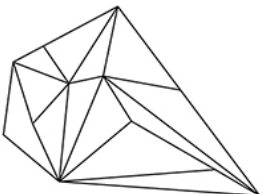


HENDERSON ROWE

# Annual Report & Financial Statements

FP Henderson Rowe Index Funds

For the year ended 28 February 2019



**FUNDROCK**  
management company

## Contents

---

|   | <b>Page</b> |
|---|-------------|
| <b>FP Henderson Rowe Index Funds</b>  |             |
| Authorised Corporate Director's ("ACD") Report*                                   | 3           |
| Certification of Financial Statements by Directors of the ACD*                    | 4           |
| Statement of the ACD's Responsibilities   | 5           |
| Statement of the Depositary's Responsibilities                                    | 6           |
| Report of the Depositary to the Shareholders of the Company                       | 6           |
| Independent Auditor's Report to the Shareholders of FP Henderson Rowe Index Funds | 7           |
| Accounting Policies and Financial Instruments                                     | 10          |
| <b>FP Henderson Rowe FTSE RAFI® Emerging Markets Fund</b>                         | <b>15</b>   |
| General Information   | 42          |
| Contact Information   | 45          |

\* Collectively these comprise the ACD's Report.

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

We are pleased to present the Annual Report and audited Financial Statements for FP Henderson Rowe Index Funds for the year ended 28 February 2019.

#### Authorised Status

FP Henderson Rowe Index Funds ("the Company") is an investment company with variable capital ("ICVC") incorporated in England and Wales under registered number IC000864 and authorised by the Financial Conduct Authority ("FCA") with effect from 6 December 2010. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

Head Office: The Head Office of the Company is at Second Floor (East), 52-54 Gracechurch Street, London, EC3V 0EH.

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

#### Structure of the Company

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

The Company is a UCITS scheme.

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

Currently the Company has one Fund, FP Henderson Rowe FTSE RAFI® Emerging Markets Fund. In the future there may be other Funds established.

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

These practices must be consistent with and promote sound and effective risk management, not encourage risk taking which is inconsistent with the risk profile of the Fund as detailed in the instrument of the Fund or the prospectus and does not impair FundRock Partners' compliance with its duty to act in the best interest of the Fund it manages.

Under the UCITS Remuneration Code, FundRock Partners are required to disclose how those individuals whose actions have a material impact on the Fund are remunerated (see page 43).

#### Important Events During the Year

From 21 July 2018, the AFM changed name from Fund Partners Limited to FundRock Partners Limited.

On 19 July 2018, Rayliant Global Advisors (RGA) acquired Henderson Rowe Limited. Henderson Rowe Limited will operate as an independent subsidiary of RGA, and retain its own name and brand.

With effect from 11 February 2019, the FundRock Partners Limited registered address changed to Second Floor (East), 52-54 Gracechurch Street, London EC3V 0EH.

#### Base Currency:

The base currency of the Company is Pounds Sterling.

#### Share Capital:

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the net asset value of the Fund.

**Certification of Financial Statements by Directors of the ACD  
For the year ended 28 February 2019**

**Directors' Certification**

This report has been prepared in accordance with the requirements of COLL 4.5.8BR, as issued and amended by the FCA. We hereby certify and authorise for issue, the Annual Report and the Audited Financial Statements on behalf of the Directors of FundRock Partners Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Fund consist predominantly of securities that are readily realisable and, accordingly, the Fund has adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.

P. Spendiff

**FundRock Partners Limited**

12 June 2019

### Statement of Authorised Corporate Director's Responsibilities For the year ended 28 February 2019

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

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

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

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

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

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

### Statement of the Depositary's Responsibilities For the year ended 28 February 2019

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

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

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

The Depositary must ensure that:

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

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

### Report of the Depositary to the Shareholders of the Company For the year ended 28 February 2019

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

- (i) has carried out the issue, sale, redemption, cancellation and calculation of the price of the Company's shares and the application of the Company's revenue, in accordance with COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

**State Street Trustees Limited**  
**Depositary**  
12 June 2019

### Independent Auditor's Report to the Shareholders of FP Henderson Rowe Index Funds For the year ended 28 February 2019

#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements of FP Henderson Rowe Index Funds (the 'Company'):

- give a true and fair view of the financial position of the sub-fund as at 28 February 2019 and of the net revenue and the net capital losses on the property of the sub-fund for the year ended 28 February 2019; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for the sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the related consolidated and individual notes; and
- the distribution table.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

### Independent Auditor's Report to the Shareholders of FP Henderson Rowe Index Funds For the year ended 28 February 2019

#### Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

#### Responsibilities of Depositary and ACD

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

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

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

#### Report on other legal and regulatory requirements

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

In our opinion:

- proper accounting records for the Company and the sub-fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 28 February 2019 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.



**Independent Auditor's Report to the Shareholders of FP Henderson Rowe Index Funds  
For the year ended 28 February 2019**

**Use of our report**

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

**Deloitte LLP**

Statutory Auditor  
Glasgow, United Kingdom

12 June 2019

### Accounting Policies and Financial Instruments For the year ended 28 February 2019

#### 1. Accounting basis and policies

##### (a) Basis of accounting

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

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

##### (b) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less book cost. Where realised gains or losses which have arisen in previous years, a corresponding reversal of such previously recognised loss or gain is recognised in unrealised gains or losses.

Unrealised gain/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Fund's distributable income.

All foreign currency transactions are recorded using an exchange rate from the effective date of the transaction (e.g. the trade date of a trade, the ex-div date of a dividend, or the date of a currency disposal).

##### (c) Recognition of revenue

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

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

All revenue includes withholding taxes but excludes irrecoverable tax credits.

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

##### (d) Treatment of stock and special dividends

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

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

##### (e) Treatment of expenses

Expenses of the Fund are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the Fund.

Expenses are recorded on an accruals basis but the Fund may incur additional allowable expenses which are charged as and when they are incurred.

##### (f) Allocation of revenue and expenses to multiple Share Classes

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

**Accounting Policies and Financial Instruments**  
**For the year ended 28 February 2019**

**(g) Taxation**

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

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

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

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

**(h) Distribution policy**

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

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

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

**(i) Basis of valuation of investments**

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

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

The fair value of derivative instruments is marked to market value.

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

All investments are recognised and derecognised by trade date, and any trades that occur between valuation point and close of business are included in the Financial Statements.

**(j) Exchange rates**

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

**(k) Dilution adjustment**

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

**Accounting Policies and Financial Instruments**  
**For the year ended 28 February 2019**

**(l) Equalisation**

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

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

**(m) Derivatives**

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

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

The Funds have not entered derivative contracts or forward foreign currency transactions during the year.

**2. Derivatives and other financial instruments**

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

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

**(a) Foreign currency risk**

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

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

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

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

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

**(c) Credit risk**

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

**Accounting Policies and Financial Instruments**  
**For the year ended 28 February 2019**

**(d) Liquidity risk**

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

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

**(e) Market price risk**

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

**(f) Counterparty risk**

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

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

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

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

**(h) Operational risk**

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

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

### Accounting Policies and Financial Instruments For the year ended 28 February 2019

**(i) Leverage**

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

The Fund's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Fund, after netting off derivative and security positions and is disclosed within the Fund's Financial Statements note 15(d).

**(j) Stock lending**

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

### Investment Manager's Report For the year ended 28 February 2019

#### Investment Objective

The objective of the Fund is to track the returns of FTSE RAFI® Emerging Markets Index<sup>1</sup> ("the Index") in GBP (Sterling) terms.

#### Investment Policy

The Fund will primarily invest directly in the securities that make up the Index. Securities will be held with weightings generally proportionate to that of the Index.

The Fund may also invest, at the ACD's discretion, in other transferable securities and Collective Investment Schemes, money market instruments, cash and near cash and deposits to meet the investment objective.

The Fund may also use stock lending and derivatives for hedging and efficient portfolio management purpose. Upon providing 60 days' written notice to the Shareholders, use may also be made of derivatives for investment purposes. This may change the risk profile of the Fund.

#### Investment Review

The objective of the Fund is to track the Index in GBP ("Sterling") terms. In order to achieve this objective the Fund holds securities which broadly match the economic exposure of the constituents of the Index. Additionally, when the Index constituents materially change, the Fund mirrors this change in order that the return of the portfolio remains in line with that of the Index.

In general the Fund experiences very low turnover and trading decisions are only made to accommodate subscriptions or redemptions, or changes to the underlying Index. The Index has one major rebalance a year and this occurs at the close of business on the 3rd Friday in March.

During the year under review the Index underwent its annual rebalance on 16 March 2018. The resultant effect of the rebalance saw the Index increase its exposure to Chinese equities by 2.18% and to Taiwan equities by approximately 2.21%. Exposure to South African equities was decreased by approximately -1.87%.

At the individual stock level Hon Hai Precision Industry (Taiwan) saw the most significant weight increase, 0.76%, with the weight of China Mobile (China) increasing by 0.57%. Stocks which experienced the most significant decrease in weight included Petrobras Distribuidora (Brazil), 0.96%, and China Evergrande (Brazil), 0.52%.

Source: Henderson Rowe.

<sup>1</sup> The FP Henderson Rowe FTSE RAFI® Emerging Markets Fund is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), by the London Stock Exchange Plc (the "Exchange"), The Financial Times Limited ("FT") or by Research Affiliates LLC ("RA") (collectively the "Licensor Parties"), and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE RAFI® Emerging Markets Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE in conjunction with RA. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error there in.

FTSE® is a trade mark of the Exchange and the FT. Fundamental Index® and RAFI® trade names patented and patent-pending concepts are the exclusive property of Research Affiliates®, LLC US Patent Number 7,620,677. Patent pending: US-2005-0171884-A1, US-2006-0015433-A1, US- 2006-0149645-A1, US-2007-00555598-A1.

**Investment Manager's Report  
For the year ended 28 February 2019**

**Outlook**

During the year under review the Assets under Management of the Fund increased from £57.7m\* on 28 February 2018 to a value of £58.9m\* as at period end. This increase occurred as a result of new investment into the Fund offsetting a slight decline in the performance of the Index. Despite the Index weakness during the period, the relative valuations of Emerging Market equities still remain attractive when compared to Developed Markets equities.

With a continuing industry trend of asset movement away from 'expensive' and collectively 'poorly performing' active managers, towards more highly diversified and cost efficient index funds, we believe there will continue to be investor demand for indexation products (products whose aim is to track an index) of this sort. In addition to this there is now also a widespread market acceptance that fundamental indexation methods (methods of managing money in such a way to achieve the aim of tracking a fundamentally weighted index) are a sensible substitute for traditional market cap index products (index products who weight their constituents according to market capitalisation).

\*Source: Henderson Rowe.

**Tracking error**

The Tracking Error measures the standard deviation of the difference between the portfolio returns and that of its benchmark. The lower the tracking error the closer the Fund resembles its benchmark regarding risk and return characteristics.

The size of the Fund's tracking error as at 28 February 2019 was 0.91%. This number represents the annualised tracking error based on 3 years of monthly returns. This was within the Fund Managers expected tolerance.

