



NEPTUNE INVESTMENT FUNDS

Annual Short Report

31 December 2014

Neptune Cautious Managed Fund
Neptune China Fund
Neptune European Income Fund
Neptune European Opportunities Fund
Neptune Global Alpha Fund
Neptune Global Equity Fund
Neptune Global Income Fund
Neptune Greater China Income Fund
Neptune Income Fund
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Investment Objective and Policy

The investment objective of the Neptune Cautious Managed Fund is to generate a combination of income and capital growth by investing conservatively in a diversified portfolio of equities, bonds and other fixed income/interest securities. At all times the Fund will be managed so it complies with the requirements of The Investment Association Cautious Managed Sector.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for Efficient Portfolio Management (EPM).

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an Individual Savings Account (ISA).

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
1	2	3	4	5	6	7

- This Fund is ranked at 4 because funds of this type have experienced average rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of revenue usually also carry greater risk as such bond issuers may have difficulty in paying their debts.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	1.60	0.12	1.75
	C Accumulation	0.75	0.05	0.80
31 December 2013	A Income	2.00	0.12	2.12
	A Accumulation	2.00	0.16	2.16
	B Income	2.00	0.17	2.17
	B Accumulation	2.00	0.17	2.17

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A share class is currently capped at 2.50% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Income‡	N/A	108.2	N/A
A Accumulation	124.4	120.4	3.32
B Income‡	N/A	114.9	N/A
B Accumulation‡	N/A	120.6	N/A
C Accumulation†	125.6	N/A	N/A

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Income	N/A	3.4984
A Accumulation	4.1414	3.8072
B Income	N/A	3.6680
B Accumulation	N/A	3.8124
C Accumulation	4.1587	N/A

‡Closed 28 February 2014.

†Launched 1 March 2014.

Summary (continued)

Comparative Tables

Calendar Year	A Income shares†		A Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	103.3	101.8	103.5	100.0
2011	104.1	94.48	108.2	98.42
2012	101.7	96.52	107.1	101.6
2013	110.8	98.67	120.7	106.2
2014	109.6*	105.2*	127.6	117.1

Calendar Year	B Income shares‡		B Accumulation shares‡	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	103.5	101.9	107.3	105.4
2011	104.6	95.47	108.3	98.51
2012	104.8	99.84	107.3	101.8
2013	116.8	103.0	120.8	106.4
2014	116.5*	112.0*	122.1*	117.3*

Calendar Year	C Accumulation shares†	
	Highest buying price (p)	Lowest selling price (p)
2014	128.8**	118.9**

Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	1,629,671		1,328,540	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Income	N/A	N/A	20,871	108.2
A Accumulation	308,295	124.4	397,252	120.4
B Income	N/A	N/A	1,000	114.9
B Accumulation	N/A	N/A	685,200	120.6
C Accumulation	992,312	125.6	N/A	N/A

‡Closed 28 February 2014.

†Launched 1 March 2014.

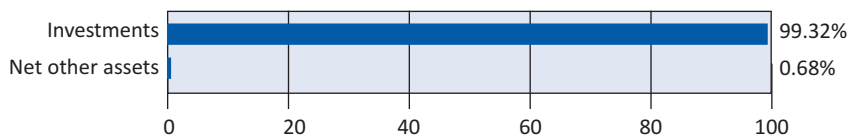
*From 1 January 2014 to 28 February 2014.

**From 1 March 2014 to 31 December 2014.

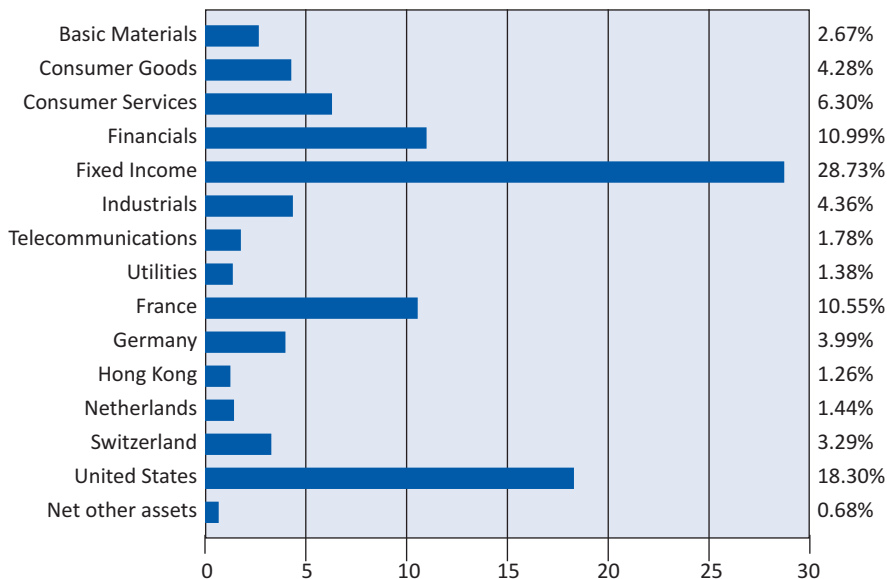
Ten Largest Holdings as at 31 December 2014

	% of net assets
Bank of Scotland 6.375% 16/08/2019	3.99
Lafarge 10% 30/05/2017	3.57
Intermediate Capital 6.25% 19/09/2020	3.42
Santander PREF	3.01
Provident Financial 7% 04/10/2017	2.99
Société Générale 9.375% Perpetual	2.91
International Personal Finance 6.125% 08/05/2020	2.90
Paragon 3.729% 20/04/2017	2.77
Helical Bar 6% 24/06/2020	2.71
QED Finance 6.5% 29/07/2020	2.21

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The period under review was a volatile year for markets, with a good performance in the US and a mixed bag in the emerging markets, the UK and Europe. The year began weakly, before markets then rebounded in the second quarter and endured two very mixed quarters in the second half of year. During 2014, the Neptune Cautious Managed Fund returned 3.48% versus the InvAssoc Mixed Investments 20-60% Shares sector average return of 4.79%, placing it in the third quartile of the peer group.*

2014 had a difficult start with very poor, weather-related, US GDP numbers and increased geopolitical risks in Russia and the Ukraine. In the second quarter, investors became more comfortable that weak Q1 US GDP was driven by poor weather and markets bounced back, helped by further European Central Bank (ECB) easing in Europe, while concerns over ISIS appeared in the Middle East. In the third quarter, we saw volatility related to the Scottish independence referendum which caused the US dollar to start to strengthen versus sterling. The fourth quarter was also notable, with plunging oil prices, a falling Russian ruble and continued discussion around potential ECB quantitative easing (QE). In the bond market we saw interest rates come down progressively over the year driven by continued falling inflation expectations.

The Fund remained fully weighted (close to 60%) in equities during the year, reflecting our conviction that equities represented a compelling investment opportunity. In what was a difficult year for equities, the Fund benefitted from its overweight positions in financials and healthcare, while our overweight in industrials hurt performance due to energy-exposed stocks and a number of company one-off events. Notable equity performances came from JP Morgan and Microsoft, which generated significant value for their shareholders. On the bond side, our incorrect expectation that inflation and consequently interest rates would rise in 2014 was proved to be wrong, as deflationary pressures meant that bond yields fell. Falling interest rates was the greatest driver of underperformance for the Fund in 2014. However, our long duration bonds performed very well over the period. In particular our Société Générale corporate bonds and Abbey preference shares performed strongly, both due to their longer duration but also due to the continued lowering of stresses in the banking sector.

Going into 2015, we remain positive on global economic growth. However, we expect 2015 to be a volatile year driven by potential rate rises in the US and UK, further easing measures in Europe and Japan, difficult to predict elections in the UK and Greece and lower energy prices. We continue to be biased to developed markets over emerging markets. However, while we worry about short-term capital flows as interest rates normalise we remain positive on these geographies over the longer-term. Emerging market growth is becoming increasingly reliant on domestic factors and intra-regional trade, which should help to rebalance the global economy and lead to long-term sustainable growth. In line with this outlook, we maintain positions in global industry leaders. In our fixed income portfolio, we remain focused on corporate over government bonds, as we believe that company balance sheets will continue to strengthen as the global economy recovers. In summary, we believe the Fund is well positioned to deliver on our objective of sustainable capital and income growth in 2015.

**Source: Lipper, A Accumulation share class performance, InvAssoc Mixed Investment 20-60% shares sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth from investment predominantly in Chinese securities, or in the securities issued by companies transacting a significant proportion of their business in China.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
←					→
1	2	3	4	5	6

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	1.94	0.05	1.99
	B Accumulation	1.44	0.05	1.49
	C Accumulation	1.00	0.06	1.06
	B Accumulation USD	1.48	0.05	1.53
31 December 2013	A Accumulation	1.91	0.02	1.93
	B Accumulation	1.40	0.02	1.42
	C Accumulation	1.00	0.02	1.02
	B Accumulation USD	1.43	0.02	1.45

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	299.4	313.9	(4.62)
B Accumulation	311.8	325.3	(4.15)
C Accumulation	120.1	124.8	(3.77)
B Accumulation USD	70.64	73.73	(4.19)

Distributions

Share class	Total distribution (p/¢) for the year to 31 December 2014	Total distribution (p/¢) for the year to 31 December 2013
A Accumulation	1.6783p	2.2099p
B Accumulation	2.8364p	3.3243p
C Accumulation	1.6382p	1.7041p
B Accumulation USD	0.8836¢	1.1854¢

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	327.2	235.4	333.7	239.2
2011	332.4	221.8	339.3	227.2
2012	277.0	235.8	284.4	242.6
2013	320.7	253.3	332.1	261.8
2014	315.1	252.5	326.5	262.1

Calendar Year	C Accumulation shares		B Accumulation shares USD	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (¢)	Lowest selling price (¢)
2010	N/A	N/A	122.4	86.34
2011	N/A	N/A	125.5	79.30
2012	108.5	99.78	104.1	85.56
2013	127.3	100.2	122.5	91.67
2014	125.3	100.7	122.3	100.7

Summary (continued)

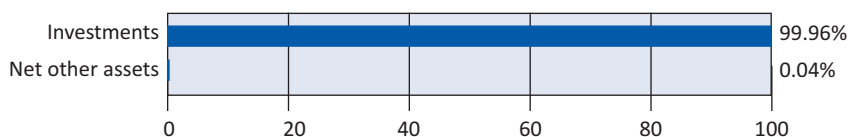
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	56,930,494		87,565,863	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	8,121,557	299.4	13,129,920	313.9
B Accumulation	6,113,165	311.8	9,328,923	325.3
C Accumulation	5,203,523	120.1	2,559,363	124.8
B Accumulation USD	10,344,011	70.64	17,382,133	73.73

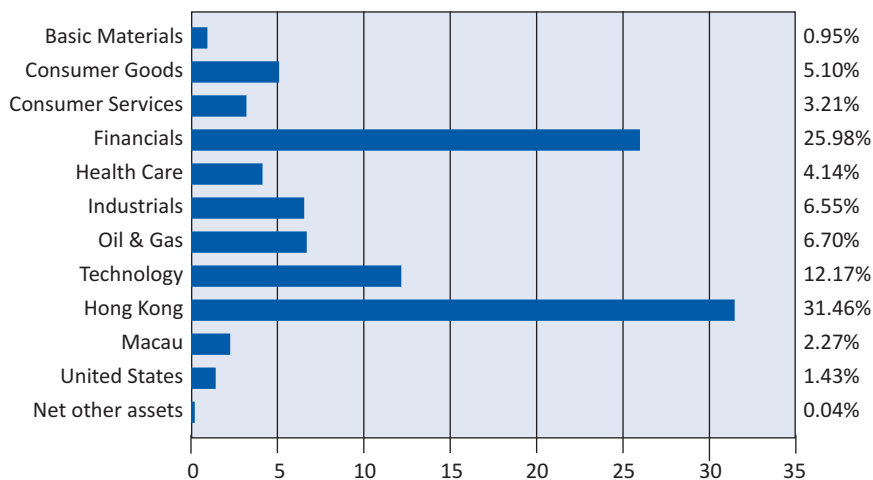
Ten Largest Holdings as at 31 December 2014

	% of net assets
Bank of China	5.56
China Mobile	5.18
China Minsheng Banking	5.14
PetroChina	4.94
China Construction Bank	4.60
CITIC Securities	4.54
Baidu ADR	4.18
Industrial & Commercial Bank of China	3.67
Tencent	3.59
BOC Hong Kong	2.68

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

2014 was a bad year for the Neptune China Fund. After the strong alpha delivery of 2013, we have been extremely disappointed by a year in which we returned -2.05% versus a benchmark return of 15%, unsurprisingly putting us last amongst our InvAssoc peers.*

There are two key explanations as to where this poor performance came from. First, 2014 was an extremely volatile year for the Chinese market, one characterised broadly by two large rotations that took place, led both times by the type of policy oscillations that have been the norm from Beijing over the last four years or so. Growth was notably weakening throughout the first quarter and dragging the market with it, not least as following the late 2013 'plenum' excitement, the realisation was dawning that the reform agenda would result in both slowing growth and a tough operating environment for many large-cap constituents of the MSCI China benchmark. In response to this, the government began a process of multiple, small-scale fiscal actions (coined as 'micro-stimulus') which reinforced their determination to underwrite, if not actually boost growth. This triggered a rotation within which the higher growth and more expensive 'thematic' stocks (which we have been long-term believers in) suffered at the expense of somewhat defensive, cheaper and under-owned large-cap stocks, many being State Owned Enterprises. As this rotation began, our positioning was decidedly unhelpful.

Whilst our relative performance had some respite through the middle of the year, the second rotation towards the end of the year was equally as detrimental to our performance. Indeed, this was caused by a relatively similar set of circumstances. On the one hand macroeconomic data had been slowing, but on the other there was increasing government proactivity to defend a growth target. In response to ever more accommodative policy measures taken – from various liquidity injections and fiscal announcements, right up to an interest rate cut – the market saw a strong and high beta rally as the year drew to an end. Rate sensitive financial stocks rose sharply, as did select industrials and materials which could benefit from the more accommodative fiscal policy stance, namely in railways, construction, and shipping. And at the other end of the spectrum, there was marked weakness in energy-exposed stocks given the precipitous decline in the oil price, as well as in previous strong performers in more defensive areas of the market which were rotated away from. The primary cause of our underperformance in the face of this, which occurred fairly sharply in the weeks following the late November rate cut, was our insufficient weightings in these higher beta, stimulus sensitive parts of the market, despite having increased our holdings in financials over the course of the second half.

That said, we did not sit idly by watching this underperformance but rather took active steps to try to better our positioning. Throughout the year we sold various underperforming stocks in which we had lost confidence, most notably in the consumer space where our weighting almost halved over the year. With the proceeds of these moves, we moved the portfolio towards more of a 'barbell' approach, on the one hand retaining holdings in companies with strong long-term thematic growth stories behind them. However, we did reduce the size of our holdings. Instead, we took very selective positions within banks, brokerage, property, and telecommunications, as valuations continued to be supportive and as market sentiment improved, these discounts could continue to be unlocked.

The moves made by the Fund over the course of the year were beneficial, as damage was mitigated. Throughout the year, we also continued to add stocks to the portfolio that had been highlighted by Neptune's team of analysts, quality long-term ideas in line with our vision of China. These included a smartphone component manufacturer with exposure to the phenomenal Chinese success story, Xiaomi – a power equipment manufacturer with leading technology to benefit from the build out of China's ambitious nuclear energy plan – and a healthcare stock which operates private hospitals in partnership with local governments. Overall, whilst 2014 was a disappointing year for the Fund, we retain a consistent investment philosophy in line with Neptune's high conviction approach and fundamental research process. As we have taken stock, we enter 2015 with a new respect for some of the rotational moves in markets and we are confident in the Fund's ability to gain back that lost outperformance going forward.

**Source: Lipper, A Accumulation share class performance, InvAssoc China/Greater China sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific securities and sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate rising levels of income with the potential of capital growth by investing predominantly in a portfolio of European securities, excluding UK securities, or in the securities issued by companies transacting a significant proportion of their business in Europe (excluding the UK) with a view to obtaining top quartile performance within the appropriate peer group.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Subject to FCA approval this Fund will close on 2 April 2015.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

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1	2	3	4	5	6	7

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- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- The level of revenue is not guaranteed.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Income	1.75	0.11	1.86
	A Accumulation	1.75	0.12	1.87
	C Income	1.00	0.14	1.14
	C Accumulation	1.00	0.11	1.11
31 December 2013	A Income	2.00	0.24	2.24
	A Accumulation	2.00	0.24	2.24
	B Income	2.00	0.27	2.27
	B Accumulation	2.00	0.21	2.21

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A share class is currently capped at 1.75% per annum and C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Income	100.8	107.2	(5.97)
A Accumulation	120.6	124.7	(3.29)
B Income‡	N/A	114.6	N/A
B Accumulation‡	N/A	124.4	N/A
C Income†	109.2	N/A	N/A
C Accumulation†	120.9	N/A	N/A

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Income	3.6810	3.2996
A Accumulation	4.2811	3.7019
B Income	N/A	3.4908
B Accumulation	N/A	3.7015
C Income	3.9605	N/A
C Accumulation	4.2780	N/A

Comparative Tables

Calendar Year	A Income shares		A Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	104.2	85.09	104.2	86.63
2011	98.65	78.63	104.5	84.45
2012	93.92	80.66	104.5	87.54
2013	108.8	93.39	125.2	104.6
2014	114.3	95.61	132.3	113.6

Calendar Year	B Income shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	104.2	85.05	104.2	86.63
2011	99.68	80.02	104.4	84.39
2012	98.43	83.59	104.3	87.37
2013	116.3	97.90	124.9	104.4
2014	116.6*	110.2*	125.8*	118.8*

‡Closed 28 February 2014.

†Launched 1 March 2014.

*From 1 January 2014 to 28 February 2014.

Summary (continued)

Comparative Tables (continued)

Calendar Year	C Income shares		C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2014	103.6*	123.4*	132.5*	113.9*

Net Asset Value

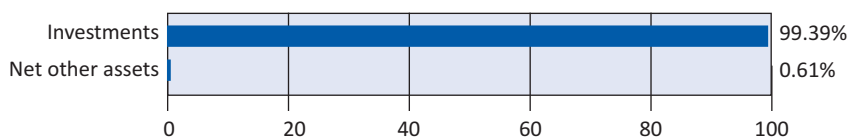
Date	31 December 2014		31 December 2013	
Net Asset Value (£)	1,732,175		1,687,134	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Income	115,624	100.8	112,748	107.2
A Accumulation	36,944	120.6	28,476	124.7
B Income	N/A	N/A	1,000	114.6
B Accumulation	N/A	N/A	1,229,700	124.4
C Income	7,426	109.2	N/A	N/A
C Accumulation	1,293,298	120.9	N/A	N/A

*From 1 March 2014 to 31 December 2014.

