

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 Income Fund
Neptune US Opportunities Fund

Interim Report and Financial Statements | 30 June 2018

www.neptunefunds.com



Neptune Investment Funds

Contents

Notes	3
Certification of Financial Statements by Directors of the ACD	5
Neptune China Fund	6
Neptune European Opportunities Fund	16
Neptune Global Alpha Fund	29
Neptune Global Equity Fund	38
Neptune Global Income Fund	49
Neptune Income Fund	58
Neptune India Fund	69
Neptune Japan Opportunities Fund	79
Neptune Latin America Fund	90
Neptune Russia and Greater Russia Fund	98
Neptune UK Mid Cap Fund	108
Neptune UK Opportunities Fund	117
Neptune US Income Fund	126
Neptune US Opportunities Fund	136
General Information and Contacts	148

Neptune Investment Funds

Notes

Please read the following important notes and definitions to aid your understanding of the technical terms used in this interim 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.

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 2018/19, 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 £4,260 for the tax year 2018/19, 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.

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.

Notes (continued)

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.

Neptune Investment Funds

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 Global Alpha Fund	Neptune Emerging Markets Fund	1,930,000	3,053,260
Neptune Global Alpha Fund	Neptune Global Smaller Companies Fund	693,000	1,135,134
Neptune Global Alpha Fund	Neptune India Fund	312,000	727,272
Neptune Global Alpha Fund	Neptune Latin America Fund	852,000	829,848
Neptune Global Equity Fund	Neptune Emerging Markets Fund	5,115,000	8,091,930
Neptune Global Equity Fund	Neptune Global Technology Fund	3,984,000	7,804,656
Neptune Global Equity Fund	Neptune India Fund	675,000	1,573,425
Neptune Global Equity Fund	Neptune Latin America Fund	2,114,000	2,059,036

There were no other cross holdings within the ICVC.

For
Neptune Investment Management Limited (Neptune)
ACD of Neptune Investment Funds
23 August 2018

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.

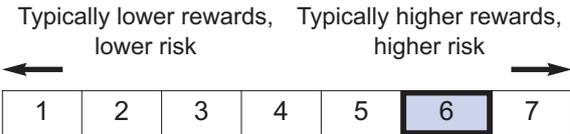
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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 2018 (unaudited)

The Neptune China Fund returned 3.81% over the first half of 2018, outperforming the MSCI China Index's return of 0.73% and also the IA China peer group average gain of 1.48%.*

Emerging markets returned -4.20% in the first half of the year, affected by a strong dollar, high oil prices and the escalating trade dispute between the US and China. However, China was a relative safe haven, returning 0.73% despite also being affected by trade concerns. Following initial tariffs on solar panels in January, the US proposed additional tariffs on steel and aluminium in March. Trump has since declared a further \$50bn worth of tariffs on Chinese goods, with a threat of more if China retaliates. At the centre of the dispute has been the Chinese telecoms company ZTE, which admitted to violating sanctions on North Korea and Iran. As a result, the US blocked its access to US suppliers, which shut down ZTE's operations and caused the stock to be suspended; it was consequently used as a bargaining chip in negotiations between presidents Trump and Xi Jinping. However, the stock has since resumed trading and the market awaits the outcome of initial tariffs. The US will impose the first round of sanctions at the beginning of July, which China has stated it will match. The initial tariffs are not too concerning in themselves as they will have minimal impact on the Chinese economy. However, the market will be paying attention to Trump's next steps and how China retaliates if Trump raises tariffs further. China has a number of strategies it can pursue to mitigate the effects of increased US tariffs and, despite the increasing conflict which directly targets the 'Made in China 2025' strategy, we believe the Chinese government will continue with the strategy as it is at the core of the growth plan for the country.

Our biggest overweight has been in the consumer discretionary sector, where we believe a tight labour market will drive wage growth, more discretionary spending and therefore outperformance. Outperformance was largely due to stock selection in the consumer discretionary sector, particularly our overweight position in Haier Electronics, which has attained strong market share gains and benefits from the premiumisation trend for consumer goods across China. Furthermore, our positions in sportswear continued to show strong momentum and our positions in Chinese education providers performed well due to strong enrolment and earnings growth. We also maintained our overweight position in healthcare, which we believe will benefit from China's

aging population and government focus on improving quality of life.

We have adjusted our positions in the real estate sector, replacing Far East Consortium with China Overseas Land and Investment, as we prefer its clear growth acceleration and strong land bank. We also adjusted our positions in the tech sector in order to increase exposure to the rise in popularity of tourism amongst the Chinese middle class as well as to purchase Weibo, which we believe has promising monetisation opportunities. This was partly funded by the sale of ZTE, which we believe faces significant headwinds going forward.

The long-term themes of reducing debt, pollution and poverty also continue while China manages a controlled economic slowdown. In March, the Chinese premier announced a GDP growth target of 6.5% for this year, unchanged from last year, with policy focussing on containing financial risk and increasing quality of life. Xi Jinping also succeeded in ending the term limit on his presidency this quarter, allowing him to remain in power beyond 2022. This gives the market more certainty over the implementation of his policies, enabling us to have more confidence in the long-term themes that drive our portfolio positioning.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. The performance of other share classes may differ. Past performance is not a guide for future performance. Investments in emerging markets may be higher risk and potentially more volatile than those in developed markets. 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.*

Neptune China Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	CHINA 77.05% (2017 - 78.53%)		
	BASIC MATERIALS 2.49% (2017 - 2.57%)		
	INDUSTRIAL METALS & MINING 2.49%		
606,000	Angang Steel	413,223	1.30
1,122,000	Maanshan Iron & Steel	379,817	1.19
	CONSUMER GOODS 8.87% (2017 - 7.28%)		
	FOOD PRODUCERS 1.50%		
185,000	China Mengniu Dairy	476,423	1.50
	PERSONAL GOODS 7.37%		
114,000	ANTA Sports Products	459,444	1.44
47,500	Hengan International	347,623	1.09
561,000	Li Ning	470,690	1.48
113,900	Shenzhou International	1,069,990	3.36
	CONSUMER SERVICES 8.91% (2017 - 8.46%)		
	GENERAL RETAILERS 5.98%		
606,000	China Maple Leaf Educational Systems	831,148	2.61
20,070	JD.com ADR	594,638	1.87
6,716	New Oriental Education & Technology ADR	479,798	1.50
	TRAVEL & LEISURE 2.93%		
13,419	Ctrip.com International ADR	490,211	1.54
1,036,000	Guangshen Railway	442,149	1.39
	FINANCIALS 12.57% (2017 - 14.84%)		
	BANKS 7.78%		
2,096,000	Bank of China	788,822	2.48
1,354,000	China Construction Bank	950,853	2.99
1,293,800	Industrial & Commercial Bank of China	735,396	2.31
	LIFE INSURANCE 4.79%		
188,200	China Pacific Insurance	554,032	1.74
139,000	Ping An Insurance	972,764	3.05
	HEALTH CARE 6.94% (2017 - 6.26%)		
	PHARMACEUTICALS & BIOTECHNOLOGY 6.94%		
446,000	3SBio	770,036	2.42
1,258,200	China Animal Healthcare*	—	—
304,000	CSPC Pharmaceutical	697,367	2.19
177,900	Shanghai Fosun Pharmaceutical	742,857	2.33
	INDUSTRIALS 3.97% (2017 - 3.43%)		
	CONSTRUCTION & MATERIALS 2.13%		
155,500	Anhui Conch Cement	677,979	2.13
	ELECTRONIC & ELECTRICAL EQUIPMENT 1.84%		
35,260	Hollysys Automation Technologies	585,006	1.84
	OIL & GAS 6.63% (2017 - 7.38%)		
	ALTERNATIVE ENERGY 1.29%		
1,627,200	Huaneng Renewables	410,365	1.29
	OIL & GAS PRODUCERS 5.34%		
864,000	China Petroleum & Chemical	586,635	1.84
456,000	CNOOC	597,996	1.88
896,000	PetroChina	517,977	1.62

Neptune China Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	TECHNOLOGY 25.73% (2017 - 28.31%)		
	SOFTWARE & COMPUTER SERVICES 24.37%		
21,144	Alibaba ADR	3,031,077	9.52
5,380	Baidu ADR	991,366	3.11
78,900	Tencent	3,012,232	9.46
148,000	TravelSky Technology	327,305	1.03
5,965	Weibo ADR	399,180	1.25
	TECHNOLOGY HARDWARE & EQUIPMENT 1.36%		
5,532	YY ADR	433,820	1.36
	UTILITIES 0.94% (2017 - 0.00%)		
	GAS, WATER & MULTIUTILITIES 0.94%		
40,000	ENN Energy	298,943	0.94
	HONG KONG 20.41% (2017 - 19.29%)		
208,500	BOC Hong Kong	747,269	2.34
812,000	China Everbright International	798,638	2.51
62,500	China Mobile	422,238	1.32
212,000	China Overseas Land & Investment	530,532	1.66
242,000	China Resources Beer	890,806	2.80
172,000	China Resources Gas	566,402	1.78
462,000	China Unicom Hong Kong	438,713	1.38
129,000	Galaxy Entertainment	760,138	2.39
329,400	Haier Electronics	856,278	2.69
150,000	Longtop Financial Technologies ADR*	—	—
528,000	Xinyi Glass	490,120	1.54
	UNITED STATES 1.13% (2017 - 1.45%)		
133,800	Samsonite International	360,792	1.13
	Portfolio of investments	31,399,088	98.59
	Net other assets	447,676	1.41
	Net assets	31,846,764	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

*Delisted security.

Stocks shown as ADRs represent American Depositary Receipts.

Neptune China Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

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

Purchases	Cost £
Weibo ADR	559,878
China Overseas Land & Investment	553,406
Li Ning	516,823
YY ADR	473,618
TravelSky Technology	335,831

Sales	Proceeds £
Baidu ADR	999,095
Ping An Insurance	749,901
Far East Consortium International	575,549
Xinyi Solar	391,214
ANTA Sports Products	362,099

Stocks shown as ADRs represent American Depositary Receipts.

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			
2015	391.8p	254.8p	2.3325p
2016	380.6p	242.5p	2.7332p
2017	473.6p	347.5p	0.2839p
2018	500.7p*	435.5p*	—
C Accumulation			
2015	157.6p	102.9p	1.7207p
2016	155.4p	98.37p	1.8831p
2017	195.6p	142.3p	1.6268p
2018	207.9p*	180.2p*	—
C Accumulation USD[‡]			
2015	136.2¢	93.85¢	1.2152¢
2016	112.8¢	83.61¢	1.0974¢
2017	152.5¢	102.0¢	2.4732¢
2018	166.7¢*	147.0¢*	—

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2015	12,731,382	4,278,445	297.6
31 December 2016	10,196,044	2,943,857	346.3
31 December 2017	11,396,482	2,497,347	456.3
30 June 2018	11,242,905	2,384,957	471.4
C Accumulation			
31 December 2015	11,939,988	9,903,251	120.6
31 December 2016	19,994,890	14,104,561	141.8
31 December 2017	19,717,546	10,451,468	188.7
30 June 2018	20,602,699	10,519,104	195.9
C Accumulation USD			
31 December 2015	7,289,574	10,335,257	70.53
31 December 2016	827	1,000	82.70
31 December 2017	1,111	1,000	111.2
30 June 2018	1,160	1,000	116.0

[‡]Share class name changed from B Accumulation USD on 1 August 2016.

*To 30 June 2018.

Neptune China Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
2 July 2018	A Accumulation	470.2p	0.06
	C Accumulation	195.4p	0.83
	C Accumulation USD	152.3¢	1.69
2 January 2018	A Accumulation	461.0p	0.06
	C Accumulation	190.6p	0.85
	C Accumulation USD	152.2¢	1.62

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	A Accumulation	2.01
	C Accumulation	1.01
	C Accumulation USD	1.01
31 December 2017	A Accumulation	1.98
	C Accumulation	0.98
	C Accumulation USD	0.98

[‡]The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 2.15% per annum, the C share classes are currently capped at 1.16% 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 pages 7 to 10.

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.

Neptune China Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital gains		1,003,068		4,386,169
Revenue	305,902		341,554	
Expenses	(209,458)		(199,006)	
Interest payable and similar charges	(71)		(183)	
Net revenue before taxation	96,373		142,365	
Taxation	(17,449)		(14,090)	
Net revenue after taxation		78,924		128,275
Total return before equalisation/distribution		1,081,992		4,514,444
Equalisation/distributions		1,587		(128,333)
Change in net assets attributable to shareholders from investment activities		1,083,579		4,386,111

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		31,115,139		30,191,761
Amounts received on issue of shares	2,158,615		1,502,698	
Amounts paid on cancellation of shares	(2,510,560)		(3,034,250)	
		(351,945)		(1,531,552)
Change in net assets attributable to shareholders from investment activities		1,083,579		4,386,111
Retained distribution on accumulation shares		(9)		131,046
Closing net assets attributable to shareholders		31,846,764		33,177,366

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune China Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed Assets				
Investments		31,399,088		30,889,318
Current Assets				
Debtors	171,693		171,272	
Cash and bank balances	462,923		115,290	
Total current assets		634,616		286,562
Total assets		32,033,704		31,175,880
Liabilities				
Creditors				
Other creditors	(186,940)		(60,741)	
Total liabilities		(186,940)		(60,741)
Net assets attributable to shareholders		31,846,764		31,115,139

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 2017 and are described in those financial statements.

Neptune China Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Accumulation shares (p)				
Group 1	—	—	—	0.2839
Group 2	—	—	—	0.2839
C Accumulation shares (p)				
Group 1	—	—	—	0.8971
Group 2	—	—	—	0.8971
C Accumulation USD shares (¢)				
Group 1	—	—	—	1.2122
Group 2	—	—	—	1.2122

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

Neptune European Opportunities Fund

Investment Objective

The investment objective of the Neptune European Opportunities 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 are 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 effective portfolio management.

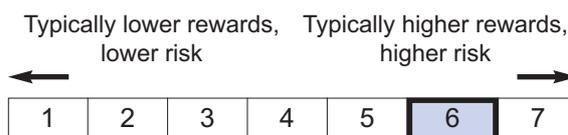
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

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

*The Fund's peer group is the Investment Association's 'Europe excluding the UK' category.

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 2018 (unaudited)

The Neptune European Opportunities Fund returned –8.30% in the first half of 2017, versus the MSCI Europe ex UK Index and IA Europe ex UK sector average returns of -0.99% and –0.72% respectively.

The drivers behind the dip in markets in the first quarter can be characterised into three broad areas: the unwinding of the low volatility phase in markets, a peak in some leading economic indicators (PMIs), and tariff related developments. Whilst each of these headwinds ought to be temporary, the combination of these factors occurring in a short space of time caused European equities to de-rate in the first quarter. Global investors became cautious of Eurozone equities in the second quarter of 2018, as a softening in PMI data, political turmoil in Italy and global tariff negotiations weighed on investor confidence.

Given the peak in PMIs and tariff related discussions, you might have expected cyclical underperformance versus defensive stocks in the first quarter, but this did not take place in typical fashion. Why? In the majority of equity market corrections from 2007-2016, bond yields fell significantly. This provided a cushion to bond-proxy style equities in this now historic period. In recent months, bond yields have not fallen and provided the same cushion to equities. Over the course of the first quarter, the two sectors considered by many investors to be safe and defensive – consumer staples and healthcare – were the weakest performers.

Cyclical sectors bore the brunt of the selling over the second quarter, as investor caution led to crowding into secure growth stocks with highly visible earnings streams. This dynamic can be seen by the divergence in the performance of growth and value indices over the quarter. Financials, the dominant value sector in the Europe, were weighed down not only by political risk in Italy, but by fears that the slowdown in growth would push out the date for interest rate hikes. Exporters such as steelmakers and autos – two overweight positions in the Fund –

also faced the headwind of slower growth and rhetoric around a trade war.

Short of a significant exogenous shock, all of the evidence suggests this moderation in growth in the second quarter is exactly that and nothing more. The underlying trends in the European and global economy are still solid. The slowdown in PMIs from very elevated levels is similar to that which occurred in 2004.

A high sensitivity to price is at the heart of the current positioning in the Neptune European Opportunities Fund. All of the portfolio's holdings trade at attractive valuations. Our key overweight remains on banks, where we see compelling valuations and earnings growth sufficient to propel the sector powerfully in the coming years. The dip in the euro will lead to slightly higher inflation and growth, lifting the probability of rate hikes in Europe in the future, benefitting banks. Overall, the cyclical sell-off of the first half of 2018, we believe has presented an attractive entry point for value strategies.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. 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.*

Neptune European Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	AUSTRIA 3.40% (2017 - 2.53%)		
241,625	Erste Bank	7,669,751	1.98
154,197	Voestalpine	5,492,912	1.42
	BELGIUM 0.74% (2017 - 3.49%)		
49,160	KBC	2,870,924	0.74
	CANADA 3.51% (2017 - 4.15%)		
333,540	Nutrien	13,552,800	3.51
	DENMARK 2.73% (2017 - 2.22%)		
7,741	AP Moller - Maersk	7,204,997	1.86
251,668	D/S Norden	3,368,537	0.87
	FRANCE 15.32% (2017 - 18.73%)		
162,836	BNP Paribas	7,652,942	1.98
256,601	Bouygues	8,449,744	2.19
961,018	Credit Agricole	9,769,601	2.53
168,447	Renault	10,869,907	2.81
322,365	Société Générale	10,341,155	2.67
135,871	TOTAL	6,290,553	1.63
311,184	Vivendi	5,819,667	1.51
	GERMANY 28.26% (2017 - 21.35%)		
55,321	Aurubis	3,247,387	0.84
71,760	Bayerische Motoren Werke	4,947,913	1.28
202,255	Bilfinger SE	7,883,963	2.04
1,611,963	Commerzbank	11,812,946	3.06
76,850	Continental	13,374,838	3.46
263,287	Daimler	12,889,407	3.33
1,150,557	Deutsche Bank	9,280,700	2.40
385,548	Deutz	2,264,564	0.59
1,981,250	E.ON	16,021,661	4.14
156,739	Porsche Automobil Preference Shares	7,651,054	1.98
180,984	Salzgitter	5,996,591	1.55
109,596	Volkswagen Preference Shares	13,901,757	3.59
	ITALY 12.40% (2017 - 7.56%)		
175,333	Assicurazioni Generali	2,219,671	0.57
398,709	Eni	5,604,232	1.45
6,111,003	Intesa Sanpaolo	13,583,315	3.51
6,111,003	Intesa Sanpaolo Rights 17/07/2018*	-	-
1,815,772	Saipem	6,262,364	1.62
1,102,854	UniCredit	13,893,455	3.59
2,207,914	Unione di Banche Italiane	6,433,372	1.66
	LUXEMBOURG 3.33% (2017 - 3.33%)		
573,945	ArcelorMittal	12,864,219	3.33
	NETHERLANDS 4.97% (2017 - 3.53%)		
89,480	Fugro	992,086	0.26
442,682	ING	4,859,884	1.26
2,558,869	PostNL	7,265,554	1.88
515,871	SBM Offshore	6,080,630	1.57

Neptune European Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	NORWAY 4.26% (2017 - 4.53%)		
3,816,355	Agrinos	1,068,181	0.28
160,798	DNB	2,386,102	0.62
411,239	Yara International	12,995,238	3.36
	PORTUGAL 2.12% (2017 - 1.05%)		
36,270,992	Banco Comercial Portugues	8,203,570	2.12
	SPAIN 9.99% (2017 - 11.53%)		
2,449,718	Banco Santander	10,017,850	2.59
2,890,607	Bankia	8,210,039	2.12
2,832,916	CaixaBank	9,323,632	2.41
322,574	Repsol	4,823,857	1.25
322,574	Repsol Rights 06/07/2018	141,658	0.04
2,887,444	Sacyr	5,998,588	1.55
2,887,444	Sacyr Rights 09/07/2018	124,576	0.03
	SWEDEN 4.67% (2017 - 8.98%)		
300,740	Alfa Laval	5,385,768	1.39
904,370	SKF	12,678,149	3.28
	SWITZERLAND 1.86% (2017 - 0.85%)		
159,480	Adecco	7,195,005	1.86
	UNITED KINGDOM 2.79% (2017 - 5.36%)		
682,166	Antofagasta	6,783,458	1.75
94,932	Rio Tinto	4,002,808	1.04
	FORWARD FOREIGN EXCHANGE CONTRACTS (0.02)% (2017 - 0.00%)		
	Bought CHF11,307 for GBP8,645 Settlement 17/07/2018	20	0.00
	Sold CHF239,598 for GBP181,847 Settlement 17/07/2018	(1,774)	0.00
	Bought DKK244,617 for GBP28,875 Settlement 17/07/2018	216	0.00
	Sold DKK2,590,297 for GBP305,826 Settlement 17/07/2018	(2,219)	0.00
	Bought EUR20,202 for GBP17,730 Settlement 17/07/2018	174	0.00
	Sold EUR9,059,066 for GBP7,967,959 Settlement 17/07/2018	(60,632)	(0.02)
	Bought NOK394,661 for GBP36,747 Settlement 17/07/2018	72	0.00
	Sold NOK4,706,043 for GBP437,407 Settlement 17/07/2018	(1,633)	0.00
	Bought SEK292,941 for GBP24,964 Settlement 17/07/2018	(103)	0.00
	Sold SEK5,602,747 for GBP485,598 Settlement 17/07/2018	10,103	0.00
	Bought USD954 for GBP718 Settlement 17/07/2018	7	0.00
	Sold USD440,347 for GBP328,158 Settlement 17/07/2018	(6,765)	0.00
	Portfolio of investments	387,960,998	100.33
	Net other liabilities	(1,291,349)	(0.33)
	Net assets	386,669,649	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

*Delisted security.