**Investment Manager**

Henderson Rowe Limited  
11 March 2019



**Comparative Table  
As at 28 February 2019**

|  | A Accumulation  |                 |                 | B Accumulation  |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 28/02/19<br>(p) | 28/02/18<br>(p) | 28/02/17<br>(p) | 28/02/19<br>(p) | 28/02/18<br>(p) | 28/02/17<br>(p) |
| <b>Change in net assets per Share</b>            |                 |                 |                 |                 |                 |                 |
| Opening net asset value per Share                | 160.41          | 143.89          | 85.09           | 162.55          | 145.44          | 85.92           |
| Return before operating charges*                 | (2.34)          | 17.72           | 59.59           | (2.37)          | 18.07           | 60.04           |
| Operating charges                                | (1.27)          | (1.20)          | (0.79)          | (0.98)          | (0.96)          | (0.52)          |
| Return after operating charges                   | (3.61)          | 16.52           | 58.80           | (3.35)          | 17.11           | 59.52           |
| Distributions                                    | (5.59)          | (3.42)          | (2.01)          | (5.98)          | (4.06)          | (1.99)          |
| Retained distributions on<br>accumulation Shares | 5.59            | 3.42            | 2.01            | 5.98            | 4.06            | 1.99            |
| Closing net asset value per Share                | 156.80          | 160.41          | 143.89          | 159.20          | 162.55          | 145.44          |
| * after direct transaction costs of:             | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| <b>Performance</b>                               |                 |                 |                 |                 |                 |                 |
| Return after operating charges                   | (2.25%)         | 11.48%          | 69.10%          | (2.06%)         | 11.76%          | 69.27%          |
| <b>Other information</b>                         |                 |                 |                 |                 |                 |                 |
| Closing net asset value                          | £1,678,259      | £947,537        | £1,848,600      | £57,295,475     | £56,199,552     | £83,686,426     |
| Closing number of Shares                         | 1,070,346       | 590,689         | 1,284,699       | 35,990,162      | 34,574,119      | 57,540,383      |
| Operating charges                                | 0.83%           | 0.84%           | 0.65%           | 0.63%           | 0.64%           | 0.45%           |
| Direct transaction costs                         | 0.00%           | 0.00%           | 0.00%           | 0.00%           | 0.00%           | 0.00%           |
| <b>Prices</b>                                    |                 |                 |                 |                 |                 |                 |
| Highest Share price                              | 162.41          | 165.68          | 147.74          | 164.88          | 167.82          | 149.36          |
| Lowest Share price                               | 144.26          | 136.61          | 86.17           | 146.28          | 138.16          | 87.01           |

**Performance Information**  
**As at 28 February 2019**

**Operating Charges**

| <b>Date</b>   | <b>AMC*</b><br><b>(%)</b> | <b>Other expenses</b><br><b>(%)</b> | <b>Transaction costs</b><br><b>(%)</b> | <b>Total Operating Charges</b><br><b>(%)</b> |
|---------------|---------------------------|-------------------------------------|--|--|
| 28/02/19      |                           |                                     |  |  |
| Share Class A | 0.47                      | 0.24                                | 0.12                                   | 0.83   |
| Share Class B | 0.27                      | 0.24                                | 0.12                                   | 0.63   |
| 28/02/18      |                           |                                     |  |  |
| Share Class A | 0.47                      | 0.16                                | 0.21                                   | 0.84   |
| Share Class B | 0.27                      | 0.16                                | 0.21                                   | 0.64   |

\* Annual Management Charge

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

The OCF includes tax charges in Taiwan relating to dividend reclaims. Whereas the service cost associated with this process is contained within the OCF, the net effect on the NAV of the Fund from these activities is positive.

The OCF includes transactions costs some of which arise directly as a result of investor flows into and out of the Fund. These flows incur a dilution adjustment to neutralize the effect on the incumbent unit holders and therefore the OCF indicated may be higher than the actual charges paid.

**Risk and Reward Profile**  
**As at 28 February 2019**

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

- This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed to remain unchanged and may shift over time.
- The lowest category does not mean 'risk free'.
- The Fund appears as a "6" on the scale. This is because its price may rise and fall significantly because investments of this type tend to be more volatile than those in developed markets.

**Risk Warning**

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

Portfolio Statement  
As at 28 February 2019

| Holdings<br>or Nominal<br>Value | Investments                                     | Market Value<br>£ | % of Total<br>Net Assets |
|---------------------------------|---|-------------------|--------------------------|
|                                 | <b>Brazil 15.12% [14.68%]</b>                   |                   |                          |
| 69,372                          | Ambev   | 239,482           | 0.41                     |
| 22,710                          | B3 - Brasil Bolsa Balcao                        | 149,284           | 0.25                     |
| 26,370                          | Banco Bradesco                                  | 203,635           | 0.35                     |
| 101,025                         | Banco Bradesco Preference                       | 876,337           | 1.49                     |
| 71,281                          | Banco do Brasil                                 | 723,069           | 1.23                     |
| 13,962                          | Banco Santander Brasil                          | 125,787           | 0.21                     |
| 21,603                          | BR Malls Participacoes                          | 57,946            | 0.10                     |
| 6,705                           | Braskem Preference                              | 73,096            | 0.12                     |
| 24,429                          | BRF   | 100,689           | 0.17                     |
| 26,844                          | CCR   | 76,579            | 0.13                     |
| 14,500                          | Centrais Eletricas Brasileiras                  | 107,495           | 0.18                     |
| 10,644                          | Centrais Eletricas Brasileiras Preference       | 83,113            | 0.14                     |
| 8,456                           | Cia Brasileira de Distribuicao Preference       | 157,840           | 0.27                     |
| 10,701                          | Cia de Saneamento Basico do Estado de Sao Paulo | 84,373            | 0.14                     |
| 9,708                           | Cia Energetica de Minas Gerais                  | 32,385            | 0.05                     |
| 123,926                         | Cia Energetica de Minas Gerais Preference       | 357,751           | 0.61                     |
| 14,798                          | Cia Energetica de Sao Paulo Preference          | 71,495            | 0.12                     |
| 1,906                           | Cia Paranaense de Energia                       | 12,426            | 0.02                     |
| 11,241                          | Cia Paranaense de Energia Preference            | 80,541            | 0.14                     |
| 29,990                          | Cia Siderurgica Nacional                        | 78,639            | 0.13                     |
| 17,421                          | Cielo   | 37,963            | 0.06                     |
| 5,062                           | Cosan   | 44,346            | 0.08                     |
| 24,013                          | Embraer   | 91,850            | 0.16                     |
| 39,680                          | Gerdau Preference                               | 120,355           | 0.20                     |
| 144,634                         | Itau Unibanco Preference                        | 1,021,497         | 1.73                     |
| 59,313                          | Itausa - Investimentos Itau Preference          | 147,087           | 0.25                     |
| 95,188                          | JBS   | 256,279           | 0.44                     |
| 11,664                          | Klabin  | 42,183            | 0.07                     |
| 24,925                          | Kroton Educacional                              | 54,765            | 0.09                     |
| 2,750                           | Lojas Americanas                                | 8,253             | 0.01                     |
| 11,648                          | Lojas Americanas Preference                     | 46,375            | 0.08                     |
| 7,366                           | Lojas Renner                                    | 63,911            | 0.11                     |
| 92,770                          | Metalurgica Gerdau Preference                   | 133,533           | 0.23                     |
| 22,853                          | Petrobras Distribuidora                         | 111,924           | 0.19                     |
| 128,952                         | Petroleo Brasileiro                             | 768,044           | 1.30                     |
| 165,287                         | Petroleo Brasileiro Preference                  | 895,985           | 1.52                     |
| 11,425                          | Suzano Papel e Celulose                         | 109,161           | 0.19                     |
| 15,948                          | Telefonica Brasil Preference                    | 149,562           | 0.25                     |
| 23,686                          | TIM Participacoes                               | 56,126            | 0.10                     |
| 13,407                          | Ultrapar Participacoes                          | 143,525           | 0.24                     |
| 97,363                          | Vale  | 918,351           | 1.56                     |
|                                 |   | <b>8,913,037</b>  | <b>15.12</b>             |
|                                 | <b>Chile 1.13% [1.09%]</b>                      |                   |                          |
| 517,620                         | Banco de Chile                                  | 61,872            | 0.10                     |
| 898                             | Banco de Credito e Inversiones                  | 46,232            | 0.08                     |
| 1,337,458                       | Banco Santander Chile                           | 80,003            | 0.14                     |
| 52,610                          | Cencosud  | 73,752            | 0.13                     |
| 26,471                          | Empresas CMPC                                   | 73,336            | 0.12                     |
| 7,087                           | Empresas COPEC                                  | 72,418            | 0.12                     |

Portfolio Statement  
As at 28 February 2019

| Holdings<br>or Nominal<br>Value | Investments                           | Market Value<br>£ | % of Total<br>Net Assets |
|---------------------------------|---------------------------------------|-------------------|--------------------------|
| 654,806                         | Enel Americas                         | 85,705            | 0.15                     |
| 770,794                         | Enel Chile                            | 60,895            | 0.10                     |
| 7,963                           | Latam Airlines ADR                    | 69,267            | 0.12                     |
| 7,226                           | SACI Falabella                        | 42,270            | 0.07                     |
|                                 |                                       | <b>665,750</b>    | <b>1.13</b>              |
|                                 | <b>China 30.91% [27.66%]</b>          |                   |                          |
| 54,697                          | Agile                                 | 51,391            | 0.09                     |
| 1,084,418                       | Agricultural Bank of China            | 389,480           | 0.66                     |
| 1,442                           | Alibaba ADR                           | 198,417           | 0.34                     |
| 176,685                         | Aluminum Corporation of China         | 54,320            | 0.09                     |
| 19,979                          | Anhui Conch Cement                    | 85,917            | 0.15                     |
| 849                             | Baidu ADR                             | 103,755           | 0.18                     |
| 3,407,258                       | Bank of China                         | 1,191,118         | 2.02                     |
| 400,687                         | Bank of Communications                | 252,899           | 0.43                     |
| 16,236                          | Beijing Enterprises                   | 71,531            | 0.12                     |
| 6,503                           | BYD                                   | 31,235            | 0.05                     |
| 239,710                         | CGN Power                             | 47,524            | 0.08                     |
| 422,109                         | China Cinda Asset Management          | 92,176            | 0.16                     |
| 369,515                         | China CITIC Bank                      | 180,139           | 0.31                     |
| 194,570                         | China Communications Construction     | 157,653           | 0.27                     |
| 3,526,914                       | China Construction Bank               | 2,354,424         | 3.99                     |
| 126,432                         | China Everbright Bank                 | 45,409            | 0.08                     |
| 49,389                          | China Evergrande                      | 114,473           | 0.19                     |
| 331,916                         | China Huarong Asset Management        | 57,221            | 0.10                     |
| 116,150                         | China Jinmao                          | 42,273            | 0.07                     |
| 131,401                         | China Life Insurance                  | 271,838           | 0.46                     |
| 121,629                         | China Longyuan Power                  | 68,264            | 0.12                     |
| 90,765                          | China Merchants Bank                  | 312,518           | 0.53                     |
| 34,884                          | China Merchants Port                  | 55,127            | 0.09                     |
| 285,435                         | China Minsheng Banking                | 165,667           | 0.28                     |
| 200,920                         | China Mobile                          | 1,589,499         | 2.70                     |
| 264,581                         | China National Building Material      | 158,125           | 0.27                     |
| 99,710                          | China Overseas Land & Investment      | 275,990           | 0.47                     |
| 48,484                          | China Pacific Insurance               | 137,219           | 0.23                     |
| 1,600,540                       | China Petroleum & Chemical            | 1,039,330         | 1.76                     |
| 340,110                         | China Power International Development | 64,497            | 0.11                     |
| 188,544                         | China Railway                         | 140,491           | 0.24                     |
| 121,017                         | China Railway Construction            | 130,741           | 0.22                     |
| 53,846                          | China Resources Beer                  | 150,847           | 0.26                     |
| 62,773                          | China Resources Land                  | 176,156           | 0.30                     |
| 55,914                          | China Resources Pharmaceutical        | 56,337            | 0.10                     |
| 115,082                         | China Resources Power                 | 163,788           | 0.28                     |
| 128,054                         | China Shenhua Energy                  | 237,441           | 0.40                     |
| 27,974                          | China Taiping Insurance               | 65,106            | 0.11                     |
| 840,603                         | China Telecom                         | 342,166           | 0.58                     |
| 238,318                         | China Unicom Hong Kong                | 212,274           | 0.36                     |
| 19,938                          | China Vanke                           | 56,810            | 0.10                     |
| 103,289                         | Chongqing Rural Commercial Bank       | 48,474            | 0.08                     |
| 116,384                         | CITIC                                 | 133,093           | 0.23                     |
| 38,935                          | CITIC Securities                      | 70,926            | 0.12                     |
| 707,895                         | CNOOC                                 | 918,004           | 1.56                     |

