Neptune Investment Funds

Neptune China Fund
Neptune European Opportunities Fund
Neptune Global Alpha Fund
Neptune Global Equity Fund
Neptune Global Income Fund
Neptune Income Fund
Neptune India Fund
Neptune Japan Opportunities Fund
Neptune Latin America Fund
Neptune Russia and Greater Russia Fund
Neptune UK Mid Cap Fund
Neptune UK Opportunities Fund
Neptune US Mid Cap Fund
Neptune US Income Fund
Neptune US Opportunities Fund

Interim Report and Financial Statements | 30 June 2017

www.neptunefunds.com

neptune
The Real World Investors

Neptune Investment Funds

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Notes

Please read the following important notes and definitions to aid your understanding of the technical terms used in this annual report and financial statements.

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.

Equalisation

Equalisation applies to shares purchased during a distribution period, known as 'Group 2' shares. It is the average amount of income included in the purchase price of all the Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax, but must be deducted from the cost of the shares for capital gains tax purposes. The equalisation amount for each share class and distribution is shown in the distribution table. Group 2 shares revert to being Group 1 shares following the first distribution after their purchase.

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.

Fair Value Hierarchy

The fair value hierarchy gives information on how the fair value of the underlying investments has been measured in arriving at the valuation of the assets in the fund:

Level 1 – the unadjusted quoted price in an active market for identical assets or liabilities that can be accessed at the measurement date (31 December 2016). This will generally include quoted equities, highly liquid bonds and exchange traded derivatives.

Level 2 – uses inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly. This means the valuation has been derived using observable market inputs such as quoted prices for similar instruments, interest rates, yield curves and credit spreads.

Level 3 – valuation inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability. Level 3 assets might include unquoted 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 £20,000 for tax year 2017/18, 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 £4,128 for the tax year 2017/18, 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.

Notes (continued)

Negative Equalisation
Equalisation that is applied to each share class when in a deficit position, also known as 'negative equalisation', rather than applying a nil rate. Negative equalisation should be applied to avoid any possible distortion of distribution yields when comparing share class performance in a sub-fund.

Neptune Investment Funds
A number 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 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.

OEICs are also referred to as Investment Companies with Variable Capital (ICVC).

Operating 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.

The OCF shows the annual expenses of the fund expressed as a percentage of the average net asset value, which helps you compare the annual expenses to other classes, funds and different schemes.

The ACD caps the OCF as a percentage of the average net asset value. The OCF percentage cap for each share class is given in the Performance Record for the class. The OCF capping is entirely at the discretion of the ACD and may cease at any time.

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 objective and is held separately from other sub-funds within the same umbrella.

UCITS (Undertakings for Collective Investment 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.

Certification of Financial Statements by Directors of the Authorised Corporate Director (ACD)

This report is signed in accordance with the requirements of the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority (FCA).

Cross Holdings

Sub-Fund	Shares held	Holding £	Value £
Neptune US Opportunities Fund	Neptune US Mid Cap Fund	114,000	140,220
Neptune Global Alpha Fund	Neptune Latin America Fund	2,550,000	2,515,830
Neptune Global Equity Fund	Neptune India Fund	2,246,000	5,327,512
Neptune Global Equity Fund	Neptune Latin America Fund	4,137,000	4,081,564
Neptune Global Equity Fund	Neptune Russia & Greater Russia Fund	7,215,000	7,438,665

There were no other cross holdings within the ICVC.

For
Neptune Investment Management Limited (Neptune)
ACD of Neptune Investment Funds
17 August 2017

Neptune China Fund

Investment Objective

The investment objective of the Neptune China Fund (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.

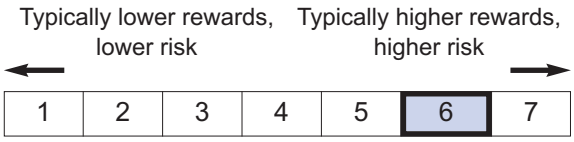
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- This Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

Over the first half of the year, global equity markets performed well driven by ongoing positive economic data worldwide and the prospect of muted increases in global interest rates. Against this promising backdrop, emerging markets in general outperformed, continuing the trend established since January 2016. Moreover, the half was a good one for the Chinese market, which in turn outperformed emerging markets. We believe the external environment for China – and wider emerging markets – remains favourable, with global economic indicators continuing to firm and inflation relatively contained, reducing the pressure for interest rates to increase. China's official first half GDP year-on-year growth was better than expected at 6.9%. This was despite being in the context of gradually tightening domestic monetary policy, indicating that concerns over a slowdown in growth have so far been overstated. China forex reserves have also risen for four consecutive months to the end of June. This has helped to ease concerns of a currency/foreign reserves collapse this year and indicates that the government's moves to tighten capital controls and slow outflows are succeeding.

The Neptune China Fund returned 15.36% against the MSCI China Index return of 18.87%.* The biggest loss of relative performance was our underweight positioning in the two largest benchmark stocks; Tencent and Alibaba, both of which continued to outperform. Combined, they represented c.28% of the MSCI China, compared to a maximum of 10% position in any given stock that the Neptune China Fund can hold.

The Fund was also impacted by an overweight allocation to the industrials sector, which was adversely affected by the tightening of financial conditions. However, this was to some extent offset by the underweight position in the financials sector, as well as an underweight position in the energy sector, which has struggled with a significant drop in oil prices. The consumer discretionary sector did well, although the Fund's relative performance was impacted somewhat by reduced sentiment around the Macau casino companies. However, this was in turn partly balanced by having no exposure to the consumer staples sector which underperformed the benchmark considerably.

In June, Chinese mainland stocks, or A-shares, gained entry to the MSCI Emerging Markets Index, putting them on the map for all emerging markets investors. While the weighting in the benchmark is currently low and we have not made any changes to the portfolio, the significance is in what is yet to come as a gradual increase may occur if market liberalisation continues.

We believe the outlook for the Chinese economy is robust and as such will continue to move the portfolio to an increasingly cyclical position in order to reflect the ongoing recovery in corporate earnings.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	CHINA 66.97% (2016 - 64.73%)		
	CONSUMER GOODS 3.06% (2016 - 4.80%)		
	PERSONAL GOODS 3.06%		
190,000	ANTA Sports Products	478,274	1.44
105,900	Shenzhou	535,763	1.62
	CONSUMER SERVICES 5.22% (2016 - 4.60%)		
	GENERAL RETAILERS 3.51%		
648,000	China Maple Leaf Educational Systems	407,472	1.23
24,832	JD.com ADR	755,569	2.28
	TRAVEL & LEISURE 1.71%		
13,735	Ctrip.com International ADR	569,677	1.71
	FINANCIALS 15.68% (2016 - 16.23%)		
	BANKS 8.04%		
2,810,000	Bank of China	1,059,626	3.19
1,583,000	China Construction Bank	943,845	2.85
1,276,800	Industrial & Commercial Bank of China	662,966	2.00
	LIFE INSURANCE 7.64%		
414,000	China Life Insurance	972,658	2.93
308,000	Ping An Insurance	1,564,296	4.71
	HEALTH CARE 3.46% (2016 - 3.25%)		
	PHARMACEUTICALS & BIOTECHNOLOGY 3.46%		
369,500	3SBio	377,153	1.14
1,258,200	China Animal Healthcare*	-	-
260,400	Shanghai Fosun Pharmaceutical	771,161	2.32
	INDUSTRIALS 5.18% (2016 - 5.95%)		
	CONSTRUCTION & MATERIALS 2.69%		
652,600	BBMG	253,820	0.76
645,000	China Communications Construction	639,258	1.93
	ELECTRONIC & ELECTRICAL EQUIPMENT 1.66%		
43,542	Hollysys Automation Technologies	550,545	1.66
	INDUSTRIAL ENGINEERING 0.83%		
735,800	Zoomlion Heavy Industry Science and Technology	276,010	0.83
	OIL & GAS 5.47% (2016 - 6.94%)		
	ALTERNATIVE ENERGY 2.70%		
1,815,200	Huaneng Renewables	431,841	1.30
2,109,400	Xinyi Solar Holdings	464,351	1.40
	OIL & GAS PRODUCERS 2.77%		
472,000	CNOOC	398,374	1.20
1,100,000	PetroChina	519,043	1.57
	TECHNOLOGY 28.90% (2016 - 22.96%)		
	SOFTWARE & COMPUTER SERVICES 26.80%		
29,713	Alibaba ADR	3,222,103	9.71
12,989	Baidu ADR	1,797,653	5.42
140,500	Tencent	3,872,352	11.67
	TECHNOLOGY HARDWARE & EQUIPMENT 2.10%		
377,800	ZTE	695,170	2.10

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	HONG KONG 29.34% (2016 - 33.06%)		
256,000	BOC Hong Kong	943,873	2.84
473,000	China Everbright	453,381	1.37
113,000	China Mobile	924,175	2.78
188,000	China Resources Gas	494,582	1.49
223,566	China Resources Land	499,870	1.51
596,000	China State Construction	784,847	2.36
612,000	China Unicom Hong Kong	699,589	2.11
1,761,000	Far East Consortium International	752,713	2.27
126,000	Galaxy Entertainment	588,943	1.78
358,400	Haier Electronics	716,434	2.16
150,000	Longtop Financial Technologies ADR*	—	—
959,000	PAX Global Technology	471,444	1.42
201,000	Shanghai Industrial	455,367	1.37
307,900	Shenzhen	432,815	1.30
41,000	Sun Hung Kai Properties	463,822	1.40
2,621,400	Tongda	597,761	1.80
1,296,000	Wasion Group Holdings	456,726	1.38
	MACAU 1.12% (2016 - 1.29%)		
105,100	Sands China	370,904	1.12
	UNITED STATES 1.14% (2016 - 0.00%)		
117,900	Samsonite International	378,251	1.14
	Portfolio of investments	32,704,477	98.57
	Net other assets	472,889	1.43
	Net assets	33,177,366	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

*Delisted security.

Stocks shown as ADRs represent American Depositary Receipts.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
China Life Insurance	998,763
ZTE	566,302
Samsonite International	352,163
Zoomlion Heavy Industry Science and Technology	331,952
Far East Consortium International	201,424

Sales	Proceeds £
China Mobile	987,828
BBMG	582,474
China Minsheng Banking	459,210
Dongfeng Motor	449,574
GCL-Poly Energy	282,441

Neptune China Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
A Accumulation			
2014	315.1p	252.5p	1.6783p
2015	391.8p	254.8p	2.3325p
2016	380.6p	242.5p	2.7332p
2017	409.1p*	347.5p*	0.2839p**
B Accumulation			
2014	326.5p	262.1p	2.8364p
2015	408.6p	266.2p	3.4862p
2016†	343.2p***	253.7p***	3.8905p
C Accumulation			
2014	125.3p	100.7p	1.6382p
2015	157.6p	102.9p	1.7207p
2016	155.4p	98.37p	1.8831p
2017	168.3p*	142.3p*	0.8971p**
C Accumulation USD‡			
2014	122.3¢	100.7¢	0.8836¢
2015	136.2¢	93.85¢	1.2152¢
2016	112.8¢	83.61¢	1.0974¢
2017	125.8¢*	102.0¢*	1.2122¢**

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	24,313,584	8,121,557	299.4
31 December 2015	12,731,382	4,278,445	297.6
31 December 2016	10,196,044	2,943,857	346.3
30 June 2017	10,680,933	2,686,773	397.5
B Accumulation			
31 December 2014	19,058,731	6,113,165	311.8
31 December 2015	439,370	141,349	310.8
31 December 2016	—	—	—
C Accumulation			
31 December 2014	6,251,632	5,203,523	120.1
31 December 2015	11,939,988	9,903,251	120.6
31 December 2016	19,994,890	14,104,561	141.8
30 June 2017	22,495,474	13,756,438	163.5
C Accumulation USD			
31 December 2014	7,306,547	10,344,011	70.64
31 December 2015	7,289,574	10,335,257	70.73
31 December 2016	827	1,000	82.70
30 June 2017	959	1,000	95.87

†Closed 2 August 2016.
‡Share class name changed from B Accumulation USD on 1 August 2016.
*To 30 June 2017.
**To 31 August 2017.
***From 1 January 2016 to 2 August 2016.

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
3 July 2017	A Accumulation	399.7p	0.07
	C Accumulation	164.4p	0.67
	C Accumulation USD	124.9¢	0.97
3 January 2017	A Accumulation	347.5p	0.79
	C Accumulation	142.3p	1.32
	C Accumulation USD	102.0¢	1.08

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Accumulation	1.96
	C Accumulation	0.96
	C Accumulation USD	0.96
31 December 2016	A Accumulation	2.00
	C Accumulation	0.98
	C Accumulation USD	1.29

‡The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 2.10% per annum, the C share classes are currently capped at 1.10% per annum of the relevant share class net asset value, by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 7.

Details of the distribution per share for the period are shown in the distribution table on page 15.

Status

Neptune China Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains/(losses)		4,386,169		(44,529)
Revenue	341,554		799,940	
Expenses	(199,006)		(231,095)	
Interest payable and similar charges	(183)		(3,169)	
Net revenue before taxation	142,365		565,676	
Taxation	(14,090)		(46,636)	
Net revenue after taxation		128,275		519,040
Total return before distributions		4,514,444		474,551
Distributions		(128,333)		(520,733)
Change in net assets attributable to shareholders from investment activities		4,386,111		(46,222)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		30,191,761		32,400,314
Amounts received on issue of shares	1,502,698		10,934,085	
Amounts paid on cancellation of shares	(3,034,250)		(2,916,865)	
		(1,531,552)		8,017,220
Dilution adjustment charged		—		30,726
Change in net assets attributable to shareholders from investment activities		4,386,111		(46,222)
Retained distribution on accumulation shares		131,046		501,620
Closing net assets attributable to shareholders		33,177,366		40,903,658

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed Assets				
Investments		32,704,477		29,914,935
Current Assets				
Debtors	209,326		330,242	
Cash and bank balances	328,771		76,630	
Total current assets		538,097		406,872
Total assets		33,242,574		30,321,807
Liabilities				
Creditors				
Other creditors	(65,208)		(130,046)	
Total liabilities		(65,208)		(130,046)
Net assets attributable to shareholders		33,177,366		30,191,761

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Accumulation shares (p)				
Group 1	0.2839	—	0.2839	2.7332
Group 2	0.2839	—	0.2839	2.7332
B Accumulation shares (p)				
Group 1	—	—	—	3.8905
Group 2	—	—	—	3.8905
C Accumulation shares (p)				
Group 1	0.8971	—	0.8971	1.6749
Group 2	0.8971	—	0.8971	1.6749
C Accumulation USD shares (¢)				
Group 1	1.2122	—	1.2122	1.0974
Group 2	1.2122	—	1.2122	1.0974

Neptune European Opportunities Fund

Investment Objective

The investment objective of the Neptune European Opportunities Fund (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.

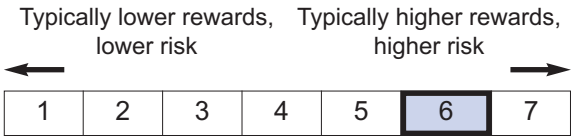
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune European Opportunities Fund returned 12.72% in the first half of 2017, ahead of the MSCI Europe ex UK Index return of 12.56% and marginally behind the IA Europe ex UK sector average of 12.89%. The Fund is the top performer in the peer group over one year returning 62.53% versus the peer group average return of 29.35%.*

The first quarter of 2017 saw a slight pause in value's previous outperformance of growth, as election fears distracted from Europe's improving macroeconomic landscape. Uncertainty rose ahead of the Dutch election although fears proved to be unfounded. Geert Wilders won only 13% of the vote in Holland, providing a set-back to populism. European markets were also fairly muted at the beginning of the second quarter, as investors were unwilling to make an outright call on the results of the French Presidential election, despite the clear indication in the polls. Centrist and pro-European Emmanuel Macron's substantial victory, with nearly double the votes of the anti-EU Marine Le Pen, marked a turning point in sentiment towards European equities.

With election fears lifted, the underlying strength of European corporates returned to investors' focus. First quarter earnings results were solid, with more than two thirds of European companies beating their earnings expectations; financials and industrials led the way. Intesa and BNP, both holdings in the Fund, published good earnings. Value style equities performed well towards the end of the second quarter, but for most of the first half of 2017 value was subdued by the decline in US 10 year bond yields. During this phase, there was a broader rotation into expensive "bond proxy" style equities. This trend was more clearly marked in the US than it was in Europe but remained visible, until it came to an end in June.

The ECB meeting helped facilitate an improvement in the market tone as they changed their economic outlook from negative to balanced and by committing to not cutting interest rates further. This shift was strengthened by Mario Draghi's speech, which suggested a slow move towards reducing the ECB's stimulus package. Financials recovered, with banks a solid performer over the period. This contributed to the portfolio's returns in the second quarter, with financials being our largest overweight. The broader economic data was also supportive of European market growth, with increasing consumer confidence, lowering unemployment, increasing composite PMIs and GDP growth.

Political uncertainty and fears over China's debt burden were two of the major forces working against investor sentiment in European markets for the first months of the year. The outlook is now relatively benign; German elections later in the year carry no real threat to the EU as both candidates are pro the union, and we think the odds of a disruptive result in the Italian elections are lower than some investors believe. Better data out of China can further allay investor fears. Now that rates have hit a floor and the path to tapering is clear, we think value sectors are well positioned for a long term renaissance and the Fund remains positioned accordingly.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	AUSTRIA 1.03% (2016 - 1.28%)		
119,002	Voestalpine	4,238,733	1.03
	BELGIUM 1.21% (2016 - 1.44%)		
47,960	Solvay	4,985,578	1.21
	CANADA 3.72% (2016 - 3.68%)		
82,770	Agrium	5,767,784	1.40
768,275	Potash Corp of Saskatchewan	9,613,426	2.32
	DENMARK 1.47% (2016 - 3.16%)		
3,938	AP Moller - Maersk	6,091,206	1.47
	FINLAND 1.56% (2016 - 0.00%)		
84,718	Metso	2,257,874	0.55
691,021	Outokumpu	4,192,823	1.01
	FRANCE 20.49% (2016 - 23.70%)		
226,880	BNP Paribas	12,735,405	3.08
170,903	Bouygues	5,588,810	1.35
675,555	Credit Agricole	8,482,904	2.05
172,275	Orange	2,128,429	0.51
201,811	Peugeot	3,129,090	0.76
133,568	Renault	9,414,182	2.28
258,688	Société Générale	10,846,331	2.62
397,278	Television Francaise 1	4,339,276	1.05
168,545	TOTAL	6,492,150	1.57
1,540,712	Vallourec	7,302,710	1.77
381,486	Vivendi	6,640,713	1.60
365,179	Zodiac Aerospace	7,637,204	1.85
	GERMANY 22.62% (2016 - 14.24%)		
52,681	BASF	3,785,294	0.92
55,538	Bayer	5,541,521	1.34
1,707,433	Commerzbank	15,686,257	3.79
55,923	Continental	9,324,464	2.25
192,092	Daimler	10,821,481	2.62
944,199	Deutsche Bank	13,175,456	3.19
272,766	K+S	5,426,481	1.31
39,223	Linde	5,809,265	1.40
91,460	Porsche Automobil Preference Shares	3,997,100	0.97
198,883	Salzgitter	6,204,084	1.50
86,123	Volkswagen Preference Shares	10,140,879	2.45
43,403	Wacker Chemie	3,651,445	0.88
	ITALY 11.81% (2016 - 7.94%)		
939,596	Eni	10,956,294	2.65
7,097,743	Intesa Sanpaolo	17,450,965	4.22
5,851,336	Telecom Italia	3,367,813	0.82
1,166,813	UniCredit	17,050,815	4.12
	LUXEMBOURG 2.26% (2016 - 0.00%)		
539,119	ArcelorMittal	9,358,652	2.26
	NETHERLANDS 3.77% (2016 - 6.72%)		
1,570,486	Aegon	6,254,255	1.51
299,005	ING	4,012,076	0.97
430,696	SBM Offshore	5,313,608	1.29

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	NORWAY 3.99% (2016 - 7.80%)		
3,816,355	Agrinos	875,728	0.21
376,406	DNB	4,912,886	1.19
372,888	Yara International	10,699,119	2.59
	SPAIN 10.33% (2016 - 9.20%)		
1,349,011	Banco Bilbao Vizcaya Argentaria	8,779,117	2.12
3,034,112	Bankia	11,328,434	2.74
2,149,965	CaixaBank	7,915,840	1.92
305,524	Repsol	3,645,832	0.88
305,524	Repsol Rights 30/06/2017	107,120	0.03
2,745,326	Sacyr	5,717,336	1.38
2,745,326	Sacyr Rights 16/07/2017	171,278	0.04
628,194	Telefonica	5,053,081	1.22
	SWEDEN 6.72% (2016 - 5.05%)		
206,276	Alfa Laval	3,272,220	0.79
154,483	Sandvik	1,880,538	0.46
836,653	SKF	13,195,854	3.19
1,655,001	SSAB	4,683,761	1.13
1,364,735	SSAB Svenskt Stal	4,757,604	1.15
	SWITZERLAND 4.21% (2016 - 7.52%)		
67,758	Adecco	4,015,991	0.97
6,390	Swatch	1,842,054	0.44
875,393	UBS	11,558,745	2.80
	UNITED KINGDOM 4.22% (2016 - 7.08%)		
871,111	Antofagasta	7,003,732	1.70
315,201	Rio Tinto	10,351,201	2.50
96,462,730	Rolls-Royce Preference Shares	96,463	0.02
	Portfolio of investments	411,076,767	99.41
	Net other assets	2,438,951	0.59
	Net assets	413,515,718	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
UniCredit	14,460,667
Rio Tinto	13,105,125
ArcelorMittal	12,245,095
UBS	11,340,158
Daimler	11,302,567

Sales	Proceeds £
Banco Santander	13,130,419
BNP Paribas	12,751,608
BP	12,558,214
Rolls-Royce	12,042,070
DNB	11,178,015

Neptune European Opportunities Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
A Income			
2014	432.6p	325.0p	2.0637p
2015	407.3p	334.9p	1.2008p
2016	474.1p	298.6p	6.0372p
2017	533.0p*	470.9p*	11.2506p**
A Accumulation			
2014	479.3p	362.5p	2.4377p
2015	455.0p	374.1p	1.5132p
2016	536.5p	334.5p	6.3420p
2017	606.4p*	535.7p*	7.4520p**
B Income			
2014	445.0p	335.1p	4.3230p
2015	419.9p	344.8p	4.0981p
2016	480.2p	306.6p	12.3004p
2017	541.3p*	477.3p*	11.4164p**
B Accumulation			
2014	503.1p	381.6p	4.9781p
2015	480.0p	394.2p	2.1570p
2016	570.7p	354.2p	7.7271p
2017	646.7p*	570.3p*	9.4633p**
C Income			
2014	126.7p	95.44p	1.8129p
2015	119.5p	98.05p	1.4850p
2016	137.9p	87.48p	3.2124p
2017	155.8p*	137.2p*	3.2834p**
C Accumulation			
2014	145.8p	110.9p	2.1135p
2015	139.8p	114.7p	1.2547p
2016	167.7p	103.7p	2.8360p
2017	190.6p*	167.8p*	3.2359p**
D Accumulation			
2014	116.4p	88.54p	1.8144p
2015	111.7p	91.59p	1.0438p
2016	134.2p	82.87p	2.3704p
2017	152.5p*	133.9p*	2.6619p**
A Accumulation EUR			
2014	182.4¢	140.7¢	1.1156¢
2015	137.6¢	116.9¢	0.7522¢
2016	195.3¢	131.6¢	2.3717¢
2017	217.6¢*	196.1¢*	2.6224¢**
B Accumulation EUR			
2014	187.0¢	144.5¢	1.9091¢
2015	141.9¢	120.2¢	1.3319¢
2016	202.8¢	136.1¢	2.8225¢
2017	226.4¢*	203.9¢*	3.2497¢**
C Accumulation EUR			
2014†	101.6¢	82.57¢	0.5718¢
2015	81.11¢	68.61¢	1.0176¢
2016	116.7¢	78.01¢	2.0259¢
2017	130.6¢*	115.4¢*	2.1786¢**

†Launched 1 July 2014.
*To 30 June 2017.
**To 31 August 2017.