Neptune European Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

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

Purchases	Cost £
E.ON	16,622,249
Deutsche Bank	10,940,524
Intesa Sanpaolo	8,949,463
Unione di Banche Italiane	6,950,380
UniCredit	6,186,476

Sales	Proceeds £
Rio Tinto	13,596,459
Banco Bilbao Vizcaya Argentaria	8,183,232
SSAB A Shares	7,399,121
SSAB B Shares	7,296,966
RWE	7,095,707

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			
2015	407.3p	334.9p	1.2008p
2016	474.1p	298.6p	6.0372p
2017	565.3p	470.9p	13.3530p
2018	588.7p*	499.2p*	13.6227p**
A Accumulation			
2015	455.0p	374.1p	1.5132p
2016	536.5p	334.5p	6.3420p
2017	657.1p	535.7p	7.4520p
2018	686.9p*	582.5p*	—
B Income			
2015	419.9p	344.8p	4.0981p
2016	480.2p	306.6p	12.3004p
2017	575.1p	477.3p	13.5539p
2018	599.5p*	509.5p*	13.8921p**
B Accumulation			
2015	480.0p	394.2p	2.1570p
2016	570.7p	354.2p	7.7271p
2017	701.9p	570.3p	9.4633p
2018	734.5p*	624.2p*	—
C Income			
2015	119.5p	98.05p	1.4850p
2016	137.9p	87.48p	3.2124p
2017	165.8p	137.2p	3.8990p
2018	173.0p*	147.4p*	4.0153p**
C Accumulation			
2015	139.8p	114.7p	1.2547p
2016	167.7p	103.7p	2.8360p
2017	207.2p	167.8p	3.2359p
2018	217.1p*	184.9p*	—
D Accumulation			
2015	111.7p	91.59p	1.0438p
2016	134.2p	82.87p	2.3704p
2017	165.9p	134.2p	2.6664p
2018	173.8p*	148.1p*	—
E Income			
2017 [†]	103.1p	99.81p	—
2018	109.2p*	93.07p*	2.1414p**

[†]Launched 1 December 2017.

*To 30 June 2018.

**To 31 August 2018.

Neptune European Opportunities Fund

Fund Information (continued)

Price and Income History (continued)

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
A Accumulation EUR			
2015	137.6¢	116.9¢	0.7522¢
2016	195.3¢	131.6¢	2.3717¢
2017	229.5¢	196.1¢	2.6224¢
2018	241.2¢*	204.5¢*	—
B Accumulation EUR			
2015	141.9¢	120.2¢	1.3319¢
2016	202.8¢	136.1¢	2.8225¢
2017	239.4¢	103.9¢	3.2497¢
2018	251.9¢*	214.0¢*	—
C Accumulation EUR			
2015	81.11¢	68.61¢	1.0176¢
2016	116.7¢	78.01¢	2.0259¢
2017	138.4¢	119.5¢	2.1786¢
2018	145.8¢*	124.2¢*	—
C Accumulation Hedged			
2018‡	105.9p*	90.55p*	—
D Accumulation Hedged			
2018‡	105.9p*	90.55p*	—

‡Launched 3 January 2018.

*To 30 June 2018.

**To 31 August 2018.

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Income			
31 December 2015	5,451,711	1,457,268	374.1
31 December 2016	2,400,245	510,271	470.4
31 December 2017	2,480,020	448,711	552.7
30 June 2018	2,190,029	446,454	490.5
A Accumulation			
31 December 2015	74,515,391	17,767,496	419.4
31 December 2016	48,010,391	8,970,412	535.2
31 December 2017	53,427,076	8,285,007	644.9
30 June 2018	45,019,292	7,653,375	588.2
B Income			
31 December 2015	31,097,818	8,089,786	384.4
31 December 2016	3,409,076	715,436	476.5
31 December 2017	3,083,809	548,043	562.7
30 June 2018	2,362,109	471,794	500.7
B Accumulation			
31 December 2015	11,013,550	2,480,919	443.9
31 December 2016	3,226,237	566,664	569.3
31 December 2017	2,908,146	421,842	689.4
30 June 2018	2,737,093	434,170	630.4

Neptune European Opportunities Fund

Fund Information (continued)

Net Asset Value (continued)

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Income			
31 December 2015	65,563,011	59,851,251	109.5
31 December 2016	45,330,050	33,134,402	136.8
31 December 2017	48,380,157	29,797,489	162.4
30 June 2018	47,006,101	32,455,921	144.8
C Accumulation			
31 December 2015	174,043,398	134,048,231	129.8
31 December 2016	135,796,858	81,144,317	167.4
31 December 2017	189,280,433	92,937,380	203.7
30 June 2018	169,180,805	90,612,744	186.7
D Accumulation			
31 December 2015	28,699,195	27,655,691	103.8
31 December 2016	16,699,682	12,472,364	133.9
31 December 2017	30,620,554	18,773,918	163.1
30 June 2018	15,914,829	10,639,244	149.6
E Income			
31 December 2017	37,972,054	37,069,718	102.4
30 June 2018	39,529,404	43,032,759	91.86
A Accumulation EUR			
31 December 2015	31,010,791	23,902,438	129.7
31 December 2016	8,181,782	4,941,560	165.6
31 December 2017	7,917,288	3,968,634	199.5
30 June 2018	6,300,104	3,462,061	182.0
B Accumulation EUR			
31 December 2015	46,076,996	34,362,137	134.1
31 December 2016	28,190,906	16,390,279	172.0
31 December 2017	23,637,126	11,349,850	208.3
30 June 2018	11,121,448	5,839,897	190.4
C Accumulation EUR			
31 December 2015	19,450,353	25,314,150	76.84
31 December 2016	32,735,576	33,055,849	99.03
31 December 2017	50,408,880	41,824,820	120.5
30 June 2018	35,391,289	32,029,634	110.50
C Accumulation Hedged			
30 June 2018	56,114	61,664	91.00
D Accumulation Hedged			
30 June 2018	9,861,032	10,836,111	91.00

Neptune European Opportunities Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
2 July 2018	A Income	486.1p	2.80
	A Accumulation	583.0p	1.28
	B Income	496.1p	2.80
	B Accumulation	624.9p	1.51
	C Income	143.5p	2.80
	C Accumulation	185.1p	1.75
	D Accumulation	148.3p	1.80
	E Income	91.04p	2.35
	A Accumulation EUR	203.9¢	1.28
	B Accumulation EUR	213.4¢	1.51
	C Accumulation EUR	123.8¢	1.75
	C Accumulation Hedged	90.36p	0.00
	D Accumulation Hedged	90.36p	0.00
	2 January 2018	A Income	553.2p
A Accumulation		645.5p	1.15
B Income		563.2p	2.41
B Accumulation		690.1p	1.37
C Income		162.5p	2.40
C Accumulation		203.9p	1.59
D Accumulation		163.3p	1.63
E Income		102.5p	0.00
A Accumulation EUR		224.4¢	1.17
B Accumulation EUR		234.2¢	1.39
C Accumulation EUR		135.6¢	1.61

Neptune European Opportunities Fund

Fund Information (continued)

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	A Income	1.96
	A Accumulation	1.96
	B Income	1.46
	B Accumulation	1.46
	C Income	0.96
	C Accumulation	0.96
	D Accumulation	0.86
	E Income	0.76
	A Accumulation EUR	1.96
	B Accumulation EUR	1.45
	C Accumulation EUR	0.96
	C Accumulation Hedged	0.97
	D Accumulation Hedged	0.87
31 December 2017	A Income	1.88
	A Accumulation	1.88
	B Income	1.38
	B Accumulation	1.38
	C Income	0.88
	C Accumulation	0.88
	D Accumulation	0.78
	E Income	0.70
	A Accumulation EUR	1.88
	B Accumulation EUR	1.38
	C Accumulation EUR	0.88

[‡]The OCF includes the annual management charges and other expenses. The OCF of the A share classes are currently capped at 2.06% per annum, the B share classes are currently capped at 1.56% per annum, the C share classes are currently capped at 1.06% per annum, the D share classes are currently capped at 0.96% per annum and the E share classes are currently capped at 0.86% 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 pages 17 to 20.

Details of the distributions per share for the period are shown in the distribution table on page 28.

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.

Neptune European Opportunities Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(46,577,980)		35,896,022
Revenue	11,808,371		8,823,133	
Expenses	(2,475,886)		(2,007,023)	
Interest payable and similar charges	(8,256)		(2,940)	
Net revenue before taxation	9,324,229		6,813,170	
Taxation	(695,738)		(303,076)	
Net revenue after taxation		8,628,491		6,510,094
Total return before distributions		(37,949,489)		42,406,116
Distributions		(2,803,006)		(6,802,188)
Change in net assets attributable to shareholders from investment activities		(40,752,495)		35,603,928

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		450,115,543		323,980,804
Amounts received on issue of shares	56,171,053		98,596,420	
Amounts paid on cancellation of shares	(78,864,452)		(50,170,540)	
		(22,693,399)		48,425,880
Change in net assets attributable to shareholders from investment activities		(40,752,495)		35,603,928
Retained distribution on accumulation shares		—		5,505,106
Closing net assets attributable to shareholders		386,669,649		413,515,718

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune European Opportunities Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed Assets				
Investments		388,034,124		446,486,659
Current Assets				
Debtors	2,522,811		3,267,137	
Cash and bank balances	1,371,139		1,313,205	
Total current assets		3,893,950		4,580,342
Total assets		391,928,074		451,067,001
Liabilities				
Investment liabilities	(73,126)		—	
Creditors				
Distributions payable	(2,351,068)		(204,581)	
Other creditors	(2,834,231)		(746,877)	
Total liabilities		(5,258,425)		(951,458)
Net assets attributable to shareholders		386,669,649		450,115,543

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 2017 and are described in those financial statements.

Neptune European Opportunities Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Income shares (p)				
Group 1	13.6227	—	13.6227	11.2506
Group 2	9.2104	4.4123	13.6227	11.2506
A Accumulation shares (p)				
Group 1	—	—	—	7.4520
Group 2	—	—	—	7.4520
B Income shares (p)				
Group 1	13.8921	—	13.8921	11.4164
Group 2	13.2378	0.6543	13.8921	11.4164
B Accumulation shares (p)				
Group 1	—	—	—	9.4633
Group 2	—	—	—	9.4633
C Income shares (p)				
Group 1	4.0153	—	4.0153	3.2834
Group 2	3.1032	0.9121	4.0153	3.2834
C Accumulation shares (p)				
Group 1	—	—	—	3.2359
Group 2	—	—	—	3.2359
D Accumulation shares (p)				
Group 1	—	—	—	2.6619
Group 2	—	—	—	2.6619
E Income shares (p)				
Group 1	2.1414	—	2.1414	—
Group 2	1.7864	0.3550	2.1414	—
A Accumulation EUR shares (¢)				
Group 1	—	—	—	2.6224
Group 2	—	—	—	2.6224
B Accumulation EUR shares (¢)				
Group 1	—	—	—	3.2497
Group 2	—	—	—	3.2497
C Accumulation EUR shares (¢)				
Group 1	—	—	—	2.1786
Group 2	—	—	—	2.1786
C Accumulation Hedged shares (p)				
Group 1	—	—	—	—
Group 2	—	—	—	—
D Accumulation Hedged shares (p)				
Group 1	—	—	—	—
Group 2	—	—	—	—

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

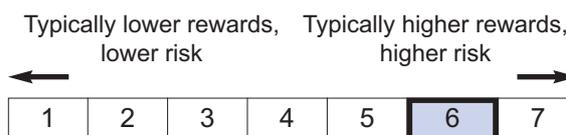
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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 2018 (unaudited)

The Neptune Global Alpha Fund returned 6.68% in the first half of 2018, outperforming the IA Flexible Investment sector, where the average return was 0.35%. Furthermore, the Fund remains the best performer in the IA sector since launch in December 2001, returning 489.50%.*

The first quarter of 2018 saw the return of market volatility following extremely favourable conditions over previous quarters. Despite a very strong start to the year, global markets experienced a sharp sell-off in the first weeks of February before stabilising somewhat for the remainder of the quarter. There were several reasons for the selling, but most prominent was the concern that sharply rising global interest rates would act to slow the synchronised economic growth recovery evident in the last two years. It was encouraging however to note that emerging markets fared relatively well in these difficult markets – falling notably less than developed markets. In contrast to the first, the second quarter of 2018 was a positive one for global equity markets, despite a pick-up in macroeconomic headwinds sparked by fears of a global trade war. The US equity market delivered strong returns thanks to continued underlying earnings and revenue growth, particularly within the information technology sector. However, global equity market performance was bifurcated during the last quarter. Economic data within Europe showed signs of softening thanks to potential tariffs and political uncertainty within Italy.

At a sector level, our largest overweight remains in technology, which was the strongest contributor to outperformance over the first half of 2018. Notably, four out of the top five best performers in the portfolio were tech related stocks, with RingCentral in the US leading the pack in the first quarter. Twilio, the San Francisco-based company that offers a software platform and communication service that allows application developers to incorporate communication (via SMS, voice call or social channels) into their applications seamlessly, contributed significantly to performance over both quarters.

The Fund's significant emerging market overweight also contributed strongly to its relative

outperformance in the first quarter. In particular, Russia and Latin America significantly outperformed the wider markets, rewarding our positions here. Notably Brazil is increasingly moving towards a reformist government with the impeachment of Dilma Rousseff in 2016, paving the way for structural reforms that raise productivity and economic growth. The Fund maintains its overweight to emerging markets despite EM witnessing a period of weakness, thanks largely to US dollar strength, with notable developing world economies such as Brazil, Argentina and Turkey experiencing considerable currency weakness.

We remain confident in our outlook for global equity markets, despite the recent flight to safety amongst investors, and continue to run with a more cyclically-positioned portfolio. We believe the macroeconomic backdrop remains supportive, particularly within emerging markets. We maintain an actively managed portfolio with a high conviction approach.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. 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.*

Neptune Global Alpha Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	CHILE 2.52% (2017 - 2.21%)		
260,000	Antofagasta	2,585,440	2.52
	CHINA 9.01% (2017 - 10.24%)		
18,000	Alibaba ADR	2,580,372	2.52
11,500	Baidu ADR	2,119,091	2.07
265,000	Ping An Insurance	1,854,550	1.81
70,000	Tencent	2,672,449	2.61
	CYPRUS 0.00% (2017 - 1.91%)		
	HONG KONG 3.19% (2017 - 3.12%)		
1,875,000	Mandarin Oriental International	3,267,819	3.19
	IRELAND 1.10% (2017 - 0.00%)		
90,000	Horizon Pharma	1,122,646	1.10
	JAPAN 12.33% (2017 - 18.63%)		
158,000	CYBERDYNE	1,410,911	1.38
70,000	Jafco	2,164,690	2.11
2,200	Keyence	945,652	0.92
70,000	Komatsu	1,523,710	1.49
39,000	OKUMA	1,566,915	1.53
126,000	Optex	2,678,533	2.62
60,000	Sony	2,337,163	2.28
	RUSSIA 0.00% (2017 - 1.81%)		
	SWITZERLAND 2.43% (2017 - 2.36%)		
690,000	Glencore	2,495,040	2.43
	UNITED KINGDOM 12.52% (2017 - 13.41%)		
32,000	LivaNova	2,463,656	2.40
3,041	Navenio (Private Equity)	224,998	0.22
1,930,000	Neptune Emerging Markets Fund†	3,053,260	2.98
693,000	Neptune Global Smaller Companies Fund†	1,135,134	1.11
312,000	Neptune India Fund†	727,272	0.71
852,000	Neptune Latin America Fund†	829,848	0.81
9,662	Oxford Nanopore Technologies (Private Equity)	500,009	0.49
833,334	Oxford Sciences Innovation	1,000,001	0.97
471	Oxstem (Private Equity)	100,087	0.10
406	Proxisense (Private Equity)	100,168	0.10
7,455	Ultromics (Private Equity)	499,999	0.49
322	Vaccitech 'A' (Private Equity)	350,223	0.34
16,000	Willis Towers Watson	1,842,506	1.80
	UNITED STATES 50.15% (2017 - 43.85%)		
4,800	Alphabet	4,116,248	4.02
3,950	Amazon.com	5,114,904	4.99
21,000	ANSYS	2,763,667	2.70
68,750	Brown-Forman	2,578,485	2.52
10,000	CME	1,247,079	1.22
24,500	Electronic Arts	2,621,824	2.56
21,000	Evercore	1,694,128	1.65
10,800	General Dynamics	1,540,497	1.50
20,000	Intercontinental Exchange	1,124,091	1.10
9,000	Intuitive Surgical	3,311,907	3.23

Neptune Global Alpha Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
22,000	NVIDIA	4,032,817	3.94
18,000	Palo Alto Networks	2,807,093	2.74
110,000	Rapid7	2,393,470	2.34
25,000	Red Hat	2,562,502	2.50
60,000	RingCentral	3,235,283	3.16
15,000	SVB Financial	3,329,465	3.25
61,000	Twilio	2,592,367	2.53
14,000	United Rentals	1,571,171	1.53
30,000	Varex Imaging	837,247	0.82
25,000	XPO Logistics	1,898,855	1.85
	OPTIONS 1.55% (2017 - 0.15%)*		
54	FTSE 100 Index 7300 Put 21/12/2018	98,820	0.10
298	NASDAQ 100 E-Mini Futures 6600 Put 21/12/2018	944,610	0.92
223	S&P 500 E Mini Futures 2575 Put 21/12/2018	547,338	0.53
	Portfolio of investments	97,116,010	94.80
	Net other assets	5,330,954	5.20
	Net assets	102,446,964	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

*Derivatives.

Stocks shown as ADRs represent American Depositary Receipts.

†Represents investment into a Neptune Collective Investment Scheme product.

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

Purchases	Cost £
Neptune Emerging Markets Fund†	3,242,105
Neptune Russia and Greater Russia Fund†	3,090,230
Rapid7	2,168,786
XPO Logistics	1,836,646
Twilio	1,705,620

Sales	Proceeds £
Neptune Russia and Greater Russia Fund†	2,853,765
Neptune India Fund†	2,837,743
Neptune Latin America Fund†	2,221,342
Facebook	2,101,646
Globaltrans Investment GDR	1,764,031

Stocks shown as GDRs represent Global Depositary Receipts.

†Represents investment into a Neptune Collective Investment Scheme product.

Neptune Global Alpha Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p)	Lowest share price (p)	Net income per share (p)
A Accumulation			
2015	425.7	345.9	—
2016	402.7	290.4	—
2017	496.6	397.4	—
2018	547.0*	481.7*	—
C Accumulation			
2015	462.2	377.7	—
2016	446.5	318.6	—
2017	556.6	440.7	2.6914
2018	617.1*	541.7*	—

*To 30 June 2018.

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2015	34,112,208	9,039,606	377.4
31 December 2016	26,909,742	6,770,493	397.5
31 December 2017	29,635,461	6,020,758	492.2
30 June 2018	31,842,205	6,100,199	522.0
C Accumulation			
31 December 2015	54,263,968	13,127,772	413.4
31 December 2016	50,347,067	11,424,231	440.7
31 December 2017	60,343,078	10,924,880	552.3
30 June 2018	70,604,759	11,985,884	589.1

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
2 July 2018	A Accumulation	518.9	—
	C Accumulation	585.6	0.46
2 January 2018	A Accumulation	490.9	—
	C Accumulation	551.0	0.49

Neptune Global Alpha Fund

Fund Information (continued)

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	A Accumulation	2.04
	C Accumulation	0.91
31 December 2017	A Accumulation	2.09
	C Accumulation	0.89

[‡]The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 2.23% per annum and the C share class is currently capped at 1.03% 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 pages 30 to 32.

Details of the distributions per share for the period are shown in the distribution table on page 37.

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.

Neptune Global Alpha Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital gains		5,998,215		6,530,793
Revenue	452,941		722,095	
Expenses	(560,516)		(491,644)	
Interest payable and similar charges	(385)		(828)	
Net (expense)/revenue before taxation	(107,960)		229,623	
Taxation	(34,676)		(37,539)	
Net (expense)/revenue after taxation		(142,636)		192,084
Total return before equalisation/distribution		5,855,579		6,722,877
Equalisation/distributions		(4,495)		(232,360)
Change in net assets attributable to shareholders from investment activities		5,851,084		6,490,517

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		89,978,539		77,256,766
Amounts received on issue of shares	10,311,997		3,425,155	
Amounts paid on cancellation of shares	(3,694,656)		(7,917,520)	
		6,617,341		(4,492,365)
Dilution adjustment charged		—		4,008
Change in net assets attributable to shareholders from investment activities		5,851,084		6,490,517
Retained distribution on accumulation shares		—		228,649
Closing net assets attributable to shareholders		102,446,964		79,487,575

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune Global Alpha Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed Assets				
Investments		97,116,010		87,903,121
Current Assets				
Debtors	1,855,720		34,839	
Cash and bank balances	3,725,692		2,263,081	
Total current assets		5,581,412		2,297,920
Total assets		102,697,422		90,201,041
Liabilities				
Creditors				
Bank overdrafts	(34,128)		—	
Other creditors	(216,330)		(222,502)	
Total liabilities		(250,458)		(222,502)
Net assets attributable to shareholders		102,446,964		89,978,539

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 2017 and are described in those financial statements.

Neptune Global Alpha Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Accumulation shares				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation shares				
Group 1	—	—	—	2.1355
Group 2	—	—	—	2.1355

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

Neptune Global Equity Fund

Investment Objective

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

This is an international Fund but there 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.

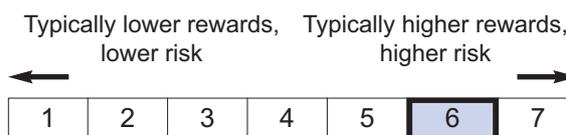
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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 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.