Portfolio Statement  
As at 28 February 2019

| Holdings<br>or Nominal<br>Value | Investments                           | Market Value<br>£ | % of Total<br>Net Assets |
|---------------------------------|---------------------------------------|-------------------|--------------------------|
| 72,894                          | Country Garden                        | 72,189            | 0.12                     |
| 8,730                           | Country Garden Services               | 10,686            | 0.02                     |
| 1,364                           | Ctrip.com International ADR           | 35,000            | 0.06                     |
| 103,963                         | Dongfeng Motor                        | 83,142            | 0.14                     |
| 11,295                          | ENN Energa                            | 87,571            | 0.15                     |
| 48,943                          | Fosun International                   | 60,563            | 0.10                     |
| 545,843                         | GCL-Poly Energy                       | 35,027            | 0.06                     |
| 26,110                          | Geely Automobile                      | 36,811            | 0.06                     |
| 641,759                         | GOME Retail                           | 43,640            | 0.07                     |
| 81,420                          | Great Wall Motor                      | 44,761            | 0.08                     |
| 49,291                          | Guangdong Investment                  | 71,097            | 0.12                     |
| 41,840                          | Guangzhou R&F Properties              | 58,747            | 0.10                     |
| 19,367                          | Haier Electronics                     | 43,312            | 0.07                     |
| 72,512                          | Haitong Securities                    | 72,366            | 0.12                     |
| 10,766                          | Hengan International                  | 65,425            | 0.11                     |
| 304,727                         | Huaneng Power International           | 140,966           | 0.24                     |
| 28,558                          | Huatai Securities                     | 43,435            | 0.07                     |
| 2,642,311                       | Industrial & Commercial Bank of China | 1,526,013         | 2.59                     |
| 1,767                           | JD.com ADR                            | 36,812            | 0.06                     |
| 55,647                          | Jiangxi Copper                        | 57,027            | 0.10                     |
| 21,930                          | Kingboard                             | 57,760            | 0.10                     |
| 116,741                         | Kunlun Energy                         | 96,268            | 0.16                     |
| 26,026                          | Legend                                | 54,340            | 0.09                     |
| 667,945                         | Lenovo                                | 452,290           | 0.77                     |
| 28,964                          | Longfor                               | 64,497            | 0.11                     |
| 183                             | NetEase ADR                           | 30,699            | 0.05                     |
| 14,319                          | New China Life Insurance              | 52,045            | 0.09                     |
| 368,398                         | People's Insurance Company of China   | 125,257           | 0.21                     |
| 929,078                         | PetroChina                            | 461,824           | 0.78                     |
| 224,126                         | PICC Property & Casualty              | 201,780           | 0.34                     |
| 62,795                          | Ping An Insurance                     | 497,079           | 0.84                     |
| 196,797                         | Postal Savings Bank of China          | 88,399            | 0.15                     |
| 50,659                          | Shimao Property                       | 90,052            | 0.15                     |
| 123,559                         | Sino-Ocean                            | 43,312            | 0.07                     |
| 61,275                          | Sinopec Engineering                   | 41,844            | 0.07                     |
| 40,741                          | Sinopharm                             | 135,985           | 0.23                     |
| 163,382                         | Skyworth Digital                      | 38,181            | 0.06                     |
| 105,894                         | SOHO China                            | 33,976            | 0.06                     |
| 17,993                          | Sunac China                           | 56,438            | 0.10                     |
| 9,046                           | Tencent                               | 290,934           | 0.49                     |
| 55,610                          | Yangzijiang Shipbuilding              | 43,938            | 0.07                     |
| 35,543                          | Yanzhou Coal Mining                   | 26,484            | 0.04                     |
| 348,377                         | Yuexiu Property                       | 60,393            | 0.10                     |
|                                 |                                       | <b>18,230,448</b> | <b>30.91</b>             |
|                                 | <b>India 7.34% [7.07%]</b>            |                   |                          |
| 13,228                          | Axis Bank GDR                         | 494,272           | 0.84                     |
| 23,842                          | ICICI Bank ADR                        | 176,740           | 0.30                     |
| 120,927                         | Infosys ADR                           | 973,707           | 1.65                     |
| 11,306                          | Larsen & Toubro GDR                   | 153,682           | 0.26                     |
| 61,352                          | Reliance Industries GDR               | 1,600,567         | 2.71                     |
| 15,546                          | State Bank of India GDR               | 442,969           | 0.75                     |

Portfolio Statement  
As at 28 February 2019

| Holdings<br>or Nominal<br>Value | Investments                      | Market Value<br>£ | % of Total<br>Net Assets |
|---------------------------------|----------------------------------|-------------------|--------------------------|
| 20,819                          | Tata Motors ADR                  | 195,496           | 0.33                     |
| 24,360                          | Tata Steel GDR                   | 125,271           | 0.21                     |
| 39,858                          | Wipro ADR                        | 167,811           | 0.29                     |
|                                 |                                  | <b>4,330,515</b>  | <b>7.34</b>              |
|                                 | <b>Indonesia 1.64% [1.89%]</b>   |                   |                          |
| 335,570                         | Astra International              | 128,229           | 0.22                     |
| 80,182                          | Bank Central Asia                | 118,166           | 0.20                     |
| 317,167                         | Bank Mandiri                     | 120,773           | 0.21                     |
| 138,369                         | Bank Negara Indonesia            | 65,076            | 0.11                     |
| 860,561                         | Bank Rakyat Indonesia            | 177,068           | 0.30                     |
| 108,548                         | Indofood Sukses Makmur           | 41,044            | 0.07                     |
| 525,716                         | Perusahaan Gas Negara            | 71,365            | 0.12                     |
| 999,039                         | Telekomunikasi Indonesia         | 205,562           | 0.35                     |
| 26,591                          | United Tractors                  | 37,660            | 0.06                     |
|                                 |                                  | <b>964,943</b>    | <b>1.64</b>              |
|                                 | <b>Malaysia 2.30% [2.68%]</b>    |                   |                          |
| 75,490                          | Axiata                           | 57,781            | 0.10                     |
| 155,775                         | CIMB                             | 167,904           | 0.28                     |
| 46,982                          | DiGi.Com                         | 39,522            | 0.07                     |
| 35,913                          | Genting                          | 48,934            | 0.08                     |
| 53,230                          | Genting Malaysia                 | 34,346            | 0.06                     |
| 51,854                          | IOI                              | 43,045            | 0.07                     |
| 137,254                         | Malayan Banking                  | 241,831           | 0.41                     |
| 56,148                          | Petronas Chemicals               | 95,711            | 0.16                     |
| 51,367                          | Public Bank                      | 237,421           | 0.40                     |
| 464,273                         | Sapura Energy                    | 26,609            | 0.05                     |
| 123,015                         | Sime Darby                       | 49,353            | 0.08                     |
| 49,011                          | Sime Darby Plantation            | 46,122            | 0.08                     |
| 108,561                         | Tenaga Nasional                  | 269,353           | 0.46                     |
|                                 |                                  | <b>1,357,932</b>  | <b>2.30</b>              |
|                                 | <b>Mexico 3.57% [4.08%]</b>      |                   |                          |
| 118,017                         | Alfa                             | 100,656           | 0.17                     |
| 989,485                         | America Movil                    | 534,305           | 0.91                     |
| 661,275                         | Cemex                            | 241,750           | 0.41                     |
| 14,000                          | Coca-Cola Femsa                  | 63,592            | 0.11                     |
| 73,974                          | Fibra Uno Administracion*        | 77,003            | 0.13                     |
| 41,949                          | Fomento Economico Mexicano       | 285,520           | 0.48                     |
| 27,593                          | Grupo Bimbo                      | 41,146            | 0.07                     |
| 44,704                          | Grupo Financiero Banorte         | 183,034           | 0.31                     |
| 95,728                          | Grupo Mexico                     | 180,883           | 0.31                     |
| 52,552                          | Grupo Televisa                   | 92,615            | 0.16                     |
| 2,592                           | Industrias Penoles               | 25,668            | 0.04                     |
| 24,302                          | Mexichem                         | 44,289            | 0.07                     |
| 120,725                         | Wal-Mart de Mexico               | 234,852           | 0.40                     |
|                                 |                                  | <b>2,105,313</b>  | <b>3.57</b>              |
|                                 | <b>Netherlands 0.12% [0.02%]</b> |                   |                          |
| 667,528                         | Steinhoff International          | 73,530            | 0.12                     |
|                                 |                                  | <b>73,530</b>     | <b>0.12</b>              |