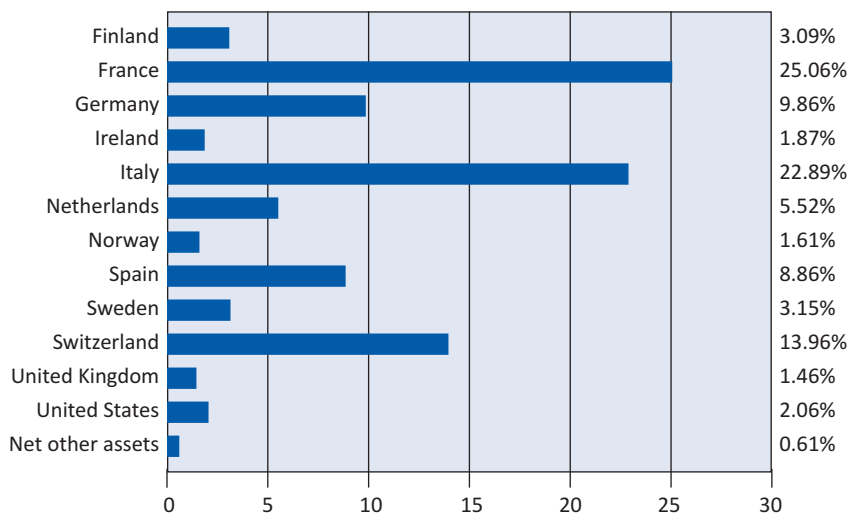
Ten Largest Holdings as at 31 December 2014

	% of net assets
Roche	3.51
Orange	3.42
Veolia Environnement	3.17
Swedish Match	3.15
Nokia	3.09
Intesa Sanpaolo	3.04
Nestlé	2.99
Natixis	2.70
Hera	2.70
AXA	2.69

Classification of Investments as at 31 December 2014



Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune European Income Fund returned –3.04% in 2014, versus the MSCI Europe ex UK Index return of 0.02% and the InvAssoc Europe ex UK sector average return of –0.86%.*

In the first quarter the Fund returned 1.68%, versus benchmark of 2.98%. The Index made a reasonably strong start to the quarter, despite dips in late January and mid-March due to the annexation of Crimea. However, sector performance diverged, with investors beginning to reduce global exposure and increase their European domestic exposure. Falling inflation and anticipation of dovish action by the European Central Bank (ECB), including quantitative easing (QE), contributed to a strong rally in the previously unloved utilities sector, which moved in synch with falling peripheral government bond yields. Falling yields also resulted in lower funding costs for peripheral European banks, which had an extremely strong first quarter as a result.

However, weakening macro data stalled the European recovery in the second quarter and caused a fall in market confidence. Against this background, the relative outperformance of the Fund was largely owed to strength in consumer staples, which contributed 1.04% to relative returns. Financials also continued to perform well, contributing 0.62%, although the industry wide financial picture was less rosy, especially for peripheral European banks. In June, the ECB launched a new programme called the TLTRO (Targeted Long-Term Refinancing Operation), and market doubts surrounding its effectiveness led to weaker performance.

The second half of the year saw increasing disappointment from a macro perspective. Further underperformance in the Euro Area was reinforced by deteriorating data, especially in Germany where Industrial Production was weak on the back of a sluggish China and business confidence suffered as a result of Russia/Ukraine tensions. The first round of the TLTRO was also below expectations, and although the second round in December was more positive, it was still lower than anticipated.

European investors fled to the relative safe havens of healthcare and consumer staples during this period, with both sectors outperforming the benchmark strongly. The Fund remained relatively resilient, returning –1.81% in the third quarter versus –2.35% for the Index, although it

suffered as a result of its relative underweight in healthcare. However, the increasingly strong US dollar hurt performance, as the Fund is geared towards euro-centric businesses and has lower international exposure than the benchmark. As a result the fourth quarter was tougher, as the Fund underperformed the Index. Relative to the market, the Fund suffered mostly as a result of its overweight position in energy, with the sector falling 23% relative to the benchmark owing to the deteriorating oil price, and an underweight position in consumer discretionary which remained resilient through the quarter.

The underperformance towards the end of the year eroded the stronger results from the first half, with the Fund finishing the year below expectations. However, we believe the outlook for 2015 appears much brighter. There is a strong catalyst for growth in the form of expected QE at the end of January, which we expect to be more influential given low oil prices and the recent approval that the ECB can purchase sovereign debt. The Fund is well positioned to benefit from any stimulus to growth, especially given its exposure to peripheral banks, and we maintain our conviction in the portfolio's positioning. Having cut energy exposure and increased weightings in more cyclical sectors such as materials and consumer discretionary.

**Source: Lipper and Neptune, A Accumulation share class performance, InvAssoc Europe ex UK sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth by investing predominantly in a concentrated portfolio of securities selected from European markets, excluding the UK, with a view to attaining top quartile performance within the appropriate peer group.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
1	2	3	4	5	6

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- The Manager aims to remove the impact of changes in some exchange rates by hedging, a currency transaction which can protect against such movements. However, if exchange rates move contrary to the Manager's expectations this can have a significantly negative impact on the value of your investment.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Income	1.86	0.01	1.87
	A Accumulation	1.82	0.01	1.83
	B Income	1.34	0.01	1.35
	B Accumulation	1.33	0.01	1.34
	C Income	0.84	0.01	0.85
	C Accumulation	0.84	0.01	0.85
	D Accumulation	0.78	0.01	0.79
	A Accumulation EUR	1.84	0.01	1.85
	B Accumulation EUR	1.34	0.01	1.35
	C Accumulation EUR	1.00	—	1.00
31 December 2013	A Income	1.87	0.01	1.88
	A Accumulation	1.82	0.01	1.83
	B Income	1.34	0.01	1.35
	B Accumulation	1.32	0.01	1.33
	C Income	0.78	0.01	0.79
	C Accumulation	0.78	0.01	0.79
	A Accumulation EUR	1.89	0.01	1.90
	B Accumulation EUR	1.33	0.01	1.34

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum and the C and D share classes are currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Income	345.3	383.9	(10.05)
A Accumulation	385.6	426.3	(9.55)
B Income	355.4	395.3	(10.09)
B Accumulation	406.3	446.9	(9.08)
C Income†	101.0	112.4	(10.14)
C Accumulation††	118.2	129.4	(8.66)
D Accumulation†††	94.39	103.2	(8.54)
A Accumulation EUR	119.3	131.9	(9.55)
B Accumulation EUR	122.7	135.0	(9.11)
C Accumulation EUR††††	70.00	N/A	N/A

Distributions

Share class	Total distribution (p/¢) for the year to 31 December 2014	Total distribution (p/¢) for the year to 31 December 2013
A Income	2.0637p	3.2707p
A Accumulation	2.4377p	3.7518p
B Income	4.3230p	4.1855p
B Accumulation	4.9781p	4.8760p
C Income	1.8129p	1.3597p
C Accumulation	2.1135p	1.7436p
D Accumulation	1.8144p	0.0110p
A Accumulation EUR	1.1156¢	1.3206¢
B Accumulation EUR	1.9091¢	1.7464¢
C Accumulation EUR	0.5718¢	N/A

†Launched 8 May 2013.

††Launched 3 October 2012.

†††Launched 17 December 2013.

††††Launched 1 July 2014.

Summary (continued)

Comparative Tables

Calendar Year	A Income shares		A Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	332.0	292.4	356.7	314.3
2011	354.4	292.4	383.0	302.1
2012	321.8	263.7	353.7	285.9
2013	385.7	315.3	428.3	346.5
2014	432.6	325.0	479.3	362.5

Calendar Year	B Income shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	339.1	298.1	368.2	323.8
2011	362.6	285.1	396.7	313.2
2012	353.7	285.9	369.0	297.6
2013	397.2	324.2	449.0	362.1
2014	445.0	335.1	503.1	381.6

Calendar Year	C Income shares†		C Accumulation shares††	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012	N/A	N/A	106.2	97.02
2013	112.9	93.91	130.0	104.4
2014	126.7	95.44	145.8	110.9

Calendar Year	D Accumulation shares†††	
	Highest buying price (p)	Lowest selling price (p)
2013	103.6	100.0
2014	116.4	88.54

Summary (continued)

Comparative Tables (continued)

Calendar Year	A Accumulation EUR shares		B Accumulation EUR shares	
	Highest buying price (c)	Lowest selling price (c)	Highest buying price (c)	Lowest selling price (c)
2010	129.3	111.5	130.2	111.8
2011	135.9	107.3	136.9	108.5
2012	133.8	110.1	136.1	111.7
2013	158.5	125.8	162.2	128.1
2014	182.4	140.7	187.0	144.5

Calendar Year	C Accumulation EUR shares††††	
	Highest buying price (p)	Lowest selling price (p)
2014	101.6*	82.57*

†Launched 8 May 2013.

††Launched 3 October 2012.

†††Launched 17 December 2013.

††††Launched 1 July 2014.

*From 1 July 2014 to 31 December 2014.

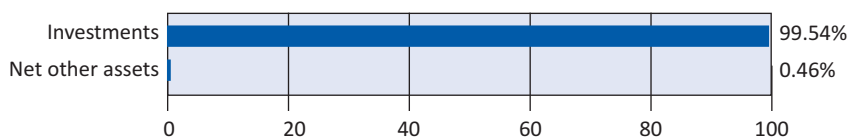
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	515,571,261		580,662,618	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Income	3,247,415	345.3	4,449,453	383.9
A Accumulation	41,027,761	385.6	54,622,229	426.3
B Income	8,531,659	355.4	10,400,130	395.3
B Accumulation	8,403,168	406.3	23,585,366	446.9
C Income	51,905,621	101.0	33,185,156	112.4
C Accumulation	113,130,951	118.2	56,592,647	129.4
D Accumulation	22,154,094	94.39	1,000	103.2
A Accumulation EUR	29,725,268	119.3	22,768,133	131.9
B Accumulation EUR	30,976,190	122.7	32,386,346	135.0
C Accumulation EUR	1,644,364	70.00	N/A	N/A

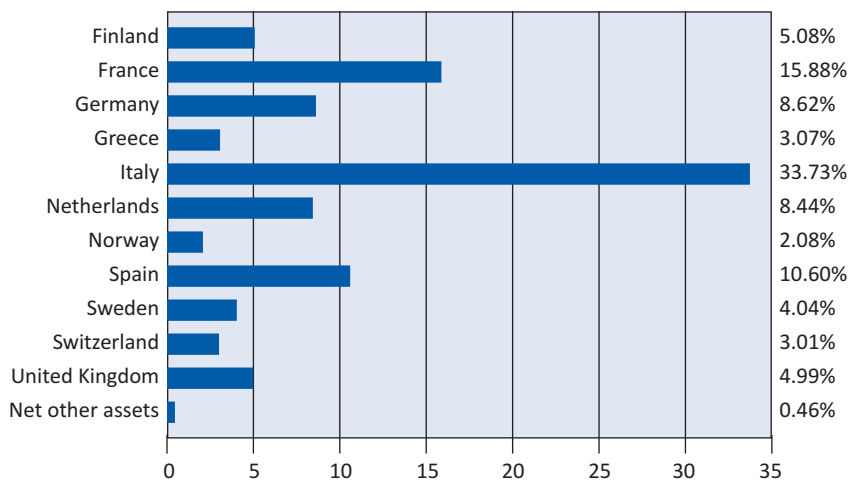
Ten Largest Holdings as at 31 December 2014

	% of net assets
Orange	5.06
Intesa Sanpaolo	4.57
Enel	3.99
Banca Popolare di Milano Scarl	3.76
Nokia	3.64
Peugeot	3.63
Telefonica	3.57
CaixaBank	3.45
Salzgitter	3.11
Credito Valtellinese Scarl	3.01

Classification of Investments as at 31 December 2014



Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune European Opportunities Fund returned -9.23% in 2014, versus the MSCI Europe ex UK Index return of 0.02% and the InvAssoc Europe ex UK sector average return of -0.86%.^{*} The year started strongly with the Fund returning 10.03% in the first quarter, significantly outperforming the MSCI Europe ex UK Index gain of 2.98%. The major sources of outperformance for the Fund were the financials, industrials and consumer discretionary sectors. In terms of top contributors, some Italian banks were strong, particularly UBI and Banca Popolare Di Milano. The market characteristics during the quarter followed the path of the second half of last year and saw a continued move in investment out of globally-exposed stocks, such as consumer staples, and into the more domestic European-exposed companies. Increased confidence in the European recovery was also evident in the relative outperformance of peripheral Europe.

In the second quarter weakening macro data halted the European recovery and caused a fall in market confidence. The Fund suffered as a result of this, returning -6.40% against a flat benchmark. The largest negative contribution was from the banking sector, which cost the Fund -3.60% of relative performance. The weakness in banks was in part down to the European Central Bank (ECB) launching a new program called the TLTRO (Targeted Long-Term Refinancing Operation) and the doubts in the market surrounding its effectiveness. Ahead of the ECB's Asset Quality Review (AQR) in October, some banks were also limiting credit growth into the Eurozone in order to show their balance sheets in the best light, causing growth to soften.

The second half of the year saw continued disappointment from a macro perspective. Further underperformance in the Euro Area was reinforced by deteriorating data, especially in Germany where Industrial Production was weak on the back of a sluggish China and business confidence suffered as a result of Russia/Ukraine tensions. The first round of TLTRO was below expectations, and although the second round in December was more positive, the take-up was still lower than

anticipated. European investors fled to the relative safe havens of healthcare and consumer staples during this period, with both sectors outperforming the benchmark strongly. The Fund suffered as a result of its relative underweight in these sectors, and its peripheral financials exposure.

2014 has been a tough year for both the macroeconomic environment and the Fund, with underperformance driven by a lack of recovery in Europe and continued weak economic data. However, we believe the outlook for 2015 appears much brighter. There is a strong catalyst for growth in the form of the expected quantitative easing at the end of January, a weaker Euro, sharply lower oil prices and a rising money supply. The Fund is very well positioned to benefit from any stimulus and we maintain our conviction in the portfolio's positioning. We are positive on the outlook for domestic-facing European equities, which are primarily found in financials and telecommunications. Valuations are cheap and earnings growth is strong. In contrast, sectors such as healthcare seem fully valued.

**Source: Lipper, A Accumulation share class performance, InvAssoc Europe ex UK sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate a positive total return, from investment predominantly in equities and bonds, with a view to attaining top quartile performance amongst the relevant peer group.

There is no predetermined exposure to the two asset classes. There are also no constraints on the regional, sectoral or geographical allocation policy adopted by the Fund.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

The Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
←					→
1	2	3	4	5	6

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the bond issuer. Bonds that produce a higher level of revenue usually also carry greater risk as such bond issuers may have difficulty in paying their debts.
- The Manager aims to remove the impact of changes in some exchange rates by hedging, a currency transaction which can protect against such movements. However, if exchange rates move contrary to the Manager's expectations this can have a significantly negative impact on the value of your investment.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %	Expense Ratio of underlying investments %	Synthetic OCF*** %
31 December 2014	A Accumulation	2.01	—	2.01	0.07	2.08
	C Accumulation	0.85	0.01	0.86	0.07	0.93
31 December 2013	A Accumulation	1.98	0.01	1.99	0.14	2.13
	B Accumulation USD	1.61	0.01	1.62	0.14	1.76

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum. The C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

***The synthetic OCF of the Fund includes the ratio of the underlying fund's expenses weighted on the basis of their investment proportions.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	374.3	324.7	15.28
B Accumulation‡	N/A	347.5	N/A
C Accumulation†	404.4	N/A	N/A

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Accumulation	—	0.6304
B Accumulation	N/A	1.1703
C Accumulation	0.0813	N/A

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	291.5	219.2	304.5	227.6
2011	303.2	234.4	317.6	246.7
2012	278.1	239.2	293.8	253.6
2013	325.2	260.5	348.0	277.8
2014	381.5	301.6	359.0*	333.9*

Calendar Year	C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)
2014	412.7**	323.5**

‡Closed 28 February 2014.

†Launched 1 March 2014.

*From 1 January 2014 to 28 February 2014.

**From 1 March 2014 to 31 December 2014.

Summary (continued)

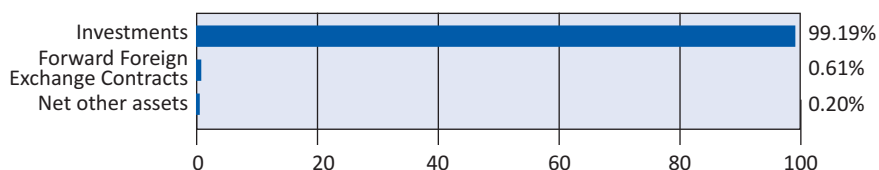
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	91,022,425		76,097,350	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	17,745,967	374.3	21,582,189	324.7
B Accumulation	N/A	N/A	1,733,954	347.5
C Accumulation	6,083,804	404.4	N/A	N/A

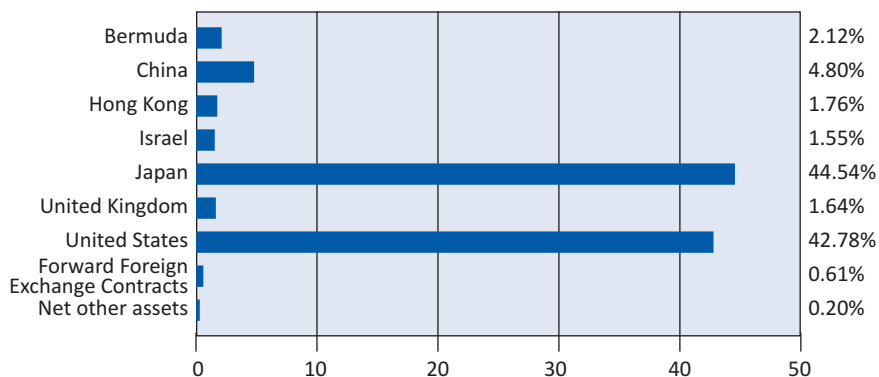
Ten Largest Holdings as at 31 December 2014

	% of net assets
Isis Pharmaceuticals	3.48
Sumitomo Realty & Development	3.03
Daiwa Securities	3.01
Apple	2.80
Mitsubishi Estate	2.78
Mitsui Fudosan	2.77
Japan Exchange	2.75
Google	2.50
Brown-Forman	2.47
Isetan Mitsukoshi	2.34

Classification of Investments as at 31 December 2014



Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune Global Alpha Fund returned 15.89% in 2014, versus the InvAssoc Flexible Investment sector average gain of 4.94%. This ranked the Fund in the top decile amongst its peers. Since launch, the Fund is also in the top decile of its peer group, having returned 275.60%. *

The first quartile of 2014 was a volatile period for investors, with a number of emerging market currencies sharply devaluing in January, and the unrest in the Crimea region towards the end of the quarter unsettling the markets. The US economy also endured a weather-related soft patch, driving government bond yields lower. Elsewhere, Japanese equities had a poor start to the year. Against this background, the Fund did see some weakness in its Japanese holdings, with the TOPIX Index ending the quarter as one of the worst performing developed market indices.