Neptune Global Equity Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited)

The Neptune Global Equity Fund returned 5.97% in the first half of 2018, ahead of the MSCI World Index's return of 3.24%, and the IA Global sector average of 2.67%. Since launch in December 2001, the Fund is ranked in the top quartile of the IA sector returning 402.40%.*

The first quarter of 2018 saw the return of market volatility following extremely favourable conditions over previous quarters. Despite a very strong start to the year, global markets experienced a sharp sell-off in the first weeks of February before stabilising somewhat for the remainder of the quarter. There were several reasons for the selling, but most prominent was the concern that sharply rising global interest rates would act to slow the synchronised economic growth recovery evident in the last two years. It was encouraging however to note that emerging markets fared relatively well in these difficult markets – falling notably less than developed markets. In contrast to the first, the second quarter of 2018 was a positive one for global equity markets, despite a pick-up in macroeconomic headwinds sparked by fears of a global trade war. The US equity market delivered strong returns thanks to continued underlying earnings and revenue growth, particularly within the information technology sector. However, global equity market performance was bifurcated during the last quarter. Economic data within Europe showed signs of softening thanks to potential tariffs and political uncertainty within Italy.

The Fund's significant emerging market overweight contributed strongly to its relative outperformance in the first quarter. In particular, Russia and Latin America significantly outperformed the wider markets, rewarding our positions here. Notably Brazil is increasingly moving towards a reformist government with the impeachment of Dilma Rousseff in 2016, paving the way for structural reforms that raise productivity and economic growth. In contrast, we remain resolutely underweight Europe, which had a poor first quarter of the year amidst the market volatility. Similarly, on a sector level, overvalued consumer staples bore the brunt of the sell-off, and our underweights were again beneficial.

At a sector level, the Neptune Global Equity Fund maintains its overweight to technology, which was a strong contributor to outperformance over the second quarter – Facebook, Amazon and Alphabet all contributed with strong returns. The Fund remains overweight to emerging markets despite EM witnessing a period of weakness, thanks largely to US dollar strength, with notable developing world economies such as Brazil, Argentina and Turkey experiencing considerable currency weakness. Despite the near term concerns, we remain positive on emerging markets and indeed our stock selection more than offset any weakness in the first half of the year.

We remain confident in our outlook for global equity markets, despite the recent flight to safety amongst investors, and continue to run with a more cyclically-positioned portfolio. We believe the macroeconomic backdrop remains supportive, particularly within emerging markets. We maintain an actively managed portfolio with a high conviction approach.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. 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.*

Neptune Global Equity Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	CANADA 0.00% (2017 - 0.00%)		
99,500	Nebex Resources *	—	—
	CHILE 1.28% (2017 - 1.28%)		
260,000	Antofagasta	2,585,440	1.28
	CHINA 10.34% (2017 - 10.69%)		
39,000	Alibaba ADR	5,590,807	2.76
29,000	Baidu ADR	5,343,796	2.64
500,000	Ping An Insurance	3,499,150	1.73
170,000	Tencent	6,490,233	3.21
	HONG KONG 3.45% (2017 - 3.92%)		
4,000,000	Mandarin Oriental International	6,971,346	3.45
	JAPAN 11.73% (2017 - 13.29%)		
220,000	CYBERDYNE	1,964,560	0.97
6,000	FANUC	906,672	0.45
110,000	Jafco	3,401,655	1.68
240,000	Japan Exchange	3,398,009	1.68
9,000	Keyence	3,868,579	1.91
75,000	Komatsu	1,632,547	0.81
265,000	Mitsubishi Chemical	1,688,203	0.83
45,000	OKUMA	1,807,978	0.89
18,000	SoftBank	985,720	0.49
105,000	Sony	4,090,035	2.02
	NETHERLANDS 1.83% (2017 - 1.71%)		
140,000	Royal Dutch Shell 'A'	3,701,623	1.83
	RUSSIA 0.00% (2017 - 1.06%)		
	SWITZERLAND 0.89% (2017 - 0.96%)		
500,000	Glencore	1,808,000	0.89
	UNITED KINGDOM 15.94% (2017 - 15.75%)		
800,000	HSBC	5,707,200	2.82
5,115,000	Neptune Emerging Markets Fund†	8,091,930	4.00
3,984,000	Neptune Global Technology Fund†	7,804,656	3.85
675,000	Neptune India Fund†	1,573,425	0.78
2,114,000	Neptune Latin America Fund†	2,059,036	1.02
45,000	Rio Tinto	1,897,425	0.94
400,000	Tullett Prebon	1,674,400	0.83
30,000	Willis Towers Watson	3,454,698	1.70
	UNITED STATES 51.31% (2017 - 50.84%)		
14,000	Adobe Systems	2,555,044	1.26
10,000	Alphabet 'A'	8,575,517	4.24
8,100	Amazon.com	10,488,790	5.18
16,000	ANSYS	2,105,651	1.04
42,000	Apple	5,929,450	2.93
125,000	Brown-Forman	4,688,154	2.32
75,000	Citizens Financial	2,255,223	1.11
65,000	CME	8,106,016	4.00
48,000	Electronic Arts	5,136,634	2.54
60,000	Fortive	3,460,862	1.71
14,000	General Dynamics	1,996,941	0.99

Neptune Global Equity Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
17,000	Home Depot	2,525,774	1.25
23,000	Honeywell International	2,505,415	1.24
75,000	JPMorgan Chase	5,989,954	2.96
100,000	Microsoft	7,506,374	3.71
32,000	NVIDIA	5,865,916	2.90
45,000	Palo Alto Networks	7,017,733	3.47
80,000	Rapid7	1,740,706	0.86
28,000	SVB Financial	6,215,001	3.07
14,000	UnitedHealth	2,609,810	1.29
65,000	Visa 'A'	6,564,063	3.24
	OPTIONS 1.68% (2017 - 0.18%)**		
184	FTSE 100 Index 7300 Put 21/12/2018	336,720	0.17
641	NASDAQ 100 E-Mini Futures 6600 Put 21/12/2018	2,031,862	1.00
417	S&P 500 E Mini Futures 2575 Put 21/12/2018	1,023,498	0.51
	Portfolio of investments	199,228,231	98.45
	Net other assets	3,143,919	1.55
	Net assets	202,372,150	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

Stocks shown as ADRs represent American Depositary Receipts.

*Non voting depositary receipts.

**Derivatives.

†Represents investment into a Neptune Collective Investment Scheme product.

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

Purchases	Cost £
Neptune Global Technology Fund†	3,427,171
Adobe Systems	2,361,019
Electronic Arts	2,292,302
NASDAQ 100 E-Mini Futures 6600 Put 21/12/2018	2,279,691
NASDAQ 100 E-Mini Futures 6500 Put 18/09/2018	2,098,020

Sales	Proceeds £
Facebook	6,548,117
Brink's	3,852,941
Johnson & Johnson	3,704,700
Neptune Russia & Greater Russia Fund†	2,981,721
Mandarin Oriental International	2,408,155

†Represents investment into 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			
2015	120.9p	99.97p	—
2016	120.6p	88.96p	3.5037p
2017	142.2p	118.6p	1.8509p
2018	152.2p*	135.5p*	0.9770p**
A Accumulation			
2015	372.6p	308.0p	—
2016	381.1p	273.9p	—
2017	455.6p	377.2p	—
2018	490.8p*	436.7p*	—
B Accumulation			
2015	398.0p	329.7p	0.3390p
2016	410.5p	293.8p	0.5472p
2017	492.6p	406.4p	0.8417p
2018	532.2p*	473.0p*	—
C Income			
2015	121.3p	100.4p	1.0428p
2016	123.3p	89.09p	2.1567p
2017	146.6p	121.4p	1.9017p
2018	157.8p*	140.2p*	1.0074p**
C Accumulation			
2015	144.3p	119.8p	0.8426p
2016	150.1p	107.0p	0.8147p
2017	180.8p	148.6p	1.0651p
2018	195.8p*	173.9p*	—
A Accumulation EUR			
2015	218.1¢	175.7¢	—
2016	190.2¢	147.8¢	—
2017	193.4¢	147.2¢	—
2018	235.2¢*	208.1¢*	—
C Accumulation EUR			
2015	230.0¢	185.5¢	—
2016	201.4¢	156.5¢	0.6056¢
2017	231.8¢	196.4¢	1.3643¢
2018	253.8¢*	223.9¢*	—
A Accumulation USD			
2015	179.2¢	149.5¢	—
2016	157.5¢	126.4¢	—
2017	206.7¢	155.7¢	—
2018	209.7¢*	193.2¢*	—

*To 30 June 2018.

**To 31 August 2018.

Neptune Global Equity Fund

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Income			
31 December 2015	5,668,792	5,145,493	110.2
31 December 2016	2,712,219	2,285,887	118.7
31 December 2017	2,577,537	1,844,881	139.7
30 June 2018	2,632,882	1,798,553	146.4
A Accumulation			
31 December 2015	124,226,771	36,580,397	339.6
31 December 2016	81,687,905	21,649,060	377.3
31 December 2017	76,440,487	16,965,987	450.6
30 June 2018	77,132,043	16,230,725	475.2
B Accumulation			
31 December 2015	56,584,483	15,541,222	364.1
31 December 2016	9,873,548	2,429,212	406.5
31 December 2017	11,978,991	2,457,227	487.5
30 June 2018	9,992,221	1,938,949	515.3
C Income			
31 December 2015	27,350,433	24,797,332	110.3
31 December 2016	11,457,432	9,440,211	121.4
31 December 2017	7,215,974	5,003,068	144.2
30 June 2018	6,825,386	4,496,120	151.8
C Accumulation			
31 December 2015	102,058,128	77,040,083	132.5
31 December 2016	99,120,268	66,714,494	148.6
31 December 2017	100,726,117	56,262,212	179.0
30 June 2018	103,082,047	54,344,386	189.7
A Accumulation EUR			
31 December 2015	453,543	319,036	142.2
31 December 2016	231,058	146,276	158.0
31 December 2017	205,792	109,106	188.6
30 June 2018	215,238	108,190	198.9
C Accumulation EUR			
31 December 2015	1,884,399	1,252,249	150.5
31 December 2016	56,639	33,665	168.2
31 December 2017	49,754	24,543	202.7
30 June 2018	53,652	24,979	214.8
A Accumulation USD			
31 December 2015	2,641,338	2,449,581	107.8
31 December 2016	2,583,623	2,156,435	119.8
31 December 2017	3,051,202	2,132,803	143.1
30 June 2018	2,438,681	1,616,047	150.9

Neptune Global Equity Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
2 July 2018	A Income	145.9p	0.67
	A Accumulation	473.5p	—
	B Accumulation	513.5p	0.16
	C Income	151.3p	0.67
	C Accumulation	189.0p	0.56
	A Accumulation EUR	224.1¢	—
	C Accumulation EUR	242.0¢	0.55
	A Accumulation USD	197.9¢	—
2 January 2018	A Income	139.5p	1.33
	A Accumulation	449.4p	—
	B Accumulation	486.2p	0.17
	C Income	144.0p	1.32
	C Accumulation	178.6p	0.60
	A Accumulation EUR	211.4¢	—
	C Accumulation EUR	227.2¢	0.60
	A Accumulation USD	193.4¢	—

Neptune Global Equity Fund

Fund Information (continued)

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	A Income	1.85
	A Accumulation	1.85
	B Accumulation	1.40
	C Income	0.95
	C Accumulation	0.95
	A Accumulation EUR	1.85
	C Accumulation EUR	0.95
	A Accumulation USD	1.85
31 December 2017	A Income	1.81
	A Accumulation	1.81
	B Accumulation	1.36
	C Income	0.90
	C Accumulation	0.90
	A Accumulation EUR	1.81
	C Accumulation EUR	0.90
	A Accumulation USD	1.81

[‡]The OCF includes the annual management charges and other expenses. The OCF of the A share classes are currently capped at 1.97% per annum, the B share class is currently capped at 1.52% per annum and the C share classes are currently capped at 1.06% 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 pages 39 to 41.

Details of the distributions per share for the period are shown in the distribution table on page 48.

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.

Neptune Global Equity Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital gains		10,970,974		12,916,410
Revenue	1,513,850		1,741,104	
Expenses	(1,253,481)		(1,203,310)	
Interest payable and similar charges	(1,217)		(500)	
Net revenue before taxation	259,152		537,294	
Taxation	(151,582)		(196,942)	
Net revenue after taxation		107,570		340,352
Total return before distributions		11,078,544		13,256,762
Distributions		(70,944)		(455,219)
Change in net assets attributable to shareholders from investment activities		11,007,600		12,801,543

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		202,245,854		207,724,362
Amounts received on issue of shares	6,003,662		715,692	
Amounts paid on cancellation of shares	(16,884,966)		(26,903,918)	
		(10,881,304)		(26,188,226)
Change in net assets attributable to shareholders from investment activities		11,007,600		12,801,543
Retained distribution on accumulation shares		—		357,834
Closing net assets attributable to shareholders		202,372,150		194,695,513

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune Global Equity Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed Assets				
Investments		199,228,231		201,607,012
Current Assets				
Debtors	336,921		407,193	
Cash and bank balances	<u>3,499,778</u>		<u>742,202</u>	
Total current assets		<u>3,836,699</u>		<u>1,149,395</u>
Total assets		<u>203,064,930</u>		<u>202,756,407</u>
Liabilities				
Creditors				
Bank overdrafts	(92,865)		(2)	
Distributions payable	(62,866)		(63,069)	
Other creditors	<u>(537,049)</u>		<u>(447,482)</u>	
Total liabilities		<u>(692,780)</u>		<u>(510,553)</u>
Net assets attributable to shareholders		<u>202,372,150</u>		<u>202,245,854</u>

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 2017 and are described in those financial statements.

Neptune Global Equity Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Income shares (p)				
Group 1	0.9770	—	0.9770	0.9495
Group 2	0.4741	0.5029	0.9770	0.9495
A Accumulation shares (p)				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation shares (p)				
Group 1	—	—	—	0.6340
Group 2	—	—	—	0.6340
C Income shares (p)				
Group 1	1.0074	—	1.0074	0.9735
Group 2	0.3755	0.6319	1.0074	0.9735
C Accumulation shares (p)				
Group 1	—	—	—	0.5853
Group 2	—	—	—	0.5853
A Accumulation EUR shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation EUR shares (¢)				
Group 1	—	—	—	0.7559
Group 2	—	—	—	0.7559
A Accumulation USD shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation USD shares (¢)				
Group 1	—	—	—	1.4127
Group 2	—	—	—	1.4127

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

Neptune Global Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited)

The Neptune Global Income Fund returned 0.57% in the first half of 2018 versus the IA Global Equity Income sector average and the MSCI World Index, which returned -0.79% and 3.24% respectively.*

After a year in which the global equity markets rose in a remarkably consistent and orderly fashion, volatility returned in the first quarter of 2018. One trend that did persist from last year, however, was the continued weakness of the US dollar which reduced returns for sterling-based investors. There were several reasons for the volatility but most prominent was the concern that sharply rising global interest rates would act to slow the synchronised economic growth recovery evident in the last two years. It was encouraging however to note that emerging markets fared relatively well in these more difficult markets – falling notably less than developed markets. Global markets ended the second quarter almost in-line with the start of the quarter, after global trade tensions escalated. However, the fundamentals improved broadly across all developed markets. Within this, small and mid-caps performed modestly ahead of their larger-cap brethren.

At a sector level, materials was the biggest detractor to performance in the first quarter, with two Japanese companies performing less well. Additionally, stock selection in the consumer discretionary space was poor. We have since sold Adient, the car seat manufacturer, which gave a poor operational update. More positively, the Fund benefited from its underweight exposure to the more 'bond proxy' type sectors, including consumer staples, utilities and telecommunications. These sectors lagged in the first quarter, in the face of sharply rising US bond yields which started 2018 at 2.40%, hit 2.95% during the quarter before settling at almost 2.75% by the end of March.

Strong performance over the second quarter came from Motorola Solutions and CME Group, the world's largest futures exchange, which benefited from elevated market volatility posting record quarterly revenue in Q1. Motorola Solutions continued to outperform the market (+34% since purchasing in the

first quarter of 2018) as it transitions towards a more predictable and recurring higher quality revenue stream, characteristics we appreciate, with improving industry dynamics and a focus on increasing shareholder returns. This was pleasing as markets endured significant volatility during Q2 and we expect this trend to persist over the short-term.

However, this performance was outweighed by two stocks in particular: Fanuc, the Japanese robotics company, and Brown-Forman, the US distillery company. Fanuc was hit by a slowdown in iPhone investment cycle spending in China, while Brown-Forman was impacted by the threat of tariffs on American spirits into Mexico and Europe.

As we look to the second half of the year, we are optimistic about the global economy. We continue to focus on high quality, cash generative companies which, have a clear capacity for continued dividend growth.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. 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.*

Neptune Global Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	BELGIUM 2.37% (2017 - 0.00%)		
2,000	Anheuser-Busch	153,795	2.37
	CHILE 1.99% (2017 - 0.00%)		
13,000	Antofagasta	129,272	1.99
	CHINA 2.80% (2017 - 0.00%)		
26,000	Ping An Insurance	181,956	2.80
	GERMANY 2.55% (2017 - 0.00%)		
1,900	SAP	165,900	2.55
	IRELAND 2.70% (2017 - 0.00%)		
1,400	Accenture	175,294	2.70
	JAPAN 7.09% (2017 - 8.45%)		
25,000	Mitsubishi Chemical	159,265	2.45
2,500	OKUMA	100,443	1.55
4,300	TechnoPro	201,162	3.09
	NETHERLANDS 0.00% (2017 - 3.09%)		
	RUSSIA 0.00% (2017 - 4.90%)		
	NEW ZEALAND 2.53% (2017 - 0.00%)		
10,000	Contact Energy	29,929	0.46
70,000	Spark New Zealand	134,271	2.07
	SWITZERLAND 4.63% (2017 - 3.08%)		
40,000	Glencore	144,640	2.22
2,300	TE Connectivity	156,560	2.41
	UNITED KINGDOM 4.55% (2017 - 23.32%)		
8,000	Anglo American	134,416	2.07
1,400	Willis Towers Watson	161,219	2.48
	UNITED STATES 68.86% (2017 - 53.62%)		
2,000	AbbVie	140,690	2.16
250	Alphabet 'A'	214,388	3.30
130	Amazon.com	168,339	2.59
1,500	Apple	211,766	3.26
1,000	Becton Dickinson	182,435	2.81
7,500	Blackstone	180,943	2.78
4,200	Brown-Forman	157,522	2.42
500	Chase	44,693	0.69
1,850	CME	230,710	3.55
6,700	Comcast	166,385	2.56
7,000	Coty	74,424	1.14
3,200	DowDuPont	161,102	2.48
1,200	Facebook	179,212	2.76
1,100	General Dynamics	156,902	2.41
1,500	Honeywell International	163,397	2.51
3,100	Intercontinental Exchange	174,234	2.68
2,500	JPMorgan Chase	199,665	3.07
2,200	Lowe's Cos	160,720	2.47
3,300	Microsoft	247,710	3.81
1,900	Motorola Solutions	169,329	2.60

Neptune Global Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
800	Snap-on	98,597	1.52
4,000	SunTrust Banks	200,038	3.08
850	Thermo Fisher Scientific	133,017	2.05
1,500	Thor Industries	110,815	1.70
1,000	UnitedHealth	186,415	2.87
1,700	Visa	171,676	2.64
4,700	Wells Fargo	191,799	2.95
	OPTIONS 0.00% (2017 - 0.16%)*		
	Portfolio of investments	6,505,045	100.07
	Net other liabilities	(4,280)	(0.07)
	Net assets	6,500,765	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

*Derivatives

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

Purchases	Cost £
Amazon.com	226,810
TE Connectivity	223,535
Motorola Solutions	220,665
Alphabet 'A'	212,812
Ping An Insurance	205,958

Sales	Proceeds £
LyondellBasell Industries	249,596
Royal Dutch Shell 'A'	233,913
AbbVie	224,366
Johnson & Johnson	208,214
Columbia Banking System	207,986

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			
2015	133.3	112.6	4.3168
2016	130.6	103.9	4.3096
2017	135.5	122.5	4.0025
2018	137.2*	121.4*	1.5369**
C Accumulation			
2015	143.4	122.5	4.7891
2016	148.5	114.9	4.8400
2017	159.1	141.6	4.6452
2018	162.6*	144.4*	0.9129**
F Income			
2015†	134.3	113.1	4.4309
2016	133.9	104.5	4.3580
2017	138.8	124.6	4.0785
2018	140.6*	124.5*	1.5668**
F Accumulation			
2015†	143.0	121.8	4.7823
2016	149.3	114.6	4.8331
2017	161.6	142.8	4.6929
2018	165.4*	146.8*	0.9313**

†A share classes converted into F share classes 1 October 2015.

*To 30 June 2018.

**To 31 August 2018.

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Income			
31 December 2015	562,910	468,668	120.1
31 December 2016	1,477,708	1,145,954	129.0
31 December 2017	1,163,196	870,031	133.7
30 June 2018	1,074,380	808,909	132.8
C Accumulation			
31 December 2015	2,192,300	1,651,293	132.8
31 December 2016	1,105,927	748,214	147.8
31 December 2017	1,115,645	705,813	158.1
30 June 2018	1,102,915	693,900	158.9
F Income			
31 December 2015	783,607	649,848	120.6
31 December 2016	2,716,038	2,077,118	130.8
31 December 2017	2,714,191	1,981,190	137.0
30 June 2018	2,186,275	1,605,064	136.2
F Accumulation			
31 December 2015	879,043	665,168	132.2
31 December 2016	2,243,748	1,509,402	148.7
31 December 2017	2,168,651	1,349,954	160.7
30 June 2018	2,137,195	1,321,964	161.7

Neptune Global Income Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
2 July 2018	C Income	132.1	1.16
	C Accumulation	158.1	2.77
	F Income	135.4	1.16
	F Accumulation	160.8	2.75
2 January 2018	C Income	133.2	3.00
	C Accumulation	157.3	2.95
	F Income	136.5	2.99
	F Accumulation	159.9	2.93

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF+ %
30 June 2018	C Income	1.20
	C Accumulation	1.20
	F Income	1.20
	F Accumulation	1.20
31 December 2017	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 and F share classes are 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 pages 50 to 52.