Portfolio Statement  
As at 28 February 2019

| Holdings<br>or Nominal<br>Value | Investments                              | Market Value<br>£ | % of Total<br>Net Assets |
|---------------------------------|--|-------------------|--------------------------|
|                                 | <b>Poland 1.39% [2.06%]</b>              |                   |                          |
| 5,807                           | Bank Pekao                               | 130,045           | 0.22                     |
| 5,644                           | KGHM Polska Miedz                        | 113,761           | 0.20                     |
| 20,894                          | PGE                                      | 48,225            | 0.08                     |
| 9,642                           | Polski Koncern Naftowy ORLEN             | 195,400           | 0.33                     |
| 43,647                          | Polskie Gornictwo Naftowe i Gazownictwo  | 60,098            | 0.10                     |
| 15,664                          | Powszechna Kasa Oszczednosci Bank Polski | 118,560           | 0.20                     |
| 19,099                          | Powszechny Zaklad Ubezpieczen            | 155,010           | 0.26                     |
|                                 |  | <b>821,099</b>    | <b>1.39</b>              |
|                                 | <b>Russia 9.62% [9.91%]</b>              |                   |                          |
| 60,487                          | Alrosa                                   | 65,705            | 0.11                     |
| 425,938                         | Gazprom ADR                              | 1,518,531         | 2.58                     |
| 23,499                          | Lukoil ADR                               | 1,469,549         | 2.49                     |
| 4,063                           | Magnit                                   | 175,502           | 0.30                     |
| 1,879                           | MMC Norilsk Nickel ADR (UK Listed)       | 30,231            | 0.05                     |
| 11,050                          | MMC Norilsk Nickel ADR (US Listed)       | 179,030           | 0.30                     |
| 20,601                          | Mobile TeleSystems                       | 59,465            | 0.10                     |
| 22,112                          | Mobile TeleSystems ADR                   | 128,340           | 0.22                     |
| 30,819                          | Moscow Exchange MICEX-RTS                | 31,906            | 0.05                     |
| 1,534                           | Novatek GDR                              | 199,520           | 0.34                     |
| 73,344                          | Rosneft Oil GDR                          | 330,299           | 0.56                     |
| 60,092                          | RusHydro ADR                             | 31,670            | 0.05                     |
| 265,026                         | Sberbank of Russia                       | 628,332           | 1.07                     |
| 7,396                           | Severstal GDR                            | 85,909            | 0.15                     |
| 21,343                          | Sistema GDR                              | 47,882            | 0.08                     |
| 26,940                          | Surgutneftegas ADR                       | 77,735            | 0.13                     |
| 289,859                         | Surgutneftegas Preference                | 133,126           | 0.23                     |
| 6,359                           | Tatneft ADR                              | 337,527           | 0.57                     |
| 3,413                           | Tatneft Preference                       | 21,347            | 0.04                     |
| 134,950                         | VTB Bank GDR                             | 119,417           | 0.20                     |
|                                 |  | <b>5,671,023</b>  | <b>9.62</b>              |
|                                 | <b>South Africa 6.02% [9.31%]</b>        |                   |                          |
| 24,237                          | Absa                                     | 233,762           | 0.40                     |
| 13,647                          | AngloGold Ashanti                        | 147,414           | 0.25                     |
| 3,584                           | Aspen Pharmacare                         | 26,723            | 0.05                     |
| 6,973                           | Barloworld                               | 47,022            | 0.08                     |
| 5,994                           | Bid                                      | 94,398            | 0.16                     |
| 4,404                           | Bidvest                                  | 48,954            | 0.08                     |
| 6,561                           | Exxaro Resources                         | 53,225            | 0.09                     |
| 54,463                          | FirstRand                                | 187,055           | 0.32                     |
| 3,289                           | Foschini                                 | 30,188            | 0.05                     |
| 38,204                          | Gold Fields                              | 117,383           | 0.20                     |
| 55,787                          | Growthpoint Properties*                  | 72,846            | 0.12                     |
| 35,465                          | Impala Platinum                          | 114,163           | 0.19                     |
| 6,136                           | Imperial Logistics                       | 21,101            | 0.04                     |
| 7,823                           | Investec                                 | 38,301            | 0.07                     |
| 28,140                          | Life Healthcare                          | 40,703            | 0.07                     |
| 28,457                          | MMI                                      | 23,738            | 0.04                     |
| 2,529                           | Mondi                                    | 44,790            | 0.08                     |

Portfolio Statement  
As at 28 February 2019

| Holdings<br>or Nominal<br>Value | Investments                    | Market Value<br>£ | % of Total<br>Net Assets |
|---------------------------------|--------------------------------|-------------------|--------------------------|
| 6,136                           | Motus                          | 29,694            | 0.05                     |
| 2,508                           | Mr Price                       | 28,953            | 0.05                     |
| 53,257                          | MTN                            | 237,790           | 0.40                     |
| 2,256                           | MultiChoice                    | 12,673            | 0.02                     |
| 1,120                           | Naspers                        | 182,386           | 0.31                     |
| 6,195                           | Nedbank                        | 94,201            | 0.16                     |
| 33,154                          | Netcare                        | 45,101            | 0.08                     |
| 93,013                          | Redefine Properties*           | 48,244            | 0.08                     |
| 7,232                           | Remgro                         | 77,807            | 0.13                     |
| 30,976                          | Sanlam                         | 130,273           | 0.22                     |
| 16,932                          | Sappi                          | 65,415            | 0.11                     |
| 21,072                          | Sasol                          | 484,287           | 0.82                     |
| 7,347                           | Shoprite                       | 67,454            | 0.11                     |
| 63,484                          | Sibanye Gold                   | 52,108            | 0.09                     |
| 5,241                           | SPAR                           | 55,870            | 0.09                     |
| 31,892                          | Standard Bank                  | 330,018           | 0.56                     |
| 16,597                          | Telkom                         | 62,141            | 0.11                     |
| 2,201                           | Tiger Brands                   | 31,315            | 0.05                     |
| 7,769                           | Truworths International        | 30,355            | 0.05                     |
| 13,204                          | Vodacom                        | 81,987            | 0.14                     |
| 23,330                          | Woolworths                     | 57,011            | 0.10                     |
|                                 |                                | <b>3,546,849</b>  | <b>6.02</b>              |
|                                 | <b>Taiwan 14.28% [13.18%]</b>  |                   |                          |
| 142,507                         | Acer                           | 70,669            | 0.12                     |
| 101,450                         | ASE Technology                 | 155,635           | 0.26                     |
| 72,390                          | Asia Cement                    | 68,613            | 0.12                     |
| 15,712                          | Asustek Computer               | 84,249            | 0.14                     |
| 665,577                         | AU Optronics                   | 184,540           | 0.31                     |
| 14,969                          | Catcher Technology             | 85,567            | 0.15                     |
| 213,855                         | Cathay Financial               | 236,393           | 0.40                     |
| 19,968                          | Chailease                      | 58,778            | 0.10                     |
| 52,025                          | Cheng Shin Rubber Industry     | 55,601            | 0.09                     |
| 409,720                         | China Development Financial    | 99,788            | 0.17                     |
| 75,847                          | China Life Insurance           | 53,269            | 0.09                     |
| 201,583                         | China Steel                    | 125,325           | 0.21                     |
| 94,435                          | Chunghwa Telecom               | 246,839           | 0.42                     |
| 108,902                         | Compal Electronics             | 50,679            | 0.09                     |
| 487,177                         | CTBC Financial                 | 248,136           | 0.42                     |
| 52,988                          | Delta Electronics              | 198,693           | 0.34                     |
| 170,887                         | E.Sun Financial                | 92,048            | 0.16                     |
| 118,571                         | Far Eastern New Century        | 88,199            | 0.15                     |
| 39,960                          | Far EasTone Telecommunications | 70,186            | 0.12                     |
| 182,119                         | First Financial                | 92,314            | 0.16                     |
| 77,915                          | Formosa Chemicals & Fibre      | 200,803           | 0.34                     |
| 26,489                          | Formosa Petrochemical          | 75,385            | 0.13                     |
| 83,372                          | Formosa Plastics               | 208,757           | 0.35                     |
| 34,650                          | Foxconn Technology             | 53,326            | 0.09                     |
| 201,482                         | Fubon Financial                | 223,700           | 0.38                     |
| 468,834                         | Hon Hai Precision Industry     | 831,481           | 1.41                     |
| 32,337                          | HTC                            | 29,070            | 0.05                     |
| 713,363                         | Innolux                        | 177,749           | 0.30                     |



Portfolio Statement  
As at 28 February 2019

| Holdings<br>or Nominal<br>Value | Investments                            | Market Value<br>£ | % of Total<br>Net Assets |
|---------------------------------|--|-------------------|--------------------------|
| 122,637                         | Inventec                               | 71,151            | 0.12                     |
| 831                             | Largan Precision                       | 88,407            | 0.15                     |
| 92,596                          | Lite-On Technology                     | 100,658           | 0.17                     |
| 39,408                          | MediaTek                               | 269,068           | 0.46                     |
| 197,690                         | Mega Financial                         | 131,356           | 0.22                     |
| 88,407                          | Nan Ya Plastics                        | 165,861           | 0.28                     |
| 18,524                          | Novatek Microelectronics               | 77,380            | 0.13                     |
| 124,803                         | Pegatron                               | 160,364           | 0.27                     |
| 48,371                          | Pou Chen                               | 45,729            | 0.08                     |
| 21,713                          | Powertech Technology                   | 37,978            | 0.07                     |
| 9,499                           | President Chain Store                  | 73,907            | 0.13                     |
| 89,958                          | Quanta Computer                        | 125,479           | 0.21                     |
| 351,095                         | Shin Kong Financial                    | 79,077            | 0.13                     |
| 187,023                         | SinoPac Financial                      | 49,113            | 0.08                     |
| 194,633                         | Taishin Financial                      | 66,326            | 0.11                     |
| 137,450                         | Taiwan Cement                          | 128,935           | 0.22                     |
| 109,255                         | Taiwan Cooperative Financial           | 50,843            | 0.09                     |
| 33,334                          | Taiwan Mobile                          | 89,166            | 0.15                     |
| 301,157                         | Taiwan Semiconductor Manufacturing     | 1,754,598         | 2.98                     |
| 77,735                          | Tatung                                 | 50,797            | 0.09                     |
| 27,523                          | TPK                                    | 35,164            | 0.06                     |
| 88,284                          | Uni-President Enterprises              | 161,533           | 0.27                     |
| 552,223                         | United Microelectronics                | 153,786           | 0.26                     |
| 136,392                         | Walsin Lihwa                           | 60,473            | 0.10                     |
| 208,955                         | Wistron                                | 108,725           | 0.18                     |
| 281,515                         | Yuanta Financial                       | 119,659           | 0.20                     |
|                                 |  | <b>8,421,325</b>  | <b>14.28</b>             |
|                                 | <b>Thailand 3.82% [4.14%]</b>          |                   |                          |
| 2,424                           | Advanced Info Service                  | 10,525            | 0.02                     |
| 27,661                          | Advanced Info Service (Foreign)        | 120,108           | 0.20                     |
| 49,684                          | Bangchak Corporation (Foreign)         | 39,117            | 0.07                     |
| 12,882                          | Bangkok Bank (Foreign)                 | 63,926            | 0.11                     |
| 131,662                         | Banpu (Foreign)                        | 51,201            | 0.09                     |
| 8,829                           | Charoen Pokphand Foods                 | 5,477             | 0.01                     |
| 184,670                         | Charoen Pokphand Foods (Foreign)       | 114,552           | 0.19                     |
| 3,882                           | CP ALL                                 | 7,201             | 0.01                     |
| 45,697                          | CP ALL (Foreign)                       | 84,766            | 0.14                     |
| 274,295                         | IRPC (Foreign)                         | 38,283            | 0.06                     |
| 25,535                          | Kasikornbank (Foreign)                 | 120,015           | 0.20                     |
| 18,247                          | Kasikornbank NVDR                      | 85,761            | 0.15                     |
| 17,223                          | Krung Thai Bank                        | 7,931             | 0.01                     |
| 202,730                         | Krung Thai Bank (Foreign)              | 93,349            | 0.16                     |
| 18,023                          | PTT                                    | 20,855            | 0.04                     |
| 508,348                         | PTT (Foreign)                          | 588,214           | 1.00                     |
| 2,983                           | PTT Exploration & Production           | 8,860             | 0.02                     |
| 49,249                          | PTT Exploration & Production (Foreign) | 146,285           | 0.25                     |
| 4,890                           | PTT Global Chemical                    | 8,400             | 0.01                     |
| 57,559                          | PTT Global Chemical (Foreign)          | 98,873            | 0.17                     |
| 740                             | Siam Cement                            | 8,333             | 0.01                     |
| 20,885                          | Siam Cement (Foreign)                  | 235,185           | 0.40                     |
| 3,429                           | Siam Commercial Bank                   | 10,962            | 0.02                     |