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Income			
31 December 2014	11,212,994	3,247,415	345.3
31 December 2015	5,451,711	1,457,268	374.1
31 December 2016	2,400,245	510,271	470.4
30 June 2017	2,471,565	478,715	516.3
A Accumulation			
31 December 2014	158,210,971	41,027,761	385.6
31 December 2015	74,515,391	17,767,496	419.4
31 December 2016	48,010,391	8,970,412	535.2
30 June 2017	52,681,160	8,777,155	600.2
B Income			
31 December 2014	30,320,172	8,531,659	355.4
31 December 2015	31,097,818	8,089,786	384.4
30 December 2016	3,409,076	715,436	476.5
30 June 2017	3,150,743	600,921	524.3
B Accumulation			
31 December 2014	34,139,626	8,403,168	406.3
31 December 2015	11,013,550	2,480,919	443.9
31 December 2016	3,226,237	566,664	569.3
30 June 2017	3,427,566	535,495	640.1
C Income			
31 December 2014	52,445,002	51,905,621	101.0
31 December 2015	65,563,011	59,851,251	109.5
31 December 2016	45,330,050	33,134,402	136.8
30 June 2017	66,887,365	44,320,489	150.9
C Accumulation			
31 December 2014	133,714,529	113,130,951	118.2
31 December 2015	174,043,398	134,048,231	129.8
31 December 2016	135,796,858	81,144,317	167.4
30 June 2017	183,742,392	97,415,454	188.6
D Accumulation			
31 December 2014	20,910,354	22,154,094	94.39
31 December 2015	28,699,195	27,655,691	103.8
31 December 2016	16,699,682	12,472,364	133.9
30 June 2017	26,129,293	17,307,003	151.0
A Accumulation EUR			
31 December 2014	35,463,145	29,725,268	119.3
31 December 2015	31,010,791	23,902,438	129.7
31 December 2016	8,181,782	4,941,560	165.6
30 June 2017	8,464,885	4,558,868	185.7
B Accumulation EUR			
31 December 2014	38,003,381	30,976,190	122.7
31 December 2015	46,076,996	34,362,137	134.1
31 December 2016	28,190,906	16,390,279	172.0
30 June 2017	24,863,785	12,859,008	193.4
C Accumulation EUR			
31 December 2014	1,151,087	1,644,364	70.00
31 December 2015	19,450,353	25,314,150	76.84
31 December 2016	32,735,576	33,055,849	99.03
30 June 2017	41,696,964	37,356,279	111.6

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
3 July 2017	A Income	520.4p	2.65
	A Accumulation	604.9p	1.23
	B Income	528.5p	2.65
	B Accumulation	645.1p	1.47
	C Income	152.1p	2.64
	C Accumulation	190.1p	1.85
	D Accumulation	152.2p	1.93
	A Accumulation EUR	213.1¢	1.23
	B Accumulation EUR	221.9¢	1.46
	C Accumulation EUR	128.1¢	1.85
3 January 2017	A Income	475.2p	1.27
	A Accumulation	540.7p	1.17
	B Income	481.4p	2.56
	B Accumulation	575.2p	1.34
	C Income	138.2p	2.40
	C Accumulation	169.1p	1.68
	D Accumulation	135.3p	1.75
	A Accumulation EUR	197.8¢	1.20
	B Accumulation EUR	205.5¢	1.37
	C Accumulation EUR	118.3¢	1.71

Fund Information (continued)

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Income	1.87
	A Accumulation	1.87
	B Income	1.37
	B Accumulation	1.37
	C Income	0.87
	C Accumulation	0.87
	D Accumulation	0.77
	A Accumulation EUR	1.87
	B Accumulation EUR	1.37
	C Accumulation EUR	0.87
31 December 2016	A Income	1.87
	A Accumulation	1.87
	B Income	1.36
	B Accumulation	1.37
	C Income	0.87
	C Accumulation	0.87
	D Accumulation	0.77
	A Accumulation EUR	1.86
	B Accumulation EUR	1.37
	C Accumulation EUR	0.87

‡The OCF includes the annual management charges and other expenses. The OCF of the A share classes are currently capped at 2.00% per annum, the B share classes are currently capped at 1.50% per annum, the C share classes are currently capped at 1.00% per annum and the D share classes are currently capped at 0.90% per annum of the relevant share class net asset value, by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 17.

Details of the distributions per share for the period are shown in the distribution table on page 27.

Status

Neptune European Opportunities Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains/(losses)		35,896,022		(54,389,452)
Revenue	8,823,133		8,757,481	
Expenses	(2,007,023)		(2,087,110)	
Interest payable and similar charges	(2,940)		(4,622)	
Net revenue before taxation	6,813,170		6,665,749	
Taxation	(303,076)		(237,144)	
Net revenue after taxation		6,510,094		6,428,605
Total return before distributions		42,406,116		(47,960,847)
Distributions		(6,802,188)		(6,831,233)
Change in net assets attributable to shareholders from investment activities		35,603,928		(54,792,080)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		323,980,804		486,922,214
Amounts received on issue of shares	98,596,420		21,600,344	
Amounts paid on cancellation of shares	(50,170,540)		(225,671,347)	
		48,425,880		(204,071,003)
Dilution adjustment charged		—		47,607
Stamp duty reserve tax*		—		429
Change in net assets attributable to shareholders from investment activities		35,603,928		(54,792,080)
Retained distribution on accumulation shares		5,505,106		4,142,378
Closing net assets attributable to shareholders		413,515,718		232,249,545

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

*Stamp duty reserve tax was abolished from 30 March 2014 for OEICs. The 2016 balance relates to aged refunds.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed Assets				
Investments		411,076,767		320,122,889
Current Assets				
Debtors	3,518,916		2,299,308*	
Cash and bank balances	1,336,925		2,996,189*	
Total current assets		4,855,841		5,295,497
Total assets		415,932,608		325,418,386
Liabilities				
Creditors				
Distributions payable	(1,577,681)		(275,742)	
Other creditors	(839,209)		(1,161,840)	
Total liabilities		(2,416,890)		(1,437,582)
Net assets attributable to shareholders		413,515,718		323,980,804

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

*Comparatives have been restated.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Income shares (p)				
Group 1	11.2506	—	11.2506	3.4920
Group 2	8.5759	2.6747	11.2506	3.4920
A Accumulation shares (p)				
Group 1	7.4520	—	7.4520	6.3420
Group 2	6.0323	1.4197	7.4520	6.3420
B Income shares (p)				
Group 1	11.4164	—	11.4164	9.7301
Group 2	8.5628	2.8536	11.4164	9.7301
B Accumulation shares (p)				
Group 1	9.4633	—	9.4633	7.7271
Group 2	7.2834	2.1799	9.4633	7.7271
C Income shares (p)				
Group 1	3.2834	—	3.2834	2.5749
Group 2	2.2232	1.0602	3.2834	2.5749
C Accumulation shares (p)				
Group 1	3.2359	—	3.2359	2.5612
Group 2	2.2735	0.9624	3.2359	2.5612
D Accumulation shares (p)				
Group 1	2.6619	—	2.6619	2.0924
Group 2	2.0133	0.6486	2.6619	2.0924
A Accumulation EUR shares (¢)				
Group 1	2.6224	—	2.6224	2.3717
Group 2	2.1020	0.5204	2.6224	2.3717
B Accumulation EUR shares (¢)				
Group 1	3.2497	—	3.2497	2.8225
Group 2	2.7129	0.5368	3.2497	2.8225
C Accumulation EUR shares (¢)				
Group 1	2.1786	—	2.1786	1.8349
Group 2	1.6458	0.5328	2.1786	1.8349

Neptune Global Alpha Fund

Investment Objective

The investment objective of the Neptune Global Alpha Fund (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, sectorial 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.

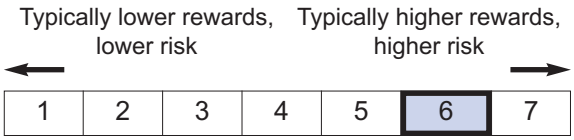
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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 income usually also carry greater risk as such bond issuers may have difficulty in paying their debts.
- The Investment 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 Investment 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune Global Alpha Fund returned 9.14% in the first half of 2017, outperforming the IA Flexible Investment sector, where the average return was 6.00%. Furthermore, the Fund remains the best performer in the IA sector since launch in December 2001, returning 381.20%.*

Positive global economic data drove global stockmarkets higher over the first quarter of 2017. Emerging markets were the strongest performers, with India, China and Latin America outpacing their developed market peers. The Trump trade continued, buoyed by promised tax reforms, infrastructure spending and deregulation, although this lost momentum towards the end of March following Trump's failure to repeal Obamacare.

This worldwide recovery continued in the second quarter as global leading indicators peaked; strong PMI data from China enabled it to be the best performing market over the quarter. While investors were pre-occupied with a number of headline risks – the French election, Chinese tightening and Trump to name a few – Macron's triumph saw political risk in Europe significantly recede, allowing the strength of European corporates to shine through.

Manufacturing data in the US continued to accelerate, which allowed the Fed to continue raising rates. Expectations surrounding Trump's influence are now at rock bottom, which we believe gives his administration the potential to positively surprise when any pro-growth reforms are passed. Meanwhile in the UK, Theresa May's decision to call a snap election in the UK backfired, with the Conservatives losing their slim working majority. We continue to be wary of the UK consumer, with weak retail sales, consumer confidence and PMI data signalling the start of a slowdown.

The Neptune Global Alpha Fund experienced strong performance across its US healthcare holdings in the first three months of the year, with Dexcom and Incyte significantly outperforming. After a softer end to 2016, technology was one of the top performing sectors; the main drivers were RingCentral, Facebook and our Chinese internet holdings.

Technology's strong performance in the first quarter of the year continued in to the second, with Nvidia, and our Chinese internet holdings driving returns. The key portfolio change in the second quarter, was to reduce our Russian exposure, where we sold Lukoil, Novatek, Sberbank and Norilsk Nickel. We believe the current oil price is at a 'Goldilocks' level for the Russian economy, driving reform and stimulating growth in the medium term, however there were a number of short-term headwinds which saw a second quarter of underperformance for the market.

The US continues to be our favoured market, where the Fund is positioned to benefit from rising interest rates and the disruptive forces of technological advancement, and we remain more bullish than consensus on the outlook for the Chinese economy. We believe the portfolio is well-positioned to benefit from any rotation towards value, given our minimal exposure to 'bond proxy' style companies.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	CHILE 2.02% (2016 - 0.00%)		
200,000	Antofagasta	1,608,000	2.02
	CHINA 7.33% (2016 – 6.63%)		
20,000	Alibaba ADR	2,168,817	2.73
11,500	Baidu ADR	1,591,578	2.00
75,000	Tencent	2,067,092	2.60
	CYPRUS 5.49% (2016 – 2.09%)		
409,000	Globaltrans Investment GDR	2,354,070	2.96
230,000	Ros Agro GDR	2,011,403	2.53
	HONG KONG 3.63% (2016 - 2.51%)		
1,875,000	Mandarin Oriental International	2,882,169	3.63
	ISRAEL 1.69% (2016 - 2.14%)		
41,000	Mellanox Technologies	1,342,605	1.69
	JAPAN 15.00% (2016 - 18.94%)		
158,000	CYBERDYNE	1,623,704	2.04
90,000	Dai-ichi Life Insurance	1,253,623	1.58
65,000	Jafco	2,018,693	2.54
50,000	Mitsubishi Estate	719,672	0.91
87,000	Optex	2,175,319	2.74
60,000	Sony	1,768,898	2.22
50,000	Sumitomo Mitsui Financial	1,505,035	1.89
36,000	Sumitomo Realty & Development	856,797	1.08
	RUSSIA 1.37% (2016 - 6.43%)		
800,000	Moscow Exchange	1,092,290	1.37
	UNITED KINGDOM 10.95% (2016 - 4.07%)		
35,000	LivaNova	1,670,917	2.10
1,020,000	Melrose Industries	2,468,400	3.11
189,000	Neptune Global Smaller Companies Fund†	241,731	0.30
2,550,000	Neptune Latin America Fund†	2,515,830	3.17
16,000	Willis Towers Watson	1,808,160	2.27
	UNITED STATES 49.73% (2016 - 55.64%)		
3,500	Alphabet 'A'	2,527,896	3.18
4,200	Amazon.com	3,155,962	3.97
21,000	ANSYS	1,948,468	2.45
60,000	Brink's	3,090,496	3.89
55,000	Brown-Forman	2,066,340	2.60
19,000	DexCom	1,072,058	1.35
30,000	Evercore Partners	1,633,085	2.05
15,000	Facebook	1,745,656	2.20
35,000	Fortive	1,695,727	2.13
10,800	General Dynamics	1,638,494	2.06
17,000	Incyte	1,686,836	2.12
2,600	Intuitive Surgical	1,864,083	2.35
19,000	NVIDIA	2,147,336	2.70
16,000	Palo Alto Networks	1,660,592	2.09
26,000	Red Hat	1,913,364	2.41

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
86,000	RingCentral	2,405,363	3.03
18,000	SVB Financial	2,458,019	3.09
36,000	Toro	1,914,767	2.41
25,000	United Rentals	2,113,110	2.66
30,000	Varex Imaging	788,458	0.99
	FORWARD FOREIGN EXCHANGE CONTRACTS 0.00% (2016 - 1.41%)		
	Portfolio of investments	77,270,913	97.21
	Net other assets	2,216,662	2.79
	Net assets	79,487,575	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

†Represents investment in a Neptune Collective Investment Scheme product.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Melrose Industries	2,424,198
Globaltrans Investment GDR	2,295,713
Brink's	2,152,500
Neptune US Mid Cap Fund†	1,966,500
Willis Towers Watson	1,669,756

Sales	Proceeds £
Sberbank of Russia	3,556,872
East West Bancorp	2,543,379
Neptune India Fund†	2,263,100
Neptune US Mid Cap Fund†	1,957,000
Hain Celestial Group	1,795,691

†Represents investment in a Neptune Collective Investment Scheme product.

Neptune Global Alpha Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest shere price (p)	Net income per share (p)
A Accumulation			
2014	381.5	301.6	—
2015	425.7	345.9	—
2016	402.7	290.4	—
2017	446.6*	397.4*	—
C Accumulation			
2014†	412.7	323.5	0.0813
2015	462.2	377.7	—
2016	446.5	318.6	—
2017	498.1*	440.7*	2.1355**

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	66,421,572	17,745,967	374.3
31 December 2015	34,112,208	9,039,606	377.4
31 December 2016	26,909,742	6,770,493	397.5
30 June 2017	27,993,040	6,492,783	431.1
C Accumulation			
31 December 2014	24,600,853	6,083,804	404.4
31 December 2015	54,263,968	13,127,772	413.4
31 December 2016	50,347,024	11,424,231	440.7
30 June 2017	51,494,535	10,707,039	480.9

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	A Accumulation	432.3	—
	C Accumulation	482.3	0.44
3 January 2017	A Accumulation	397.4	—
	C Accumulation	440.7	—

†Launched 1 March 2014.
*To 30 June 2017.
**To 31 August 2017.

Fund Information (continued)

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Accumulation	2.09
	C Accumulation	0.89
31 December 2016	A Accumulation	2.08
	C Accumulation	0.85

‡The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 2.20% 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.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 29.

Details of the distributions per share for the period are shown in the distribution table on page 36.

Status

Neptune Global Alpha Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains/(losses)		6,530,793		(8,401,031)
Revenue	722,095		327,666	
Expenses	(491,644)		(500,918)	
Interest payable and similar charges	(828)		(657)	
Net revenue/(expense) before taxation	229,623		(173,909)	
Taxation	(37,539)		(31,835)	
Net revenue/(expense) after taxation		192,084		(205,744)
Total return before equalisation		6,722,877		(8,606,775)
Distributions		(232,360)		14,037
Change in net assets attributable to shareholders from investment activities		6,490,517		(8,592,738)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		77,256,766		88,376,176
Amounts received on issue of shares	3,425,155		5,815,031	
Amounts paid on cancellation of shares	(7,917,520)		(14,868,249)	
		(4,492,365)		(9,053,218)
Dilution adjustment charged		4,008		—
Stamp duty reserve tax*		—		66
Change in net assets attributable to shareholders from investment activities		6,490,517		(8,592,738)
Retained distribution on accumulation shares		228,649		—
Closing net assets attributable to shareholders		79,487,575		70,730,286

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

*Stamp duty reserve tax was abolished from 30 March 2014 for OEICs. The 2016 balance relates to aged refunds.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed Assets				
Investments		77,270,913		77,150,819
Current Assets				
Debtors	72,156		159,067	
Cash and bank balances	2,419,199		193,344	
Total current assets		2,491,355		352,411
Total assets		79,762,268		77,503,230
Liabilities				
Investment liabilities		—		(680)
Creditors				
Other creditors	(274,693)		(245,784)	
Total other liabilities		(274,693)		(245,784)
Total liabilities		(274,693)		(246,464)
Net assets attributable to shareholders		79,487,575		77,256,766

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Accumulation shares				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation shares				
Group 1	2.1355	—	2.1355	—
Group 2	1.1501	0.9854	2.1355	—

Neptune Global Equity Fund

Investment Objective

The investment objective of the Neptune Global Equity 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 will be 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.

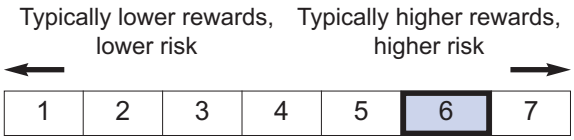
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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 Investment 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune Global Equity Fund returned 6.93% in the first half of 2017, ahead of the MSCI World Index's return of 5.61, but marginally behind the IA Global sector average of 6.99%. Since launch in December 2001, the Fund is ranked in the top quartile of the IA sector.*

Positive global economic data drove global stock markets higher over the first quarter of 2017. Emerging markets were the strongest performers, with India, China and Latin America outpacing their developed market peers. The Trump trade continued, buoyed by promised tax reforms, infrastructure spending and deregulation, although this lost momentum towards the end of March following Trump's failure to repeal Obamacare.

This worldwide recovery continued in the second quarter as global leading indicators peaked; strong PMI data from China enabled it to be the best performing market over the quarter. While investors were pre-occupied with a number of headline risks – the French election, Chinese tightening and Trump to name a few – Macron's triumph saw political risk in Europe significantly recede, allowing the strength of European corporates to shine through.

Manufacturing data in the US continued to accelerate, which allowed the Fed to continue raising rates. Expectations surrounding Trump's influence are now at rock bottom, which we believe gives his administration the potential to positively surprise when any pro-growth reforms are passed. Meanwhile in the UK, Theresa May's decision to call a snap election in the UK backfired, with the Conservatives losing their slim working majority. We continue to be wary of the UK consumer, with weak retail sales, consumer confidence and PMI data signalling the start of a slowdown.

In the first half of the year – in line with the Chinese stockmarket's strong performance – our Chinese internet holdings were again amongst the Fund's strongest performers. With its quarterly earnings beating analyst expectations, Nvidia also stormed ahead. The Fund maintained its large weighting to technology in the second quarter of 2017, with Apple, Facebook and Visa driving returns, whilst consumer discretionary was also strong across the board. The Fund's high emerging markets exposure provided an additional boost, however our increased allocation to Russia detracted from performance; the economy experienced temporary headwinds as a result of deteriorating political relations with the West and falling energy prices, although various cyclical drivers give us conviction in its recovery story and we believe recent reforms have made the economy a lot more resilient to a lower-for-longer oil price.

Long duration assets sold off sharply towards the end of the second quarter, which fuelled a rotation into value. With inflation expectations rising across the US, UK and EU, we see increased potential for future rate hikes which reinforces our positioning away from 'bond proxy' stocks in favour of more cyclical value plays. The cloudy domestic picture supports our preference for the US, Japan and the emerging markets, particularly as we see limited catalysts for sterling strength going forward.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	CANADA 0.00% (2016 - 0.00%)		
99,500	Nebex Resources *	—	0.00
	CHILE 1.07% (2016 - 0.00%)		
260,000	Antofagasta	2,090,400	1.07
	CHINA 8.80% (2016 - 6.28%)		
60,000	Alibaba ADR	6,506,452	3.34
32,000	Baidu ADR	4,428,740	2.27
225,000	Tencent	6,201,275	3.19
	HONG KONG 4.18% (2016 - 2.63%)		
5,300,000	Mandarin Oriental International	8,146,932	4.18
	JAPAN 12.51% (2016 - 14.77%)		
220,000	CYBERDYNE	2,260,854	1.16
80,000	Dai-ichi Life Insurance	1,114,331	0.57
6,000	FANUC	892,910	0.46
110,000	Jafco	3,416,251	1.75
240,000	Japan Exchange	3,356,200	1.72
9,000	Keyence	3,051,410	1.57
65,000	Mitsubishi Estate	935,574	0.48
600,000	Mitsubishi Heavy Industries	1,897,252	0.97
450,000	Mitsubishi UFJ	2,334,833	1.20
110,000	Mitsui Fudosan	2,027,429	1.04
105,000	Sony	3,095,571	1.59
	NETHERLANDS 1.48% (2016 - 0.00%)		
140,000	Royal Dutch Shell	2,871,928	1.48
	RUSSIA 3.67% (2016 - 5.08%)		
185,000	MMC Norilsk Nickel ADR	1,983,492	1.02
650,000	Sberbank of Russia ADR	5,156,026	2.65
	UNITED KINGDOM 11.70% (2016 - 10.22%)		
1,671,000	Neptune Global Technology Fund 'C' Acc †	2,531,565	1.30
2,246,000	Neptune India Fund 'C' Acc †	5,327,512	2.74
4,137,000	Neptune Latin America Fund 'C' Acc †	4,081,564	2.10
7,215,000	Neptune Russia & Greater Russia Fund 'C' Acc †	7,438,665	3.82
30,000	Willis Towers Watson	3,390,299	1.74
	UNITED STATES 55.02% (2016 - 59.62%)		
11,000	Alphabet 'A'	7,944,816	4.08
12,000	Amazon.com	9,017,035	4.63
45,000	Apple	4,981,430	2.56
75,000	Brink's	3,863,119	1.98
100,000	Brown-Forman	3,756,982	1.93
40,000	CBS	1,958,624	1.01
75,000	Citizens Financial	2,058,982	1.06
70,000	CME	6,742,997	3.46
35,000	Exxon Mobil	2,174,673	1.12
55,000	Facebook	6,400,739	3.29
75,000	Fortive	3,633,702	1.87
30,000	General Dynamics	4,551,373	2.34
17,000	Home Depot	1,992,557	1.02
23,000	Honeywell International	2,344,924	1.20

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
45,000	Johnson & Johnson	4,599,684	2.36
90,000	JPMorgan Chase	6,320,144	3.25
120,000	Microsoft	6,332,626	3.25
45,000	NIKE	1,843,549	0.95
44,000	NVIDIA	4,972,778	2.55
45,000	Palo Alto Networks	4,670,416	2.40
40,000	Pfizer	1,035,867	0.53
30,000	Procter & Gamble	2,010,787	1.03
45,000	Starbucks	2,023,154	1.04
35,000	SVB Financial	4,779,481	2.46
14,000	UnitedHealth	1,996,471	1.03
70,000	Visa 'A' Shares	5,091,497	2.62
	FORWARD FOREIGN EXCHANGE CONTRACTS 0.00% (2016 - 0.98%)		
	Portfolio of investments	191,635,872	98.43
	Net other assets	3,059,641	1.57
	Net assets	194,695,513	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Stocks shown as ADRs represent American Depositary Receipts.