Details of the distributions per share for the period are shown in the distribution tables on page 57.

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.

Neptune Global Income Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital losses		(2,870)		(132,976)
Revenue	87,490		126,776	
Expenses	(52,487)		(46,188)	
Interest payable and similar charges	—		(43)	
Net revenue before taxation	35,003		80,545	
Taxation	(8,110)		(15,410)	
Net revenue after taxation		26,893		65,135
Total return before distributions		24,023		(67,841)
Distributions		(59,603)		(115,393)
Change in net assets attributable to shareholders from investment activities		(35,580)		(183,234)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		7,161,683		7,543,421
Amounts received on issue of shares	298,999		637,259	
Amounts paid on cancellation of shares	(943,733)		(1,349,934)	
		(644,734)		(712,675)
Dilution adjustment charged		—		3,844
Change in net assets attributable to shareholders from investment activities		(35,580)		(183,234)
Retained distribution on accumulation shares		19,396		50,267
Closing net assets attributable to shareholders		6,500,765		6,701,623

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune Global Income Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		6,505,045		6,919,777
Current assets				
Debtors	30,693		60,515	
Cash and bank balances	20,692		251,662	
Total current assets		51,385		312,177
Total assets		6,556,430		7,231,954
Liabilities				
Creditors				
Distribution payable	(18,565)		(26,169)	
Other creditors	(37,100)		(44,102)	
Total liabilities		(55,665)		(70,271)
Net assets attributable to shareholders		6,500,765		7,161,683

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 2017 and are described in those financial statements.

Neptune Global Income Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence per share

1st Quarter

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 31 March 2018

	Net Revenue	Equalisation	Paid 31 May 2018	Paid 31 May 2017
C Income shares				
Group 1	0.7740	—	0.7740	1.0375
Group 2	0.2777	0.4963	0.7740	1.0375
C Accumulation shares				
Group 1	0.9129	—	0.9129	1.1877
Group 2	0.7759	0.1370	0.9129	1.1877
F Income shares				
Group 1	0.7946	—	0.7946	1.0534
Group 2	0.5826	0.2120	0.7946	1.0534
F Accumulation shares				
Group 1	0.9313	—	0.9313	1.1976
Group 2	0.5215	0.4098	0.9313	1.1976

Interim

Group 1-Shares purchased prior to 1 April 2018

Group 2-Shares purchased on or after 1 April 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
C Income shares				
Group 1	0.7629	—	0.7629	1.0651
Group 2	0.1724	0.5905	0.7629	1.0651
C Accumulation shares				
Group 1	—	—	—	1.2325
Group 2	—	—	—	1.2325
F Income shares				
Group 1	0.7722	—	0.7722	1.0845
Group 2	0.6151	0.1571	0.7722	1.0845
F Accumulation shares				
Group 1	—	—	—	1.2429
Group 2	—	—	—	1.2429

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

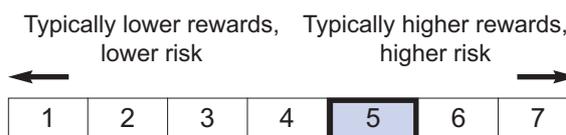
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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 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 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.

Neptune Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited)

The Neptune Income Fund returned 2.57% in the first half of 2018, outperforming the IA UK Equity Income sector average and the FTSE All-Share respective gains of 1.76% and 1.69%.*

After a strong 2017, the UK stockmarket started the New Year on less certain footing. Investors witnessed a return of volatility that had virtually disappeared last year. Sterling, however, continued its form from 2017, unabated and strengthened once again by almost 4% against the dollar. This helped mid and small-caps to outperform their larger-cap brethren. The second quarter of 2018 saw a return to relatively calm equity markets, but not quite to the level we experienced last year where volatility, measured for example by the Volatility (VIX) Index, had virtually disappeared. However, fears around increased protectionism and potential trade wars persisted, and at times escalated as Donald Trump continues to push his agenda on NATO and tariffs.

The first quarter of the year saw a few changes to portfolio. The Fund further reduced its consumer-facing exposure, removing Tobacco stocks from the portfolio, where we are concerned that the industry's great hope, so-called new generation products (NGPs), might not help them to arrest profit decline. We also sold our position in UBM, the events company that was bid for by its rival Informa. Proceeds were invested in both the materials sector, where we believe we are at an attractive part of the mining cycle, and also into financials. Similar, to the first, the second quarter of the year saw little change to the overall portfolio positioning. While this is the first quarter for a few years where there is little portfolio activity to report, this is in keeping with the Fund's targeted holding period of 3 to 5 years, which should result in limited turnover.

The Fund benefited from dollar strength due to its long-stated preference for overseas earnings and its direct US holdings. Apple and Microsoft continue to

add positive attribution to the portfolio. We also benefited from strong stockpicking in the materials sector, with both Johnson Matthey and Victrex having strong quarters. Performance was held back by our underweight position in energy. During the quarter Brent Crude Oil rose by a little over 13%, almost touching \$80 a barrel.

As we look into the second half of 2018, we are optimistic about the global economy and we continue to believe in the relative strength of US economy particularly versus the UK. In our view there are plenty of worrying signs the UK economy is headed for tougher times. The 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 2018. 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.*

Neptune Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED KINGDOM 68.50% (2017 - 71.69%)		
	BASIC MATERIALS 15.35% (2017 - 12.37%)		
	CHEMICALS 9.37%		
140,000	Croda International	6,734,000	3.18
174,000	Johnson Matthey	6,328,380	2.99
235,000	Victrex	6,772,700	3.20
	MINING 5.98%		
374,000	Anglo American	6,283,948	2.97
151,000	Rio Tinto	6,366,915	3.01
	CONSUMER GOODS 6.01% (2017 - 11.57%)		
	BEVERAGES 2.98%		
229,000	Diageo	6,291,775	2.98
	PERSONAL GOODS 3.03%		
152,000	Unilever	6,413,640	3.03
	CONSUMER SERVICES 3.02% (2017 - 8.86%)		
	TRAVEL & LEISURE 3.02%		
393,000	Compass	6,394,110	3.02
	FINANCIALS 20.18% (2017 - 15.21%)		
	BANKS 3.03%		
898,000	HSBC	6,406,332	3.03
	FINANCIAL SERVICES 8.86%		
733,000	3i	6,617,524	3.13
575,000	Intermediate Capital	6,307,750	2.98
1,388,000	Tullett Prebon	5,810,168	2.75
	LIFE INSURANCE 8.29%		
1,160,000	Aviva	5,853,360	2.76
2,250,000	Legal & General	5,962,500	2.82
329,000	Prudential	5,727,890	2.71
	HEALTH CARE 3.03% (2017 - 2.98%)		
	PHARMACEUTICALS & BIOTECHNOLOGY 3.03%		
420,000	GlaxoSmithKline	6,412,560	3.03
	INDUSTRIALS 9.11% (2017 - 8.72%)		
	AEROSPACE & DEFENCE 3.00%		
980,000	BAE Systems	6,354,320	3.00
	ELECTRONIC & ELECTRICAL EQUIPMENT 3.16%		
487,000	Halma	6,686,510	3.16
	GENERAL INDUSTRIALS 2.95%		
1,190,000	DS Smith	6,240,360	2.95
	OIL & GAS 3.00% (2017 - 3.06%)		
	OIL & GAS PRODUCERS 3.00%		
1,095,000	BP	6,344,430	3.00
	TECHNOLOGY 5.88% (2017 - 5.94%)		
	SOFTWARE & COMPUTER SERVICES 5.88%		
477,000	Micro Focus International	6,375,105	3.01
967,000	Sage	6,082,430	2.87

Neptune Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	TELECOMMUNICATIONS 2.92% (2017 - 2.98%)		
	MOBILE TELECOMMUNICATIONS 2.92%		
3,360,000	Vodafone	6,173,664	2.92
	CHILE 2.94% (2017 - 0.00%)		
625,000	Antofagasta	6,215,000	2.94
	JERSEY 2.73% (2017 - 3.03%)		
780,000	Phoenix	5,218,200	2.47
364,000	Phoenix Rights 10/07/2018	548,766	0.26
	NETHERLANDS 2.97% (2017 - 3.17%)		
238,000	Royal Dutch Shell 'A'	6,290,340	2.97
	SWITZERLAND 2.91% (2017 - 3.21%)		
1,700,000	Glencore	6,147,200	2.91
	UNITED STATES 18.74% (2017 - 18.75%)		
47,500	Apple	6,705,925	3.17
57,000	CME	7,108,353	3.36
56,000	Honeywell International	6,100,141	2.88
81,000	JPMorgan Chase	6,469,151	3.06
90,000	Microsoft	6,755,737	3.20
130,000	SunTrust Banks	6,501,237	3.07
	DERIVATIVES 1.59% (2017 - 0.42%)		
	OPTIONS 1.59% (2017 - 0.42%)		
730	FTSE 100 Index 7000 Put 21/12/2018	850,450	0.40
772	FTSE 100 Index 7300 Put 21/12/2018	1,412,760	0.67
203	NASDAQ 100 E-Mini 6600 Put 21/12/2018	643,476	0.30
190	S+P500 E Mini Futures 2575 Put 21/12/2018	466,342	0.22
	Portfolio of investments	212,373,449	100.38
	Net other liabilities	(797,479)	(0.38)
	Net assets	211,575,970	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

Neptune Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

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

Purchases	Cost £
3i	6,704,880
Victrex	6,658,569
Anglo American	6,591,734
Antofagasta	6,557,754
Aviva	6,099,123

Sales	Proceeds £
UBM	7,282,166
BHP Billiton	7,069,014
ITV	5,760,121
British American Tobacco	5,696,836
Imperial Brands	4,451,970

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			
2015	175.7	148.8	7.6083
2016	176.9	141.0	8.6166
2017	185.8	170.1	7.1337
2018	192.8*	170.2*	3.9799**
A Accumulation			
2015	316.6	275.1	13.8924
2016	349.6	266.5	16.5171
2017	378.1	338.3	14.3336
2018	399.0*	352.0*	—
B Income			
2015	183.8	155.9	8.0139
2016	186.5	148.0	9.0393
2017	196.9	179.4	7.5393
2018	204.8*	180.6*	4.2286**
C Income			
2015	122.0	103.5	5.3340
2016	124.5	98.41	6.0461
2017	131.8	119.7	5.0376
2018	137.3*	121.0*	2.8344**
C Accumulation			
2015	133.7	116.5	5.9610
2016	149.8	113.3	7.0478
2017	163.2	145.0	6.1609
2018	173.0*	152.3*	—

*To 30 June 2018.

**To 31 August 2018.

Neptune Income Fund

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Income			
31 December 2015	47,768,466	30,167,794	158.3
31 December 2016	25,520,832	14,863,144	171.7
31 December 2017	23,106,596	12,651,658	182.6
30 June 2018	21,891,313	11,999,607	182.4
A Accumulation			
31 December 2015	49,731,105	16,627,162	299.1
31 December 2016	31,462,606	9,210,957	341.6
31 December 2017	30,436,573	8,052,948	378.0
30 June 2018	29,755,237	7,712,691	385.8
B Income			
31 December 2015	27,424,157	16,505,891	166.2
31 December 2016	19,197,965	10,603,560	181.1
31 December 2017	19,568,688	10,110,745	193.5
30 June 2018	19,254,380	9,934,258	193.8
C Income			
31 December 2015	72,313,721	65,473,842	110.4
31 December 2016	69,023,414	57,153,017	120.8
31 December 2017	72,937,695	56,296,166	129.6
30 June 2018	72,325,277	55,645,808	130.0
C Accumulation			
31 December 2015	42,638,306	33,578,034	127.0
31 December 2016	55,789,122	38,144,803	146.3
31 December 2017	59,067,759	36,195,103	163.2
30 June 2018	68,349,763	40,857,674	167.3

Neptune Income Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
2 July 2018	A Income	180.8	2.20
	A Accumulation	382.5	3.75
	B Income	192.1	2.20
	C Income	128.9	2.20
	C Accumulation	165.9	3.71
2 January 2018	A Income	182.3	3.91
	A Accumulation	377.0	3.80
	B Income	193.2	3.90
	C Income	129.4	3.89
	C Accumulation	162.8	3.78

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	A Income	1.71
	A Accumulation	1.71
	B Income	1.21
	C Income	0.86
	C Accumulation	0.86
31 December 2017	A Income	1.69
	A Accumulation	1.69
	B Income	1.19
	C Income	0.84
	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 1.81% per annum, the B share class is currently capped at 1.31% per annum and the C share class is currently capped at 0.96% 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 pages 59 to 62.

Details of the distributions per share for the period are shown in the distribution table on page 68.

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.

Neptune Income Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital gains		1,671,137		4,755,921
Revenue	4,601,534		4,777,080	
Expenses	(1,132,939)		(1,127,558)	
Interest payable and similar charges	(548)		(604)	
Net revenue before taxation	3,468,047		3,648,918	
Taxation	(99,423)		(94,145)	
Net revenue after taxation		3,368,624		3,554,773
Total return before distributions		5,039,761		8,310,694
Distribution		(2,403,531)		(4,682,316)
Change in net assets attributable to shareholders from investment activities		2,636,230		3,628,378

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		205,117,311		201,219,996
Amounts received on issue of shares	12,861,363		10,571,714	
Amounts paid on cancellation of shares	(9,041,850)		(17,111,421)	
		3,819,513		(6,539,707)
Dilution adjustment charged		—		2,149
Change in net assets attributable to shareholders from investment activities		2,636,230		3,628,378
Retained distribution on accumulation shares		—		2,021,188
Unclaimed distributions		2,916		2,976
Closing net assets attributable to shareholders		211,575,970		200,334,980

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune Income Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investment assets		212,373,449		205,645,356
Current assets				
Debtors	1,959,087		937,000	
Cash and bank balances	621,395		885,053	
Total current assets		2,580,482		1,822,053
Total assets		214,953,931		207,467,409
Liabilities				
Creditors				
Distribution payable	(2,474,877)		(1,958,082)	
Other creditors	(903,084)		(392,016)	
Total liabilities		(3,377,961)		(2,350,098)
Net assets attributable to shareholders		211,575,970		205,117,311

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 2017 and are described in those financial statements.

Neptune Income Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Income shares				
Group 1	3.9799	—	3.9799	4.0352
Group 2	1.5769	2.4030	3.9799	4.0352
A Accumulation shares				
Group 1	—	—	—	8.0286
Group 2	—	—	—	8.0286
B Income shares				
Group 1	4.2286	—	4.2286	4.2601
Group 2	1.4288	2.7998	4.2286	4.2601
C Income shares				
Group 1	2.8344	—	2.8344	2.8447
Group 2	1.5634	1.2710	2.8344	2.8447
C Accumulation shares				
Group 1	—	—	—	3.4444
Group 2	—	—	—	3.4444

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

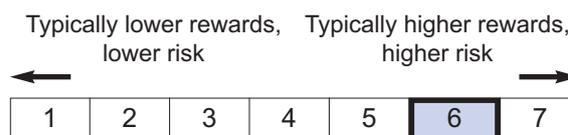
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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 2018 (unaudited)

The Neptune India Fund returned –9.00% in the first half of 2018, versus the MSCI India Index's return of –5.24%.*

India struggled to shake off global market weakness in the first quarter of 2018, with initial underperformance stemming from a cyclical pick up in global growth expectations alongside a resurgent oil price, which favoured more economically-sensitive areas in the emerging world. The second quarter of 2018 was a tricky one for emerging markets as a whole, as tighter financial conditions in the US pressured EM FX and the escalation of the global trade war raised questions over the outlook for the global economy. India was the first of the fragile five emerging economies to address its twin deficits and reduce external vulnerability, making the economy and the rupee more resilient to rising US yields and a stronger US dollar. The oil price has been boosted by robust global demand, and supply concerns with Venezuelan production collapsing and increased likelihood of renewed sanctions on Iran. As US shale productivity continues to reduce breakevens, the short-term pressure from oil should abate, easing inflationary pressures and reducing the need for the Reserve Bank of India (RBI) to raise interest rates.

In the first quarter of the year, the portfolio gained positive attribution from stock selection in the telecoms, consumer staples and technology sectors. Godrej Consumer had a strong quarter on accelerating volume growth, whilst Cyient performed strongly in the IT Services sector. On the other hand, some of our mid-cap industrials exposure detracted from performance, whilst the highest quality, richly priced financial companies outperformed our exposure in that sector. The Fund gained positive attribution in the consumer discretionary sector in the second quarter. Where Mahindra & Mahindra continued to benefit from the improved outlook for rural incomes. However, the Fund's mid-cap industrials exposure again detracted from performance in the second quarter.

With ownership levels across emerging market funds now at the lowest levels since 2012, an opportunity for the long-term investor has emerged. India in 2012 was a different proposition – an economy blighted by serious external vulnerabilities, stagflation and a weak government without policy direction. However, the story today is of an economy that has taken the trouble to lay the foundations for stronger and more sustainable growth. India has accounted for almost 10% of incremental global growth over the past five years. Over the coming decade, this will rise to twenty percent – overtaking China's contribution as it slows.

India's well deserved premium to Asia has contracted from 50% in 2015 to 30%. With many distracted by all things to do with Trump and trade wars, a compelling entry point has quietly emerged in this powerful domestically driven investment story.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. The performance of other share classes may differ. Past performance is not a guide for future performance. Investments in emerging markets may be higher risk and potentially more volatile than those in developed markets. 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.*

Neptune India Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	INDIA 98.09% (2017 - 98.02%)		
	BASIC MATERIALS 5.95% (2017 - 7.93%)		
	CHEMICALS 2.87%		
389,100	Deepak Nitrite	1,055,246	1.03
98,100	Finolex Industries	628,753	0.62
505,529	SH Kelkar	1,246,902	1.22
	INDUSTRIAL METALS & MINING 3.08%		
644,239	Hindalco Industries	1,647,358	1.61
571,600	Vedanta	1,499,711	1.47
	CONSUMER GOODS 8.62% (2017 - 9.81%)		
	AUTOMOBILES & PARTS 5.04%		
32,726	Maruti Suzuki India	3,204,539	3.13
620,000	Motherson Sumi Systems	1,950,730	1.91
	PERSONAL GOODS 3.58%		
270,000	Godrej Consumer Products	3,661,971	3.58
	CONSUMER SERVICES 3.59% (2017 - 2.80%)		
	GENERAL RETAILERS 1.55%		
84,500	Indian Energy Exchange	1,578,768	1.55
	MEDIA 2.04%		
346,000	Zee Entertainment Enterprises	2,089,637	2.04
	FINANCIALS 27.92% (2017 - 29.59%)		
	BANKS 16.83%		
407,573	Axis Bank	2,300,330	2.25
534,500	Bank of Baroda	669,422	0.65
25,000	HDFC Bank ADR	2,009,590	1.97
1,288,000	ICICI Bank	3,929,443	3.84
146,200	IndusInd Bank	3,144,041	3.08
520,000	State Bank of India	1,496,891	1.46
971,120	Yes Bank	3,656,858	3.58
	FINANCIAL SERVICES 7.47%		
1,204,500	Equitas	1,819,622	1.78
173,000	Housing Development Finance	3,667,627	3.59
170,000	Indiabulls Housing Finance	2,150,840	2.10
	LIFE INSURANCE 1.95%		
412,642	MAX Financial Services	1,990,209	1.95
	REAL ESTATE INVESTMENT & SERVICES 1.67%		
567,578	Prestige Estates Projects	1,702,256	1.67
	HEALTH CARE 8.62% (2017 - 8.12%)		
	HEALTH CARE EQUIPMENT & SERVICES 2.20%		
703,832	Healthcare Global Enterprise	2,252,021	2.20
	PHARMACEUTICALS & BIOTECHNOLOGY 6.42%		
302,200	Biocon	2,073,013	2.03
380,562	Sun Pharmaceutical Industries	2,382,917	2.33
135,000	Torrent Pharmaceuticals	2,103,909	2.06

Neptune India Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	INDUSTRIALS 17.72% (2017 - 20.13%)		
	CONSTRUCTION & MATERIALS 10.17%		
730,000	Ashoka Buildcon	1,841,516	1.80
75,000	Asian Paints	1,051,955	1.03
342,313	Blue Star	2,452,554	2.40
350,000	Capacit'e Infraprojects	1,045,817	1.02
70,000	Larsen & Toubro	991,388	0.97
9,000	Shree Cement	1,543,621	1.51
190,000	The Ramco Cements	1,471,137	1.44
	INDUSTRIAL ENGINEERING 7.55%		
326,842	Bharat Forge	2,226,258	2.18
320,000	Mahindra & Mahindra	3,186,838	3.12
2,677,200	Sintex Plastics Technology	1,260,905	1.23
347,992	Tata Motors	1,038,851	1.02
	OIL & GAS 7.13% (2017 - 5.07%)		
	OIL & GAS PRODUCERS 7.13%		
750,000	Hindustan Petroleum	2,156,061	2.11
475,000	Reliance Industries	5,134,891	5.02
	TECHNOLOGY 14.70% (2017 - 9.10%)		
	SOFTWARE & COMPUTER SERVICES 14.70%		
291,200	Cyient	2,481,783	2.43
210,000	HCL Technologies	2,163,676	2.11
560,000	Infosys	8,152,865	7.98
248,380	Persistent Systems	2,230,792	2.18
	UTILITIES 3.84% (2017 - 4.22%)		
	ELECTRICITY 1.83%		
900,000	Power Grid Corporation of India	1,870,975	1.83
	GAS, WATER & MULTIUTILITIES 2.01%		
844,632	Petronet LNG	2,059,385	2.01
	UNITED STATES 2.12% (2017 - 2.12%)		
36,000	Cognizant Technology Solutions	2,165,014	2.12
	Portfolio of investments	102,438,886	100.21
	Net other liabilities	(211,549)	(0.21)
	Net assets	102,227,337	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

Stocks shown as ADRs represent American Depositary Receipts.