**Portfolio Statement**  
As at 28 February 2019

| Holdings<br>or Nominal<br>Value | Investments                        | Market Value<br>£ | % of Total<br>Net Assets |
|---------------------------------|------------------------------------|-------------------|--------------------------|
| 56,608                          | Siam Commercial Bank (Foreign)     | 180,974           | 0.31                     |
| 32,187                          | Thai Oil (Foreign)                 | 55,290            | 0.09                     |
| 37,095                          | Thanachart Capital (Foreign)       | 49,339            | 0.08                     |
|                                 |                                    | <b>2,253,782</b>  | <b>3.82</b>              |
|                                 | <b>Turkey 1.40% [2.35%]</b>        |                   |                          |
| 97,084                          | Akbank                             | 94,008            | 0.16                     |
| 3,925                           | BIM Birlesik Magazalar             | 47,411            | 0.08                     |
| 34,747                          | Eregli Demir ve Celik Fabrikalari  | 45,645            | 0.08                     |
| 54,440                          | Haci Omer Sabanci                  | 70,057            | 0.12                     |
| 38,358                          | KOC                                | 100,778           | 0.17                     |
| 5,421                           | Tupras Turkiye Petrol Rafinerileri | 109,646           | 0.18                     |
| 19,133                          | Turk Hava Yollari                  | 38,133            | 0.06                     |
| 37,215                          | Turkcell Iletisim Hizmetleri       | 75,010            | 0.13                     |
| 69,470                          | Turkiye Garanti Bankasi            | 87,244            | 0.15                     |
| 56,489                          | Turkiye Halk Bankasi               | 60,910            | 0.10                     |
| 78,764                          | Turkiye Is Bankasi                 | 64,390            | 0.11                     |
| 47,829                          | Turkiye Vakiflar Bankasi TAO       | 34,719            | 0.06                     |
|                                 |                                    | <b>827,951</b>    | <b>1.40</b>              |
|                                 | <b>Portfolio of investments</b>    | <b>58,183,497</b> | <b>98.66</b>             |
|                                 | Net other assets                   | 790,237           | 1.34                     |
|                                 | <b>Net assets</b>                  | <b>58,973,734</b> | <b>100.00</b>            |

\* Real Estate Investment Trusts.

Stock shown as ADR's, GDR's and NVDR's represent American Depositary Receipts, Global Depositary Receipts and Non-Voting Depositary Receipts.

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

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

Comparative figures shown above in square brackets relate to 28 February 2018.

Gross purchases for the year: £20,946,293 [2018: £34,800,244] (See note 16).

Total sales net of transaction costs for the year: £16,549,154 [2018: £67,733,682] (See note 16).

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

**Statement of Total Return  
For the year ended 28 February 2019**

|   | <b>Note</b> | <b>01/03/18 to<br/>28/02/19</b> |                           | <b>01/03/17 to<br/>28/02/18</b> |                         |
|---|-------------|---------------------------------|---------------------------|---------------------------------|-------------------------|
|   |             | £                               | £                         | £                               | £                       |
| Income:   |             |                                 |                           |                                 |                         |
| Net capital (losses)/gains  | 2           |                                 | (3,492,320)               |                                 | 4,625,764               |
| Revenue   | 3           | 2,277,692                       |                           | 2,980,234                       |                         |
| Expenses  | 4           | (276,967)                       |                           | (320,709)                       |                         |
| Interest payable and similar charges  | 5           | (2,851)                         |                           | (6,071)                         |                         |
| Net revenue before taxation   |             | <u>1,997,874</u>                |                           | <u>2,653,454</u>                |                         |
| Taxation  | 6           | <u>146,526</u>                  |                           | <u>(310,795)</u>                |                         |
| Net revenue after taxation  |             |                                 | <u>2,144,400</u>          |                                 | <u>2,342,659</u>        |
| Total return before distributions   |             |                                 | (1,347,920)               |                                 | 6,968,423               |
| Distributions   | 7           |                                 | <u>(2,144,385)</u>        |                                 | <u>(2,342,685)</u>      |
| <b>Change in net assets attributable to Shareholders<br/>from investment activities</b> |             |                                 | <b><u>(3,492,305)</u></b> |                                 | <b><u>4,625,738</u></b> |

**Statement of Change in Net Assets Attributable to Shareholders  
For the year ended 28 February 2019**

|   |  | <b>01/03/18 to<br/>28/02/19</b> |                          | <b>01/03/17 to<br/>28/02/18</b> |                          |
|---|--|---------------------------------|--------------------------|---------------------------------|--------------------------|
|   |  | £                               | £                        | £                               | £                        |
| <b>Opening net assets attributable to Shareholders</b>                                      |  |                                 | 57,147,089               |                                 | 85,535,026               |
| Amounts receivable on issue of Shares   |  | 16,520,211                      |                          | 24,166,401                      |                          |
| Amounts payable on cancellation of Shares   |  | <u>(13,516,915)</u>             |                          | <u>(58,895,087)</u>             |                          |
|   |  |                                 | 3,003,296                |                                 | (34,728,686)             |
| Dilution adjustment   |  |                                 | 104,633                  |                                 | 291,543                  |
| Change in net assets attributable to Shareholders<br>from investment activities (see above) |  |                                 | (3,492,305)              |                                 | 4,625,738                |
| Retained distributions on accumulation Shares   |  |                                 | 2,211,021                |                                 | 1,423,468                |
| <b>Closing net assets attributable to Shareholders</b>                                      |  |                                 | <b><u>58,973,734</u></b> |                                 | <b><u>57,147,089</u></b> |

**Balance Sheet**  
**As at 28 February 2019**

|  |      | 28/02/19         |                          | 28/02/18         |                          |
|--|------|------------------|--------------------------|------------------|--------------------------|
|  | Note | £                | £                        | £                | £                        |
| <b>Assets:</b>                                 |      |                  |                          |                  |                          |
| Fixed assets:                                  |      |                  |                          |                  |                          |
| Investments                                    |      |                  | 58,183,497               |                  | 57,218,495               |
| Current assets:                                |      |                  |                          |                  |                          |
| Debtors  | 8    | 715,238          |                          | 148,594          |                          |
| Cash and bank balances                         | 9    | <u>702,629</u>   |                          | <u>392,841</u>   |                          |
| Total current assets                           |      |                  | <u>1,417,867</u>         |                  | <u>541,435</u>           |
| Total assets                                   |      |                  | <u>59,601,364</u>        |                  | <u>57,759,930</u>        |
| <b>Liabilities:</b>                            |      |                  |                          |                  |                          |
| Provisions for liabilities                     | 10   |                  | -                        |                  | (215)                    |
| Creditors:                                     |      |                  |                          |                  |                          |
| Other creditors                                | 11   | <u>(627,630)</u> |                          | <u>(612,626)</u> |                          |
| Total creditors                                |      |                  | <u>(627,630)</u>         |                  | <u>(612,626)</u>         |
| Total liabilities                              |      |                  | <u>(627,630)</u>         |                  | <u>(612,841)</u>         |
| <b>Net assets attributable to Shareholders</b> |      |                  | <b><u>58,973,734</u></b> |                  | <b><u>57,147,089</u></b> |

**Notes to the Financial Statements**  
**For the year ended 28 February 2019**

**1. Accounting Basis and Policies**

The Fund's Financial Statements have been prepared on the basis detailed on pages 10 to 12.

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

| 01/03/18 to<br>28/02/19 | 01/03/17 to<br>28/02/18 |
|-------------------------|-------------------------|
| £                       | £                       |

The net capital (losses)/gains during the year comprise:

|  |                    |                  |
|--|--------------------|------------------|
| Currency losses                        | (29,536)           | (3,005)          |
| Non-derivative security (losses)/gains | (3,395,050)        | 4,810,076        |
| Transaction charges                    | (65,453)           | (157,426)        |
| ADR fees                               | (2,281)            | (23,881)         |
| <b>Net capital (losses)/gains</b>      | <b>(3,492,320)</b> | <b>4,625,764</b> |

**3. Revenue**

| 01/03/18 to<br>28/02/19 | 01/03/17 to<br>28/02/18 |
|-------------------------|-------------------------|
| £                       | £                       |

|                      |                  |                  |
|----------------------|------------------|------------------|
| Bank interest        | 85               | 2,409            |
| Overseas dividends   | 2,251,440        | 2,921,893        |
| Scrip dividends      | 16,666           | 40,370           |
| Stock lending income | 9,501            | 15,562           |
| <b>Total revenue</b> | <b>2,277,692</b> | <b>2,980,234</b> |

**4. Expenses**

| 01/03/18 to<br>28/02/19 | 01/03/17 to<br>28/02/18 |
|-------------------------|-------------------------|
| £                       | £                       |

**Payable to the ACD, associates of the ACD, and agents of either of them**

|   |                |                |
|---|----------------|----------------|
| AMC fees  | 148,699        | 204,920        |
| Printing, postage, stationery and typesetting costs | 2,002          | 3,879          |
| Registration fees                                   | 844            | 619            |
|   | <u>151,545</u> | <u>209,418</u> |

**Payable to the Depositary, associates of the Depositary and agents of either of them**

|                   |               |               |
|-------------------|---------------|---------------|
| Safe custody fees | 36,300        | 52,716        |
|                   | <u>36,300</u> | <u>52,716</u> |

**Other expenses**

|                        |               |               |
|------------------------|---------------|---------------|
| Audit fees*            | 10,715        | 9,564         |
| FCA fees               | 200           | -             |
| Out of pocket expenses | 3,294         | 11,657        |
| Professional fees      | 74,913        | 37,354        |
|                        | <u>89,122</u> | <u>58,575</u> |

**Total expenses**

|  |                |                |
|--|----------------|----------------|
|  | <b>276,967</b> | <b>320,709</b> |
|--|----------------|----------------|

\* Audit fees of £8,520 + VAT for the year ended 28 February 2019 (2018: £8,260 + VAT) have been paid out of the property of the Fund.