*Non voting depositary receipts.

†Represents investment in a Neptune Collective Investment Scheme product.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Willis Towers Watson	3,125,200
Antofagasta	3,087,017
Royal Dutch Shell	3,056,073
Brink's	2,967,526
Dai-ichi Life Insurance	2,907,953

Sales	Proceeds £
Neptune India Fund 'C' Acc †	7,062,380
Walt Disney	5,165,310
Arconic	2,853,207
Lowe's	2,716,484
Neptune US Mid Cap Fund †	2,575,000

†Represents investment in a Neptune Collective Investment Scheme product.

Neptune Global Equity Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
A Income			
2014	109.8p	91.83p	0.0191p
2015	120.9p	99.97p	—
2016	120.6p	88.96p	3.5037p
2017	130.5p*	118.6p*	0.9495p**
A Accumulation			
2014	338.1p	282.7p	0.0415p
2015	372.6p	308.0p	—
2016	381.1p	273.9p	—
2017	414.9p*	377.2p*	—
B Accumulation			
2014	360.7p	300.6p	0.7998p
2015	398.0p	329.7p	0.3390p
2016	410.5p	293.8p	0.5472p
2017	447.9p*	406.4p*	0.6340p**
C Income			
2014†	110.0p	91.78p	0.5787p
2015	121.3p	100.4p	1.0428p
2016	123.3p	89.09p	2.1567p
2017	134.0p*	121.4p*	0.9735p**
C Accumulation			
2014	130.6p	108.5p	0.9240p
2015	144.3p	119.8p	0.8426p
2016	150.1p	107.0p	0.8147p
2017	164.1p*	148.6p*	0.5853p**
A Accumulation EUR			
2014	181.6¢	145.2¢	—
2015	218.1¢	175.7¢	—
2016	190.2¢	147.8¢	—
2017	197.4¢*	184.1¢*	—
C Accumulation EUR‡			
2014	190.5¢	151.4¢	0.2384¢
2015	230.0¢	185.5¢	—
2016	201.4¢	156.5¢	0.6056¢
2017	211.1¢*	196.1¢*	0.7559¢**
A Accumulation USD			
2014	168.5¢	150.1¢	—
2015	179.2¢	149.5¢	—
2016	157.5¢	126.4¢	—
2017	167.2¢*	147.2¢*	—
C Accumulation USD‡‡			
2014	175.2¢	156.0¢	0.3777¢
2015	187.0¢	156.2¢	0.0657¢
2016	164.8¢	132.4¢	0.5359¢
2017	178.4¢*	155.7¢*	1.4127¢**

†Launched 1 March 2014.
‡Share class name changed from B Accumulation EUR on 1 August 2016.
‡‡Share class name changed from B Accumulation USD on 1 August 2016.
*To 30 June 2017.
**To 31 August 2017

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Income			
31 December 2014	10,765,327	9,974,838	107.9
31 December 2015	5,668,792	5,145,493	110.2
31 December 2016	2,712,219	2,285,887	118.7
30 June 2017	2,478,342	1,976,564	125.4
A Accumulation			
31 December 2014	211,446,891	63,603,178	332.5
31 December 2015	124,226,771	36,580,398	339.6
31 December 2016	81,687,905	21,649,060	377.3
30 June 2017	80,726,401	20,092,904	401.8
B Accumulation			
31 December 2014	117,549,724	33,140,820	354.7
31 December 2015	56,584,483	15,541,222	364.1
31 December 2016	9,873,548	2,429,212	406.5
30 June 2017	7,645,851	1,762,800	433.7
C Income			
31 December 2014	33,814,451	31,325,081	108.0
31 December 2015	27,350,433	24,797,332	110.3
31 December 2016	11,457,432	9,440,211	121.4
30 June 2017	7,081,188	5,496,089	128.8
C Accumulation			
31 December 2014	58,375,646	45,449,946	128.4
31 December 2015	102,058,128	77,040,083	132.5
31 December 2016	99,120,268	66,714,494	148.6
30 June 2017	94,069,281	59,197,239	158.9
A Accumulation EUR			
31 December 2014	503,664	359,505	140.1
31 December 2015	453,543	319,036	142.2
31 December 2016	231,058	146,276	158.0
30 June 2017	192,588	114,506	168.2
C Accumulation EUR			
31 December 2014	2,082,243	1,416,108	147.0
31 December 2015	1,884,399	1,252,249	150.5
31 December 2016	56,639	33,665	168.2
30 June 2017	43,947	24,423	179.9
A Accumulation USD			
31 December 2014	3,537,258	3,344,793	105.8
31 December 2015	2,641,338	2,449,581	107.8
31 December 2016	2,583,623	2,156,435	119.8
30 June 2017	2,456,122	1,925,336	127.6
C Accumulation USD			
31 December 2014	7,112,941	6,465,282	110.0
31 December 2015	4,612,207	4,088,015	112.8
31 December 2016	1,670	1,318	126.7
30 June 2017	1,794	1,318	136.1

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
3 July 2017	A Income	125.5p	1.33
	A Accumulation	402.1p	—
	B Accumulation	434.1p	0.15
	C Income	128.9p	1.32
	C Accumulation	159.0p	0.57
	A Accumulation EUR	191.7¢	—
	C Accumulation EUR	205.1¢	0.53
	A Accumulation USD	165.4¢	—
	C Accumulation USD	176.5¢	0.97
3 January 2017	A Income	118.6p	2.95
	A Accumulation	377.2p	—
	B Accumulation	406.4p	0.13
	C Income	121.4p	1.78
	C Accumulation	148.6p	0.55
	A Accumulation EUR	186.7¢	—
	C Accumulation EUR	198.9¢	0.30
	A Accumulation USD	147.2¢	—
	C Accumulation USD	155.7¢	0.34

Fund Information (continued)

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Income	1.80
	A Accumulation	1.80
	B Accumulation	1.35
	C Income	0.89
	C Accumulation	0.90
	A Accumulation EUR	1.80
	C Accumulation EUR	0.89
	A Accumulation USD	1.80
	C Accumulation USD	0.90
31 December 2016	A Income	1.81
	A Accumulation	1.80
	B Accumulation	1.34
	C Income	0.87
	C Accumulation	0.87
	A Accumulation EUR	1.81
	C Accumulation EUR	0.87
	A Accumulation USD	1.80
	C Accumulation USD	0.87

‡The OCF includes the annual management charges and other expenses. The OCF of the A share classes are currently capped at 1.90% per annum, the B share classes are currently capped at 1.40% and the C share classes are currently capped at 0.90% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 38.

Details of the distributions per share for the period are shown in the distribution table on page 47.

Status

Neptune Global Equity Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains/(losses)		12,916,410		(17,664,492)
Revenue	1,741,104		2,405,286	
Expenses	(1,203,310)		(1,684,738)	
Interest payable and similar charges	(500)		(2,122)	
Net revenue before taxation	537,294		718,426	
Taxation	(196,942)		(219,870)	
Net revenue after taxation		340,352		498,556
Total return before distributions		13,256,762		(17,165,936)
Distributions		(455,219)		(929,018)
Change in net assets attributable to shareholders from investment activities		12,801,543		(18,094,954)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		207,724,362		325,480,094
Amounts received on issue of shares	715,692		10,230,391	
Amounts paid on cancellation of shares	(26,903,918)		(64,913,577)	
		(26,188,226)		(54,683,186)
Dilution adjustment charged		—		5,084
Stamp duty reserve tax*		—		1,442
Change in net assets attributable to shareholders from investment activities		12,801,543		(18,094,954)
Retained distribution on accumulation shares		357,834		456,994
Closing net assets attributable to shareholders		194,695,513		253,165,474

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

*Stamp duty reserve tax was abolished from 30 March 2014 for OEICs. The 2016 balance relates to aged refunds.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed Assets				
Investments		191,635,872		206,857,052
Current Assets				
Debtors	826,240		1,284,469	
Cash and bank balances	3,200,781		1,257,928	
Total current assets		4,027,021		2,542,397
Total assets		195,662,893		209,399,449
Liabilities				
Investment liabilities		—		(882)
Creditors				
Distributions payable	(72,272)		(85,513)	
Other creditors	(895,108)		(1,588,692)	
Total other liabilities		(967,380)		(1,674,205)
Total liabilities		(967,380)		(1,675,087)
Net assets attributable to shareholders		194,695,513		207,724,362

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Income shares (p)				
Group 1	0.9495	—	0.9495	2.7866
Group 2	0.4887	0.4608	0.9495	2.7866
A Accumulation shares (p)				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation shares (p)				
Group 1	0.6340	—	0.6340	0.5472
Group 2	0.5332	0.1008	0.6340	0.5472
C Income shares (p)				
Group 1	0.9735	—	0.9735	1.4245
Group 2	0.4976	0.4759	0.9735	1.4245
C Accumulation shares (p)				
Group 1	0.5853	—	0.5853	0.4920
Group 2	0.3716	0.2137	0.5853	0.4920
A Accumulation EUR shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation EUR shares (¢)				
Group 1	0.7559	—	0.7559	0.2752
Group 2	0.7559	—	0.7559	0.2752
A Accumulation USD shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation USD shares (¢)				
Group 1	1.4127	—	1.4127	0.2302
Group 2	1.4127	—	1.4127	0.2302

Neptune Global Income Fund

Investment Objective

The Investment objective of the Neptune Global Income Fund (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 will be 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.

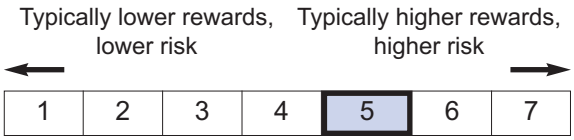
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- The level of income 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.
- 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune Global Income Fund fell by -1.22% in the first half of 2017 and was behind both the IA Global Equity Income sector average and the MSCI World Index, which rose by 5.36% and 5.61% respectively.*

Positive global economic data drove global stockmarkets higher over the first quarter of 2017. Emerging markets were the strongest performers, with India, China and Latin America outpacing their developed market peers. The Trump trade continued, buoyed by promised tax reforms, infrastructure spending and deregulation, although this lost momentum towards the end of March following Trump's failure to repeal Obamacare.

After a strong start to 2017, global equity markets continue to make ground in the second quarter of the year, although returns for UK-based investors were more subdued due to the relative strength of sterling. This was largely as a result of the UK's general election in June, which saw the Conservative Party fail to extend their parliamentary majority. This was seen, perhaps wrongly in our view, to lead to an increased likelihood of a so-called 'soft brexit' yet nevertheless also led to subsequent sterling strength. Markets were buoyed by evidence of coordinated economic strength around the world as global leading indicators peaked. While investors were pre-occupied with a number of headline risks – the French election, Chinese tightening and Trump to name a few – Emmanuel Macron's triumph saw political risk in Europe significantly recede, allowing the strength of European corporates to shine through. Manufacturing data in the US continued to accelerate, which allowed the Federal Reserve to continue raising rates. Expectations surrounding Trump's influence are now at rock bottom, which we believe gives his administration the potential to positively surprise when any pro-growth reforms are passed.

The Fund's underperformance in the first half of 2017 stemmed from a few different areas. At the sector level, our overweight in the commodity-sensitive sectors, energy and materials, detracted from performance in-line with the performance of the underlying commodities. WTI Crude fell by almost 10% in the second quarter, having fallen by over 5% in US dollar terms in the first three months of 2017. Iron ore prices also weakened materially. Strong stock selection in the consumer discretionary sector, with McDonalds and L Brands enjoying good quarters, was offset by poor stock selection in industrials. General Electric was weak this quarter and its long-standing CEO Jeff Immelt announced his retirement.

As we look to the second half of 2017, we are optimistic about the global economy. We continue to focus on high quality, cash generative companies that have a clear capacity for continued dividend growth. The Fund ended the period yielding 3.60%.†

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017.*

†C Income share class, as at 30 June 2017. The yield on other share classes may differ.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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	AUSTRALIA 1.83% (2016 - 1.64%)		
10,300	BHP Billiton	122,622	1.83
	BRAZIL 0.00% (2016 - 1.10%)		
	FRANCE 0.00% (2016 - 2.01%)		
	GERMANY 0.00% (2016 - 3.10%)		
	INDIA 0.00% (2016 - 1.77%)		
	ITALY 0.00% (2016 - 4.86%)		
	JAPAN 8.68% (2016 - 14.00%)		
18,200	Nissan Motor	139,837	2.09
12,900	Orix	154,352	2.30
5,100	TechnoPro	158,390	2.36
3,200	Toyota Motor	129,428	1.93
	NETHERLANDS 2.60% (2016 - 1.62%)		
8,500	Royal Dutch Shell	174,165	2.60
	SINGAPORE 0.00% (2016 - 1.45%)		
	SWEDEN 0.00% (2016 - 0.61%)		
	RUSSIA 7.42% (2016 - 0.00%)		
3,250	Lukoil ADR	122,402	1.83
11,300	MMC Norilsk Nickel ADR	121,154	1.81
1,500	Novatek GDR	130,716	1.95
15,500	Sberbank of Russia ADR	122,951	1.83
	SWITZERLAND 4.21% (2016 - 3.37%)		
57,000	Glencore	165,044	2.46
1,805	Novartis	117,063	1.75
	UNITED KINGDOM 24.82% (2016 - 13.47%)		
25,200	BAE Systems	160,650	2.40
35,000	BP	156,520	2.34
29,100	BT	85,161	1.27
4,400	Croda International	172,260	2.57
33,500	DS Smith	160,063	2.39
27,000	HSBC	192,672	2.87
4,200	Rio Tinto	137,928	2.06
10,000	Smiths	159,200	2.38
30,000	Tullett Prebon	140,400	2.09
4,400	Unilever	185,086	2.76
51,750	Vodafone	113,281	1.69
	UNITED STATES 49.41% (2016 - 46.89%)		
3,200	AbbVie	178,683	2.67
3,575	Altria	204,966	3.06
2,250	Apple	249,072	3.72
2,610	Automatic Data Processing	204,038	3.04
2,155	CME	207,588	3.10
3,800	CMS Energy	135,650	2.02
6,400	Columbia Banking System	198,531	2.96
900	General Dynamics	136,541	2.04
6,400	General Electric	133,193	1.99

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
2,000	Johnson & Johnson	204,430	3.05
2,890	JPMorgan Chase	202,947	3.03
3,050	L Brands	127,325	1.90
2,900	LyondellBasell Industries	187,181	2.79
1,100	McDonald's	129,761	1.94
3,775	Merck	187,114	2.79
4,375	Microsoft	230,877	3.44
2,142	PepsiCo	190,162	2.84
4,730	Wells Fargo	203,217	3.03
	FORWARD FOREIGN EXCHANGE CONTRACTS 0.00% (2016 - 0.84%)		
	Portfolio of investments	6,632,621	98.97
	Net other assets	69,002	1.03
	Net assets	6,701,623	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
HSBC	220,482
BP	192,306
Royal Dutch Shell	184,534
Glencore	184,471
Nissan Motor	183,556

Sales	Proceeds £
Trend Micro	170,566
Pfizer	168,831
AXA	144,526
Azimut	141,202
Intermediate Capital	139,930

Neptune Global Income Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
C Income			
2014†	124.2	108.6	4.2272
2015	133.3	112.6	4.3168
2016	130.6	103.9	4.3096
2017	132.4*	122.5*	2.1026**
C Accumulation			
2014†	131.5	115.0	4.4102
2015	143.4	122.5	4.7891
2016	148.5	114.9	4.8400
2017	151.8*	141.6*	2.4202**
F Income			
2014	125.4	109.7	4.2834
2015††	134.3	113.1	4.4309
2016	133.9	104.5	4.3580
2017	134.5*	124.6*	2.1379**
F Accumulation			
2014	131.4	115.0	4.4239
2015††	143.0	121.8	4.7823
2016	149.3	114.6	4.8331
2017	152.9*	142.8*	2.4405**

†Launched 1 March 2014.
††A share classes converted into F share classes 1 October 2015.
*To 30 June 2017.
**To 31 August 2017.

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Income			
31 December 2014	38,312	31,824	120.4
31 December 2015	562,910	468,668	120.1
31 December 2016	1,477,708	1,145,954	129.0
30 June 2017	1,137,451	907,544	125.3
C Accumulation			
31 December 2014	1,667,995	1,299,511	128.4
31 December 2015	2,192,300	1,651,293	132.8
31 December 2016	1,105,927	748,214	147.8
30 June 2017	925,211	633,459	146.1
F Income			
31 December 2014	34,242	28,146	121.7
31 December 2015	783,607	649,848	120.6
31 December 2016	2,716,038	2,077,118	130.8
30 June 2017	2,614,883	2,046,738	127.8
F Accumulation			
31 December 2014	14,842	11,554	128.5
31 December 2015	879,043	665,168	132.2
31 December 2016	2,243,748	1,509,402	148.7
30 June 2017	2,024,078	1,370,731	147.7

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	C Income	125.5	3.35
	C Accumulation	146.3	3.28
	F Income	128.0	3.33
	F Accumulation	147.9	3.26
3 January 2017	C Income	129.2	3.34
	C Accumulation	148.1	3.27
	F Income	131.0	3.33
	F Accumulation	149.0	3.24

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	C Income	1.30
	C Accumulation	1.30
	F Income	0.25
	F Accumulation	0.25
31 December 2016	C Income	1.30
	C Accumulation	1.30
	F Income	0.25
	F Accumulation	0.25

‡The OCF includes the annual management charges and other expenses. The OCF of the C share class is currently capped at 1.30% per annum and the F share class is currently capped at 0.25% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 49.

Details of the distributions per share for the period are shown in the distribution tables on page 56.

Status

Neptune Global Income Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital losses		(132,976)		(190,531)*
Revenue	126,776		141,177	
Expenses	(46,188)		(54,505)*	
Interest payable and similar charges	(43)		(68)	
Net revenue before taxation	80,545		86,604	
Taxation	(15,410)		(8,661)	
Net revenue after taxation		65,135		77,943
Total return before distributions		(67,841)		(112,588)
Distributions		(115,393)		(132,217)
Change in net assets attributable to shareholders from investment activities		(183,234)		(244,805)

*Comparatives have been restated.

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		7,543,421		4,417,860
Amounts received on issue of shares	637,259		7,333,690	
Amounts paid on cancellation of shares	(1,349,934)		(3,296,368)	
		(712,675)		4,037,322
Dilution adjustment charged		3,844		8,429
Change in net assets attributable to shareholders from investment activities		(183,234)		(244,805)
Retained distribution on accumulation shares		50,267		68,113
Closing net assets attributable to shareholders		6,701,623		8,286,919

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		6,632,621		7,296,417
Current assets				
Debtors	49,329		75,516	
Cash and bank balances	82,555		261,691	
Total current assets		131,884		337,207
Total assets		6,764,505		7,633,624
Liabilities				
Creditors				
Distribution payable	(31,865)		(33,434)	
Other creditors	(31,017)		(56,769)	
Total liabilities		(62,882)		(90,203)
Net assets attributable to shareholders		6,701,623		7,543,421

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence per share

1st Quarter

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 31 March 2017

	Net Revenue	Equalisation	Paid 31 May 2017	Paid 31 May 2016
C Income shares				
Group 1	1.0375	—	1.0375	0.7907
Group 2	0.3864	0.6511	1.0375	0.7907
C Accumulation shares				
Group 1	1.1877	—	1.1877	0.8773
Group 2	0.7876	0.4001	1.1877	0.8773
F Income shares				
Group 1	1.0534	—	1.0534	0.7963
Group 2	0.6143	0.4391	1.0534	0.7963
F Accumulation shares				
Group 1	1.1976	—	1.1976	0.8736
Group 2	0.7972	0.4004	1.1976	0.8736

Interim

Group 1-Shares purchased prior to 1 April 2017
Group 2-Shares purchased on or after 1 April 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
C Income shares				
Group 1	1.0651	—	1.0651	1.4195
Group 2	0.8800	0.1851	1.0651	1.4195
C Accumulation shares				
Group 1	1.2325	—	1.2325	1.5820
Group 2	0.8206	0.4119	1.2325	1.5820
F Income shares				
Group 1	1.0845	—	1.0845	1.4400
Group 2	0.4024	0.6821	1.0845	1.4400
F Accumulation shares				
Group 1	1.2429	—	1.2429	1.5755
Group 2	0.8570	0.3859	1.2429	1.5755

Neptune Income Fund

Investment Objective

The investment objective of the Neptune Income Fund (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.

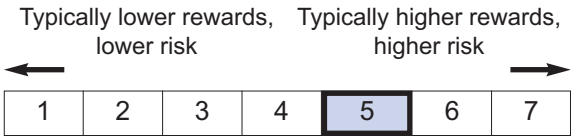
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- The level of income 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 income usually also carry greater risk as such bond issuers may have difficulty in repaying their financial obligations.
- The Investment 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune Income Fund returned 4.37% in the first half of 2017, versus the IA UK Equity Income sector average and the FTSE All-Share respective gains of 6.88% and 5.50%.*

The UK market, along with most global markets, experienced a strong start to 2017, with significant positive returns across the market cap spectrum. In a shift from 2016, the FTSE 250 outperformed the FTSE 100 as sterling stabilised around $1.24 following significant weakness last year. The gold price rallied almost 8%, having fallen sharply at the end of 2016, while the oil price reversed some of 2016's gains.

After a strong first quarter, the UK market continued to appreciate during the second but returns diverged across the market cap spectrum. Once again sterling was a key driver of performance and strengthened by almost 4% against the dollar during the period. This was due to the general election in June, which saw the Conservative Party fail to extend their parliamentary majority. This was seen, wrongly in our view, to lead to an increased likelihood of a so-called 'soft brexit.' Relative sterling strength led to the outperformance of the FTSE 250 against the more international FTSE 100.

Having enjoyed a strong end to 2016, the Fund underperformed due to a combination of relatively insignificant factors as opposed to a pervading theme. Many of the Fund's financial holdings which performed strongly in the fourth quarter of 2016, due to the sharp rise in bond yields as a result of rising inflation expectations spurred on by Donald Trump's election in the US, underperformed. Related to this, the more "bond proxy" sectors of healthcare and consumer staples enjoyed better performance; our holdings in these sectors performed well but we are generally underweight in these areas. Finally our telco holdings detracted from performance.

The second quarter saw just a couple of changes to the portfolio, all for stock specific reasons. We sold our holding in Standard Life after the announced merger with Aberdeen Asset Management and exited AstraZeneca as cash returns have been falling in recent years. New positions were taken in Sage, the software company, and Croda, the speciality chemical company.