Neptune India Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

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

Purchases	Cost £
Infosys	4,294,653
Reliance Industries	3,772,548
Biocon	2,384,997
Vedanta	2,146,191
Ashoka Buildcon	2,038,045

Sales	Proceeds £
Tata Chemicals	2,674,260
Reliance Industries	1,725,763
Bharat Financial Inclusion	1,639,252
Mahindra & Mahindra	1,627,798
IRB Infrastructure Developers	1,465,821

Neptune India Fund

Fund Information

Price and Income History

Accounting year	Highest share price (p/¢)	Lowest share price (p/¢)	Net income per share (p/¢)
C Accumulation			
2015	192.5p	152.5p	0.4857p
2016	234.1p	146.5p	0.1913p
2017	259.9p	208.8p	0.0347p
2018	265.6p*	228.6p*	—
A Accumulation USD			
2017‡	103.4¢	95.90¢	0.0200¢
2018	107.4¢*	90.44¢*	—
C Accumulation USD			
2015‡‡	102.4¢	85.94¢	0.9866¢
2016	107.2¢	77.76¢	0.8591¢
2017	130.4¢	95.23¢	0.0204¢
2018	135.2¢*	113.3¢*	—

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Accumulation			
31 December 2015	76,308,399	45,443,749	167.9
31 December 2016	105,372,156	50,674,601	207.9
31 December 2017	110,754,934	42,636,177	259.8
30 June 2018	102,180,296	43,234,409	236.3
A Accumulation USD			
31 December 2017	765	1,000	76.48
30 June 2018	700	1,000	70.00
C Accumulation USD			
31 December 2015	617	1,000	61.70
31 December 2016	13,499	17,491	77.18
31 December 2017	629,257	652,827	96.39
30 June 2018	46,341	52,827	87.72

‡Launched 1 November 2017.

‡‡Launched 17 April 2015.

*To 30 June 2018.

Neptune India Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
2 July 2018	C Accumulation	234.9p	0.01
	A Accumulation USD	91.60¢	0.02
	C Accumulation USD	114.8¢	0.02
2 January 2018	C Accumulation	258.5p	0.01
	A Accumulation USD	103.1¢	0.02
	C Accumulation USD	130.0¢	0.02

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	C Accumulation	1.25
	A Accumulation USD	2.24
	C Accumulation USD	1.23
31 December 2017	C Accumulation	1.16
	A Accumulation USD	2.20
	C Accumulation USD	1.17

[‡]The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 2.34% per annum and the C share class is currently capped at 1.34% 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 pages 70 to 73.

Details of the distributions per share for the period are shown in the distribution table on page 78.

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 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(10,167,272)		12,471,850
Revenue	663,556		563,069	
Expenses	(670,352)		(574,401)	
Interest payable and similar charges	(6,032)		(925)	
Net expense before taxation	(12,828)		(12,257)	
Taxation	(1,842)		(510)	
Net expense after taxation		(14,670)		(12,767)
Total return before equalisation/distribution		(10,181,942)		12,459,083
Equalisation/distribution		(5,204)		12,778
Change in net assets attributable to shareholders from investment activities		(10,187,146)		12,471,861

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		111,384,956		105,385,655
Amounts received on issue of shares	17,550,519		23,855,960	
Amounts paid on cancellation of shares	(16,540,856)		(36,294,725)	
		1,009,663		(12,438,765)
Dilution adjustment charged		19,864		81,695
Change in net assets attributable to shareholders from investment activities		(10,187,146)		12,471,861
Retained distribution on accumulation shares		—		2,497
Closing net assets attributable to shareholders		102,227,337		105,502,943

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune India Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		102,438,886		111,545,916
Current assets				
Debtors	620,257		204,978	
Cash and bank balances	310,669		504,006	
Total current assets		930,926		708,984
Total assets		103,369,812		112,254,900
Liabilities				
Creditors				
Bank overdrafts	(9,773)		(25,722)	
Other creditors	(1,132,702)		(844,222)	
Total liabilities		(1,142,475)		(869,944)
Net assets attributable to shareholders		102,227,337		111,384,956

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 2017 and are described in those financial statements.

Neptune India Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
C Accumulation shares (p)				
Group 1	—	—	—	0.0055
Group 2	—	—	—	0.0055
A Accumulation USD shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation USD shares (¢)				
Group 1	—	—	—	0.0067
Group 2	—	—	—	0.0067

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

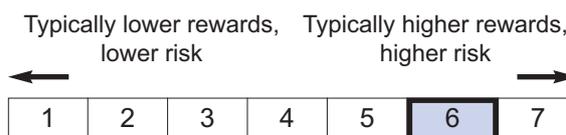
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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 2018 (unaudited)

The Neptune Japan Opportunities Fund had a poor first half of the year losing –7.94% compared to the TOPIX Index's 0.39% return. The underperformance in the first half was due to sterling's depreciation and the sectoral distribution of the portfolio, with the majority of the underperformance of the Fund coming in the first quarter of the year.*

Sterling dropped by –4.01% from 152.2 at the end of last year to around 146.2% today, whilst the Funds' underlying holdings underperformed the TOPIX Index, primarily due to them being concentrated in the industrials, materials and IT sectors, which fared badly. At the same time, the Fund remained underweight in the traditional defensive sectors of consumer staples, healthcare and utilities, which appreciated in the first half. Similarly, the Funds' concentration in larger capitalised firms worked against it.

This pattern of returns reflected global trends whereby fears of a trade war after US tariff impositions as well as slowing PMI/output indicators across the world all combined to unnerve investors and implied a slowdown in the rate of global economic expansion. Under such circumstances, the sectors in which the Fund is invested are more exposed to global trends and directly disproportionately benefit from such expansion and therefore were worse hit when contraction, or slowing growth, is perceived to be imminent.

There were no individual stocks which had dramatic moves one way or another, due to company specific changes in fundamental circumstances, they largely behaved in-line with their sectors. Thus, industrials such as the machine tool firm Amada and the roller bearings firm NSK fell by over 30% and materials companies Kansai Paint and Mitsubishi Chemicals declined by over 20%. Likewise, Mitsui Real Estate climbed by almost 6% and Bandai, a toy producer, gained over 24%.

We fully expect global growth to resume its upwards trend, given that some of the national PMIs have

begun to recover, accompanied by, we believe the oil price having peaked, so the sectoral performance tables are likely to reverse, as they did after investors got over the 2015/16 growth scare.

In addition, we expect the strong run of positive earnings results will confound investor pessimism which, combined with sharply lower prevailing P/E levels, should attract investors back to the market. In Japan's case, this puts the TOPIX Index on an equally weighted P/E of just over 10x, not only below that of other major OECD and BRIC markets, but below the level when Prime Minister Abe first came to power in 2012. Therefore, on the basis of these expectations, the Fund will largely remain invested as it is currently.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. 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.*

Neptune Japan Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	BASIC MATERIALS 19.20% (2017 - 19.63%)		
	CHEMICALS 17.67%		
399,000	Kansai Paint	6,316,222	2.40
1,257,000	Mitsubishi Chemical	8,007,817	3.04
644,500	Mitsubishi Gas Chemical	11,111,479	4.22
259,900	Nippon Paint	8,511,011	3.23
107,600	Shin-Etsu Chemical	7,301,855	2.77
884,000	Toray Industries	5,308,049	2.01
	INDUSTRIAL METALS & MINING 1.53%		
279,900	JFE	4,029,362	1.53
	CONSUMER GOODS 9.67% (2017 - 8.43%)		
	AUTOMOBILES & PARTS 6.51%		
237,700	NGK Spark Plug	5,159,367	1.96
543,400	NSK	4,265,532	1.62
156,600	Toyota Motor	7,724,650	2.93
	LEISURE GOODS 3.16%		
264,700	Bandai Namco	8,313,093	3.16
	FINANCIALS 13.83% (2017 - 13.61%)		
	BANKS 3.84%		
183,200	Sumitomo Mitsui Financial	5,419,532	2.06
155,600	Sumitomo Mitsui Trust	4,695,114	1.78
	FINANCIAL SERVICES 4.69%		
817,000	Daiwa Securities	3,611,296	1.37
162,400	Jafco	5,022,080	1.91
1,006,600	Nomura	3,722,231	1.41
	LIFE INSURANCE 1.67%		
323,800	Dai-ichi Life	4,399,586	1.67
	REAL ESTATE INVESTMENT & SERVICES 3.63%		
350,000	Mitsubishi Estate	4,661,667	1.77
267,500	Mitsui Fudosan	4,913,636	1.86
	INDUSTRIALS 42.89% (2017 - 39.09%)		
	CONSTRUCTION & MATERIALS 14.81%		
798,100	Haseko	8,389,741	3.19
878,000	Shimizu	6,934,327	2.63
1,143,500	Sumitomo Mitsui Construction	6,057,519	2.30
2,201,000	Sumitomo Osaka Cement	7,858,783	2.98
233,000	Taisei	9,778,082	3.71
	ELECTRONIC & ELECTRICAL EQUIPMENT 6.86%		
811,000	Hitachi	4,355,292	1.65
31,900	Keyence	13,711,962	5.21
	GENERAL INDUSTRIALS 1.22%		
1,403,000	Toshiba	3,204,525	1.22
	INDUSTRIAL ENGINEERING 20.00%		
684,000	Amada	5,011,568	1.90
721,000	Chiyoda	4,771,756	1.81
215,000	Chugai Ro	4,148,960	1.58
61,200	Daikin Industries	5,587,149	2.12

Neptune Japan Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
28,200	FANUC	4,261,360	1.62
300,000	Kimura Chemical Plants	850,328	0.32
257,100	Komatsu	5,596,370	2.12
106,800	Mitsubishi Heavy Industries	2,958,835	1.12
1,433,000	NTN	4,475,792	1.70
175,400	OKUMA	7,047,098	2.68
457,900	Toshiba Plant Systems & Services	7,979,464	3.03
	OIL & GAS 3.45% (2017 - 2.83%)		
	OIL & GAS PRODUCERS 3.45%		
1,716,100	JXTG	9,082,517	3.45
	TECHNOLOGY 10.47% (2017 - 11.02%)		
	LEISURE GOODS 4.53%		
48,000	Nintendo	11,950,820	4.53
	TECHNOLOGY HARDWARE & EQUIPMENT 5.94%		
1,031,000	Fujitsu	4,761,494	1.81
304,700	Oki Electric Industry	2,593,045	0.98
539,600	SUMCO	8,289,504	3.15
	FORWARD FOREIGN EXCHANGE CONTRACT (0.59)% (2017 - 1.60%)†		
	Bought JPY2,000,000,000 for GBP13,814,196 Settlement 23/07/2018	(48,798)	(0.02)
	Sold JPY10,000,000,000 for GBP67,747,051 Settlement 09/07/2018	(1,058,831)	(0.40)
	Sold JPY10,000,000,000 for GBP67,899,041 Settlement 17/07/2018	(918,909)	(0.35)
	Sold JPY11,000,000,000 for GBP76,052,986 Settlement 23/07/2018	343,295	0.13
	Sold JPY7,000,000,000 for GBP48,328,672 Settlement 31/07/2018	141,337	0.05
	Portfolio of investments	260,607,964	98.92
	Net other assets	2,844,037	1.08
	Net assets	263,452,001	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

†Derivatives

Neptune Japan Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

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

Purchases	Cost £
Keyence	325,108
Mitsubishi Gas Chemical	309,981
SUMCO	244,171
Mitsubishi Chemical	234,847
OKUMA	220,955

Sales	Proceeds £
Mitsubishi Gas Chemical	593,449
Nintendo	554,626
SUMCO	501,254
Keyence	483,238
Taisei	461,040

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			
2015	464.3p	356.9p	—
2016	411.2p	288.7p	1.4643p
2017	502.6p	394.2p	0.7913p
2018	529.5p*	449.0p*	—
B Accumulation			
2015	486.4p	374.6p	1.2023p
2016	434.1p	303.5p	2.8974p
2017	533.4p	416.9p	1.4802p
2018	562.2p*	477.1p*	—
C Accumulation			
2015	222.3p	171.4p	1.3168p
2016	199.4p	139.0p	1.9179p
2017	246.0p	191.8p	1.7674p
2018	259.3p*	220.2p*	—
D Accumulation			
2015	130.9p	100.9p	0.9014p
2016	117.6p	81.90p	1.2277p
2017	145.2p	113.1p	1.2363p
2018	153.0p*	130.0p*	—
A Accumulation USD			
2015	179.6¢	135.0¢	—
2016	144.5¢	98.57¢	0.4943¢
2017	167.8¢	120.7¢	0.6606¢
2018	184.8¢*	148.7¢*	—
C Accumulation USD‡			
2015	184.8¢	139.0¢	0.1766¢
2016	140.2¢	95.38¢	1.1091¢
2017	175.6¢	125.3¢	1.3134¢
2018	193.5¢*	156.2¢*	—

‡Share class name changed from B Accumulation USD on 1 August 2016.

*To 30 June 2018.

Neptune Japan Opportunities Fund

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2015	42,401,793	10,882,676	389.6
31 December 2016	20,225,419	5,105,308	396.2
31 December 2017	23,275,685	4,667,537	498.7
30 June 2018	15,652,630	3,424,745	457.1
B Accumulation			
31 December 2015	126,216,314	30,828,332	409.4
31 December 2016	5,360,286	1,281,252	418.4
31 December 2017	5,972,505	1,128,480	529.3
30 June 2018	2,510,170	516,172	486.3
C Accumulation			
31 December 2015	247,231,600	131,871,356	187.5
31 December 2016	172,532,496	89,742,932	192.3
31 December 2017	203,946,469	83,563,957	244.1
30 June 2018	184,384,248	82,074,259	224.7
D Accumulation			
31 December 2015	93,011,877	84,233,525	110.4
31 December 2016	51,890,532	45,781,249	113.3
31 December 2017	62,165,630	43,160,494	144.0
30 June 2018	57,015,414	42,983,337	132.7
A Accumulation USD			
31 December 2015	2,299,007	2,371,756	96.93
31 December 2016	2,263,540	2,296,620	98.56
31 December 2017	1,987,978	1,602,273	124.1
30 June 2018	1,896,815	1,667,869	113.7
C Accumulation USD			
31 December 2015	718,544	719,151	99.92
31 December 2016	262,886	257,089	102.3
31 December 2017	1,167,599	899,402	129.8
30 June 2018	1,992,724	1,667,718	119.5

Neptune Japan Opportunities Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
2 July 2018	A Accumulation	450.2p	0.18
	B Accumulation	479.0p	0.31
	C Accumulation	221.3p	0.80
	D Accumulation	130.7p	0.95
	A Accumulation USD	147.5¢	0.45
	C Accumulation USD	154.9¢	0.87
2 January 2018	A Accumulation	499.0p	0.16
	B Accumulation	529.7p	0.28
	C Accumulation	244.3p	0.72
	D Accumulation	144.2p	0.86
	A Accumulation USD	168.3¢	0.39
	C Accumulation USD	176.1¢	0.75

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	A Accumulation	1.74
	B Accumulation	1.24
	C Accumulation	0.89
	D Accumulation	0.79
	A Accumulation USD	1.74
	C Accumulation USD	0.89
31 December 2017	A Accumulation	1.71
	B Accumulation	1.21
	C Accumulation	0.86
	D Accumulation	0.76
	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 classes is currently capped at 1.85% per annum, the B share class is currently capped at 1.35% per annum, the C share classes are 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 pages 80 to 83.

Details of the distributions per share for the period are shown in the distribution table on page 89.

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.

Neptune Japan Opportunities Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(25,198,170)		21,192,058
Revenue	3,739,040		3,007,973	
Expenses	(1,309,600)		(1,140,792)	
Interest payable and similar charges	(10,628)		(1,549)	
Net revenue before taxation	2,418,812		1,865,632	
Taxation	(364,212)		(311,961)	
Net revenue after taxation		2,054,600		1,553,671
Total return before equalisation/distribution		(23,143,570)		22,745,729
Equalisation/distribution		(24,445)		(1,553,762)
Change in net assets attributable to shareholders from investment activities		(23,168,015)		21,191,967

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		298,515,866		252,535,158
Amounts received on issue of shares	19,746,105		19,636,095	
Amounts paid on cancellation of shares	(31,641,955)		(45,387,671)	
		(11,895,850)		(25,751,576)
Change in net assets attributable to shareholders from investment activities		(23,168,015)		21,191,967
Retained distribution on accumulation shares		—		1,448,413
Closing net assets attributable to shareholders		263,452,001		249,423,962

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune Japan Opportunities Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		262,634,502		287,200,456
Current assets				
Debtors	982,834		704,026	
Cash and bank balances	2,399,185		10,928,117	
Total current assets		3,382,019		11,632,143
Total assets		266,016,521		298,832,599
Liabilities				
Investment liabilities	(2,026,538)		—	
Creditors				
Other creditors	(537,982)		(316,733)	
Total liabilities		(2,564,520)		(316,733)
Net assets attributable to shareholders		263,452,001		298,515,866

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 2017 and are described in those financial statements.

Neptune Japan Opportunities Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Accumulation shares (p)				
Group 1	—	—	—	0.7913
Group 2	—	—	—	0.7913
B Accumulation shares (p)				
Group 1	—	—	—	1.2360
Group 2	—	—	—	1.2360
C Accumulation shares (p)				
Group 1	—	—	—	1.2612
Group 2	—	—	—	1.2612
D Accumulation shares (p)				
Group 1	—	—	—	0.8700
Group 2	—	—	—	0.8700
A Accumulation USD shares (¢)				
Group 1	—	—	—	0.6606
Group 2	—	—	—	0.6606
C Accumulation USD shares (¢)				
Group 1	—	—	—	0.9456
Group 2	—	—	—	0.9456

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

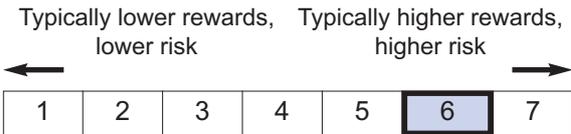
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited)

The Neptune Latin America Fund returned –7.30% in the first half of 2018, versus the MSCI Latin America Index return of –8.80%.*

Latin American markets carried 2017's strength into the New Year, outperforming both developed and emerging markets during the first quarter. Brazil benefited from confirmation of the ongoing economic recovery, with persistently low inflation and an improving labour market, while Lula's conviction being unanimously upheld by the Federal Regional Tribunal all but removes him from October's presidential race. Peru benefited from an improving political situation as President Kuczynski resigned and Vice President Vizcarra took over. With the support of the opposition, the political gridlock should be removed and the new administration can begin to advance the stalled economic agenda. In contrast to the first, the second quarter of 2018 was a tricky one for Latin America, as tighter financial conditions in the US pressured EM FX and the escalation of the global trade war raised questions over the outlook for the global economy. The major drag on the Index was Brazil, which fell 22% during the second quarter. While Brazil's current account deficit has almost completely closed, the budget deficit has gradually shrunk since 2016 but remains wide at 7% of GDP. This placed pressure on the currency, local yields and the equity market as global financial conditions tightened. High oil prices and a weaker currency led to the truckers' strike, which caused the government to revisit the pricing policy for diesel, and the intervention resulted in the resignation of the Petrobras CEO.

In Mexico, Andres Manuel Lopez Obrador (AMLO) continued to gain in the presidential election polls during the second quarter and was victorious in the 1 July vote. Since the election, he has committed to fiscal prudence and further moderated his rhetoric compared with earlier in his campaign. A pragmatic AMLO, much like during his time as mayor of Mexico City, should see continuity in economic policies and he is keen to move forward with NAFTA negotiations, which are expected to be concluded in 4Q18 or 1Q19.

Key contributors to the outperformance in the first quarter were pulp producer Suzano, which will merge with Fibria to form a global leader in the sector, and Brazilian bank Banrisul, which is in the process of listing its credit card acquiring business. Mexican real estate developer Vesta also performed well as progress towards signing a new NAFTA agreement accelerated during the quarter. In the second quarter of the year, absolute returns were hampered by our holdings in the Brazilian and Argentine financials sector, while key positive contributors included Mexican banks Genera and Banco del Bajío.

