commercial Trust REIT	2,350
Citigroup	742	CYBG FRN 31/12/2049	2,339
Mercia Asset Management	727	Sumitomo Mitsui Financial	2,312
JPMorgan Chase	714	New Mountain Finance	2,275
Doric Nimrod Air Two Pref	693	Pension Insurance 6.500% 03/07/2024	2,271
Arch Capital	691	Phoenix Group Holdings FRN 31/12/2049	2,225
Personal	621	KBC Bank	2,165
Lloyds Bank FRN 27/11/2033	598	ING Groep	2,034
		Intesa Sanpaolo	2,028
		Morgan Stanley FRN 23/07/2019	2,010
		Commonwealth Bank of Australia	1,988
		QBE Insurance 6.750% 02/12/2044	1,940

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## Japan Fund

Purchases	Cost JPY¥'000	Sales	Proceeds JPY¥'000
Idemitsu Kosan	2,512,928	Takeda Pharmaceutical	3,512,945
Denso	1,954,361	Mitsubishi UFJ Financial	3,092,975
Open House	1,733,140	Sumitomo Mitsui Financial	3,024,712
Japan Airlines	1,310,790	Arata	2,357,566
Aruhi	1,298,573	Open House	2,145,727
Fuji Media	1,282,937	T Hasegawa	2,074,755
Daiwa Industries	1,232,230	Sekisui Chemical	2,073,605
Sumitomo Electric Industries	1,184,294	TDK	2,045,151
Kyudenko	1,137,587	Idemitsu Kosan	2,023,517
Nippon Telegraph & Telephone	1,129,300	SBS	1,820,838
United Arrows	1,119,417	CKD	1,812,271
Macromill Group	1,045,045	Sanken Electric	1,785,266
T&D Holdings	1,014,331	Subaru	1,682,631
Toyo Tire	868,920	Kawasaki Heavy Industries	1,678,042
TS Tech	864,971	Denso	1,672,371
Mirait	861,564	Yamaha Motor	1,612,933
TV Asahi	849,769	Hitachi Chemical	1,611,012
Okumura	837,046	Mitsui-Soko	1,606,443
Stanley Electric	826,422	Mimasu Semiconductor Industry	1,596,626
Yamaha Motor	797,096	Nippon Suisan Kaisha	1,512,024
Mitsubishi Electric	787,183	Alps Alpine	1,483,302
Takeda Pharmaceutical	742,081	Nippon Chemi-Con	1,471,942
Maeda	735,625	Maxell	1,456,372
Showa Aircraft Industry	677,187	Aruhi	1,444,598
Kuraray	650,290	LIXIL	1,354,095
Yamato Holdings	624,910	Sparx	1,328,482
Nissin Kogyo	583,073	Katitas	1,294,594
San-A	578,952	Kandenko	1,272,175
Nichicon	573,932	Eizo	1,192,811
Okinawa Cellular Telephone	567,101	QB Net	1,173,716
Mitsubishi UFJ Lease & Finance	558,925	Fuji Media	1,127,573
Cosel	493,872	Jafco	1,116,765
Nippon Suisan Kaisha	490,629	Glory	1,112,756
		Dai-ichi Life	1,099,271
		Nichias	1,088,854
		Sumitomo Electric Industries	1,045,880
		Kyudenko	1,030,368
		Iyo Bank	980,940