Notes to the Financial Statements  
For the year ended 28 February 2019

|   |                                 |                                 |
|---|---------------------------------|---------------------------------|
| <b>5. Interest payable and similar charges</b>    | <b>01/03/18 to<br/>28/02/19</b> | <b>01/03/17 to<br/>28/02/18</b> |
|   | £                               | £                               |
| Interest  | 2,851                           | 6,071                           |
| <b>Total interest payable and similar charges</b> | <b>2,851</b>                    | <b>6,071</b>                    |

|  |                                 |                                 |
|--|---------------------------------|---------------------------------|
| <b>6. Taxation</b>   | <b>01/03/18 to<br/>28/02/19</b> | <b>01/03/17 to<br/>28/02/18</b> |
|  | £                               | £                               |
| <b>(a) Analysis of the tax (credit)/charge in the year</b> |                                 |                                 |
| Corporation tax  | 48,410                          | 70,441                          |
| Double tax relief  | (48,410)                        | (70,441)                        |
| Overseas tax*  | (146,311)                       | 321,265                         |
| Deferred taxation (Note 6 (c))                             | (215)                           | 215                             |
| Corporation tax prior year adjustment                      | -                               | (10,685)                        |
| <b>Total taxation for the year (Note 6 (b))</b>            | <b>(146,526)</b>                | <b>310,795</b>                  |

\* Reclaims received from Taiwanese securities have resulted in a tax credit in the current year as opposed to tax charge.

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

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an Open-Ended Investment Company of 20% (2018: 20%) is applied to the net revenue before taxation. The differences are explained below:

|   |                                 |                                 |
|---|---------------------------------|---------------------------------|
|   | <b>01/03/18 to<br/>28/02/19</b> | <b>01/03/17 to<br/>28/02/18</b> |
|   | £                               | £                               |
| Net revenue before taxation   | 1,997,874                       | 2,653,454                       |
| Net revenue for the year multiplied by the standard rate of corporation tax | 399,575                         | 530,691                         |
| <b>Effects of:</b>  |                                 |                                 |
| Overseas tax  | (146,311)                       | 321,265                         |
| Revenue not subject to corporation tax                                      | (351,855)                       | (459,560)                       |
| Double taxation relief  | (47,935)                        | (70,916)                        |
| Corporation tax prior year adjustment                                       | -                               | (10,685)                        |
| <b>Total tax (credit)/charge for the year</b>                               | <b>(146,526)</b>                | <b>310,795</b>                  |

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

|   |                                 |                                 |
|---|---------------------------------|---------------------------------|
| <b>(c) Deferred tax</b>                 | <b>01/03/18 to<br/>28/02/19</b> | <b>01/03/17 to<br/>28/02/18</b> |
|   | £                               | £                               |
| Provision at start of the year          | 215                             | -                               |
| Deferred tax charge in the year         | (215)                           | 215                             |
| <b>Provision at the end of the year</b> | <b>-</b>                        | <b>215</b>                      |

**Notes to the Financial Statements**  
**For the year ended 28 February 2019**

**7. Finance costs**

**Distributions**

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

|  | <b>01/03/18 to<br/>28/02/19</b> | <b>01/03/17 to<br/>28/02/18</b> |
|--|---------------------------------|---------------------------------|
|  | <b>£</b>                        | <b>£</b>                        |
| Final  | 2,211,021                       | 1,423,468                       |
| Add: Revenue paid on cancellation of Shares    | 269,449                         | 1,121,463                       |
| Deduct: Revenue received on creation of Shares | (336,085)                       | (202,246)                       |
| <b>Net distribution for the year</b>           | <b>2,144,385</b>                | <b>2,342,685</b>                |

**Reconciliation of net revenue after taxation to distributions**

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Net revenue after taxation           | 2,144,400        | 2,342,659        |
| Net movement in revenue account      | (15)             | 26               |
| <b>Net distribution for the year</b> | <b>2,144,385</b> | <b>2,342,685</b> |

Details of the distributions per Share are set out in the distribution table on page 38.

**8. Debtors**

|   | <b>28/02/19</b> | <b>28/02/18</b> |
|---|-----------------|-----------------|
|   | <b>£</b>        | <b>£</b>        |
| Accrued bank interest                     | 7               | 1               |
| Accrued revenue                           | 122,321         | 97,786          |
| Amounts receivable for creation of Shares | 558,993         | 11,607          |
| Dilution adjustment receivable            | 119             | -               |
| Overseas withholding tax recoverable      | 27,454          | 28,324          |
| Sales awaiting settlement                 | -               | 4,532           |
| Compensation received                     | 3,593           | 3,593           |
| Corporation tax recoverable               | 2,751           | 2,751           |
| <b>Total debtors</b>                      | <b>715,238</b>  | <b>148,594</b>  |

**9. Cash and bank balances**

|                                     | <b>28/02/19</b> | <b>28/02/18</b> |
|-------------------------------------|-----------------|-----------------|
|                                     | <b>£</b>        | <b>£</b>        |
| Cash and bank balances              | 702,629         | 392,841         |
| <b>Total cash and bank balances</b> | <b>702,629</b>  | <b>392,841</b>  |

**10. Provisions for liabilities**

|   | <b>28/02/19</b> | <b>28/02/18</b> |
|---|-----------------|-----------------|
|   | <b>£</b>        | <b>£</b>        |
| Deferred tax payable                    | -               | 215             |
| <b>Total provisions for liabilities</b> | <b>-</b>        | <b>215</b>      |

**Notes to the Financial Statements**  
**For the year ended 28 February 2019**

| <b>11. Other creditors</b>                          | <b>28/02/19</b>       | <b>28/02/18</b>       |
|---|-----------------------|-----------------------|
|   | <b>£</b>              | <b>£</b>              |
| Amounts payable for cancellation of Shares          | 40,488                | 547,351               |
| Dilution adjustment payable                         | -                     | 23                    |
| Purchases awaiting settlement                       | 519,697               | -                     |
|   | <u>560,185</u>        | <u>547,374</u>        |
| <i>Accrued expenses</i>                             |                       |                       |
| <i>Manager and Agents</i>                           |                       |                       |
| AMC fees  | 12,114                | 11,855                |
| Printing, postage, stationery and typesetting costs | 268                   | 540                   |
| Registration fees                                   | 281                   | 362                   |
|   | <u>12,663</u>         | <u>12,757</u>         |
| <i>Depositary and Agents</i>                        |                       |                       |
| Safe custody fees                                   | 11,317                | 6,584                 |
| Transaction charges                                 | 5,071                 | 74                    |
|   | <u>16,388</u>         | <u>6,658</u>          |
| <i>Other accrued expenses</i>                       |                       |                       |
| Audit fees  | 10,224                | 9,421                 |
| Overdraft interest                                  | 501                   | 3                     |
| Taiwan Tax  | 27,669                | 36,413                |
|   | <u>38,394</u>         | <u>45,837</u>         |
| <b>Total other creditors</b>                        | <b><u>627,630</u></b> | <b><u>612,626</u></b> |

**12. Related party transactions**

Management fees paid to the ACD are disclosed in note 4 and amounts due at the year end are disclosed in note 11.

Monies received and paid by the ACD through the creation and cancellation of Shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in notes 8 and 11.

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

**Significant Shareholdings**

FundRock Partners Limited, as the Fund's Authorised Corporate Director, wishes to disclose to the Fund's Shareholders that 37.82% of the Fund's shares in issue are under the control of a single nominee and its related parties.



**Notes to the Financial Statements**  
**For the year ended 28 February 2019**

**13. Share Classes**

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

|                            |      |
|----------------------------|------|
| Share Class A Accumulation | 0.47 |
| Share Class B Accumulation | 0.27 |

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

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

|                            | <b>28/02/18</b> | <b>Issued</b> | <b>Cancelled</b> | <b>Converted</b> | <b>28/02/19</b> |
|----------------------------|-----------------|---------------|------------------|------------------|-----------------|
| Share Class A Accumulation | 590,689         | 670,483       | (190,826)        | -                | 1,070,346       |
| Share Class B Accumulation | 34,574,119      | 10,150,356    | (8,734,313)      | -                | 35,990,162      |

**14. Capital commitments and contingent assets and liabilities**

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

**15. Derivatives and other financial instruments**

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 2 on pages 12 to 14 of the report.

**(a) Foreign currency risk**

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

| <b>Currency</b>                        | <b>Net foreign currency assets</b> |                   |
|--|------------------------------------|-------------------|
|  | <b>28/02/19</b>                    | <b>28/02/18</b>   |
|  | <b>£</b>                           | <b>£</b>          |
| Brazilian real                         | 8,873,018                          | 8,484,670         |
| Chilean peso                           | 574,276                            | 467,267           |
| Egyptian pound                         | 102                                | 98                |
| Hong Kong dollar                       | 17,781,847                         | 15,805,220        |
| Indonesian rupiah                      | 964,943                            | 1,080,348         |
| Malaysian ringgit                      | 1,358,349                          | 1,548,138         |
| Mexican peso                           | 2,086,286                          | 2,343,564         |
| New Russian ruble                      | 5,028                              | 5,681             |
| New Taiwan dollar                      | 8,431,045                          | 7,541,587         |
| Polish zloty                           | 831,590                            | 1,214,833         |
| Singapore dollar                       | 45,330                             | -                 |
| South African rand                     | 3,541,013                          | 5,357,466         |
| Thai baht                              | 2,260,323                          | 2,374,186         |
| Turkish lira                           | 811,699                            | 1,344,505         |
| US dollar                              | 10,270,204                         | 9,906,870         |
| <b>Total foreign currency exposure</b> | <b>57,835,053</b>                  | <b>57,474,433</b> |
| Sterling                               | 1,138,681                          | (327,344)         |
| <b>Total net assets</b>                | <b>58,973,734</b>                  | <b>57,147,089</b> |

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £5,257,732 (2018: £5,224,948). If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £6,426,117 (2018: £6,386,048). These calculations assume all other variables remain constant.