Looking across emerging markets, investors are crying out for reformist governments. In Asia we have seen this with India, and in Latin America, Argentina, Peru and now Chile have elected strong pro-market governments. Brazil is increasingly moving in that direction with the impeachment of Dilma Rousseff in 2016, paving the way for reforms under the new government. The populist tide has finally reversed as governments focus on structural reforms to raise productivity and economic growth.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. The performance of other share classes may differ. Past performance is not a guide for future performance. Investments in emerging markets may be higher risk and potentially more volatile than those in developed markets. The value of an investment and any revenue from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the original amount invested. References to specific sectors and securities are for illustration purposes only and should not be taken as a recommendation to buy or sell them. 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.*

Neptune Latin America Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	ARGENTINA 5.14% (2017 - 5.51%)		
75,000	Adecoagro	462,346	1.41
9,250	Banco Macro ADR	438,441	1.34
2,200	MercadoLibre	496,877	1.52
10,000	Pampa Energia ADR	284,638	0.87
	BRAZIL 54.95% (2017 - 56.56%)		
137,000	B3 - Brasil, Bolsa, Balcão	549,563	1.68
103,000	Banco Bradesco	482,782	1.48
128,700	Banco Bradesco Preference Shares	666,889	2.04
170,000	Banco BTG Pactual	619,640	1.89
152,000	Banco do Brasil	841,828	2.57
222,000	Banco do Estado do Rio Grande do Sul Preference Shares	629,409	1.92
73,500	Cia de Saneamento de Minas Gerais-COPASA	592,718	1.81
84,000	Cia de Saneamento do Parana	766,265	2.34
104,448	Construtora Tenda	478,044	1.46
590,000	Direcional Engenharia	676,541	2.07
95,000	Energisa	558,336	1.71
51,558	Gafisa	106,153	0.32
235,000	Gerdau ADR	642,072	1.96
142,000	lochpe Maxion	579,132	1.77
63,700	Itau Unibanco ADR	499,342	1.53
234	Itausa - Investimentos Itau	453	—
608,931	Itausa - Investimentos Itau Preference Shares	1,084,565	3.32
265,000	Light	596,776	1.82
107	Lupatech 6.5% 15/04/2018†	—	—
13,500	Magazine Luiza	328,515	1.00
14,500	Pagseguro Digital	307,226	0.94
80,000	Petrobras Distribuidora	287,655	0.88
440,000	Petroleo Brasileiro Preference Shares	1,438,196	4.40
1,653	Refinaria Petroleo Preference Shares 0%*	—	—
310,000	Rumo	826,988	2.53
165,000	Ser Educacional	513,966	1.57
90,000	Suzano Papel e Celulose	783,229	2.39
200,000	T4F Entretenimento	319,967	0.98
243,000	Vale ADR	2,363,515	7.23
118,000	Via Varejo	438,240	1.34
	CANADA 2.46% (2017 - 3.16%)		
105,000	Hudbay Minerals	429,348	1.31
770,000	Trevali Mining	375,880	1.15
	CHILE 4.77% (2017 - 7.80%)		
3,613,000	Banco de Chile	421,243	1.29
8,500	Banco de Credito e Inversiones	423,302	1.29
105,000	SACI Falabella	717,298	2.19
	COLOMBIA 0.32% (2017 - 0.38%)		
537,439	Constructora Concreto	105,386	0.32
	LUXEMBOURG 1.00% (2017 - 1.07%)		
7,800	Globant	326,793	1.00

Neptune Latin America Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	MEXICO 27.55% (2017 - 22.39%)		
930,000	Alfa	813,751	2.49
330,000	Alsea	842,061	2.57
530,000	Banco del Bajio	833,238	2.55
130,000	Banco Santander Mexico ADR	647,057	1.98
136,328	Cemex ADR	681,666	2.08
1,040,000	Credito Real	924,847	2.83
1,480,000	Gentera	975,819	2.98
285,000	Infraestructura Energetica Nova	972,652	2.97
835,000	Inmobiliaria Vesta	816,962	2.50
375,000	Mexichem	823,207	2.52
99,000	Promotora y Operadora de Infraestructura	679,251	2.08
	NORWAY 0.16% (2017 - 0.08%)		
189,700	Agrinos	53,096	0.16
	PERU 2.32% (2017 - 2.31%)		
4,500	Credicorp	758,180	2.32
	SPAIN 0.47% (2017 - 0.62%)		
29,500	Atento	152,669	0.47
	Portfolio of investments	32,434,013	99.14
	Net other assets	280,601	0.86
	Net assets	32,714,614	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

*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 £
Credito Real	1,065,235
Banco Santander Mexico ADR	814,824
Banco BTG Pactual	800,441
Vale ADR	532,355
T4F Entretenimento	455,954
Sales	Proceeds £
Grupo Financiero Banorte	833,652
Fomento Economico Mexicano	684,268
Petroleo Brasileiro Preference Shares	610,900
Itau Unibanco ADR	594,745
Minerva	593,708

Stocks shown as ADRs represent American Depositary Receipts.

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)
C Accumulation			
2015	76.50	56.52	0.5851
2016	101.1	55.71	0.8800
2017	116.9	89.20	1.1846
2018	117.6*	96.71*	—

*To 30 June 2018.

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Accumulation			
31 December 2015	4,204,175	7,064,268	59.51
31 December 2016	19,621,223	21,911,071	89.55
31 December 2017	34,847,066	32,806,501	106.2
30 June 2018	32,714,614	33,229,641	98.45

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
2 July 2018	C Accumulation	98.81	1.20
2 January 2018	C Accumulation	107.2	1.11

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	C Accumulation	1.05
31 December 2017	C Accumulation	1.03

[‡]The OCF includes the annual management charges and other expenses. The OCF of the C share class is currently capped at 1.18% 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 pages 91 to 93.

Details of the distributions per share for the period are shown in the distribution table on page 97.

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.

Neptune Latin America Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(3,559,644)		1,356,400
Revenue	603,490		403,042	
Expenses	(194,571)		(134,303)	
Interest payable and similar charges	(956)		(705)	
Net revenue before taxation	407,963		268,034	
Taxation	(45,510)		(32,760)	
Net revenue after taxation		362,453		235,274
Total return before equalisation/distribution		(3,197,191)		1,591,674
Equalisation/distribution		(17,033)		(235,268)
Change in net assets attributable to shareholders from investment activities		(3,214,224)		1,356,406

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		34,847,066		19,621,223
Amounts received on issue of shares	6,908,502		11,165,878	
Amounts paid on cancellation of shares	(5,833,638)		(6,155,984)	
		1,074,864		5,009,894
Dilution adjustment charged		6,908		9,079
Change in net assets attributable to shareholders from investment activities		(3,214,224)		1,356,406
Retained distribution on accumulation shares		—		215,021
Closing net assets attributable to shareholders		32,714,614		26,211,623

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune Latin America Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		32,434,013		34,805,342
Current assets				
Debtors	1,002,686		117,197	
Cash and bank balances	170,896		172,482	
Total current assets		1,173,582		289,679
Total assets		33,607,595		35,095,021
Liabilities				
Creditors				
Bank overdrafts	(1,505)		—	
Other creditors	(891,476)		(247,955)	
Total liabilities		(892,981)		(247,955)
Net assets attributable to shareholders		32,714,614		34,847,066

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 2017 and are described in those financial statements.

Neptune Latin America Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
C Accumulation shares				
Group 1	—	—	—	0.8028
Group 2	—	—	—	0.8028

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

Neptune Russia and Greater Russia Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited)

The Neptune Russia and Greater Russia Fund returned 7.16% in the first half of the year, versus the MSCI Russia Large Cap Index's 5.88% gain.*

The Russian large cap market continued its gains of the second half of 2017, rising by 5.64% during the first quarter of 2018. The oil price was largely range bound, falling to \$60 in February before recovering towards \$70 by the end of March. The medium-term outlook for oil remains largely unchanged, with US shale production likely to ramp up quickly with oil prices above \$60. Despite the imposition of further US sanctions on Russian corporates, specifically targeting Oleg Deripaska's Rusal and En+, which led to a 15% correction in early April, the Russian market bounced back strongly at the end of the second quarter. The quarter was a tricky one for emerging markets as tighter financial conditions in the US pressured EM FX and the escalation of the global trade war raised questions over the outlook for the global economy. Against this backdrop, Russia continued to outperform, as the emerging markets hit hardest were those with large current account and budget deficits such as Turkey and Argentina. Russia runs a current account surplus and has a balanced budget, which isolates it to some degree from these global shocks.

The oil price rallied by a further 13% during the second quarter, finishing very close to \$80 a barrel. The sanctions-related ruble weakness meant that ruble denominated oil prices rallied by 23% to historic highs. The Russian economy continued to show signs of a gradual recovery, with growth of 1.3% during the first quarter expected to accelerate to 2.0% in the second half of 2018. Inflation remained near record lows at 2.3% in June, although the Central Bank remained on hold after cutting interest rates to 7.25% in March. With real interest rates still around 5%, there is room for the Central Bank to continue reducing interest rates over the course of 2018.

Key contributors to the performance of the portfolio in the first quarter were our holdings in the IT and industrials sectors, including Yandex Mail.ru and Globaltrans, while our large holdings in Lukoil and Novatek also performed strongly. 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 to sectors that are not present in the benchmark, such as the IT and industrials sectors. Large positions in Lukoil and Novatek, and Ros Agro and EPAM contributed to the performance of the Fund in the second quarter.

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.

Despite the recent outperformance of the Russian market against broader emerging markets during the first half of 2018, Russia is still trading at a 48% 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 2018. 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.*

Neptune Russia and Greater Russia Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	RUSSIA 76.99% (2017 - 82.01%)		
	BASIC MATERIALS 17.74% (2017 - 17.52%)		
	INDUSTRIAL METALS & MINING 17.74%		
5,850,000	ALROSA	7,055,351	3.99
1,239,000	MMC Norilsk Nickel ADR	16,836,520	9.53
668,000	Severstal GDR	7,447,925	4.22
	CONSUMER GOODS 0.00% (2017 - 0.00%)		
	FOOD PRODUCERS 0.00%		
2,610,000	Razgulay Group *	—	—
	CONSUMER SERVICES 7.08% (2017 - 10.94%)		
	FOOD & DRUG RETAILERS 3.34%		
15,000	Magnit	834,631	0.47
250,000	X5 Retail GDR	5,064,881	2.87
	TRAVEL & LEISURE 3.74%		
3,900,000	Aeroflot - Russian Airlines	6,616,367	3.74
	FINANCIALS 14.76% (2017 - 15.16%)		
	BANKS 9.68%		
1,552,000	Sberbank of Russia ADR	16,802,162	9.51
28,000	Sberbank of Russia ADR (US Listing)	303,132	0.17
	FINANCIAL SERVICES 4.51%		
5,970,000	Moscow Exchange	7,959,085	4.51
	REAL ESTATE INVESTMENT & SERVICES 0.57%		
250,000	PIK	1,011,702	0.57
	INDUSTRIALS 1.36% (2017 - 1.95%)		
	INDUSTRIAL TRANSPORTATION 1.36%		
450,000	Novorossiysk Commercial Sea Port GDR	2,397,352	1.36
	OIL & GAS 29.45% (2017 - 28.29%)		
	OIL & GAS 29.45%		
290,000	Gazprom Neft ADR	5,528,749	3.13
331,000	LUKOIL ADR	17,114,914	9.68
1,000	LUKOIL ADR (US Listing)	51,707	0.03
158,000	Novatek GDR	17,628,373	9.98
1,000,000	Surgutneftegas ADR	3,408,045	1.93
171,000	Tatneft ADR	8,300,453	4.70
	TECHNOLOGY 4.53% (2017 - 4.81%)		
	SOFTWARE & COMPUTER SERVICES 4.53%		
362,000	Mail.Ru GDR	7,945,569	4.49
3,000	Mail.Ru GDR (US Listing)	65,847	0.04
	TELECOMMUNICATIONS 2.07% (2017 - 3.34%)		
	MOBILE TELECOMMUNICATIONS 2.07%		
500,000	Mobile TeleSystems	1,681,928	0.95
100,000	Mobile TeleSystems ADR	666,692	0.38
4,000,000	Sistema	428,246	0.24
420,000	Sistema GDR	880,308	0.50
	CYPRUS 9.37% (2017 - 9.24%)		
	CONSUMER GOODS 4.60% (2017 - 4.28%)		
	FOOD PRODUCERS 4.60%		
983,000	Ros Agro GDR	8,124,647	4.60

Neptune Russia and Greater Russia Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	INDUSTRIALS 4.77% (2017 - 4.96%)		
	INDUSTRIAL TRANSPORTATION 4.77%		
200,000	Global Ports Investments GDR	383,576	0.22
1,040,000	Globaltrans Investment GDR	8,041,707	4.55
	NETHERLANDS 4.59% (2017 - 4.79%)		
	TECHNOLOGY 4.59% (2017 - 4.79%)		
	SOFTWARE & COMPUTER SERVICES 4.59%		
302,000	Yandex	8,113,399	4.59
	UNITED KINGDOM 2.88% (2017 - 1.99%)		
	BASIC MATERIALS 2.88% (2017 - 1.99%)		
	INDUSTRIAL METALS & MINING 2.88%		
1,000,000	Evraz	5,082,000	2.88
	UNITED STATES 3.71% (2017 - 0.00%)		
	TECHNOLOGY 3.71% (2017 - 0.00%)		
	SOFTWARE & COMPUTER SERVICES 3.71%		
70,000	EPAM Systems	6,554,359	3.71
	Portfolio of investments	172,329,627	97.54
	Net other assets	4,347,260	2.46
	Net assets	176,676,887	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

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 £
Sberbank of Russia ADR (US Listing)	6,078,131
EPAM Systems	5,869,465
MMC Norilsk Nickel ADR (US Listing)	4,869,369
Novatek GDR (US Listing)	3,535,195
LUKOIL ADR (US Listing)	2,531,239
Sales	Proceeds £
Novatek GDR	7,581,469
LUKOIL ADR	7,371,763
MMC Norilsk Nickel ADR	6,898,103
Sberbank of Russia ADR	5,762,758
Tatneft ADR	3,699,939

Stocks shown as ADRs represent American Depositary Receipts.

Stocks shown as GDRs represent Global Depositary Receipts.

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			
2015	238.2p	163.8p	2.2841p
2016	321.5p	161.7p	2.3303p
2017	353.9p	289.7p	11.2000p
2018	371.5p*	304.4p*	—
C Accumulation			
2015	81.23p	56.06p	1.5377p
2016	111.4p	55.55p	1.5796p
2017	123.5p	100.9p	4.9726p
2018	130.2p*	106.8p*	—
A Accumulation EUR			
2015	89.55¢	64.79¢	0.7354¢
2016	142.3¢	78.37¢	1.0197¢
2017	149.6¢	123.5¢	4.7566¢
2018	158.5¢*	131.1¢*	—
C Accumulation EUR			
2015	92.64¢	66.90¢	0.6652¢
2016	148.3¢	81.11¢	1.8724¢
2017	157.1¢	129.2¢	6.3552¢
2018	167.0¢*	138.3¢*	—
A Accumulation USD			
2015	75.92¢	45.08¢	0.8556¢
2016	104.6¢	60.32¢	0.0076¢
2017	122.7¢	97.12¢	3.9424¢
2018	137.9¢*	113.9¢*	—
C Accumulation USD			
2015	62.12¢	45.50¢	0.4477¢
2016	105.9¢	60.68¢	1.3488¢
2017	125.3¢	98.84¢	5.1128¢
2018	141.3¢*	116.9¢*	—

*To 30 June 2018.

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 2015	56,047,377	29,690,023	188.8
31 December 2016	71,486,322	22,247,695	321.3
31 December 2017	55,607,903	16,592,068	335.2
30 June 2018	52,134,831	14,602,780	357.0
C Accumulation			
31 December 2015	69,683,422	107,515,878	64.81
31 December 2016	145,571,079	130,708,419	111.4
31 December 2017	122,085,618	104,106,970	117.3
30 June 2018	118,681,973	94,560,785	125.5
A Accumulation EUR			
31 December 2015	130,174	184,046	70.73
31 December 2016	291,922	242,410	120.4
31 December 2017	375,796	299,187	125.6
30 June 2018	480,590	359,124	133.8
C Accumulation EUR			
31 December 2015	10,878	14,860	73.20
31 December 2016	18,647	14,860	125.5
31 December 2017	19,637	14,860	132.1
30 June 2018	21,024	14,860	141.5
A Accumulation USD			
31 December 2015	2,463,110	4,935,916	49.90
31 December 2016	5,461,136	6,536,394	83.55
31 December 2017	4,875,253	5,502,638	88.60
30 June 2018	4,890,978	5,182,384	94.38
C Accumulation USD			
31 December 2015	52,244	104,051	50.21
31 December 2016	2,180,368	2,533,553	86.06
31 December 2017	3,195,055	3,525,697	90.62
30 June 2018	467,491	482,033	96.98

Neptune Russia and Greater Russia Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
2 July 2018	A Accumulation	361.2p	3.10
	C Accumulation	127.0p	3.92
	A Accumulation EUR	153.1¢	3.03
	C Accumulation EUR	161.8¢	3.83
	A Accumulation USD	125.7¢	3.28
	C Accumulation USD	129.2¢	4.14
2 January 2018	A Accumulation	341.3p	3.28
	C Accumulation	119.4p	4.16
	A Accumulation EUR	143.7¢	3.31
	C Accumulation EUR	151.2¢	4.20
	A Accumulation USD	122.3¢	3.22
	C Accumulation USD	125.1¢	4.09

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	A Accumulation	2.00
	C Accumulation	1.05
	A Accumulation EUR	2.01
	C Accumulation EUR	1.05
	A Accumulation USD	2.00
	C Accumulation USD	1.03
31 December 2017	A Accumulation	1.97
	C Accumulation	1.02
	A Accumulation EUR	1.98
	C Accumulation EUR	1.02
	A Accumulation USD	1.97
	C Accumulation USD	1.03

[‡]The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 2.14% per annum and the C share class is currently capped at 1.19% 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 pages 99 to 101.

Details of the distributions per share for the period are shown in the distribution table on page 107.

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.

Neptune Russia and Greater Russia Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital gains/(losses)		9,528,979		(20,013,507)
Revenue	3,529,263		5,277,471	
Expenses	(1,266,703)		(1,364,613)	
Interest payable and similar charges	—		(350)	
Net revenue before taxation	2,262,560		3,912,508	
Taxation	(256,381)		(517,265)	
Net revenue after taxation		2,006,179		3,395,243
Total return before equalisation/distribution		11,535,158		(16,618,264)
Equalisation/distribution		(65,196)		(3,396,410)
Change in net assets attributable to shareholders from investment activities		11,469,962		(20,014,674)

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		186,159,262		225,009,283
Amounts received on issue of shares	17,915,753		20,081,211	
Amounts paid on cancellation of shares	(38,889,287)		(38,333,418)	
		(20,973,534)		(18,252,207)
Dilution adjustment charged		21,197		(353)
Change in net assets attributable to shareholders from investment activities		11,469,962		(20,014,674)
Retained distribution on accumulation shares		—		3,360,962
Closing net assets attributable to shareholders		176,676,887		190,103,011

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune Russia and Greater Russia Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		172,329,627		182,494,769
Current assets				
Debtors	1,379,752		1,310,604	
Cash and bank balances	3,889,042		3,681,697	
Total current assets		5,268,794		4,992,301
Total assets		177,598,421		187,487,070
Liabilities				
Creditors				
Bank overdrafts	(16,568)		(369,088)	
Other creditors	(904,966)		(958,720)	
Total liabilities		(921,534)		(1,327,808)
Net assets attributable to shareholders		176,676,887		186,159,262

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 2017 and are described in those financial statements.

Neptune Russia and Greater Russia Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Accumulation shares (p)				
Group 1	—	—	—	4.2255
Group 2	—	—	—	4.2255
C Accumulation shares (p)				
Group 1	—	—	—	1.9907
Group 2	—	—	—	1.9907
A Accumulation shares EUR (¢)				
Group 1	—	—	—	1.8077
Group 2	—	—	—	1.8077
C Accumulation shares EUR (¢)				
Group 1	—	—	—	2.5567
Group 2	—	—	—	2.5567
A Accumulation shares USD (¢)				
Group 1	—	—	—	1.4505
Group 2	—	—	—	1.4505
C Accumulation shares USD (¢)				
Group 1	—	—	—	1.9988
Group 2	—	—	—	1.9988

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

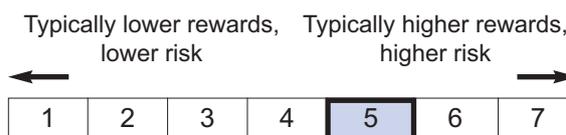
It is the intention to be near-fully invested at all times, however, the Fund has the facility to take tactical positions in cash or near cash should the ACD feel it appropriate.

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 2018 (unaudited)

The Neptune UK Mid Cap Fund returned –2.79% over the first half of 2018. By comparison, the IA UK All Companies sector and FTSE 250 Index returned 2.74% and 1.90% respectively.*

The UK market got off to a poor start to the year although the strength of sterling over the period (up nearly 4% on a trade-weighted basis) helped mitigate some of the disappointment. Within this, mid- and small-caps performed modestly ahead of their larger-cap brethren. Partly due to the strength of sterling, the Fund modestly underperformed its benchmark in the first quarter of the year. The broad UK market improved in the second quarter, after a poor start to the year although the strength of the benchmark should be viewed in the context of a weak sterling over the period. Despite the weakness of sterling, the Neptune UK Mid Cap Fund underperformed its benchmark in the second quarter of the year. Whilst disappointing, we believe it is more important than ever to concentrate on economic risk (i.e. capital preservation) at this stage in the cycle.

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. The Fund is currently positioned slightly underweight economic recovery and overweight structural growth.

Strong performance over the first quarter came from Laird, the technology company, which was approached by private equity for a significant premium. However, this performance was outweighed by two stocks in particular: PZ Cussons, the consumer goods company, and De La Rue, the security printing company. PZ Cussons was hit by a slowdown in consumer spending in the UK and Nigeria, in particular, whilst De La Rue failed to win the contract to print the next generation UK passport. A strong contributor to the Fund's performance over the second quarter was Paypoint, the payment technology company, which had a good trading update belying its lowly valuation and market fears of low/negative growth. Furthermore, Inmarsat, the satellite communications company, also performed strongly on the back of an approach from a US competitor. This was particularly pleasing as we have

flagged the potential for M&A in recent quarters and believe this trend is set to continue.