Following the volatility in the first three months of 2014, equities performed much more strongly in the second quarter, with the MSCI World Index up 2.43%. This turnaround saw the Japanese market deliver the strongest performance after a weak first quarter. As a result, the Fund's global growth bias – which contributed to underperformance in Q1 – paid dividends, with our significant overweights in the US and Japan contributing to outperformance. The Fund's top performing stock in the second quarter was Japanese financial Hitachi Capital Corp, whilst our US industrials weighting also performed strongly. Further, hedging our Yen equity exposure back into sterling was well-rewarded given the Yen continued to weaken.

The third quarter was dominated by investors' concerns regarding economic growth in Europe and the uncertainty surrounding the Scottish Independence Referendum. This saw sterling begin to weaken against the US dollar whilst oil prices also fell by 16% during the quarter. In this environment, it was the Fund's US and Japanese holdings that contributed most to our solid outperformance, particularly in the more economically-sensitive sectors. Industrials stocks XPO Logistics (freight transport) and Toshiba Plant Systems & Services (power plant infrastructure) were the portfolio's top performers during the quarter.

As we entered the final three months of 2014, we witnessed a continued acceleration in the US's economic recovery, highlighted by the dollar strengthening by nearly 4% versus sterling, as expectations that the Federal Reserve would increase rates sooner than the Bank of England gathered pace. Elsewhere, China enjoyed a strong quarter with a return of 11% in sterling terms on the back of further policy stimulus. However,

markets correlated to the tumbling price of oil underperformed, with Russia and Latin America amongst the worst performing equity regions.

The Fund's significant exposure to the US was an important contributor to our relative outperformance during this period. In particular, our healthcare holdings such as Isis Pharmaceuticals and Incyte Corporation were exceptionally strong performers. We also saw outperformance from a number of Japanese holdings, most notably in chemicals, beverages and financials. As well as a focus on the US and Japan, the Fund also maintains select exposure to the emerging markets through a number of themes, primarily in Chinese technology.

The Neptune Global Alpha Fund increased its exposure to Japan in the latter half of the year, adding names in the financials and industrials sector, as our conviction in Abenomics increased and policy credibility was enhanced by a further round of quantitative easing from the Bank of Japan and the re-election of Shinzo Abe. The portfolio is now approximately equally-weighted to Japan and the US, the two markets which we believe provide the most attractive opportunities in the current climate. In addition, the Fund has retained its currency hedge, with our Yen equity exposure hedged back into sterling. This core view is supplemented by the portfolio's select emerging market exposure in areas that we believe offer exciting opportunities for growth, such as Chinese technology companies and the wider frontier markets.

**Source: Lipper and Neptune, A Accumulation share class performance, InvAssoc Flexible Investment sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth from a concentrated portfolio of global securities, selected from across world equity markets, with a view to attaining top quartile performance within the appropriate peer group.

This is an international Fund but there are no restrictions in terms of regional allocation.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
1	2	3	4	5	6	7

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- The Manager aims to remove the impact of changes in some exchange rates by hedging, a currency transaction which can protect against such movements. However, if exchange rates move contrary to the Manager's expectations this can have a significantly negative impact on the value of your investment.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %	Expense Ratio of underlying investments %	Synthetic OCF*** %
31 December 2014	A Income	1.84	—	1.84	0.02	1.86
	A Accumulation	1.82	0.01	1.83	0.02	1.85
	B Accumulation	1.34	0.01	1.35	0.02	1.37
	C Income	0.88	0.02	0.90	0.02	0.92
	C Accumulation	0.83	0.01	0.84	0.02	0.86
	A Accumulation EUR	2.48	0.01	2.49	0.02	2.51
	B Accumulation EUR	1.56	0.01	1.57	0.02	1.59
	A Accumulation USD	2.11	0.01	2.12	0.02	2.14
	B Accumulation USD	1.42	0.01	1.43	0.02	1.45
31 December 2013	A Income	1.81	0.02	1.83	—	1.83
	A Accumulation	1.81	0.02	1.83	—	1.83
	B Income	1.48	0.01	1.49	—	1.49
	B Accumulation	1.33	0.02	1.35	—	1.35
	C Accumulation	0.81	0.01	0.82	—	0.82
	A Accumulation EUR	2.50	0.01	2.51	—	2.51
	B Accumulation EUR	1.46	0.02	1.48	—	1.48
	A Accumulation USD	2.40	0.02	2.42	—	2.42
	B Accumulation USD	1.37	0.01	1.38	—	1.38

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum. The C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

***The synthetic OCF of the Fund includes the ratio of the underlying fund's expenses weighted on the basis of their investment proportions.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Income	107.9	102.7	5.06
A Accumulation	332.5	316.2	5.15
B Income‡	N/A	102.5	N/A
B Accumulation	354.7	335.8	5.63
C Income†	108.0	N/A	N/A
C Accumulation	128.4	121.0	6.12
A Accumulation EUR	140.1	134.1	4.47
B Accumulation EUR	147.0	139.5	5.38
A Accumulation USD	105.8	100.9	4.86
B Accumulation USD	110.0	104.2	5.57

Distributions

Share class	Total distribution (p/¢) for the year to 31 December 2014	Total distribution (p/¢) for the year to 31 December 2013
A Income	0.0191p	0.1193p
A Accumulation	0.0415p	0.3515p
B Income	N/A	0.5114p
B Accumulation	0.7998p	1.5118p
C Income	0.5787p	N/A
C Accumulation	0.9240p	1.0983p
A Accumulation EUR	—	—
B Accumulation EUR	0.2384¢	0.5125¢
A Accumulation USD	—	—
B Accumulation USD	0.3777¢	0.5787¢

‡Closed 28 February 2014.

†Launched 1 March 2014.

Summary (continued)

Comparative Tables

Calendar Year	A Income shares		A Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	102.6	78.87	314.5	240.8
2011	104.1	76.32	319.3	234.1
2012	95.28	82.01	292.3	251.8
2013	103.0	85.26	316.9	262.1
2014	109.8	91.83	338.1	282.7

Calendar Year	B Income shares†		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	102.3	78.80	329.0	250.7
2011	103.8	76.17	334.0	245.9
2012	95.19	81.93	307.6	265.3
2013	102.7	85.14	336.5	277.0
2014	102.9*	94.55*	360.7	300.6

Calendar Year	C Income shares†		C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012	—	—	101.4	95.28
2013	—	—	121.2	99.26
2014	110.0**	91.78**	130.6	108.5

‡Closed 28 February 2014.

†Launched 1 March 2014.

*From 1 January 2014 to 28 February 2014.

**From 1 March 2014 to 31 December 2014.

Summary (continued)

Comparative Tables (continued)

Calendar Year	A Accumulation EUR shares		B Accumulation EUR shares	
	Highest buying price (c)	Lowest selling price (c)	Highest buying price (c)	Lowest selling price (c)
2010	159.0	119.3	160.4	119.5
2011	165.0	117.8	166.5	119.4
2012	150.8	133.2	153.9	135.5
2013	160.9	137.7	167.3	141.7
2014	181.6	145.2	190.5	151.4

Calendar Year	A Accumulation USD shares		B Accumulation USD shares	
	Highest buying price (c)	Lowest selling price (c)	Highest buying price (c)	Lowest selling price (c)
2010	156.9	119.7	158.2	120.3
2011	165.9	116.2	167.5	117.6
2012	150.0	125.7	152.2	127.8
2013	166.7	136.3	172.2	139.9
2014	168.5	150.1	175.2	156.0

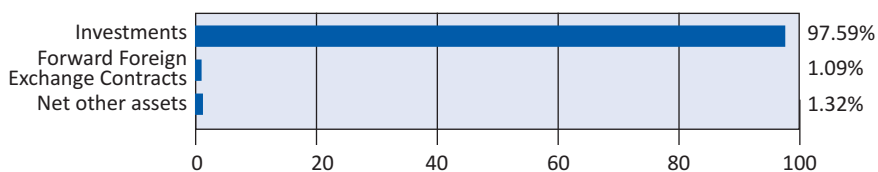
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	445,188,145		673,076,051	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Income	9,974,838	107.9	45,438,669	102.7
A Accumulation	63,603,178	332.5	97,749,677	316.2
B Income	N/A	N/A	3,836,679	102.5
B Accumulation	33,140,820	354.7	78,615,699	335.8
C Income	31,325,081	108.0	N/A	N/A
C Accumulation	45,449,946	128.4	30,424,001	121.0
A Accumulation EUR	359,505	140.1	443,404	134.1
B Accumulation EUR	1,416,108	147.0	2,658,589	139.5
A Accumulation USD	3,344,793	105.8	2,214,187	100.9
B Accumulation USD	6,465,282	110.0	5,808,490	104.2

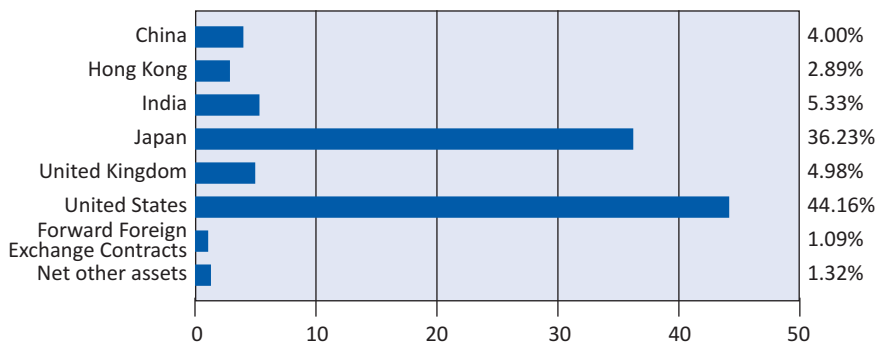
Ten Largest Holdings as at 31 December 2014

	% of net assets
Apple	4.13
ICICI Bank	3.80
Taisei	3.71
CME 'A'	3.51
FANUC	3.36
Komatsu	3.23
LinkedIn	3.14
Mitsui Fudosan	3.13
Microsoft	3.08
Mitsubishi Estate	3.07

Classification of Investments as at 31 December 2014



Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune Global Equity Fund returned 5.99% in 2014, versus the MSCI World Index gain of 12.07%.* However, the year was really a story of a first quarter that was very detrimental to our relative performance, and a subsequent three quarters that delivered ever increasing alpha, albeit not yet enough to fully recover the lost performance.

The first quarter of 2014 was a tough period for the Fund. After three successive quarters of outperformance, the Fund ended March 6.64% behind the benchmark. This was a period in which several concerns came to the fore; the Japanese recovery story was coming unstuck due to the potential failure of Abenomics, US growth was slowing substantially and geopolitical tensions around the Ukraine crisis added to a mood of risk aversion. However, this macro tide began to turn with the weather-effect wearing off in the US and the Federal Reserve reiterating its commitment to tapering quantitative easing. This was also aided both by a reduction in the perceived risk emanating from China as policymakers put in place some small scale and carefully targeted measures to underwrite waning growth and by tensions in the Ukraine gradually de-escalating.

This translated into favourable trends for us through the middle of the year as the US dollar strengthened versus sterling due to the US growth profile looked increasingly robust. The strength in US stocks and currency was also beneficial for Japan, especially as the Yen weakened again versus the US dollar. Europe spent more of the year battling considerable uncertainty as economic data continued to soften, but we are yet to see the full extent or efficacy of the European Central Bank's policy response. In addition, the headwinds for most emerging markets have persisted, with the sudden drop in the oil price during the last three months of 2014 having a particular impact. Unsurprisingly, equity markets with a heavy dependence on energy stocks suffered.

The damage to the Fund's performance at the start of 2014 came from our holdings which were looking to benefit from asset price reflation and domestic demand improvements in Japan. The marginal strength of the Yen was also unhelpful given our hedged holdings. Our Russian holdings also detracted from performance, but we considered the risk of holding them through extremely unpredictably instability to be asymmetric to the downside, thus they were all sold by the mid-second quarter.

It took some time for our Japanese holdings to start to work for us as Japan generally continued to suffer from concerns about potential political inertia surrounding the structural reforms that

make up the third arrow of 'Abenomics'. It was not really until the fourth quarter that we substantially profited from our high conviction overweight positions as stocks rallied hard following the Bank of Japan's quantitative easing announcement, whilst the Yen hedge boosted performance in a quarter which saw further Yen depreciation. For the majority of the year there was notable strength in the information technology sector, especially from Facebook, Apple and Baidu. US financials were also strong positive contributors through the year as well. Finally, on the back of the election of Narendra Modi in India, who promises to deliver long-needed structural changes, the Fund added exposure to the Indian market. This was via some blue-chip stocks and through the broader exposure offered by the Neptune India Fund. These positions were excellent performers and contributed nicely to outperformance in the second half of the year.

Looking forward, we are positioned for US dollar strength in 2015, with our expectations that the US will continue its ongoing domestic recovery. This should benefit the Fund given its large weighting in US-listed companies. Comparably the UK and Europe are facing increased political risk which is why we are finding better opportunities elsewhere. In addition, we believe Abenomics will be a game changer for Japanese equities, which is why we are more than four times overweight the region.

**Source: Lipper and Neptune, A Accumulation share class performance, InvAssoc Global sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate rising levels of income with the potential of capital growth by investing predominantly in a concentrated portfolio of global securities, selected from across world equity markets. The Fund aims to achieve top quartile performance, in terms of total return, against the appropriate peer group.

This is an international fund but there are no restrictions in terms of regional allocation.

The Fund may also invest in collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times but the Fund may take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←					→	
1	2	3	4	5	6	7

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
 - The level of revenue is not guaranteed.
 - Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
 - The Manager aims to remove the impact of changes in some exchange rates by hedging, a currency transaction which can protect against such movements. However, if exchange rates move contrary to the Manager's expectations this can have a significantly negative impact on the value of your investment.
 - This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
 - For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Income	1.75	0.11	1.86
	A Accumulation	1.75	0.11	1.86
	C Income	1.00	0.11	1.11
	C Accumulation	1.00	0.11	1.11
31 December 2013	A Income	2.00	0.95	2.95
	A Accumulation	2.00	0.69	2.69
	B Income	2.00	0.42	2.42
	B Accumulation	2.00	0.84	2.84

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A share class is currently capped at 2.00% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Income	121.7	120.9	0.66
A Accumulation	128.5	123.2	4.30
B Income‡	N/A	119.0	N/A
B Accumulation‡	N/A	122.5	N/A
C Income†	120.4	N/A	N/A
C Accumulation†	128.4	N/A	N/A

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Income	4.2834	3.8265
A Accumulation	4.4239	3.8430
B Income	N/A	3.7969
B Accumulation	N/A	3.8190
C Income	4.2272	N/A
C Accumulation	4.4102	N/A

‡Closed 28 February 2014.

†Launched 1 March 2014.

Summary (continued)

Comparative Tables

Calendar Year	A Income shares		A Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012†	100.0	99.07	100.0	99.07
2013	122.0	99.98	123.4	99.98
2014	125.4	109.7	131.4	115.0

Calendar Year	B Income shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012†	100.0	99.08	100.0	98.89
2013	119.9	99.98	122.7	99.78
2014‡	120.0*	113.0*	123.6*	116.4**

Calendar Year	C Income shares		C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2014††	124.2**	108.6**	131.5**	115.0**

Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	1,755,391		1,620,924	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Income	28,146	121.7	17,047	120.9
A Accumulation	11,554	128.5	6,236	123.2
B Income	N/A	N/A	25,991	119.0
B Accumulation	N/A	N/A	1,274,499	122.5
C Income	31,824	120.4	N/A	N/A
C Accumulation	1,299,511	128.4	N/A	N/A

‡Closed 28 February 2014.

†Launched 20 December 2012.

††Launched 1 March 2014.

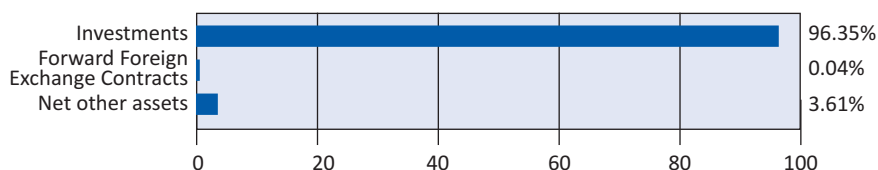
*From 1 January 2014 to 28 February 2014.

**From 1 March 2014 to 31 December 2014.

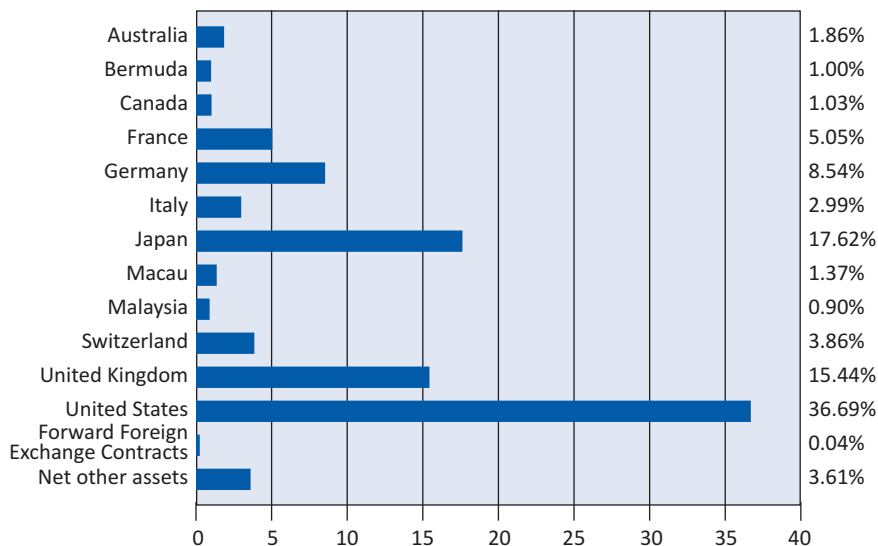
Ten Largest Holdings as at 31 December 2014

	% of net assets
AbbVie	2.53
Daiwa Office Investment	2.44
CME	2.35
Reed Elsevier	2.19
Zurich Insurance	2.18
Blackstone	2.16
Sekisui House	2.13
MDC Partners	2.12
Iron Mountain	2.06
Bridgestone	2.05

Classification of Investments as at 31 December 2014



Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

As might be expected after a very strong year for equity markets in 2013, 2014 proved more challenging. However, global equity markets continued to grind higher despite elevated geopolitical risks in various regions of the world including Ukraine and the Middle East thanks to continued central bank liquidity support with additional monetary stimulus in many of the world's major economies including Europe, Japan and China.

On the macro front there was also significant divergence at the global level; with the US economy bouncing back from a harsh winter to record its fastest quarterly growth in 11 years by the year end but Europe and Japan re-entering recession. US strength encouraged the Federal Reserve to bring an end to its quantitative easing (QE) programme in the second half of the year which led to a subsequent strengthening of the US dollar. Having touched \$1.70 to the pound during the summer the dollar appreciated by 9% in the latter half of the year to finish the year nearly 6% stronger than at the start. This helped boost US equity returns for UK-based investors but negatively impacted the Fund's relative performance because it continues to hold a lower than benchmark weighting in US equities. In fact the performances of the major currencies were big drivers of returns during the year with notable strength and weakness in the dollar and euro respectively.