The Fund has delivered on its aim to grow its distributions for the fourth year running, growing the dividend by 13.2% during 2016, and will remain focused on growing the income stream. The Fund ended the second quarter yielding 4.79%.†

As we look into the second half of 2017, we are optimistic about the global economy and we continue to believe in the relative strength of US economy, particularly versus the UK. There are increasing signs the UK economy is headed for tougher times with real wage growth now negative. The Neptune Income Fund will thus remain positioned for a stronger US dollar.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017.*

†C Income share class, as at 30 June 2017. The yield on other share classes may differ.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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED KINGDOM 69.93%		
	BASIC MATERIALS 9.12% (2016 - 6.18%)		
	CHEMICALS 6.04%		
171,000.00	Croda International	6,694,650	3.34
185,000.00	Johnson Matthey	5,400,150	2.70
	MINING 3.08%		
188,000.00	Rio Tinto	6,173,920	3.08
	CONSUMER GOODS 14.93% (2016 - 11.46%)		
	BEVERAGES 2.99%		
260,000.00	Diageo	5,985,200	2.99
	LEISURE GOODS 3.13%		
381,730.00	Compass	6,275,641	3.13
	PERSONAL GOODS 3.15%		
150,000.00	Unilever	6,309,750	3.15
	TOBACCO 5.66%		
111,000.00	British American Tobacco	5,843,040	2.92
157,000.00	Imperial Tobacco	5,491,860	2.74
	CONSUMER SERVICES 5.34% (2016 - 17.56%)		
	MEDIA 5.34%		
2,780,000.00	ITV	5,042,920	2.52
810,000.00	UBM	5,657,850	2.82
	FINANCIALS 16.1% (2016 - 18.39%)		
	BANKS 3.33%		
935,000.00	HSBC	6,672,160	3.33
	FINANCIAL SERVICES 6.37%		
765,000.00	Intermediate Capital	6,368,625	3.18
1,365,000.00	Tullett Prebon	6,388,200	3.19
	LIFE INSURANCE 6.40%		
2,450,000.00	Legal & General	6,365,100	3.18
362,000.00	Prudential	6,459,890	3.22
	HEALTH CARE 3.04% (2016 - 5.94%)		
	PHARMACEUTICALS & BIOTECHNOLOGY 3.04%		
370,000.00	GlaxoSmithKline	6,092,050	3.04
	INDUSTRIALS 6.46% (2016 - 0.00%)		
	AEROSPACE & DEFENCE 3.28%		
1,030,000.00	BAE Systems	6,566,250	3.28
	GENERAL INDUSTRIALS 3.18%		
400,000.00	Smiths	6,368,000	3.18
	OIL & GAS 2.95% (2016 - 3.62%)		
	OIL & GAS PRODUCERS 2.95%		
1,320,000.00	BP	5,903,040	2.95
	TECHNOLOGY 6.11% (2016 - 3.00%)		
	SOFTWARE & COMPUTER SERVICES 6.11%		
260,000.00	Micro Focus	5,909,800	2.95
920,000.00	Sage	6,338,800	3.16

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	TELECOMMUNICATIONS 5.88% (2016 - 8.33%)		
	FIXED LINE TELECOMMUNICATIONS 2.88%		
1,970,000.00	BT	5,765,205	2.88
	MOBILE TELECOMMUNICATIONS 3.00%		
2,750,000.00	Vodafone	6,019,750	3.00
	AUSTRALIA 2.76% (2016 - 0.00%)		
465,000.00	BHP Billiton	5,535,825	2.76
	JERSEY 3.29% (2016 - 2.99%)		
850,000.00	Phoenix	6,587,500	3.29
	NETHERLANDS 3.07% (2016 - 3.66%)		
300,000.00	Royal Dutch Shell	6,147,000	3.07
	SWITZERLAND 2.77% (2016 - 0.00%)		
1,915,000.00	Glencore	5,544,883	2.77
	UNITED STATES 18.56% (2016 - 19.75%)		
54,000.00	Apple	5,977,717	2.98
68,000.00	CME	6,550,340	3.27
94,000.00	Exxon Mobil	5,840,551	2.92
89,000.00	JPMorgan Chase	6,249,920	3.12
125,000.00	Microsoft	6,596,486	3.29
139,000.00	Wells Fargo	5,971,907	2.98
	Portfolio of investments	201,093,980	100.38
	Net other liabilities	(759,000)	(0.38)
	Net assets	200,334,980	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
BHP Billiton	6,706,940
Exxon Mobil	6,589,347
Glencore	6,234,466
Croda International	6,189,513
BAE Systems	6,178,853

Sales	Proceeds £
Standard Life	6,735,856
Astrazeneca	6,686,540
WPP	6,327,621
Pfizer	6,066,351
Greene King	5,497,740

Neptune Income Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
A Income			
2014	166.6	147.1	7.3653
2015	175.7	148.8	7.6083
2016	176.9	141.0	8.6166
2017	182.8*	1701*	4.0352**
A Accumulation			
2014	291.1	260.0	12.8152
2015	316.6	275.1	13.8924
2016	349.6	266.5	16.5171
2017	363.6*	338.3*	8.0286**
B Income			
2014	173.1	153.4	7.6691
2015	183.8	155.9	8.0139
2016	186.5	148.0	9.0393
2017	193.2*	179.4*	4.2601**
B Accumulation			
2014	301.2	274.3	13.5061
2015	334.4	290.7	14.7213
2016†	330.9***	281.9***	7.0526***
C Income			
2014	114.2	101.5	5.0698
2015	122.0	103.5	5.3340
2016	124.5	98.41	6.0461
2017	129.1*	119.7*	2.8447**
C Accumulation			
2014	122.5	109.3	5.3709
2015	133.7	116.5	5.961
2016	149.8	113.3	7.0478
2017	156.3*	145.0*	3.4444*

†Closed 2 August 2016.
*To 30 June 2017.
**To 31 August 2017.
***From 1 January 2016 to 2 August 2016.

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Income			
31 December 2014	88,180,688	55,704,645	158.3
31 December 2015	47,768,466	30,167,794	158.3
31 December 2016	25,520,832	14,863,144	171.7
30 June 2017	24,332,794	13,941,912	174.5
A Accumulation			
31 December 2014	87,136,365	30,547,765	285.2
31 December 2015	49,731,105	16,627,162	299.1
31 December 2016	31,462,606	9,210,957	341.6
30 June 2017	30,338,387	8,556,853	355.1
B Income			
31 December 2014	41,461,480	25,084,174	165.3
31 December 2015	27,424,157	16,505,891	166.1
31 December 2016	19,197,965	10,603,560	181.1
30 June 2017	19,036,306	10,318,500	184.5
B Accumulation†			
31 December 2014	2,046,075	679,601	301.1
31 December 2015	1,272,453	402,441	316.2
C Income			
31 December 2014	77,277,417	70,589,493	109.5
31 December 2015	72,313,721	65,473,842	110.4
31 December 2016	69,023,414	57,153,017	120.8
30 June 2017	67,432,998	54,699,034	123.3
C Accumulation			
31 December 2014	28,391,052	23,644,922	120.1
31 December 2015	42,638,306	33,578,034	127.0
31 December 2016	55,789,122	38,144,803	146.3
30 June 2017	59,144,495	38,735,129	152.7

†Closed 2 August 2016.

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	A Income	174.1	5.24
	A Accumulation	354.4	5.05
	B Income	184.1	5.21
	C Income	123.0	5.22
	C Accumulation	152,4	5.02
3 January 2017	A Income	173.1	4.98
	A Accumulation	344.2	4.80
	B Income	182.5	4.95
	C Income	121.8	4.96
	C Accumulation	147.4	4.78

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Income	1.68
	A Accumulation	1.68
	B Income	1.18
	C Income	0.83
	C Accumulation	0.83
31 December 2016	A Income	1.68
	A Accumulation	1.68
	B Income	1.18
	C Income	0.83
	C Accumulation	0.84

‡The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 1.80% per annum, the B share class is currently capped at 1.30% per annum and the C share classes are currently capped at 0.90% per annum of the relevant share class net asset value, by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 58.

Details of the distributions per share for the period are shown in the distribution table on page 66.

Status

Neptune Income Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capitalgains/(losses)		4,755,921		(9,537,425)
Revenue	4,777,080		4,974,572	
Expenses	(1,127,558)		(1,240,033)	
Interest payable and similar charges	(604)		(751)	
Net revenue before taxation	3,648,918		3,733,788	
Taxation	(94,145)		(79,681)	
Net revenue after taxation		3,554,773		3,654,107
Total return before distributions		8,310,694		(5,883,318)
Distributions		(4,682,316)		(4,894,088)
Change in net assets attributable to shareholders from investment activities		3,628,378		(10,777,406)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		201,219,996		241,148,208
Amounts received on issue of shares	10,571,714		1,140,228	
Amounts paid on cancellation of shares	(17,111,421)		(32,838,562)	
		(6,539,707)		(31,698,334)
Dilution adjustment charged		2,149		—
Change in net assets attributable to shareholders from investment activities		3,628,378		(10,777,406)
Retained distribution on accumulation shares		2,021,188		1,847,501
Unclaimed distributions		2,976		7,323
Closing net assets attributable to shareholders		200,334,980		200,527,292

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investment assets		201,093,980		202,981,255
Current assets				
Debtors	1,297,214		1,271,617	
Cash and bank balances	1,003,269		781,189	
Total current assets		2,300,483		2,052,806
Total assets		203,394,463		205,034,061
Liabilities				
Creditors				
Distribution payable	(2,558,186)		(3,368,910)	
Other creditors	(501,297)		(445,155)	
Total liabilities		(3,059,483)		(3,814,065)
Net assets attributable to shareholders		200,334,980		201,219,996

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Income shares				
Group 1	4.0352	—	4.0352	3.5279
Group 2	1.7455	2.2897	4.0352	3.5279
A Accumulation shares				
Group 1	8.0286	—	8.0286	6.6655
Group 2	5.5778	2.4508	8.0286	6.6655
B Income shares				
Group 1	4.2601	—	4.2601	3.7050
Group 2	1.5274	2.7327	4.2601	3.7050
C Income shares				
Group 1	2.8447	—	2.8447	2.4643
Group 2	1.4938	1.3509	2.8447	2.4643
C Accumulation shares				
Group 1	3.4444	—	3.4444	2.8342
Group 2	2.3981	1.0463	3.4444	2.8342

Neptune India Fund

Investment Objective

The investment objective of the Neptune India Fund (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.

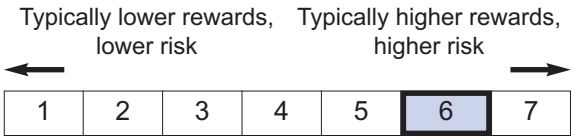
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune India Fund returned 14.42% in the first half of 2017, slightly behind the MSCI India Index return of 14.65%. Over one year, the Neptune India Fund has returned 25.12%, outperforming the MSCI India Index gain of 20.89%.*

India comfortably outperformed both emerging and global peers in the first quarter of 2017. A number of reasons drove this strong performance. The BJP and Narendra Modi won a stunning victory in the state election of Uttar Pradesh – India's most populous state. The margin of victory was unexpected and further lowered the political risk premium in India. Flows into equity markets from both foreign and domestic investors continued to gather pace, whilst the rupee strengthened by 5% versus the dollar. However, the Indian market was far quieter in the second quarter of 2017. The MSCI India Index underperformed the wider emerging market region. Much of this underperformance was due to the near-term uncertainty that the GST (Goods and Services Tax bill) offers, given a number of companies were forced into destocking in order to be ready for its implementation. It must be stressed though that the longer-term impact of this reform has the potential to be transformative for the economy and any short-term weakness is an opportunity for investment.

The strong performance of the Neptune India Fund in first quarter was driven by strong stock selection in consumer discretionary, financials, industrials and healthcare. The banks we held performed well, whilst our cement exposure rebounded strongly and Zee Entertainment continued to drive our consumer discretionary allocation. However, the Fund underperformed the market's return in the second quarter of the year. This underperformance was driven by stock selection in the healthcare space, where continued concerns on generic pricing and regulatory worries continued. Similarly, Shree Cement reported a weaker set of numbers than expectations, which we viewed as an opportunity to top up our position.

The macroeconomic health of India is the strongest it has been in a decade. Growth is accelerating, inflation is falling and the external vulnerabilities are diminishing. Meanwhile, the government remains busy and focused on its pro-growth and pro-reform agenda. The outlook for India over the next few years is particularly positive – alongside increased political stability, the short-term negative impact of Modi's demonetisation policy is passing. Corporate earnings are set to rebound as return ratios will be driven higher by the combination of excess capacity, improving demand and operating leverage, and continued balance sheet restraint. India's macro scorecard remains amongst the healthiest in the emerging world, whilst investor ownership has receded. The mid-cap space remains the most interesting for us.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	INDIA		
	BASIC MATERIALS 6.36% (2016 - 3.92%)		
	CHEMICALS 4.51%		
98,100	Finolex Industries	706,956	0.67
474,429	SH Kelkar	1,490,193	1.41
358,862	Tata Chemicals	2,566,881	2.43
	INDUSTRIAL METALS & MINING 1.85%		
859,539	Hindalco Industries	1,956,995	1.85
	CONSUMER GOODS 10.97% (2016 - 9.04%)		
	AUTOMOBILES & PARTS 5.66%		
32,626	Maruti Suzuki India	2,800,674	2.65
577,829	Motherson Sumi Systems	3,176,380	3.01
	FOOD PRODUCERS 1.69%		
228,385	Kaveri Seed	1,786,738	1.69
	PERSONAL GOODS 3.62%		
165,238	Godrej Consumer Products	1,906,673	1.81
165,238	Godrej Consumer Products (Voting Rights)	1,906,673	1.81
	CONSUMER SERVICES 2.80% (2016 - 2.86%)		
	MEDIA 2.80%		
504,380	Zee Entertainment Enterprises	2,955,100	2.80
	FINANCIALS 25.24% (2016 - 23.70%)		
	BANKS 13.31%		
400,773	Axis Bank	2,475,158	2.35
22,258	HDFC Bank ADR	1,475,920	1.40
999,457	ICICI Bank	3,449,082	3.27
180,091	IndusInd Bank	3,181,709	3.01
198,244	Yes Bank	3,461,540	3.28
	FINANCIAL SERVICES 7.52%		
145,863	Bharat Financial Inclusion	1,251,462	1.19
249,089	Housing Development Finance	4,784,041	4.53
147,625	Indiabulls Housing Finance	1,904,489	1.80
	LIFE INSURANCE 2.64%		
287,242	MAX Financial Services	2,150,297	2.04
343,336	MAX India	630,276	0.60
	REAL ESTATE INVESTMENT & SERVICES 1.77%		
619,678	Prestige Estates Projects	1,867,385	1.77
	HEALTH CARE 6.96% (2016 - 10.25%)		
	HEALTH CARE EQUIPMENT & SERVICES 1.99%		
698,432	Healthcare Global Enterprise	2,098,049	1.99
	PHARMACEUTICALS & BIOTECHNOLOGY 4.97%		
430,162	Sun Pharmaceutical Industries	2,848,952	2.70
164,868	Torrent Pharmaceuticals	2,395,201	2.27

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	INDUSTRIALS 21.39% (2016 - 22.44%)		
	CONSTRUCTION & MATERIALS 11.59%		
162,178	Asian Paints	2,134,283	2.02
417,501	Blue Star	2,986,068	2.83
729,546	IRB Infrastructure Developers	1,819,304	1.72
12,961	Shree Cement	2,622,056	2.49
318,134	The Ramco Cements	2,666,924	2.53
	ELECTRONIC & ELECTRICAL EQUIPMENT 1.48%		
155,492	Amara Raja Batteries	1,558,816	1.48
	INDUSTRIAL ENGINEERING 7.91%		
195,521	Bharat Forge	2,550,473	2.42
163,868	Mahindra & Mahindra	2,637,541	2.50
612,592	Tata Motors	3,158,628	2.99
	INDUSTRIAL TRANSPORTATION 0.41%		
370,000	IRB InvIT Fund	428,264	0.41
	OIL & GAS 5.25% (2016 - 4.71%)		
	OIL & GAS PRODUCERS 5.25%		
355,570	Hindustan Petroleum	2,157,839	2.05
204,497	Reliance Industries	3,371,077	3.20
	TECHNOLOGY 10.13% (2016 - 13.27%)		
	SOFTWARE & COMPUTER SERVICES 10.13%		
320,036	HCL Technologies	3,236,038	3.07
322,371	Infosys	3,589,936	3.40
227,280	Persistent Systems	1,843,793	1.75
71,684	Tata Consultancy Services	2,017,479	1.91
	TELECOMMUNICATIONS 1.42% (2016 - 1.46%)		
	MOBILE TELECOMMUNICATIONS 1.42%		
334,786	Bharti Infratel	1,493,351	1.42
	UTILITIES 4.29% (2016 - 4.40%)		
	ELECTRICITY 1.95%		
823,798	Power Grid Corporation of India	2,062,200	1.95
	GAS, WATER & MULTIUTILITIES 2.34%		
482,366	Petronet LNG	2,468,186	2.34
	UNITED STATES 1.50% (2016 - 1.83%)		
31,061	Cognizant Technology Solutions	1,582,667	1.50
	Portfolio of investments	101,611,747	96.31
	Net other assets	3,891,196	3.69
	Net assets	105,502,943	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Stocks shown as ADRs represent American Depositary Receipts.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Hindalco Industries	1,944,378
Sun Pharmaceutical Industries	1,356,674
Reliance Industries	850,327
Axis Bank	569,956
IRB InvIT Fund	456,371

Sales	Proceeds £
Dr Reddy's Laboratories	1,761,952
Lupin	1,580,913
Tata Consultancy Services	1,043,569
Tata Motors	1,018,083
Bharat Financial Inclusion	960,537

Neptune India Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
A Accumulation			
2014	164.4p	101.0p	—
2015	184.3p	145.3p	—
2016†	198.5p***	138.9p***	—
C Accumulation			
2014‡	171.0p	109.2p	0.0635p
2015	192.5p	152.5p	0.4857p
2016	234.1p	146.5p	0.1913p
2017	248.9p*	208.1p*	0.0055p**
C Accumulation USD			
2015‡‡	102.4¢	85.94¢	0.9866¢
2016	107.2¢	77.76¢	0.8591¢
2017	117.6¢*	95.03¢*	0.0067¢**

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	22,549,912	14,229,170	158.5
31 December 2015	10,537,469	6,610,493	159.4
31 December 2016	—	—	—
30 June 2017	—	—	—
C Accumulation			
31 December 2014	74,830,522	45,346,924	165.0
31 December 2015	76,308,399	45,443,749	167.9
31 December 2016	105,372,156	50,674,600	207.9
30 June 2017	103,884,753	43,672,210	237.9
C Accumulation USD			
31 December 2015	617	1,000	61.70
31 December 2016	13,499	17,491	77.18
30 June 2017	1,618,190	1,832,827	88.29

†Closed 2 August 2016.
‡Launched 1 March 2014.
‡‡Launched 17 April 2015.
*To 30 June 2017.
**To 31 August 2017.
***From 1 January 2016 to 2 August 2016.

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
3 July 2017	C Accumulation	239.1p	—
	C Accumulation USD	115.0¢	0.27
3 January 2017	C Accumulation	208.8p	0.09
	C Accumulation USD	95.23¢	0.90

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	C Accumulation	1.13
	C Accumulation USD	1.14
31 December 2016	C Accumulation	1.18
	C Accumulation USD	1.20

‡The OCF includes the annual management charges and other expenses. The OCF of the C share class is currently capped at 1.30% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 68.

Details of the distributions per share for the period are shown in the distribution table on page 76.

Status

Neptune India Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains		12,471,850		10,675,045
Revenue	563,069		579,485	
Expenses	(574,401)		(525,469)	
Interest payable and similar charges	(925)		(969)	
Net (expense)/revenue before taxation	(12,257)		53,047	
Taxation	(510)		(1,512)	
Net (expense)/revenue after taxation		(12,767)		51,535
Total return before distributions		12,459,083		10,726,580
Distributions		12,778		(82,653)
Change in net assets attributable to shareholders from investment activities		12,471,861		10,643,927

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		105,385,655		86,846,485
Amounts received on issue of shares	23,855,960		7,849,794	
Amounts paid on cancellation of shares	(36,294,725)		(9,755,442)	
		(12,438,765)		(1,905,648)
Dilution adjustment charged		81,695		—
Change in net assets attributable to shareholders from investment activities		12,471,861		10,643,927
Retained distribution on accumulation shares		2,497		87,540
Closing net assets attributable to shareholders		105,502,943		95,672,304

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		101,611,747		103,148,183
Current assets				
Debtors	556,589		209,373	
Cash and bank balances	5,497,043		2,328,767	
Total current assets		6,053,632		2,538,140
Total assets		107,665,379		105,686,323
Liabilities				
Creditors				
Other creditors	(2,162,436)		(300,668)	
Total liabilities		(2,162,436)		(300,668)
Net assets attributable to shareholders		105,502,943		105,385,655

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
C Accumulation shares (p)				
Group 1	0.0055	—	0.0055	0.1913
Group 2	0.0055	—	0.0055	0.1913
C Accumulation USD shares (¢)				
Group 1	0.0067	—	0.0067	0.5597
Group 2	0.0067	—	0.0067	0.5597

Neptune Japan Opportunities Fund

Investment Objective

The investment objective of the Neptune Japan Opportunities Fund (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.

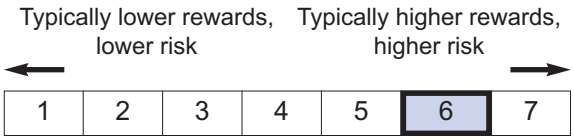
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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 Investment 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 Investment 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune Japan Opportunities Fund had good first half of 2017, returning 9.56% against the TOPIX Index's gain of 6.02% and the IA Japan sector average return of 6.49%. This saw the Fund ranked 8th out of 66 competitors in the IA Japan sector.*

The Fund's outperformance of almost 3.5% was split roughly 2.0% points from the Fund's equity holdings accompanied by another 1.5% from the currency hedge, given sterling's slight currency appreciation across the first half of 2017.

The Fund did well out of a combination of being overweight in the industrials, materials and IT sectors, whilst simultaneously avoiding those sectors that underperformed such as energy, healthcare, utilities and telecoms. Our holdings in the chemical and construction sectors performed strongly as did Nintendo, our largest single holding, which rose by over 40% during the period. In contrast, our financial and real estate stocks, at best, marked time or declined which detracted from the overall return achieved by the Fund.

As seems to have become its habit, the TOPIX Index showed a split performance across the two quarters, falling in the first and rising in the second. This was largely a function of the Core 30 stock behavior, with the large capitalised firms proving to be followers of global events. In this case, yen strength early in the year was accompanied by geopolitical uncertainty emanating from Europe, including the UK, the Middle East and North Korea. In contrast, the smaller stocks collectively rose in each of the two quarters, being less exposed to non-Japanese factors. Overall, daily market share trading volume of around 2 billion remained restrained, with foreign investors largely absent.

However, once the yen weakened and geopolitical concerns eased early in the second quarter, the market regained its composure, helped by stronger than initially anticipated Japanese corporate earnings reports. These were announced from late April onwards and revealed that, on average, annual company profits had grown by over 14% compared to expectations of only 6%.

Meanwhile, we still expect the yen to gradually weaken as interest rates elsewhere begin to be consistently raised, whilst those in Japan remain at current levels. Likewise, economic growth rates will show similar patterns as Japan drifts based on the lack of sustained wage growth and the country's negative demographics.

