

# Interim Reports and Accounts

For the six months  
ended 30<sup>th</sup> June 2020

Charles Taylor International Funds (IOM) Limited  
(Formerly Allied Dunbar International Funds Limited)

# Contents

■ Directors, Management and Administration	1
■ Report of the Directors	2
■ Investment Report	3-4
■ Report of the Manager	5
■ Managed Fund	6-11
■ Worldwide Equity Fund	12-16
■ Managed Currency Fund	17-20
■ Gilt and Income Fund	21-24
■ North American Growth Fund	25-29
■ Far East Fund	30-34
■ UK Capital Growth Fund	35-39
■ Europe Fund	40-43
■ Aggregated Financial Statements	44
■ Prior Year Adjustment	45-46
■ Further Information	47

# Directors, Management and Administration

**Board of Directors:**

Christopher James Tunley  
Non Executive Director

Peter James Scott Hammonds  
Non Executive Director

Jeffrey Boysie McPherson More  
Director of Charles Taylor  
International Fund Managers (IOM) Limited

Anthony Adam King  
Director of Charles Taylor  
International Fund Managers (IOM) Limited

Darren Mark Kelly  
Director of Charles Taylor  
International Fund Managers (IOM) Limited

**Manager and Registrar:**

Charles Taylor International Fund Managers  
(IOM) Limited

Registered Office:  
St George's Court  
Upper Church Street  
Douglas  
Isle of Man IM1 1EE

Registered in the Isle of Man No. 023846C  
Telephone: +44 (0) 1624 661551

**Company Secretary:**

Bo Larsen

**Investment Manager:**

Threadneedle Asset Management Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

**Fiduciary Custodian:**

BNP Paribas Securities Services S.C.A.,  
Jersey Branch  
IFC1  
The Esplanade  
St Helier  
Jersey JE1 4BP  
Channel Islands

**Auditor:**

PricewaterhouseCoopers LLC  
Sixty Circular Road  
Douglas  
Isle of Man IM1 1SA

**Legal Advisers:**

Cains  
Fort Anne  
South Quay  
Douglas  
Isle of Man IM1 5PD

**Registered Office:**

St George's Court  
Upper Church Street  
Douglas  
Isle of Man IM1 1EE  
Registered in the Isle of Man No. 024161C

# Report of the Directors

## Activity and Results

This Interim Report and Accounts contains the Financial Statements of Charles Taylor International Funds (IOM) Limited (formerly Allied Dunbar International Funds Limited) (“the Company”) for the six months ended 30th June 2020 and also an analysis of each Fund including a Portfolio Statement.

A review of the period, together with an assessment of the investment outlook, is set out in the Investment Report by the Investment Manager, Threadneedle Asset Management Limited.

The Directors would like to take this opportunity to advise Shareholders that they reserve the right to treat the working days immediately before and after the statutory Christmas and New Year holidays as dealing days or otherwise. Please note that Christmas Eve is a non dealing day.

For full information about the Company’s Funds and Reporting Fund Status investors are advised to consult the Company’s current Scheme Particulars which are available from Charles Taylor International Fund Managers (IOM) Limited.

As can be seen from the following accounts, the Company, at 30th June 2020, had Funds under management (FUM) of approximately US\$ 171 million (December 2019: US\$ 189 million).

The Company is an Open Ended Investment Company with variable capital.

The Shareholders are only liable for the debts of the Company to the extent of their investment. Where the assets of a constituent part of the Scheme are insufficient to meet that constituent part’s liabilities, then any liabilities that remain undischarged will revert to the Company as a whole and be allocated amongst the other constituents of the Scheme. At the period end the Directors were not aware of any existing or contingent liability which could not be discharged out of the assets of that constituent part of the Scheme.

## Director

27th August 2020

# Investment Report

## Market Review

The first half of 2020 was an eventful and volatile period for financial assets. Early on, a still healthy American economy and optimism about the 'phase one' deal signed between the United States (US) and China helped push equities to record highs. But from mid February through to late March, risk assets tumbled owing to the spread of the COVID-19 pandemic. A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt. Fears over the resulting economic impact led to volatility in financial assets, and risk assets such as equities, corporate bonds and industrial commodities plummeted. Oil was particularly weak; worries over weaker demand as a result of the lockdowns coincided with fears over increased supply owing to a dispute between Russia and Saudi Arabia over production levels and pricing. Investors favoured assets perceived as 'safe havens', including the US Dollar, core government bonds and gold.

Central banks and governments worldwide responded to these developments by unleashing a flood of stimulus measures. In terms of monetary policy, the US Federal Reserve (Fed) cut interest rates close to zero and pledged unlimited bond purchases. This included buying corporate debt, a step not taken even in the 2008 financial crisis. The Bank of England cut rates to all time lows and restarted its bond purchase programme, and the European Central Bank ramped up its own bond buying programme, which already included corporate credit.

On the fiscal front, in the US, Congress approved spending of more than \$2 trillion. The crisis also prompted Germany to suspend its balanced budget policy, and the government joined its United Kingdom (UK) and US counterparts in unveiling stimulus measures too. Meanwhile, the European Commission proposed a joint recovery fund.

The global stimulus response, along with increasingly attractive valuations, helped pave the way for a recovery in risk assets through late March and most of the second quarter. As the pandemic appeared to be slowing across much of the developed world, the consequent easing of lockdown restrictions also buoyed sentiment. However, gains were somewhat eroded by renewed tensions between the US and China, as the Trump administration stepped up efforts to blame China for the pandemic. Adding to the tensions, China imposed a harsh new security law on Hong Kong, to which the US responded by threatening to withdraw the city's special trade status. In June, markets were also rattled as rising infection rates in several countries, including the US, prompted fears that a second wave of the pandemic could derail the recovery. Indeed, by the end of June, several governments and American states had halted or reversed reopening plans.

Global equities were down over the period as a whole when measured in local currency. Among the major regions, the US held up best, aided by its perceived defensive characteristics and the market's large exposure to technology stocks, which benefited greatly from the lockdown driven shift to online services. The UK fared worst, owing to resurgent Brexit fears and the bourse's heavy weighting in financials and energy stocks, which were hit badly in the sell off. Within emerging markets, Brazil, a major commodity exporter, was the worst performer in the MSCI Emerging Market index, especially as the country became the new epicentre of the virus later in the period. China held up best, given the deceleration in new cases, supportive measures from the authorities and, over the spring, some encouraging economic data.

Core government bonds performed well over the review period, benefiting from the flight to safety in the first quarter, and then by monetary easing during the risk on recovery in the second. US Treasuries were especially strong, with the 10 year yield falling 126 basis points (bps) versus declines of 65 bps and 27 bps in the UK and German equivalents. The more modest fall in bond yields was due to concerns over German and EU fiscal spending plans.

For corporate bonds, the benefit of lower government bond yields was outweighed by spreads (the yield premiums over 'risk free' government debt) significantly widening in March. Credit spreads tightened thereafter as the sell off eased, and as investors cheered the significant stimulus measures, particularly the Fed's unprecedented move to start buying corporate debt. Nevertheless, by the end of June, spreads remained wider than where they started the year.

The Bloomberg US Dollar index experienced some marked fluctuations over the six months under review, but ended the period slightly higher than it began. The index peaked in March as investors sought safe havens amid the sharp falls in global equity and credit markets. However, demand for the US currency fell back as risk appetite returned during the second quarter.

Following extreme weakness in the first quarter, industrial commodities rallied in the second quarter amid hopes that the easing of lockdowns might lead to a recovery in demand. Supply side responses were helpful as well, such as the agreement on record cuts in oil output reached in April by producers of crude. The US Dollar's weakness was an additional support for the asset class. Still, the year to date return for commodities remained deeply negative at the end of the period amid recognition that the pandemic had inflicted a sharp blow to global growth.

# Investment Report (continued)

## Outlook

Our key area of focus has been on reconciling a ‘sudden stop’ in global economic activity with buoyant financial asset markets. Certainly, the shock to economic activity and corporate balance sheets in the near term will be huge. But of course, what matters for forward looking markets is how the world emerges in 2021 and 2022. Our base case leaves us comfortable owning quality risk assets, even as the recent rebound in credit and equities has dented the valuation case.

An important element of this has been the response from policymakers to COVID-19. In both speed and size, their actions have eclipsed anything we have seen before, including during the global financial crisis. We have witnessed fiscal easing this year of between 20–30% of gross domestic product (GDP), depending on where you look, accompanied by a similarly enormous monetary response, including the purchase of high yield credit in the US and the removal of issuer limits in Europe.

Balancing the cost of shutdowns with the benefits of that stimulus, our forecasts suggest that economic activity in the US will return to the levels seen in the fourth quarter of 2019 by the end of 2022. Europe is likely to experience a slower path back. But all in, we would judge this as a very large – but ultimately temporary – shock, and we are keen to be invested in those assets most positively affected by the monetary response, where valuations remain reasonable. However, with companies likely to emerge from this crisis with weaker balance sheets than before, our focus since the March sell off has been on higher quality assets in both credit and equities.

As we enter the third quarter, the situation remains fluid and uncertain. Valuations and fundamentals are changing quickly against a backdrop of elevated volatility and fast moving public health and economic responses to COVID-19. What is certain, however, is that we will stick to our investment process, seeking to respond to such changes in a measured way.

# Report of the Manager

Charles Taylor International Funds (IOM) Limited (formerly Allied Dunbar International Funds Limited) is an Authorised Scheme under Schedule 1 of the Collective Investment Schemes Act 2008 (of the Isle of Man) and is an Umbrella Fund, as defined in the Authorised Collective Investment Schemes Regulations 2010. The Company has elected to be a Type A Scheme for the purpose of the Authorised Collective Investment Schemes Regulations 2010. Each constituent part, hereinafter referred to as a sub fund as listed in the tables below, is an Authorised Securities Fund as defined in the Authorised Collective Investment Schemes Regulations 2010 (except the Managed Currency Fund which is a Money Market Fund).

The aim of the Company is to provide an attractive, tax efficient, investment medium for investors worldwide. Resident for tax purposes in the Isle of Man the Company does not pay UK Corporation Tax on its income or capital gains. The Manager's policy for achieving the investment objective is described for each constituent part of the Company on pages 6, 12, 17, 21, 25, 30, 35 and 40.

The investment activities of the Company in the six month period to 30th June 2020 are described in the Fund Investment Report by the Investment Manager on pages 6, 12, 17, 21, 25, 30, 35 and 40.

The following amounts have been paid and/or accumulated for distribution to holders of Participating Redeemable Preference Shares in respect of the six month period to 30th June 2020. Where negative, the deficit has been transferred to the capital reserve.

Sub Funds	XD Date	Amount	Payment
		Due/(Deficit) US\$	Date
Managed	1.7.2020	(143,679)	31.8.2020
Worldwide Equity*	1.1.2021	-	28.2.2021
Managed Currency	1.7.2020	575	31.8.2020
Gilt and Income	1.7.2020	(36,443)	31.8.2020
North American Growth*	1.1.2021	-	28.2.2021
Far East*	1.1.2021	-	28.2.2021
UK Capital Growth*	1.1.2021	-	28.2.2021
Europe*	1.1.2021	-	28.2.2021

\*Distribute annually

The total number and mid market value of Participating Redeemable Preference Shares as at 1st January 2020 and 30th June 2020 were as follows:

Sub Funds	Shares in Issue		Mid Market Value Per Share (US\$)	
	1.1.2020	30.06.2020	1.1.2020	30.06.2020
Managed	12,565,853	12,443,108	2.7000	2.7165
Worldwide Equity	9,156,955	8,586,738	3.3920	3.3130
Managed Currency	1,568,856	1,574,206	0.3413	0.3396
Gilt and Income	26,776,092	25,283,086	0.5734	0.5823
North American Growth	2,737,111	2,660,673	9.6235	9.3950
Far East	1,880,706	1,803,624	4.0890	3.9005
UK Capital Growth	29,215,744	32,349,256	1.8104	1.2944
Europe	4,099,361	3,982,203	6.7779	6.3228

The bid value of the sub funds, cancellation prices and shares in issue at the end of the last three accounting periods are shown in the Comparative Tables on pages 8, 14, 18, 22, 26, 32, 36 and 41.

The names and addresses of the Registrar, the Investment Manager, the Fiduciary Custodian and the Auditor can be found on page 1.

**Director**  
27th August 2020

**Director**  
27th August 2020

Charles Taylor International Fund  
Managers (IOM) Limited  
St George's Court,  
Upper Church Street  
Douglas  
Isle of Man IM1 1EE

# Managed Fund

## Fund Investment Report

### Investment Policy

To invest primarily for capital growth from a balanced and managed portfolio of asset types in various economies.

### Types of Investment

Investments are held primarily in equity and fixed interest stock markets of the major economies, but may also be held indirectly through other permitted investments such as unit trusts, investment trusts and convertible securities as circumstances warrant and as permitted by the Regulations.

Exposure to individual regions or economies will generally reflect relative levels of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the North American market.

Limited sales and purchases of investments may be made through options and financial futures, whilst bearing in mind the investment policy of the Fund and Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

### Fund Performance

Over the six months to 30th June 2020, the Fund achieved a total gross return of +1.9% compared with a return of -2.3% for the benchmark index, both in United States (US) Dollar terms. The benchmark comprises 65% MSCI AC World Index, 32% J.P. Morgan Global Government Traded Bond Index and 3% 7 Day LIBID.

### Review

Global equity markets endured a turbulent six months, with the MSCI All Country World index falling 5.1% in local terms. Sentiment was initially buoyed by the US and China signing a “phase one” trade deal. However, focus quickly turned to the spread of COVID-19 and its economic repercussions, as governments responded to the pandemic by introducing lockdowns that brought cities, regions and even countries to a near halt. Global equities rebounded through the second half of the review period, driven by optimism that the worst of the pandemic might be over, as a number of countries eased lockdown restrictions. Markets were also propelled higher by central bank stimulus programmes, government support packages, and by hopes that vaccinations and treatments would be found for the virus. Towards the end of the review period, however, a spike in cases outside Europe triggered fears of a second wave of the virus, while a resurgence in US China tensions also caused bouts of market volatility.

Within equities, the US held up best of the major regions, as the government launched a \$2 trillion stimulus plan, while the Federal Reserve (Fed) cut interest rates, restarted its asset purchases and unveiled a \$2.3 trillion loan programme for municipalities and small businesses. US equities were also supported by strong performances from the region’s technology heavyweights. European equities underperformed as the virus outbreak accelerated in some of the region’s largest economies. Despite increased central bank asset purchases, the region remained under pressure amid disappointing economic data and disagreement among European leaders over the size and scope of a recovery fund. United Kingdom (UK) stocks also struggled amid Brexit related jitters. To support the economy, the government and Bank of England unveiled significant support packages, with the latter cutting interest rates to all time lows. Japanese equities underperformed despite initially holding up well amid indications that the country had been spared a significant virus outbreak without imposing strict lockdowns. Monetary stimulus from the Bank of Japan also proved supportive, but a renewed spike in coronavirus cases and weak economic data pressured Japanese equities over the second quarter. Emerging market equities also lagged the benchmark, amid concerns over rising coronavirus cases and falling oil prices.

At the sector level, technology stocks led returns, benefiting from the pandemic driven shift to online services. Media and entertainment names also outperformed as demand for online gaming and digital entertainment surged during lockdown. Meanwhile, the healthcare sector benefited from investor interest amid the search for coronavirus vaccines, tests and treatments. Energy stocks brought up the rear as oil prices slumped, while banks were also weaker owing to underwhelming earnings and expectations that interest rates will remain ‘lower for longer’.

Core government bonds performed well over the review period, benefiting from the flight to safety in the first quarter, and then by monetary easing during the risk on recovery in the second.

Within equities, new positions during the period included Danaher Corp. (US), Taiwan Semiconductor Manufacturing Co. Ltd. (Taiwan) and Orsted A/S (Denmark).

Danaher is a diversified life science tools company with a range of resilient businesses spanning scientific and technological areas. Its exposure to water quality and product identification provides further diversification. We believe that Danaher’s growth trajectory and margins should meaningfully improve following the divestiture of its dental segment and the acquisition of General Electric’s biopharmaceutical business GE Biopharma. With a high quality management team and strong, sustainable spending levels in key markets, the company looks well positioned on a long term view.

Taiwan Semiconductor Manufacturing (TSMC) is Taiwan’s biggest semiconductor company and the world’s largest dedicated independent semiconductor supplier. We believe that the company’s significant scale and reputation, as well as a strong balance sheet, represent significant barriers to entry for new competitors. Furthermore, TSMC is well placed to benefit from increasing demand for technology and 5G over the longer term.

Renewable energy company Orsted offers exposure to the secular opportunity in offshore wind as a developer and owner of farms. This is a rapidly, yet sustainably growing market, which exhibits relatively high barriers to entry and should benefit as climate change policies drive renewable energy targets higher and open up new markets. We view Orsted as a market leader. Its scale drives cost leadership which, alongside its established track record and supply chains, should help the firm to continue winning project tenders.



# Managed Fund

## Fund Investment Report (continued)

### Review (continued)

Sales to help fund these purchases included Becton Dickinson and Co. (US). While the firm has reported solid results and maintains a leading position across many product lines, the outlook is clouded by the limited visibility around the timing of regulatory approval for the company's pump software upgrades. As a result, we believe that capital is better allocated elsewhere.

We profitably closed our positions in Gilead Sciences, Inc. (US) and Crown Castle International Corp., REIT (US) following these stocks' gains this year.

Within fixed income, we increased exposure to government debt issued by France and the Netherlands. We reduced exposure to the UK and the US and sold out of Germany.

These have been challenging times for equity markets, with the coronavirus sparking unprecedented reactions from governments, central banks, businesses and consumers around the globe. Over the last quarter, however, investors have focused on the recovery from the pandemic, as the gradual reopening of economies helped to boost sentiment. While many unknowns remain, the indiscriminate sell offs have already created attractive opportunities to invest in companies with the ability to weather the current storm and win out over the long term. Our long held belief is that there are structural factors driving a world which is lower for longer, including debt, demographics and technological disruption. The scale of recent economic interventions in response to the spread of the coronavirus only strengthens this argument. In this environment, we remain firmly of the view that companies that can sustain above average growth rates should remain attractive for investors. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to sustain high returns and earnings growth across a range of market conditions.