**Notes to the Financial Statements**  
**For the year ended 28 February 2019**

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

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

| <b>Currency Assets</b> | <b>Floating rate<br/>financial<br/>assets<br/>£</b> | <b>Fixed rate<br/>financial<br/>assets<br/>£</b> | <b>Financial<br/>assets not<br/>carrying<br/>interest<br/>£</b> | <b>Total<br/>£</b> |
|------------------------|---|--|---|--------------------|
| <b>28/02/19</b>        |   |  |   |                    |
| Brazilian real         | 3,467   | -  | 9,025,710   | 9,029,177          |
| Chilean peso           | -   | -  | 596,483   | 596,483            |
| Egyptian pound         | 102   | -  | -   | 102                |
| Hong Kong dollar       | 21  | -  | 17,781,827  | 17,781,848         |
| Indonesian rupiah      | -   | -  | 964,943   | 964,943            |
| Malaysian ringgit      | -   | -  | 1,358,349   | 1,358,349          |
| Mexican peso           | 1,734   | -  | 2,108,001   | 2,109,735          |
| New Russian ruble      | 5,028   | -  | -   | 5,028              |
| New Taiwan dollar      | 9,720   | -  | 8,421,325   | 8,431,045          |
| Polish zloty           | -   | -  | 848,553   | 848,553            |
| Singapore dollar       | 1,392   | -  | 43,938  | 45,330             |
| South African rand     | -   | -  | 3,620,379   | 3,620,379          |
| Sterling               | 681,150   | -  | 565,464   | 1,246,614          |
| Thailand baht          | -   | -  | 2,260,323   | 2,260,323          |
| Turkish lira           | -   | -  | 827,951   | 827,951            |
| US dollar              | 15  | -  | 10,475,489  | 10,475,504         |
| <b>Total</b>           | <b>702,629</b>                                      | <b>-</b>   | <b>58,898,735</b>   | <b>59,601,364</b>  |
| <b>28/02/18</b>        |   |  |   |                    |
| Brazilian real         | 9,216   | -  | 8,475,454   | 8,484,670          |
| Chilean peso           | 1,837   | -  | 465,430   | 467,267            |
| Egyptian pound         | 98  | -  | -   | 98                 |
| Hong Kong dollar       | 943   | -  | 15,804,277  | 15,805,220         |
| Indonesian rupiah      | 2,627   | -  | 1,077,721   | 1,080,348          |
| Malaysian ringgit      | 12,413  | -  | 1,535,725   | 1,548,138          |
| Mexican peso           | 12,036  | -  | 2,331,528   | 2,343,564          |
| New Russian ruble      | 5,681   | -  | -   | 5,681              |
| New Taiwan dollar      | 11,351  | -  | 7,530,236   | 7,541,587          |
| Polish zloty           | 9,243   | -  | 1,205,590   | 1,214,833          |
| South African rand     | 13,790  | -  | 5,343,676   | 5,357,466          |
| Sterling               | 267,545   | -  | 17,952  | 285,497            |
| Thailand baht          | 865   | -  | 2,373,321   | 2,374,186          |
| Turkish lira           | 2,435   | -  | 1,342,070   | 1,344,505          |
| US dollar              | 42,761  | -  | 9,864,109   | 9,906,870          |
| <b>Total</b>           | <b>392,841</b>                                      | <b>-</b>   | <b>57,367,089</b>   | <b>57,759,930</b>  |

Notes to the Financial Statements  
For the year ended 28 February 2019

| Currency Liabilities | Floating rate<br>financial<br>liabilities<br>£ | Fixed rate<br>financial<br>liabilities<br>£ | Financial<br>liabilities not<br>carrying<br>interest<br>£ | Total<br>£     |
|----------------------|--|---|---|----------------|
| <b>28/02/19</b>      |  |   |   |                |
| Brazilian real       | -  | -   | 156,159   | 156,159        |
| Chilean peso         | -  | -   | 22,207  | 22,207         |
| Mexican peso         | -  | -   | 23,450  | 23,450         |
| Polish zloty         | -  | -   | 16,963  | 16,963         |
| South African rand   | -  | -   | 79,366  | 79,366         |
| Sterling             | -  | -   | 107,933   | 107,933        |
| Turkish lira         | -  | -   | 16,252  | 16,252         |
| US dollar            | -  | -   | 205,300   | 205,300        |
| <b>Total</b>         | <b>-</b>                                       | <b>-</b>                                    | <b>627,630</b>  | <b>627,630</b> |
| <b>28/02/18</b>      |  |   |   |                |
| Sterling             | -  | -   | 612,841   | 612,841        |
| <b>Total</b>         | <b>-</b>                                       | <b>-</b>                                    | <b>612,841</b>  | <b>612,841</b> |

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

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

**(c) Market price risk**

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

|             | Increase<br>£ | Decrease<br>£ |
|-------------|---------------|---------------|
| <b>2019</b> | 5,818,350     | 5,818,350     |
| <b>2018</b> | 5,721,849     | 5,721,849     |

**(d) Leverage**

The Fund did not employ any significant leverage as at 28 February 2019, other than that available to the Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

**Notes to the Financial Statements**  
**For the year ended 28 February 2019**

| <b>16. Portfolio transaction costs</b>          | <b>01/03/18 to<br/>28/02/19</b> |                          | <b>01/03/17 to<br/>28/02/18</b> |                          |
|---|---------------------------------|--------------------------|---------------------------------|--------------------------|
| <b>Analysis of total purchase costs</b>         | £                               | £                        | £                               | £                        |
| Purchases in the year before transaction costs: |                                 |                          |                                 |                          |
| Equities  |                                 | 20,945,924               |                                 | 34,799,742               |
|   |                                 | <u>20,945,924</u>        |                                 | <u>34,799,742</u>        |
| Commissions - Equities                          | <u>369</u>                      |                          | <u>502</u>                      |                          |
| Total purchase costs                            |                                 | 369                      |                                 | 502                      |
| <b>Gross purchase total</b>                     |                                 | <b><u>20,946,293</u></b> |                                 | <b><u>34,800,244</u></b> |

**Analysis of total sale costs**

|   |              |                          |                |                          |
|---|--------------|--------------------------|----------------|--------------------------|
| Gross sales in the year before transaction costs: |              |                          |                |                          |
| Equities  |              | 16,549,560               |                | 67,734,862               |
|   |              | <u>16,549,560</u>        |                | <u>67,734,862</u>        |
| Commissions - Equities                            | <u>(406)</u> |                          | <u>(1,180)</u> |                          |
| Total sale costs                                  |              | (406)                    |                | (1,180)                  |
| <b>Total sales net of transaction costs</b>       |              | <b><u>16,549,154</u></b> |                | <b><u>67,733,682</u></b> |

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

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

| <b>Transaction costs as percentage of principal amounts</b>       | <b>01/03/18 to<br/>28/02/19</b> | <b>01/03/17 to<br/>28/02/18</b> |
|---|---------------------------------|---------------------------------|
|   | %                               | %                               |
| Purchases - Commissions   |                                 |                                 |
| Equities  | 0.0018%                         | 0.0014%                         |
| Sales - Commissions   |                                 |                                 |
| Equities  | 0.0025%                         | 0.0017%                         |
| <b>Transaction costs as percentage of average net asset value</b> | <b>01/03/18 to<br/>28/02/19</b> | <b>01/03/17 to<br/>28/02/18</b> |
|   | %                               | %                               |
| Commissions   | 0.0014%                         | 0.0023%                         |

At the balance sheet date the average portfolio dealing spread was 0.46% (2018: 0.23%).

Notes to the Financial Statements  
For the year ended 28 February 2019

17. Stock Lending

The Fund enters into stock lending arrangements with various counterparties. At the balance sheet date the bid value of securities on loan was £2,152,917 (2018: £2,169,720). The value of collateral held in respect of securities on loan was £2,336,910 (2018: £2,303,608).

| Counterparty                | 28/02/19                    |                  | 28/02/18                    |                  |
|-----------------------------|-----------------------------|------------------|-----------------------------|------------------|
|                             | Value of stock on loan<br>£ | Collateral<br>£  | Value of stock on loan<br>£ | Collateral<br>£  |
| Bank of Nova Scotia         | 42,574                      | 45,760           | -                           | -                |
| Barclays Capital Securities | 85,312                      | 89,591           | 535,838                     | 576,120          |
| BNP Paribas Arbitrage       | 34,572                      | 36,544           | -                           | -                |
| Citigroup Global Markets    | -                           | -                | 34,928                      | 37,528           |
| Credit Suisse Securities    | -                           | -                | 41,020                      | 43,176           |
| Deutsche Bank               | 1,231,104                   | 1,323,374        | 492,938                     | 509,858          |
| JP Morgan Securities        | 77,525                      | 101,016          | 121,210                     | 128,600          |
| Macquarie Bank Limited      | 102,070                     | 113,313          | 45,098                      | 48,140           |
| Merrill Lynch               | 68,333                      | 72,608           | 145,859                     | 155,045          |
| Morgan Stanley              | 16,106                      | 17,061           | 3,187                       | 3,354            |
| Societe Generale            | 2,013                       | 2,187            | -                           | -                |
| UBS                         | 493,308                     | 535,456          | 749,642                     | 801,787          |
|                             | <b>2,152,917</b>            | <b>2,336,910</b> | <b>2,169,720</b>            | <b>2,303,608</b> |

| Collateral by asset class | 01/03/18 to<br>28/02/19 | 01/03/17 to<br>28/02/18 |
|---------------------------|-------------------------|-------------------------|
| Equities                  | 115,691                 | 149,856                 |
| Government bonds          | 2,221,219               | 2,153,752               |
|                           | <b>2,336,910</b>        | <b>2,303,608</b>        |

| Analysis of stock lending income | 01/03/18 to<br>28/02/19 | 01/03/17 to<br>28/02/18 |
|----------------------------------|-------------------------|-------------------------|
| Gross stock lending income       | 15,202                  | 27,105                  |
| Fees paid to the ACD             | (5,321)                 | (9,486)                 |
| Fees paid to the Depository      | (380)                   | (2,057)                 |
|                                  | <b>9,501</b>            | <b>15,562</b>           |

18. Post balance sheet events

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

19. Fair value disclosure

| Valuation technique   | 28/02/19          |                  | 28/02/18          |                  |
|---|-------------------|------------------|-------------------|------------------|
|   | Assets<br>£       | Liabilities<br>£ | Assets<br>£       | Liabilities<br>£ |
| <b>Level 1:</b> The unadjusted quoted price in an active market for identical assets or liabilities   | 58,183,497        | -                | 57,218,495        | -                |
| <b>Level 2:</b> Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly | -                 | -                | -                 | -                |
| <b>Level 3:</b> Inputs are unobservable (ie for which market data is unavailable) for the asset or liability  | -                 | -                | -                 | -                |
|   | <b>58,183,497</b> | <b>-</b>         | <b>57,218,495</b> | <b>-</b>         |

The valuation techniques and the ACD's policy is disclosed in note 1(i) on page 11.