Another notable movement during the year was the oil price which collapsed during the second half of the year. Brent fell by around 50% from its summer highs to \$57 a barrel by year end as OPEC made it clear they would not cut production quotas to stabilise a currently oversupplied market. Japan, to which the Fund has been consistently raising its exposure over the year, has in our view made considerable steps forward in 2014. From mid-May onwards Japanese equity markets started to make reform-driven progress. Key events include the commitment to cut corporation taxes by 6%+ over the next couple of years and evidence of changing attitudes to corporate governance; including the new Nikkei 400 Index and the adoption of the UK Stewardship Code. In the last quarter of the year the Bank of Japan confirmed their commitment to end deflation by conducting a further round of QE, while the GPIF, the world's largest government pension fund, significantly increased its weighting to equities. The year finished with Shinzo Abe calling and duly winning a snap election giving him a stronger hand and a fresh public mandate for his government's 'Abenomics' economic policies.

The Fund made a few changes during the year. Aside from the aforementioned increased exposure to Japan, the Fund also raised its weighting to Europe earlier in the year. This proved costly as the macroeconomic backdrop deteriorated and the efficacy of prospective monetary stimulus was called

into question. We remain more optimistic than consensus here and the litmus test will be whether inflation expectations start to rise in Europe after expected stimulus in the first quarter of 2015. The Fund did also increase its exposure to the energy sector in the first half of the year, mainly through companies exposed to US shale. Given the subsequent drop in the oil price this move proved ill-fated but we remain supporters of the longer-term story.

In terms of performance the Fund returned 4.46% over the full year, behind the MSCI World Index return of 12.07% and the InvAssoc Global Equity Income sector average gain of 4.81%.* Relative to the MSCI World, the Fund suffered from its below benchmark weighting in US equities due to the strength in the both the US dollar and market. However, the US remains one of the lower yielding developed equity markets.

Some of the Fund's strongest performers over the year included Iron Mountain, which has undergone a re-rating as a result of acquiring REIT status earlier in the year. Other positive contributions came from the Fund's Japanese exposure which, due to the ongoing structural Yen hedge, benefited from the significantly weakened Yen. The Fund's exposure to European equities detracted from performance in large part due to weakness of the euro, which reflected the now weaker economic backdrop in the Eurozone but also prospective stimulus from the ECB. As we look into 2015, we remain optimistic on both global growth and markets in general and continue to focus on high-quality, cash generative companies which have a clear capacity for dividend growth.

**Source: Lipper, A Accumulation share class performance, InvAssoc Global Equity Income sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate rising levels of income with the potential of capital growth by investing predominantly in the securities of companies in China, Hong Kong and Taiwan or in securities issued by companies transacting a significant proportion of their business in China, Hong Kong and Taiwan with a view to obtaining top quartile performance within the appropriate peer group. The balance of investment between these jurisdictions will be at the discretion of the ACD.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

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- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- The level of revenue is not guaranteed.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Income	2.00	0.08	2.08
	A Accumulation	2.00	0.09	2.09
	B Income	1.64	0.08	1.72
	B Accumulation	1.57	0.10	1.67
	C Income	1.00	0.10	1.10
	C Accumulation	1.00	0.13	1.13
31 December 2013	A Income	2.00	0.09	2.09
	A Accumulation	1.98	0.09	2.07
	B Income	1.57	0.10	1.67
	B Accumulation	1.49	0.08	1.57
	C Income	1.00	0.01	1.01
	C Accumulation	1.00	—	1.00

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.00% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Income	101.6	96.71	5.06
A Accumulation	127.1	116.0	9.57
B Income	102.0	96.72	5.46
B Accumulation	128.6	116.8	10.10
C Income†	94.89	89.44	6.09
C Accumulation†	103.5	93.49	10.71

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Income	4.1525	4.3593
A Accumulation	5.0439	5.0885
B Income	4.1590	4.3473
B Accumulation	5.0796	5.0682
C Income	3.8563	4.0083
C Accumulation	4.0759	4.0182

†Launched 8 May 2013.

Summary (continued)

Comparative Tables

Calendar Year	A Income shares		A Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	114.8	94.85	117.6	94.92
2011	114.1	87.05	119.4	93.49
2012	100.1	88.72	112.6	98.39
2013	112.6	95.80	129.5	110.2
2014	105.2	90.78	129.1	108.9

Calendar Year	B Income shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	114.5	94.84	117.3	94.90
2011	113.9	83.99	119.2	93.29
2012	99.64	88.24	112.6	98.26
2013	112.3	95.60	129.7	110.4
2014	105.6	90.89	130.5	109.8

Calendar Year	C Income shares		C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2013	103.7	88.34	103.8	88.37
2014	98.19	84.23	105.0	88.04

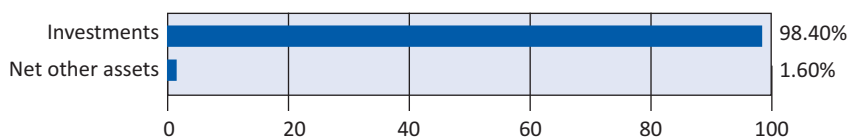
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	13,742,805		25,595,915	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Income	832,758	101.6	2,021,625	96.71
A Accumulation	926,361	127.1	1,930,202	116.0
B Income	3,003,756	102.0	3,928,384	96.72
B Accumulation	3,166,880	128.6	6,243,607	116.8
C Income	2,273,291	94.89	2,417,707	89.44
C Accumulation	2,346,551	103.5	8,713,380	93.49

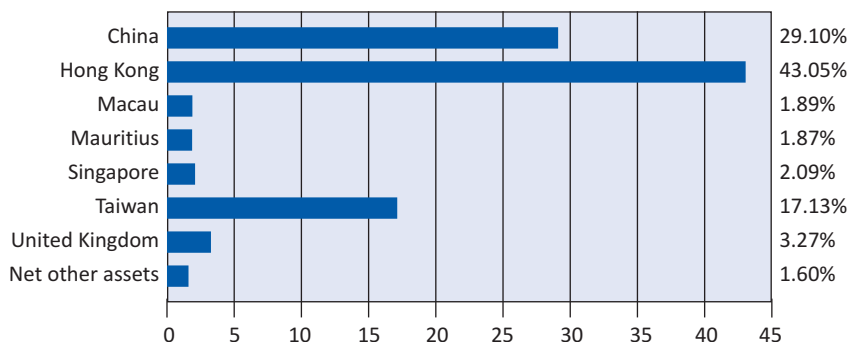
Ten Largest Holdings as at 31 December 2014

	% of net assets
Bank of China	5.47
PetroChina	4.55
China Construction Bank	4.50
China Mobile	3.62
ANTA Sports Products	3.61
BOC Hong Kong	3.40
HSBC	3.27
Taiwan Semiconductor Manufacturing ADR	3.03
Shenzhen International	2.98
Sitoy	2.81

Classification of Investments as at 31 December 2014



Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune Greater China Income Fund returned 9.36% in 2014, versus the MSCI China Index return of 15.00% and the InvAssoc China/Greater China sector average gain of 7.77%.*

Chinese equities struggled at the beginning of 2014. The market's weakness was relatively unsurprising given the rush of excitement in the aftermath of November 2013's plenary meeting of the Chinese Communist Party, where the tone was more pro-reform than some had expected. The market pulled back, with the realisation that the reform agenda would result in both slowing growth and a tough operating environment for many large Chinese companies. The Fund's outperformance in the first quarter can be attributed both to the usual defensive positioning of the portfolio and its focus on the income-generating parts of the market.

In the second quarter, there was a substantial rotation within the market, which played well into the long-held positioning of the Fund, with its bias towards the more defensive and higher yielding ends of the market. The rotation within the market, which began in late March, was very much evident throughout the period. The higher growth and more expensive 'thematic' stocks (which we remain long-term believers in) suffered at the expense of somewhat defensive, cheaper and under-owned large cap companies, many being State Owned Enterprises.

The market was led up and then back down by a combination of relatively cheaper large-cap stocks, and more economically-sensitive sectors in the third quarter. Overall though, the traditionally defensive sectors were the standout performers in both directions – telecommunications and healthcare as outperformers on value and growth opportunities respectively, whilst utilities and consumer staples lagged. That said, the Neptune Greater China Income Fund performed broadly within expectations, returning 4.34%.

In the fourth quarter, there were many strong contributors to performance over the period such as upstream technology firms in Taiwan, power generating utilities in China, telecommunication firms in Hong Kong and Taiwan, as well as multiple financial stocks. There was also strength in our fairly low beta industrials holdings in areas such as

expressways, ports and logistics whilst we also benefited from being substantially underweight energy. However, being underweight the more cyclical parts of the market such as Chinese banks, brokers and insurers left us trailing the market.

Recently, we have reduced the portfolio's exposure to energy by selling a pipeline company in response to the collapsing oil price and the reduced possibility that they would begin paying a meaningful dividend. Also, following a downgrade internally, we finally parted company with Standard Chartered, as well as a consumer staples stock paying an insufficient yield. We used the proceeds to add two new positions; a Hong Kong brokerage that we believe will benefit from the opening up of mainland Chinese markets and the price action within them, and a smartphone component manufacturer with exposure to this phenomenal Chinese success story. These stock purchases are a good reminder that despite turbulent and policy driven markets, we also remain committed to our longer term vision of China as a more consumer led, well-balanced economy, albeit one in transition for now.

**Source: Lipper, A Accumulation share class performance, InvAssoc China/Greater China sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific securities and sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate a rising level of income. Whilst income is the main objective there is also potential for capital growth, from an actively managed portfolio invested predominantly in UK securities and UK fixed interest stocks, with some overseas exposure. The Fund aims to achieve top quartile performance, in terms of total return, against the appropriate peer group.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
1	2	3	4	5	6	7

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- The level of revenue is not guaranteed.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Fixed interest stocks are the debts of governments and companies generally in the form of bonds. Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the borrower (i.e. the bond issuer). Bonds that produce a higher level of revenue usually also carry greater risk as such bond issuers may have difficulty in repaying their financial obligations.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Income	1.67	—	1.67
	A Accumulation	1.67	—	1.67
	B Income	1.17	—	1.17
	B Accumulation	1.31	—	1.31
	C Income	0.82	—	0.82
	C Accumulation	0.83	—	0.83
31 December 2013	A Income	1.67	—	1.67
	A Accumulation	1.67	—	1.67
	B Income	1.19	—	1.19
	B Accumulation	1.26	—	1.26
	C Income	0.80	—	0.80
	C Accumulation	0.81	—	0.81

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Income	158.3	164.0	(3.48)
A Accumulation	285.3	282.2	1.10
B Income	165.3	170.4	(2.99)
B Accumulation	301.1	296.9	1.41
C Income	109.5	112.5	(2.67)
C Accumulation	120.1	117.8	1.95

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Income	7.0401	6.9202
A Accumulation	12.242	11.531
B Income	7.3306	7.1772
B Accumulation	12.901	11.8969
C Income	4.8453	4.7175
C Accumulation	5.1296	4.7300

Comparative Tables

Calendar Year	A Income shares		A Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	157.4	125.7	233.7	186.6
2011	157.4	128.0	240.2	198.7
2012	152.4	139.6	245.0	220.6
2013	169.6	148.8	282.2	245.2
2014	166.6	147.1	291.1	260.0

Calendar Year	B Income shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	161.1	128.3	242.2	193.0
2011	161.4	131.5	249.9	207.0
2012	156.9	143.9	256.4	230.4
2013	175.8	153.9	297.4	256.9
2014	173.1	153.4	301.2	274.3

Summary (continued)

Comparative Tables (continued)

Calendar Year	C Income shares		C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012	101.3	96.34	101.2	96.28
2013	115.7	101.1	117.9	101.5
2014	114.2	101.5	122.5	109.3

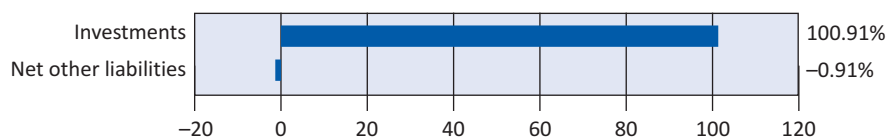
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	324,493,077		561,911,147	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Income	55,704,645	158.3	116,993,218	164.0
A Accumulation	30,547,765	285.3	52,606,545	282.2
B Income	25,084,174	165.3	68,438,546	170.4
B Accumulation	679,601	301.1	2,232,974	296.9
C Income	70,589,493	109.5	63,222,351	112.5
C Accumulation	23,644,922	120.1	23,053,300	117.8

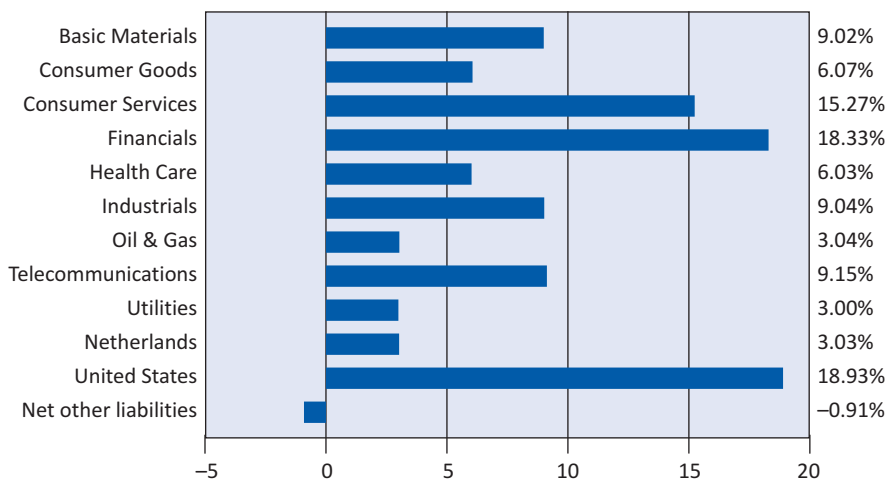
Ten Largest Holdings as at 31 December 2014

	% of net assets
Apple	3.27
Microsoft	3.26
Blackstone	3.20
Rio Tinto	3.14
Prudential	3.13
Pearson	3.10
UBM	3.09
BT	3.09
Melrose Industries	3.09
Johnson Matthey	3.08

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

After a very strong 2013, returns from the FTSE All-Share were considerably more modest in 2014. Market volatility was also much higher than the previous year due to elevated geopolitical risks in various regions of the world including Ukraine and the Middle East as well as the uncertainty surrounding the build up to the Scottish Referendum in September. However, markets were supported by continued central bank liquidity with additional monetary stimulus in many of the world's major economies including Europe, Japan and China. On the macro front there was also significant divergence at the global level; with the US economy bouncing back from a harsh winter to record its fastest quarterly growth in 11 years by the year-end, yet Europe and Japan re-entered recessions. Having touched \$1.70 to the pound during the summer the dollar appreciated by 9% in the latter half of the year to finish the year nearly 6% stronger than at the start. This has significant ramifications for UK companies with overseas earnings, which had been suffering at the expense of a stronger pound.

In terms of portfolio movements, during the first half there were two main changes. Firstly in keeping with the Fund's dividend yield discipline the Fund reduced exposure to holdings where strong performance had meant they were no longer providing an acceptable contribution to overall yield. Secondly the Fund raised its exposure to the energy and materials sectors whilst remaining underweight in aggregate. In the second half of the year any changes, of which there were relatively few, were for stock specific reasons where the Fund felt its existing investment thesis no longer held. Examples of this included the sales of Tate & Lyle and Sainsbury's. The progress of Tate & Lyle's restructuring, which was designed to convert the company from bulk to specialty ingredients disappointed us. Sainsbury's on the other hand continues to suffer from deteriorating industry conditions driven in large part by the success of the discount supermarkets.

Relative to the previous couple of years the Fund was helped by the stronger performance of larger-cap companies versus mid-caps. We believe the second quarter of 2014 marked the beginning of rotation from mid to large-cap companies although this was somewhat concealed in the final few months of the year by the dramatic underperformance of commodity-related sectors to which the FTSE 100 had much higher exposure. For the year as a whole the Fund benefited from its largest sector underweight in energy, due to the dramatic fall in oil, as well as from its overseas holdings, all of which are in the US. For example we saw strong individual stock performance from US technology holdings Microsoft and Apple. This

sector remains a key overweight for Neptune funds and the lack of income sufficient UK-listed companies means it is imperative to head overseas to capture the opportunities. The biggest drawbacks during the year were the poor performance of a couple of our industrials holdings and the below benchmark exposure to healthcare.

2014 saw continued strong growth in dividends for the Fund albeit at lower levels than in 2013 when the Fund's total distribution grew by 11.7%. This year's growth was 2%, but pleasing nonetheless given the Fund benefitted from more special dividends in 2013. 2015 will see the Fund continue to focus on delivering distribution growth.

The FTSE All-Share Index delivered a return of 1.18% in 2014, whilst the average return for the InvAssoc UK Equity Income sector was 2.75%. The Neptune Income Fund returned 1.17% and ended the year with a yield of 4.27%, which is comfortably above the InvAssoc sector requirement. Since inception in December 2002, the Neptune Income Fund has risen 188.19%, versus the FTSE All-Share Index return of 183.16% and the InvAssoc UK Equity Income sector average gain of 180.74%.^{*As we look into 2015 we remain positive on global growth and retain our cyclical bias, whilst continuing to focus on high-quality, cash generative companies which have a clear capacity for continued dividend growth. The Sub-Fund's large cap and international focus will benefit from further sterling weakness and should prove resilient despite the uncertainty surrounding the outcome of the General Election which we deem to be the largest risk for both the UK's market and currency this year.}

**Source: Lipper, A Accumulation share class performance, InvAssoc UK Equity Income sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth from investment predominantly in Indian securities, or securities issued by companies transacting a significant proportion of their business in India.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk			
1	2	3	4	5	6	7	

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	2.21	0.09	2.30
	C Accumulation	1.00	0.06	1.06
31 December 2013	A Accumulation	2.50	0.06	2.56
	B Accumulation	2.05	0.06	2.11

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A share class is currently capped at 2.50% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	158.5	105.5	50.24
B Accumulation‡	N/A	108.8	N/A
C Accumulation†	165.0	N/A	N/A

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Accumulation	—	—
B Accumulation	N/A	—
C Accumulation	0.0635	N/A

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	160.9	118.9	163.6	120.4
2011	154.3	100.2	157.0	102.4
2012	122.9	97.60	125.7	99.94
2013	128.7	84.77	132.3	87.30
2014	164.4	101.0	111.8*	104.3*

Calendar Year	C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)
2014	171.0**	109.2**

‡Closed 28 February 2014.

†Launched 1 March 2014.

*From 1 January 2014 to 28 February 2014.