## Managed Fund Comparative Tables

for the accounting period 1st January 2020 to 30th June 2020

	Preference Shares			
	2020 <sup>1</sup>	2019	2018	2017
Change in net assets per share	US\$	US\$	US\$	US\$
Opening net asset value per share	2.6290	2.1389	2.3539	1.9516
Return before operating charges <sup>2</sup>	0.0435	0.5407	(0.1638)	0.4476
Operating charges	(0.0277)	(0.0506)	(0.0512)	(0.0453)
Return after operating charges	0.0158	0.4901	(0.2150)	0.4023
Distributions on preference shares	—	—	—	—
Closing net asset value per shares	2.6448	2.6290	2.1389	2.3539
after direct transaction costs <sup>2</sup>	(0.0005)	(0.0010)	(0.0009)	(0.0019)

### Performance

Return after charges	0.60%	22.91%	(9.13%)	20.61%
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### Other information

Closing net asset value (US\$)	32,909,256	33,035,433	28,612,672	34,899,579
Closing number of shares	12,443,108	12,565,853	13,377,477	14,826,260
Operating charges	2.17%	2.11%	2.18%	2.14%
Direct transaction costs	0.02%	0.04%	0.04%	0.09%
Ongoing Charges Figure (“OCF”) <sup>3</sup>	2.17%	2.11%	2.18%	2.14%

### Prices

	2020 <sup>1</sup>	2019	2018	2017	2016	2015
Highest share price (US\$)	2.8700	2.7750	2.6060	2.4840	2.1510	2.1360
Lowest share price (US\$)	2.1230	2.1310	2.1010	1.9460	1.7700	1.8240
Net distribution per share (US\$)	—	—	—	—	—	—

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2020 which is for the six months period ended 30th June 2020.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net asset values over the period. The OCF figure for the period to 30th June 2020 is an annualised ratio.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

## Managed Fund

### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	June 2019 US\$
Income		
Net capital gains	335,953	4,660,856
Revenue	226,369	281,210
Expenses	(333,850)	(319,938)
Net expense before taxation	(107,481)	(38,728)
Taxation	(37,062)	(39,158)
Net expense after taxation	(144,543)	(77,886)
<b>Total return before distribution</b>	<b>191,410</b>	<b>4,582,970</b>
Distributions	896	1,072
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>192,306</b>	<b>4,584,042</b>

### Balance Sheet

as at 30th June 2020

	June 2020 US\$	December 2019 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	32,125,664	32,374,449
Current assets:		
Debtors	607,953	606,347
Cash and bank balances	800,237	882,979
<b>Total assets</b>	<b>33,533,854</b>	<b>33,863,775</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(77,711)	(281,772)
<b>Total liabilities</b>	<b>(77,711)</b>	<b>(281,772)</b>
<b>Equity:</b>		
Management shares	(10)	(10)
Nominal shares	(546,877)	(546,560)
<b>Total equity</b>	<b>(546,887)</b>	<b>(546,570)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>32,909,256</b>	<b>33,035,433</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	June 2019 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>33,035,433</b>	<b>28,612,672</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	17,307	17,764
Amounts payable on cancellation of shares	(335,790)	(736,899)
	(318,483)	(719,135)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	192,306	4,584,042
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>32,909,256</b>	<b>32,477,579</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2019 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2019.

### Distribution Table

There is no distribution for the accounting period 1st January 2020 to 30th June 2020, as expenses exceed revenue (June 2019: Nil).

## Managed Fund Portfolio Statement

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets	Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Collective Investment Schemes 2.76% (2.69%)</b>					<b>Spain 0.00% (0.59%)</b>				
Threadneedle Emerging Market Bond Fund Retail Gross Accumulation GBP <sup>#</sup>	GBP	24,520	89,096	0.27	<b>Switzerland 2.07% (1.66%)</b>				
Threadneedle Emerging Market Local Fund Retail Gross Accumulation Shares GBP <sup>#</sup>	GBP	165,744	326,826	0.99	Givaudan SA	CHF	43	159,799	0.49
Threadneedle High Yield Bond Fund Institutional Gross Accumulation GBP <sup>#</sup>	GBP	74,301	173,009	0.53	SIG Combibloc Group AG	CHF	6,839	109,789	0.33
Threadneedle UK Corporate Bond Fund Institutional Gross Accumulation GBP <sup>#</sup>	GBP	193,639	319,879	0.97	Sika AG	CHF	906	173,845	0.53
<b>Collective Investment Schemes total</b>			<b>908,810</b>	<b>2.76</b>	TE Connectivity Ltd.	USD	2,926	237,152	0.72
<b>Equities 67.41% (67.32%)</b>								<b>680,585</b>	<b>2.07</b>
<b>Canada 0.29% (0.79%)</b>					<b>Taiwan 0.71% (0.00%)</b>				
Suncor Energy, Inc.	CAD	5,852	97,081	0.29	Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	22,000	233,860	0.71
			<b>97,081</b>	<b>0.29</b>				<b>233,860</b>	<b>0.71</b>
<b>Cayman Islands 2.47% (2.05%)</b>					<b>United Kingdom 3.50% (3.81%)</b>				
Alibaba Group Holding Ltd., ADR	USD	1,808	387,870	1.18	Diageo plc	GBP	6,130	203,353	0.62
Tencent Holdings Ltd.	HKD	6,600	424,417	1.29	Reckitt Benckiser Group plc	GBP	4,186	386,823	1.17
			<b>812,287</b>	<b>2.47</b>	RELX plc	GBP	12,123	281,566	0.86
<b>China 0.80% (0.81%)</b>					Unilever plc	GBP	5,204	280,575	0.85
Ping An Insurance Group Co. of China Ltd. 'H'	HKD	26,500	264,641	0.80				<b>1,152,317</b>	<b>3.50</b>
			<b>264,641</b>	<b>0.80</b>	<b>United States of America 41.46% (38.51%)</b>				
<b>Denmark 1.80% (0.68%)</b>					Activision Blizzard, Inc.	USD	4,073	309,589	0.94
Novo Nordisk A/S 'B'	DKK	5,681	367,646	1.12	Adobe, Inc.	USD	909	390,752	1.19
Orsted A/S	DKK	1,936	223,325	0.68	Alphabet, Inc. 'A'	USD	405	564,805	1.72
			<b>590,971</b>	<b>1.80</b>	Alphabet, Inc. 'C'	USD	128	178,084	0.54
<b>Finland 0.77% (0.45%)</b>					Amazon.com, Inc.	USD	332	904,770	2.75
UPM-Kymmene OYJ	EUR	8,871	255,289	0.77	American Tower Corp., REIT	USD	1,359	349,684	1.06
			<b>255,289</b>	<b>0.77</b>	Amphenol Corp. 'A'	USD	2,117	202,787	0.62
<b>France 1.64% (2.52%)</b>					Bank of America Corp.	USD	8,829	208,629	0.63
EssilorLuxottica SA	EUR	1,796	230,182	0.70	Baxter International, Inc.	USD	3,631	308,163	0.94
Pernod Ricard SA	EUR	1,019	160,187	0.49	Boston Scientific Corp.	USD	4,612	160,405	0.49
Schneider Electric SE	EUR	1,343	148,893	0.45	Centene Corp.	USD	5,060	310,431	0.94
			<b>539,262</b>	<b>1.64</b>	CME Group, Inc.	USD	1,104	179,930	0.55
<b>Germany 0.98% (1.55%)</b>					Comcast Corp. 'A'	USD	11,076	429,306	1.30
adidas AG	EUR	1,230	322,191	0.98	Cooper Cos., Inc. (The)	USD	720	199,073	0.61
			<b>322,191</b>	<b>0.98</b>	Danaher Corp.	USD	1,653	287,060	0.87
<b>Hong Kong 0.97% (0.64%)</b>					Ecolab, Inc.	USD	1,380	270,866	0.82
AIA Group Ltd.	HKD	34,200	318,371	0.97	Electronic Arts, Inc.	USD	2,051	269,624	0.82
			<b>318,371</b>	<b>0.97</b>	Equinix, Inc., REIT	USD	417	290,924	0.88
<b>India 0.97% (0.98%)</b>					Estee Lauder Cos., Inc. (The) 'A'	USD	1,120	209,339	0.64
HDFC Bank Ltd., ADR	USD	6,988	318,164	0.97	Facebook, Inc. 'A'	USD	2,290	501,647	1.52
			<b>318,164</b>	<b>0.97</b>	Fidelity National Information Services, Inc.	USD	2,467	325,767	0.99
<b>Indonesia 0.45% (0.00%)</b>					Illumina, Inc.	USD	893	324,168	0.99
Bank Rakyat Indonesia Persero Tbk. PT	IDR	698,700	148,410	0.45	JPMorgan Chase & Co.	USD	3,873	364,023	1.11
			<b>148,410</b>	<b>0.45</b>	Lam Research Corp.	USD	803	260,028	0.79
<b>Ireland 3.17% (2.62%)</b>					Mastercard, Inc. 'A'	USD	1,585	464,215	1.41
Aon plc 'A'	USD	1,109	212,107	0.65	Microsoft Corp.	USD	5,271	1,061,158	3.22
CRH plc	EUR	7,813	265,650	0.81	NextEra Energy, Inc.	USD	1,178	284,204	0.86
Medtronic plc	USD	3,323	300,798	0.91	NVIDIA Corp.	USD	1,088	411,808	1.25
Trane Technologies plc	USD	2,986	264,351	0.80	PepsiCo, Inc.	USD	2,493	329,425	1.00
			<b>1,042,906</b>	<b>3.17</b>	S&P Global, Inc.	USD	778	252,477	0.77
<b>Japan 2.82% (4.88%)</b>					Service Corp. International	USD	5,016	195,624	0.59
Keyence Corp.	JPY	800	333,145	1.01	Stryker Corp.	USD	1,115	198,950	0.61
Nintendo Co. Ltd.	JPY	500	222,214	0.68	Thermo Fisher Scientific, Inc.	USD	825	294,269	0.89
Rohm Co. Ltd.	JPY	1,800	118,978	0.36	T-Mobile US, Inc.	USD	3,509	369,743	1.12
Sony Corp.	JPY	3,700	252,797	0.77	T-Mobile US, Inc. Rights 27/07/2020	USD	3,509	702	-
			<b>927,134</b>	<b>2.82</b>	TransUnion	USD	1,915	164,460	0.50
<b>Jersey 0.64% (0.57%)</b>					Uber Technologies, Inc.	USD	3,564	109,308	0.33
Ferguson plc	GBP	2,574	211,459	0.64	Union Pacific Corp.	USD	1,366	226,442	0.69
			<b>211,459</b>	<b>0.64</b>	UnitedHealth Group, Inc.	USD	1,194	345,233	1.05
<b>Netherlands 0.30% (2.76%)</b>					Vertex Pharmaceuticals, Inc.	USD	1,037	295,908	0.90
Airbus SE	EUR	1,380	97,610	0.30	Visa, Inc. 'A'	USD	2,595	497,410	1.51
			<b>97,610</b>	<b>0.30</b>	Walt Disney Co. (The)	USD	1,902	212,491	0.65
<b>South Korea 1.26% (1.45%)</b>					Xylem, Inc.	USD	2,007	130,134	0.40
Samsung Electronics Co. Ltd.	KRW	9,429	415,125	1.26				<b>13,643,815</b>	<b>41.46</b>
			<b>415,125</b>	<b>1.26</b>	<b>Virgin Islands, British 0.34% (0.00%)</b>				
					Nomad Foods Ltd.	USD	5,201	111,093	0.34
								<b>111,093</b>	<b>0.34</b>
					<b>Equities total</b>				
								<b>22,182,571</b>	<b>67.41</b>
					<b>Government Bonds 26.20% (26.77%)</b>				
					<b>Australia 0.44% (0.41%)</b>				
					Australia Government Bond 2.75% 21/04/2024	AUD	AUD 110,000	82,737	0.25
					Australia Government Bond 3.00% 21/03/2047	AUD	AUD 10,000	8,761	0.03
					Queensland Treasury Corp. 6.50% 14/03/2033	AUD	AUD 50,000	53,797	0.16
								<b>145,295</b>	<b>0.44</b>
					<b>Austria 0.06% (0.00%)</b>				
					Austria Government Bond 0.85% 30/06/2120	EUR	€15,000	18,815	0.06
								<b>18,815</b>	<b>0.06</b>

## Managed Fund Portfolio Statement (continued)

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets	Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Government Bonds 26.20% (26.77%) (continued)</b>					<b>United States of America 11.55% (11.72%) (continued)</b>				
<b>Canada 0.30% (0.32%)</b>					US Treasury 0.63%				
Canada Housing Trust No. 1					15/05/2030	USD	\$145,000	144,938	0.44
1.75% 15/06/2030	CAD	CAD 125,000	98,709	0.30	US Treasury 1.13%				
			<b>98,709</b>	<b>0.30</b>	15/05/2040	USD	\$280,000	278,961	0.85
<b>France 4.73% (4.27%)</b>					US Treasury 3.63%				
France Government Bond					15/02/2044	USD	\$95,000	139,973	0.43
OAT 3.25% 25/10/2021	EUR	€880,000	1,038,848	3.16	US Treasury 3.13%				
France Government Bond					15/08/2044	USD	\$70,000	96,102	0.29
OAT 1.25% 25/05/2036	EUR	€80,000	105,218	0.32	US Treasury 2.50%				
France Government Bond					15/02/2045	USD	\$80,000	99,363	0.30
OAT 1.75% 25/06/2039	EUR	€95,000	136,085	0.41	US Treasury 2.88%				
France Government Bond					15/08/2045	USD	\$95,000	126,049	0.38
OAT 1.50% 25/05/2050	EUR	€195,000	276,422	0.84	US Treasury 2.50%				
			<b>1,556,573</b>	<b>4.73</b>	15/05/2046	USD	\$105,000	131,184	0.40
<b>Germany 0.00% (1.22%)</b>					US Treasury 2.75%				
<b>Japan 5.30% (5.27%)</b>					15/08/2047				
Japan Government Five Year					US Treasury 2.00%				
Bond 0.10% 20/03/2025	JPY	JPY 9,500,000	88,907	0.27	15/02/2050	USD	\$40,000	46,145	0.14
Japan Government Forty Year					US Treasury 1.25%				
Bond 0.40% 20/03/2056	JPY	JPY 18,200,000	157,267	0.48	15/05/2050	USD	\$180,000	174,312	0.53
Japan Government Forty Year								<b>3,799,514</b>	<b>11.55</b>
Bond 0.50% 20/03/2059	JPY	JPY 3,600,000	31,983	0.10	<b>Government Bonds total</b>				
Japan Government Ten Year								<b>8,621,256</b>	<b>26.20</b>
Bond 0.10% 20/09/2026	JPY	JPY 4,800,000	45,052	0.14	<b>Corporate Bonds 1.25% (1.22%)</b>				
Japan Government Thirty Year					<b>Germany 0.48% (0.48%)</b>				
Bond 2.20% 20/09/2039	JPY	JPY 8,900,000	109,874	0.33	Kreditanstalt fuer				
Japan Government Thirty Year					Wiederaufbau 2.05%				
Bond 0.70% 20/12/2048	JPY	JPY 6,400,000	61,294	0.18	16/02/2026	JPY	JPY 10,000,000	104,522	0.32
Japan Government Twenty					Kreditanstalt fuer				
Year Bond 2.10% 20/03/2027	JPY	JPY 31,550,000	335,758	1.02	Wiederaufbau 2.60%				
Japan Government Twenty					20/06/2037	JPY	JPY 4,000,000	52,848	0.16
Year Bond 0.20% 20/06/2036	JPY	JPY 650,000	5,930	0.02				<b>157,370</b>	<b>0.48</b>
Japan Government Twenty					<b>Luxembourg 0.43% (0.40%)</b>				
Year Bond 0.30% 20/12/2039	JPY	JPY 26,000,000	236,290	0.72	European Financial Stability				
Japan Government Two Year					Facility 1.70% 13/02/2043				
Bond 0.10% 01/09/2021	JPY	JPY 2,000,000	18,598	0.06	EUR	€95,000	142,101	0.43	
Japan Government Two Year								<b>142,101</b>	<b>0.43</b>
Bond 0.10% 01/12/2021	JPY	JPY 70,250,000	653,610	1.98	<b>Netherlands 0.34% (0.34%)</b>				
			<b>1,744,563</b>	<b>5.30</b>	Nederlandse Financierings-				
<b>Netherlands 2.04% (1.50%)</b>					Maatschappij voor				
Netherlands Government Bond					Ontwikkelingslanden NV				
0.00% 15/01/2022	EUR	€357,000	404,849	1.23	0.13% 20/04/2022	EUR	€100,000	113,556	0.34
Netherlands Government Bond								<b>113,556</b>	<b>0.34</b>
0.25% 15/07/2025	EUR	€226,720	265,756	0.81	<b>Corporate Bonds total</b>				
			<b>670,605</b>	<b>2.04</b>				<b>413,027</b>	<b>1.25</b>
<b>United Kingdom 1.78% (2.06%)</b>					Total Value of Investments				
UK Treasury 3.75%								32,125,664	97.62
07/09/2021	GBP	€60,000	77,456	0.24	Net other assets (2019: 2.00%)				
UK Treasury 0.38%								783,592	2.38
22/10/2030	GBP	€38,000	47,810	0.15	<b>Net Assets attributable to Preference Shareholders</b>				
UK Treasury 1.75%								<b>32,909,256</b>	<b>100.00</b>
07/09/2037	GBP	€43,200	64,223	0.19	All holdings are ordinary shares or stock units and admitted to official stock				
UK Treasury 1.25%					exchange listings unless otherwise stated.				
22/10/2041	GBP	€40,000	55,970	0.17	The comparative percentage figures in brackets are as at 31 December 2019.				
UK Treasury 3.25%					*Security traded on another regulated market.				
22/01/2044	GBP	€16,000	31,175	0.09					
UK Treasury 1.50%									
22/07/2047	GBP	€52,000	78,468	0.24					
UK Treasury 0.63%									
22/10/2050	GBP	€136,000	168,800	0.51					
UK Treasury 1.63%									
22/10/2054	GBP	€20,000	32,706	0.10					
UK Treasury 0.50%									
22/10/2061	GBP	€25,000	30,574	0.09					
			<b>587,182</b>	<b>1.78</b>					
<b>United States of America 11.55% (11.72%)</b>									
FHLB 5.50% 15/07/2036	USD	\$80,000	125,520	0.38					
US Treasury 1.50%									
31/08/2021	USD	\$335,000	340,117	1.04					
US Treasury 1.50%									
31/10/2021	USD	\$70,000	71,239	0.22					
US Treasury 2.00%									
15/11/2021	USD	\$365,000	374,139	1.14					
US Treasury 1.63%									
31/10/2023	USD	\$145,000	151,961	0.46					
US Treasury 2.38%									
15/08/2024	USD	\$40,000	43,528	0.13					
US Treasury 2.00%									
15/08/2025	USD	\$225,000	244,406	0.74					
US Treasury 1.50%									
15/08/2026	USD	\$500,000	533,242	1.62					
US Treasury 2.25%									
15/08/2027	USD	\$35,000	39,359	0.12					
US Treasury 1.50%									
15/02/2030	USD	\$432,000	468,011	1.42					

# Worldwide Equity Fund

## Fund Investment Report

### Investment Policy

To invest primarily for capital growth in a portfolio of international equities.

### Types of Investment

Investments are made principally for prospects of capital growth in international stocks, generally in shares of leading companies, but also indirectly may be made through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

Exposure to individual regions or economies will generally reflect relative levels of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the North American market.

It must be remembered that the price of shares and the income from them can go down as well as up.

### Fund Performance

On a total return basis, over the six months to 30th June 2020 the MSCI AC World Index produced a return of -6.0% in United States (US) Dollar terms. By comparison, the Fund achieved a gross return of -0.8% over the same period.

### Review

Global equity markets endured a turbulent six months, with the MSCI All Country World index falling 5.1% in local terms. Sentiment was initially buoyed by the US and China signing a “phase one” trade deal. However, focus quickly turned to the spread of COVID-19 and its economic repercussions, as governments responded to the pandemic by introducing lockdowns that brought cities, regions and even countries to a near halt. Global equities rebounded through the second half of the review period, driven by optimism that the worst of the pandemic might be over, as a number of countries eased lockdown restrictions. Markets were also propelled higher by central bank stimulus programmes, government support packages, and by hopes that vaccinations and treatments would be found for the virus. Towards the end of the review period, however, a spike in cases outside Europe triggered fears of a second wave of the virus, while a resurgence in US China tensions also caused bouts of market volatility.