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## Japan Value Fund

Purchases	Cost JPY¥'000	Sales	Proceeds JPY¥'000
Taisho Pharmaceutical	829,913	Mitsubishi Electric	922,370
JSP	403,292	Kyocera	877,132
Nitto Kohki	372,851	Nissin Kogyo	876,819
Chudenko	363,750	Sumitomo Electric Industries	662,738
Daiwa Industries	352,733	Nuflare Technology	539,415
Tsukui	310,638	Nichicon	525,180
Denso	308,108	Toshiba Plant Systems & Services	422,341
Toshiba Plant Systems & Services	293,795	Nippon Telegraph & Telephone	281,051
Sumitomo Mitsui Financial	262,383	Denso	272,639
Mitsubishi UFJ Financial	261,958	Mitsubishi UFJ Financial	264,171
Amuse	258,170	Kaga Electronics	262,677
Kuraray	218,050	Noritz	238,699
Toda	193,561	Mitsubishi UFJ Lease & Finance	184,206
Secom Joshinetsu	186,112	TDK	120,912
Yamato Holdings	185,851	Sumitomo Mitsui Financial	97,136
Jafco	183,083	Zuken	74,618
Toray Industries	170,169	Mabuchi Motor	69,514
Mitsui Fudosan	168,910	Medikit	64,005
Lintec	158,198	Toray Industries	63,913
Bank of Kyoto	154,159	Hitachi High-Technologies	63,608
Japan Airlines	153,545		
Stanley Electric	147,930		
Kaga Electronics	145,858		
Topre	144,226		
TV Asahi	138,195		
Maeda	132,698		
H2O Retailing	129,467		
Okinawa Cellular Telephone	126,015		
Nippon Telegraph & Telephone	119,288		
Aeon Mall	116,343		
Inpex	115,388		
Sumitomo Electric Industries	112,966		
San-A	112,209		
Tokyo Broadcasting System	87,955		
HI-LEX	83,860		
Toppan Forms	82,254		

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## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## North American Fund

Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Northern Trust Global Funds – USD Fund	98,500	Northern Trust Global Funds – USD Fund	71,850
Fiserv	50,778	Altaba	60,610
US Foods	48,775	Danaher	59,014
Global Payments	47,656	Wayfair	57,110
Marsh & McLennan	44,376	Expedia	56,753
Qualcomm	39,901	Alphabet Class C	48,841
Agilent Technologies	39,581	Visa	48,596
Amazon.com	38,388	eBay	46,816
Uber Technologies	35,931	Booz Allen Hamilton	46,560
Colfax	28,937	Brown & Brown	44,171
Analog Devices	28,810	Copa Airlines	41,510
Entegris	24,660	Pfizer	41,102
Affiliated Managers	24,557	Chubb	40,821
Berkshire Hathaway	19,787	Anthem	39,766
Texas Pacific Land Trust	19,352	Autodesk	38,886
Ametek	17,674	Cognizant Technology Solutions	38,157
Stericycle	17,161	Kirby	34,708
Dolby Laboratories	16,159	Arch Capital	29,483
Spirit Airlines	15,149	Global Payments	29,390
ICON	15,090	MDC	27,695
Visa	12,183	Accenture	27,639
Alphabet Class C	9,587	SS&C Technologies	26,472
Canadian Natural Resources	8,703	Charles Schwab	26,340
Bank of America	8,244	Suncor Energy	24,405
Freeport-McMoRan	8,210	United Technologies	23,067
Altria	8,007	Mohawk Industries	22,125
		Bank of America	21,784
		Stericycle	19,479
		S&P Global	19,274
		JPMorgan Chase	18,353
		Altria	18,194
		Canadian Natural Resources	16,765
		Dolby Laboratories	15,378
		Qualcomm	14,775
		Texas Pacific Land Trust	14,438
		Citigroup	14,368
		Wells Fargo Class A	14,021