Such developments are likely to trigger renewed yen weakness and so the Neptune Japan Opportunities Fund's long-held strategy of hedging the yen back into sterling will remain in place as we expect this feature will help underwrite a multi-year recovery in Japanese corporate profits. The Fund will remain overweight in large, well financed, industry dominant Japanese multinationals that are set to benefit most from the currency's likely weakening.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	BASIC MATERIALS 18.90% (2016 - 18.53%)		
	CHEMICALS 17.75%		
380,000	Kansai Paint	6,741,153	2.70
1,199,700	Mitsubishi Chemical	7,671,284	3.08
613,500	Mitsubishi Gas Chemical	10,014,092	4.01
248,000	Nippon Paint	7,250,031	2.91
102,300	Shin-Etsu Chemical	7,156,421	2.87
843,000	Toray Industries	5,450,150	2.18
	INDUSTRIAL METALS & MINING 1.15%		
213,900	JFE	2,866,150	1.15
	CONSUMER GOODS 8.58% (2016 - 9.68%)		
	AUTOMOBILES & PARTS 5.91%		
226,500	NGK Spark Plug	3,718,946	1.49
518,600	NSK	4,994,129	2.00
149,400	Toyota Motor	6,042,647	2.42
	LEISURE GOODS 2.67%		
253,000	Bandai Namco	6,647,880	2.67
	FINANCIALS 14.41% (2016 - 16.29%)		
	BANKS 3.75%		
174,600	Sumitomo Mitsui Financial	5,255,582	2.11
148,300	Sumitomo Mitsui Trust	4,098,740	1.64
	FINANCIAL SERVICES 5.14%		
778,000	Daiwa Securities	3,558,239	1.43
154,900	Jafco	4,810,702	1.93
959,400	Nomura	4,443,320	1.78
	LIFE INSURANCE 1.72%		
308,800	Dai-ichi Life Insurance	4,301,318	1.72
	REAL ESTATE INVESTMENT & SERVICES 3.80%		
332,000	Mitsubishi Estate	4,778,623	1.92
254,000	Mitsui Fudosan	4,681,519	1.88
	INDUSTRIALS 38.70% (2016 - 39.00%)		
	CONSTRUCTION & MATERIALS 13.79%		
761,400	Haseko	7,138,517	2.86
875,000	Shimizu	7,162,329	2.87
5,617,500	Sumitomo Mitsui Construction	4,636,853	1.86
2,097,000	Sumitomo Osaka Cement	7,673,779	3.08
1,104,000	Taisei	7,783,809	3.12
	ELECTRONIC & ELECTRICAL EQUIPMENT 5.52%		
773,000	Hitachi	3,661,920	1.47
29,800	Keyence	10,103,558	4.05
	GENERAL INDUSTRIALS 1.00%		
1,340,000	Toshiba	2,502,498	1.00
	INDUSTRIAL ENGINEERING 18.39%		
652,000	Amada	5,807,867	2.33
687,000	Chiyoda	3,118,889	1.25
2,150,000	Chugai Ro	3,283,149	1.32
58,300	Daikin Industries	4,591,698	1.84
26,900	FANUC	4,003,211	1.60

Investment Manager's Report
for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
300,000	Kimura Chemical Plants	759,396	0.30
245,400	Komatsu	4,816,723	1.93
1,015,000	Mitsubishi Heavy Industries	3,209,517	1.29
1,367,000	NTN	4,851,963	1.95
834,000	OKUMA	6,109,630	2.45
435,800	Toshiba Plant Systems & Services	5,308,906	2.13
	OIL & GAS 2.21% (2016 - 2.50%)		
	OIL & GAS PRODUCERS 2.21%		
1,636,000	JXTG	5,517,526	2.21
	TECHNOLOGY 11.68% (2016 - 9.31%)		
	LEISURE GOODS 5.85%		
56,400	Nintendo	14,602,526	5.85
	TECHNOLOGY HARDWARE & EQUIPMENT 5.83%		
984,000	Fujitsu	5,599,605	2.24
290,900	Oki Electric Industry	3,181,560	1.28
515,000	Sumco	5,760,060	2.31
	FORWARD FOREIGN EXCHANGE CONTRACT 2.85% (2016 - 0.68%)†		
	Sold JPY9,000,000,000 for GBP63,292,718 Settlement 03/07/2017	1,385,429	0.56
	Sold JPY8,000,000,000 for GBP57,128,616 Settlement 18/07/2017	2,091,108	0.84
	Sold JPY7,000,000,000 for GBP49,876,361 Settlement 19/07/2017	1,718,023	0.69
	Sold JPY10,000,000,000 for GBP71,131,026 Settlement 26/07/2017	2,328,211	0.93
	Sold JPY8,000,000,000 for GBP54,621,994 Settlement 03/08/2017	(425,002)	(0.17)
	Portfolio of investments	242,764,184	97.33
	Net other assets	6,659,778	2.67
	Net assets	249,423,962	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

†Derivatives

All purchases and the top five sales for the six months are as follows:

Purchases	Cost £
Daikin Industries	2,566,715
Sumco	2,404,318

Sales	Proceeds £
JFE	1,574,410
Nintendo	1,387,693
Mitsubishi Gas Chemical	1,257,018
Keyence	1,164,184
Sumitomo Osaka Cement	894,069

Neptune Japan Opportunities Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p\¢)	Net income per share (p\¢)
A Accumulation			
2014	418.2p	324.8p	—
2015	464.3p	356.9p	—
2016	411.2p	288.7p	1.4643p
2017	436.3p*	394.2p*	0.7913p**
B Accumulation			
2014	437.1p	338.3p	0.6022p
2015	486.4p	374.6p	1.2023p
2016	434.1p	303.5p	2.8974p
2017	461.8p*	416.9p*	1.2360p**
C Accumulation			
2014	199.4p	153.9p	0.7659p
2015	222.3p	171.4p	1.3168p
2016	199.4p	139.0p	1.9179p
2017	212.6p*	191.8p*	1.2612p**
D Accumulation			
2014	199.4p	117.3p	0.7092p
2015	130.9p	100.9p	0.9014p
2016	117.6p	81.90p	1.2277p
2017	125.4p*	113.1p*	0.8700p**
A Accumulation USD			
2014	163.4¢	134.2¢	—
2015	179.6¢	135.0¢	—
2016	144.5¢	98.57¢	0.4943¢
2017	140.7¢*	120.7¢*	0.6606¢**
C Accumulation USD‡			
2014	167.5¢	137.2¢	—
2015	184.8¢	139.0¢	0.1766¢
2016	140.2¢	95.38¢	1.1091¢
2017	146.6¢*	125.3¢*	0.9456¢**

‡Share class name changed from B Accumulation USD on 1 August 2016.
*To 30 June 2017.
**To 31 August 2017.

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	94,371,405	23,491,755	401.7
31 December 2015	42,401,793	10,882,676	389.6
31 December 2016	20,225,419	5,105,308	396.2
30 June 2017	19,638,456	4,541,872	432.4
B Accumulation			
31 December 2014	135,349,523	32,228,730	420.0
31 December 2015	126,216,314	30,828,332	409.4
31 December 2016	5,360,286	1,281,252	418.4
30 June 2017	4,906,669	1,071,881	457.8
C Accumulation			
31 December 2014	209,906,744	109,534,997	191.6
31 December 2015	247,231,600	131,871,356	187.5
31 December 2016	172,532,496	89,742,932	192.3
30 June 2017	169,239,526	80,314,328	210.7
D Accumulation			
31 December 2014	58,777,232	52,124,240	112.8
31 December 2015	93,011,877	84,233,525	110.4
31 December 2016	51,890,532	45,781,249	113.3
30 June 2017	54,075,515	43,506,729	124.3
A Accumulation USD			
31 December 2014	1,950,607	1,947,009	100.2
31 December 2015	2,299,007	2,371,756	96.93
31 December 2016	2,263,540	2,296,620	98.56
30 June 2017	1,341,602	1,247,123	107.6
C Accumulation USD			
31 December 2014	3,045,931	2,963,830	102.8
31 December 2015	718,544	719,151	99.92
31 December 2016	262,886	257,089	102.3
30 June 2017	222,194	198,233	112.1

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
3 July 2017	A Accumulation	434.1p	0.18
	B Accumulation	459.6p	0.38
	C Accumulation	211.6p	0.85
	D Accumulation	124.8p	0.99
	A Accumulation USD	139.9¢	0.47
	C Accumulation USD	145.8¢	0.88
3 January 2017	A Accumulation	396.5p	0.37
	B Accumulation	418.8p	0.69
	C Accumulation	192.5p	1.00
	D Accumulation	113.5p	1.08
	A Accumulation USD	121.2¢	0.41
	C Accumulation USD	125.8¢	0.88

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Accumulation	1.70
	B Accumulation	1.20
	C Accumulation	0.85
	D Accumulation	0.75
	A Accumulation USD	1.70
	C Accumulation USD	0.85
31 December 2016	A Accumulation	1.70
	B Accumulation	1.19
	C Accumulation	0.86
	D Accumulation	0.75
	A Accumulation USD	1.71
	C Accumulation USD	0.86

‡The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 1.80% per annum, the B share class is currently capped at 1.30% per annum the C share class is currently capped at 1.00% per annum and the D share class is currently capped at 0.90% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 78.

Details of the distributions per share for the period are shown in the distribution table on page 86.

Status

Neptune Japan Opportunities Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains/(losses)		21,192,058		(95,815,523)
Revenue	3,007,973		4,252,318	
Expenses	(1,140,792)		(1,449,984)	
Interest payable and similar charges	(1,549)		(9,954)	
Net revenue before taxation	1,865,632		2,792,380	
Taxation	(311,961)		(385,187)	
Net revenue after taxation		1,553,671		2,407,193
Total return before distributions		22,745,729		(93,408,330)
Distributions		(1,553,762)		(2,414,089)
Change in net assets attributable to shareholders from investment activities		21,191,967		(95,822,419)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		252,535,158		511,879,135
In specie transfer		—		(100,468,379)
Amounts received on issue of shares	19,636,095		41,834,582	
Amounts paid on cancellation of shares	(45,387,671)		(121,372,071)	
		(25,751,576)		(79,537,489)
Dilution adjustment charged		—		(12,748)
Stamp duty reserve tax*		—		645
Change in net assets attributable to shareholders from investment activities		21,191,967		(95,822,419)
Retained distribution on accumulation shares		1,448,413		2,162,344
Closing net assets attributable to shareholders		249,423,962		238,201,089

*Stamp duty reserve tax was abolished from 30 March 2014 for OEICs. The 2016 balance relates to aged refunds.

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		243,189,186		244,908,119
Current assets				
Debtors	7,677,902		1,265,631	
Cash and bank balances	1,580,322		14,657,376	
Total current assets		9,258,224		15,923,007
Total assets		252,447,410		260,831,126
Liabilities				
Investment liabilities		(425,002)		(2,500,487)
Creditors				
Bank overdraft	(1,903,250)		—	
Other creditors	(695,196)		(5,795,481)	
Total other liabilities		(2,598,446)		(5,795,481)
Total liabilities		(3,023,448)		(8,295,968)
Net assets attributable to shareholders		249,423,962		252,535,158

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Accumulation shares (p)				
Group 1	0.7913	—	0.7913	1.4643
Group 2	0.7913	—	0.7913	1.4643
B Accumulation shares (p)				
Group 1	1.2360	—	1.2360	2.4039
Group 2	1.2360	—	1.2360	2.4039
C Accumulation shares (p)				
Group 1	1.2612	—	1.2612	1.3871
Group 2	1.2612	—	1.2612	1.3871
D Accumulation shares (p)				
Group 1	0.8700	—	0.8700	0.8641
Group 2	0.8700	—	0.8700	0.8641
A Accumulation USD shares (¢)				
Group 1	0.6606	—	0.6606	0.4943
Group 2	0.6606	—	0.6606	0.4943
C Accumulation USD shares (¢)				
Group 1	0.9456	—	0.9456	0.7773
Group 2	0.9456	—	0.9456	0.7773

Neptune Latin America Fund

Investment Objective

The investment objective of the Neptune Latin America Fund (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.

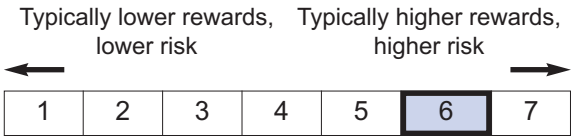
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.

Neptune Latin America Fund

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

Latin American markets continued to generate positive returns during the first half of 2017, with Mexico leading the way and only Brazil generating negative returns. During the first quarter, the Mexican peso saw its strongest quarter in over four decades as fears over the dismantling of NAFTA eased and rhetoric from US politicians shifted to making North America a 'manufacturing powerhouse'. Chile also had a strong first half as the presidential campaign began to take shape ahead of the primaries in July and presidential election in November. Former President Sebastian Pinera (centre-right candidate) officially launched his campaign, with a focus on economic growth and simplifying or changing the current government's tax, labour, and constitutional reform. We have seen how powerful the political cycle can be as a driver for equity markets and Chile could be the latest country in Latin America to shift to the centre right which should be very positive for both economic activity and for markets.

The Brazilian market had a strong start to the year but gave back these gains following the recordings that implicated President Temer in corruption wrongdoings. The main concern is the impact this will have on the reform agenda, with Temer potentially having to use up political capital to remain in power, which will diminish his ability to pass reforms. That said, the labour reform will be voted on in the Senate in early July and we have seen only minor delays to the pension reform, which is due to be voted on in September.

It is worth noting that fundamentals are considerably stronger than during the 2015/16 sell-off. Inflation has been falling fast and consistently, external accounts are in a great shape (12-month rolling trade surplus is the largest on record), the global scenario is more supportive, companies are less leveraged, the banking system is solid, and economic activity is no longer in free fall. Finally, the Ministry of Finance and the Central Bank are led by very capable, seasoned technocrats that have a strong sense of public responsibility and aren't likely to immediately leave the government if Temer falls.

The Neptune Latin America Fund returned 9.24% during the first half of the year, outperforming the MSCI Latin America Index's return of 4.95%.* Key contributors to performance were Brazilian stocks Magazine Luiza and Rumo Logistica, and our holdings in Argentina continued to generate strong returns as President Macri engages in reforms to address the imbalances generated by the Kirchner government.

Looking across emerging markets, investors are crying out for reformist governments. In Asia we have seen this with India and Indonesia, and in Latin America, Mexico, Argentina and now Peru have elected strong pro-market governments. Brazil is increasingly moving in that direction and Chile could see the re-election of Sebastian Pinera by the end of the year.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	ARGENTINA 5.80% (2016 - 6.15%)		
48,500	Adecoagro	370,705	1.41
4,750	Banco Macro ADR	329,208	1.26
1,900	MercadoLibre	369,430	1.41
10,000	Pampa Energia ADR	451,747	1.72
	BRAZIL 51.65% (2016 - 59.78%)		
121,660	Banco Bradesco	768,244	2.93
115,500	Banco Bradesco Preference Shares	744,428	2.84
112,000	Banco do Brasil	692,096	2.64
175,000	Banco do Estado do Rio Grande do Sul Preference Shares	519,072	1.98
50,000	Cia de Saneamento de Minas Gerais-COPASA	448,883	1.71
235,000	Cia de Saneamento do Parana Preference Shares	583,606	2.23
61,448	Construtora Tenda	205,762	0.78
505,000	Direcional Engenharia	601,748	2.30
80,000	Energisa	443,986	1.69
90,000	Ez Tec Empreendimentos e Participacoes	371,046	1.41
29,666	Gafisa	72,359	0.28
155,000	Gerdau ADR	359,479	1.37
129,850	Itau Unibanco ADR	1,097,549	4.19
229	Itausa - Investimentos Itau	457	-
470,843	Itausa - Investimentos Itau Preference Shares	978,264	3.73
100,000	Light	515,341	1.97
107	Lupatech 6.5% 15/04/2018†	-	-
9,000	Magazine Luiza	519,485	1.98
271,000	Minerva	764,008	2.91
402,000	Petroleo Brasileiro Preference Shares	1,141,763	4.36
1,653	Refinaria Petroleo Preference Shares 0%*	-	-
297,000	Rumo Logistica Operadora Multimodal	583,830	2.23
95,000	Ser Educacional	520,588	1.99
182,000	Vale ADR	1,224,224	4.67
160,000	Via Varejo	381,679	1.46
	CANADA 3.00% (2016 - 0.00%)		
73,000	Hudbay Minerals	327,243	1.25
620,000	Trevali Mining	460,154	1.75
	CHILE 7.30% (2016 - 5.23%)		
5,127,015	Banco de Chile	511,886	1.95
13,000	Banco de Credito e Inversiones	557,413	2.13
35,000,000	Itau CorpBanca	238,105	0.91
97,000	SACI Falabella	605,541	2.31
	COLOMBIA 0.49% (2016 - 0.80%)		
537,439	Constructora Conconcreto	129,754	0.49
	LUXEMBOURG 1.07% (2016 - 0.88%)		
8,500	Globant	281,096	1.07
	MEXICO 27.00% (2016 - 21.04%)		
215,000	Alsea	632,963	2.41
14,000	America Movil ADR	169,789	0.65
99,328	Cemex ADR	710,989	2.71
85,000	Fomento Economico Mexicano	634,544	2.42
660,000	Gentera	770,573	2.94
3,700	Grupo Aeroportuario del Sureste ADR	597,114	2.28

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
181,600	Grupo Financiero Banorte	885,372	3.38
160,000	Infraestructura Energetica Nova	658,258	2.51
735,000	Inmobiliaria Vesta	834,928	3.19
270,000	Mexichem	550,624	2.10
68,000	Promotora y Operadora de Infraestructura	632,441	2.41
	NORWAY 0.17% (2016 - 0.26%)		
189,700	Agrinos	43,530	0.17
	PERU 2.68% (2016 - 4.15%)		
5,050	Credicorp	702,257	2.68
	SPAIN 0.94% (2016 - 0.96%)		
29,500	Atento	245,483	0.94
	Portfolio of investments	26,239,044	100.10
	Net other liabilities	(27,421)	(0.10)
	Net assets	26,211,623	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

*Delisted security

†Convertible Bond in default.

Stocks shown as ADRs represent American Depositary Receipts.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Gentera	817,588
Cia de Saneamento do Parana Preference Shares	800,746
Banco de Credito e Inversiones	623,042
Infraestructura Energetica Nova	614,400
Promotora y Operadora de Infraestructura	591,568

Sales	Proceeds £
America Movil ADR	856,095
Gruma ADR	628,060
Cia de Saneamento Basico do Estado de Sao Paulo ADR	559,702
Credicorp	534,712
Cosan SA Industria e Comercio	534,598

Neptune Latin America Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
A Accumulation			
2014	120.2	84.23	0.2371
2015	93.19	68.58	—
2016†	102.5***	67.18***	0.1124***
B Accumulation			
2014	123.9	86.94	0.7498
2015	96.35	70.72	0.0510
2016†	105.4***	68.89***	0.2756***
C Accumulation			
2014	97.98	68.87	1.0867
2015	76.50	56.52	0.5851
2016	101.1	55.71	0.8800
2017	107.9*	89.20*	0.8028**

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	9,193,057	10,083,489	91.17
31 December 2015	2,310,449	3,205,895	72.07
31 December 2016	—	—	—
30 June 2017	—	—	—
B Accumulation			
31 December 2014	5,787,755	6,149,687	94.11
31 December 2015	250,126	339,316	73.71
31 December 2016	—	—	—
30 June 2017	—	—	—
C Accumulation			
31 December 2014	7,439,022	9,975,450	74.57
31 December 2015	4,204,175	7,064,268	59.51
31 December 2016	19,621,223	21,911,071	89.55
30 June 2017	26,211,623	26,783,851	97.86

†Closed 2 August 2016.
*To 30 June 2017.
**To 31 August 2017.
***From 1 January 2016 to 2 August 2016.

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	C Accumulation	99.02	1.22
3 January 2017	C Accumulation	89.20	0.99

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	C Accumulation	1.07
31 December 2016	C Accumulation	1.22

‡The OCF includes the annual management charges and other expenses. The OCF of the C share class is currently capped at 1.30% per annum of the share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 88.

Details of the distributions per share for the period are shown in the distribution table on page 95.

Status

Neptune Latin America Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains		1,356,400		2,604,414
Revenue	403,042		123,714	
Expenses	(134,303)		(64,479)	
Interest payable and similar charges	(705)		(484)	
Net revenue before taxation	268,034		58,751	
Taxation	(32,760)		(7,797)	
Net revenue after taxation		235,274		50,954
Total return before distributions		1,591,674		2,655,368
Distributions		(235,268)		(50,946)
Change in net assets attributable to shareholders from investment activities		1,356,406		2,604,422

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		19,621,223		6,764,750
Amounts received on issue of shares	11,165,878		7,055,964	
Amounts paid on cancellation of shares	(6,155,984)		(3,077,467)	
		5,009,894		3,978,497
Dilution adjustment charged		9,079		17,729
Change in net assets attributable to shareholders from investment activities		1,356,406		2,604,422
Retained distribution on accumulation shares		215,021		69,741
Closing net assets attributable to shareholders		26,211,623		13,435,139

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		26,239,044		19,474,005
Current assets				
Debtors	109,195		97,799	
Cash and bank balances	72,775		94,870	
Total current assets		181,970		192,669
Total assets		26,421,014		19,666,674
Liabilities				
Creditors				
Other creditors	(209,391)		(45,451)	
Total liabilities		(209,391)		(45,451)
Net assets attributable to shareholders		26,211,623		19,621,223

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Accumulation shares				
Group 1	—	—	—	0.1124
Group 2	—	—	—	0.1124
B Accumulation shares				
Group 1	—	—	—	0.2756
Group 2	—	—	—	0.2756
C Accumulation shares				
Group 1	0.8028	—	0.8028	0.4793
Group 2	0.6961	0.1067	0.8028	0.4793

Neptune Russia and Greater Russia Fund

Investment Objective

The investment objective of the Neptune Russia and Greater Russia Fund (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.

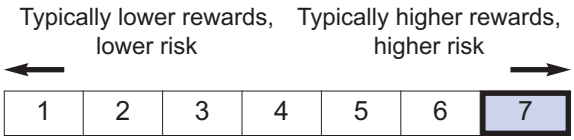
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 7 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

After a very strong recovery during 2016, particularly following the US election, the Russian market has had a weak start to 2017, falling by -18.42% during the first half.* Part of this has been a result of the market getting ahead of itself following the US election regarding hopes for imminent sanctions relief. During the second quarter, EU leaders formally extended sanctions by another six months to the end of January 2018, and the US Senate passed legislation that would make US sanctions on Russia more difficult to remove. We have also seen a gradual flattening of the forward curve for oil, and more recently spot prices retreated back below $50/bbl, despite nearly full compliance from OPEC to their production cuts.

We continue to believe that the current oil price should be something of a Goldilocks level for Russia. The rally through 2016 has reduced the stress on the budget, and the stronger ruble has helped anchor inflation which should allow the Central Bank to lower rates. However, the government is very aware of the need to diversify the economy away from natural resources, and the oil price shock will help to drive reforms, which will stimulate stronger economic growth in the medium term.

The Neptune Russia and Greater Russia Fund has proved more resilient than the benchmark during the recent weakness, falling by -7.45% during the first half of the year. Key contributors have been our holdings in the IT sector, while not owning Gazprom and Rosneft in the energy sector has also boosted relative returns. Over one year the Neptune Russia and Greater Russia Fund has returned 29.07% compared with 14.19% for the MSCI Russia Large Cap Index. Key contributors have been our large holdings in Sberbank, Novatek and X5, as well as Globaltrans.*

The Russian benchmarks continue to be heavily weighted in the energy sector, with many sectors of the Russian economy underrepresented or not represented at all. The Neptune Russia and Greater Russia Fund continues to offer diversified exposure in sectors that are not present in the benchmark, such as the IT and industrials sectors.