The US held up best of the major regions. North American stocks proved resilient as the government launched a \$2 trillion stimulus plan, while the Federal Reserve (Fed) cut interest rates, restarted its asset purchases and unveiled a \$2.3 trillion loan programme for municipalities and small businesses. US equities were also supported by strong performances from the region’s technology heavyweights. European equities underperformed as the virus outbreak accelerated in some of the region’s largest economies. Despite increased central bank asset purchases, the region remained under pressure amid disappointing economic data and disagreement among European leaders over the size and scope of a recovery fund. United Kingdom stocks also struggled amid Brexit related jitters. To support the economy, the government and Bank of England unveiled significant support packages, with the latter cutting interest rates to all time lows. Japanese equities underperformed despite initially holding up well amid indications that the country had been spared a significant virus outbreak without imposing strict lockdowns. Monetary stimulus from the Bank of Japan also proved supportive, but a renewed spike in coronavirus cases and weak economic data pressured Japanese equities over the second quarter. Emerging market equities also lagged the benchmark, amid concerns over rising coronavirus cases and falling oil prices.

At the sector level, technology stocks led returns, benefiting from the pandemic driven shift to online services. Media and entertainment names also outperformed as demand for online gaming and digital entertainment surged during lockdown. Meanwhile, the healthcare sector benefited from investor interest amid the search for coronavirus vaccines, tests and treatments. Energy stocks brought up the rear as oil prices slumped, while banks were also weaker owing to underwhelming earnings and expectations that interest rates will remain ‘lower for longer’.

New positions during the period included Danaher Corp. (US), Taiwan Semiconductor Manufacturing Co. Ltd. (Taiwan) and Orsted A/S (Denmark).

Danaher is a diversified life science tools company with a range of resilient businesses spanning scientific and technological areas. Its exposure to water quality and product identification provides further diversification. We believe that Danaher’s growth trajectory and margins should meaningfully improve following the divestiture of its dental segment and the acquisition of General Electric’s biopharmaceutical business GE Biopharma. With a high quality management team and strong, sustainable spending levels in key markets, the company looks well positioned on a long term view.

Taiwan Semiconductor Manufacturing (TSMC) is Taiwan’s biggest semiconductor company and the world’s largest dedicated independent semiconductor supplier. We believe that the company’s significant scale and reputation, as well as a strong balance sheet, represent significant barriers to entry for new competitors. Furthermore, TSMC is well placed to benefit from increasing demand for technology and 5G over the longer term.

Renewable energy company Orsted offers exposure to the secular opportunity in offshore wind as a developer and owner of farms. This is a rapidly, yet sustainably growing market, which exhibits relatively high barriers to entry and should benefit as climate change policies drive renewable energy targets higher and open up new markets. We view Orsted as a market leader. Its scale drives cost leadership which, alongside its established track record and supply chains, should help the firm to continue winning project tenders.

Sales to help fund these purchases included Becton Dickinson and Co. (US), Gilead Sciences, Inc. (US) and Crown Castle International Corp., REIT (US).

Medical technology company Becton Dickinson has been reporting solid results and maintains a leading position across many product lines. However, the outlook is clouded by the limited visibility around the timing of regulatory approval for the company’s pump software upgrades. As a result, we believe that capital is better allocated elsewhere.

# Worldwide Equity Fund

## Fund Investment Report (continued)

### Review (continued)

Shares in Gilead Sciences rallied following indications by a senior World Health Organisation official that the company may be best placed to find a treatment for COVID-19. While Gilead's competitive advantage is supported by several factors, we decided to close our holding and take profits.

Likewise, we sold Crown Castle (US) following its strong run of performance.

These have been challenging times for equity markets, with the coronavirus sparking unprecedented reactions from governments, central banks, businesses and consumers around the globe. Over the last quarter, however, investors have focused on the recovery from the pandemic, as the gradual reopening of economies helped to boost sentiment. While many unknowns remain, the indiscriminate sell offs have already created attractive opportunities to invest in companies with the ability to weather the current storm and win out over the long term. Our long held belief is that there are structural factors driving a world which is lower for longer, including debt, demographics and technological disruption. The scale of recent economic interventions in response to the spread of the coronavirus only strengthens this argument. In this environment, we remain firmly of the view that companies that can sustain above average growth rates should remain attractive for investors. We therefore retain our focus on companies with durable competitive advantages, as we believe these are best placed to sustain high returns and earnings growth across a range of market conditions.

## Worldwide Equity Fund Comparative Tables

for the accounting period 1st January 2020 to 30th June 2020

	Preference Shares			
	2020 <sup>1</sup>	2019	2018	2017
Change in net assets per share	US\$	US\$	US\$	US\$
Opening net asset value per share	3.3020	2.4989	2.8384	2.2080
Return before operating charges <sup>2</sup>	(0.0431)	0.8652	(0.2787)	0.6839
Operating charges	(0.0333)	(0.0621)	(0.0608)	(0.0535)
Return after operating charges	(0.0764)	0.8031	(0.3395)	0.6304
Distributions on preference shares	—	—	—	—
Closing net asset value per shares	3.2256	3.3020	2.4989	2.8384
after direct transaction costs <sup>2</sup>	(0.0009)	(0.0015)	(0.0017)	(0.0020)

### Performance

Return after charges	(2.31%)	32.14%	(11.96%)	28.55%
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### Other information

Closing net asset value (US\$)	27,697,538	30,236,469	25,973,376	35,030,454
Closing number of shares	8,586,738	9,156,955	10,393,930	12,341,581
Operating charges	2.15%	2.10%	2.14%	2.13%
Direct transaction costs	0.03%	0.05%	0.06%	0.08%
Ongoing Charges Figure (“OCF”) <sup>3</sup>	2.15%	2.10%	2.14%	2.13%

### Prices

	2020 <sup>1</sup>	2019	2018	2017	2016	2015
Highest offer share price (US\$)	3.6620	3.4940	3.1970	2.9970	2.3940	2.4260
Lowest bid share price (US\$)	2.3740	2.4780	2.4380	2.2070	1.8790	1.9750
Net distribution per share (US\$)	—	—	—	—	—	—

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2020 which is for the six months period ended 30th June 2020.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2020 is an annualised ratio.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.



## Worldwide Equity Fund

### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	June 2019 US\$
Income		
Net capital (losses)/gains	(657,653)	5,702,670
Revenue	207,244	272,325
Expense	(286,366)	(299,926)
Net expense before taxation	(79,122)	(27,601)
Taxation	(44,705)	(52,620)
Net expense after taxation	(123,827)	(80,221)
<b>Total return before distribution</b>	<b>(781,480)</b>	<b>5,622,449</b>
Distributions	4,211	2,160
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(777,269)</b>	<b>5,624,609</b>

### Balance Sheet

as at 30th June 2020

	June 2020 US\$	December 2019 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	27,414,281	29,655,462
Current assets:		
Debtors	233,933	232,670
Cash and bank balances	333,298	637,133
<b>Total assets</b>	<b>27,981,512</b>	<b>30,525,265</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(63,447)	(69,694)
<b>Total liabilities</b>	<b>(63,447)</b>	<b>(69,694)</b>
<b>Equity:</b>		
Nominal shares	(220,527)	(219,102)
<b>Total equity</b>	<b>(220,527)</b>	<b>(219,102)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>27,697,538</b>	<b>30,236,469</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	June 2019 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>30,236,469</b>	<b>25,973,376</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	224,476	60,250
Amounts payable on cancellation of shares	(1,986,138)	(1,184,443)
	(1,761,662)	(1,124,193)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(777,269)	5,624,609
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>27,697,538</b>	<b>30,473,792</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2019 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2019.

## Worldwide Equity Fund Portfolio Statement

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets	Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Equities 98.98% (98.08%)</b>					<b>United States of America 60.92% (56.20%)</b>				
<b>Canada 0.44% (1.15%)</b>					<b>Activision Blizzard, Inc.</b>				
Suncor Energy, Inc.	CAD	7,311	121,285	0.44	USD	4,970	377,770	1.36	
			<b>121,285</b>	<b>0.44</b>	Adobe, Inc.	USD	1,100	472,857	1.71
<b>Cayman Islands 3.74% (2.97%)</b>					Alphabet, Inc. 'A'	USD	476	663,820	2.40
Alibaba Group Holding Ltd., ADR	USD	2,283	489,772	1.77	Alphabet, Inc. 'C'	USD	196	272,691	0.98
Tencent Holdings Ltd.	HKD	8,500	546,598	1.97	Amazon.com, Inc.	USD	412	1,122,786	4.05
			<b>1,036,370</b>	<b>3.74</b>	American Tower Corp., REIT	USD	1,641	422,246	1.52
<b>China 1.19% (1.13%)</b>					Amphenol Corp. 'A'	USD	2,639	252,790	0.91
Ping An Insurance Group Co. of China Ltd. 'H'	HKD	33,000	329,553	1.19	Bank of America Corp.	USD	11,257	266,003	0.96
			<b>329,553</b>	<b>1.19</b>	Baxter International, Inc.	USD	4,400	373,428	1.35
<b>Denmark 2.68% (0.96%)</b>					Boston Scientific Corp.	USD	5,658	196,785	0.71
Novo Nordisk A/S 'B'	DKK	7,157	463,166	1.67	Centene Corp.	USD	6,191	379,818	1.37
Orsted A/S	DKK	2,413	278,348	1.01	CME Group, Inc.	USD	1,366	222,631	0.80
			<b>741,514</b>	<b>2.68</b>	Comcast Corp. 'A'	USD	13,679	530,198	1.91
<b>Finland 1.13% (0.66%)</b>					Cooper Cos., Inc. (The)	USD	899	248,564	0.90
UPM-Kymmene OYJ	EUR	10,868	312,758	1.13	DanaHER Corp.	USD	2,024	351,488	1.27
			<b>312,758</b>	<b>1.13</b>	Ecolab, Inc.	USD	1,721	337,798	1.22
<b>France 2.41% (3.66%)</b>					Electronic Arts, Inc.	USD	2,516	330,758	1.19
EssilorLuxottica SA	EUR	2,248	288,113	1.04	Equinix, Inc., REIT	USD	511	356,504	1.29
Pernod Ricard SA	EUR	1,275	200,430	0.72	Estee Lauder Cos., Inc. (The) 'A'	USD	1,376	257,188	0.93
Schneider Electric SE	EUR	1,613	178,826	0.65	Facebook, Inc. 'A'	USD	2,876	630,017	2.27
			<b>667,369</b>	<b>2.41</b>	Fidelity National Information Services, Inc.	USD	3,020	398,791	1.44
<b>Germany 1.43% (2.34%)</b>					Illumina, Inc.	USD	1,105	401,126	1.45
adidas AG	EUR	1,509	395,274	1.43	JPMorgan Chase & Co.	USD	4,848	455,663	1.65
			<b>395,274</b>	<b>1.43</b>	Lam Research Corp.	USD	999	323,496	1.17
<b>Hong Kong 1.40% (0.94%)</b>					Mastercard, Inc. 'A'	USD	1,954	572,288	2.07
AIA Group Ltd.	HKD	41,800	389,120	1.40	Microsoft Corp.	USD	6,530	1,314,620	4.75
			<b>389,120</b>	<b>1.40</b>	NextEra Energy, Inc.	USD	1,446	348,862	1.26
<b>India 1.41% (1.43%)</b>					NVIDIA Corp.	USD	1,340	507,190	1.83
HDFC Bank Ltd., ADR	USD	8,577	390,511	1.41	PepsiCo, Inc.	USD	3,101	409,766	1.48
			<b>390,511</b>	<b>1.41</b>	S&P Global, Inc.	USD	966	313,486	1.13
<b>Indonesia 0.62% (0.00%)</b>					Service Corp. International	USD	6,427	250,653	0.91
Bank Rakyat Indonesia Persero Tbk. PT	IDR	804,000	170,776	0.62	Stryker Corp.	USD	1,363	243,200	0.88
			<b>170,776</b>	<b>0.62</b>	Thermo Fisher Scientific, Inc.	USD	1,026	365,964	1.32
<b>Ireland 4.60% (3.79%)</b>					T-Mobile US, Inc.	USD	4,353	458,676	1.66
Aon plc 'A'	USD	1,366	261,261	0.94	T-Mobile US, Inc. Rights 27/07/2020	USD	4,353	871	-
CRH plc	EUR	9,525	323,860	1.17	TransUnion	USD	2,321	199,327	0.72
Medtronic plc	USD	4,038	365,520	1.32	Uber Technologies, Inc.	USD	4,160	127,587	0.46
Trane Technologies plc	USD	3,670	324,905	1.17	Union Pacific Corp.	USD	1,713	283,964	1.03
			<b>1,275,546</b>	<b>4.60</b>	UnitedHealth Group, Inc.	USD	1,464	423,301	1.53
<b>Japan 4.13% (7.00%)</b>					Vertex Pharmaceuticals, Inc.	USD	1,293	368,958	1.33
Keyence Corp.	JPY	1,000	416,431	1.50	Visa, Inc. 'A'	USD	3,199	613,184	2.21
Nintendo Co. Ltd.	JPY	600	266,657	0.96	Walt Disney Co. (The)	USD	2,340	261,425	0.94
Rohm Co. Ltd.	JPY	2,200	145,417	0.53	Xylem, Inc.	USD	2,550	165,342	0.60
Sony Corp.	JPY	4,600	314,289	1.14				<b>16,873,880</b>	<b>60.92</b>
			<b>1,142,794</b>	<b>4.13</b>	<b>Virgin Islands, British 0.50% (0.00%)</b>				
<b>Jersey 0.93% (1.00%)</b>					Nomad Foods Ltd.	USD	6,485	138,520	0.50
Ferguson plc	GBP	3,141	258,039	0.93				<b>138,520</b>	<b>0.50</b>
			<b>258,039</b>	<b>0.93</b>	<b>Equities total</b>				
<b>Netherlands 0.49% (3.89%)</b>								<b>27,414,281</b>	<b>98.98</b>
Airbus SE	EUR	1,909	135,027	0.49	Total Value of Investments			27,414,281	98.98
			<b>135,027</b>	<b>0.49</b>	Net other assets (2019: 1.92%)			283,257	1.02
<b>South Korea 1.84% (2.09%)</b>					<b>Net Assets attributable to Preference Shareholders</b>				
Samsung Electronics Co. Ltd.	KRW	11,586	510,090	1.84				<b>27,697,538</b>	<b>100.00</b>
			<b>510,090</b>	<b>1.84</b>	All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.				
<b>Spain 0.00% (0.90%)</b>					The comparative percentage figures in brackets are as at 31 December 2019.				
<b>Switzerland 2.99% (2.40%)</b>									
Givaudan SA	CHF	53	196,961	0.71					
SIG Combibloc Group AG	CHF	8,392	134,721	0.49					
Sika AG	CHF	1,084	207,999	0.75					
TE Connectivity Ltd.	USD	3,551	287,809	1.04					
			<b>827,490</b>	<b>2.99</b>					
<b>Taiwan 1.00% (0.00%)</b>									
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	USD	4,904	277,861	1.00					
			<b>277,861</b>	<b>1.00</b>					
<b>United Kingdom 5.13% (5.57%)</b>									
Diageo plc	GBP	7,505	248,967	0.90					
Reckitt Benckiser Group plc	GBP	5,160	476,828	1.72					
RELX plc	GBP	14,950	347,225	1.25					
Unilever plc	GBP	6,445	347,484	1.26					
			<b>1,420,504</b>	<b>5.13</b>					

# Managed Currency Fund

## Fund Investment Report

### Investment Policy

To invest in a portfolio of short term fixed interest investments. The Managed Currency Fund invests principally in deposits.

### Types of Investment

The majority of the Investment Fund is invested in short dated bonds and interest bearing time deposits and is earning the higher rates of interest not normally available to the individual investor. Investments may be made in all forms of money market instrument which are normally held to maturity, and in any currency where the projected return over the life of the investment is attractive. The Fund will normally have a bias towards United States (US) Dollar denominated assets.

Limited sales and purchases of currencies may be made through options and the forward and financial futures markets whilst bearing in mind the investment policy of the Fund, the Fund size and the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

### Fund Performance

On a total return basis, over the six months to 30th June 2020 the Fund posted a gross return of +0.5% versus +0.3% for the LIBID USD 1M, in US Dollar terms.

### Review

During the six months under review, the portfolio was invested entirely in US Dollar deposits.

The Bloomberg Dollar index experienced some marked fluctuations over the six months under review, but ended the period slightly higher than it began. The index peaked in March as investors sought safe havens amid the sharp falls in global equity and credit markets. However, demand for the US currency fell back as risk appetite returned during the second quarter.

Investors' initial optimism at the start of 2020, buoyed by the signing of the US China trade deal in January, gave way to worries about the spread of COVID-19, and attendant risks to the already slowing global economy. The US Dollar reversed in mid February, but subsequently rallied as investors looked for safe havens from the volatility in financial markets. The US Dollar later eased back as investor sentiment was boosted by stimulus measures from the government and the US Federal Reserve (Fed). The US central bank responded to the escalating crisis by cutting interest rates close to zero and agreeing a substantial stimulus package. This included buying corporate debt, a step not taken even in the 2008 financial crisis.

The US Dollar came under pressure in the second quarter in the wake of the Fed's dovish stance and the revival of investor risk appetite, amid the flood of monetary and fiscal stimulus measures. The partial easing of lockdown restrictions in some countries was also supportive for risk assets. However, the number of coronavirus cases continued to soar and towards the end of the review period, infection rates started to rise in several countries where the virus was previously thought to be under control. Indeed, by late June, some governments had suspended or even reversed the easing of control measures.

The Fed provided further stimulus, unveiling a \$2.3 trillion loan programme for municipalities and small businesses, along with new measures to support corporate bond markets. Later in the second quarter, the Fed gave a downbeat view of the economy and indicated that interest rates were likely to remain close to zero through 2022. Economic data releases were poor. More than 20 million Americans filed claims for unemployment benefits in April, and gross domestic product (GDP) in the first quarter showed a worse than expected fall of 5.0%. Trade tensions with China also flared again. More encouragingly, there has been talk of a possible \$1 trillion infrastructure programme to boost the American economy.

More recently, the US economy's phased reopening has exceeded expectations, leading to a surge in economic activity, and a rebound in investor confidence and the labour market. Over the coming weeks, the pace and extent of the recovery will be tested by the recent surge in virus cases, notably in some southern and western states, and the anticipated fourth round of fiscal stimulus.

Congress will debate the next round of fiscal stimulus in July 2020. We believe the government will be careful to avoid letting the economy fall off a cliff when the current support package expires on 31 July 2020. While the next round of support might be less generous, we do not see stimulus being withdrawn completely, especially in a presidential election year.