**From 1 March 2014 to 31 December 2014.

Summary (continued)

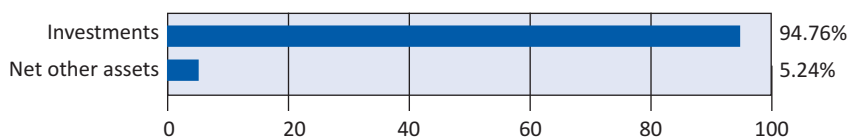
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	97,380,434		21,290,671	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	14,229,170	158.5	12,207,138	105.5
B Accumulation	N/A	N/A	7,730,161	108.8
C Accumulation	45,346,924	165.0	N/A	N/A

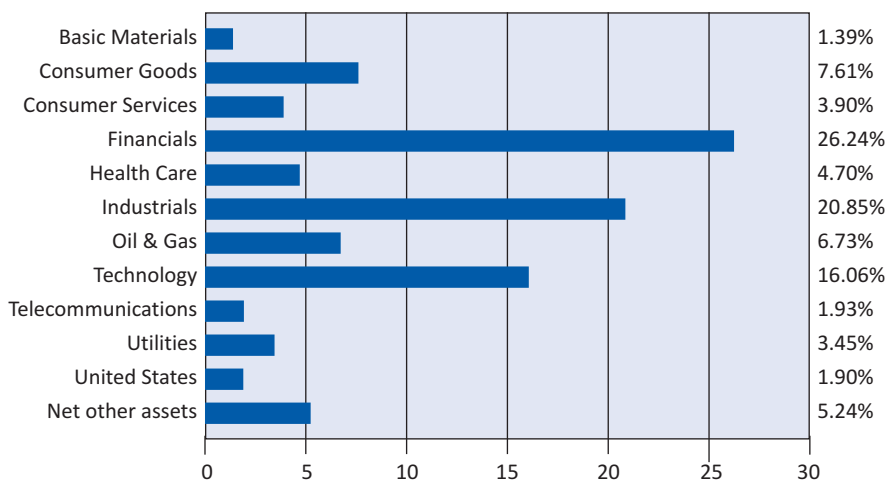
Ten Largest Holdings as at 31 December 2014

	% of net assets
Infosys	5.30
Housing Development Finance	4.04
ICICI Bank	3.98
Reliance Industries	3.75
Tata Consultancy Services	3.70
Tech Mahindra	3.44
Motherson Sumi Systems	3.01
HCL Technologies	2.66
IndusInd Bank	2.65
Larsen & Toubro	2.64

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

2014 was a momentous year for India as a number of events fell into place which will likely change the direction of India's course over the near and medium-term. The market was one of the strongest across the globe with the MSCI India Index returning 31.58% in sterling terms over the year, outperforming both emerging and developed markets.

The first few months of 2014 were about macro healing. India has improved the most out of its emerging market peers in terms of a contracting current account deficit, falling inflation and rising foreign exchange reserves. If and when US Federal Reserve policy does change in 2015, India will be in a far stronger position with its external imbalances having diminished significantly. We believe May's general election will go down as one of the seminal moments in Indian history since Independence. More than 800m people went to the polls and delivered the strongest Indian government for 30 years. The pro-business BJP party now have an absolute majority with a leader at its helm who appears determined to kick start an investment cycle in India.

Towards the end of 2014, global markets struggled to digest what crumbling oil prices meant. However, India continues to reap the rewards of cheaper oil. One official in the Finance Ministry described it as 'manna from heaven' as the four large macro indicators – GDP growth, the fiscal deficit, the current account deficit and inflation – are now all improving significantly. The steep fall in inflation (from 9% to less than 5%) will allow the Reserve Bank of India to cut rates through 2015. They are hopeful that this will foster credit growth, kick start an investment cycle and drive up non-inflationary growth. Furthermore, the oil-related decline is creating a once in a generation opportunity for the government to transform the structure of government spending to move funds from energy subsidies to growth-enhancing public infrastructure investment.

The Neptune India Fund returned 49.95% in 2014, which outperformed the market by 18.37%.* Our outperformance was driven by strong stock selection across the board. In particular, our stock selection in consumer discretionary and industrials sectors proved fruitful. Our bias towards mid-cap stocks

versus their larger peers contributed too. Our positioning into 2015 continues with a focus on consumer discretionary, industrials, cement and financials, whilst we have been adding to technology recently. We continue to see value in the mid cap end of the market, with 31% of the Fund invested in stocks with a market-cap of less than \$5bn. This compares to the benchmark's mid-cap weighting of less than 10%.

From a market perspective, a period of consolidation might be expected given the sharp run up this year. Furthermore a period of global volatility could be expected as central banks look to shift course and re-adjust policy. That said, we would use any significant corrections in the market as buying opportunities since this self-help story of economic reform will get stronger, particularly as company earnings will be the key in driving returns in 2015. Indian corporates have been through a tremendous amount of balance sheet repair over the past three years, whilst margins and utilisation lies at multi-year lows. As operating leverage filters through over the next two years, the earnings power can be terrific. We are focussing on such companies.

**Source: Lipper and Neptune, A Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate consistent capital growth by investing predominantly in a concentrated portfolio of Japanese securities with a view to attaining top quartile performance within the appropriate peer group.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
1	2	3	4	5	6

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- The Manager aims to remove the impact of changes in exchange rates between the yen and pounds sterling by hedging, a currency transaction which can protect against such movements. However, if exchange rates move contrary to the Manager's expectations this can have a significant negative impact on the value of your investment.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	1.69	—	1.69
	B Accumulation	1.18	—	1.18
	C Accumulation	0.82	—	0.82
	D Accumulation	0.73	—	0.73
	A Accumulation USD	2.08	—	2.08
	B Accumulation USD	1.49	—	1.49
31 December 2013	A Accumulation	1.62	—	1.62
	B Accumulation	1.14	—	1.14
	C Accumulation	0.77	—	0.77
	A Accumulation USD	1.96	—	1.96
	B Accumulation USD	2.50	—	2.50

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum. The C and D share classes are currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	401.7	384.6	4.45
B Accumulation	420.0	400.0	5.00
C Accumulation	191.6	181.9	5.33
D Accumulation†	112.8	106.9	5.52
A Accumulation USD	100.2	96.36	3.99
B Accumulation USD	102.8	98.60	4.26

Distributions

Share class	Total distribution (p/¢) for the year to 31 December 2014	Total distribution (p/¢) for the year to 31 December 2013
A Accumulation	—	—
B Accumulation	0.6022p	0.2982p
C Accumulation	0.7659p	0.7739p
D Accumulation	0.7092p	—
A Accumulation USD	—	—
B Accumulation USD	—	—

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	315.2	241.6	322.0	247.1
2011	300.9	215.6	308.5	221.9
2012	260.7	207.7	268.8	214.6
2013	385.3	254.4	400.8	263.3
2014	418.2	324.8	437.1	338.3

Calendar Year	C Accumulation shares		D Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012	120.3	98.18	—	—
2013	182.2	119.4	107.1	100.0
2014	199.4	153.9	199.4	117.3

†Launched 16 December 2013.

Summary (continued)

Comparative Tables (continued)

Calendar Year	A Accumulation USD shares		B Accumulation USD shares	
	Highest buying price (¢)	Lowest selling price (¢)	Highest buying price (¢)	Lowest selling price (¢)
2010	124.5	100.2	125.6	96.62
2011	124.2	95.31	126.6	86.72
2012	105.0	84.34	107.8	83.46
2013	159.5	81.34	163.2	104.8
2014	163.4	134.2	167.5	137.2

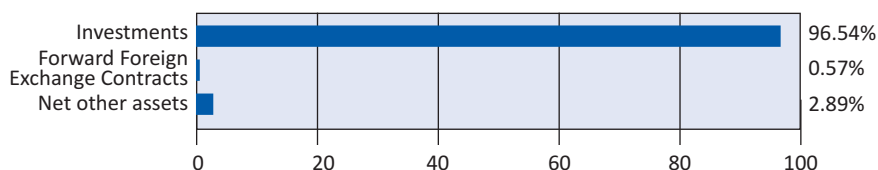
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	503,401,442		306,499,591	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	23,491,755	401.7	27,665,478	384.6
B Accumulation	32,228,730	420.0	21,189,202	400.0
C Accumulation	109,534,997	191.6	62,029,789	181.9
D Accumulation	52,124,240	112.8	1,000	106.9
A Accumulation USD	1,947,009	100.2	2,147,523	96.36
B Accumulation USD	2,963,830	102.8	456,920	98.60

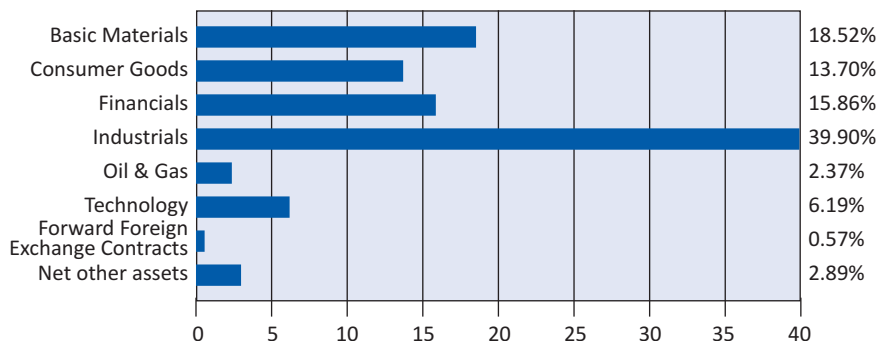
Ten Largest Holdings as at 31 December 2014

	% of net assets
Toyota Motor	4.42
FANUC	2.65
Nippon Paint	2.61
Mitsui Fudosan	2.59
Sumitomo Mitsui Construction	2.58
Toray Industries	2.57
Mitsubishi Estate	2.55
NGK Spark Plug	2.53
JFE	2.49
Toshiba Plant Systems & Services	2.49

Classification of Investments as at 31 December 2014



Sector Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

2014 proved to be a less than straight forward year for the Japanese stockmarket. After spending most of the year below where it started, it showed some late strength to close up by just over 10% for the year in Yen terms. Investors remained relatively nervous, their confidence undermined by geopolitical and global economic concerns whilst seeming to wait interminably for another bout of policy action from the Japanese government. When the latter finally appeared, many commentators having given up any hope of it materialising, then the market responded sharply and positively.

In the first quarter virtually all Japanese stocks fell across January in response to ongoing friction between the Ukraine and Russia accompanied by further all too apparent slowing in China's economy. Simultaneously, the Yen strengthened by over 8%, implying poorer prospects for Japanese corporate earnings given their high exposure to non-Japanese profits sources. The indices then remained more or less unchanged until May, when given renewed weakness in the Yen and steady buying by mostly domestic investors share prices rallied to new highs for the year so far by the end of September.

However, from the first few days of October onwards the market began a rapid descent back down towards its lows for the year as market participants were unnerved firstly by the placement of \$617bn of false trades that had to be cancelled, and secondly by the slowdown in both the Japanese economy hit by the 1 April VAT hike and the global economy, particularly due to China's sluggishness.

By the middle of that month the worst was past and share prices began to rebound receiving a significant boost from the Bank of Japan's policy measures announced on 31 October including lifting monthly QE to Yen 80 trillion. Further encouragement came from the GPIF, the Government Pension Investment Fund, the world's biggest such fund at \$1.3 trillion value which revealed its new investment target of 25% in each of domestic and foreign equities. The net result was an almost 20% swing from the mid October low to the early December high and despite Prime Minister Abe calling on 21 November for a snap election on 14 December.

As that date approached the markets retreated somewhat from their highs as the election was deemed to be largely superfluous just adding to uncertainty. In the event Abe's political opportunism proved successful, being re-elected despite the historic low turnout and with a

slightly strengthened majority although the LDP itself lost seats whilst its New Komeito pacifist Bhuddist party gained a few. This renewed political mandate gives Abe the power to move even more aggressively to lift the country out of its recent torpor.

However for a Sterling based investor the Yen's depreciation cut the main TOPIX index's returns to 2.68% on a similar basis. The average return posted by the competing Investment Association universe was barely positive at 0.61%. By contrast the Fund turned in a 4.39%* gain with a large part of its performance coming from the Fund having consistently hedged its Yen exposure throughout the year. At the stock and sector level the financials proved to be the biggest drag on performance after their doing exceptionally well in the previous year whilst the industrials generally did well as their earnings rose strongly.

The Fund's underlying holdings were spread across a broad range of sectors such as titanium, carbon fiber, industrial components, autos, toys and electronics. All have in common their above average exposure to foreign derived sales and profits, particularly those who have built up their non-OECD operations. The Fund had relatively little exposure to small or mid-cap stocks.

Given the Abe led government's commitment to policies that will continue to weaken the Yen, the Fund will remain positioned largely as it is with the currency hedge in place and the focus remaining upon Japan-based global sector leading companies.

**Source: Lipper, A Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Please refer to the Prospectus for further details. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views.*

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth from investment predominantly in Latin American securities, or in the securities issued by companies transacting a significant proportion of their business in Latin America.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
1	2	3	4	5	6

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	2.06	0.10	2.16
	B Accumulation	1.59	0.09	1.68
	C Accumulation	1.00	0.10	1.10
31 December 2013	A Accumulation	2.00	0.03	2.03
	B Accumulation	1.55	0.03	1.58
	C Accumulation	1.00	0.04	1.04

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	91.17	103.8	(12.17)
B Accumulation	94.11	106.7	(11.80)
C Accumulation†	74.57	84.03	(11.26)

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Accumulation	0.2371	0.2850
B Accumulation	0.7498	0.4817
C Accumulation	1.0867	0.6201

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	131.4	100.7	132.9	101.4
2011	131.7	94.11	133.2	95.59
2012	121.7	103.4	124.4	105.1
2013	135.6	102.3	138.8	105.1
2014	120.2	84.23	123.9	86.94

Calendar Year	C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)
2013	102.4	82.75
2014	97.98	68.87

†Launched 8 May 2013.

Summary (continued)

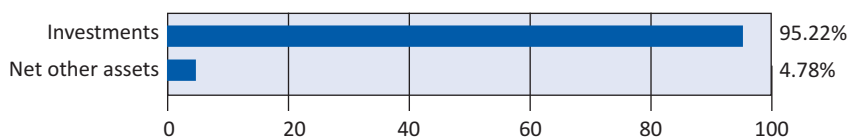
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	22,419,834		32,245,742	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	10,083,489	91.17	15,117,769	103.8
B Accumulation	6,149,687	94.11	8,434,740	106.7
C Accumulation	9,975,450	74.57	8,988,303	84.03

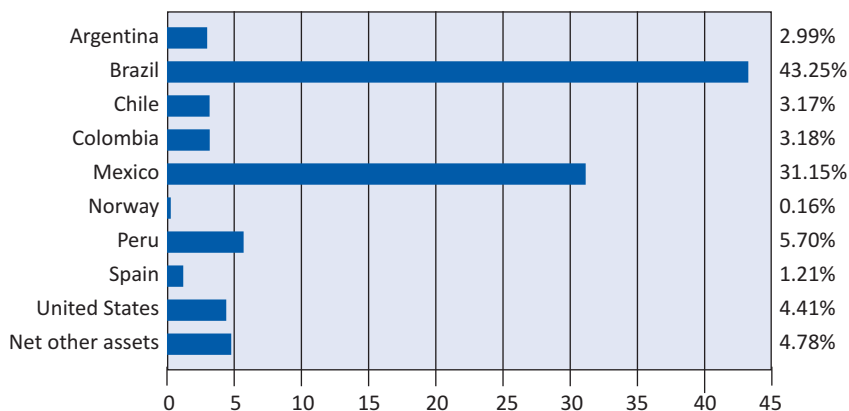
Ten Largest Holdings as at 31 December 2014

	% of net assets
Itau Unibanco ADR	6.69
Cia de Transmissao de Energia Eletrica Paulista PREF	4.37
Banco Bradesco PREF	4.36
Infraestrutura Energetica Nova	3.64
Kansas City Southern	3.32
Compartamos	3.07
Promotora y Operadora de Infraestructura	3.01
Cemex ADR	2.94
Embraer	2.91
Grupo Televisa ADR	2.73

Classification of Investments as at 31 December 2014



Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

Emerging markets had a difficult start to 2014 on a combination of weaker global economic data, a strong dollar on the back of continued tapering, and specific issues such as fiscal concerns in Brazil. Volatility in Brazil persisted for much of the year as we approached the tightest presidential election since re-democratisation. Weakness in Brazil was exacerbated by early polls showing that Dilma Rousseff was expected to be re-elected in the first round. This dissipated in the summer as centre-right opposition candidate Aécio Neves gained in the polls along with optimism for a return to orthodox economic policies, given his track record of reform in the state of Minas Gerais. However, the real catalyst came following the tragic death of Eduardo Campos and subsequent entry of Marina Silva into the election race. Marina surged in the polls and by early September looked favourite to become Brazil's next president. However, Dilma's re-election and the precipitous fall in the oil price sustained Brazil's weakness into the fourth quarter and volatility continued as the market speculated on who would be appointed as finance minister. The appointment of Joaquim Levy, formerly CEO of Bradesco Asset Management, is a clear positive development, and his early moves have been reassuring.

A combination of negative demand adjustments and very strong non-OPEC (Organisation of Petroleum Exporting Countries) supply, particularly out of North America, led to an imbalance in the oil market. The decline accelerated in November when OPEC refused to cut production in order to balance the market. The Colombian market was most impacted by the fall in oil prices with the Colombian peso weakening by 13% against sterling during the fourth quarter. The Mexican peso and Brazilian real were also under pressure, declining by 6% and 4%, respectively. It is unlikely that OPEC will curb production until we see real signs that US shale production is being reduced, which will likely maintain pressure on the oil price and Colombian and Mexican currencies during the first quarter. After two years of underperformance Chile proved resilient during the fourth quarter sell-off. As an oil importer Chile is a clear beneficiary of the lower oil price.

The Neptune Latin America Fund returned -12.3% in 2014, underperforming the

MSCI EM Latin America Index.* The reasons behind this underperformance were our underweight position in Brazil during the initial speculative rally on improving poll results, and overweight position in Colombia later in the year.

The outlook for Brazil in 2015 is heavily reliant on Dilma's policy decisions. Early indications are that we will see a material improvement on her first term, and her cabinet appointments have included much more market-friendly candidates than were in place. With the necessary fiscal adjustment, the economy will remain weak in 2015, but with market expectations low there is ample room for surprise if Dilma embraces more orthodox economic policies and reforms, paving the way for future growth. Mexico will see continued economic acceleration in 2015, benefiting from continued strength in the US economy and further domestic recovery. If we see more US dollar strength and the US Federal Reserve begins the hiking cycle, the Mexican peso will look more robust than many emerging market currencies. Companies exposed to infrastructure and US exports look well placed to continue to perform strongly.

**Source: Lipper and Neptune, A Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Neptune Monthly Income Fund was to generate monthly income with the potential for capital growth, from an actively managed portfolio invested predominantly in UK equities, with some overseas exposure.

The Fund aimed to achieve top quartile performance in terms of total return against the appropriate peer group.

The Fund also invested in collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

The ACD was able to use Derivative instruments and forward transactions for EPM.

It was the intention to be near-fully invested at all times, however, the Fund had the facility to take tactical positions in cash or near cash should the ACD have felt it appropriate.

The portfolio was managed to ensure that the Fund was at all times eligible to be included in an ISA.

Important Information

Please note that following approval from the Financial Conduct Authority, the Neptune Monthly Income Fund was closed on 28 February 2014.