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## UK Absolute Equity Fund

Purchases	Cost GBP£'000	Sales	Proceeds GBP£'000
Northern Trust Global Funds – Sterling Fund	48,025	Northern Trust Global Funds – Sterling Fund	88,025
IWG	43,222	Unilever	46,096
Barrick Gold	32,441	Diageo	43,571
Agnico Eagle Mines	28,841	Burford Capital	40,269
Diageo	27,946	Barrick Gold	39,507
Unilever	26,780	Agnico Eagle Mines	29,885
Royal Bank of Scotland	26,468	London Stock Exchange Group	29,849
Flutter Entertainment	26,257	Experian	28,190
Experian	25,809	Pearson	26,181
IG Group	25,491	Pretium Resources	24,712
RELX	24,362	RELX	24,132
Sage Group	22,956	Sage Group	22,773
London Stock Exchange Group	22,654	Smith & Nephew	22,695
International Consolidated Airlines	21,808	Pan American Silver	22,433
Smith & Nephew	21,505	Trainline	20,546
AB Dynamics	21,048	Alamos Gold	18,019
Trainline	19,929	Games Workshop	17,738
Barclays	19,640	Lloyds Banking	17,678
Next	19,451	Masimo	16,451
Associated British Foods	19,373	Persimmon	16,156
3i	19,020	Wesdome Gold Mines	14,962
Serco Group	18,987	Royal Bank of Scotland	13,048
Euromoney Institutional Investor	18,752	Meggitt	12,936
Pan American Silver	18,309	Frontier Developments	10,682
Breedon	18,133	Hargreaves Lansdown	9,952
Dart	17,641	3i	9,503
Lloyds Banking	17,236	IWG	9,044
Persimmon	17,218	Ultra Electronics	8,742
easyJet	17,209	AFH Financial	8,336
Masimo	16,782	Future Plc	8,257
Intermediate Capital	15,796	easyJet	7,650
Alamos Gold	15,373		
Meggitt	14,338		
WH Smith	13,330		
Wesdome Gold Mines	12,465		



## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## UK Absolute Equity Fund continued

Purchases	Cost GBP£'000	Sales	Proceeds GBP£'000
Avon Rubber	12,122		
Hargreaves Lansdown	11,500		
Rotork	11,299		
Pretium Resources	9,454		
Ultra Electronics	8,969		
Future Plc	8,767		

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.

## UK Value Opportunities Fund

	Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Barclays		25,311	JD Sports Fashion	29,349
Hikma Pharmaceuticals		22,683	Bellway	23,831
Persimmon		22,529	Standard Chartered	22,202
Hilton Food		20,142	Polypipe	17,875
Royal Dutch Shell		20,010	Marshalls	16,346
Anglo American		19,577	Redrow	15,546
Brewin Dolphin		18,487	Synthomer	14,079
BP		17,770	Lloyds Banking	14,073
Breedon		17,123	Rhi Magnesita	13,249
Rio Tinto		16,974	Aviva	12,232
GlaxoSmithKline		16,870	Close Brothers	12,199
Barratt Developments		16,799	RPC	11,412
Gamesys		16,274	Vesuvius	10,374
SSP		16,134	Strix	10,001
ITV		15,682	Cranswick	9,849
Next		15,333	A.G. Barr	9,687
Grafton		14,949	Somero Enterprises	8,804
Avon Rubber		14,171	Gocompare.com	8,321
Royal Bank of Scotland		14,155	WH Smith	8,061
Redde		13,822	Avon Rubber	7,993
Hill & Smith		13,816	Costain	7,227
Electrocomponents		13,428	M&C Saatchi	6,784
Standard Chartered		12,870	BHP	6,241
International Consolidated Airlines		12,303	3i	6,027
WH Smith		11,931	BP	5,739
C&C		11,885	DiscoverIE	5,611
Wm Morrison Supermarkets		11,305	Forterra	4,865
Watkin Jones		11,303	OneSavings Bank	4,776
Rank		11,237	Daejan	4,717
On the Beach		10,560	Computacenter	4,708
Cranswick		10,406	Finsbury Food	4,643
3i		10,131	Johnson Service	4,589
QinetiQ		9,927	International Consolidated Airlines	4,453
Jadestone Energy		9,656	IG Design	4,450
Morgan Advanced Materials		9,460	Kier	4,304



## Statement of Significant Portfolio Movements (unaudited) continued

For the financial year ended 31 December 2019

## UK Value Opportunities Fund continued

	Purchases	Cost US\$'000	Sales	Proceeds US\$'000
Legal & General		9,399		
Morgan Sindall		8,369		
Coats		8,196		
Prudential		8,130		
SThree		7,515		

The Statement of Significant Portfolio Movements reflect the aggregate purchases of a security exceeding 1% of the total value of purchases and aggregate disposals of a security greater than 1% of the total sales for the year. At a minimum the largest 20 purchases and largest 20 sales must be given.