## Managed Currency Fund Comparative Tables

for the accounting period 1st January 2020 to 30th June 2020

	Preference Shares					
	2020 <sup>1</sup>	2019	2018	2017	2016	2015
	US\$	US\$	US\$	US\$		
<b>Change in net assets per share</b>						
Opening net asset value per share	0.3310	0.3317	0.3325	0.3336		
Return before operating charges <sup>2</sup>	0.0018	0.0067	0.0054	0.0026		
Operating charges	(0.0019)	(0.0036)	(0.0039)	(0.0037)		
Return after operating charges	(0.0001)	0.0031	0.0015	(0.0011)		
Distributions on preference shares	(0.0004)	(0.0038)	(0.0023)	—		
Closing net asset value per shares	0.3305	0.3310	0.3317	0.3325		
after direct transaction costs <sup>2</sup>	—	—	—	—		
<b>Performance</b>						
Return after charges	(0.03%)	0.93%	0.45%	(0.33%)		
<b>Other information</b>						
Closing net asset value (US\$)	520,346	519,291	534,391	559,208		
Closing number of shares	1,574,206	1,568,856	1,610,986	1,681,820		
Operating charges	1.14%	1.09%	1.16%	1.13%		
Direct transaction costs	0.00%	0.00%	0.00%	0.00%		
Ongoing Charges Figure (“OCF”) <sup>3</sup>	1.14%	1.09%	1.16%	1.13%		
<b>Prices</b>						
Highest offer share price (US\$)	0.3489	0.3513	0.3511	0.3511	0.3537	0.3576
Lowest bid share price (US\$)	0.3308	0.3314	0.3321	0.3323	0.3336	0.3360
Net distribution per share (US\$)	0.0004	0.0038	0.0023	—	—	—

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2020 which is for the six months period ended 30 June 2020.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2020 is an annualised ratio.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

## Managed Currency Fund

### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020	June 2019
	US\$	US\$
Income		
Net capital losses	(715)	(491)
Revenue	3,516	6,978
Expenses	(2,943)	(2,947)
Interest payable and similar charges	(2)	(354)
Net revenue before taxation	571	3,677
Taxation	–	–
Net revenue after taxation	571	3,677
<b>Total return before distribution</b>	<b>(144)</b>	<b>3,186</b>
Distribution	(571)	(3,677)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(715)</b>	<b>(491)</b>

### Balance Sheet

as at 30th June 2020

	June 2020	December 2019
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	257,935	256,283
Current assets:		
Debtors	59,868	59,881
Cash and bank balances	263,650	266,112
<b>Total assets</b>	<b>581,453</b>	<b>582,276</b>
<b>Liabilities:</b>		
Creditors:		
Distribution payable	(575)	(2,403)
Other creditors	(664)	(701)
<b>Total liabilities</b>	<b>(1,239)</b>	<b>(3,104)</b>
<b>Equity:</b>		
Nominal shares	(59,868)	(59,881)
<b>Total equity</b>	<b>(59,868)</b>	<b>(59,881)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>520,346</b>	<b>519,291</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020	June 2019
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	519,291	534,391
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	2,061	2,403
Amounts payable on cancellation of shares	(291)	(10,125)
	1,770	(7,722)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(715)	(491)
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>520,346</b>	<b>526,178</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2019 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2019.

### Distribution Table

for the accounting period 1st January 2020 to 30th June 2020

	Income	Equalisation	Distribution Payable June 20	Distribution Paid June 19
	US\$	US\$	US\$	US\$
Group 1	0.0004	–	0.0004	0.0023
Group 2	0.0000	0.0004	0.0004	0.0023

Group 2 units are those purchased after 16:00 (UK time) on 31st December 2019.

## Managed Currency Fund Portfolio Statement

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Time Deposits 49.57% (49.35%)</b>				
<b>United States of America 49.57% (49.35%)</b>				
Credit Agricole Corporate & Investment Bank SA 0.20% 18/08/2020	USD	51,500	51,500	9.90
First Abu Dhabi Bank PJSC 0.34% 16/11/2020	USD	51,637	51,637	9.92
Mitsubishi UFJ Trust & Banking Corp. 0.30% 11/09/2020	USD	51,611	51,611	9.92
Standard Chartered Bank 1.01% 21/10/2020	USD	51,544	51,544	9.91
Sumitomo Mitsui Banking Corp. 0.30% 16/09/2020	USD	51,643	51,643	9.92
			<b>257,935</b>	<b>49.57</b>
<b>Time Deposits total</b>			<b>257,935</b>	<b>49.57</b>
Total Value of Investments			257,935	49.57
Net Other Assets (2019: 50.65%)			262,411	50.43
<b>Net Assets attributable to Preference Shareholders</b>			<b>520,346</b>	<b>100.00</b>

\*United States Dollar (US\$) time deposits greater than 3 months at 30th June 2020 was US\$ 257,935 (December 2019: US\$ 256,283)

All investments in time deposits are other securities which are not admitted to official stock exchange listing or on another regulated market.

The comparative percentage figures in brackets are as at 31 December 2019.

# Gilt and Income Fund

## Fund Investment Report

### Investment Policy

To achieve a high total return with limited capital risk from a portfolio of Sterling denominated fixed interest investments and money market assets.

### Types of Investment

All assets are Sterling denominated. Investments are primarily in Eurosterling Bonds and those United Kingdom (UK) Government Securities (gilt edged stock) which can pay income free of UK withholding tax to the Fund, and in bank deposits. As market conditions justify, investments may be made in other appropriate assets as permitted by the Regulations.

Limited sales and purchases of fixed interest securities may be made through options and financial futures, whilst bearing in mind the investment policy of the Fund and the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

### Fund Performance

Over the six months to 30th June 2020, the Fund produced a total gross return of +9.1% in Sterling terms, compared with a return of +8.9% for the FTSE Actuaries UK Conventional Gilts All Stocks Index.

### Review

UK government bonds (gilts) performed well over the review period; yields fell as prices rose.

2020 was dominated by the rapid spread of COVID-19. In response to the crisis, governments and central banks around the world unleashed an unprecedented flood of policy measures. The Bank of England (BoE) slashed interest rates to an all time low of 0.1%, offered banks special terms for loans to small businesses, and agreed to buy £200bn in bonds (later increased to £300bn) including corporate debt. Later, the bank announced that it would temporarily finance government borrowing directly, bypassing the bond market.

Against this backdrop, investors deserted riskier assets and favoured those perceived to be safe havens, pushing core government bond yields to record lows. However, even gilts were impacted in March's market turbulence, as investors cashed in their holdings to meet redemptions. Gilt yields also rose as the government unveiled a substantial fiscal stimulus package, which fuelled concerns about increased borrowing.

However, yields subsequently resumed their decline and fell to fresh lows over the second quarter, given the accommodative monetary policy backdrop and as economic data started to reflect the severe growth deterioration from the global shutdown. Gilts outperformed other core bonds over this period, due to speculation that the BoE might lower its key lending rate below zero and amid renewed Brexit related jitters.

The UK finally exited the European Union (EU) on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing. With negotiations between the two sides seemingly yielding little meaningful progress, concern mounted over the period that the two sides might fail to agree on a trade deal before the transition period expires.

In economic news, gross domestic product (GDP) in major markets fell sharply in the first quarter, a period when lockdowns initially had limited impact outside of China, feeding concern that there could be larger declines in the second quarter. The UK's quarterly GDP contracted by 2.2% in the first quarter, the biggest drop in 40 years. The period covered only a small portion of the lockdown, so a steeper fall is expected in the second quarter, a view reinforced by the flash composite purchasing managers' index for the period, which indicated that activity declined by the most on record.

In terms of relative duration, the portfolio entered January 2020 0.1 years long of the index.

We marginally increased exposure to long duration gilts in early 2020 amid weak core bond markets. In mid January, we lowered duration in 5 year gilts to neutral, but later reversed this as an economic data release underperformed our expectations. In February, we added further exposure in 10 year bonds and briefly reduced duration following Chancellor Sajid Javid's resignation, as markets feared a far looser fiscal outlook. We later added duration back in 20–30 year gilts amid coronavirus related fears. In March, we added duration in 15–25 year gilts and repositioned some of the overweight in long dated bonds into the highest yielding point of the curve, now the gilt maturing in 2044.

Portfolio activity was fairly quiet in April and May. The only transaction of note was a small addition to duration in the 20 year area during the third week of April. This brought overall relative duration to 0.55 years long, which remained in place until June. June was much busier. The largest moves were the switch in duration from gilts maturing in 2049 into bonds maturing in 2061, and a reduction in duration after the BoE unexpectedly slowed the pace of monthly gilt purchases. The portfolio finished June with overall duration 0.35 years long of the index.

The speed and severity of the collapse in economic activity across advanced economies is likely to deliver high volatility in the sequential data over coming months. Nevertheless, we expect the return to pre crisis rates of growth to be extremely slow due to persistent softness in demand and the risk that temporary job losses become more permanent. Support from governments and central banks has been substantial, though we retain concern over the longevity of the fiscal effort and the ability of monetary policy to fully offset the demand shock given that interest rates are so close to the effective lower bound.

Under these extraordinary conditions, we continue to favour duration. While government bond issuance has increased, inflation and growth expectations are low. This is especially true of the UK, which faces headwinds on two fronts, fears of a no deal Brexit and a protracted withdrawal from the lockdown at least relative to much of Europe. Yields are also likely to be contained by expectations of further monetary easing by the BoE. Although we remain sceptical that the bank will adopt negative interest rates, it is notable that Governor Andrew Bailey has left the door open for such a move.

## Gilt and Income Fund Comparative Tables

for the accounting period 1st January 2020 to 30th June 2020

	Preference Shares			
	2020 <sup>1</sup>	2019	2018	2017
	£	£	£	£
<b>Change in net assets per share</b>				
Opening net asset value per share	0.4215	0.3996	0.4020	0.3993
Return before operating charges <sup>2</sup>	0.0406	0.0276	0.0033	0.0083
Operating charges	(0.0032)	(0.0057)	(0.0057)	(0.0056)
Return after operating charges	0.0374	0.0219	(0.0024)	0.0027
Distributions on preference shares	–	–	–	–
Closing net asset value per shares	0.4589	0.4215	0.3996	0.4020
after direct transaction costs <sup>2</sup>	–	–	–	–

### Performance

Return after charges	8.87%	5.48%	(0.60%)	0.68%
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### Other information

Closing net asset value (£)	11,602,789	11,285,788	11,242,524	12,027,560
Closing number of shares	25,283,086	26,776,092	28,137,952	29,922,299
Operating charges	1.43%	1.37%	1.42%	1.42%
Direct transaction costs	0.00%	0.00%	0.00%	0.00%
Ongoing Charges Figure (“OCF”) <sup>3</sup>	1.43%	1.37%	1.42%	1.42%

### Prices

	2020 <sup>1</sup>	2019	2018	2017	2016	2015
Highest offer share price (£)	0.4912	0.4681	0.4282	0.4313	0.4508	0.4087
Lowest bid share price (£)	0.4205	0.3977	0.3849	0.3887	0.3680	0.3598
Net distribution per share (£)	–	–	–	–	0.0010	0.0023

### Notes

<sup>1</sup>Based on amounts for 12 months to 31 December except for 2020 which is for the six months period ended 30 June 2020.

<sup>2</sup>Return before operating charges is stated after direct transaction costs.

<sup>3</sup>The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2020 is an annualised ratio.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.



## Gilt and Income Fund

### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	Restated* June 2019 US\$
Income		
Net capital gains	1,242,681	601,637
Revenue	61,091	90,276
Expenses	(97,575)	(97,759)
Net expense before taxation	(36,484)	(7,483)
Taxation	–	–
Net expense after taxation	(36,484)	(7,483)
<b>Total return before distribution</b>	<b>1,206,197</b>	<b>594,154</b>
Distributions	41	60
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>1,206,238</b>	<b>594,214</b>

### Balance Sheet

as at 30th June 2020

	June 2020 US\$	December 2019 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	14,047,225	14,739,607
Current assets:		
Debtors	625,342	629,729
Cash and bank balances	241,875	152,112
Total assets	14,914,442	15,521,448
<b>Liabilities:</b>		
Creditors:		
Other creditors	(20,565)	(23,226)
Total liabilities	(20,565)	(23,226)
<b>Equity:</b>		
Nominal shares	(555,846)	(552,114)
Total equity	(555,846)	(552,114)
<b>Net Assets Attributable to Preference Shareholders</b>	<b>14,338,031</b>	<b>14,946,108</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	Restated* June 2019 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>14,946,108</b>	<b>14,319,603<sup>(1)</sup></b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	647,923	11,527
Amounts payable on cancellation of shares	(1,454,521)	(346,593)
	(806,598)	(335,066)
Difference on currency conversion	(1,007,717)	(15,457)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	1,206,238	594,214
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>14,338,031</b>	<b>14,563,294</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2019 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2019.

### Distribution Table

There is no distribution for the accounting period 1st January 2020 to 30th June 2020, as expenses exceed revenue (June 2019: Nil).

\*Please refer to the prior year adjustment note on page 45-46.

<sup>(1)</sup> Opening Net Assets Attributable to Preference Shareholders for 2019 has not been restated.

## Gilt and Income Fund Portfolio Statement

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets	Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Government Bonds 91.40% (91.81%)</b>					<b>Supranationals 1.29% (1.29%)</b>				
<b>United Kingdom 91.40% (91.81%)</b>					<b>European Investment Bank</b>				
UK Treasury 2.00%					1.13% 07/09/2021	GBP	£65,000	81,218	0.72
22/07/2020	GBP	£174,000	215,245	1.50	European Investment Bank				
UK Treasury 3.75%					1.00% 21/09/2026	GBP	£80,000	103,189	0.72
07/09/2020	GBP	£559,000	695,519	4.85				<b>184,407</b>	<b>1.29</b>
UK Treasury 1.50%								<b>184,407</b>	<b>1.29</b>
22/01/2021	GBP	£1,384,000	1,724,606	12.03	<b>Supranationals total</b>				
UK Treasury 0.13%					<b>Certificates of Deposit 1.82% (1.33%)</b>				
31/01/2023	GBP	£198,000	245,817	1.71	<b>Canada 0.86% (0.89%)</b>				
UK Treasury 0.63%					<b>Export Development Canada</b>				
07/06/2025	GBP	£414,000	529,154	3.69	0.00% 29/05/2024	GBP	100,000	123,337	0.86
UK Treasury 0.13%								<b>123,337</b>	<b>0.86</b>
30/01/2026	GBP	£684,000	852,118	5.94	<b>Supranational 0.96% (0.44%)</b>				
UK Treasury 0.38%					<b>International Bank</b>				
22/10/2030	GBP	£550,000	691,982	4.83	<b>for Reconstruction &amp;</b>				
UK Treasury 4.25%					<b>Development 0.99%</b>				
07/06/2032	GBP	£228,000	413,604	2.88	<b>13/12/2024</b>				
UK Treasury 4.50%					<b>International Bank</b>				
07/09/2034	GBP	£609,000	1,180,922	8.24	<b>for Reconstruction &amp;</b>				
UK Treasury 4.25%					<b>Development 0.95%</b>				
07/03/2036	GBP	£1,000	1,948	0.01	<b>21/12/2029</b>				
UK Treasury 1.75%								74,135	0.52
07/09/2037	GBP	£800,000	1,189,318	8.30				<b>137,731</b>	<b>0.96</b>
UK Treasury 1.25%					<b>Certificates of Deposit total</b>				
22/10/2041	GBP	£500,000	699,622	4.88				<b>261,068</b>	<b>1.82</b>
UK Treasury 3.25%					<b>Investment assets</b>				
22/01/2044	GBP	£526,000	1,024,876	7.15				14,047,225	97.97
UK Treasury 1.50%					<b>Net other assets</b>				
22/07/2047	GBP	£412,000	621,710	4.34				290,806	2.03
UK Treasury 1.75%					<b>Net assets</b>				
22/01/2049	GBP	£749,000	1,201,370	8.38				<b>14,338,031</b>	<b>100.00</b>
UK Treasury 0.63%					All holdings are ordinary shares or stock units and admitted to official stock				
22/10/2050	GBP	£167,000	207,277	1.45	exchange listings unless otherwise stated.				
UK Treasury 1.63%					The comparative percentage figures in brackets are as at 31 December 2019.				
22/10/2054	GBP	£166,000	271,464	1.89					
UK Treasury 1.75%									
22/07/2057	GBP	£175,000	302,745	2.11					
UK Treasury 0.50%									
22/10/2061	GBP	£464,000	567,445	3.96					
UK Treasury 2.50%									
22/07/2065	GBP	£109,000	241,013	1.68					
UK Treasury 1.63%									
22/10/2071	GBP	£120,000	227,041	1.58					
			<b>13,104,796</b>	<b>91.40</b>					
			<b>13,104,796</b>	<b>91.40</b>					
<b>Government Bonds total</b>									
<b>Corporate Bonds 3.46% (4.19%)</b>									
<b>Austria 0.89% (0.89%)</b>									
<b>Oesterreichische Kontrollbank</b>									
AG 1.25% 15/12/2023	GBP	£100,000	127,578	0.89					
			<b>127,578</b>	<b>0.89</b>					
<b>Canada 1.56% (1.60%)</b>									
<b>Export Development Canada</b>									
0.88% 07/12/2021	GBP	£180,000	224,413	1.56					
			<b>224,413</b>	<b>1.56</b>					
<b>Germany 0.44% (0.00%)</b>									
<b>Kreditanstalt fuer</b>									
<b>Wiederaufbau 1.00%</b>									
15/12/2022	GBP	£50,000	63,073	0.44					
			<b>63,073</b>	<b>0.44</b>					
<b>United Kingdom 0.57% (1.70%)</b>									
<b>LCR Finance plc 4.50%</b>									
07/12/2028	GBP	£50,000	81,890	0.57					
			<b>81,890</b>	<b>0.57</b>					
<b>Corporate Bonds total</b>									
			<b>496,954</b>	<b>3.46</b>					

# North American Growth Fund

## Fund Investment Report

### Investment Policy

To invest primarily for capital growth in a portfolio of equities based in North America.

### Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but may also be held indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

### Fund Performance

Over the six months to 30th June 2020 under review, the Fund produced a total gross return of -0.8%, while the S&P 500 Index returned -3.1% in United States (US) Dollar terms.

### Review

US equities endured a very volatile six months, as a steep decline during the period's first half was followed by a strong rebound.

Sentiment was initially buoyed as the US and China signed a "phase one" trade deal and the US economic backdrop remained generally robust. However, the focus quickly turned to the spread of the COVID-19 virus and its economic repercussions, as the developing pandemic prompted responses including lockdowns that brought cities, regions and even countries to a near halt. Equities plunged as world economic activity slowed abruptly.

Central banks and governments responded to COVID-19 with a wave of monetary and fiscal stimulus, and this drove stocks higher over the review term's second half. Optimism that the pandemic was past its peak in developed markets also supported gains, along with progress in developing vaccines and treatments for the virus. Numerous countries and US states began to ease control measures or continued doing so. However, equities pared gains near the end of the period as tensions with China escalated and rising COVID-19 infection rates prompted several US states to delay or even reverse reopening plans.

US economic figures and corporate earnings were generally solid in January and February, but more than 20 million Americans lost their jobs and applied for unemployment benefits in March. The Federal Reserve (Fed) lowered interest rates back to near zero and unveiled market support measures including purchases of corporate debt, a step not taken even in the 2008 financial crisis. Meanwhile, a \$2 trillion fiscal stimulus package was signed into law. Though economic data was predictably dire over much of the period, given the blow from COVID-19, purchasing managers' indices suggested that the US services and manufacturing sectors were near a return to growth in June. Nonetheless, in that same month, the Fed gave a downbeat view of the economy and indicated that rates would likely stay near zero into 2022.

On the political front, the Democrats' impeachment of President Trump generated many headlines, but had little impact on markets. Near the end of the period, polling indicated that Trump was trailing well behind Democratic nominee Joe Biden in numerous states amid discontent over the White House's handling of COVID-19 and protests against racism. Geopolitical tensions also resurfaced as Washington stepped up efforts to blame Beijing for the pandemic and the US imposed new sanctions against Chinese technology firm Huawei.