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. We are seeing M&A buyers ready to pounce and the Fund is positioned in under-valued, internationally-focused companies, many of which we think are absolutely ripe for M&A right now. The Fund continues to have the ability, which differentiates it from many of its peers, of being able to invest in large small-cap companies, where we feel that valuation opportunities are particularly interesting.

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 for the rest of the year and believe there is significant potential for 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 2018. 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.*

Neptune UK Mid Cap Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED KINGDOM 98.99% (2017 - 97.54%)		
	CONSUMER GOODS 14.57% (2017 - 14.76%)		
	FOOD PRODUCERS 9.83%		
23,514,315	Devro	46,699,429	9.83
	PERSONAL GOODS 4.74%		
9,987,701	PZ Cussons	22,552,229	4.74
	CONSUMER SERVICES 10.81% (2017 - 14.62%)		
	GENERAL RETAILERS 4.33%		
16,427,808	Saga	20,584,043	4.33
	MEDIA 6.48%		
1,201,473	Euromoney Institutional Investor	16,243,915	3.42
12,313,134	ITE	9,702,750	2.04
21,547,985	ITE Rights 10/07/2018	4,851,529	1.02
	FINANCIALS 5.58% (2017 - 2.12%)		
	FINANCIAL SERVICES 1.61%		
2,214,281	International Personal Finance	4,512,705	0.95
2,478,280	IP	3,132,546	0.66
	LIFE INSURANCE 1.14%		
3,974,651	Just	5,397,576	1.14
	NONLIFE INSURANCE 2.83%		
2,380,131	Lancashire	13,447,740	2.83
	HEALTH CARE 14.46% (2017 - 11.53%)		
	HEALTH CARE EQUIPMENT & SERVICES 3.78%		
1,500,553	Consort Medical	17,976,625	3.78
	PHARMACEUTICALS & BIOTECHNOLOGY 10.68%		
26,315,098	Circassia Pharmaceuticals	22,683,614	4.78
3,297,269	PureTech Health	4,715,095	0.99
29,362,167	Vectura	23,313,561	4.91
	INDUSTRIALS 30.15% (2017 - 32.44%)		
	AEROSPACE & DEFENCE 4.97%		
10,198,906	Chemring	22,947,539	4.83
40,000	Ultra Electronics	651,200	0.14
	ELECTRONIC & ELECTRICAL EQUIPMENT 0.31%		
306,819	Morgan Advanced Materials	997,775	0.21
45,929	Oxford Instruments	464,801	0.10
	SUPPORT SERVICES 24.87%		
6,240,919	De La Rue	34,949,146	7.36
9,331,501	Equiniti	22,908,835	4.82
1,099,415	Essentra	5,290,385	1.11
1,809,131	PayPoint	17,602,845	3.70
27,273,297	Renewi	20,673,159	4.35
6,532,714	RPS	16,789,075	3.53
	OIL & GAS 0.88% (2017 - 0.00%)		
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 0.88%		
9,900,000	Gulf Marine Services	4,167,900	0.88

Neptune UK Mid Cap Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	TECHNOLOGY 16.06% (2017 - 17.54%)		
	SOFTWARE & COMPUTER SERVICES 8.44%		
19,628,070	NCC	40,119,775	8.44
	TECHNOLOGY HARDWARE & EQUIPMENT 7.62%		
31,208,501	Spirent Communications	36,201,861	7.62
	TELECOMMUNICATIONS 6.48% (2017 - 4.53%)		
	FIXED LINE TELECOMMUNICATIONS 5.29%		
2,179,499	Telecom Plus	25,151,419	5.29
	MOBILE TELECOMMUNICATIONS 1.19%		
1,030,930	Inmarsat	5,637,125	1.19
	Portfolio of investments	470,366,197	98.99
	Net other assets	4,820,624	1.01
	Net assets	475,186,821	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

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

Purchases	Cost £
Vectura	19,683,069
Lancashire	15,970,293
Inmarsat	14,235,255
Renewi	12,658,060
NCC	11,308,840
Sales	Proceeds £
Laird	42,404,056
Ultra Electronics	29,646,380
ITE	21,298,306
Saga	16,317,830
Consort Medical	14,516,384

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			
2015	438.3	367.7	2.6326
2016	442.4	362.2	4.6019
2017	501.7	426.0	4.5366
2018	486.5*	445.4*	—
C Income			
2015†	109.0	100.0	1.8228
2016	107.8	89.18	2.7746
2017	120.1	102.8	2.9482
2018	115.4*	105.6*	1.7803**
C Accumulation			
2015	154.9	129.4	2.2514
2016	158.0	128.6	2.8684
2017	180.8	152.6	3.0474
2018	175.7*	160.9*	—
D Accumulation			
2015	139.0	116.0	2.1384
2016	141.9	115.4	2.7050
2017	162.5	137.0	2.8889
2018	158.0*	144.7*	—

†Launched 17 April 2015.

*To 30 June 2018.

**To 31 August 2018.

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2015	73,753,836	17,765,395	415.2
31 December 2016	40,965,720	9,574,952	427.8
31 December 2017	32,449,032	6,678,065	485.9
30 June 2018	25,956,155	5,521,226	470.1
C Income			
31 December 2015	32,162,096	31,492,208	102.1
31 December 2016	36,892,869	35,746,547	103.2
31 December 2017	59,766,320	51,908,999	115.1
30 June 2018	52,088,610	47,313,761	110.1
C Accumulation			
31 December 2015	471,894,453	320,357,868	147.3
31 December 2016	395,920,627	258,601,498	153.1
31 December 2017	350,418,723	199,828,855	175.4
30 June 2018	281,711,182	165,341,466	170.4
D Accumulation			
31 December 2015	131,532,211	99,511,037	132.2
31 December 2016	124,202,254	90,316,227	137.5
31 December 2017	130,294,618	82,638,625	157.7
30 June 2018	115,430,874	75,312,007	153.3

Neptune UK Mid Cap Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
2 July 2018	A Accumulation	468.5	0.97
	C Income	109.7	1.62
	C Accumulation	169.8	1.79
	D Accumulation	152.8	1.89
2 January 2018	A Accumulation	486.5	0.93
	C Income	115.3	2.56
	C Accumulation	175.6	1.74
	D Accumulation	157.9	1.83

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF+ %
30 June 2018	A Accumulation	1.67
	C Income	0.82
	C Accumulation	0.82
	D Accumulation	0.72
31 December 2017	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 1.78% per annum, the C share class is currently capped at 0.93% per annum and the D share class is currently capped at 0.83% 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 pages 109 to 111.

Details of the distributions per share for the period are shown in the distribution table on page 116.

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.

Neptune UK Mid Cap Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(22,827,357)		27,590,526
Revenue	8,242,453		8,758,350	
Expenses	(2,191,917)		(2,490,450)	
Interest payable and similar charges	(14,623)		(10,588)	
Net revenue before taxation	6,035,913		6,257,312	
Taxation	—		—	
Net revenue after taxation		6,035,913		6,257,312
Total return before distributions		(16,791,444)		33,847,838
Distributions		(1,320,604)		(6,430,124)
Change in net assets attributable to shareholders from investment activities		(18,112,048)		27,417,714

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		572,928,693		597,981,470
Amounts received on issue of shares	6,104,028		18,152,429	
Amounts paid on cancellation of shares	(85,733,852)		(74,682,779)	
		(79,629,824)		(56,530,350)
Change in net assets attributable to shareholders from investment activities		(18,112,048)		27,417,714
Retained distribution on accumulation shares		—		5,658,255
Closing net assets attributable to shareholders		475,186,821		574,527,089

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune UK Mid Cap Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		470,366,197		558,847,022
Current assets				
Debtors	3,382,940		1,498,151	
Cash and bank balances	5,957,979		18,606,119	
		<u>9,340,919</u>		<u>20,104,270</u>
Total current assets				
		<u>479,707,116</u>		<u>578,951,292</u>
Liabilities				
Creditors				
Distributions payable	(842,327)		(683,849)	
Other creditors	(3,677,968)		(5,338,750)	
		<u>(4,520,295)</u>		<u>(6,022,599)</u>
Total liabilities				
		<u>475,186,821</u>		<u>572,928,693</u>
Net assets attributable to shareholders				
		<u>475,186,821</u>		<u>572,928,693</u>

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 2017 and are described in those financial statements.

Neptune UK Mid Cap Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Accumulation shares				
Group 1	—	—	—	3.0181
Group 2	—	—	—	3.0181
C Income shares				
Group 1	1.7803	—	1.7803	1.6308
Group 2	1.0646	0.7157	1.7803	1.6308
C Accumulation shares				
Group 1	—	—	—	1.7684
Group 2	—	—	—	1.7684
D Accumulation shares				
Group 1	—	—	—	1.6617
Group 2	—	—	—	1.6617

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

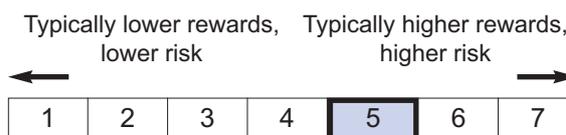
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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 2018 (unaudited)

The Neptune UK Opportunities Fund returned -0.92% over the first half of 2018. By comparison, the FTSE All-Share Index and the IA UK All Companies sector returned 1.69% and 2.74% respectively.*

The UK market got off to a poor start to the year although the strength of sterling over the period (up nearly 4% on a trade-weighted basis) helped mitigate some of the disappointment. Within this, mid- and small-caps performed modestly ahead of their larger-cap brethren. Partly due to the strength of sterling, the Fund modestly underperformed its benchmark in the first quarter of the year. The broad UK market improved in the second quarter, after a poor start to the year although the strength of the benchmark should be viewed in the context of a weak sterling over the period. Despite the weakness of sterling, the Neptune UK Mid Cap Fund underperformed its benchmark in the second quarter of the year. Whilst disappointing, we believe it is more important than ever to concentrate on economic risk (i.e. capital preservation) at this stage in the cycle.

Strong performance over the first quarter came from Laird, the technology company, which was approached by private equity for a significant premium. This was pleasing as we have flagged the potential for M&A in recent quarters and believe this trend is set to continue. However this performance was outweighed by two stocks in particular: PZ Cussons, the consumer goods company, and De La Rue, the security printing company. PZ Cussons was hit by a slowdown in consumer spending in the UK and Nigeria, in particular, whilst De La Rue failed to win the contract to print the next generation UK passport. We added to PZ Cussons on the basis that its brand remains strong, its valuation is very low relative to history whilst its entrenched market positions are very hard to replicate. We also added to De La Rue in the belief that the recent disposal of the paper business and changes to the pension scheme are both potentially transformative for the company, whilst its security printing technology remains high-tech. A notable strong performer in the second quarter was Paypoint, the payment technology company, which had a good trading update belying its lowly valuation and market fears of low/negative

growth. Underperformance came from ITE, the events and exhibitions company; ITE has recently announced a strategically sensible acquisition, funded by a large rights issue. We believe the stock's weakness over the quarter can largely be explained by a technical stock overhang related to this rights issue.

We remain confident in the prospects for selective UK companies, primarily because of attractive company-specific valuations but also due to the potential for further M&A activity. The Fund maintains its overweight in mid and small-caps relative to its benchmark.

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 2018 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 2018. 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.*

Neptune UK Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED KINGDOM 93.81% (2017 - 93.35%)		
	BASIC MATERIALS 4.25% (2017 - 4.02%)		
	CHEMICALS 1.28%		
6,000	Johnson Matthey	218,220	1.28
	MINING 2.97%		
20,000	Antofagasta	198,880	1.16
7,358	Rio Tinto	310,250	1.81
	CONSUMER GOODS 18.01% (2017 - 14.36%)		
	FOOD PRODUCERS 9.58%		
826,235	Devro	1,640,903	9.58
	PERSONAL GOODS 8.43%		
639,626	PZ Cussons	1,444,275	8.43
	CONSUMER SERVICES 3.57% (2017 - 7.68%)		
	MEDIA 3.57%		
517,735	ITE	407,975	2.38
906,036	ITE Rights 10/07/2018	203,994	1.19
	FINANCIALS 6.17% (2017 - 4.46%)		
	FINANCIAL SERVICES 2.54%		
35,000	International Personal Finance	71,330	0.42
13,948	Rathbone Brothers	362,648	2.12
	LIFE INSURANCE 1.47%		
50,000	Aviva	252,300	1.47
	REAL ESTATE INVESTMENT & SERVICES 2.16%		
820,000	Raven Property	369,820	2.16
	HEALTH CARE 12.34% (2017 - 5.70%)		
	HEALTH CARE EQUIPMENT & SERVICES 5.01%		
71,706	Consort Medical	859,038	5.01
	PHARMACEUTICALS & BIOTECHNOLOGY 7.33%		
579,476	Circassia Pharmaceuticals	499,508	2.92
951,537	Vectura	755,521	4.41
	INDUSTRIALS 34.21% (2017 - 42.60%)		
	AEROSPACE & DEFENCE 9.32%		
709,551	Chemring	1,596,490	9.32
	ELECTRONIC & ELECTRICAL EQUIPMENT 1.49%		
25,286	Oxford Instruments	255,894	1.49
	GENERAL INDUSTRIALS 2.06%		
20,738	Smiths	352,339	2.06
	SUPPORT SERVICES 21.34%		
138,644	De La Rue	776,407	4.53
322,000	Equiniti	790,510	4.62
96,291	Essentra	463,352	2.71
56,481	PayPoint	549,560	3.21
653,598	Renewi	495,427	2.89
225,435	RPS	579,368	3.38

Neptune UK Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	OIL & GAS 4.06% (2017 - 2.46%)		
	OIL & GAS PRODUCERS 1.35%		
8,503	Royal Dutch Shell 'B'	231,792	1.35
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 2.71%		
1,100,000	Gulf Marine Services	463,100	2.71
	TECHNOLOGY 6.62% (2017 - 9.46%)		
	SOFTWARE & COMPUTER SERVICES 3.52%		
294,821	NCC	602,614	3.52
	TECHNOLOGY HARDWARE & EQUIPMENT 3.10%		
458,490	Spirent Communications	531,848	3.10
	TELECOMMUNICATIONS 4.58% (2017 - 2.92%)		
	FIXED LINE TELECOMMUNICATIONS 4.58%		
220,000	KCOM	214,060	1.25
49,428	Telecom Plus	570,399	3.33
	SWITZERLAND 1.06% (2017 - 1.61%)		
50,000	Glencore	180,800	1.06
	UNITED STATES 3.65% (2017 - 3.50%)		
437,157	PureTech Health	625,135	3.65
	Portfolio of investments	16,873,757	98.52
	Net other assets	254,162	1.48
	Net assets	17,127,919	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

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

Purchases	Cost £
Devro	1,341,952
Equiniti	830,680
De La Rue	757,166
Vectura	742,241
PZ Cussons	458,973
Sales	Proceeds £
PayPoint	1,020,025
De La Rue	968,593
Ultra Electronics	952,167
Saga	883,913
Chemring	813,263

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			
2015	205.2	177.7	2.3110
2016	202.3	163.7	2.4000
2017	225.9	197.3	2.7669
2018	227.1*	206.4*	—
C Income			
2015†	105.5	91.87	1.7985
2016	101.3	83.01	2.8583
2017	110.8	97.81	3.2941
2018	110.2*	100.2*	1.7557**
C Accumulation			
2015	157.3	135.7	3.1469
2016	156.8	126.2	3.0322
2017	176.7	153.3	3.5702
2018	178.2*	162.0*	—
D Accumulation			
2015‡	110.7	97.16	2.2683
2016	110.4	88.84	2.2285
2017	124.6	108.0	2.6337
2018	125.7*	114.3*	—

†Launched 17 April 2015.

‡Launched 30 January 2015.

*To 30 June 2018.

**To 31 August 2018.

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2015	13,620,197	7,284,837	187.0
31 December 2016	5,405,200	2,726,551	198.3
31 December 2017	4,709,032	2,113,536	222.8
30 June 2018	4,191,886	1,909,282	219.6
C Income			
31 December 2015	857,885	905,783	94.71
31 December 2016	87,867	89,469	98.21
31 December 2017	114,125	105,736	107.9
30 June 2018	108,257	103,046	105.1
C Accumulation			
31 December 2015	23,888,637	16,586,971	144.0
31 December 2016	21,562,372	14,003,675	154.0
31 December 2017	13,242,702	7,587,743	174.5
30 June 2018	11,967,238	6,929,186	172.7
D Accumulation			
31 December 2015	3,696,565	3,647,454	101.4
31 December 2016	1,638,793	1,510,962	108.5
31 December 2017	1,119,625	909,854	123.1
30 June 2018	860,538	706,354	121.8

Neptune UK Opportunities Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
2 July 2018	A Accumulation	219.0	1.26
	C Income	104.8	1.68
	C Accumulation	172.3	2.07
	D Accumulation	121.5	2.17
2 January 2018	A Accumulation	222.8	1.24
	C Income	107.9	3.05
	C Accumulation	174.5	2.05
	D Accumulation	123.1	2.14

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [†] %
30 June 2018	A Accumulation	1.86
	C Income	1.01
	C Accumulation	1.01
	D Accumulation	0.91
31 December 2017	A Accumulation	1.85
	C Income	1.01
	C Accumulation	1.00
	D Accumulation	0.90

[†]The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 1.96% per annum, the C share class is currently capped at 1.11% per annum and the D share class is currently capped at 1.01% 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 pages 118 to 120.

Details of the distributions per share for the period are shown in the distribution table on page 125.

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.

Neptune UK Opportunities Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital (losses)/gains		(420,819)		1,614,992
Revenue	294,135		419,441	
Expenses	(106,569)		(137,651)	
Interest payable and similar charges	(667)		(36)	
Net revenue before taxation	186,899		281,754	
Taxation	—		—	
Net revenue after taxation		186,899		281,754
Total return before distributions		(233,920)		1,896,746
Distributions		(10,691)		(282,334)
Change in net assets attributable to shareholders from investment activities		(244,611)		1,614,412

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		19,185,484		28,694,232
Amounts received on issue of shares	326,500		625,902	
Amounts paid on cancellation of shares	(2,139,414)		(9,630,667)	
		(1,812,914)		(9,004,765)
Dilution adjustment charged		(40)		4,565
Change in net assets attributable to shareholders from investment activities		(244,611)		1,614,412
Retained distribution on accumulation shares		—		255,907
Closing net assets attributable to shareholders		17,127,919		21,564,351

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune UK Opportunities Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		16,873,757		18,890,502
Current assets				
Debtors	69,674		747,350	
Cash and bank balances	285,424		—	
Total current assets		355,098		747,350
Total assets		17,228,855		19,637,852
Liabilities				
Creditors				
Bank overdrafts	—		(369,742)	
Distribution payable	(1,809)		(1,519)	
Other creditors	(99,127)		(81,107)	
Total liabilities		(100,936)		(452,368)
Net assets attributable to shareholders		17,127,919		19,185,484

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 2017 and are described in those financial statements.

Neptune UK Opportunities Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Accumulation shares				
Group 1	—	—	—	1.8627
Group 2	—	—	—	1.8627
C Income shares				
Group 1	1.7557	—	1.7557	1.8578
Group 2	1.5306	0.2251	1.7557	1.8578
C Accumulation shares				
Group 1	—	—	—	2.1407
Group 2	—	—	—	2.1407
D Accumulation shares				
Group 1	—	—	—	1.5658
Group 2	—	—	—	1.5658

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

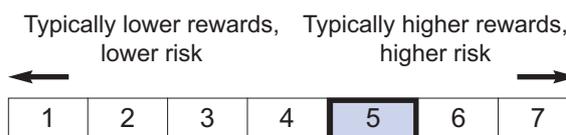
It is anticipated that derivative instruments and forward transactions may be used by the ACD for EPM.

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.

Neptune US Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited)

During the first half of 2018, the Neptune US Income Fund returned 5.34%, versus the S&P 500 Index return of 5.18% and the IA North America sector average return of 5.45%.*

Volatility returned in the first quarter of 2018, after a year in which the S&P Index rose in a remarkably consistent and orderly fashion. One trend that did persist, however, was the continued weakness of the US dollar, which accounted for the majority of the negative returns that sterling-based investors experienced, because in fact the S&P Index only finished slightly down in the first three months of the year in US dollar terms. The second quarter of 2018 saw a return to relatively calm equity markets but not quite to the level we experienced last year, which in hindsight were eerily steadfast and unshakeable. However, fears around increased protectionism and potential trade wars persisted. US markets took this in their stride, perhaps reflecting the relatively insignificant economic impact the US economy would feel even if trade wars escalated. Emerging markets, on the other hand, bore the brunt of the protectionist blow and were not helped by a stronger dollar either.

In the first quarter, the biggest drag on performance at the sector level was the consumer discretionary space, this was in large part due to not owning the non-dividend paying Amazon and poor performance from Adient, the car seat manufacturer which we have sold after they gave a poor operational update from which we believe it will be a long road to recovery. Strong stock selection came from our consumer staples exposure where Medifast, the weight-loss company, reported a strong set of results demonstrating that their strategic turnaround is starting to pay dividends. Outperformance in the second quarter was helped by healthy exposure to the technology sector. We do not invest in software companies because we do not believe that income funds should be run on a barbell basis, thereby allowing them to own non-dividend paying stocks.

Strong stock selection drove the outperformance in the second quarter. Lamb Weston, the french fry producer also performed strongly. Other notable performers were RPM, the specialty paint and coatings company, which has received activist pressure to improve operating margins. We agree that the company has the potential to dramatically improve margins. Detractors in the quarter continued to be our lack of exposure to the so-called FANGs and also to energy which relished a higher oil price.