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 Information for Investors (unaudited)

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**Information for Investors in the Federal Republic of Germany (unaudited)**

The Prospectus, the Key Investor Information Document, the Memorandum and Articles of Association of the Company and the annual and semi-annual reports of the Company and a complete listing of the purchases and sales during the period, each in paper form, as well as the Net Asset Value per Share, issue and redemption prices and any switching prices are available and may be obtained free of charge at the office of the German Paying and Information Agent.

**Information for Investors in Switzerland (unaudited)**

The Company has appointed BNP Paribas Securities Services, Paris, Succursale de Zurich, Switzerland as representative and paying agent for Switzerland. For redeemable participating shares distributed in Switzerland, the performance place is at BNP Paribas Securities Services' address. Investors, can obtain free of charge, the prospectus, the simplified prospectus (both also available for potential investors), and the last annual and interim reports, in German and a list of the purchases and sales made on behalf of the Company, from the representative at the above address and the official publications for the Company are published in Fund info.

Following a directive of the Swiss Funds Association dated 27 July 2004, the Company is required to supply performance data in conformity with the said directive. This data can be found under each of the Fund reports.

Please note that all references to a specific index are for comparative purposes only.

Past performance is no indication of current or future performance. The value of an investment can fall as well as rise as a result of market fluctuations and investors may not get back the amount originally invested. The performance data does not take account of the commissions and costs incurred on the issue and redemption of redeemable participating shares.

Investors should contact the Swiss representative at the above address should they require additional information, e.g. on performance including the composition of the relevant indices where applicable.

## Information for Investors (unaudited) continued

### Total Expense Ratio

Pursuant to a guideline from the Swiss Funds Association dated January 2006, the Company is required to publish a Total Expense Ratio ('TER') for the financial year ended 31 December 2019.

The TERs for each Fund for the last two financial years are as follows:

Name of Fund	31 December 2019		31 December 2018	
	TER (excluding performance fee) in %	TER (including performance fee) in %	TER (excluding performance fee) in %	TER (including performance fee) in %
Asian Opportunities Fund	1.18	1.18	1.17	1.17
Asian Stars Fund	0.67	1.55	N/A	N/A
Automation & Artificial Intelligence Fund	0.72	1.46	0.72	0.72
Biotechnology Fund	1.34	1.75	0.28	0.62
China Stars Fund	0.65	0.65	0.19	0.19
Emerging Markets Income Fund	1.00	1.00	1.14	1.14
Emerging Market Stars Fund	0.67	0.67	0.57	0.57
European ex UK Income Fund	0.87	0.87	0.73	1.18
European Income Fund*	N/A	N/A	0.87	0.87
Financial Opportunities Fund	1.13	1.13	1.13	1.13
Global Absolute Return Fund	0.16	0.16	N/A	N/A
Global Convertible Fund	1.03	1.03	1.01	1.44
Global Insurance Fund	0.90	0.90	0.91	1.10
Global Technology Fund	1.27	1.27	1.31	2.23
Healthcare Blue Chip Fund	0.73	0.73	0.79	0.79
Healthcare Opportunities Fund	1.22	1.22	1.23	2.10
Income Opportunities Fund	1.00	0.98	1.03	1.73
Japan Fund**	N/A	N/A	1.32	1.32
Japan Value Fund	(0.29)	(0.29)	0.74	0.74
North American Fund	0.82	0.82	0.82	0.83
UK Absolute Equity Fund	1.18	2.02	1.19	1.19
UK Value Opportunities Fund	0.75	0.79	0.75	0.75

Total Expense Ratio is calculated after an adjustment for swing pricing.