Following the weakness seen during the first half of 2017, Russia is now trading at a significant discount to emerging markets, near the lowest levels seen in the past ten years and only marginally higher than at the peak of the crisis in late 2014.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	RUSSIA 82.88% (2016 - 84.55%)		
	BASIC MATERIALS 18.00% (2016 - 17.59%)		
	INDUSTRIAL METALS & MINING 18.00%		
5,850,000	ALROSA	6,638,633	3.49
1,735,000	MMC Norilsk Nickel ADR	18,601,936	9.79
895,000	Severstal GDR	8,971,721	4.72
	CONSUMER GOODS 0.00% (2016 - 0.10%)		
	FOOD PRODUCERS 0.00%		
2,610,000	Razgulay Group *	—	—
	CONSUMER SERVICES 18.23% (2016 - 18.35%)		
	FOOD & DRUG RETAILERS 13.51%		
60,000	Magnit	7,059,450	3.71
695,000	X5 Retail GDR	18,630,079	9.80
	TRAVEL & LEISURE 4.72%		
50,000	Aeroflot - Russian Airlines	126,271	0.07
3,500,000	Aeroflot - Russian Airlines GDR	8,841,224	4.65
	FINANCIALS 15.26% (2016 - 15.52%)		
	BANKS 9.66%		
2,305,000	Sberbank of Russia (LI Listing) ADR	18,284,062	9.62
10,000	Sberbank of Russia (US Listing) ADR	79,323	0.04
	FINANCIAL SERVICES 4.58%		
6,380,000	Moscow Exchange	—	4.58
	REAL ESTATE INVESTMENT & SERVICES 1.02%		
500,000	PIK	1,932,768	1.02
	INDUSTRIALS 1.61% (2016 - 1.29%)		
	INDUSTRIAL TRANSPORTATION 1.61%		
450,000	Novorossiysk Commercial Sea Port GDR	3,054,667	1.61
	OIL & GAS 22.64% (2016 - 25.64%)		
	OIL & GAS PRODUCERS 22.64%		
300,000	Gazprom Neft ADR	3,548,175	1.87
243,000	Lukoil ADR	9,151,935	4.81
216,000	Novatek GDR	18,823,129	9.90
750,000	Surgutneftegas ADR	2,487,190	1.31
305,000	Tatneft ADR	9,040,605	4.75
	TECHNOLOGY 3.82% (2016 - 1.97%)		
	SOFTWARE & COMPUTER SERVICES 3.82%		
360,000	Mail.Ru GDR	7,261,855	3.82
	TELECOMMUNICATIONS 3.32% (2016 - 4.09%)		
	FIXED LINE COMMUNICATIONS 1.03%		
4,000,000	Sistema	629,724	0.33
420,000	Sistema GDR	1,334,900	0.70
	MOBILE TELECOMMUNICATIONS 2.29%		
1,000,000	Mobile TeleSystems	3,071,220	1.62
200,000	Mobile TeleSystems ADR	1,277,497	0.67

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	CYPRUS 9.72% (2016 - 8.22%)		
1,032,000	Ros Agro GDR	9,025,078	4.75
200,000	Global Ports Investments GDR	539,352	0.28
1,549,000	Globaltrans Investment GDR	8,915,536	4.69
	NETHERLANDS 4.51% (2016 - 4.63%)		
418,000	Yandex	8,576,753	4.51
	UNITED KINGDOM 1.16% (2016 - 0.00%)		
1,050,000	Evraz	2,202,900	1.16
	Portfolio of investments	186,816,993	98.27
	Net other assets	3,286,018	1.73
	Net assets	190,103,011	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

*Delisted security.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Aeroflot - Russian Airlines GDR	8,899,872
Sberbank of Russia (US Listing) ADR	7,442,156
MMC Norilsk Nickel ADR	6,797,176
Globaltrans Investment GDR	5,659,799
Novatek GDR	4,904,744

Sales	Proceeds £
Aeroflot - Russian Airlines GDR	12,473,139
Sberbank of Russia (LI Listing) ADR	8,068,729
X5 Retail GDR	6,552,912
Yandex	5,780,234
MMC Norilsk Nickel ADR	5,762,149

Neptune Russia and Greater Russia Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
A Accumulation			
2014	317.2p	144.1p	5.8994p
2015	238.2p	163.8p	2.2841p
2016	321.5p	161.7p	2.3303p
2017	333.3p*	289,7p*	4.2255p**
B Accumulation			
2014	331.1p	150.9p	7.2248p
2015	249.5p	171.7p	2.8608p
2016†	262,6p***	169.5p***	0.5419p***
C Accumulation			
2014	106.9p	48.99p	2.9377p
2015	81.23p	56.06p	1.5377p
2016	111.4p	55.55p	1.5796p
2017	115.6p*	100.9p*	1.9907p**
A Accumulation EUR			
2014	145.8¢	68.31¢	—
2015	89.55¢	64.79¢	0.7354¢
2016	142.3¢	78.37¢	1.0197¢
2017	146.8¢*	123.2¢*	1.8077¢**
C Accumulation EUR			
2014	144.8¢	70.37¢	—
2015	92.64¢	66.90¢	0.6652¢
2016	148.3¢	81.11¢	1.8724¢
2017	153.0¢*	129.2¢*	2.5567¢**
A Accumulation USD			
2014	139.2¢	60.10¢	2.3479¢
2015	75.92¢	45.08¢	0.8556¢
2016	104.6¢	60.32¢	0.0076¢
2017	109.6¢*	97.12¢*	1.4505¢**
C Accumulation USD			
2014	141.2¢	60.70¢	2.0864¢
2015	62.12¢	45.50¢	0.4477¢
2016	105.9¢	60.68¢	1.3488¢
2017	111.1¢*	98.84¢*	1.9988¢**

†Closed 2 August 2016.
*To 30 June 2017.
** To 31 August 2017.
***From 1 January 2016 to 2 August 2016.

Neptune Russia and Greater Russia Fund

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	80,297,136	47,916,458	167.6
31 December 2015	56,047,377	29,690,023	188.8
31 December 2016	71,486,322	22,247,695	321.3
30 June 2017	56,819,304	19,200,500	295.9
B Accumulation			
31 December 2014	1,317,820	751,030	175.5
31 December 2015	1,449,121	732,215	197.9
C Accumulation			
31 December 2014	41,307,557	72,483,621	56.99
31 December 2015	69,683,422	107,515,878	64.81
31 December 2016	145,571,079	130,708,419	111.4
30 June 2017	125,518,016	121,795,819	103.1
A Accumulation EUR			
31 December 2014	161,148	255,009	63.19
31 December 2015	130,174	184,046	70.73
31 December 2016	291,922	242,410	120.4
30 June 2017	303,771	273,891	110.9
C Accumulation EUR			
31 December 2014	9,713	14,860	65.36
31 December 2015	10,878	14,860	73.20
31 December 2016	18,647	14,860	125.5
30 June 2017	17,256	14,860	116.1
A Accumulation USD			
31 December 2014	1,734,811	3,906,399	44.41
31 December 2015	2,463,110	4,935,916	49.90
31 December 2016	5,461,136	6,536,394	83.55
30 June 2017	4,684,656	5,988,322	78.23
C Accumulation USD			
31 December 2014	59,877	133,545	44.84
31 December 2015	52,244	104,051	50.21
31 December 2016	2,180,368	2,533,553	86.06
30 June 2017	2,760,008	3,465,697	79.64

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
3 July 2017	A Accumulation	298.4p	2.19
	C Accumulation	103.9p	3.11
	A Accumulation EUR	127.4¢	2.21
	C Accumulation EUR	133.4¢	3.31
	A Accumulation USD	102.2¢	2.16
	C Accumulation USD	104.0¢	3.04
3 January 2017	A Accumulation	331.2p	0.70
	C Accumulation	114.8p	1.38
	A Accumulation EUR	146.8¢	0.69
	C Accumulation EUR	153.0¢	1.22
	A Accumulation USD	107.6¢	0.71
	C Accumulation USD	109.0¢	1.24

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Accumulation	2.01
	C Accumulation	1.06
	A Accumulation EUR	2.01
	C Accumulation EUR	1.05
	A Accumulation USD	2.01
	C Accumulation USD	1.06
31 December 2016	A Accumulation	2.05
	C Accumulation	1.10
	A Accumulation EUR	2.04
	C Accumulation EUR	1.09
	A Accumulation USD	2.04
	C Accumulation USD	1.09

‡The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 2.20% per annum and the C share class is currently capped at 1.20% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 97.

Details of the distributions per share for the period are shown in the distribution table on page 105.

Status

Neptune Russia and Greater Russia Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital (losses)/gains		(20,013,507)		29,239,742
Revenue	5,277,471		1,544,442	
Expenses	(1,364,613)		(929,631)	
Interest payable and similar charges	(350)		(688)	
Net revenue before taxation	3,912,508		614,123	
Taxation	(517,265)		(161,766)	
Net revenue after taxation		3,395,243		452,357
Total return before distributions		(16,618,264)		29,692,099
Distributions		(3,396,410)		(467,834)
Change in net assets attributable to shareholders from investment activities		(20,014,674)		29,224,265

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		225,009,283		129,836,326
Amounts received on issue of shares	20,081,211		21,039,003	
Amounts paid on cancellation of shares	(38,333,418)		(14,198,165)	
		(18,252,207)		6,840,838
Dilution adjustment charged		(353)		27,957
Change in net assets attributable to shareholders from investment activities		(20,014,674)		29,224,265
Retained distribution on accumulation shares		3,360,962		445,037
Closing net assets attributable to shareholders		190,103,011		166,374,423

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		186,816,993		219,166,439
Current assets				
Debtors	2,984,228		3,776,410	
Cash and bank balances	1,192,924		2,814,778	
Total current assets		4,177,152		6,591,188
Total assets		190,994,145		225,757,627
Liabilities				
Creditors				
Other creditors	(891,134)		(748,344)	
Total liabilities		(891,134)		(748,344)
Net assets attributable to shareholders		190,103,011		225,009,283

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Neptune Russia and Greater Russia Fund

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Accumulation shares (p)				
Group 1	4.2255	—	4.2255	0.0167
Group 2	4.2255	—	4.2255	0.0167
C Accumulation shares (p)				
Group 1	1.9907	—	1.9907	0.3341
Group 2	1.9673	0.0234	1.9907	0.3341
A Accumulation shares EUR (¢)				
Group 1	1.8077	—	1.8077	0.0082
Group 2	1.8077	—	1.8077	0.0082
C Accumulation shares EUR (¢)				
Group 1	2.5567	—	2.5567	0.2544
Group 2	2.5567	—	2.5567	0.2544
A Accumulation shares USD (¢)				
Group 1	1.4505	—	1.4505	0.0076
Group 2	1.4505	—	1.4505	0.0076
C Accumulation shares USD (¢)				
Group 1	1.9988	—	1.9988	0.1853
Group 2	1.5023	0.4965	1.9988	0.1853

Neptune UK Mid Cap Fund

Investment Objective

The investment objective of the Neptune UK Mid Cap Fund (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.

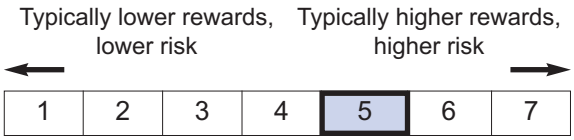
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

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.



- The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune UK Mid Cap Fund returned 5.80% over the first half of 2017. By comparison, the FTSE All-Share and FTSE 250 indices returned 5.50% and 8.53% respectively.*

The UK market experienced a strong start to 2017, with significant positive returns across the market cap spectrum in the first quarter. As we moved into the second quarter, the picture became more mixed as political concerns weighed following the general election in June, in which the Conservative Party failed to extend their parliamentary majority. The strengthening and eventual stabilisation of sterling above $1.28 was also a major driver of FTSE 100 underperformance over the period, while mid-caps in general performed well over the six month period.

While the FTSE 250 has benefited from sterling strength, this has in fact acted as headwind to Fund performance relative to the benchmark, given our preference for companies which we consider to be strategic and financial winners based on their exposure to non-domestic markets. However, our positioning is not predicated on an expectation of the pound falling further from its current levels; rather, our view is that it is unlikely to return to pre-Brexit levels while negotiations on the future of Britain's relationship with the EU are ongoing. As a result, we have made no major changes to the portfolio in this regard.

Our long-held concerns over the outlook for the UK consumer have been reflected in recent economic data. Most notably, real wage growth has turned negative as nominal wage increases have slowed and the weakness of sterling generates inflationary pressure. We believe this will persist through the remainder of the year, and while we do not anticipate an interest rate rise by the Bank of England in the short term, this would undoubtedly squeeze household finances further were it to occur. We remain underweight domestic consumer cyclical companies, where in our view valuations remain full in spite of the risks.

We remain confident in the prospects for selective UK mid and small-cap companies, primarily because of attractive company-specific valuations but also due to the potential for further M&A activity catalysed by the weakness of sterling. Following a weak 2016, we are seeing increased deal activity within the FTSE 250 and this has benefited the Fund in several cases. In addition to the proposed combination of Wood Group and Amec Foster Wheeler announced earlier in the year, recently we also saw portfolio holding Berendsen approached by a French company.

We continue to focus on maximising risk-adjusted performance over the business cycle by way of our style agnostic approach, structuring the Fund around the three silos of economic recovery, structural growth and corporate turnarounds. We are excited by the investment opportunities in the second half of 2017 and believe there is significant potential for continued outperformance in the coming months and years.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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. A majority of investments made by the Fund may be in smaller and medium sized companies which can be higher risk than those in larger companies. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED KINGDOM 99.23% (2016 - 98.69%)		
	CONSUMER GOODS 14.65% (2016 - 11.93%)		
	FOOD PRODUCERS 9.78%		
26,800,881	Devro	56,214,848	9.78
	PERSONAL GOODS 4.87%		
8,164,194	PZ Cussons	27,970,529	4.87
	CONSUMER SERVICES 9.50% (2016 - 11.78%)		
	GENERAL RETAILERS 0.77%		
2,120,459	Saga	4,436,000	0.77
	MEDIA 8.73%		
1,173,170	Euromoney Institutional Investor	13,092,577	2.28
24,221,533	ITE	37,058,946	6.45
	FINANCIALS 14.81% (2016 - 11.26%)		
	BANKS 2.87%		
3,769,385	Aldermore	8,236,106	1.43
3,080,620	Virgin Money Holdings UK	8,293,029	1.44
	FINANCIAL SERVICES 1.65%		
5,206,155	Allied Minds	8,433,971	1.47
300,240	Brewin Dolphin	1,024,119	0.18
	NONLIFE INSURANCE 10.29%		
38,647	Jardine Lloyd Thompson	463,764	0.08
10,226,006	Novae	58,646,144	10.21
	HEALTH CARE 10.75% (2016 - 6.61%)		
	HEALTH CARE EQUIPMENT & SERVICES 3.56%		
1,976,944	Consort Medical	20,441,601	3.56
	PHARMACEUTICALS & BIOTECHNOLOGY 7.19%		
18,355,163	Circassia Pharmaceuticals	16,290,207	2.84
22,437,713	Vectura	24,995,612	4.35
	INDUSTRIALS 32.76% (2016 - 40.96%)		
	AEROSPACE & DEFENCE 11.30%		
14,571,606	Chemring	26,993,900	4.70
10,564,315	Cobham	13,712,481	2.39
7,237	QinetiQ	19,692	0.00
1,173,625	Ultra Electronics	24,200,148	4.21
	CONSTRUCTION & MATERIALS 0.69%		
320,912	Kier	3,966,472	0.69
	SUPPORT SERVICES 20.77%		
5,295,672	De La Rue	35,984,091	6.26
6,744,191	Equiniti	16,624,431	2.9
2,694,354	PayPoint	24,141,412	4.20
7,756,372	RPS	20,147,176	3.51
27,256,285	Shanks	22,418,294	3.90
	OIL & GAS 0.01% (2016 - 1.29%)		
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 0.01%		
14,955	AMEC	69,750	0.01

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017(continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	TECHNOLOGY 13.25% (2016 - 9.85%)		
	SOFTWARE & COMPUTER SERVICES 5.23%		
96,393	AVEVA	1,877,736	0.33
16,976,884	NCC	28,139,185	4.90
	TECHNOLOGY HARDWARE & EQUIPMENT 8.02%		
11,900,586	Laird	16,422,809	2.86
25,574,413	Spirent Communications	29,666,319	5.16
	TELECOMMUNICATIONS 3.50% (2016 - 5.01%)		
	FIXED LINE TELECOMMUNICATIONS 3.50%		
1,744,544	Telecom Plus	20,097,147	3.50
	JERSEY 0.00% (2016 - 1.33%)		
	Portfolio of investments	570,078,496	99.23
	Net other assets	4,448,593	0.77
	Net assets	574,527,089	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Novae	62,810,262
Petrofac	34,460,097
Ultra Electronics	27,071,958
NCC	26,997,034
Vectura	24,181,075

Sales	Proceeds £
Saga	37,048,272
Ultra Electronics	33,132,709
Jardine Lloyd Thompson	32,864,789
PayPoint	31,775,693
Brewin Dolphin	29,308,082

Neptune UK Mid Cap Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
A Accumulation			
2014	368.4	324.5	1.7321
2015	438.3	367.7	2.6326
2016	442.4	362.2	4.6019
2017	479.7*	426,0*	3.0181**
B Accumulation			
2014	375.5	330.4	3.4104
2015	447.8	374.8	4.8566
2016†	434.1***	371.0***	4.0578***
C Income			
2015‡	109.0	100.0	1.8228
2016	107.8	89.18	2.7746
2017	116.1*	102.8*	1.6308**
C Accumulation			
2014	129.6	113.9	1.6324
2015	154.9	129.4	2.2514
2016	158.0	128.6	2.8684
2017	172.2*	152.6*	1.7684**
D Accumulation			
2014	116.2	102.1	1.6549
2015	139.0	116.0	2.1384
2016	141.9	115.4	2.7050
2017	154.7*	137.0*	1.6617**

†Closed 2 August 2016.
‡Launched 17 April 2015.
*To 30 June 2017.
**To 31 August 2017.
***From 1 January 2016 to 2 August 2016.

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	119,769,144	32,610,311	367.3
31 December 2015	73,753,836	17,765,395	415.2
31 December 2016	40,965,720	9,574,952	427.8
30 June 2017	34,587,100	7,662,720	451.4
B Accumulation			
31 December 2014	15,820,948	4,226,872	374.3
31 December 2015	12,704,636	2,989,010	425.0
C Income			
31 December 2015	32,162,096	31,492,208	102.1
31 December 2016	36,892,869	35,746,547	103.2
30 June 2017	47,936,946	44,496,931	107.7
C Accumulation			
31 December 2014	191,123,717	147,921,532	129.2
31 December 2015	471,894,453	320,357,868	147.3
31 December 2016	395,920,627	258,601,498	153.1
30 June 2017	365,122,574	225,097,045	162.2
D Accumulation			
31 December 2014	44,124,625	38,095,434	115.8
31 December 2015	131,532,211	99,511,037	132.2
31 December 2016	124,202,254	90,316,227	137.5
30 June 2017	126,880,469	87,041,586	145.8

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	A Accumulation	447.8	1.04
	C Income	106.9	2.69
	C Accumulation	160.9	1.85
	D Accumulation	144.6	1.95
3 January 2017	A Accumulation	433.0	1.06
	C Income	104.5	2.66
	C Accumulation	154.9	1.85
	D Accumulation	139.2	1.94

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Accumulation	1.66
	C Income	0.82
	C Accumulation	0.81
	D Accumulation	0.71
31 December 2016	A Accumulation	1.67
	C Income	0.82
	C Accumulation	0.82
	D Accumulation	0.72

‡The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 1.80% per annum, the C share class is currently capped at 0.90% per annum and the D share class is currently capped at 0.80% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 107.

Details of the distributions per share for the period are shown in the distribution table on page 115.

Status

Neptune UK Mid Cap Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains/(losses)		27,590,526		(61,740,380)
Revenue	8,758,350		9,618,221	
Expenses	(2,490,450)		(2,697,536)	
Interest payable and similar charges	(10,588)		(21,858)	
Net revenue before taxation	6,257,312		6,898,827	
Taxation	—		—	
Net revenue after taxation		6,257,312		6,898,827
Total return before distributions		33,847,838		(54,841,553)
Distributions		(6,430,124)		(7,028,770)
Change in net assets attributable to shareholders from investment activities		27,417,714		(61,870,323)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		597,981,470		722,047,232
Amounts received on issue of shares	18,152,429		31,971,015	
Amounts paid on cancellation of shares	(74,682,779)		(135,106,281)	
		(56,530,350)		(103,135,266)
Dilution adjustment charged		—		79
Change in net assets attributable to shareholders from investment activities		27,417,714		(61,870,323)
Retained distribution on accumulation shares		5,658,255		6,344,251
Closing net assets attributable to shareholders		574,527,089		563,385,973

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		570,078,496		598,077,721
Current assets				
Debtors	5,803,758		5,189,118*	
Cash and bank balances	9,219,212		—	
Total current assets		15,022,970		5,189,118*
Total assets		585,101,466		603,266,839*
Liabilities				
Creditors				
Bank overdrafts	—		(2,735,745)	
Distributions payable	(725,656)		(443,364)	
Other creditors	(9,848,721)		(2,106,260)*	
Total liabilities		(10,574,377)		(5,285,369)*
Net assets attributable to shareholders		574,527,089		597,981,470

*The comparatives have been restated.

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Neptune UK Mid Cap Fund

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Accumulation shares				
Group 1	3.0181	—	3.0181	2.9798
Group 2	2.5034	0.5147	3.0181	2.9798
C Income shares				
Group 1	1.6308	—	1.6308	1.5343
Group 2	0.9176	0.7132	1.6308	1.5343
C Accumulation shares				
Group 1	1.7684	—	1.7684	1.6549
Group 2	1.2152	0.5532	1.7684	1.6549
D Accumulation shares				
Group 1	1.6617	—	1.6617	1.5485
Group 2	1.1249	0.5368	1.6617	1.5485

Neptune UK Opportunities Fund

Investment Objective

The investment objective of the Neptune UK Opportunities Fund (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.

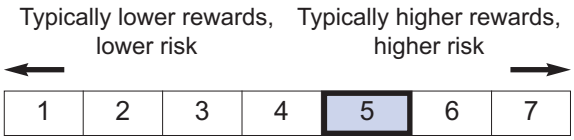
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

The Neptune UK Opportunities Fund returned 7.84% over the first half of 2017. By comparison, the FTSE All-Share Index returned 5.50%.*

The UK market experienced a strong start to 2017, with significant positive returns across the market cap spectrum in the first quarter. As we moved into the second quarter, the picture became more mixed as political concerns weighed following the general election in June. The strengthening and eventual stabilisation of sterling above $1.28 was also a major driver of FTSE 100 underperformance over the period, while mid-caps in general performed well over the six month period.

The strengthening of sterling has been positive for mid-caps, in which the Fund has an overweight position. While sterling strength has acted as a headwind given our preference for companies which we consider to be strategic and financial winners based on their exposure to non-domestic markets, our positioning is not predicated on an expectation of a falling pound from current levels. Rather, our view is that the pound is unlikely to return to pre-Brexit levels while negotiations on the future of Britain's relationship with the EU are ongoing.

Our long-held concerns over the outlook for the UK consumer have been reflected in recent economic data. Most notably, real wage growth has turned negative as nominal wage increases have slowed and the weakness of sterling generates inflationary pressure. We believe this will persist through the remainder of the year, and while we do not anticipate an interest rate rise by the Bank of England in the short term, this would undoubtedly squeeze household finances further were it to occur. We remain underweight domestic consumer cyclical companies, where in our view valuations remain full in spite of the risks. Where we do have exposure to UK-focused companies, we primarily target those with structural earnings drivers and highly visible earnings pipelines. We remain confident in the prospects for selective UK mid- and small-cap companies, primarily because of attractive company-specific valuations but also due to the potential for further M&A activity catalysed by the weakness of sterling. Many of these holdings, such as Devro, are 'special situations', where the company is out of favour or misunderstood by the market but we believe there exists turnaround potential. Following a weak 2016, we are seeing increased deal activity among mid- and small cap companies, and following the approach of Fund holding Amec Foster Wheeler by Wood Group earlier in the year, we are optimistic that there is more to come.