Significant transaction activity in the portfolio during the period included the following:

- Reinitiating a holding of JPMorgan Chase & Co. (Financials). We view the bank as among the industry's strongest and best capitalised, leaving it well placed to withstand the current downturn and absorb expected loan losses. It is a quality company, more than earning its cost of capital. JPMorgan Chase came through the Fed's latest stress test in good shape and, unlike some peers, has no need to cut its dividend. The stock sold off considerably as the market declined, presenting an attractive entry point.
- Establishing an allocation to Eli Lilly and Co. (Health Care- Pharmaceuticals). Eli Lilly, a global leader in diabetes treatments, enjoys a compelling advantage in its growing Trulicity once a week franchise for type 2 diabetes. Though the shares trade at a premium to peers, we expect sales in a normal operating environment (from next year onwards) to rise at a 6-8% pace and annual earnings per share (EPS) growth in the mid teens, which is well above competitors and justifies the premium valuation. Additionally, Eli Lilly is well positioned to expand operating margins to the high 30s from the high 20s over coming years.
- Opening a position in Medtronic plc (Health Care - Health Care Equipment & Supplies). On a normalised basis, Medtronic is a quality company offering compelling top line growth in the region of 5% a year, with 8-9% earnings per share (EPS) growth over the longer term.
- In addition, the company has very good free cashflow and cash conversion, which has improved to the region of 80%, and a dividend yield in excess of 2%. Looking out to the rest of 2020 and into 2021, the number of non-COVID-19 patients undergoing treatment is likely to recover as hospitals begin to normalise processes. Medtronic has strong market shares in its key product categories and new products in the pipeline.
- Entering an exposure to Eaton Corp. plc (Industrials - Electrical Equipment). Eaton has moved in recent years to position itself (via a series of disposals and joint ventures) more as a high quality, high margin industrial business, rather than a cyclical machinery company. As a result, it is well placed for solid multiple expansion, underpinned by positive business momentum. Eaton should also stand to benefit from the secular shift towards electric vehicles, which requires more power infrastructure and intensity.
- The fund sold out of names including Visa Inc. A (Information Technology - IT Services), Procter & Gamble Co. (Consumer Staples - Household Products), Baxter International Inc. (Health Care - Health Care Equipment & Supplies) Trane Technologies plc (Industrial) and Chevron Corp. (Energy - Oil, Gas & Consumable Fuels).

US equities made a strong recovery over the review term's second half, lifted by monetary support, fiscal stimulus and progress on a COVID-19 vaccine. In terms of fiscal stimulus, we believe the government will be careful to avoid letting the economy fall off a cliff when the current support package expires on 31 July 2020, particularly in a presidential election year. Should the Democrats win the presidency and both houses of Congress as well in November 2020 vote, we would expect increases in the corporate tax rate and in regulation. However, this would likely be more than offset by pro business steps such as a green infrastructure package.

## North American Growth Fund Comparative Tables

for the accounting period 1st January 2020 to 30th June 2020

26

	Preference Shares			
	2020 <sup>1</sup> US\$	2019 US\$	2018 US\$	2017 US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	9.3731	7.1090	7.7410	6.0714
Return before operating charges <sup>2</sup>	(0.1306)	2.4325	(0.4645)	1.8024
Operating charges	(0.0931)	(0.1684)	(0.1675)	(0.1328)
Return after operating charges	(0.2237)	2.2641	(0.6320)	1.6696
Distributions on preference shares	—	—	—	—
Closing net asset value per shares	9.1494	9.3731	7.1090	7.7410
after direct transaction costs <sup>2</sup>	(0.0009)	(0.0017)	(0.0040)	(0.0090)

### Performance

Return after charges	(2.39%)	31.85%	(8.16%)	27.50%
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### Other information

Closing net asset value (US\$)	24,343,536	25,655,208	20,325,943	24,888,638
Closing number of shares	2,660,673	2,737,111	2,859,189	3,215,184
Operating charges	2.12%	2.08%	2.09%	2.05%
Direct transaction costs	0.01%	0.02%	0.05%	0.14%
Ongoing Charges Figure ("OCF") <sup>3</sup>	2.12%	2.08%	2.09%	2.05%

### Prices

	2020 <sup>1</sup>	2019	2018	2017	2016	2015
Highest offer share price (US\$)	10.4900	9.9140	9.0470	8.1790	6.4860	6.3300
Lowest bid share price (US\$)	6.5150	6.9980	6.8990	6.0800	5.0120	5.2940
Net distribution per share (US\$)	—	—	—	—	—	—

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2020 which is for the six months period ended 30 June 2020.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2020 is an annualised ratio.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

## North American Growth Fund

### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	June 2019 US\$
Income		
Net capital (losses)/gains	(494,036)	4,026,356
Revenue	191,415	176,252
Expenses	(247,657)	(233,679)
Net expense before taxation	(56,242)	(57,427)
Taxation	(56,847)	(52,098)
Net expense after taxation	(113,089)	(109,525)
<b>Total return before distribution</b>	<b>(607,125)</b>	<b>3,916,831</b>
Distributions	2,811	1,434
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(604,314)</b>	<b>3,918,265</b>

### Balance Sheet

as at 30th June 2020

	June 2020 US\$	December 2019 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	24,264,498	25,460,546
Current assets:		
Debtors	159,242	162,368
Cash and bank balances	119,884	234,684
<b>Total assets</b>	<b>24,543,624</b>	<b>25,857,598</b>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(51,380)	(53,873)
<b>Total liabilities</b>	<b>(51,380)</b>	<b>(53,873)</b>
<b>Equity:</b>		
Nominal shares	(148,708)	(148,517)
Total equity	(148,708)	(148,517)
<b>Net Assets Attributable to Preference Shareholders</b>	<b>24,343,536</b>	<b>25,655,208</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	June 2019 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	25,655,208	20,325,943
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	149,554	127,020
Amounts payable on cancellation of shares	(856,912)	(596,823)
	(707,358)	(469,803)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(604,314)	3,918,265
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>24,343,536</b>	<b>23,774,405</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2019 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2019.

## North American Growth Fund Portfolio Statement

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets	Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Equities 99.68% (99.24%)</b>					<b>Health Care 13.87% (13.43%)</b>				
<b>Communication Services 12.23% (11.95%)</b>					<b>Biotechnology 2.48% (3.94%)</b>				
<b>Entertainment 1.49% (1.51%)</b>					Alexion Pharmaceuticals, Inc. USD 2,147 240,292 0.99				
Take-Two Interactive Software, Inc. USD 2,611 363,425 1.49					BioMarin Pharmaceutical, Inc. USD 2,967 363,220 1.49				
					<b>603,512 2.48</b>				
<b>Interactive Media &amp; Services 7.53% (8.01%)</b>					<b>Health Care Equipment &amp; Supplies 3.63% (3.81%)</b>				
Alphabet, Inc. 'A' USD 718 1,001,308 4.11					Abbott Laboratories USD 5,504 491,783 2.02				
Facebook, Inc. 'A' USD 3,796 831,552 3.42					Medtronic plc USD 4,339 392,766 1.61				
					<b>884,549 3.63</b>				
					<b>Health Care Providers &amp; Services 1.74% (1.78%)</b>				
<b>Media 2.07% (2.43%)</b>					Centene Corp. USD 4,978 305,400 1.26				
Comcast Corp. 'A' USD 12,977 502,989 2.07					Guardant Health, Inc. USD 1,477 117,540 0.48				
					<b>422,940 1.74</b>				
<b>Wireless Telecommunication Services 1.14% (0.00%)</b>					<b>Life Sciences Tools &amp; Services 2.09% (2.14%)</b>				
T-Mobile US, Inc. USD 2,636 277,755 1.14					Thermo Fisher Scientific, Inc. USD 1,425 508,283 2.09				
					<b>508,283 2.09</b>				
<b>Communication Services total 2,977,029 12.23</b>					<b>Pharmaceuticals 3.93% (1.76%)</b>				
<b>Consumer Discretionary 11.30% (8.68%)</b>					Bristol-Myers Squibb Co. USD 7,616 439,672 1.80				
<b>Automobiles 1.03% (0.00%)</b>					Eli Lilly and Co. USD 3,181 518,471 2.13				
General Motors Co. USD 9,974 251,445 1.03									
					<b>958,143 3.93</b>				
					<b>Health Care total 3,377,427 13.87</b>				
<b>Hotels, Restaurants &amp; Leisure 0.00% (0.45%)</b>					<b>Industrials 10.11% (11.14%)</b>				
<b>Internet &amp; Direct Marketing Retail 6.08% (4.24%)</b>					<b>Aerospace &amp; Defense 1.90% (2.84%)</b>				
Amazon.com, Inc. USD 543 1,479,789 6.08					L3Harris Technologies, Inc. USD 2,117 367,088 1.51				
					Spirit AeroSystems Holdings, Inc. 'A' USD 3,959 95,847 0.39				
					<b>462,935 1.90</b>				
<b>Multiline Retail 1.61% (0.00%)</b>					<b>Commercial Services &amp; Supplies 1.45% (1.62%)</b>				
Target Corp. USD 3,276 391,318 1.61					Republic Services, Inc. USD 4,334 352,398 1.45				
					<b>352,398 1.45</b>				
<b>Specialty Retail 2.58% (2.63%)</b>					<b>Electrical Equipment 1.64% (0.00%)</b>				
Home Depot, Inc. (The) USD 2,521 627,477 2.58					Eaton Corp. plc USD 4,610 399,456 1.64				
					<b>399,456 1.64</b>				
<b>Textiles, Apparel &amp; Luxury Goods 0.00% (1.36%)</b>					<b>Machinery 3.00% (4.34%)</b>				
<b>Consumer Discretionary total 2,750,029 11.30</b>					Caterpillar, Inc. USD 3,473 434,855 1.79				
					Ingersoll Rand, Inc. USD 10,510 294,595 1.21				
					<b>729,450 3.00</b>				
<b>Consumer Staples 2.01% (6.87%)</b>					<b>Road &amp; Rail 2.12% (2.34%)</b>				
<b>Beverages 2.01% (2.11%)</b>					Union Pacific Corp. USD 3,114 516,208 2.12				
PepsiCo, Inc. USD 3,704 489,447 2.01									
					<b>516,208 2.12</b>				
					<b>Industrials total 2,460,447 10.11</b>				
<b>Food Products 0.00% (1.85%)</b>					<b>Information Technology 32.06% (27.14%)</b>				
<b>Household Products 0.00% (2.91%)</b>					<b>Communications Equipment 2.01% (2.09%)</b>				
<b>Consumer Staples total 489,447 2.01</b>					Cisco Systems, Inc. USD 10,499 488,938 2.01				
					<b>488,938 2.01</b>				
<b>Energy 2.20% (5.07%)</b>					<b>Electronic Equipment, Instruments &amp; Components 2.52% (0.00%)</b>				
<b>Oil, Gas &amp; Consumable Fuels 2.20% (5.07%)</b>					TE Connectivity Ltd. USD 3,130 253,687 1.04				
ConocoPhillips USD 6,696 275,406 1.13					Trimble, Inc. USD 8,343 360,167 1.48				
Valero Energy Corp. USD 4,560 259,510 1.07									
					<b>613,854 2.52</b>				
					<b>IT Services 2.55% (5.52%)</b>				
<b>Energy total 534,916 2.20</b>					Mastercard, Inc. 'A' USD 2,116 619,734 2.55				
					<b>619,734 2.55</b>				
<b>Financials 10.97% (10.65%)</b>					<b>Semiconductors &amp; Semiconductor Equipment 6.70% (5.02%)</b>				
<b>Banks 7.97% (7.38%)</b>					Broadcom, Inc. USD 1,339 420,084 1.72				
Bank of America Corp. USD 23,766 561,591 2.31					Lam Research Corp. USD 1,185 383,727 1.58				
Citigroup, Inc. USD 9,268 471,185 1.94					Microchip Technology, Inc. USD 3,381 352,875 1.45				
Citizens Financial Group, Inc. USD 15,036 371,088 1.52					NVIDIA Corp. USD 1,256 475,396 1.95				
JPMorgan Chase & Co. USD 5,693 535,085 2.20									
					<b>1,632,082 6.70</b>				
<b>Diversified Financial Services 1.46% (1.46%)</b>					<b>Software 11.26% (8.73%)</b>				
Voya Financial, Inc. USD 7,699 356,464 1.46					Adobe, Inc. USD 1,424 612,135 2.51				
					Microsoft Corp. USD 9,149 1,841,877 7.57				
					NortonLifeLock, Inc. USD 14,456 286,807 1.18				
<b>Insurance 1.54% (1.81%)</b>									
Allstate Corp. (The) USD 3,889 375,288 1.54					<b>2,740,819 11.26</b>				
<b>Financials total 2,670,701 10.97</b>									

## North American Growth Fund Portfolio Statement (continued)

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Equities 99.68% (99.24%) (continued)</b>				
<b>Information Technology 32.06% (27.14%) (continued)</b>				
<b>Technology Hardware, Storage &amp; Peripherals 7.02% (5.78%)</b>				
Apple, Inc.	USD	4,677	1,708,274	7.02
			<u>1,708,274</u>	<u>7.02</u>
<b>Information Technology total</b>			<u><b>7,803,701</b></u>	<u><b>32.06</b></u>
<b>Materials 2.99% (1.79%)</b>				
<b>Chemicals 2.99% (1.79%)</b>				
DuPont de Nemours, Inc.	USD	6,901	363,890	1.49
Eastman Chemical Co.	USD	5,259	364,922	1.50
			<u>728,812</u>	<u>2.99</u>
<b>Materials total</b>			<u><b>728,812</b></u>	<u><b>2.99</b></u>
<b>Real Estate 1.03% (1.28%)</b>				
<b>Equity Real Estate Investment Trusts (REITs) 1.03% (1.28%)</b>				
SBA Communications Corp.	USD	842	249,636	1.03
			<u>249,636</u>	<u>1.03</u>
<b>Real Estate total</b>			<u><b>249,636</b></u>	<u><b>1.03</b></u>
<b>Utilities 0.91% (1.24%)</b>				
<b>Electric Utilities 0.91% (1.24%)</b>				
American Electric Power Co., Inc.	USD	2,768	222,353	0.91
			<u>222,353</u>	<u>0.91</u>
<b>Utilities total</b>			<u><b>222,353</b></u>	<u><b>0.91</b></u>
<b>Equities total</b>			<u><b>24,264,498</b></u>	<u><b>99.68</b></u>
Total Value of Investments			24,264,498	99.68
Net Other Assets (2019: 0.76%)			79,038	0.32
<b>Net Assets attributable to Preference Shareholders</b>			<u><b>24,343,536</b></u>	<u><b>100.00</b></u>

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31 December 2019.

# Far East Fund

## Fund Investment Report

### Investment Policy

To invest primarily for capital growth from a portfolio of equities in the principal Far Eastern and Asian markets.

### Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but also may be held indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations. Investments may be held in any approved Far Eastern market.

Exposure to individual economies will generally reflect relative level of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the Japanese market.

It must be remembered that the price of shares and the income from them can go down as well as up.

### Fund Performance

Over the six months to 30th June 2020, the Fund produced a total gross return of -3.3% in United States (US) Dollar terms, compared with a total return of -6.3% for the MSCI AC Asia Pacific Index.

### Review

Global and Asian markets endured a mixed six month period. Initial optimism surrounding the signing of the “phase one” trade deal between the US and China was offset due to COVID-19 concerns as investors feared the economic implications of containment measures and social distancing. The subsequent rebound in the second quarter was driven by central banks expanding their stimulus plans, economies gradually reopening, and tentative signs of progress in the search for a vaccine against COVID-19, while the recovery in oil price proved a further tailwind.

Japanese equities marginally underperformed the index despite initially holding up well amid indications that the country had been spared a significant virus outbreak without imposing strict lockdowns. Monetary stimulus from the Bank of Japan also proved supportive, but a renewed spike in coronavirus cases put pressure on Japanese equities in April, while weak economic data also weighed on returns.

China was among the best performing countries in the index. The market was initially buoyed by the de-escalation in geopolitical tensions before it sold off following the outbreak of COVID-19, on concerns over the impact on China’s economic growth and global supply chains. Nevertheless, Chinese equities held up relatively well given the containment of the virus, the deceleration in new cases, and supportive measures from the authorities. On the economic front, macro data in May 2020 showed that the economy has continued to recover; production has largely normalised and consumer spending is improving. Towards the end of the review period, however, there was a renewed spike in coronavirus cases and US relations deteriorated again.

Elsewhere in Asia, India underperformed the benchmark as the announcement of a nationwide lockdown caused a sharp market decline. The market recovered some ground, however, as the central bank cut the policy rate and the government unveiled an economic package amounting to around 10% of the country’s gross domestic product (GDP). Taiwan outperformed the benchmark, helped by the country’s effective response to the virus outbreak and gains in technology stocks, which make up a sizeable part of the market. Leading domestic companies reported strong sales figures and upbeat forecasts.

Within the Japanese portion of the portfolio, new additions included Grace Technology Inc. and Sekisui Chemical Co., Ltd.

Grace Technology is a business to business (B2B) manual production company for major manufacturers. The firm has been able to demonstrate ongoing growth in its client base, with management putting greater focus on high margin projects. Sekisui Chemical Co., Ltd. develops and manufactures high performance materials. We believe the company’s strong competitiveness will ensure earnings growth in coming years, while the recent pullback in share price caused by the uncertain economic environment provided an attractive entry point.

Sales involved companies where the outlook seemed impaired against the challenging economic backdrop. One such example was restaurant karaoke firm Koshidaka Holdings Co., Ltd. We had concerns that the business would be hurt by market conditions and social distancing measures. We also sold Sumitomo Mitsui Financial Group Inc., given concerns surrounding the sustainability of earnings amid the weakening economic environment.

Outside Japan, we bought electronics company Hon Hai Precision Industry Co., Ltd. (Taiwan), JD.com, Inc. (Cayman Islands), Meituan Dianping (Cayman Islands) and automobile business KIA Motors Corp. (South Korea).

Hon Hai Precision Industry Co., Ltd. is a key manufacturing partner of Apple. We hold a constructive outlook on the company, given margin improvement due to tighter cost controls and enhancements in operational efficiency. JD.com has recently undertaken initiatives to increase penetration into lower tier cities through diversified channel strategies, and to strengthen its supply chain relationships with broader product categories. Meituan Dianping is a web based shopping platform for consumer products. We hold a constructive outlook for the company given its continued operational efficiency and focus on the growth of new initiatives. KIA Motors Corp enjoys a sizable and growing market share in both Europe and the US. We are positive about the company’s strong position in India where it has recently opened a new manufacturing plant. To fund these purchases, we sold a number of holdings, including Kasikornbank Public Co., Ltd. (Thailand). We were concerned about signs of continued deterioration in the Thai economy feeding into bank asset quality, while fee growth is also under pressure from regulatory change. We also sold holdings in Treasury Wine Estates Ltd. (Australia), Thai Oil Public Co. Ltd. (Thailand), and ANTA Sports Products Ltd. (Cayman Islands), among others.



# Far East Fund

## Fund Investment Report (continued)

### Review (continued)

The global economic impact of COVID-19 has been severe following production shutdowns and social distancing measures earlier in the year. However, we have witnessed the early signs of recovery in countries such as Japan, China and South Korea that are ahead of the global pandemic curve, with the continuation of measures toward relaxing controls on movement, contributing to an uptick in interest in more cyclical stocks. Despite the unprecedented monetary and fiscal stimulus proving supportive, we still need to keep in mind that the key risk will be a secondary wave of infections once economies start to reopen.

For the remainder of the year, we can expect a hit to both GDP and corporate earnings in Japan. However, we expect more companies to announce their annual profit guidance within the next two quarters, which should help increase earnings visibility. We also expect share buyback activities to resume sooner, rather than later, as Japanese companies have a large amount of excess cash to put to work. We believe Japan's market offers decent upside opportunity, given its cyclically geared nature. Stepping back from the near term uncertainties, structural reforms in areas ranging from labour to corporate governance will be transformational for corporate Japan in the next decade, while a combination of attractively valued companies and a large stimulus package will provide further support. The valuation case remains compelling, with valuation metrics below their respective historical means, and attractively valued compared to other major economies.

Turning to Asia ex Japan, equities have been supported by stimulus measures from policymakers, while global virus concerns and the uncertainty surrounding US China relations remain key risks.