\* European Income Fund was terminated on 17 January 2019

\*\* Japan Fund merged with the Japan Value Fund on 18 October 2019.

### PEA Compliance (unaudited)

The European Income Fund is Plan d'Epargne en Actions ('PEA') eligible. For the purpose of eligibility requirement of Article L-221-31 of the French Monetary and Financial Code, the Fund must at all times during the financial year ended 31 December 2018 be invested in more than 75% of PEA eligible assets. PEA eligible assets are defined as equity or equity equivalent securities, which have their registered office in a country which is a member of the EU or the European Economic Area.

	% PEA Eligible Assets 31 December 2019	% PEA Eligible Assets 31 December 2018
European Income (Ex UK) Fund	80.89%	85.92%



## Appendix I – Remuneration Disclosures (unaudited)

The Company has designed and implements a remuneration policy which is intended to comply with the provisions of the Central Bank UCITS Regulations and the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD (ESMA/2016/411) (the 'ESMA Remuneration Guidelines') each of which may be amended from time to time. The Company's remuneration policy includes measures to avoid conflicts of interest.

The Company's remuneration policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the risk profile of the Company. The result of this categorisation is such that the remuneration policy will only be applicable to the Directors and individuals carrying out control functions. Governance and monitoring services are the responsibility of Bridge Consultancy.

As the Company does not have any employees and it does not pay any variable remuneration to any of the Directors of the Company, the pay-out process rules are not applicable to the Company. On this basis and on the basis of proportionality (i.e. the Company's size, internal organisation, nature, the scope and complexity of its activities), the Directors have decided to disapply the remuneration committee requirement. The Directors are satisfied that this disapplication is reconcilable with the risk profile, risk appetite and the strategy of the Company. The Directors remuneration is disclosed in the Statement of Comprehensive Income.

The board of Directors of the Company in its supervisory function (being the body with ultimate decision-making authority in the Company and comprising the supervisory and managerial functions) is responsible for, and oversees, the implementation of the remuneration policy.

As the Company delegates investment management functions in respect of the Company, it will, in accordance with the requirements of the ESMA Remuneration Guidelines, ensure that:

- a. the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Remuneration Guidelines; or
- b. appropriate contractual arrangements are put in place to ensure that the delegates apply in a proportionate manner the remuneration rules as detailed in the UCITS Directive as amended such that there is no circumvention of the remuneration rules set out in the ESMA Remuneration Guidelines.



## Appendix II – Securities Financing Transactions Regulation (unaudited)

The Securities Financing Transactions Regulation ('SFTR') came into effect on 12 January 2016. Article 13 requires information to be provided as to the use of securities financing transactions ('SFTs') and Total Return Swaps ('TRSs').

A Securities Financing Transaction ('SFT') is defined as per Article 3 (11) of the SFTR as: a repurchase transaction, securities or commodities lending and securities or commodities borrowing; a buy-sell back transaction or sell-buy back transaction; or a margin lending transaction.

As at 31 December 2019, the Company held the following types of SFTs: Total Return Swaps (including CFDs). The amount of securities and commodities on loan as a proportion of total lendable assets (excluding cash and cash equivalents) was 0.00% as at 31 December 2019.

### Global Data

Type of Asset	Absolute Amount	Proportion of AUM (%)
<b>Contracts for difference</b>		
Global Absolute Return Fund	\$31,573,719	23.22%
Global Convertible Fund	\$96,706,366	7.90%
UK Absolute Equity Fund	£731,640,772	51.98%

### Concentration Data

	Collateral Issuers	Volume of the collateral securities and commodities
1	UBS AG	-\$14,492,866
2	Credit Suisse	£22,338,073

The gross volume of outstanding trades with each counterparty across all SFTs is as follows:

Contracts for difference	Counterparty	Gross volume of outstanding trades*
Global Absolute Return Fund	UBS AG	\$31,579,222
Global Convertible Fund	UBS AG	\$96,706,366
UK Absolute Equity Fund	Credit Suisse	£731,647,699

\* Gross volume of outstanding transactions expressed as market value of open derivative contracts at the reporting date.