We continue to focus on maximising risk-adjusted performance over the business cycle by way of our style agnostic approach, structuring the Fund around the three silos of economic recovery, structural growth and corporate turnarounds. While we are somewhat cautious of elevated valuations in the broad market we believe that the current environment creates unusually large opportunities for alpha generation. We are excited by the investment opportunities in 2017 and believe there is significant potential for continued outperformance in the coming months and years.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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. A majority of investments made by the Fund may be in smaller and medium sized companies which can be higher risk than those in larger companies. 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED KINGDOM 97.31% (2016 - 97.99%)		
	BASIC MATERIALS 4.12% (2016 - 2.91%)		
	CHEMICALS 3.00%		
22,118	Johnson Matthey	645,624	3.00
	MINING 1.12%		
7,358	Rio Tinto	241,637	1.12
	CONSUMER GOODS 6.63% (2016 - 9.49%)		
	FOOD PRODUCERS 2.74%		
281,432	Devro	590,304	2.74
	PERSONAL GOODS 3.89%		
244,991	PZ Cussons	839,339	3.89
	CONSUMER SERVICES 11.01% (2016 - 11.14%)		
	GENERAL RETAILERS 3.18%		
328,024	Saga	686,226	3.18
	MEDIA 7.83%		
50,609	Euromoney Institutional Investor	564,796	2.62
733,651	ITE	1,122,486	5.21
	FINANCIALS 15.29% (2016 - 12.86%)		
	BANKS 6.10%		
190,000	Aldermore	415,150	1.92
36,433	HSBC	259,986	1.20
964,555	Lloyds Banking	641,718	2.98
	FINANCIAL SERVICES 3.18%		
201,108	Brewin Dolphin	685,979	3.18
	LIFE INSURANCE 3.40%		
137,539	Aviva	733,083	3.40
	NONLIFE INSURANCE 2.61%		
22,968	Jardine Lloyd Thompson	275,616	1.28
50,001	Novae	286,756	1.33
	HEALTH CARE 5.39% (2016 - 12.82%)		
	HEALTH CARE EQUIPMENT & SERVICES 2.88%		
59,948	Consort Medical	619,862	2.88
	PHARMACEUTICALS & BIOTECHNOLOGY 2.51%		
333,093	Circassia Pharmaceuticals	295,620	1.37
221,045	Vectura	246,244	1.14
	INDUSTRIALS 39.08% (2016 - 36.13%)		
	AEROSPACE & DEFENCE 13.99%		
488,294	Chemring	904,565	4.20
233,816	Cobham	303,493	1.41
49,122	Rolls-Royce	442,344	2.05
3,487,662	Rolls-Royce Preference Shares	3,488	0.02
92,608	Senior	217,536	1.01
55,441	Ultra Electronics	1,143,193	5.30
	ELECTRONIC & ELECTRICAL EQUIPMENT 2.66%		
22,710	Spectris	573,882	2.66

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	GENERAL INDUSTRIALS 3.75%		
50,738	Smiths	807,749	3.75
	SUPPORT SERVICES 18.68%		
50,000	Babcock International	440,500	2.04
119,714	De La Rue	813,457	3.77
58,890	Equiniti	145,164	0.67
93,291	Essentra	528,960	2.45
136,555	PayPoint	1,223,533	5.67
189,638	RPS	492,585	2.28
472,839	Renewi	388,910	1.80
	OIL & GAS 3.23% (2016 - 1.43%)		
	OIL & GAS PRODUCERS 2.73%		
50,275	BP	224,830	1.04
17,503	Royal Dutch Shell	364,062	1.69
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 0.50%		
23,166	AMEC	108,046	0.50
	TECHNOLOGY 8.08% (2016 - 5.62%)		
	SOFTWARE & COMPUTER SERVICES 3.02%		
392,319	NCC	650,269	3.02
	TECHNOLOGY HARDWARE & EQUIPMENT 5.06%		
940,754	Spirent Communications	1,091,275	5.06
	TELECOMMUNICATIONS 4.48% (2016 - 5.59%)		
	FIXED LINE TELECOMMUNICATIONS 4.48%		
105,716	BT	309,378	1.44
56,916	Telecom Plus	655,672	3.04
	CHILE 1.25% (2016 - 0.00%)		
33,556	Antofagasta	269,790	1.25
	SWITZERLAND 1.07% (2016 - 0.00%)		
79,897	Glencore	231,342	1.07
	UNITED STATES 0.89% (2016 - 0.00%)		
159,512	PureTech Health	191,414	0.89
	Portfolio of investments	21,675,863	100.52
	Net other liabilities	(111,512)	(0.52)
	Net assets	21,564,351	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Saga	573,616
NCC	509,040
Babcock International	452,430
Aldermore	423,999
Ultra Electronics	374,022

Sales	Proceeds £
Genus	1,264,041
ITE	1,202,893
Jardine Lloyd Thompson	962,157
Brewin Dolphin	863,745
Spirent Communications	795,621

Neptune UK Opportunities Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
A Accumulation			
2014	187.7	161.5	2.1571
2015	205.2	177.7	2.3110
2016	202.3	163.7	2.4000
2017	219.9*	197.3*	1.8627**
B Accumulation			
2014	189.9	163.9	3.0160
2015	208.7	180.5	2.1888
2016†	196.0***	166,4***	1.9228****
C Income			
2015‡	105.5	91.87	1.7985
2016	101.3	83.01	2.8583
2017	109.3*	97.81*	1.8578**
C Accumulation			
2014	142.4	123.1	2.7819
2015	157.3	135.7	3.1469
2016	156.8	126.2	3.0322
2017	171.3*	153.3*	2.1407**
D Accumulation			
2015‡‡	110.7	97.16	2.2683
2016	110.4	88.84	2.2285
2017	120.7*	108.0*	1.5658**

‡Launched 17 April 2015.
‡‡Launched 30 January 2015.
†Closed 2 August 2016.
*To 30 June 2017.
**To 31 August 2017.
***From 1 January 2016 to 2 August 2016.
****To 31 August 2016.

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	35,019,325	19,428,855	180.2
31 December 2015	13,620,197	7,284,837	187.0
31 December 2016	5,405,200	2,726,551	198.3
30 June 2017	5,126,842	2,406,139	213.1
B Accumulation			
31 December 2014	10,038,534	5,483,324	183.1
31 December 2015	659,523	347,362	189.9
C Income			
31 December 2015	857,885	905,783	94.71
31 December 2016	87,867	89,469	98.21
30 June 2017	95,510	91,691	104.2
C Accumulation			
31 December 2014	20,859,699	15,152,896	137.7
31 December 2015	23,888,637	16,586,971	144.0
31 December 2016	21,562,372	14,003,675	154.0
30 June 2017	15,115,522	9,094,759	166.2
D Accumulation			
31 December 2015	3,696,565	3,647,454	101.4
31 December 2016	1,638,793	1,510,962	108.5
30 June 2017	1,226,477	1,047,159	117.1

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	A Accumulation	211.6	1.31
	C Income	103.4	3.04
	C Accumulation	165.1	2.10
	D Accumulation	116.3	2.20
3 January 2017	A Accumulation	200.7	1.20
	C Income	99.46	2.87
	C Accumulation	155.9	1.94
	D Accumulation	109.8	2.03

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Accumulation	1.83
	C Income	0.98
	C Accumulation	0.98
	D Accumulation	0.88
31 December 2016	A Accumulation	1.80
	C Income	1.00
	C Accumulation	0.98
	D Accumulation	0.88

‡The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 1.90% per annum, the C share class is currently capped at 1.10% per annum, and the D 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.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 117.

Details of the distributions per share for the period are shown in the distribution table on page 126.

Status

Neptune UK Opportunities Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains\(losses)		1,614,992		(2,821,737)
Revenue	419,441		625,147	
Expenses	(137,651)		(217,038)	
Interest payable and similar charges	(36)		(912)	
Net revenue before taxation	281,754		407,197	
Taxation	—		—	
Net revenue after taxation		281,754		407,197
Total return before distributions		1,896,746		(2,414,540)
Distributions		(282,334)		(412,861)
Change in net assets attributable to shareholders from investment activities		1,614,412		(2,827,401)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		28,694,232		42,722,807
Amounts received on issue of shares	625,902		3,207,130	
Amounts paid on cancellation of shares	(9,630,667)		(10,826,344)	
		(9,004,765)		(7,619,214)
Dilution adjustment charged		4,565		—
Change in net assets attributable to shareholders from investment activities		1,614,412		(2,827,401)
Retained distribution on accumulation shares		255,907		377,651
Closing net assets attributable to shareholders		21,564,351		32,653,843

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 june 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		21,675,863		28,118,890
Current assets				
Debtors	146,128		325,802	
Cash and bank balances	18,026		379,092	
Total current assets		164,154		704,894
Total assets		21,840,017		28,823,784
Liabilities				
Creditors				
Distribution payable	(1,704)		(1,154)	
Other creditors	(273,962)		(128,398)	
Total liabilities		(275,666)		(129,552)
Net assets attributable to shareholders		21,564,351		28,694,232

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2016
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Accumulation shares				
Group 1	1.8627	—	1.8627	1.4894
Group 2	1.1752	0.6875	1.8627	1.4894
C Income shares				
Group 1	1.8578	—	1.8578	1.5680
Group 2	1.6863	0.1715	1.8578	1.5680
C Accumulation shares				
Group 1	2.1407	—	2.1407	1.7042
Group 2	1.4576	0.6831	2.1407	1.7042
D Accumulation shares				
Group 1	1.5658	—	1.5658	1.2414
Group 2	1.1930	0.3728	1.5658	1.2414

Neptune US Income Fund

Investment Objective

The investment objective of the Neptune US Income Fund (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.

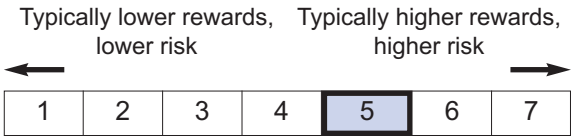
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 5 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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 income 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.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

During the first half of 2017 the Neptune US Income Fund returned 2.08%, versus the S&P 500 Index return of 4.01% and the IA North America sector average return of 3.58%.* The Fund ended the period with a yield of 2.15%†.

US equity markets followed up a good final quarter of 2016 with a strong start to 2017, particularly in local currency terms. In the first half of 2017, the S&P 500 rose by 9.3% in US dollars terms but returns for UK-based investors were impeded by the strength of sterling relative to the US dollar. This is partly due to what we believe will be a temporary soft patch of US economic data reported in the first half of the year but also result of the UK's general election in June which saw the Conservative Party fail to extend their parliamentary majority. This was seen, perhaps wrongly in our view, to lead to an increased likelihood of a so-called 'soft brexit' and therefore to subsequent sterling strength.

There has been significant sector divergence this year so far with technology and healthcare almost doubling the index return, whereas telecoms and energy have posted declines of over 10%. Generally, those sectors which were seen as the biggest beneficiaries of a Trump administration including the banks and industrials which performed so strongly at the end of 2016 have performed less strongly this year. It is our view that expectations for reforms, particularly tax reform, have become too pessimistic.

The Federal Reserve followed up its interest rate hike in December with a widely anticipated hike in March. The US economy continues to be on a firm footing, with the housing and labour markets employment remaining strong. Indeed the so-called 'soft data' (business and consumer confidence surveys) have improved significantly since Trump's election, which bodes well for growth in the coming quarters.

Despite being slightly behind the S&P 500 and the wider US fund sector, we have outperformed both our more representative US Income peers and the widely followed US dividend indices (including the S&P High Yield Dividend Aristocrats) on a year-to-date basis. This is important given some of the strongest parts of the market so far this year, particularly the faster growth parts of technology, offer very little yield to income focused investors. Our lack of exposure here accounts for the majority of the Fund's underperformance against the S&P 500.

At the sector level, we benefited from being underweight the two worst performing sectors during the period, energy and telecoms. At the stock level we benefited from strong stock selection with consumer discretionary and real estate but suffered from less strong selection within healthcare. One of our newer holdings within consumer discretionary, ILG, the time-share operator, performed particularly strongly amid expectations that they could be a part of the on-going consolidation within the industry. Within healthcare, our relatively higher weighting to large Pharma companies was detrimental given the strong performance of lower yielding subsectors including biotech and healthcare equipment.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017.*

†C Income share class, as at 30 June 2017. The yield on other share classes may differ. 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 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED STATES 96.65% (2016 - 94.02%)		
	BASIC MATERIALS 5.61% (2016 - 5.91%)		
	CHEMICALS 5.61%		
12,100	Dow Chemical	584,746	1.88
8,570	LyondellBasell Industries	553,152	1.78
14,500	RPM International	605,987	1.95
	CONSUMER GOODS 12.87% (2016 - 11.87%)		
	BEVERAGES 4.00%		
8,700	Molson Coors Brewing	579,374	1.86
7,490	PepsiCo	664,944	2.14
	FOOD PRODUCERS 1.64%		
15,000	Lamb Weston	510,151	1.64
	HOUSEHOLD GOODS & HOME CONSTRUCTIONS 3.19%		
8,800	Church & Dwight	351,363	1.13
5,950	Stanley Black & Decker	640,318	2.06
	PERSONAL GOODS 2.08%		
44,500	Coty	647,690	2.08
	TOBACCO 1.96%		
10,650	Altria	610,599	1.96
	CONSUMER SERVICES 13.71% (2016 - 13.20%)		
	FOOD & DRUG RETAILERS 0.97%		
5,000	Cardinal Health	301,576	0.97
	GENERAL RETAILERS 4.69%		
5,200	Home Depot	609,488	1.96
16,000	Service Corp International	409,416	1.32
8,000	TJX	438,017	1.41
	MEDIA 2.16%		
22,400	Comcast	670,869	2.16
	TRAVEL & LEISURE 5.89%		
19,900	Cinemark	587,869	1.89
33,300	ILG	703,537	2.26
11,050	Las Vegas Sands	540,729	1.74
	FINANCIALS 20.07% (2016 - 18.51%)		
	BANKS 6.19%		
21,550	Columbia Banking System	668,492	2.15
33,905	Fifth Third Banc	681,052	2.19
22,100	Umpqua	316,043	1.02
6,000	Wells Fargo	257,780	0.83
	FINANCIAL SERVICES 9.42%		
2,025	BlackRock	660,105	2.12
25,100	Blackstone	643,238	2.07
25,000	Invesco	674,192	2.17
4,200	Northern Trust	313,871	1.01
8,750	Visa	636,437	2.05
	NONLIFE INSURANCE 2.15%		
11,200	Marsh & McLennan	670,179	2.15

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	REAL ESTATE INVESTMENT TRUSTS 2.31%		
7,011	American Tower	717,603	2.31
	HEALTH CARE 11.69% (2016 - 11.69%)		
	HEALTH CARE EQUIPMENT & SERVICES 2.07%		
9,400	Medtronic	642,432	2.07
	PHARMACEUTICALS & BIOTECHNOLOGY 9.62%		
12,300	AbbVie	686,814	2.21
15,250	Bristol-Myers Squibb	655,779	2.11
6,800	Gilead Sciences	371,214	1.19
13,340	Merck & Co	661,218	2.13
23,800	Pfizer	616,341	1.98
	INDUSTRIALS 16.56% (2016 - 16.23%)		
	AEROSPACE & DEFENSE 1.93%		
3,950	General Dynamics	599,264	1.93
	ELECTRONIC & ELECTRICAL EQUIPMENT 1.09%		
11,000	National Instruments	338,005	1.09
	GENERAL INDUSTRIALS 5.26%		
7,400	Eaton	436,810	1.40
26,300	General Electric	547,338	1.76
6,400	Honeywell	652,501	2.10
	INDUSTRIAL ENGINEERING 2.04%		
5,180	Rockwell Automation	633,885	2.04
	INDUSTRIAL TRANSPORTATION 2.03%		
7,450	United Parcel Service	630,281	2.03
	SUPPORT SERVICES 4.21%		
8,403	Automatic Data Processing	656,908	2.11
11,300	Broadridge Financial Solutions	653,700	2.10
	OIL & GAS 3.15% (2016 - 2.65%)		
	OIL & GAS PRODUCERS 0.35%		
2,400	Occidental Petroleum	110,583	0.35
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 2.80%		
30,662	Enterprise Products Partners	634,101	2.04
8,750	OGE Energy	235,091	0.76
	TECHNOLOGY 10.98% (2016 - 12.00%)		
	SOFTWARE & COMPUTER SERVICES 3.06%		
18,000	Microsoft	949,894	3.06
	TECHNOLOGY HARDWARE & EQUIPMENT 7.92%		
7,500	Apple	830,238	2.67
16,200	Intel	418,652	1.35
9,950	Texas Instruments	589,479	1.90
12,550	Xilinx	620,610	2.00
	UTILITIES 2.01% (2016 - 1.96%)		
	ELECTRICITY 2.01%		
17,500	CMS Energy	624,706	2.01

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	BERMUDA 3.06% (2016 - 2.19%)		
15,000	Lazard	538,236	1.73
23,900	Golar LNG	414,155	1.33
	Portfolio of investments	30,997,052	99.71
	Net other assets	89,026	0.29
	Net assets	31,086,078	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
ILG	647,838
Lamb Weston	451,416
Service Corp International	400,206
Coty	368,746
Umpqua	319,188

Sales	Proceeds £
Whirlpool	564,617
Wells Fargo	507,427
Target	426,393
Sabre	412,432
General Dynamics	265,311

Neptune US Income Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
A Income			
2014	155.1	125.8	3.4550
2015	165.8	136.2	3.5854
2016†	189.5***	145.0***	2.0015***
A Accumulation			
2014	177.2	141.0	3.9071
2015	191.5	158.2	4.1552
2016†	225.4***	170.5***	2.3621***
B Income			
2014	156.2	126.4	3.4742
2015	167.1	137.2	3.6074
2016†	190.5***	145.4***	2.0138***
B Accumulation			
2014	172.9	137.0	3.8053
2015	187.1	154.9	4.0654
2016†	221.7***	167.3***	2.3216***
C Income			
2014	120.1	96.76	2.6685
2015	129.1	106.4	2.8026
2016	165.1	106.4	3.3788
2017	172.3*	157.9*	1.8522**
C Accumulation			
2014	125.5	99.0	2.7566
2015	136.0	112.9	2.9637
2016	180.3	112.9	3.6687
2017	189.3*	173.5*	2.0410**

†Closed 2 August 2016.
*To 30 June 2017.
**To 31 August 2017.
***From 1 January 2016 to 2 August 2016.

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Income			
31 December 2014	1,874,475	1,238,131	151.4
31 December 2015	608,388	385,358	157.9
A Accumulation			
31 December 2014	4,187,211	2,408,783	173.8
31 December 2015	2,324,702	1,252,780	185.6
B Income			
31 December 2014	3,435,703	2,254,387	152.4
31 December 2015	608,641	384,581	158.3
B Accumulation			
31 December 2014	7,769,656	4,579,815	169.7
31 December 2015	9,769,719	5,367,467	182.0
C Income			
31 December 2014	5,131,283	4,367,067	117.5
31 December 2015	11,300,168	9,131,340	123.8
31 December 2016	14,372,516	8,874,182	162.0
30 June 2017	13,047,806	7,981,605	163.5
C Accumulation			
31 December 2014	3,527,474	2,863,594	123.2
31 December 2015	7,637,533	5,749,802	132.8
31 December 2016	18,591,395	10,449,734	177.9
30 June 2017	18,038,272	9,932,052	181.6

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	C Income	164.1	2.22
	C Accumulation	182.4	2.20
3 January 2017	C Income	161.5	2.09
	C Accumulation	177.6	2.07

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	C Income	0.91
	C Accumulation	0.91
31 December 2016	C Income	1.00
	C Accumulation	0.98

‡The OCF includes the annual management charges and other expenses. The OCF of the C share class is currently capped at 1.10% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 128.

Details of the distributions per share for the period are shown in the distribution tables on page 137.

Status

Neptune US Income Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains		413,066		3,367,351*
Revenue	453,709		445,847	
Expenses	(150,793)		(210,183)*	
Interest payable and similar charges	3		(4)	
Net revenue before taxation	302,919		235,660*	
Taxation	(59,651)		(57,888)	
Net revenue after taxation		243,268		177,772*
Total return before distributions		656,334		3,545,123
Distributions		(376,770)		(380,255)
Change in net assets attributable to shareholders from investment activities		279,564		3,164,868

*Comparative have been restated.

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		32,963,911		32,249,152
Amounts received on issue of shares	2,698,038		6,979,648	
Amounts paid on cancellation of shares	(5,064,159)		(7,714,664)	
		(2,366,121)		(735,016)
Dilution adjustment charged		—		2,187
Change in net assets attributable to shareholders from investment activities		279,564		3,164,868
Retained distribution on accumulation shares		208,724		247,171
Closing net assets attributable to shareholders		31,086,078		34,928,362

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		30,997,052		31,714,120
Current assets				
Debtors	472,654		176,517	
Cash and bank balances	355,489		1,199,601	
Total current assets		828,143		1,376,118
Total assets		31,825,195		33,090,238
Liabilities				
Creditors				
Distribution payable	(68,929)		(77,978)	
Other creditors	(670,188)		(48,349)	
Total liabilities		(739,117)		(126,327)
Net assets attributable to shareholders		31,086,078		32,963,911

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Neptune US Income Fund

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence per share

1st Quarter

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 31 March 2017

	Net Revenue	Equalisation	Paid 31 May 2017	Paid 31 May 2016
C Income shares				
Group 1	0.9886	—	0.9886	0.8363
Group 2	0.5399	0.4487	0.9886	0.8363
C Accumulation shares				
Group 1	1.0857	—	1.0857	0.9005
Group 2	0.5923	0.4934	1.0857	0.9005

Interim

Group 1-Shares purchased prior to 1 April 2017
Group 2-Shares purchased on or after 1 April 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
C Income shares				
Group 1	0.8636	—	0.8636	0.7378
Group 2	0.4116	0.4520	0.8636	0.7378
C Accumulation shares				
Group 1	0.9553	—	0.9553	0.7975
Group 2	0.4702	0.4851	0.9553	0.7975

Neptune US Mid Cap Fund

Investment Objective

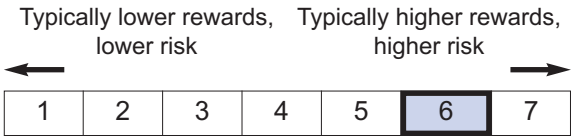
The investment objective of the Neptune US Mid Cap Fund (the Fund) is to provide capital growth by investing predominantly in a concentrated portfolio of between 30 and 60 US companies' shares, selected at the Investment Manager's discretion. At least 60% of the portfolio will be invested in medium-sized companies. Other eligible asset classes are collective investment schemes, other transferable securities, and 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.

Any income the Fund generates will be reinvested to grow the value of your investment. You can buy and sell shares on any working day in London.

Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within five years. For full investment objectives and policy details please refer to the prospectus.

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.



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.
- 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.
- The Fund is entitled to use derivative instruments for efficient portfolio management ('EPM'). Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid. This could adversely impact the value of the Fund.
- For a full list of the Fund's risks, please see the prospectus.

Neptune US Mid Cap Fund

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

During the first half of 2017, The Neptune US Mid Cap Fund returned 2.86% in sterling terms versus the S&P 1000 index return of –0.11%.*

Broadly, in the first half of 2017 the US mid and small-cap market consolidated gains after a period of strong performance in the closing months of 2016, ending the half year up over 4% in US dollar terms and slightly negative in sterling terms due to sterling strength over the period. The Federal Open Market Committee raised interest rates in its March and June meetings in response to an improving economic outlook and job market and slowly rising inflation. These moves were widely expected by the market given the positioning of treasury futures. Mid and small-caps underperformed large-caps as demonstrated by the underperformance of the S&P 1000 and Russell 2000 indices compared to the S&P 500 Index over the period. Economic and corporate fundamentals broadly appear healthy in the US supported by solid earnings momentum through the first and second quarters of this year, although policy uncertainty under the new administration seems to be growing given a lengthening of the legislative timeline for items such as tax reform.

Several of the sectors that had been laggards in 2016 were outperformers in the first half of 2017, most notably healthcare, which was the Fund's second largest overweight position during the period. In light of this, the Fund benefited from sector allocation as a whole, with healthcare having the largest impact, followed by an underweight in financials, which underperformed. While sector allocation was a net benefit, most of the outperformance was driven by stock selection. In particular, Brinks Company, a global cash management and security company, greatly aided performance. Brink's was one of the Fund's top ten holdings. In addition, housebuilder NVR rose significantly as the US housing market continued to improve. Chemed, a hospice care provider and plumbing franchiser, also greatly aided the outperformance of the Fund as its second largest position.