In terms of US China relations, investors reacted positively to the "phase one" trade deal. However, we can anticipate both positive and negative surprises, given the intermingling of complex issues such as deficit reduction, market access, intellectual property and industrial policy. We must also be aware of the shortening and diversification of supply chains.

Structural progress is ongoing, with reforms seen as key for unlocking growth potential and accelerating secular themes. Reform agendas across the region are emphasising domestic demand as a growth driver over the longer term, with key proposals progressing in Indonesia, India and China.

## Far East Fund Comparative Tables

for the accounting period 1st January 2020 to 30th June 2020

	Preference Shares			
	2020 <sup>1</sup> US\$	2019 US\$	2018 US\$	2017 US\$
<b>Change in net assets per share</b>				
Opening net asset value per share	3.9780	3.1695	3.7695	2.8214
Return before operating charges <sup>2</sup>	(0.1358)	0.8969	(0.5069)	1.0351
Operating charges	(0.0450)	(0.0852)	(0.0931)	(0.0870)
Return after operating charges	(0.1808)	0.8117	(0.6000)	0.9481
Distributions on preference shares	—	(0.0032)	—	—
Closing net asset value per shares	3.7972	3.9780	3.1695	3.7695
after direct transaction costs <sup>2</sup>	(0.0011)	(0.0018)	(0.0037)	(0.0092)

### Performance

Return after charges	(4.54%)	25.61%	(15.92%)	33.60%
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### Other information

Closing net asset value (US\$)	6,848,754	7,481,527	6,423,064	8,188,390
Closing number of shares	1,803,624	1,880,705	2,026,524	2,172,267
Operating charges	2.48%	2.40%	2.53%	2.66%
Direct transaction costs	0.03%	0.05%	0.10%	0.28%
Ongoing Charges Figure (“OCF”) <sup>3</sup>	2.48%	2.40%	2.53%	2.66%

### Prices

	2020 <sup>1</sup>	2019	2018	2017	2016	2015
Highest offer share price (US\$)	4.3050	4.2150	4.2930	3.9880	3.1700	3.4510
Lowest bid share price (US\$)	2.8390	3.1260	3.1220	2.8060	2.3760	2.6120
Net distribution per share (US\$)	—	0.0032	—	—	—	—

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2020 which is for the six months period ended 30th June 2020.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30th June 2020 is an annualised ratio.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

## Far East Fund

### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020	June 2019
	US\$	US\$
Income		
Net capital (losses)/gains	(338,738)	854,297
Revenue	69,720	95,351
Expenses	(72,718)	(74,384)
Net (expense)/revenue before taxation	(2,998)	20,967
Taxation	(7,771)	(9,947)
Net (expense)/revenue after taxation	(10,769)	11,020
<b>Total return before distribution</b>	<b>(349,507)</b>	<b>865,317</b>
Distribution	763	301
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(348,744)</b>	<b>865,618</b>

### Balance Sheet

as at 30th June 2020

	June 2020	December 2019
	US\$	US\$
<b>Assets:</b>		
Fixed assets:		
Investments	6,735,038	7,411,994
Current assets:		
Debtors	88,155	82,677
Cash and bank balances	115,712	85,959
<b>Total assets</b>	<b>6,938,905</b>	<b>7,580,630</b>
<b>Liabilities:</b>		
Creditors:		
Distribution payable	–	(6,103)
Other creditors	(17,002)	(20,044)
<b>Total liabilities</b>	<b>(17,002)</b>	<b>(26,147)</b>
<b>Equity:</b>		
Nominal shares	(73,149)	(72,956)
<b>Total equity</b>	<b>(73,149)</b>	<b>(72,956)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>6,848,754</b>	<b>7,481,527</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020	June 2019
	US\$	US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>7,481,527</b>	<b>6,423,064</b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	7,640	8,370
Amounts payable on cancellation of shares	(291,669)	(243,690)
	(284,029)	(235,320)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(348,744)	865,618
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>6,848,754</b>	<b>7,053,362</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2019 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2019.

## Far East Fund Portfolio Statement

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets	Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Collective Investment Schemes 2.31% (2.49%)</b>					<b>Japan 36.73% (35.15%) (continued)</b>				
Threadneedle Financial Services Ltd.*	USD	2,098	157,903	2.31	Keyence Corp.	JPY	300	124,929	1.82
<b>Collective Investment Schemes total</b>			<b>157,903</b>	<b>2.31</b>	Kinden Corp.	JPY	2,300	37,911	0.55
<b>Equities 96.03% (96.58%)</b>					Koito Manufacturing Co. Ltd.	JPY	600	24,085	0.35
<b>Australia 8.36% (10.18%)</b>					Lasertec Corp.	JPY	300	28,201	0.41
Aristocrat Leisure Ltd.	AUD	2,776	48,755	0.71	METAWATER Co. Ltd.	JPY	900	41,300	0.60
Australia & New Zealand Banking Group Ltd.	AUD	4,264	54,743	0.80	Milbon Co. Ltd.	JPY	200	9,512	0.14
BHP Group Ltd.	AUD	4,976	122,763	1.79	Mitsubishi UFJ Financial Group, Inc.	JPY	15,200	59,310	0.87
CSL Ltd.	AUD	700	138,370	2.02	Murata Manufacturing Co. Ltd.	JPY	900	52,589	0.77
Lendlease Group	AUD	6,450	54,864	0.80	Nihon M&A Center, Inc.	JPY	1,100	49,509	0.72
Macquarie Group Ltd.	AUD	1,054	86,097	1.26	Nintendo Co. Ltd.	JPY	100	44,443	0.65
Transurban Group	AUD	6,872	66,831	0.98	Nippon Telegraph & Telephone Corp.	JPY	3,500	81,376	1.19
			<b>572,423</b>	<b>8.36</b>	Obic Co. Ltd.	JPY	200	34,894	0.51
<b>Cayman Islands 15.39% (11.07%)</b>					ORIX Corp.	JPY	1,500	18,474	0.27
Alibaba Group Holding Ltd., ADR	USD	1,561	334,881	4.89	PALTAC Corp.	JPY	400	18,319	0.27
China Resources Land Ltd.	HKD	14,000	53,016	0.77	PeptiDream, Inc.	JPY	500	22,852	0.33
JD.com, Inc., ADR	USD	1,000	60,080	0.88	Pigeon Corp.	JPY	500	19,306	0.28
Li Ning Co. Ltd.	HKD	10,500	33,192	0.49	Raksul, Inc.	JPY	1,184	31,974	0.47
Meituan Dianping 'B'	HKD	2,496	55,360	0.81	Recruit Holdings Co. Ltd.	JPY	2,200	74,932	1.09
New Oriental Education & Technology Group, Inc., ADR	USD	453	60,448	0.88	Rohm Co. Ltd.	JPY	500	33,049	0.48
Sands China Ltd.	HKD	16,800	65,895	0.96	Sekisui Chemical Co. Ltd.	JPY	3,200	45,715	0.67
Sea Ltd., ADR	USD	229	24,828	0.36	Shin-Etsu Chemical Co. Ltd.	JPY	800	93,298	1.36
Tencent Holdings Ltd.	HKD	5,700	366,542	5.35	Shinko Electric Industries Co. Ltd.	JPY	1,900	25,734	0.38
			<b>1,054,242</b>	<b>15.39</b>	Ship Healthcare Holdings, Inc.	JPY	400	16,613	0.24
<b>China 4.77% (6.22%)</b>					Shiseido Co. Ltd.	JPY	500	31,598	0.46
Anhui Conch Cement Co. Ltd. 'H'	HKD	10,000	67,351	0.98	Shoei Co. Ltd.	JPY	1,000	24,910	0.36
China Construction Bank Corp. 'H'	HKD	68,000	54,923	0.80	SMC Corp.	JPY	100	51,034	0.75
China Merchants Bank Co. Ltd. 'H'	HKD	19,500	89,568	1.31	SoftBank Group Corp.	JPY	800	40,353	0.59
Ping An Insurance Group Co. of China Ltd. 'H'	HKD	11,500	114,844	1.68	Solasto Corp.	JPY	1,600	15,812	0.23
			<b>326,686</b>	<b>4.77</b>	Sony Corp.	JPY	1,300	88,821	1.30
<b>Hong Kong 8.23% (9.13%)</b>					Square Enix Holdings Co. Ltd.	JPY	1,000	50,339	0.74
AIA Group Ltd.	HKD	17,600	163,840	2.39	Takeda Pharmaceutical Co. Ltd.	JPY	1,700	60,502	0.88
China Mobile Ltd.	HKD	4,500	30,308	0.44	Takuma Co. Ltd.	JPY	3,000	41,244	0.60
CNOOC Ltd.	HKD	58,000	64,507	0.94	Tokio Marine Holdings, Inc.	JPY	1,800	78,145	1.14
CSPC Pharmaceutical Group Ltd.	HKD	21,600	40,801	0.60	Tokyo Electron Ltd.	JPY	200	48,948	0.72
Galaxy Entertainment Group Ltd.	HKD	11,000	74,795	1.09	Toyota Motor Corp.	JPY	1,900	118,894	1.74
Hong Kong Exchanges & Clearing Ltd.	HKD	2,256	95,939	1.40	ValueCommerce Co. Ltd.	JPY	1,300	34,709	0.51
Sun Hung Kai Properties Ltd.	HKD	2,000	25,534	0.37	Zuken, Inc.	JPY	100	2,652	0.04
Techtronic Industries Co. Ltd.	HKD	7,000	68,234	1.00				<b>2,515,699</b>	<b>36.73</b>
			<b>563,958</b>	<b>8.23</b>	<b>Jersey 0.58% (0.58%)</b>				
<b>India 2.08% (2.18%)</b>					Ameor plc, CDI	AUD	3,971	39,603	0.58
HDFC Bank Ltd., ADR	USD	1,510	68,750	1.00				<b>39,603</b>	<b>0.58</b>
Reliance Industries Ltd., GDR	USD	1,610	73,899	1.08	<b>Malaysia 0.00% (0.35%)</b>				
			<b>142,649</b>	<b>2.08</b>	<b>Philippines 0.75% (1.56%)</b>				
<b>Indonesia 1.37% (1.95%)</b>					Ayala Land, Inc.	PHP	48,660	33,039	0.48
Bank Rakyat Indonesia Persero Tbk. PT	IDR	233,200	49,534	0.72	Metropolitan Bank & Trust Co.	PHP	24,507	18,191	0.27
Telekomunikasi Indonesia Persero Tbk. PT	IDR	206,300	44,109	0.65				<b>51,230</b>	<b>0.75</b>
			<b>93,643</b>	<b>1.37</b>	<b>Singapore 1.68% (2.07%)</b>				
<b>Japan 36.73% (35.15%)</b>					CapitalLand Ltd.	SGD	23,100	48,184	0.71
Asahi Intecc Co. Ltd.	JPY	500	14,184	0.21	United Overseas Bank Ltd.	SGD	4,600	66,672	0.97
Bridgestone Corp.	JPY	1,800	57,837	0.85				<b>114,856</b>	<b>1.68</b>
Chugai Pharmaceutical Co. Ltd.	JPY	300	15,994	0.23	<b>South Korea 7.35% (7.36%)</b>				
Comture Corp.	JPY	1,000	25,855	0.38	KB Financial Group, Inc.	KRW	1,300	36,747	0.54
Dai-ichi Life Holdings, Inc.	JPY	2,500	29,700	0.43	Kia Motors Corp.	KRW	1,275	34,074	0.50
Daiichi Sankyo Co. Ltd.	JPY	1,000	81,488	1.19	Samsung Electro-Mechanics Co. Ltd.	KRW	647	69,325	1.01
Daikin Industries Ltd.	JPY	500	80,259	1.17	Samsung Electronics Co. Ltd.	KRW	5,729	252,227	3.68
Disco Corp.	JPY	200	48,244	0.70	Samsung SDI Co. Ltd.	KRW	241	73,047	1.07
Elecom Co. Ltd.	JPY	1,000	48,763	0.71	SK Hynix, Inc.	KRW	534	37,892	0.55
Freee KK	JPY	600	26,977	0.39				<b>503,312</b>	<b>7.35</b>
Grace Technology, Inc.	JPY	300	17,660	0.26	<b>Taiwan 8.74% (7.68%)</b>				
Hoya Corp.	JPY	900	85,437	1.25	Chroma ATE, Inc.	TWD	9,000	46,307	0.68
Industrial & Infrastructure Fund Investment Corp., REIT	JPY	12	19,234	0.28	E.Sun Financial Holding Co. Ltd.	TWD	54,730	51,579	0.75
ITOCHU Corp.	JPY	2,700	58,045	0.85	Hon Hai Precision Industry Co. Ltd.	TWD	18,000	52,756	0.77
Itochu Techno-Solutions Corp.	JPY	800	29,925	0.44	Largan Precision Co. Ltd.	TWD	250	34,641	0.51
JCU Corp.	JPY	800	24,919	0.36	MediaTek, Inc.	TWD	7,000	137,171	2.00
Justsystems Corp.	JPY	500	35,228	0.51	Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	26,000	276,380	4.03
Kao Corp.	JPY	1,300	102,656	1.50				<b>598,834</b>	<b>8.74</b>
Katitas Co. Ltd.	JPY	1,600	37,008	0.54	<b>Thailand 0.00% (1.10%)</b>				
					<b>Equities total</b>				
								<b>6,577,135</b>	<b>96.03</b>
					Total Value of Investments				
								6,735,038	98.34
					Net other assets (2019: 0.93%)				
								113,716	1.66
					<b>Net assets attributable to Preference Shareholders</b>				
								<b>6,848,754</b>	<b>100.00</b>

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31 December 2019.

\*Security traded on another regulated market.

# UK Capital Growth Fund

## Fund Investment Report

### Investment Policy

To invest primarily for capital growth from a portfolio of equities based in the United Kingdom.

### Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but also may be made indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants and also through fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them, can go down as well as up.

### Fund Performance

On a total return basis, over the six months to 30th June 2020 the FTSE All-Share Index produced a return of -17.5% in Sterling terms. By comparison, the Fund achieved a gross return of -21.2% over the same period.

### Review

United Kingdom (UK) and global equity markets endured a turbulent six months amid concerns over the spread of COVID-19 and its economic repercussions. A dizzying series of responses to the pandemic included lockdowns that brought cities, regions and even countries to a near halt.

Risk assets rebounded through the second half of the review period, driven by optimism that the COVID-19 pandemic was past its peak in Europe, as a number of countries, including the UK, eased lockdown restrictions. Markets were also propelled higher by optimism over the vast supportive measures unleashed by governments and central banks around the world. However, towards the end of June, markets were rattled by fears of a 'second wave' of the virus, owing to a spike in infections outside Europe. A resurgence in US China tensions also caused bouts of market volatility.

The FTSE All Share index returned -17.5% over the review period and underperformed its global peers in both the sell off and the rally, as energy and financials – which have large weightings in the index performed poorly. Meanwhile, globally, investors favoured technology names, which are not well represented in the FTSE All Share. Brexit jitters also weighed on UK stocks. The UK finally exited the European Union (EU) on 31 January with a withdrawal deal in place, beginning a transition period that runs until the end of 2020 at the time of writing. With negotiations between the two sides yielding little meaningful progress, concern mounted over the period that the two sides might fail to agree on a trade deal before the transition period expires.

On the economic front, the UK's quarterly gross domestic product (GDP) contracted by 2.2% in the first quarter, the biggest drop in 40 years. The period covered only a small portion of the lockdown, so a steeper fall is expected in the second quarter a view reinforced by the flash composite purchasing managers' index for the period, which indicated that activity declined by the most on record.

To support the economy, the UK government ramped up spending, while the Bank of England slashed interest rates to an all time low of 0.1%, offered banks special terms for loans to small businesses, and agreed to buy £200 billion in bonds (later increased to £300 billion), including corporate debt.

Corporate earnings for the first quarter of 2020 generally disappointed. Several companies issued profit warnings, announced cost cutting plans and cash conservation measures such as dividend cuts. Meanwhile, a wave of fund raising measures swept the market as firms sought to shore up their finances.

In terms of activity, we initiated a position in Spectris plc (Information Technology), which manufactures, designs, and markets products for the electronic control and process instrumentation sectors. The investment case is enhanced by the CEO's focus on selling off non core assets.

BHP Group Ltd. (Materials) was another new holding, and forms part of our move to increase exposure to potential beneficiaries of fiscal and monetary stimulus. For the same reason, we also topped up the holdings in CRH plc (Materials), Melrose Industries plc (Industrials) and Berkeley Group Holdings plc (Consumer Discretionary).

We took advantage of the aforementioned fund raising measures to add to our holdings in Whitbread plc (Consumer Discretionary), Compass Group plc (Consumer Discretionary) and easyJet plc (Industrials). In addition to easing pressures on cashflows and balance sheets in the short term, the funds raised by these companies should help them to take advantage of attractive opportunities.

The position in Cobham plc (Industrials) was profitably closed as the company was taken over by US private equity group Advent. We also sold Carnival plc (Consumer Discretionary) and Land Securities Group plc (Real Estate), recycling the proceeds into names which have been impacted by COVID-19, but have more encouraging medium term prospects.

Looking ahead, though markets have rebounded from March's sell off, we expect volatility, chiefly due to the risk of a second wave of infections. Consensus forecasts are for a slow recovery.

While the situation is evolving rapidly, the dislocation should enable us to capture value. We have seen a wave of refinancing as firms have sought to remove financial risks, and recently, take advantage of growth opportunities. Meanwhile, prospects for selected domestically oriented, economically sensitive names appear interesting, as prior to the virus, these stocks had already suffered from a 'Brexit malaise'. More broadly, the valuation gap between quality growth names and more value oriented stocks is very stretched, and we feel that a rotation is long overdue.

Our focus remains on company fundamentals to deliver solid, risk adjusted returns.

## UK Capital Growth Fund Comparative Tables

for the accounting period 1st January 2020 to 30th June 2020

	Preference Shares			
	2020 <sup>1</sup>	2019	2018	2017
	£	£	£	£
<b>Change in net assets per share</b>				
Opening net asset value per share	1.3058	1.0906	1.2792	1.1782
Return before operating charges <sup>2</sup>	(0.2769)	0.2626	(0.1447)	0.1425
Operating charges	(0.0114)	(0.0253)	(0.0264)	(0.0263)
Return after operating charges	(0.2883)	0.2373	(0.1711)	0.1162
Distributions on preference shares	–	(0.0221)	(0.0175)	(0.0152)
Closing net asset value per shares	1.0175	1.3058	1.0906	1.2792
after direct transaction costs <sup>2</sup>	(0.0011)	(0.0013)	(0.0012)	(0.0018)

### Performance

Return after charges	(22.08%)	21.76%	(13.38%)	9.86%
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### Other information

Closing net asset value (£)	32,914,856	38,150,017	32,460,981	40,090,293
Closing number of shares	32,349,256	29,215,744	29,763,552	31,339,928
Operating charges	2.12%	2.06%	2.10%	2.09%
Direct transaction costs	0.10%	0.11%	0.10%	0.14%
Ongoing Charges Figure (“OCF”) <sup>3</sup>	2.12%	2.06%	2.10%	2.09%

### Prices

	2020 <sup>1</sup>	2019	2018	2017	2016	2015
Highest offer share price (£)	1.3950	1.4170	1.4110	1.3740	1.2750	1.2020
Lowest bid share price (£)	0.7990	1.0800	1.0760	1.1710	0.9444	0.9980
Net distribution per share (£)	–	0.0221	0.0175	0.0152	0.0146	0.0124

### Notes

<sup>1</sup> Based on amounts for 12 months to 31 December except for 2020 which is for the six months period ended 30th June 2020.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30 June 2020 is an annualised ratio.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

## UK Capital Growth Fund

### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	Restated* June 2019 US\$
Income		
Net capital (losses)/gains	(10,792,237)	5,215,514
Revenue	653,300	965,295
Expenses	(439,810)	(473,326)
Net revenue before taxation	213,490	491,969
Taxation	(5,029)	(4,352)
Net revenue after taxation	208,461	487,617
<b>Total return before distribution</b>	<b>(10,583,776)</b>	<b>5,703,131</b>
Distributions	8,025	(2,562)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(10,575,751)</b>	<b>5,700,569</b>

### Balance Sheet

as at 30th June 2020

	June 2020 US\$	December 2019 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	40,500,254	50,094,853
Current assets:		
Debtors	489,773	547,945
Cash and bank balances	194,357	1,259,114
Total assets	41,184,384	51,901,912
<b>Liabilities:</b>		
Creditors:		
Distribution payable	–	(854,412)
Other creditors	(119,773)	(126,047)
Total liabilities	(119,773)	(980,459)
<b>Equity:</b>		
Nominal shares	(390,408)	(398,242)
Total equity	(390,408)	(398,242)
<b>Net Assets Attributable to Preference Shareholders</b>	<b>40,674,203</b>	<b>50,523,211</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	Restated* June 2019 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	50,523,211	41,345,551 <sup>(1)</sup>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	6,460,244	1,925,608
Amounts payable on cancellation of shares	(2,484,397)	(1,831,949)
	3,975,847	93,659
Difference on currency conversion	(3,249,104)	(126,718)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(10,575,751)	5,700,569
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>40,674,203</b>	<b>47,013,061</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2019 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2019.