## Aggregate Transaction Data

Contracts for difference	Type/Quality of collateral	Currency	Maturity tenor (collateral)	Maturity tenor (SFTs/Total Return Swaps)	Country of counterparty establishment (not collateral)	Settlement and clearing
<b>Global Absolute Return Fund</b>						
UBS AG	Cash	Multiple	>1 year	>1 year	Switzerland	Bilateral
<b>Global Convertible Fund</b>						
UBS AG	Cash	Multiple	>1 year	>1 year	Switzerland	Bilateral
<b>UK Absolute Equity Fund</b>						
Credit Suisse	Cash	USD, GBP, EUR	>1 year	>1 year	Ireland	Bilateral

The share of collateral that is reused is 0.00%.

## Safekeeping

Prime Broker	Collateral assets safe-kept
Credit Suisse	Cash, Equity Collateral
UBS AG	Cash, Bonds, Equity Collateral

The proportion of collateral held in segregated accounts, in pooled accounts or any other accounts is 100.00%.

## Return/(Costs)

Contracts for difference	Absolute Returns		Overall returns %
	Return	Cost	
Global Absolute Return Fund	\$0	(\$2,554,075)	100
Global Convertible Fund	\$4,124	(\$28,896,885)	100
UK Absolute Equity Fund	£44,924,101	(£17,483,719)	100

## Management and Administration

### **Directors** (all non-executive):

David Astor (GB)\*  
Robert Bovet (MT)\* (Chairman)  
James Cayzer-Colvin (GB)  
Ronan Daly (IE)\*  
David Hammond (IE)\*  
Charles Scott (GB)\*

\*Directors independent of the Investment Manager

### **Investment Manager and Global Distributor:**

#### **Polar Capital LLP**

16 Palace Street  
London SW1E 5JD  
United Kingdom

### **Administrator, Registrar, Transfer Agent and Company Secretary:**

#### **Northern Trust Fund Administration Services (Ireland) Limited**

Georges Court  
54–62 Townsend Street  
Dublin D02 R156  
Ireland

### **Legal Advisers:**

as to Irish law

#### **Dillon Eustace**

33 Sir John Rogerson's Quay  
Dublin D02 XK09  
Ireland

### **Sponsoring Broker:**

#### **Davy Stockbroker**

Davy House  
49 Dawson Street  
Dublin D02 PY05  
Ireland

### **Swiss Paying Agent/Representative:**

#### **BNP Paribas Securities Services Paris**

Succursale de Zurich  
Selnaustrasse 16  
8002 Zürich  
Switzerland

### **French Centralising and Paying Agent:**

#### **BNP Paribas Securities Services**

66 Rue de la Victoire  
75009 Paris  
France

### **Registered Office:**

#### **Georges Court**

54–62 Townsend Street  
Dublin D02 R156  
Ireland

### **Company Registration Number:**

**348391**

### **Depository:**

#### **Northern Trust Fiduciary Services (Ireland) Limited**

Georges Court  
54–62 Townsend Street  
Dublin D02 R156  
Ireland

### **Independent Auditor:**

#### **Deloitte Ireland LLP**

Chartered Accountants & Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin D02 AY28  
Ireland

### **Swedish Paying Agent:**

#### **SEB Merchant Banking**

Sergels Tog 2, ST H1  
10640 Stockholm  
Sweden

### **German Paying and Information Agent:**

#### **Deutsche Bank AG**

Taunusanlage 12  
60325  
Frankfurt am Main  
Germany

### **Austrian Paying Agent:**

#### **Meinl Bank AG**

Bauernmarkt 2  
1014 Vienna  
Austria

### **Governance and Monitoring Services:**

#### **Bridge Consulting Limited**

Ferry House  
48–53 Mount Street Lower  
Dublin D02 PT98  
Ireland