Looking forward, the Fund maintains its quality bias and bottom-up fundamental focus, with broadly sector neutral allocations – the exception being a large overweight position in healthcare and an underweight position in information technology, where valuations are seen as expensive. The Fund does maintain a slight cyclical bias in the belief that US economic and corporate fundamentals remain healthy despite growing political uncertainty. The Fund aims to mitigate the impact of macroeconomic events where possible and does not seek to benefit from directional movements in interest rates or commodities.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	IRELAND 6.60% (2016 - 1.55%)		
	HEALTH CARE 6.60% (2016 - 1.55%)		
	HEALTH CARE EQUIPMENT & SERVICES 4.35%		
300	ICON	22,752	4.35
	PHARMACEUTICALS & BIOTECHNOLOGY 2.25%		
98	Jazz Pharmaceuticals	11,761	2.25
	ISRAEL 1.88% (2016 - 1.65%)		
	TECHNOLOGY 1.88% (2016 - 1.65%)		
	SOFTWARE & COMPUTER SERVICES 1.88%		
256	CyberArk Software	9,825	1.88
	UNITED KINGDOM 3.65% (2016 - 0.00%)		
	HEALTH CARE 3.65% (2016 - 0.00%)		
	HEALTH CARE EQUIPMENT & SERVICES 3.65%		
400	LivaNova	19,096	3.65
	UNITED STATES 87.15% (2016 - 92.32%)		
	BASIC MATERIALS 6.40% (2016 - 7.84%)		
	CHEMICALS 6.40%		
500	Kraton	13,002	2.48
450	Mosaic	7,836	1.50
36	NewMarket	12,672	2.42
	CONSUMER GOODS 11.23% (2016 - 15.94%)		
	AUTOMOBILES & PARTS 2.32%		
846	Gentex	12,163	2.32
	FOOD PRODUCERS 2.06%		
106	J&J Snack Foods	10,765	2.06
	HOUSEHOLD GOODS & HOME CONSTRUCTION 6.85%		
500	Ethan Allen Interiors	12,174	2.32
6	NVR	10,749	2.05
903	Welbilt	12,976	2.48
	CONSUMER SERVICES 7.59% (2016 - 9.11%)		
	FOOD & DRUG RETAILERS 2.00%		
600	Sprouts Farmers Market	10,467	2.00
	GENERAL RETAILERS 5.59%		
124	Chemed	19,613	3.75
318	Dick's Sporting Goods	9,617	1.84
	FINANCIALS 26.26% (2016 - 19.64%)		
	BANKS 10.84%		
600	BofI	11,049	2.11
444	City	22,856	4.36
737	Columbia Banking System	22,862	4.37
	FINANCIAL SERVICES 4.86%		
200	Affiliated Managers	25,444	4.86
	NONLIFE INSURANCE 3.12%		
474	First American Financial	16,333	3.12

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	REAL ESTATE INVESTMENT TRUSTS 7.44%		
851	First Industrial Realty Trust	18,648	3.56
200	PS Business Parks	20,309	3.88
	HEALTH CARE 5.28% (2016 - 5.85%)		
	HEALTH CARE EQUIPMENT & SERVICES 5.28%		
87	Cooper	15,895	3.04
600	SeaSpine	5,210	0.99
250	Varex Imaging	6,570	1.25
	INDUSTRIALS 21.39% (2016 - 17.82%)		
	AEROSPACE & DEFENCE 2.82%		
800	American Outdoor Brands	14,757	2.82
	ELECTRONIC & ELECTRICAL EQUIPMENT 1.90%		
178	EnerSys	9,931	1.90
	GENERAL INDUSTRIALS 3.37%		
89	Carlisle	6,452	1.23
800	Myers Industries	11,188	2.14
	INDUSTRIAL ENGINEERING 2.00%		
197	Toro	10,478	2.00
	INDUSTRIAL TRANSPORTATION 1.59%		
193	Expeditors International of Washington	8,322	1.59
	SUPPORT SERVICES 9.71%		
400	Brink's	20,603	3.93
142	Cintas	13,604	2.60
344	MAXIMUS	16,643	3.18
	OIL & GAS 3.36% (2016 - 2.99%)		
	OIL & GAS PRODUCERS 1.17%		
500	SM Energy	6,156	1.17
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 2.19%		
200	EQT Midstream Partners	11,460	2.19
	TECHNOLOGY 3.25% (2016 - 8.99%)		
	SOFTWARE & COMPUTER SERVICES 1.23%		
500	Rapid7	6,430	1.23
	TECHNOLOGY HARDWARE & EQUIPMENT 2.02%		
1,200	DSP	10,587	2.02
	UTILITIES 2.39% (2016 - 4.14%)		
	ELECTRICITY 2.39%		
350	CMS Energy	12,494	2.39
	Portfolio of investments	519,749	99.28
	Net other assets	3,760	0.72
	Net assets	523,509	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
Brink's	111,232
EnerSys	88,633
ICON	82,615
Ethan Allen Interiors	68,598
CMS Energy	68,324

Sales	Proceeds £
Chemed	147,193
Brink's	115,177
J&J Snack Foods	113,028
NVR	111,428
City	104,275

Neptune US Mid Cap Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
C Accumulation			
2016†	120.1	99.59	0.1478
2017	126.5*	117.1*	—

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Accumulation			
31 December 2016	3,485,122	2,929,336	119.0
30 June 2017	523,509	427,698	122.4

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
3 July 2017	C Accumulation	122.7	0.12
3 January 2017	C Accumulation	118.9	0.12

†Launched 1 July 2016.
*To 30 June 2017.

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	C Accumulation	1.00
31 December 2016	C Accumulation	0.90

‡The OCF includes the annual management charges and other expenses. The OCF of the C share classes are currently capped at 1.00% per annum by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 139.

Status

Neptune US Mid Cap Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

		1 January 2017 to 30 June 2017
	£	£
Income		
Net capital gains		121,563
Revenue	12,977	
Expenses	(9,051)	
Net revenue before taxation	3,926	
Taxation	(1,892)	
Net revenue after taxation		2,034
Total return before distributions		123,597
Distributions		(7,862)
Change in net assets attributable to shareholders from investment activities		115,735

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

		1 January 2017 to 30 June 2017
	£	£
Opening net assets attributable to shareholders		3,485,122
Amounts received on issue of shares	234,549	
Amounts paid on cancellation of shares	(3,321,217)	
		(3,086,668)
Dilution adjustment charged		9,320
Change in net assets attributable to shareholders from investment activities		115,735
Closing net assets attributable to shareholders		523,509

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed Assets				
Investments		519,749		3,329,044
Current assets				
Debtors	53,944		151,770	
Cash and bank balances	7,844		39,997	
Total current assets		61,788		191,767
Total assets		581,537		3,520,811
Liabilities				
Creditors				
Other creditors	(58,028)		(35,689)	
Total liabilities		(58,028)		(35,689)
Net assets attributable to shareholders		523,509		3,485,122

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Neptune US Opportunities Fund

Investment Objective

The investment objective of the Neptune US Opportunities Fund (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.

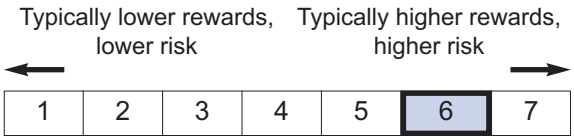
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.



- The Fund is in Category 6 because of the high range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.
- The following are additional risks not covered by the risk and reward category.
- 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.

Neptune US Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited)

In the first half of 2017, the Neptune US Opportunities Fund returned 7.97%, outperforming the S&P 500's 4.01% return. The Fund was ranked in the top quartile of the IA North America sector, where the average return was 3.58%.*

Strong stock selection accounted for the vast majority of the Fund's outperformance. Our largest detractor was materials, wherein our only holding (Mosaic – a potash producer) underperformed against a strong peer group. Stock selection contributed positively to relative performance in healthcare, IT, financials, energy, industrials, utilities and consumer discretionary during the first quarter.

Our top three relative performers give a good sense of the breadth of the Fund's exposure and the wide applicability of our investment process. Our top performer was Brink's, a leading provider of security services such as cash-in-transit (armoured cars) and money processing (fortified cash storage and processing facilities). It is relatively straightforward to see the margin potential in Brink's, its closest peer Loomis is listed, its footprint and strategy in the US is almost identical and it has margins of 10% where Brink's has recently not been making money. We see further upside potential as management execute on a simple but powerful efficiency plan to drive margins higher.

Our second best relative performer was Adobe. We have held the stock for several years as it has transitioned from a licence-based to subscription-based business model. Adobe has a near monopoly in digital creative software with their famous Photoshop, Acrobat and Illustrator brands, and we thought that the transition from a ~$600 licenced product to a $40 monthly fee would increase the potential user base whilst providing Adobe with a valuable recurring revenue and cash flow stream. We also viewed the company's assets in digital marketing as underappreciated by the market.

Our third best relative performer was Arconic, the downstream aluminium forged products business that was 'spun out' of Alcoa. This performance was due to an activist investor, Elliot Management, becoming hostile towards the board. We have sold down the position recently as we believe that much of the good news has been priced in while execution risk remains.

Valuation multiples in the US appear high versus history, but we are encouraged that consensus earnings growth expectations are for ~11% in 2017 and ~12% in 2018. In prior years, these expectations have been materially reduced by this point in the year, but 2017 looks to be different. We expect US GDP growth to be around the 2.5-3.0% range for 2017 on current forecasts. Unemployment remains very low, although this has not spurred upward wage pressure of the magnitude that many expected. We continue to find a number of attractive investment opportunities across different investment spaces.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2017. 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 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 Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED STATES 88.86% (2016 - 91.53%)		
	BASIC MATERIALS 1.16% (2016 - 2.82%)		
	CHEMICALS 1.16%		
162,479	Mosaic	2,829,314	1.16
	CONSUMER GOODS 8.66% (2016 - 9.50%)		
	BEVERAGES 1.82%		
50,018	PepsiCo	4,440,477	1.82
	FOOD PRODUCERS 1.56%		
115,045	Mondelez International	3,822,275	1.56
	HOUSEHOLD GOODS & HOME CONSTRUCTION 1.50%		
255,792	Welbilt	3,675,710	1.50
	PERSONAL GOODS 1.95%		
327,324	Coty	4,764,148	1.95
	TOBACCO 1.83%		
77,876	Altria	4,464,886	1.83
	CONSUMER SERVICES 6.48% (2016 -10.08%)		
	GENERAL RETAILERS 3.62%		
7,630	Amazon.com	5,733,332	2.34
26,727	Home Depot	3,132,651	1.28
	MEDIA 2.86%		
233,776	Comcast	7,001,481	2.86
	FINANCIALS 16.11% (2016 -17.58%)		
	BANKS 5.57%		
250,841	Citizens Financial	6,886,361	2.82
17,784	SVB Financial	2,428,523	0.99
100,150	Wells Fargo	4,302,780	1.76
	FINANCIAL SERVICES 10.54%		
59,009	CBOE	4,137,472	1.69
135,865	Intercontinental Exchange	6,892,438	2.82
83,686	MasterCard	7,835,023	3.20
61,469	S&P Global	6,917,245	2.83
	HEALTH CARE 13.90% (2016 - 16.14%)		
	HEALTH CARE EQUIPMENT & SERVICES 9.55%		
87,394	Baxter International	4,049,678	1.66
49,200	HCA	3,290,867	1.35
26,660	The Cooper Companies	4,870,839	1.99
78,079	UnitedHealth	11,134,461	4.55
	PHARMACEUTICALS & BIOTECHNOLOGY 4.35%		
28,402	Amgen	3,776,064	1.54
23,911	Johnson & Johnson	2,444,068	1.00
91,835	ZOETIS	4,423,166	1.81

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The Portfolio Statement as at 30 June 2017 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	INDUSTRIALS 11.23% (2016 - 7.36%)		
	AEROSPACE & DEFENSE 3.07%		
49,538	General Dynamics	7,515,531	3.07
	GENERAL INDUSTRIALS 2.81%		
141,708	Fortive	6,865,661	2.81
	SUPPORT SERVICES 5.35%		
182,461	Brink's	9,398,248	3.84
206,641	Donnelley Financial Solutions	3,701,817	1.51
	OIL & GAS 4.90% (2016 - 6.09%)		
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 4.90%		
356,667	Enterprise Products	7,376,000	3.02
140,414	Halliburton	4,589,407	1.88
	TECHNOLOGY 21.18% (2016 - 15.70%)		
	SOFTWARE & COMPUTER SERVICES 18.16%		
72,256	Adobe Systems	7,860,000	3.21
12,077	Alphabet	8,722,685	3.57
64,265	Amdocs	3,166,085	1.29
26,333	ANSYS	2,443,287	1.00
96,195	DXC Technology	5,823,508	2.38
52,061	Electronic Arts	4,278,882	1.75
21,490	Facebook	2,500,943	1.02
182,395	Microsoft	9,625,328	3.94
	TECHNOLOGY HARDWARE & EQUIPMENT 3.02%		
66,648	Apple	7,377,831	3.02
	TELECOMMUNICATIONS 2.28% (2016 - 3.65%)		
	FIXED LINE TELECOMMUNICATIONS 2.28%		
191,998	AT&T	5,566,810	2.28
	UTILITIES 2.96% (2016 - 2.61%)		
	ELECTRICITY 2.96%		
67,960	Edison International	4,090,638	1.67
29,223	NextEra Energy	3,152,080	1.29
	COLLECTIVE INVESTMENT SCHEMES 0.06% (2016 - 0.31%)		
114,000	Neptune US Mid Cap Fund †	140,220	0.06
	IRELAND 0.52% (2016 - 0.00%)		
21,749	Perrigo	1,272,413	0.52
	UNITED KINGDOM 7.79% (2016 - 2.95%)		
77,309	Willis Towers Watson	8,736,688	3.57
216,013	LivaNova	10,312,566	4.22
	Portfolio of investments	237,769,887	97.23
	Net other assets	6,763,463	2.77
	Net assets	244,533,350	100.00

All holdings are ordinary shares or stock units unless otherwise stated.

Comparative figures shown above in brackets relate to 31 December 2016.

†Represents investment in a Neptune Collective Investment Scheme product.

Investment Manager's Report

for the six months ended 30 June 2017 (unaudited) (continued)

The top five purchases and sales for the six months are as follows:

Purchases	Cost £
LivaNova	10,233,794
Brink's	7,384,566
Ross Stores	5,334,202
Computer Sciences	5,220,210
Varex Imaging	4,645,942

Sales	Proceeds £
TJX	7,303,280
Arconic	7,174,260
SVB Financial	6,077,810
Phillips 66	5,654,429
Varex Imaging	5,139,894

Neptune US Opportunities Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
A Accumulation			
2014	324.6p	271.5p	—
2015	363.4p	300.4p	—
2016	402.2p	275.8p	—
2017	433.7p*	386.4p*	—
B Accumulation			
2014	342.5p	285.5p	—
2015	383.9p	317.9p	—
2016	428.5p	292.6p	0.6417p
2017	463.1p*	411.6p*	0.2276p**
C Accumulation			
2014	147.7p	95.38p	0.1256p
2015	165.8p	137.5p	—
2016	186.2p	126.7p	0.8241p
2017	201.5p*	178.9p*	0.4318p**
D Accumulation			
2014	113.9p	94.66p	0.0990p
2015	127.9p	106.0p	—
2016	143.9p	97.83p	0.7559p
2017	155.8p*	138.2p*	0.4067p**
A Accumulation EUR			
2014	197.5¢	157.3¢	—
2015	172.9¢	152.0¢	—
2016	217.9¢	167.9¢	—
2017	232.8¢*	213.3¢*	—
B Accumulation EUR			
2014	210.6¢	166.2¢	—
2015	185.1¢	162.2¢	—
2016	236.7¢	181.6¢	0.3651¢
2017	253.4¢*	231.8¢*	0.1122¢**
A Accumulation USD			
2014	189.0¢	160.8¢	—
2015	126.8¢	111.3¢	—
2016	177.2¢	145.0¢	—
2017	199.2¢*	172.2¢*	—
C Accumulation USD			
2014	195.4¢	166.2¢	—
2015	131.2¢	115.2¢	—
2016	184.6¢	150.0¢	0.5166¢
2017	208.2¢*	179.2¢*	0.4580¢**

*To 30 June 2017.
**To 31 August 2017.

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2014	217,860,408	68,372,056	318.6
31 December 2015	111,654,175	33,737,979	330.9
31 December 2016	63,483,285	16,381,146	387.5
30 June 2017	60,019,146	14,405,831	416.6
B Accumulation			
31 December 2014	23,935,497	7,119,514	336.2
31 December 2015	16,410,952	4,677,478	350.9
31 December 2016	10,416,226	2,522,893	412.9
30 June 2017	6,546,219	1,471,158	445.0
C Accumulation			
31 December 2014	122,565,362	84,519,466	145.0
31 December 2015	150,872,494	99,321,698	151.9
31 December 2016	132,750,123	74,002,641	179.4
30 June 2017	122,146,166	63,069,419	193.7
D Accumulation			
31 December 2014	32,423,406	28,996,753	111.8
31 December 2015	59,127,352	50,436,400	117.2
31 December 2016	48,157,011	34,747,527	138.6
30 June 2017	44,991,628	30,054,301	149.7
A Accumulation EUR			
31 December 2014	226,324	149,152	151.7
31 December 2015	189,172	121,027	156.3
31 December 2016	263,396	143,914	183.0
30 June 2017	257,592	130,853	196.9
B Accumulation EUR			
31 December 2014	12,773,811	7,889,869	161.9
31 December 2015	13,869,814	8,209,935	168.9
31 December 2016	16,745,750	8,421,558	198.8
30 June 2017	9,547,027	4,455,407	214.3
A Accumulation USD			
31 December 2014	1,565,339	1,349,022	116.0
31 December 2015	1,093,295	911,189	120.0
31 December 2016	1,770,193	1,259,795	140.5
30 June 2017	898,714	594,847	151.1
C Accumulation USD			
31 December 2014	912,488	760,532	120.0
31 December 2015	451,509	363,760	124.1
31 December 2016	117,501	80,325	146.3
30 June 2017	126,858	80,325	157.9

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
3 July 2017	A Accumulation	417.4p	—
	B Accumulation	445.8p	0.17
	C Accumulation	194.0p	0.49
	D Accumulation	150.0p	0.58
	A Accumulation EUR	224.6¢	—
	B Accumulation EUR	244.5¢	0.16
	A Accumulation USD	196.1¢	—
	C Accumulation USD	205.0¢	0.45
3 January 2017	A Accumulation	386.4p	—
	B Accumulation	411.6p	0.16
	C Accumulation	178.9p	0.46
	D Accumulation	138.2p	0.55
	A Accumulation EUR	215.8¢	—
	B Accumulation EUR	234.4¢	0.16
	A Accumulation USD	172.2¢	—
	C Accumulation USD	179.2¢	0.29

Fund Information (continued)

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF‡ %
30 June 2017	A Accumulation	1.68
	B Accumulation	1.18
	C Accumulation	0.83
	D Accumulation	0.73
	A Accumulation EUR	1.68
	B Accumulation EUR	1.19
	A Accumulation USD	1.68
	C Accumulation USD	0.83
31 December 2016	A Accumulation	1.69
	B Accumulation	1.19
	C Accumulation	0.84
	D Accumulation	0.74
	A Accumulation EUR	1.69
	B Accumulation EUR	1.19
	A Accumulation USD	1.69
	C Accumulation USD	0.84

‡The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 1.80% per annum, the B share class at 1.30% per annum, the C share class is currently capped at 0.90% per annum and the D share class is currently capped at 0.80% per annum of the relevant share class net asset value by the ACD. This capping may cease at any time.

Fund Performance

The performance of the Fund is shown in the Investment Manager's Report on page 147.

Details of the distributions per share for the period are shown in the distribution table on page 157.

Status

Neptune US Opportunities Fund is a sub-fund of Neptune Investment Funds which is a UCITS scheme.

Risk Warning

Please remember that past performance should not be seen as a guide to future performance and that the value of an investment in an OEIC and the income from it can fall as well as rise and may be affected by exchange rate variations.

Financial Statements

Statement of Total Return

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Income				
Net capital gains/(losses)		21,100,844		(865,309)
Revenue	2,092,482		2,112,476	
Expenses	(1,440,694)		(1,531,638)	
Interest payable and similar charges	(851)		(2,244)	
Net revenue before taxation	650,937		578,594	
Taxation	(338,331)		(297,253)	
Net revenue after taxation		312,606		281,341
Total return before distributions		21,413,450		(583,968)
Distributions		(431,303)		(434,503)
Change in net assets attributable to shareholders from investment activities		20,982,147		(1,018,471)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2017 (unaudited)

	30 June 2017		30 June 2016	
	£	£	£	£
Opening net assets attributable to shareholders		273,703,485		353,668,763
Amounts received on issue of shares	23,015,473		29,441,724	
Amounts paid on cancellation of shares	(73,622,023)		(110,317,588)	
		(50,606,550)		(80,875,864)
Dilution adjustment charged		51,679		9,172
Stamp duty reserve tax*		—		11
Change in net assets attributable to shareholders from investment activities		20,982,147		(1,018,471)
Retained distribution on accumulation shares		402,589		400,174
Closing net assets attributable to shareholders		244,533,350		272,183,785

*Stamp duty reserve tax was abolished from 30 March 2014 for OEICs. The 2016 balance relates to aged refunds.

The opening net assets attributable to shareholders for 30 June 2017 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Financial Statements (continued)

Balance Sheet

as at 30 June 2017 (unaudited)

	30 June 2017		31 December 2016	
	£	£	£	£
Assets				
Fixed assets				
Investments		237,769,887		259,435,627
Current assets				
Debtors	20,945,254		9,299,715	
Cash and bank balances	6,332,763		7,457,934	
Total current assets		27,278,017		16,757,649
Total assets		265,047,904		276,193,276
Liabilities				
Creditors				
Bank overdrafts	—		(330)	
Other creditors	(20,514,554)		(2,489,461)	
Total liabilities		(20,514,554)		(2,489,791)
Net assets attributable to shareholders		244,533,350		273,703,485

Notes to the interim financial statements

The interim financial statements have been prepared in accordance with the SORP for Authorised Funds issued by the Investment Association in May 2014.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016 and are described in those financial statements.

Distribution Table

for the six months ended 30 June 2017 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2017
Group 2-Shares purchased on or after 1 January 2017 to 30 June 2017

	Net Revenue	Equalisation	Payable 31 August 2017	Paid 31 August 2016
A Accumulation shares (p)				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation shares (p)				
Group 1	0.2276	—	0.2276	0.1337
Group 2	0.1161	0.1115	0.2276	0.1337
C Accumulation shares (p)				
Group 1	0.4318	—	0.4318	0.3066
Group 2	0.1625	0.2693	0.4318	0.3066
D Accumulation shares (p)				
Group 1	0.4067	—	0.4067	0.2906
Group 2	0.2091	0.1976	0.4067	0.2906
A Accumulation EUR shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation EUR shares (¢)				
Group 1	0.1122	—	0.1122	0.0779
Group 2	0.0386	0.0736	0.1122	0.0779
A Accumulation USD shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation USD shares (¢)				
Group 1	0.4580	—	0.4580	0.0471
Group 2	0.4580	—	0.4580	0.0471

General Information and Contacts

Authorised Status
Neptune Investment Funds ('the Company') is an investment company with variable capital under regulation 12 (Authorisation) of the Open-Ended Investment Companies (OEIC) Regulations 2001, authorised and regulated by the FCA. It is structured as an umbrella company and comprises fifteen securities schemes Funds ('sub-funds'); further Funds may be added in the future. You, as a shareholder, are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of his Shares.

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 30 June 2017 and distributed to shareholders, where applicable, on 31 August 2017.

Report and Financial Statements
This document is a full report of Neptune Investment Funds for the six months ended 30 June 2017 (unaudited).

Other Information
The information in this report is designed to enable you to make an informed judgement on the activities of the Fund 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
3 Shortlands, London W6 8DA
(*Authorised and regulated by the Financial Conduct Authority FCA*)

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Stuart Southall
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James Cripps
James Dowey
Robert Smith

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