\*Please refer to the prior year adjustment note on page 45-46.

<sup>(1)</sup> Opening Net Assets Attributable to Preference Shareholders for 2019 has not been restated.

## UK Capital Growth Fund Portfolio Statement

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets	Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Equities 99.57% (99.15%)</b>					<b>Diversified Financial Services 1.03% (1.18%)</b>				
<b>Communication Services 4.92% (6.38%)</b>					<b>M&amp;G plc</b>				
<b>Diversified Telecommunication Services 1.89% (2.16%)</b>					GBP	202,460	417,689	1.03	
BT Group plc	GBP	542,575	768,037	1.89			<b>417,689</b>	<b>1.03</b>	
			<b>768,037</b>	<b>1.89</b>	<b>Insurance 6.28% (6.01%)</b>				
<b>Media 3.03% (4.22%)</b>					<b>Legal &amp; General Group plc</b>				
Infoma plc	GBP	126,785	734,797	1.80	GBP	259,400	709,379	1.74	
ITV plc	GBP	542,472	499,146	1.23	GBP	101,007	1,520,288	3.74	
			<b>1,233,943</b>	<b>3.03</b>	GBP	63,977	324,458	0.80	
<b>Communication Services total</b>							<b>2,554,125</b>	<b>6.28</b>	
			<b>2,001,980</b>	<b>4.92</b>	<b>Financials total</b>				
<b>Consumer Discretionary 9.31% (12.39%)</b>					<b>Health Care 6.53% (6.64%)</b>				
<b>Distributors 0.71% (0.83%)</b>					<b>Health Care Equipment &amp; Supplies 1.70% (1.68%)</b>				
Inchcape plc	GBP	47,910	288,680	0.71	Smith & Nephew plc	GBP	37,269	693,125	1.70
			<b>288,680</b>	<b>0.71</b>			<b>693,125</b>	<b>1.70</b>	
<b>Hotels, Restaurants &amp; Leisure 6.06% (8.96%)</b>					<b>Pharmaceuticals 4.83% (4.96%)</b>				
Compass Group plc	GBP	51,491	707,242	1.74	GlaxoSmithKline plc	GBP	97,096	1,962,961	4.83
InterContinental Hotels Group plc	GBP	15,675	689,580	1.69			<b>1,962,961</b>	<b>4.83</b>	
SSP Group plc	GBP	94,283	296,400	0.73	<b>Health Care total</b>				
Whitbread plc	GBP	28,273	772,131	1.90			<b>2,656,086</b>	<b>6.53</b>	
			<b>2,465,353</b>	<b>6.06</b>	<b>Industrials 15.58% (16.61%)</b>				
<b>Household Durables 1.63% (1.59%)</b>					<b>Aerospace &amp; Defense 0.40% (1.45%)</b>				
Berkeley Group Holdings plc	GBP	9,446	486,056	1.19	Rolls-Royce Holdings plc	GBP	46,722	165,299	0.40
Crest Nicholson Holdings plc	GBP	73,423	179,195	0.44			<b>165,299</b>	<b>0.40</b>	
			<b>665,251</b>	<b>1.63</b>	<b>Air Freight &amp; Logistics 0.00% (0.49%)</b>				
<b>Textiles, Apparel &amp; Luxury Goods 0.91% (1.01%)</b>					<b>Airlines 1.16% (1.31%)</b>				
Burberry Group plc	GBP	18,693	368,902	0.91	easyJet plc	GBP	55,969	471,693	1.16
			<b>368,902</b>	<b>0.91</b>			<b>471,693</b>	<b>1.16</b>	
<b>Consumer Discretionary total</b>					<b>Commercial Services &amp; Supplies 2.12% (1.69%)</b>				
			<b>3,788,186</b>	<b>9.31</b>	Aggreko plc	GBP	41,538	224,826	0.55
<b>Consumer Staples 21.73% (18.35%)</b>					Rentokil Initial plc	GBP	101,389	636,726	1.57
<b>Beverages 3.95% (3.44%)</b>							<b>861,552</b>	<b>2.12</b>	
Diageo plc	GBP	48,383	1,605,031	3.95	<b>Electrical Equipment 1.16% (1.01%)</b>				
			<b>1,605,031</b>	<b>3.95</b>	<b>Melrose Industries plc</b>				
<b>Food &amp; Staples Retailing 2.48% (2.21%)</b>					GBP	337,486	471,052	1.16	
Tesco plc	GBP	356,420	1,010,375	2.48			<b>471,052</b>	<b>1.16</b>	
			<b>1,010,375</b>	<b>2.48</b>	<b>Industrial Conglomerates 1.46% (1.42%)</b>				
<b>Food Products 1.83% (1.98%)</b>					<b>Smiths Group plc</b>				
Associated British Foods plc	GBP	31,373	743,005	1.83	GBP	34,365	594,951	1.46	
			<b>743,005</b>	<b>1.83</b>			<b>594,951</b>	<b>1.46</b>	
<b>Household Products 4.46% (3.01%)</b>					<b>Machinery 2.68% (2.89%)</b>				
Reckitt Benckiser Group plc	GBP	19,641	1,814,998	4.46	Rotork plc	GBP	118,739	409,085	1.01
			<b>1,814,998</b>	<b>4.46</b>	Weir Group plc (The)	GBP	52,176	679,899	1.67
<b>Personal Products 3.25% (2.66%)</b>							<b>1,088,984</b>	<b>2.68</b>	
Unilever plc	GBP	24,484	1,320,063	3.25	<b>Professional Services 3.59% (3.00%)</b>				
			<b>1,320,063</b>	<b>3.25</b>	<b>RELX plc</b>				
<b>Tobacco 5.76% (5.05%)</b>					GBP	62,825	1,459,157	3.59	
British American Tobacco plc	GBP	42,789	1,648,412	4.05			<b>1,459,157</b>	<b>3.59</b>	
Imperial Brands plc	GBP	36,349	695,104	1.71	<b>Road &amp; Rail 0.00% (0.70%)</b>				
			<b>2,343,516</b>	<b>5.76</b>	<b>Trading Companies &amp; Distributors 3.01% (2.65%)</b>				
<b>Consumer Staples total</b>					<b>Ferguson plc</b>				
			<b>8,836,988</b>	<b>21.73</b>	GBP	8,916	732,467	1.80	
<b>Energy 3.70% (5.62%)</b>					Howden Joinery Group plc	GBP	72,019	492,152	1.21
<b>Energy Equipment &amp; Services 1.10% (1.82%)</b>							<b>1,224,619</b>	<b>3.01</b>	
Hunting plc	GBP	69,552	187,023	0.46	<b>Industrials total</b>				
John Wood Group plc	GBP	109,675	260,488	0.64	<b>Information Technology 3.67% (2.70%)</b>				
			<b>447,511</b>	<b>1.10</b>	<b>Electronic Equipment, Instruments &amp; Components 0.78% (0.00%)</b>				
<b>Oil, Gas &amp; Consumable Fuels 2.60% (3.80%)</b>					<b>Spectris plc</b>				
Royal Dutch Shell plc 'B'	GBP	69,853	1,059,321	2.60	GBP	10,153	315,920	0.78	
			<b>1,059,321</b>	<b>2.60</b>			<b>315,920</b>	<b>0.78</b>	
<b>Energy total</b>					<b>IT Services 0.84% (0.85%)</b>				
			<b>1,506,832</b>	<b>3.70</b>	<b>FDM Group Holdings plc</b>				
<b>Financials 17.89% (17.64%)</b>					GBP	30,596	343,681	0.84	
<b>Banks 3.21% (3.96%)</b>							<b>343,681</b>	<b>0.84</b>	
Barclays plc	GBP	498,940	704,112	1.73	<b>Software 2.05% (1.85%)</b>				
Standard Chartered plc	GBP	111,821	603,992	1.48	<b>Sage Group plc (The)</b>				
			<b>1,308,104</b>	<b>3.21</b>	GBP	100,465	832,293	2.05	
<b>Capital Markets 7.37% (6.49%)</b>							<b>832,293</b>	<b>2.05</b>	
Intermediate Capital Group plc	GBP	44,482	704,692	1.73	<b>Information Technology total</b>				
London Stock Exchange Group plc	GBP	10,982	1,135,070	2.79	<b>Materials 13.61% (9.59%)</b>				
Schroders plc, (Non-Voting)	GBP	15,836	410,953	1.01	<b>Chemicals 2.01% (2.58%)</b>				
St James's Place plc	GBP	63,273	745,766	1.84	<b>Elementis plc</b>				
			<b>2,996,481</b>	<b>7.37</b>	GBP	123,619	96,621	0.24	
<b>Construction Materials 3.56% (2.57%)</b>					Johnson Matthey plc	GBP	27,850	720,314	1.77
Breedon Group plc*	GBP	555,539	532,725	1.31			<b>816,935</b>	<b>2.01</b>	
CRH plc	GBP	26,871	913,153	2.25	<b>Construction Materials total</b>				
			<b>1,445,878</b>	<b>3.56</b>			<b>1,445,878</b>	<b>3.56</b>	



## UK Capital Growth Fund Portfolio Statement (continued)

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Equities 99.57% (99.15%) (continued)</b>				
<b>Materials 13.61% (9.59%) (continued)</b>				
<b>Containers &amp; Packaging 1.30% (1.20%)</b>				
DS Smith plc	GBP	130,106	530,565	1.30
			<b>530,565</b>	<b>1.30</b>
<b>Metals &amp; Mining 6.74% (3.24%)</b>				
BHP Group plc	GBP	46,573	953,639	2.34
Rio Tinto plc	GBP	31,833	1,788,667	4.40
			<b>2,742,306</b>	<b>6.74</b>
<b>Materials total</b>			<b>5,535,684</b>	<b>13.61</b>
<b>Real Estate 2.63% (3.23%)</b>				
<b>Equity Real Estate Investment Trusts (REITs)</b>				
<b>0.83% (1.77%)</b>				
Derwent London plc	GBP	9,889	338,745	0.83
			<b>338,745</b>	<b>0.83</b>
<b>Real Estate Management &amp; Development</b>				
<b>1.80% (1.46%)</b>				
Grainger plc	GBP	208,197	730,153	1.80
			<b>730,153</b>	<b>1.80</b>
<b>Real Estate total</b>			<b>1,068,898</b>	<b>2.63</b>
<b>Equities total</b>			<b>40,500,254</b>	<b>99.57</b>
Investment assets			40,500,254	99.57
Net other assets			173,949	0.43
<b>Net assets attributable to shareholders</b>			<b>40,674,203</b>	<b>100.00</b>

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31 December 2019.

\*Security traded on another regulated market.

# Europe Fund

## Fund Investment Report

### Investment Policy

To invest primarily for capital growth from a portfolio of European equities.

### Types of Investment

Investments are made principally for prospects of capital growth in Continental European stocks, generally in shares of leading European companies, but also may be made indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them, can go down as well as up.

### Fund Performance

Over the six months under review, the Fund produced a total gross return of -5.3%, which was in front of the FTSE World Europe ex UK Index, which returned -8.6% in Euro terms.

### Review

The portfolio's benchmark index fell by 8.6% in euro terms over the six months to 30 June 2020. Energy, financials and real estate were the worst affected sectors, while technology, healthcare and utilities fared better and delivered positive returns.

Equity markets dropped sharply in the first quarter of 2020, after delivering strong gains in 2019. The quarter was dominated by concerns over the economic repercussions of COVID-19, a virulent virus which rapidly spread internationally. A dizzying series of responses to the pandemic included travel restrictions and lockdowns that brought cities, regions and even countries to a near halt, a wave of emergency rate cuts and liquidity injections by central banks; and the announcement of substantial economic support measures by governments. Unemployment and government borrowing surged higher.

Data showed that the Eurozone's Gross Domestic Product (GDP) growth slowed to near zero in the fourth quarter of 2019. The International Monetary Fund (IMF) announced that the global economy had entered a recession in the first quarter of 2020, although it forecast that a sizeable rebound could occur in 2021 if the coronavirus and liquidity problems are brought under control. Oil prices collapsed, following disagreements between Russia and Saudi Arabia over pricing and production levels, and this added to the turbulence. Markets were also rattled by escalating tensions between the United States (US) and Iran, though these later eased. More positively, sentiment was boosted as "phase one" of a US China trade deal was signed.

In political news, the impeachment proceedings against President Trump of the US ended with his acquittal, while Germany's political outlook was clouded as the politician expected to succeed Chancellor Merkel stepped down from the leadership of the centre right Christian Democratic Union (CDU) party.

European equities rebounded in the second quarter, driven by optimism that the COVID-19 pandemic was past its peak in Europe. Markets were also propelled higher by central bank stimulus programmes, government support packages, and by optimism that vaccinations and treatments would be found for the virus.

The pandemic's effect on growth has been stark. Data showed that GDP in leading economies fell sharply in the first quarter, feeding concern that the second quarter could see much larger declines. Many companies withdrew earnings guidance and cut dividends.

Further stimulative measures were announced. In Germany, for instance, the government unveiled a fiscal stimulus plan, while the European Central Bank expanded an emergency monetary stimulus programme, although European Union member states remained divided over a proposed pandemic recovery fund.

Many nations have now relaxed lockdown measures triggered by COVID-19, helping to revive economic activity. However, virus infection rates have spiked again in some countries such as China, Iran and the US. Indeed, by late June, some governments and US states had suspended or even reversed the easing of control measures.

Towards the end of the review period, data suggested that economies were starting to recover; Germany's widely watched Institute for Economic Research (Ifo) index of business sentiment surged higher in June, while an unexpectedly robust US jobs report for the month of May also boosted morale.

Within the Fund, sales included energy giant Total S.A. (France). The outlook for oil prices is uncertain, particularly given the effect of COVID-19 on global growth. We opened several new positions including AXA S.A. (France), Infineon Technologies AG (Germany) and Just Eat Takeaway.com NV (Netherlands).

The regulator has permitted AXA a partial dividend payment this year, whereas some competitors were ordered to suspend payments. The pricing environment is strong, which bodes well for future profits. Infineon Technologies is a leader in high growth semiconductor technology for the automotive and industrial sectors, and for the Internet of Things. Just Eat Takeaway has a high growth technology platform, and the acquisition confers significant scale advantages. COVID-19 restrictions are impacting restaurants but the take home trade should be relatively unscathed.

COVID-19 and its effects continue to dominate sentiment. As new infections and fatalities fall in most European countries, lockdowns and travel restrictions are being slowly relaxed with some businesses reopening. Progress is nervous and slow, and there are risks of a second wave of infections. The US and Russia are suffering worse and later than some from the virus.

The search for effective tests and a vaccination is in progress. Fiscal and monetary policy aim to stimulate economic growth and, if effective, this should stabilise economies and corporate profitability once the lockdowns end. However, previously fragile business models may now prove unsustainable; this will impact some small businesses and therefore employment in the hospitality and travel sectors particularly.

The Brexit transition period is underway, although negotiations have been delayed owing to the virus and have now become more of a sideshow. The Spanish and Italian coalitions are surviving but Germany's Chancellor Merkel and her succession plan are under some pressure. The US is riven by turmoil following George Floyd's death in Minneapolis, and the authorities remain keen to minimise the recession in the run up to the 2020 elections. President Trump's rhetoric on China (relating to trade and the origins of COVID-19) reflects electoral considerations.

Our main focus in managing this portfolio is on stock selection, informed by macro economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

## Europe Fund Comparative Tables

for the accounting period 1st January 2020 to 30th June 2020

	Preference Shares			
	2020 <sup>1</sup>	2019	2018	2017
Change in net assets per share	EUR	EUR	EUR	EUR
Opening net asset value per share	<u>5.8765</u>	<u>4.4673</u>	<u>5.0803</u>	<u>4.6317</u>
Return before operating charges <sup>2</sup>	(0.3359)	1.5257	(0.5023)	0.5593
Operating charges	(0.0594)	(0.1165)	(0.1107)	(0.1103)
Return after operating charges	<u>(0.3953)</u>	<u>1.4092</u>	<u>(0.6130)</u>	<u>0.4490</u>
Distributions on preference shares	–	–	–	(0.0004)
Closing net asset value per shares	<u>5.4812</u>	<u>5.8765</u>	<u>4.4673</u>	<u>5.0803</u>
after direct transaction costs <sup>2</sup>	(0.0059)	(0.0106)	(0.0045)	(0.0089)

### Performance

Return after charges	(6.73%)	31.54%	(12.07%)	9.69%
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### Other information

Closing net asset value (EUR)	21,827,362	24,089,710	19,737,485	24,883,129
Closing number of shares	3,982,203	4,099,360	4,418,235	4,897,933
Operating charges	2.23%	2.20%	2.19%	2.22%
Direct transaction costs	0.11%	0.20%	0.09%	0.18%
Ongoing Charges Figure (“OCF”) <sup>3</sup>	2.23%	2.20%	2.19%	2.22%

### Prices

	2020 <sup>1</sup>	2019	2018	2017	2016	2015
Highest offer share price (EUR)	6.5390	6.2530	5.6120	5.5760	5.3170	5.7000
Lowest bid share price (EUR)	4.0370	4.4070	4.3440	4.5940	4.1560	4.1920
Net distribution per share (EUR)	–	–	–	0.0004	0.0071	–

### Notes

<sup>1</sup> Based on amounts for 12 months to 31st December except for 2020 which is for the six months period ended 30th June 2020.

<sup>2</sup> Return before operating charges is stated after direct transaction costs.