Following an evaluation, we believed that the costs associated with running the portfolio meant that it was no longer in the interests of current shareholders for it to remain open, given the lower-than-anticipated demand from new investors. The termination costs incurred have been covered by Neptune and not paid by the Fund itself.

The closure of the Fund was conducted in accordance with the regulations, which are detailed in the Prospectus. If you have any questions relating to the closure, please do not hesitate to contact us on 0800 587 5051 (or +44 1268 44 3920 if calling from outside the UK).

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
1	2	3	4	5	6

- This Fund was ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- The level of revenue is not guaranteed.
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) % [†]	Transaction charges payable to the Depositary* %	OCF** %
31 December 2013	A Income	2.00	0.24	2.24
	A Accumulation	2.00	0.16	2.16
	B Income	2.00	0.28	2.28
	B Accumulation	2.00	0.27	2.27

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for both share classes were capped at 2.00% per annum of the relevant share class net asset value by the ACD.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Income	0.5790	4.1404
A Accumulation	0.6023	4.5465
B Income	0.5769	4.4804
B Accumulation	0.8872	4.5303

Comparative Tables

Calendar Year	A Income shares‡		A Accumulation shares‡	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012	100.1	99.25	100.1	99.25
2013	122.4	101.1	127.3	101.1
2014	130.2	122.1	135.5	127.1

Calendar Year	B Income shares‡		B Accumulation shares‡	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012	100.1	99.26	100.1	99.29
2013	122.6	101.1	126.7	101.1
2014	130.2	122.1	135.1	126.5

‡Closed 28 February 2014.

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth from investment predominantly in Russian and Greater Russian securities or securities issued by companies transacting a significant proportion of their business in Russia and Greater Russia.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk			
←							→
1	2	3	4	5	6	7	

- This Fund is ranked at 7 because funds of this type have experienced very high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	1.88	0.21	2.09
	B Accumulation	1.39	0.14	1.53
	C Accumulation	0.95	0.28	1.23
	A Accumulation EUR	2.50	0.13	2.63
	B Accumulation EUR	2.50	0.20	2.70
	A Accumulation USD	2.11	0.23	2.34
	B Accumulation USD	2.50	0.21	2.71
31 December 2013	A Accumulation	1.83	0.07	1.90
	B Accumulation	1.32	0.06	1.38
	C Accumulation	0.87	0.05	0.92
	A Accumulation EUR	2.08	0.10	2.18
	B Accumulation EUR	1.72	—	1.72
	A Accumulation USD	2.01	0.09	2.10
	B Accumulation USD	2.01	0.08	2.09

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	167.6	316.5	(47.05)
B Accumulation	175.5	330.4	(46.88)
C Accumulation	56.99	106.6	(46.54)
A Accumulation EUR	63.19	120.5	(47.56)
B Accumulation EUR	65.36	119.5	(45.31)
A Accumulation USD	44.41	84.07	(47.17)
B Accumulation USD	44.84	85.24	(47.40)

Distributions

Share class	Total distribution (p/¢) for the year to 31 December 2014	Total distribution (p/¢) for the year to 31 December 2013
A Accumulation	5.8994p	3.5808p
B Accumulation	7.2248p	5.3463p
C Accumulation	2.9377p	2.2419p
A Accumulation EUR	—	1.0212¢
B Accumulation EUR	—	1.4495¢
A Accumulation USD	2.3635¢	1.1904¢
B Accumulation USD	2.0864¢	0.9160¢

Summary (continued)

Comparative Tables (continued)

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	401.0	286.4	412.5	293.9
2011	422.4	261.6	435.1	270.2
2012	349.1	261.5	361.2	271.0
2013	336.5	284.0	349.8	295.6
2014	317.2	144.1	331.1	150.9

Calendar Year	C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)
2012	100.0	91.85
2013	112.5	95.15
2014	106.9	48.99

Calendar Year	A Accumulation EUR shares		B Accumulation EUR shares	
	Highest buying price (€)	Lowest selling price (€)	Highest buying price (€)	Lowest selling price (€)
2010	179.6	127.7	178.9	127.5
2011	188.7	115.8	188.0	115.7
2012	159.0	124.1	158.8	123.8
2013	148.3	127.2	146.6	125.9
2014	145.8	68.31	144.8	70.37

Calendar Year	A Accumulation USD shares		B Accumulation USD shares	
	Highest buying price (¢)	Lowest selling price (¢)	Highest buying price (¢)	Lowest selling price (¢)
2010	165.6	114.7	167.8	115.2
2011	181.9	107.8	184.3	109.7
2012	147.4	106.7	149.8	108.5
2013	139.1	117.7	141.3	119.7
2014	139.2	60.10	141.2	60.70

Summary (continued)

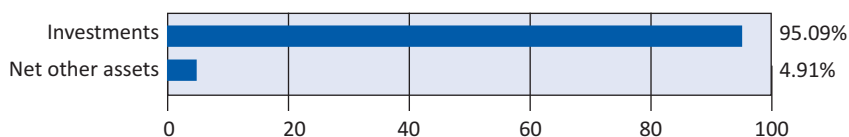
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	124,888,062		302,615,550	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	47,916,458	167.6	73,236,087	316.5
B Accumulation	751,030	175.5	9,316,559	330.4
C Accumulation	72,483,621	56.99	29,978,346	106.6
A Accumulation EUR	255,009	63.19	2,217,448	120.5
B Accumulation EUR	14,860	65.36	1,771,147	119.5
A Accumulation USD	3,906,399	44.41	3,769,295	84.07
B Accumulation USD	133,545	44.84	132,505	85.24

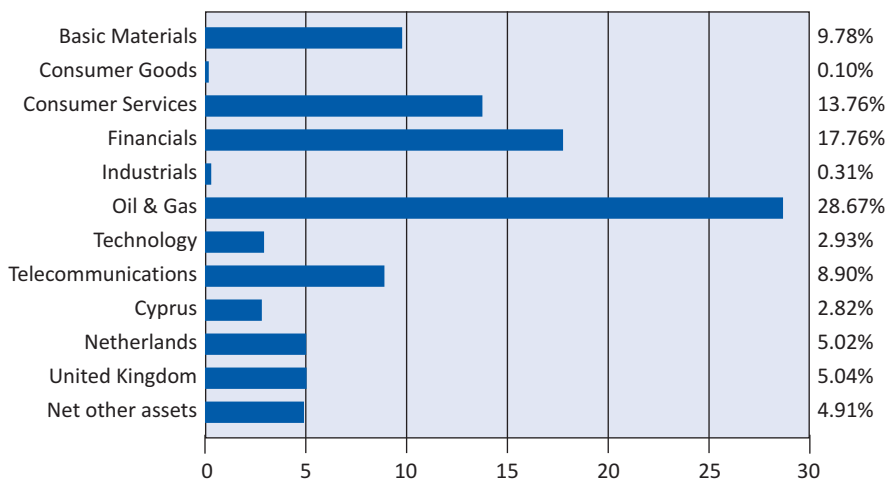
Ten Largest Holdings as at 31 December 2014

	% of net assets
MMC Norilsk Nickel ADR	9.78
Lukoil ADR 'A'	9.65
Sberbank of Russia (London International Line)	9.31
Magnit	9.12
Polyus Gold	5.04
Yandex	5.02
Novatek GDR	4.91
PIK	4.75
Gazprom ADR	4.72
MegaFon GDR	4.25

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

Russian equities had a very difficult 2014, falling by -42.72%. Having been relatively resilient among emerging markets during 2013, rising tensions with Ukraine weighed on the market during January and February before Russian military exercises near the Ukrainian border caused a major sell-off in early March.

Declining tensions in Ukraine during the second quarter saw a relief rally but this was short-lived. On 1 July Ukrainian President Petro Poroshenko ended the ceasefire and launched military operations against the pro-Russia rebels. In mid-July the US ratcheted up sanctions to restrict debt and equity financing, and then the shooting down of Malaysian Airlines flight MH-17 happened the very next day, sending the market sharply lower and triggering an increase in economic sanctions by the EU.

With increased Russian support the Ukrainian army was defeated in August, paving the way for significant progress through September. Developments included the ratification of the EU-Ukraine Association Agreement, adoption of a special status for Donetsk and Lugansk and the foundations for a gas deal with Gazprom. However, these developments were insufficient to drive gains in the Russian market as they were overshadowed by the investigation into Sistema's acquisition of oil company Bashneft and the sharp fall in the oil price. Severe declines continued during the fourth quarter driven by ruble depreciation as a result of the precipitous fall in the oil price, down 40% during the quarter, and questions over the credibility of Central Bank policies.

The oil price fell over 50% from June highs as a combination of negative demand adjustments and very strong non-OPEC supply, particularly out of North America, led to an imbalance in the oil market. The decline accelerated in November when OPEC refused to cut production in order to balance the market. It is unlikely that OPEC will curb production until we see real signs that US shale production is being reduced, which will maintain pressure on the oil price during the first quarter. We do expect to see a recovery later in the year although average prices will be well below 2014 levels.

The lower oil price, central bank interest rate increases from 5.5% to 17.0%, aimed at preventing capital flight and stabilising the ruble, and economic sanctions from the US and EU have had a material negative impact on the Russian economy. 2014 economic growth will be slightly positive but the real impact will be felt in 2015 when the Russian economy will go into recession. In this environment we have increased our exposure to the materials and, more recently, energy sectors as both are exposed to more robust external demand while also being key beneficiaries of the weaker currency. Within the domestic sectors, we have retained holdings where we see a secular tailwind while reducing exposure to stocks and sectors we see most vulnerable to the cyclical slowdown in the economy. Given our bias towards domestic facing stocks during the first half of the year the Neptune Russia and Greater Russia Fund underperformed the MSCI Russia Large-Cap Index, falling by -46.56%.*

**Source: Lipper and Neptune, A Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth by investing predominantly in a concentrated portfolio of securities selected from the Asian and Pacific markets (excluding Japan) with a view to attaining top quartile performance within the appropriate peer group.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
←					→
1	2	3	4	5	6

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This means your money may be at greater risk.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	2.50	0.07	2.57
	C Accumulation	1.00	0.06	1.06
	A Accumulation USD	2.14	0.07	2.21
31 December 2013	A Accumulation	2.50	0.01	2.51
	B Accumulation	1.93	0.01	1.94
	A Accumulation EUR	2.50	—	2.50
	B Accumulation EUR	2.50	—	2.50
	A Accumulation USD	2.35	0.01	2.36
	B Accumulation USD	2.50	—	2.50

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A share class is currently capped at 2.50% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	92.80	83.69	10.89
B Accumulation‡	N/A	85.59	N/A
C Accumulation†	96.05	N/A	N/A
A Accumulation EUR‡	N/A	111.9	N/A
B Accumulation EUR‡	N/A	118.8	N/A
A Accumulation USD	90.25	81.09	11.30
B Accumulation USD‡	N/A	88.10	N/A

Distributions

Share class	Total distribution (p/¢) for the year to 31 December 2014	Total distribution (p/¢) for the year to 31 December 2013
A Accumulation	0.2819p	0.4911p
B Accumulation	N/A	0.8969p
C Accumulation	1.1740p	N/A
A Accumulation EUR	N/A	4.2195¢
B Accumulation EUR	N/A	4.4671¢
A Accumulation USD	0.7022¢	0.9735¢
B Accumulation USD	N/A	4.3593¢

‡Closed 28 February 2014.

†Launched 1 March 2014.

Summary (continued)

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	103.9	80.86	104.4	79.55
2011	104.3	76.81	107.4	77.57
2012	94.71	83.24	96.33	84.41
2013	112.0	83.43	114.3	85.33
2014	96.33	79.76	85.95*	81.61*

Calendar Year	C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)
2014	99.30**	84.38**

Calendar Year	A Accumulation EUR shares		B Accumulation EUR shares	
	Highest buying price (€)	Lowest selling price (€)	Highest buying price (€)	Lowest selling price (€)
2010	157.0	118.7	160.1	118.9
2011	159.2	115.7	162.5	119.2
2012	152.5	131.6	161.4	137.1
2013	173.9	128.8	184.6	136.7
2014	136.0*	129.5*	144.4*	137.5*

Calendar Year	A Accumulation USD shares		B Accumulation USD shares	
	Highest buying price (¢)	Lowest selling price (¢)	Highest buying price (¢)	Lowest selling price (¢)
2010	162.3	118.1	164.6	117.5
2011	158.1	114.1	160.4	117.7
2012	147.8	124.4	161.4	117.7
2013	164.6	125.7	176.0	135.2
2014	150.8	127.0	146.8*	138.2*

*From 1 January 2014 to 28 February 2014.

**From 1 March 2014 to 31 December 2014.

Summary (continued)

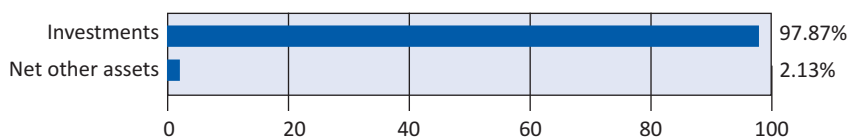
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	12,731,414		13,826,302	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	850,259	92.80	1,267,302	83.69
B Accumulation	N/A	N/A	4,228,630	85.59
C Accumulation	3,803,429	96.05	N/A	N/A
A Accumulation EUR	N/A	N/A	1,000	111.9
B Accumulation EUR	N/A	N/A	1,000	118.8
A Accumulation USD	9,184,295	90.25	11,275,370	81.09
B Accumulation USD	N/A	N/A	1,000	88.10

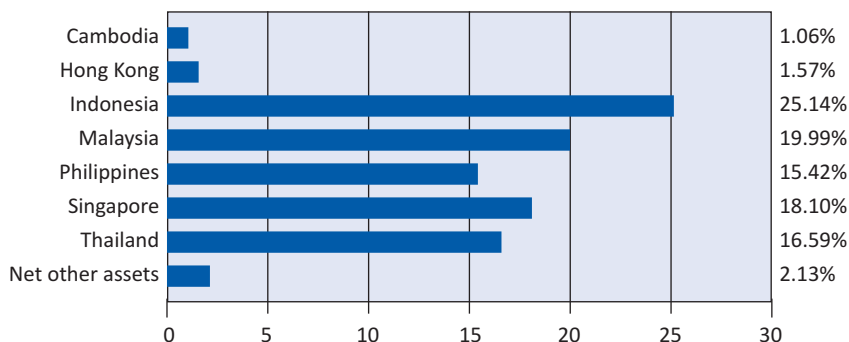
Ten Largest Holdings as at 31 December 2014

	% of net assets
Ayala	4.24
United Overseas Bank	4.00
Universal Robina	3.92
PTT NVDR	3.22
Tower Bersama Infrastructure	3.19
BDO Unibank	3.09
Tenga Nasional	2.96
Bank Rakyat Indonesia	2.93
Wijaya Karya	2.70
Petronas Gas	2.65

Classification of Investments as at 31 December 2014



Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune South East Asia Fund aims to take advantage of several key themes which we believe makes the region one of the most compelling longer-term growth stories, namely its positive demographic profile, the acceleration of investment in infrastructure and the growing consumer story. The Neptune South East Asia Fund gained 10.68% in 2014, compared to the MSCI South East Asia Index gain of 13.04%.*

The first quarter of 2014 started the year positively for South East Asian equities, as the emerging markets of Indonesia, Thailand and the Philippines shrugged off the struggles of 2013 (in particular the political stalemate in Thailand and the economic issues in Indonesia) and local and foreign investors returned to the markets in earnest. Indonesia in particular rebounded strongly with improving current account figures, rising foreign reserves and falling inflation all taken positively by the market. In addition, excitement began to build ahead of the Presidential election in July, with the favourite to win, Joko Widodo, seen as very much pro-market. The Fund underperformed in the first quarter, however, having begun the year positioned defensively with overweights in Malaysia and Singapore.

The second quarter saw further strong performance from the Index, despite broad-based underperformance by emerging markets in general. Thailand in particular continued to surprise as it saw a considerable rally once the military stepped in and took power after several months of political impasse and uncertainty. The interim government ensured a reduction in street protests and began making progress on several reform initiatives which had stalled under the elected government of Yingluck Shinawatra. The Fund gained 2.44% during the period, compared to 2.17% for the Index.

In the third quarter similar themes continued to play out and made it the period of most significant strength for the region and the Fund, which was up 6.91% compared to 6.36% Index return. The main political news came from Indonesia, where Joko Widodo won what was ultimately a closely fought Presidential election in July and took office in October. This was taken well by the market due to optimism over Widodo's reputation for getting things done.

The fourth quarter was more mixed in terms of performance but South East Asia was stronger than emerging markets generally, and the Neptune South East Asia Fund again mildly outperformed the Index, up 0.53% versus 0.11%. Indonesia and Singapore were the top performers, but for different reasons. Indonesia was boosted by a pro-active first few months in office from new President Widodo, in particular redirecting government funding away from wasteful fuel subsidies towards infrastructure. Singapore meanwhile came off lows in October to end the year strongly and was aided by its correlation with China, which also outperformed.

In terms of portfolio movements, the Fund moved to an overweight position in Indonesia and the Philippines during the year, taking advantage of the improving outlook in both markets – in particular regarding infrastructure investment – as they continue to offer greater growth opportunities than Singapore and Malaysia in our opinion. We believe the overall outlook for 2015 remains constructive for the region, as Asia appears set to continue to outperform emerging markets generally, and we therefore remain positive on both a country and an individual stock basis.

**Source: Lipper, A Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. Investments in emerging markets are higher risk and potentially more volatile than those in established markets. References to specific sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Neptune UK Higher Income Fund was to generate an above average level of income, with the potential for capital growth, through an actively managed portfolio invested predominantly in UK securities with a minimum of 20% invested in UK fixed income securities and a minimum of 20% invested in UK equities, with the potential for some overseas exposure. The Fund aimed to achieve top quartile performance, in terms of total return, within the appropriate peer group.

Other eligible asset classes included collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

The ACD was able to use Derivative instruments and forward transactions for EPM.

It was the intention to be near fully invested at all times, however, the Fund had the facility to take tactical positions in cash or near cash should the ACD have felt it appropriate.

The portfolio was managed to ensure that the Fund was at all times eligible to be included in an ISA.

Important Information

Please note that following approval from the Financial Conduct Authority, the Neptune UK Higher Income Fund was closed on 28 February 2014.

Following an evaluation, we believed that the costs associated with running the portfolio meant that it was no longer in the interests of current shareholders for it to remain open, given the lower-than-anticipated demand from new investors. The termination costs incurred have been covered by Neptune and not paid by the Fund itself.

The closure of the Fund was conducted in accordance with the regulations, which are detailed in the Prospectus. If you have any questions relating to the closure, please do not hesitate to contact us on 0800 587 5051 (or +44 1268 44 3920 if calling from outside the UK).