**Distribution Table**  
**As at 28 February 2019**

**Final Distribution in pence per Share**

Group 1 Shares purchased prior to 1 March 2018

Group 2 Shares purchased on or after 1 March 2018 to 28 February 2019

|                                   | <b>Net<br/>revenue<br/>(p)</b> | <b>Equalisation<br/>(p)</b> | <b>Distribution<br/>payable<br/>30/04/19<br/>(p)</b> | <b>Distribution<br/>paid<br/>30/04/18<br/>(p)</b> |
|-----------------------------------|--------------------------------|-----------------------------|--|---|
| <b>Share Class A Accumulation</b> |                                |                             |  |   |
| Group 1                           | 5.5919                         | -                           | 5.5919   | 3.4153  |
| Group 2                           | 0.6975                         | 4.8944                      | 5.5919   | 3.4153  |
| <b>Share Class B Accumulation</b> |                                |                             |  |   |
| Group 1                           | 5.9771                         | -                           | 5.9771   | 4.0588  |
| Group 2                           | 2.9264                         | 3.0507                      | 5.9771   | 4.0588  |

**Securities Financing Transactions  
As at 28 February 2019 (unaudited)**

**GLOBAL DATA**

| <b>Proportion of securities and commodities on loan</b>    | <b>£</b>   | <b>%</b> |
|--|------------|----------|
| Total lendable assets excluding cash and cash equivalents: | 35,470,687 |          |
| Securities and commodities on loan                         | 2,152,917  | 6.07%    |

| <b>Assets engaged in SFTs and total return swaps</b> | <b>£</b>   | <b>%</b> |
|--|------------|----------|
| Fund assets under management (AUM)                   | 58,866,217 |          |
| Absolute value of assets engaged in:                 |            |          |
| Securities lending                                   | 2,152,917  | 3.66%    |

**CONCENTRATION DATA**

**Top 10 Collateral Issuers**

| <b>Name and value of collateral and commodities received</b> | <b>£</b> |
|--|----------|
| Republic of France   | 459,025  |
| Federal Republic of Germany                                  | 413,202  |
| United States of America Treasury                            | 392,508  |
| Kingdom of Netherlands                                       | 379,939  |
| Government of United Kingdom                                 | 367,556  |
| Kingdom of Belgium   | 155,511  |
| Kingdom of Sweden  | 31,170   |
| Government of Canada   | 22,309   |
| Ulta Beauty  | 8,778    |
| Citrix Systems   | 7,026    |

**Top 10 Counterparties**

| <b>Name and value of outstanding transactions</b> | <b>£</b>  |
|---|-----------|
| <b>Securities lending</b>                         |           |
| Deutsche Bank                                     | 1,231,104 |
| UBS   | 493,308   |
| Macquarie Bank                                    | 102,070   |
| Barclays Capital Securities                       | 85,312    |
| JP Morgan Securities                              | 77,525    |
| Merrill Lynch                                     | 68,333    |
| Bank of Nova Scotia                               | 42,574    |
| BNP Paribas Arbitrage                             | 34,572    |
| Morgan Stanley International                      | 16,106    |
| Societe Generale                                  | 2,013     |

Securities Financing Transactions  
As at 28 February 2019 (unaudited)

**AGGREGATE TRANSACTION DATA**

**Type, Quality and Currency of Collateral**

| Type                      | Quality                       | Currencies      | £         |
|---------------------------|-------------------------------|-----------------|-----------|
| <b>Securities lending</b> |                               |                 |           |
| Equity                    | Traded on recognised exchange | US dollar       | 115,691   |
| Fixed Income              | Investment Grade              | Sterling        | 367,556   |
| Fixed Income              | Investment Grade              | Canadian dollar | 22,309    |
| Fixed Income              | Investment Grade              | Euro            | 1,407,676 |
| Fixed Income              | Investment Grade              | Swedish krona   | 31,170    |
| Fixed Income              | Investment Grade              | US dollar       | 392,508   |

**Maturity Tenor of Collateral (remaining period to maturity)**

| Type               | Less than one day<br>£ | One day to one week<br>£ | One week to one month<br>£ | One to three months<br>£ | Three months to one year<br>£ | Above one year<br>£ | Open maturity<br>£ | Total<br>£ |
|--------------------|------------------------|--------------------------|----------------------------|--------------------------|-------------------------------|---------------------|--------------------|------------|
| Securities lending | 0                      | 0                        | 25                         | 28,144                   | 147,785                       | 2,045,265           | 115,691            | 2,336,910  |
|                    | 0                      | 0                        | 25                         | 28,144                   | 147,785                       | 2,045,265           | 115,691            | 2,336,910  |

**Counterparty details**

| Type               | Countries of counterparty | Settlement and clearing | £         |
|--------------------|---------------------------|-------------------------|-----------|
| Securities lending | Australia                 | Bi-lateral              | 113,313   |
| Securities lending | Canada                    | Bi-lateral              | 45,760    |
| Securities lending | France                    | Bi-lateral              | 36,544    |
| Securities lending | Germany                   | Bi-lateral              | 32,459    |
| Securities lending | Switzerland               | Bi-lateral              | 136,102   |
| Securities lending | United Kingdom            | Bi-lateral              | 17,582    |
| Securities lending | France                    | Tri-party               | 2,186     |
| Securities lending | Germany                   | Tri-party               | 1,290,916 |
| Securities lending | Switzerland               | Tri-party               | 399,355   |
| Securities lending | United Kingdom            | Tri-party               | 262,693   |

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

| Type               | Less than one day<br>£ | One day to one week<br>£ | One week to one month<br>£ | One to three months<br>£ | Three months to one year<br>£ | Above one year<br>£ | Open transactions<br>£ | Total<br>£ |
|--------------------|------------------------|--------------------------|----------------------------|--------------------------|-------------------------------|---------------------|------------------------|------------|
| Securities lending | 0                      | 0                        | 0                          | 0                        | 0                             | 0                   | 2,152,917              | 2,152,917  |
|                    | 0                      | 0                        | 0                          | 0                        | 0                             | 0                   | 2,152,917              | 2,152,917  |

**RE-USE OF COLLATERAL**

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



**Securities Financing Transactions  
As at 28 February 2019 (unaudited)**

**SAFEKEEPING OF COLLATERAL RECEIVED**

| <b>Names and value of custodians safekeeping collateral</b> | <b>£</b>  |
|---|-----------|
| JP Morgan   | 1,391,931 |
| Bank of New York  | 563,219   |
| State Street  | 381,760   |
| Number of custodians safekeeping collateral                 | 3         |

| <b><u>RETURN AND COST</u></b> | <b>Collective Investment<br/>Undertaking<br/>£</b> | <b>Manager of Collective<br/>Investment<br/>Undertaking<br/>£</b> | <b>Third Parties (e.g.<br/>lending agent)<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--|---|---|--------------------|
| <b>Securities lending</b>     |  |   |   |                    |
| Gross return                  | 9,501  | 5,321   | 380   | 15,202             |
| % of total gross return       | 62.50%   | 35.00%  | 2.50%   |                    |

### General Information

#### Classes of Shares

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

#### Buying and Selling Shares

The ACD will accept orders to deal in the Shares on normal business days between 9:00am and 5:00pm. Instructions to buy or sell Shares may be either in writing to: FundRock Partners Limited - Henderson Rowe, PO Box 10849, Chelmsford CM99 2XT or by telephone on 01268 448 658\* (UK only) or +44 1268 448 658\* (from outside the UK). A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

#### Valuation Point

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

#### Prices

The price of Shares for each class in each Fund will be posted via a link on [www.fundrock.com](http://www.fundrock.com) and can also be obtained by telephoning the Administrator on 01268 448 658\* (UK only) or +44 1268 448 658\* (outside the UK) during the ACD's normal business hours.

#### Report

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

|   |             |
|---|-------------|
| Interim Financial Statements period ended | 31 August   |
| Annual Financial Statements year ended    | 28 February |

#### Distribution Payment Dates

|         |   |
|---------|---|
| Interim | Not applicable as the Fund distributes annually |
| Annual  | 30 April  |

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

**General Information**

**Significant Information**

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

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

FundRock Partners considers its activities as non complex due to the fact that regulation limits the UCITS strategies conducted and the scope of investment in such a way that investor risk is mitigated. The discretion of FundRock Partners and the portfolio manager is strictly controlled within certain pre-defined parameters as determined in the prospectus of each UCITS.

In its role as an UCITS Manager, FundRock Partners deems itself as lower risk due to the nature of the activities it conducts. Therefore FundRock Partners have provided a basic overview of how staff whose actions have a material impact on the Fund are remunerated.

| <b>FundRock Partners Ltd</b>   |                                |                                |                           |                                   |   |
|--|--------------------------------|--------------------------------|---------------------------|-----------------------------------|---|
| <b>February 2019</b>   | <b>Number of Beneficiaries</b> | <b>Total remuneration paid</b> | <b>Fixed remuneration</b> | <b>Variable remuneration paid</b> | <b>Carried interest paid by the UCITS</b> |
| Total remuneration paid by FP during the financial year  | 30                             | £1,834,364                     | £1,763,864                | £70,500                           | £0  |
| Remuneration paid to employees of FP who have a material impact on the risk profile of the UCITS                               | 9                              | £697,522                       | £630,022                  | £67,500                           | £0  |
| Senior Management  | 9                              | £697,522                       | £630,022                  | £67,500                           | £0  |
| Control functions  | 9                              | £697,522                       | £630,022                  | £67,500                           | £0  |
| Employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers | 0                              | £0                             | £0                        | £0                                | £0  |

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

**Other Information**

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

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a Shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR.

### General Information

#### Data Protection

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

#### Effects of Personal Taxation

Investors should be aware that unless their Shares are held within an ISA, selling Shares is treated as a disposal for the purpose of Capital Gains tax.

#### Risk Warning

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

### Contact Information

#### The Company and its Head Office

FP Henderson Rowe Index Funds  
Second Floor (East),  
52-54 Gracechurch Street,  
London, EC3V 0EH.  
Incorporated in England and Wales under registration  
number IC000864  
Website address: [www.fundrock.com](http://www.fundrock.com)  
(Authorised and regulated by the FCA)

#### Directors of the ACD

V. Ondoro (Appointed 10 January 2019)  
X. Parain (Appointed 21 January 2019)  
S. Ragozin (Appointed 23 January 2019)  
C. Spencer (Resigned 31 August 2018)  
P. Spendiff (Appointed 9 October 2018)  
R. Thomson (Resigned 25 September 2018)  
M. Wood (Resigned 17 May 2019)  
R. Wood (Resigned 3 December 2018)

#### Non executive Directors

M. Manassee  
A. Roughead (Appointed 1 November 2018)

#### Registrar

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

#### Auditor

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

#### Investment Managers

Henderson Rowe Limited  
Berkeley Square House,  
Berkeley Square,  
London W1J 6BR  
(Authorised and regulated by the FCA)

#### Authorised Corporate Director ("ACD")

FundRock Partners Limited  
Second Floor (East),  
52-54 Gracechurch Street,  
London, EC3V 0EH.  
(Authorised and regulated by the FCA and a member  
of the Investment Association)

#### Company Secretary of the ACD

V. Ondoro

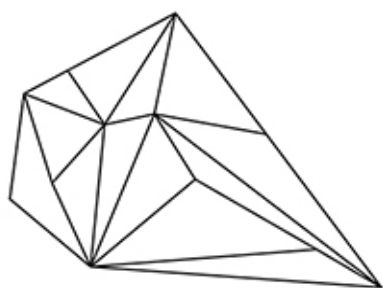
#### Customer Service Centre

FundRock Partners Limited - Henderson Rowe  
PO Box 10849,  
Chelmsford CM99 2XT  
Telephone: 01268 448 658\* (within UK only)  
Outside the UK: +44 1268 448 658\*  
Fax: 01268 441 498 (within UK only)  
Outside the UK: +44 1268 441 498

#### Depository

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

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



**FUNDROCK**  

---

**management company**