<sup>3</sup> The OCF takes into account the annual management charge and any expenses incurred expressed as a percentage of the average daily net assets values over the period. The OCF figure for the period to 30th June 2020 is an annualised ratio.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

## Europe Fund

### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	Restated* June 2019 US\$
Income		
Net capital (losses)/gains	(1,752,263)	4,662,430
Revenue	292,777	488,154
Expenses	(247,249)	(254,697)
Net revenue before taxation	45,528	233,457
Taxation	(77,949)	(121,991)
Net (expense)/revenue after taxation	(32,421)	111,466
<b>Total return before distribution</b>	<b>(1,784,684)</b>	<b>4,773,896</b>
Distribution	1,564	(202)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(1,783,120)</b>	<b>4,773,694</b>

### Balance Sheet

as at 30th June 2020

	June 2020 US\$	December 2019 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	24,507,026	26,869,214
Current assets:		
Debtors	98,427	117,314
Cash and bank balances	64,187	208,841
<b>Total assets</b>	<b>24,669,640</b>	<b>27,195,369</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	(3,994)	–
Other creditors	(53,077)	(63,569)
<b>Total liabilities</b>	<b>(57,071)</b>	<b>(63,569)</b>
<b>Equity:</b>		
Nominal shares	(94,767)	(94,474)
<b>Total equity</b>	<b>(94,767)</b>	<b>(94,474)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>24,517,802</b>	<b>27,037,326</b>

### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	Restated* June 2019 US\$
<b>Opening Net Assets Attributable to Preference Shareholders</b>	<b>27,037,326</b>	<b>22,566,458<sup>(1)</sup></b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	126,647	62,023
Amounts payable on cancellation of shares	(835,378)	(1,228,684)
	(708,731)	(1,166,661)
Difference on currency conversion	(27,673)	(58,346)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(1,783,120)	4,773,694
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>24,517,802</b>	<b>26,115,145</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Preference Shareholders are for the corresponding period of the previous year. Therefore the Opening Net Assets Attributable to Preference Shareholders for the current year are at 31st December 2019 whilst the figure disclosed in the comparatives' Closing Net Assets Attributable to Preference Shareholders is at 30th June 2019.

\*Please refer to the prior year adjustment note on page 45-46.

<sup>(1)</sup> Opening Net Assets Attributable to Preference Shareholders for 2019 has not been restated.

## Europe Fund Portfolio Statement

as at 30th June 2020

Investment	Currency	Holding	Market Value US\$	% of Net Assets	Investment	Currency	Holding	Market Value US\$	% of Net Assets
<b>Equities 99.96% (99.38%)</b>					<b>United Kingdom 1.46% (2.63%)</b>				
<b>Belgium 2.11% (2.72%)</b>					RELX plc				
KBC Group NV	EUR	9,106	518,580	2.11		EUR	15,413	358,029	1.46
			<b>518,580</b>	<b>2.11</b>				<b>358,029</b>	<b>1.46</b>
<b>Denmark 5.77% (4.79%)</b>					<b>Equities total</b>				
DSV PANALPINA A/S	DKK	5,122	624,190	2.54				24,507,026	99.96
Novo Nordisk A/S 'B'	DKK	12,224	791,077	3.23				10,776	0.04
			<b>1,415,267</b>	<b>5.77</b>	<b>Net assets attributable to shareholders</b>				
<b>Finland 2.81% (4.83%)</b>								<b>24,517,802</b>	<b>100.00</b>
Kone OYJ 'B'	EUR	3,102	213,312	0.87	All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.				
UPM-Kymmene OYJ	EUR	16,516	475,296	1.94	The comparative percentage figures in brackets are as at 31 December 2019.				
			<b>688,608</b>	<b>2.81</b>					
<b>France 21.72% (27.63%)</b>									
Air Liquide SA	EUR	4,467	641,501	2.62					
Amundi SA	EUR	6,634	517,148	2.11					
AXA SA	EUR	25,909	539,270	2.20					
Dassault Systemes SE	EUR	1,816	311,484	1.27					
L'Oreal SA	EUR	1,139	366,034	1.49					
LVMH Moet Hennessy Louis Vuitton SE	EUR	964	422,572	1.72					
Orpea	EUR	2,046	235,794	0.96					
Pernod Ricard SA	EUR	850	133,620	0.55					
Schneider Electric SE	EUR	5,570	617,522	2.52					
Teleperformance	EUR	2,398	604,169	2.46					
Ubisoft Entertainment SA	EUR	2,443	199,772	0.81					
Vinci SA	EUR	1,804	166,000	0.68					
Worldline SA	EUR	6,608	570,494	2.33					
			<b>5,325,380</b>	<b>21.72</b>					
<b>Germany 16.86% (10.82%)</b>									
Allianz SE	EUR	1,776	361,717	1.48					
Brenntag AG	EUR	6,632	348,784	1.42					
Deutsche Boerse AG	EUR	3,514	633,515	2.58					
Deutsche Telekom AG	EUR	14,248	239,583	0.98					
DWS Group GmbH & Co. KGaA	EUR	4,932	178,441	0.73					
Infineon Technologies AG	EUR	20,440	477,326	1.95					
Infineon Technologies AG Placing	EUR	6,096	132,155	0.54					
Knorr-Bremse AG	EUR	3,299	332,877	1.36					
SAP SE	EUR	4,561	634,456	2.59					
TeamViewer AG	EUR	9,030	491,430	2.00					
Zalando SE	EUR	4,268	302,314	1.23					
			<b>4,132,598</b>	<b>16.86</b>					
<b>Ireland 5.57% (5.78%)</b>									
CRH plc	EUR	17,267	587,097	2.39					
Kingspan Group plc	EUR	5,551	354,784	1.45					
Linde plc	EUR	2,009	423,682	1.73					
			<b>1,365,563</b>	<b>5.57</b>					
<b>Italy 2.84% (3.42%)</b>									
Infrastrutture Wireless Italiane SpA	EUR	23,414	235,254	0.96					
Nexi SpA	EUR	26,535	460,200	1.88					
			<b>695,454</b>	<b>2.84</b>					
<b>Luxembourg 1.18% (0.00%)</b>									
Eurofins Scientific SE	EUR	462	289,364	1.18					
			<b>289,364</b>	<b>1.18</b>					
<b>Netherlands 13.46% (11.54%)</b>									
ASML Holding NV	EUR	2,968	1,088,664	4.44					
ING Groep NV	EUR	82,033	568,992	2.32					
Just Eat Takeaway.com NV	EUR	5,090	528,401	2.16					
Koninklijke Philips NV	EUR	3,924	182,257	0.75					
Prosus NV	EUR	7,355	682,241	2.78					
Wolters Kluwer NV	EUR	3,193	248,406	1.01					
			<b>3,298,961</b>	<b>13.46</b>					
<b>Norway 1.92% (2.46%)</b>									
DNB ASA	NOK	35,827	472,054	1.92					
			<b>472,054</b>	<b>1.92</b>					
<b>Spain 1.53% (0.60%)</b>									
Amadeus IT Group SA	EUR	3,561	185,437	0.75					
Cellnex Telecom SA	EUR	3,125	190,673	0.78					
			<b>376,110</b>	<b>1.53</b>					
<b>Sweden 4.75% (6.47%)</b>									
Atlas Copco AB 'A'	SEK	12,264	518,965	2.12					
Sandvik AB	SEK	34,575	644,528	2.63					
			<b>1,163,493</b>	<b>4.75</b>					
<b>Switzerland 17.98% (15.69%)</b>									
Lonza Group AG	CHF	638	335,006	1.37					
Nestle SA	CHF	11,468	1,269,946	5.18					
Novartis AG	CHF	8,908	771,151	3.14					
Partners Group Holding AG	CHF	210	190,260	0.78					
Roche Holding AG	CHF	2,959	1,020,625	4.16					
SIG Combibloc Group AG	CHF	12,819	205,789	0.84					
Sika AG	CHF	3,204	614,788	2.51					
			<b>4,407,565</b>	<b>17.98</b>					

# Aggregated Financial Statements

## Charles Taylor

### International Funds (IOM) Limited

(Formerly Allied Dunbar International Funds Limited)

#### Statement of Total Return

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	Restated* June 2019 US\$
Income		
Net capital (losses)/gains	(12,457,008)	25,723,269
Revenue	1,705,432	2,375,841
Expenses	(1,728,168)	(1,756,656)
Interest payable and similar charges	(2)	(354)
Net (expense)/revenue before taxation	(22,738)	618,831
Taxation	(229,363)	(280,166)
Net (expense)/revenue after taxation	(252,101)	338,665
<b>Total return before distribution</b>	<b>(12,709,109)</b>	<b>26,061,934</b>
Distributions	17,740	(1,414)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>(12,691,369)</b>	<b>26,060,520</b>

#### Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2020 to 30th June 2020

	June 2020 US\$	Restated* June 2019 US\$
<b>Opening Net Assets attributable to Preference Shareholders</b>	<b>189,434,573</b>	<b>160,101,058<sup>(1)</sup></b>
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	7,635,852	2,214,965
Amounts payable on cancellation of shares	(8,245,096)	(6,179,206)
	(609,244)	(3,964,241)
Difference on currency conversion	(4,284,494)	(200,521)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(12,691,369)	26,060,520
<b>Closing Net Assets attributable to Preference Shareholders</b>	<b>171,849,466</b>	<b>181,996,816</b>

#### Balance Sheet

as at 30th June 2020

	June 2020 US\$	December 2019 US\$
<b>Assets:</b>		
Fixed assets:		
Investments	169,851,921	186,862,408
Current assets:		
Debtors	2,362,693	2,438,931
Cash and bank balances	2,133,200	3,726,934
<b>Total assets</b>	<b>174,347,814</b>	<b>193,028,273</b>
<b>Liabilities:</b>		
Creditors:		
Bank overdrafts	(3,994)	–
Distribution payable	(575)	(862,918)
Other creditors	(403,619)	(638,926)
<b>Total liabilities</b>	<b>(408,188)</b>	<b>(1,501,844)</b>
<b>Equity:</b>		
Management shares	(10)	(10)
Nominal shares	(2,090,150)	(2,091,846)
<b>Total equity</b>	<b>(2,090,160)</b>	<b>(2,091,856)</b>
<b>Net Assets Attributable to Preference Shareholders</b>	<b>171,849,466</b>	<b>189,434,573</b>

The Aggregated Financial Statements represent the sum of the individual sub funds within the Umbrella Company. Further analysis of the Distribution and the Net Asset position can be found within the Financial Statements of the individual sub funds.

The interim financial statements of each of the sub funds have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by The Investment Association in May 2014, the Authorised Collective Investment Schemes Regulations 2010 and the Isle of Man Companies Acts 1931 to 2004.

The accounting policies applied are consistent with those of the annual financial statements for the year ending 31st December 2019 and are described in those financial statements.

The Interim Report and Accounts were approved and authorised for issue by the Board of Directors of Charles Taylor International Funds (IOM) Limited and signed on its behalf by:

<b>Director</b>	<b>Director</b>
27th August 2020	27th August 2020

\*Please refer to the prior year adjustment note on page 45-46.

<sup>(1)</sup> Opening Net Assets Attributable to Preference Shareholders for 2019 has not been restated.

## Prior Year Adjustment

The 2019 corresponding figures in the statement of total return have been restated to reflect the change in accounting policy used in translating these statements from functional currency to presentation currency. These statements were previously translated at the closing rate ruling at the period end and are now translated at the average exchange rate for the accounting period in accordance with FRS 102.

The Net asset Values (NAV) of the Fund for dealing purposes is stated in functional currency. There has been no impact on NAV as a result of the change in accounting policy.

### Impact on Statement of Total return

<b>Gilt and Income Fund</b>				<b>UK Capital Growth Fund</b>			
	<b>30th June 2019 Actual US\$</b>	<b>Adjustments US\$</b>	<b>30th June 2019 Restated US\$</b>		<b>30th June 2019 Actual US\$</b>	<b>Adjustments US\$</b>	<b>30th June 2019 Restated US\$</b>
<b>Income</b>				<b>Income</b>			
Net capital gains	591,850	9,787	601,637	Net capital gains	5,130,671	84,843	5,215,514
Revenue	88,808	1,468	90,276	Revenue	949,592	15,703	965,295
Expenses	(96,169)	(1,590)	(97,759)	Expenses	(465,627)	(7,699)	(473,326)
Net expense before taxation	(7,361)	(122)	(7,483)	Net revenue before taxation	483,965	8,004	491,969
Taxation	–	–	–	Taxation	(4,281)	(71)	(4,352)
Net expense after taxation	(7,361)	(122)	(7,483)	Net revenue after taxation	479,684	7,933	487,617
<b>Total return before distribution</b>	<b>584,489</b>	<b>9,665</b>	<b>594,154</b>	<b>Total return before distribution</b>	<b>5,610,355</b>	<b>92,776</b>	<b>5,703,131</b>
Distributions	59	1	60	Distributions	(2,519)	(43)	(2,562)
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>584,548</b>	<b>9,666</b>	<b>594,214</b>	<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>5,607,836</b>	<b>92,733</b>	<b>5,700,569</b>
<b>Europe Fund</b>				<b>Consolidated</b>			
	<b>30th June 2019 Actual US\$</b>	<b>Adjustments US\$</b>	<b>30th June 2019 Restated US\$</b>		<b>30th June 2019 Actual US\$</b>	<b>Adjustments US\$</b>	<b>30th June 2019 Restated US\$</b>
<b>Income</b>				<b>Income</b>			
Net capital gains	4,701,053	(38,623)	4,662,430	Net capital gains	25,667,262	56,007	25,723,269
Revenue	492,197	(4,043)	488,154	Revenue	2,362,713	13,128	2,375,841
Expenses	(256,805)	2,108	(254,697)	Expenses	(1,749,475)	(7,181)	(1,756,656)
Net revenue before taxation	235,392	(1,935)	233,457	Interest payable and similar charges	(354)	–	(354)
Taxation	(123,002)	1,011	(121,991)	Net revenue before taxation	612,884	5,947	618,831
Net revenue after taxation	112,390	(924)	111,466	Taxation	(281,106)	940	(280,166)
<b>Total return before distribution</b>	<b>4,813,443</b>	<b>(39,547)</b>	<b>4,773,896</b>	Net revenue after taxation	331,778	6,887	338,665
Distributions	(205)	3	(202)	<b>Total return before distribution</b>	<b>25,999,040</b>	<b>62,894</b>	<b>26,061,934</b>
<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>4,813,238</b>	<b>(39,544)</b>	<b>4,773,694</b>	Distributions	(1,375)	(39)	(1,414)
				<b>Change in Net Assets Attributable to Preference Shareholders from investment activities</b>	<b>25,997,665</b>	<b>62,855</b>	<b>26,060,520</b>

## Prior Year Adjustment

The 2019 corresponding figures in the statement of Change in Net Assets Attributable to Preference Shareholders have been restated to reflect the change in accounting policy used in translating these statements from functional currency to presentation currency. These statements were previously translated at the closing rate ruling at the period end and are now translated at the average exchange rate for the accounting period in accordance with FRS 102.

The Net asset Values (NAV) of the Fund for dealing purposes is stated in functional currency. There has been no impact on NAV as a result of the change in accounting policy.

### Impact on Statement of Change in Net Assets Attributable to Preference Shareholders

<b>Gilt and Income Fund</b>				<b>UK Capital Growth Fund</b>			
	<b>30th June 2019 Actual US\$</b>	<b>Adjustments US\$</b>	<b>30th June 2019 Restated US\$</b>		<b>30th June 2019 Actual US\$</b>	<b>Adjustments US\$</b>	<b>30th June 2019 Restated US\$</b>
<b>Opening Net Assets Attributable to Preference Shareholders</b>	14,319,603	–	14,319,603	<b>Opening Net Assets Attributable to Preference Shareholders</b>	41,345,551	–	41,345,551
Movement due to sales and repurchases of shares:				Movement due to sales and repurchases of shares:			
Amounts receivable on issue of shares	11,340	187	11,527	Amounts receivable on issue of shares	1,894,283	31,325	1,925,608
Amounts payable on cancellation of shares	(340,955)	(5,638)	(346,593)	Amounts payable on cancellation of shares	(1,802,148)	(29,801)	(1,831,949)
	(329,615)	(5,451)	(335,066)		92,135	1,524	93,659
Difference on currency conversion	(11,242)	(4,215)	(15,457)	Difference on currency conversion	(32,461)	(94,257)	(126,718)
Change in Net Assets Attributable to Preference Shareholders from investment activities (page 45)	584,548	9,666	594,214	Change in Net Assets Attributable to Preference Shareholders from investment activities (page 45)	5,607,836	92,733	5,700,569
Unclaimed distributions	–	–	–	Unclaimed distributions	–	–	–
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>14,563,294</b>	<b>–</b>	<b>14,563,294</b>	<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>47,013,061</b>	<b>–</b>	<b>47,013,061</b>
<b>Europe Fund</b>				<b>Consolidated</b>			
	<b>30th June 2019 Actual US\$</b>	<b>Adjustments US\$</b>	<b>30th June 2019 Restated US\$</b>		<b>30th June 2019 Actual US\$</b>	<b>Adjustments US\$</b>	<b>30th June 2019 Restated US\$</b>
<b>Opening Net Assets Attributable to Preference Shareholders</b>	22,566,458	–	22,566,458	<b>Opening Net Assets Attributable to Preference Shareholders</b>	160,101,058	–	160,101,058
Movement due to sales and repurchases of shares:				Movement due to sales and repurchases of shares:			
Amounts receivable on issue of shares	62,537	(514)	62,023	Amounts receivable on issue of shares	2,183,967	30,998	2,214,965
Amounts payable on cancellation of shares	(1,238,862)	10,178	(1,228,684)	Amounts payable on cancellation of shares	(6,153,945)	(25,261)	(6,179,206)
	(1,176,325)	9,664	(1,166,661)		(3,969,978)	5,737	(3,964,241)
Difference on currency conversion	(88,226)	29,880	(58,346)	Difference on currency conversion	(131,929)	(68,592)	(200,521)
Change in Net Assets Attributable to Preference Shareholders from investment activities (page 45)	4,813,238	(39,544)	4,773,694	Change in Net Assets Attributable to Preference Shareholders from investment activities (page 45)	25,997,665	62,855	26,060,520
Unclaimed distributions	–	–	–	Unclaimed distributions	–	–	–
<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>26,115,145</b>	<b>–</b>	<b>26,115,145</b>	<b>Closing Net Assets Attributable to Preference Shareholders</b>	<b>181,996,816</b>	<b>–</b>	<b>181,996,816</b>



# Further Information

## **Taxation**

The Company is resident in the Isle of Man and, as such, is liable to Isle of Man Income Tax on profits. Under current Isle of Man taxation rules, a rate of 0% (2019: 0%) will apply and so no provision for Isle of Man taxation has been deemed necessary in these Financial Statements.

Dividend payments to Preference Shareholders can be made without the deduction of Isle of Man taxation at source.

47

## **Price Publication**

Charles Taylor International Fund Managers (IOM) Limited publishes prices for each of the sub Funds which are available on the Charles Taylor website, [www.ctplc.com/insurance-support-services/charles-taylor-international-fund-managers-\(iom\)-limited](http://www.ctplc.com/insurance-support-services/charles-taylor-international-fund-managers-(iom)-limited).

## **Company Name Change**

The Company changed its name from Allied Dunbar International Funds Limited to Charles Taylor International Funds (IOM) Limited on 26th September 2019. There are no other material changes to the Fund as a result of the change of name and the Fund will continue to be regulated by the Isle of Man Financial Services Authority.

## **Directors' Fees**

Each Director is entitled to an equivalent payment in Sterling for Directors' fees of US\$ 8,500 per annum. All Directors, except the Non Executive Directors, waive their rights to any Directors' fees.

## **Approval of Financial Statements**

The Financial Statements were approved by the Board of Directors on 27th August 2020.

A copy of the Financial Statements is available on the Charles Taylor website, [www.charlestaylor.com/insurance-support-services/charles-taylor-international-fund-managers-\(iom\)-limited](http://www.charlestaylor.com/insurance-support-services/charles-taylor-international-fund-managers-(iom)-limited) or on request from the Manager.

**Issued by**

**Charles Taylor International  
Fund Managers (IOM) Limited**

**Licensed by the Isle of Man  
Financial Services Authority**

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Number: 023846C**

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