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
1	2	3	4	5	6	7

- This Fund was ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Fixed interest stocks are the debts of governments and companies generally in the form of bonds. Bonds are affected by changes in interest rates, inflation and any decline in creditworthiness of the borrower (i.e. the bond issuer). Bonds that produce a higher level of revenue usually also carry greater risk as such bond issuers may have difficulty in repaying their financial obligations.
- The level of revenue is not guaranteed.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) %†	Transaction charges payable to the Depositary* %	OCF** %
31 December 2013	A Income	2.00	0.96	2.96
	A Accumulation	2.00	0.76	2.76
	B Income	2.00	0.12	2.12
	B Accumulation	2.00	0.21	2.21

†Operating expenses includes annual management charge and other expenses. The operating expenses for both share classes were capped at 2.00% per annum of the relevant share class net asset value by the ACD.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Income	N/A	5.0004
A Accumulation	N/A	5.5662
B Income	N/A	5.1636
B Accumulation	N/A	5.5075

Comparative Tables

Calendar Year	A Income shares‡		A Accumulation shares‡	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	105.2	99.46	106.3	99.46
2011	108.1	94.16	110.5	97.39
2012	109.0	99.53	117.9	105.1
2013	119.5	107.6	134.3	118.6
2014	118.1	112.9	135.9	129.9

Calendar Year	B Income shares‡		B Accumulation shares‡	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	106.3	99.46	104.8	99.20
2011	108.8	94.95	108.2	95.41
2012	111.7	101.5	115.8	103.2
2013	122.5	110.3	131.9	116.4
2014	122.0	116.5	133.5	127.6

‡Closed 28 February 2014.

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth by investing predominantly in the companies of the FTSE Mid 250* and in the 50 largest companies by market capitalisation listed on the FTSE Small Cap* with a view to attaining top quartile performance within the appropriate peer group.

Other eligible asset classes may include collective investment schemes, other transferable securities (with no geographical restriction), collective investment schemes, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

*The ACD may substitute these indices at its absolute discretion where they become unavailable, cease to operate or otherwise where the ACD believes there is a more appropriate alternative.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
←					→
1	2	3	4	5	6

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Smaller company shares may be riskier as they can be more difficult to buy and sell and their share prices may move up and down more than larger companies.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	1.65	0.02	1.67
	B Accumulation	1.17	0.02	1.19
	C Accumulation	0.80	0.02	0.82
	D Accumulation	0.73	0.02	0.75
31 December 2013	A Accumulation	1.62	0.03	1.65
	B Accumulation	1.17	0.03	1.20
	C Accumulation	0.77	0.04	0.81

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.00% per annum. The C and D share classes are currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	367.3	327.8	12.05
B Accumulation	374.3	332.5	12.57
C Accumulation	129.2	114.3	13.04
D Accumulation†	115.8	102.3	13.20

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Accumulation	1.7321	3.4980
B Accumulation	3.4104	4.8712
C Accumulation	1.6324	1.7282
D Accumulation	1.6549	0.3910

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	178.5	142.7	179.6	143.5
2011	194.6	167.7	195.9	168.9
2012	260.2	185.9	262.7	187.2
2013	329.9	264.1	334.6	266.7
2014	368.4	324.5	375.5	330.4

Calendar Year	C Accumulation shares		D Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2013	115.0	99.34	103.0	100.0
2014	129.6	113.9	116.2	102.1

†Launched 16 December 2013.

Summary (continued)

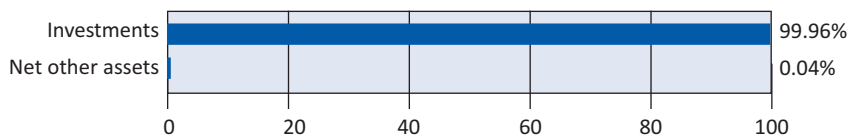
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	370,838,434		153,655,670	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	32,610,311	367.3	28,951,477	327.8
B Accumulation	4,226,872	374.3	7,623,390	332.5
C Accumulation	147,921,532	129.2	29,231,032	114.3
D Accumulation	38,095,434	115.8	1,000	102.3

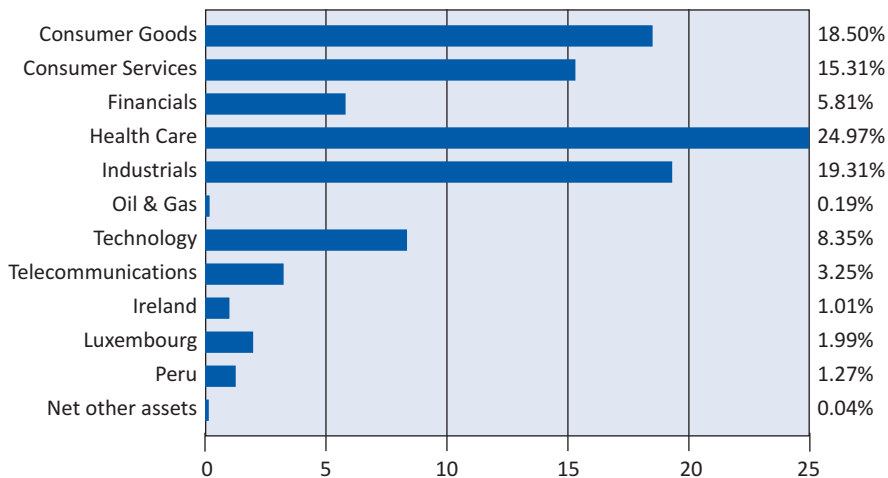
Ten Largest Holdings as at 31 December 2014

	% of net assets
Dechra Pharmaceuticals	9.43
Carpentright	8.96
Devro	7.25
Genus	5.53
Vectura	5.39
Consort Medical	4.31
PZ Cussons	4.31
Ultra Electronics Holdings	4.22
Millennium & Copthorne Hotels	3.40
Primary Health Properties	3.40

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune UK Mid Cap Fund returned 11.86% over 2014. By comparison, the FTSE All-Share and FTSE 250 Mid indices returned 1.18% and 3.66% respectively, while the InvAssoc UK All Companies sector average return was 0.59%. This performance ranked the Fund 3rd out of 266 funds in the peer group. The Fund is also ranked in the top 5 over 3 and 5 years, as well as since launch in December 2008.*

2014 was another good year for developed market equities. Valuations were still low at the beginning of the year and recurring market concerns remained. Would the US recovery continue? Could early signs of a cyclical European recovery be sustained? Would inflation remain under control? As it turned out, the answer to all of these questions was yes, which enabled market multiples to expand, although question marks remain most obviously over the outlook for Europe. It was encouraging to see the US Federal Reserve successfully bringing quantitative easing (QE) to an end, however the prospect of central bank stimulus continues to be a key support for many markets, in particular Europe and China. A slowdown in emerging market growth – most obviously in China – enabled this stimulus to continue without stoking inflationary pressures. It remains our expectation that interest rates in the UK will remain at historically low levels in the near future which should be beneficial for risk assets such as equities. From a sentiment perspective, however, it is clear that over the year, bullishness and valuations have increased markedly.

Sectors and stocks exposed to commodities performed poorly in 2014, especially the oil exploration sector as the price of crude oil fell dramatically in the second half. The Fund maintained its long-standing underweight in commodities throughout the period, which helped contribute to strong performance. The banking sector underperformed also and the Fund continues to underweight financials given political and regulatory concerns. We do not believe it is necessary to expose the portfolio to the regulatory risks of investment

banks and other general financial stocks in order to access interesting valuation opportunities.

One of the strongest performing sectors in the UK market over the year was general retailers. The weakness of oil was a clear driver for this as UK consumer finances benefited from low petrol and heating costs. Elsewhere, the Fund maintained an overweight position in the healthcare sector which modestly underperformed the wider market over the year. Within the sector, however, stock selection was strong and we initiated a position in Genus, a company that specialises in animal genetics. The Neptune UK Mid Cap Fund is heavily invested in sectors and companies with strong cash flows and sustainable long-term growth dynamics which are not reliant on government support. Corporate (as opposed to government) health continues to be strong and the prospects for undervalued, cash-generative corporates are, in our view, encouraging – especially in light of the low returns available on cash alternatives.

**Source: Lipper, A Accumulation share class performance, InvAssoc UK All Companies sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to seek to achieve capital growth by exploiting special situations and investing principally in UK equities considered to be undervalued.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	5	6	7

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- Although this Fund invests in companies of all sizes, significant investment will be made in smaller company shares. These may be riskier as they can be more difficult to buy and sell and their share prices may move up and down more than larger companies.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	1.68	0.02	1.70
	B Accumulation	1.22	0.02	1.24
	C Accumulation	0.84	0.02	0.86
31 December 2013	A Accumulation	1.70	0.04	1.74
	B Accumulation	1.36	0.05	1.41
	C Accumulation	1.00	0.04	1.04

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	180.2	180.2	0.00
B Accumulation	183.1	182.2	0.49
C Accumulation	137.7	136.5	0.88

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Accumulation	2.1571	2.1007
B Accumulation	3.0160	2.6843
C Accumulation	2.7819	2.4691

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	120.2	94.96	120.2	94.84
2011	126.0	103.1	126.2	103.4
2012	135.0	114.7	136.5	115.1
2013	180.3	137.3	182.3	138.3
2014	187.7	161.5	189.9	163.9

Calendar Year	C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)
2012	102.0	97.43
2013	136.6	103.3
2014	123.1	142.4

Summary (continued)

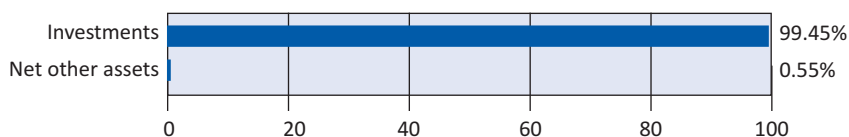
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	65,917,558		62,841,706	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	19,428,855	180.2	22,776,929	180.2
B Accumulation	5,483,324	183.1	6,304,404	182.2
C Accumulation	15,152,896	137.7	7,553,004	136.5

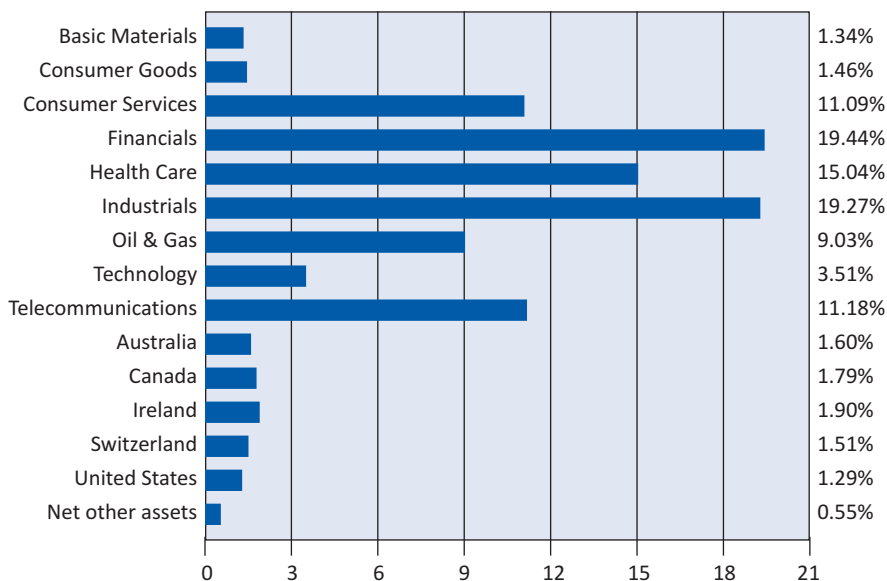
Ten Largest Holdings as at 31 December 2014

	% of net assets
HSBC	4.71
Vodafone	4.71
BP	3.86
Royal Dutch Shell	3.53
BT	3.41
Consort Medical	3.19
GlaxoSmithKline	3.13
Mears	2.93
3i	2.87
Vectura	2.55

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune UK Opportunities Fund returned 0.00% in 2014, versus the FTSE All-Share Index return of 1.18% and the InvAssoc UK All Companies sector average gain of 0.59%.*

The first quarter was a rather volatile period for UK equities. The year got off to a poor start in January due to heightened concerns over emerging markets, where we saw some sharp currency devaluations. February saw a sharp rebound in markets, driven by a string of positive economic data from both within the UK and across global developed markets. However, this strength somewhat reversed in early March as geopolitical risks in the Ukraine and Crimea dominated newsflow. Outperformance in the quarter continued to come from the Fund's significant overweight position in the industrials and healthcare sectors, with Ashtead, Mears Group and Synergy Health continuing to contribute very strongly.

Despite continued geopolitical risk and decelerating global growth, UK equities ground higher during the second quarter, with a strong move towards more defensive, large-cap, higher-yielding equities. Against this background, the Fund's performance suffered largely as a result of two distinct factors. Firstly, our underweight in energy, which rallied strongly due to heightened geopolitical risk in both the Ukraine and Iraq, had a negative impact. Secondly, the Fund's lack of exposure to large-cap healthcare companies, namely AstraZeneca, Shire and Smith & Nephew, all of which were subject to tax-motivated takeover bids from US companies, meant that we did not participate in the sector's momentum. Instead, we continued to be positioned in mid and small-cap healthcare companies that were also impacted by the rotation within the market towards large-caps.

However, outperformance returned in the third quarter and was primarily driven by the Fund's overweight positions in the healthcare and industrials sectors. The most notable positive stock contributions came from long-term holdings in BTG and Ashtead, as well as relatively new positions in Ryanair and AA. This momentum continued into the fourth

quarter as the UK market rebounded strongly in November, rising 9% to its high in early December. This was short-lived, however, as the market retreated into December, finishing a year in which UK equities significantly underperformed global equities. The Fund's overweight positions in industrials and telecommunications as well as underweight positions in the energy and materials sectors all contributed to outperformance during the period, but unfortunately not quite enough to put us ahead of the market for a year as a whole.

Looking ahead to 2015, the Neptune UK Opportunities Fund continues to be positioned in favour of sectors and companies that offer the best investment potential at attractively low valuations. Our focus remains on out-of-favour, undervalued recovery situations, with a particular emphasis on stocks that can exhibit either strong structural growth characteristics or turnaround potential, where internal self-help can deliver improved prospects for growth.

**Source: Lipper and Neptune, A Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate rising levels of income with the potential of capital growth by investing predominantly in a portfolio of North American securities, which may include Canada as well as the USA or overseas companies that derive a significant proportion of their profits or turnover from the USA and/or Canada, with a view to attaining consistent top quartile performance within the appropriate peer group.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←			→			
1	2	3	4	5	6	7

- This Fund is ranked at 5 because funds of this type have experienced medium to high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- The level of revenue is not guaranteed.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Income	2.00	0.01	2.01
	A Accumulation	2.00	0.01	2.01
	B Income	1.81	0.01	1.82
	B Accumulation	1.58	0.01	1.59
	C Income	1.00	—	1.00
	C Accumulation	1.00	0.01	1.01
31 December 2013	A Income	2.00	0.02	2.02
	A Accumulation	2.00	0.02	2.02
	B Income	1.70	0.02	1.72
	B Accumulation	1.59	0.02	1.61
	C Income	1.00	0.01	1.01
	C Accumulation	1.00	0.02	1.02

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.00% per annum and the C share class is currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Income	151.4	133.6	13.32
A Accumulation	173.8	149.7	16.10
B Income	152.4	134.2	13.56
B Accumulation	169.7	145.4	16.71
C Income†	117.5	102.7	14.41
C Accumulation†	123.2	105.0	17.33

Distributions

Share class	Total distribution (p) for the year to 31 December 2014	Total distribution (p) for the year to 31 December 2013
A Income	3.4550	4.1373
A Accumulation	3.9071	4.5328
B Income	3.4742	4.1706
B Accumulation	3.8053	4.3755
C Income	2.6685	2.3821
C Accumulation	2.7566	2.3772

Comparative Tables

Calendar Year	A Income shares		A Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	110.5	99.16	111.4	99.16
2011	111.4	91.02	117.6	96.07
2012	118.3	108.5	126.3	115.0
2013	138.7	111.7	152.0	121.2
2014	155.1	125.8	177.2	141.0

Calendar Year	B income shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	111.4	99.17	109.7	99.13
2011	114.0	93.18	114.1	93.00
2012	119.4	110.2	122.3	111.3
2013	139.1	111.9	147.4	117.3
2014	156.2	126.4	172.9	137.0

†Launched 8 May 2013.

Summary (continued)

Comparative Tables (continued)

Calendar Year	C Income shares		C Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2013	106.1	96.22	106.4	96.79
2014	120.1	96.76	125.5	98.98

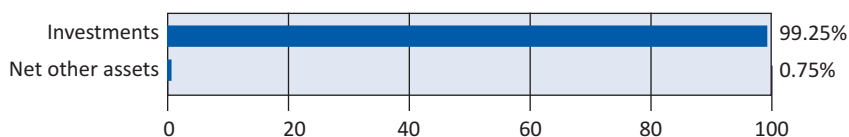
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	25,925,802		22,260,091	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Income	1,238,131	151.4	1,833,160	133.6
A Accumulation	2,408,783	173.8	3,192,030	149.7
B Income	2,254,387	152.4	2,943,768	134.2
B Accumulation	4,579,815	169.7	5,235,505	145.4
C Income	4,367,067	117.5	2,001,245	102.7
C Accumulation	2,863,594	123.2	1,348,043	105.0

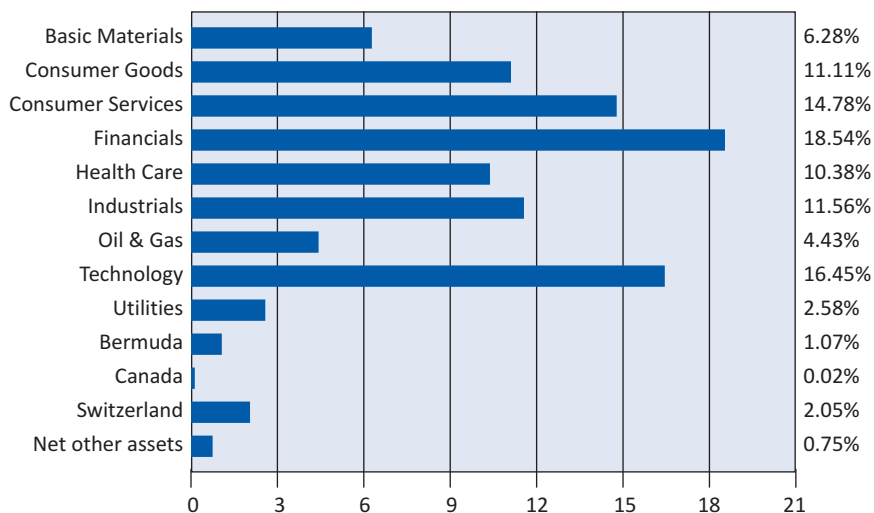
Ten Largest Holdings as at 31 December 2014

	% of net assets
Apple	3.69
Microsoft	3.45
Medtronic	3.04
BlackRock	2.78
Bristol-Myers Squibb	2.77
Altria	2.71
Visa	2.59
CMS Energy	2.58
Cardinal Health	2.58
AbbVie	2.56

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The Neptune US Income Fund returned 17.18% in 2014, versus the S&P 500 Index gain of 20.76% and the InvAssoc North America sector average return of 17.67%. The Fund ended the year with a yield of 2.46%.*

The US dollar strengthened in the second half of 2014 in response to strong US Gross Domestic Product (GDP). The final reading for US GDP in the third quarter of 2014 was 5.0% – the highest reading for eleven years – driven by strong levels of personal consumption. We believe dollar strength should dampen any inflationary pressures, providing the Federal Reserve with more scope to delay interest rate rises. Lower gasoline prices have a lagged, positive effect and therefore will help support the US consumer recovery in 2015.

During 2014, the Fund's underweight position in energy was beneficial along with stock selection, whilst the best performing holding was Iron Mountain. Iron Mountain's catalyst was its conversion to a real estate investment trust (REIT), paying out its excess capital to shareholders in cash and shares. This led to its inclusion in the MSCI REIT Index in November. The underperformance of the Fund against the benchmark was caused by stock specific issues. For example, Las Vegas Sands was adversely impacted by the China corruption crackdown and a lack of new rooms to drive visitor numbers in Macau. However, with a steady stream of new rooms opening up between 2015 and 2017, we anticipate a strong recovery in 2015.

2014 was a year in which the focus of the Fund shifted from companies with high dividends to those with growing dividends, supported by analysis that companies that grow their dividends outperform those companies with high dividends from a total return perspective. The underlying dividend growth rate in the Fund is 8.8% which compares favourably to the S&P 500's dividend growth rate consensus forecast of 5.6% for 2015. Earnings are expected to grow 7.5%, so dividends look well covered. The outlook for dividend growth is particularly

positive due to strong cash generation of US corporates. This cash generation is supported by high returns on equity, which enable businesses to be self-funding, investing via retained cash flow. Finally, share buybacks reduce the total cash cost of dividends (due to the lower number of shares) and this is supportive of dividend growth.

The Fund continues to focus on both stock selection and sector allocation, with overweight positions in materials and consumer discretionary funded through underweight positions in energy and telecommunications. Looking into 2015, the Fund has added to its consumer discretionary weighting in order to increase its US domestic earnings exposure in expectation of a strong US economy. This will also enable the Fund to avoid the foreign exchange headwinds being experienced by US multinationals due to US dollar strength.

**Source: Lipper and Neptune, A Accumulation share class performance, InvAssoc North America sector, in sterling with no initial charges, net revenue reinvested to 31 December 2014. Yield quoted on A Income share class. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific securities are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Investment Objective and Policy

The investment objective of the Fund is to generate capital growth by investing predominantly in a concentrated portfolio of Northern American securities which may include Canada as well as the US, with a view to achieving top quartile performance within the appropriate peer group.

Other eligible asset classes may include collective investment schemes, other transferable securities, cash or near cash, deposits and money market instruments.

It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

The portfolio will be managed to ensure that the Fund is at all times eligible to be included in an ISA.

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk		
1	2	3	4	5	6

- This Fund is ranked at 6 because funds of this type have experienced high rises and falls in value in the past. Please note that even the lowest risk ranking can lose you money and that extreme market circumstances can mean you suffer severe losses in all cases. The indicator does not take into account the following risks of investing in this Fund:
- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates will reduce the value of your investment.
- This Fund holds a limited number of investments. If one of these investments falls in value this can have a greater impact on the Fund's value than if it held a larger number of investments.
- For a full list of the Fund's risks, please see the Prospectus.

Fund Facts

Accounting and Distribution Dates

Accounting dates	Distribution dates
30 June 31 December	31 August 28 February

Ongoing Charge Figure

The total OCF per share class are as follows:

Date	Share Class	Operating expenses (excluding transaction charges) [†] %	Transaction charges payable to the Depositary* %	OCF** %
31 December 2014	A Accumulation	1.67	—	1.67
	B Accumulation	1.19	—	1.19
	C Accumulation	0.80	—	0.80
	D Accumulation	0.74	—	0.74
	A Accumulation EUR	2.50	—	2.50
	B Accumulation EUR	1.21	—	1.21
	A Accumulation USD	1.99	—	1.99
	B Accumulation USD	1.80	—	1.80
31 December 2013	A Accumulation	1.64	—	1.64
	B Accumulation	1.17	—	1.17
	C Accumulation	0.77	—	0.77
	A Accumulation EUR	2.23	—	2.23
	B Accumulation EUR	1.52	—	1.52
	A Accumulation USD	2.06	—	2.06
	B Accumulation USD	1.26	—	1.26

[†]Operating expenses includes annual management charge and other expenses. The operating expenses for the A and B share classes are currently capped at 2.50% per annum and the C and D share classes are currently capped at 1.00% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

*The transaction charges payable to the Depositary are not included in the expenses cap.

**The OCF shows the annual expenses of the Fund as a percentage of the average net asset value, which helps you compare the annual expenses to different schemes.

Summary

Fund Performance

Share Class	Net Asset Value as at 31 December 2014 pence per share	Net Asset Value as at 31 December 2013 pence per share	Net Asset Value % change
A Accumulation	318.6	294.6	8.15
B Accumulation	336.2	309.4	8.66
C Accumulation	145.0	132.9	9.10
D Accumulation†	111.8	102.3	9.29
A Accumulation EUR	151.7	141.8	6.98
B Accumulation EUR	161.9	149.0	8.66
A Accumulation USD	116.0	107.8	7.61
B Accumulation USD	120.0	111.3	7.82

Distributions

Share class	Total distribution (p/¢) for the year to 31 December 2014	Total distribution (p/¢) for the year to 31 December 2013
A Accumulation	—	—
B Accumulation	—	—
C Accumulation	0.1256p	0.0039p
D Accumulation	0.2989p	0.0990p
A Accumulation EUR	—	—
B Accumulation EUR	—	—
A Accumulation USD	—	—
B Accumulation USD	—	—

†Launched 16 December 2013.

Summary (continued)

Comparative Tables

Calendar Year	A Accumulation shares		B Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2010	226.5	183.2	234.5	188.9
2011	228.4	171.1	236.4	177.6
2012	229.3	200.7	239.4	208.7
2013	296.9	217.7	311.8	227.5
2014	324.6	271.5	342.5	285.5

Calendar Year	C Accumulation shares		D Accumulation shares	
	Highest buying price (p)	Lowest selling price (p)	Highest buying price (p)	Lowest selling price (p)
2012	102.3	92.88	—	—
2013	134.0	97.37	103.8	99.94
2014	147.7	95.38	113.9	94.66

Calendar Year	A Accumulation EUR shares		B Accumulation EUR shares	
	Highest buying price (€)	Lowest selling price (€)	Highest buying price (€)	Lowest selling price (€)
2010	131.3	104.3	133.3	104.9
2011	134.7	96.57	136.8	98.56
2012	139.4	118.1	143.7	120.9
2013	171.0	131.2	179.6	135.5
2014	197.5	157.3	210.6	166.2

Calendar Year	A Accumulation USD shares		B Accumulation USD shares	
	Highest buying price (¢)	Lowest selling price (¢)	Highest buying price (¢)	Lowest selling price (¢)
2010	129.4	103.5	130.8	104.3
2011	135.8	103.3	137.4	105.0
2012	135.3	115.4	138.4	117.6
2013	178.5	130.2	184.5	133.5
2014	189.0	160.8	195.4	166.2

Summary (continued)

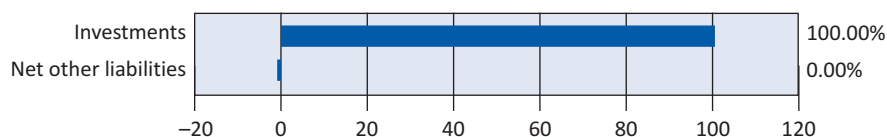
Net Asset Value

Date	31 December 2014		31 December 2013	
Net Asset Value (£)	412,262,635		426,910,142	
Share Class	Number of shares in issue	Net asset value per share (p)	Number of shares in issue	Net asset value per share (p)
A Accumulation	68,372,056	318.6	104,266,390	294.6
B Accumulation	7,119,514	336.2	8,921,238	309.4
C Accumulation	84,519,466	145.0	57,593,327	132.9
D Accumulation	28,996,753	111.8	1,000	102.3
A Accumulation EUR	149,152	151.7	176,782	141.8
B Accumulation EUR	7,889,869	161.9	6,049,901	149.0
A Accumulation USD	1,349,022	116.0	1,283,421	107.8
B Accumulation USD	760,532	120.0	4,409,168	111.3

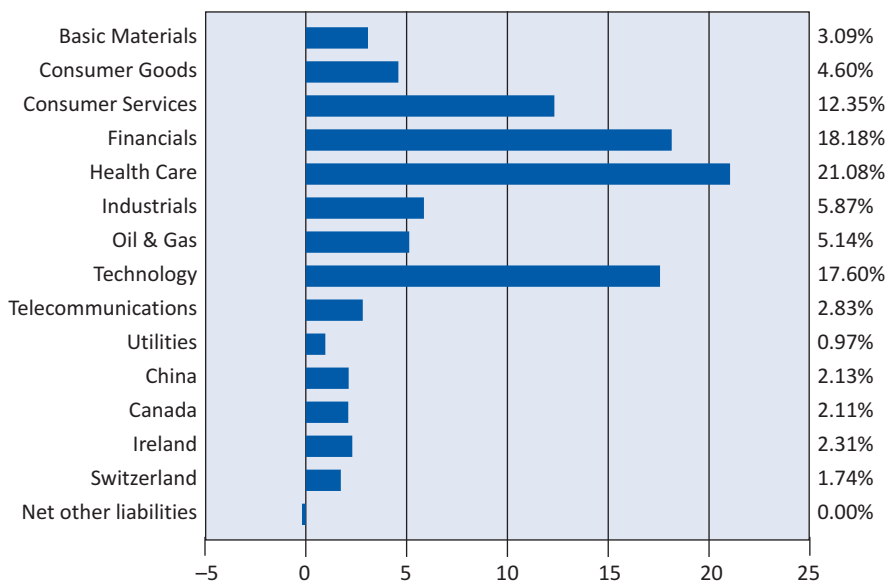
Ten Largest Holdings as at 31 December 2014

	% of net assets
Electronic Arts	3.32
Restoration Hardware	2.98
LinkedIn	2.86
Level 3 Communications	2.83
Ameriprise Financial	2.71
Yahoo!	2.67
Apple	2.62
MasterCard	2.47
McGraw Hill Financial	2.42
Palo Alto Networks	2.38

Classification of Investments as at 31 December 2014



Sector and Geographical Spread of Investments as at 31 December 2014



Investment Manager's Report for the year ended 31 December 2014

The S&P 500 Index returned 20.76% in 2014, much better than most market commentators had assumed at the beginning of the year. However, the year as a whole was quite challenging nonetheless as there were many concerns to be faced at the macro level. In general, the strength of corporate earnings and a positive economic outlook in the US trounced these fears and equities were able to make solid progress again. Against this background, the Neptune US Opportunities Fund returned 9.23%.*

The first quarter was hit by appalling weather, the worst since 1978, and this slowed down Gross Domestic Product (GDP) growth significantly as businesses temporarily closed their doors and economic activity slowed dramatically. The GDP number for Q1 was an incredible -2.9% but the market was able to hold up just fine until there was a patch of weakness in late March early April. This affected the technology and biotechnology sectors particularly, although they did recover later.

The second quarter saw further concerns emerge around the small and mid-cap indices which are often viewed as a leading indicator of the broader economy. The Russell 2000 Index fell 6% in Q2 and, allied with growth concerns emanating from Europe, China and Japan, this made us feel more cautious about the near-term outlook. The 10 year bond yield, another forward looking signal for growth, kept on falling as it did all year, and this added to the fears that the world may be moving into deflation.

The oil price collapse started in July, and continued for the rest of the year, falling from around \$100 per barrel to around \$50 per barrel at year end. This is a great boost for US consumers and we believe will propel the US economy further in 2015 and beyond. During

the deflation fears of the late summer and early autumn, we took a more cautious stance in the portfolio and unfortunately this proved the wrong thing to do. Many of the stocks we sold in a bid to protect gains and be prudent actually went on to perform well in the remainder of the year. This goes a long way to explaining the Fund's underperformance in 2014, but as we look forward into 2015 we see a positive backdrop for the US and one in which US stocks are likely to continue to do well. The strength of the US dollar is another factor which will support flows into the US. We believe the dollar will rise in value in the medium-term, which will serve to keep inflation low and also boost sterling returns for UK-based investors if it continues in its new bull market.

**Source: Lipper, A Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 31 December 2014. The performance of other share classes may differ. Past performance is not a guide for future performance. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific sectors are for illustration purposes only and should not be taken as a recommendation to buy or sell these securities. Neptune funds are not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparison index should be used for reference only. Forecasts are not a reliable indicator of future performance. Any views expressed are those of Neptune as at the date of issue and we do not undertake to advise you as to any changes in our views. Please refer to the Prospectus for further details.*

Accumulation Shares

Shares that do not pay a dividend but reinvest any income earned from the fund's underlying holdings into the value of the shares. All Neptune funds have accumulation shares.

Annual Management Charge

The annual fee charged by Neptune, calculated on a daily basis, for managing the fund.

Distribution

This is the dividend that is paid to investors, based on the income earned from the fund's underlying holdings. Where applicable, investors in an income share class may receive a distribution, whereas in accumulation shares the distribution is reinvested into the value of the shares.

Equities

These are shares in companies. Shareholders are the owners of a company and can vote on important matters such as the appointment of directors. They also participate in the potential increase in value of the company through increases in the value of its shares, if the company is successful for example. Neptune funds predominantly invest in equities.

Fixed Interest Investments

These are bond or debt securities issued by governments and companies that carry rights to a fixed rate of interest paid by the issuer to investors. At the end of the payment term, the issuer repays the capital sum.

Growth Fund

A fund seeking capital growth aims to maximise the value of the money invested, rather than specifically aiming to produce income. In contrast, a fund may seek to maximise income over capital growth. Neptune's fund range includes funds that seek capital growth, funds that seek to generate income and funds that aim to produce income and grow capital.

Income Shares

Income shareholders receive all the income generated by the fund's underlying holdings in the form of a distribution. This is in contrast to accumulation shares. These two choices are important: some investors want income so they opt for income shares. Other investors want growth so they opt for accumulation shares.

ISA (Individual Savings Account)

An ISA is a tax efficient means of investing. All UK tax payers are eligible to invest within an ISA. Due to their tax advantages, the Government limits how much investors can pay into an ISA in each tax year. The current ISA limit is £15,000 for tax year 2014/15, which can be invested in cash, shares or any combination of the two. All Neptune funds are eligible to be held in an ISA; Neptune, however, only offers stocks & shares ISAs. Investors can also transfer existing ISAs which are currently held with other fund providers into our funds.

Junior ISA (Junior Individual Savings Account)

Junior ISAs were launched by the Government to enable parents/guardians to invest in a tax friendly vehicle for their children.

Once a parent or guardian opens a Junior ISA for their child, anyone is able to make a contribution up to the annual limit. The current Junior ISA limit is £4,000 for the tax year 2014/15, which can be invested in cash, shares or any combination of the two. Neptune, however, only offers stocks & shares Junior ISAs. From the age of 16 a child can register to be their own contact. When the child reaches 18 their account is automatically converted into an 'adult' ISA and they are entitled to full access to their investments and savings. All Neptune funds are eligible to be held in a Junior ISA.

Macroeconomics

Analysis of a country or region's economy as a whole. Alongside global industry sector analysis and rigorous stockpicking, macroeconomics forms an important part of Neptune's investment process.

Neptune Investment Funds

A collection of Neptune funds which have a similar legal structure and investment powers but differing investment objectives. Together, these funds – sometimes referred to as sub-funds – make up the Neptune Investment Funds II umbrella, which forms a distinct legal company.

OEIC (Open-Ended Investment Company)

A type of fund in the UK that is structured as a company and has the ability to invest in equities and to adjust its investment criteria and fund size. The price of the shares is based on the underlying holdings of the fund. There are no bid and offer prices on Neptune OEIC shares; buyers and sellers receive the same price but an initial charge may be payable. An OEIC allows investment to be diversified away from holding a single or small number of companies. The majority of Neptune funds are OEICs.

Sector

Globally, businesses can be classified into ten different sectors based on the nature of their industry. These are consumer discretionary, consumer staples, energy, financials, healthcare, industrials, information technology, materials, telecommunications and utilities. Neptune's investment process is based on sector industry analysis, investing our sub-funds based on how we believe each sector will perform.

Sub-Fund

A sub-fund, such as the Neptune Global Equity Fund, forms part of a wider group of funds which sit under the same umbrella known as an investment company. Each sub-fund has its own investment aims and is held separately from other sub-funds within the same umbrella.

Ongoing Charge Figure (OCF)

A measure of the charges associated with managing and operating a Fund and therefore reflective of the cost of investing in a particular fund. These costs consist primarily of management fees as well as legal, auditor and operational expenses. The figure excludes transaction costs and is provided for each share class available within a Fund.

UCITS (Undertakings for Collective Investments in Transferable Securities)

The UCITS legislation governs how a fund can be marketed in the European Union and is designed to allow cross border fund sales to investors of different nationalities.

To obtain UCITS status a fund must invest within defined but wide parameters. The fund may then be sold in any EU country, subject only to the marketing rules of that country and any necessary regulatory approval. All of Neptune's funds are UCITS compliant.

Yield

The amount of income generated by a fund's investments in relation to the price. Funds aiming to generate an income will seek to have a high yield whilst those funds focusing on capital growth typically have a smaller yield.

General Information and Contacts

Buying and Selling of Shares

The ACD will accept orders to buy or sell shares on normal business days between 9.00am and 5.00pm (UK time) and transactions will be effected at prices determined by the next following valuation. Instructions to buy or sell shares may be either in writing to:

Neptune Investment Management Limited,
PO Box 9004,
Chelmsford,
Essex
CM99 2WR

or by telephone on 0800 587 5051.

A contract note will be issued by close of business on the next business day after the dealing date to confirm the transaction.

Distributions

Where a distribution is to be paid, it has been calculated as at 31 December 2014 and distributed to shareholders, where applicable, on 28 February 2015.

Report and Accounts

This document is a short report of Neptune Investment Funds for the year to 31 December 2014. The full Report and Accounts for the Company are available upon written request to Neptune Investment Management Limited, 3 Shortlands, London W6 8DA.

Other Information

The information in this report is designed to enable you to make an informed judgement on the activities of the Company during the period it covers and the results of those activities at the end of the period.

Individual Savings Account (ISA)

Status

During the period under review, all of the share classes of the Funds met the requirements for ISA qualification as determined by the HM Revenue & Customs ISA Regulations.

Contacts

ACD and Investment Manager

Neptune Investment Management Limited
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(Authorised and regulated by the FCA)

Directors of the ACD

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Robert Warner
Patrick Berton
Richard Green
Robert Pickering
James Cripps

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Fund Accountant and Valuing Agent

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Administrator and Registrar

International Financial Data Services (UK) Limited
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(Authorised and regulated by the FCA)

Auditor

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www.neptunefunds.com

Neptune Investment Management Limited is authorised and regulated by the FCA. FCA number 416015.
Registered Address: Lion House, Red Lion Street, London WC1R 4GB. Registered in England & Wales no. 4341768.
VAT registration no. 887 1263 92.