The Fund's turnover remained contained, although we have continued to build a position in a few companies. These have tended to be in the mid-cap space, where we are currently finding dividend stocks with more latency potential and where we believe the outlook for dividend growth has room to improve in the medium term.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. 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.*

Neptune US Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED STATES 93.27% (2017 - 94.53%)		
	BASIC MATERIALS 5.79% (2017 - 6.12%)		
	CHEMICALS 5.79%		
11,700	DowDuPont	589,029	1.79
8,300	LyondellBasell Industries	690,683	2.11
14,050	RPM International	621,795	1.89
	CONSUMER GOODS 13.34% (2017 - 16.09%)		
	BEVERAGES 2.84%		
8,450	Molson Coors Brewing	436,214	1.33
5,990	PepsiCo	495,447	1.51
	FOOD PRODUCERS 5.02%		
15,440	Lamb Weston	807,282	2.46
7,020	Medifast	839,707	2.56
	HOUSEHOLD GOODS & HOME CONSTRUCTION 1.67%		
5,380	Stanley Black & Decker	549,854	1.67
	PERSONAL GOODS 2.21%		
43,150	Coty	458,774	1.40
15,800	Hanesbrands	265,388	0.81
	TOBACCO 1.60%		
12,050	Altria	525,396	1.60
	CONSUMER SERVICES 10.85% (2017 - 13.24%)		
	GENERAL RETAILERS 5.77%		
4,581	Home Depot	680,622	2.07
23,200	Service Corporation International	631,933	1.93
8,000	TJX	580,357	1.77
	MEDIA 1.57%		
20,800	Comcast	516,537	1.57
	TRAVEL & LEISURE 3.51%		
19,900	Cinemark	535,230	1.63
10,700	Las Vegas Sands	615,721	1.88
	FINANCIALS 16.35% (2017 - 17.82%)		
	BANKS 5.77%		
24,000	Fifth Third Bancorp	524,952	1.60
9,150	SunTrust Banks	457,587	1.39
29,550	Umpqua	510,960	1.56
10,700	Union Bankshares	321,012	0.98
8,500	Valley National Bancorp	79,699	0.24
	FINANCIAL SERVICES 6.90%		
10,000	Bank of New York Mellon	413,258	1.26
1,570	BlackRock	599,658	1.83
22,350	Blackstone	539,210	1.64
7,040	Visa	710,938	2.17
	NONLIFE INSURANCE 1.88%		
10,000	Marsh & McLennan	616,690	1.88

Neptune US Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	REAL ESTATE INVESTMENT TRUSTS 1.80%		
5,386	American Tower	591,171	1.80
	HEALTH CARE 9.93% (2017 - 10.83%)		
	HEALTH CARE EQUIPMENT & SERVICES 1.82%		
9,100	Medtronic	597,963	1.82
	PHARMACEUTICALS & BIOTECHNOLOGY 8.11%		
7,950	AbbVie	559,244	1.70
13,300	Bristol-Myers Squibb	559,755	1.70
6,600	Gilead Sciences	353,269	1.08
12,940	Merck & Co	593,943	1.81
21,550	Pfizer	596,502	1.82
	INDUSTRIALS 18.01% (2017 - 14.59%)		
	AEROSPACE & DEFENCE 1.67%		
3,850	General Dynamics	549,159	1.67
	CONSTRUCTION & MATERIALS 1.68%		
11,710	Simpson Manufacturing	552,993	1.68
	ELECTRONIC & ELECTRICAL EQUIPMENT 1.07%		
11,000	National Instruments	350,356	1.07
	GENERAL INDUSTRIALS 3.13%		
7,175	Eaton	406,490	1.24
5,700	Honeywell International	620,907	1.89
	INDUSTRIAL ENGINEERING 3.44%		
8,250	MSA Safety	600,188	1.83
4,223	Rockwell Automation	529,502	1.61
	INDUSTRIAL TRANSPORTATION 0.90%		
3,661	United Parcel Service	294,981	0.90
	SUPPORT SERVICES 6.12%		
6,570	Automatic Data Processing	671,276	2.05
11,350	Brink's	694,501	2.12
7,350	Broadridge Financial Solutions	640,772	1.95
	OIL & GAS 2.34% (2017 - 2.34%)		
	OIL & GAS PRODUCERS 0.44%		
2,300	Occidental Petroleum	145,987	0.44
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 1.90%		
29,712	Enterprise Products Partners	623,207	1.90
	TECHNOLOGY 14.67% (2017 - 11.67%)		
	SOFTWARE & COMPUTER SERVICES 4.64%		
14,900	Microsoft	1,118,450	3.41
4,700	SAP ADR	404,952	1.23
	TECHNOLOGY HARDWARE & EQUIPMENT 10.03%		
6,430	Apple	907,770	2.77
2,900	Broadcom	540,493	1.65
7,150	Motorola Solutions	637,212	1.94
7,560	Texas Instruments	627,723	1.91
11,650	Xilinx	577,380	1.76

Neptune US Income Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UTILITIES 1.99% (2017 - 1.83%)		
	ELECTRICITY 1.99%		
18,282	CMS Energy	654,782	1.99
	BERMUDA 4.76% (2017 - 5.36%)		
21,600	Golar LNG	479,361	1.46
18,100	James River	543,985	1.66
14,500	Lazard	537,756	1.64
	Portfolio of investments	32,175,963	98.03
	Net other assets	646,671	1.97
	Net assets	32,822,634	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

Stocks shown as ADRs represent American Depositary Receipts.

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

Purchases	Cost £
Brink's	586,172
Motorola Solutions	553,803
Broadcom	548,843
MSA Safety	527,384
Simpson Manufacturing	492,757

Sales	Proceeds £
ILG	713,026
Medifast	517,600
Intel	497,846
Adient	488,825
Invesco	464,728

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)
C Income			
2015	129.1	106.4	2.8026
2016	165.1	106.4	3.3788
2017	174.3	157.9	3.7393
2018	182.8*	157.3*	1.8860**
C Accumulation			
2015	136.0	112.9	2.9637
2016	180.3	112.9	3.6687
2017	194.7	173.5	4.1462
2018	206.7*	176.8*	1.1167***

*To 30 June 2018.

**To 31 August 2018.

***To 31 May 2018.

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
C Income			
31 December 2015	11,300,168	9,131,340	123.8
31 December 2016	14,372,516	8,874,182	162.0
31 December 2017	12,575,371	7,326,732	171.6
30 June 2018	14,287,238	7,993,523	178.7
C Accumulation			
31 December 2015	7,637,533	5,749,802	132.8
31 December 2016	18,591,395	10,449,734	177.9
31 December 2017	17,651,419	9,153,825	192.8
30 June 2018	18,535,396	9,127,144	203.1

Neptune US Income Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p)	Yield (%)
2 July 2018	C Income	178.5	1.06
	C Accumulation	202.9	2.06
2 January 2018	C Income	170.5	2.19
	C Accumulation	191.6	2.16

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF+ %
30 June 2018	C Income	0.99
	C Accumulation	0.99
31 December 2017	C Income	0.93
	C Accumulation	0.94

+The OCF includes the annual management charges and other expenses. The OCF of the C Income share class is currently capped at 1.09% per annum and the C Accumulation 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 pages 127 to 130.

Details of the distributions per share for the period are shown in the distribution tables on page 135.

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.

Neptune US Income Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital gains		1,446,680		413,066
Revenue	395,748		453,709	
Expenses	(149,237)		(150,793)	
Interest payable and similar charges	—		3	
Net revenue before taxation	246,511		302,919	
Taxation	(50,970)		(59,651)	
Net revenue after taxation		195,541		243,268
Total return before distributions		1,642,221		656,334
Distributions		(243,482)		(376,770)
Change in net assets attributable to shareholders from investment activities		1,398,739		279,564

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		30,226,790		32,963,911
Amounts received on issue of shares	2,992,141		2,698,038	
Amounts paid on cancellation of shares	(1,898,057)		(5,064,159)	
		1,094,084		(2,366,121)
Change in net assets attributable to shareholders from investment activities		1,398,739		279,564
Retained distribution on accumulation shares		103,021		208,724
Closing net assets attributable to shareholders		32,822,634		31,086,078

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune US Income Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		32,175,963		30,194,361
Current assets				
Debtors	645,495		48,641	
Cash and bank balances	242,283		151,894	
		<u>887,778</u>		<u>200,535</u>
Total current assets				
		<u>33,063,741</u>		<u>30,394,896</u>
Liabilities				
Creditors				
Distribution payable	(71,318)		(67,787)	
Other creditors	(169,789)		(100,319)	
		<u>(241,107)</u>		<u>(168,106)</u>
Total liabilities				
		<u>32,822,634</u>		<u>30,226,790</u>
Net assets attributable to shareholders				

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 2017 and are described in those financial statements.

Neptune US Income Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence per share

1st Quarter

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 31 March 2018

	Net Revenue	Equalisation	Paid 31 May 2018	Paid 31 May 2017
C Income shares				
Group 1	0.9938	—	0.9938	0.9886
Group 2	0.5048	0.4890	0.9938	0.9886
C Accumulation shares				
Group 1	1.1167	—	1.1167	1.0857
Group 2	0.6603	0.4564	1.1167	1.0857

Interim

Group 1-Shares purchased prior to 1 April 2018

Group 2-Shares purchased on or after 1 April 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
C Income shares				
Group 1	0.8922	—	0.8922	0.8636
Group 2	0.2762	0.6160	0.8922	0.8636
C Accumulation shares				
Group 1	—	—	—	0.9553
Group 2	—	—	—	0.9553

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

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.

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited)

In the first half of 2018, the Neptune US Opportunities Fund returned 9.73%, outperforming the S&P 500's 5.18% return. The Fund was ranked in the top quartile of the IA North America sector, where the average return was 5.45%.*

We manage the Fund using a clear process which emphasises real world research at the company level. We do not take large sector or factor bets, but we do take meaningful positions (up to ~5% of the Fund) in companies and management teams in which we believe for the long run. The portfolio is fairly concentrated (40-60 positions) and turnover remains low. The economy is becoming more concentrated as three-quarters of US industries have seen an increase in the concentration of wealth over the past two decades (source: Brookings Institute). We think this potentially offers higher sustainability of returns on capital and can underpin reasonable real returns for investors.

Our standout sector in terms of relative performance for the first three months of the year was again information technology, where we have remained resolutely overweight in spite of the S&P 500 Index's large weighting (~25%). We achieved a positive contribution to outperformance from 9 out of the 11 GICS sectors.

Twilio (+56%) was the largest single contributor to outperformance. The San Francisco-based company offers a software platform and communication service that allows application developers to incorporate communication (via SMS, voice call or social channels) into their applications seamlessly. We bought a ~3% position in the second half of 2017 as concerns about the loss of Twilio's largest customer (Uber) and gross margins trends weighed on shares. We believe the outlook for the company remains positive and are hopeful that Twilio's 'direct to developer' market strategy can see future revenues grow at a lower incremental cost.

Outperformance in the second quarter of the year was driven by strong stockpicking in the technology, healthcare, financial and industrial sectors. In technology, our holdings in Twilio (+56%), Mastercard (+20%), Facebook (+29%) and Apple (+18%), among others, contributed to strong returns

during the quarter. Our healthcare stocks also contributed meaningfully to outperformance as our new position – Horizon Pharmaceuticals – returned 24%, and long-time portfolio stalwart United Health returned 22%. Financials also made a strong contribution to alpha generation with holdings in Silicon Valley Bank (+28%) and S&P Global (+14%) the most significant contributors. Our largest industrials position, Brinks, returned 20% during the quarter.

Our worst-performing sectors were consumer staples and consumer discretionary as a number of businesses we view as structurally challenged (e.g. Macy's) have bounced strongly in 2018, following several poor years of performance.

Our deepest-held conviction is that the US will – at some point – see a sustained and meaningful increase in productivity owing to innovation and the application of new technologies to less productive industries. Three out of four US workers have seen almost no increase in the productivity of their labour since 2000 – whereas 1 in 4 (concentrated in more digitised industries) has seen more than 50% improvement. This ultimately underpins our optimistic outlook on the US economy long term.

**Source: Morningstar, C Accumulation share class performance, in sterling with no initial charges, net revenue reinvested to 30 June 2018. 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.*

Neptune US Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 is as follows:

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	UNITED STATES 89.70% (2017 - 90.48%)		
	BASIC MATERIALS 2.01% (2017 - 1.54%)		
	CHEMICALS 2.01%		
95,078	DowDuPont	4,786,643	2.01
	CONSUMER GOODS 3.52% (2017 - 10.58%)		
	FOOD PRODUCERS 2.16%		
165,273	Mondelez International	5,144,538	2.16
	PERSONAL GOODS 1.36%		
302,947	Coty	3,220,952	1.36
	CONSUMER SERVICES 9.41% (2017 - 7.08%)		
	FOOD & DRUG RETAILERS 1.53%		
79,999	Walgreens Boots Alliance	3,634,796	1.53
	GENERAL RETAILERS 5.81%		
7,153	Amazon.com	9,262,508	3.89
30,726	Home Depot	4,565,113	1.92
	MEDIA 2.07%		
198,057	Comcast	4,918,452	2.07
	FINANCIALS 19.04% (2017 - 17.00%)		
	BANKS 5.82%		
233,862	Citizens Financial	7,032,146	2.96
68,535	SunTrust Banks	3,427,402	1.44
15,264	SVB Financial	3,388,063	1.42
	FINANCIAL SERVICES 13.22%		
84,217	Bank of New York Mellon	3,480,333	1.46
53,411	Cboe Global Markets	4,219,386	1.77
43,554	Equifax	4,181,211	1.76
93,708	Intercontinental Exchange	5,266,818	2.21
50,838	Mastercard	7,624,056	3.21
43,049	S&P Global	6,673,177	2.81
	HEALTH CARE 13.31% (2017 - 11.30%)		
	HEALTH CARE EQUIPMENT & SERVICES 8.52%		
87,394	Baxter International	4,907,952	2.06
46,862	DENTSPLY SIRONA	1,556,420	0.66
49,200	HCA Healthcare	3,859,763	1.62
53,368	UnitedHealth	9,948,597	4.18
	PHARMACEUTICALS & BIOTECHNOLOGY 4.79%		
464,873	Horizon Pharma	5,798,751	2.44
73,977	IQVIA	5,587,897	2.35
	INDUSTRIALS 12.78% (2017 - 10.32%)		
	AEROSPACE & DEFENSE 2.18%		
36,335	General Dynamics	5,182,774	2.18
	CONSTRUCTION & MATERIALS 1.62%		
178,299	JELD-WEN	3,848,365	1.62
	GENERAL INDUSTRIALS 4.40%		
101,663	Fortive	5,864,028	2.46
42,407	Honeywell International	4,619,441	1.94

Neptune US Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

The Portfolio Statement as at 30 June 2018 (continued)

Holding	Portfolio of Investments	Market Value £	Total Net Assets %
	SUPPORT SERVICES 4.58%		
156,068	Brink's	9,549,730	4.01
100,864	Donnelley Financial Solutions	1,345,672	0.57
	OIL & GAS 4.03% (2017 - 5.83%)		
	OIL EQUIPMENT, SERVICES & DISTRIBUTION 4.03%		
299,455	Enterprise Products Partners	6,281,046	2.64
94,850	Halliburton	3,293,167	1.39
	TECHNOLOGY 23.38% (2017 - 22.07%)		
	SOFTWARE & COMPUTER SERVICES 20.57%		
27,495	Adobe Systems	5,017,924	2.11
12,077	Alphabet 'A'	10,356,652	4.35
102,979	DXC Technology	6,268,321	2.64
44,588	Electronic Arts	4,771,505	2.01
27,949	Facebook	4,174,004	1.76
142,013	Microsoft	10,660,027	4.48
51,489	Perspecta	791,958	0.33
162,010	Twilio	6,885,071	2.89
	TECHNOLOGY HARDWARE & EQUIPMENT 2.81%		
47,383	Apple	6,689,407	2.81
	TELECOMMUNICATIONS 0.00% (2017 - 2.00%)		
	UTILITIES 2.22% (2017 - 2.76%)		
	ELECTRICITY 2.22%		
41,556	NextEra Energy	5,275,979	2.22
	ISRAEL 1.29% (2017 - 1.15%)		
65,430	Orbotech	3,071,941	1.29
	UNITED KINGDOM 8.00% (2017 - 7.37%)		
135,731	LivaNova	10,449,826	4.39
74,435	Willis Towers Watson	8,571,681	3.61
	Portfolio of investments	235,453,493	98.99
	Net other assets	2,404,875	1.01
	Net assets	237,858,368	100.00

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

Comparative figures shown above in brackets relate to 31 December 2017.

Neptune US Opportunities Fund

Investment Manager's Report

for the six months ended 30 June 2018 (unaudited) (continued)

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

Purchases	Cost £
Bank of New York Mellon	5,181,556
Horizon Pharma	4,906,317
DowDuPont	4,804,057
Honeywell International	4,597,846
Walgreens Boots Alliance	3,748,242

Sales	Proceeds £
Mosaic	5,201,497
Welbilt	3,917,331
AT&T	3,862,685
Altria	3,724,097
PepsiCo	3,632,086

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			
2015	363.4p	300.4p	—
2016	402.2p	275.8p	—
2017	457.4p	386.4p	—
2018	506.3p*	427.3p*	—
B Accumulation			
2015	383.9p	317.9p	—
2016	428.5p	292.6p	0.6417p
2017	489.7p	411.6p	0.2276p
2018	543.4p*	457.8p*	—
C Accumulation			
2015	165.8p	137.5p	—
2016	186.2p	126.7p	0.8241p
2017	213.5p	178.9p	0.7283p
2018	237.3p*	199.7p*	—
D Accumulation			
2015	127.9p	106.0p	—
2016	143.9p	97.83p	0.7559p
2017	165.1p	138.2p	0.7141p
2018	183.6p*	154.4p*	—
A Accumulation EUR			
2015	172.9¢	152.0¢	—
2016	217.9¢	167.9¢	—
2017	244.7¢	213.3¢	—
2018	273.2¢*	228.1¢*	—
B Accumulation EUR			
2015	185.1¢	162.2¢	—
2016	236.7¢	181.6¢	0.3651¢
2017	267.0¢	231.8¢	0.1122¢
2018	298.8¢*	249.1¢*	—
A Accumulation USD			
2015	126.8¢	111.3¢	—
2016	177.2¢	145.0¢	—
2017	221.8¢	172.2¢	—
2018	242.0¢*	214.2¢*	—
C Accumulation USD			
2015	131.2¢	115.2¢	—
2016	184.6¢	150.0¢	0.5166¢
2017	232.9¢	179.2¢	0.7858¢
2018	255.2¢*	225.2¢*	—

*To 30 June 2018.

Neptune US Opportunities Fund

Fund Information (continued)

Net Asset Value

Date	Net asset value £	Shares in issue	Net asset value pence per share
A Accumulation			
31 December 2015	111,654,175	33,737,979	330.9
31 December 2016	63,483,285	16,381,146	387.5
31 December 2017	59,220,581	13,126,879	451.1
30 June 2018	60,139,953	12,203,129	492.8
B Accumulation			
31 December 2015	16,410,952	4,677,478	350.9
31 December 2016	10,416,226	2,522,893	412.9
31 December 2017	11,547,738	2,390,708	483.0
30 June 2018	7,661,930	1,448,535	528.9
C Accumulation			
31 December 2015	150,872,494	99,321,698	151.9
31 December 2016	132,750,123	74,002,641	179.4
31 December 2017	113,981,449	54,122,039	210.6
30 June 2018	115,281,381	49,897,633	231.0
D Accumulation			
31 December 2015	59,127,352	50,436,400	117.2
31 December 2016	48,157,011	34,747,527	138.6
31 December 2017	44,034,186	27,036,526	162.9
30 June 2018	44,467,548	24,875,298	178.8
A Accumulation EUR			
31 December 2015	189,172	121,027	156.3
31 December 2016	263,396	143,914	183.0
31 December 2017	183,895	86,278	213.1
30 June 2018	198,400	85,217	232.8
B Accumulation EUR			
31 December 2015	13,869,814	8,209,935	168.9
31 December 2016	16,745,750	8,421,558	198.8
31 December 2017	9,017,005	3,876,522	232.6
30 June 2018	9,181,149	3,604,261	254.7
A Accumulation USD			
31 December 2015	1,093,295	911,189	120.0
31 December 2016	1,770,193	1,259,795	140.5
31 December 2017	842,875	515,217	163.6
30 June 2018	814,243	455,657	178.7
C Accumulation USD			
31 December 2015	451,509	363,760	124.1
31 December 2016	117,501	80,325	146.3
31 December 2017	122,280	71,193	171.8
30 June 2018	113,764	60,374	188.4

Neptune US Opportunities Fund

Fund Information (continued)

Prices

Prices per share class (xd):

Date	Share Class	Price (p/¢)	Yield (%)
2 July 2018	A Accumulation	491.7p	—
	B Accumulation	527.8p	0.04
	C Accumulation	230.5p	0.32
	D Accumulation	178.4p	0.40
	A Accumulation EUR	262.7¢	—
	B Accumulation EUR	287.4¢	0.04
	A Accumulation USD	234.7¢	—
	C Accumulation USD	247.5¢	0.33
2 January 2018	A Accumulation	447.7p	—
	B Accumulation	479.4p	0.05
	C Accumulation	209.0p	0.35
	D Accumulation	161.6p	0.44
	A Accumulation EUR	237.7¢	—
	B Accumulation EUR	259.4¢	0.04
	A Accumulation USD	220.0¢	—
	C Accumulation USD	231.0¢	0.34

Neptune US Opportunities Fund

Fund Information (continued)

Operating Charge Figure (OCF)

The total OCF per share class are as follows:

Date	Share Class	OCF [‡] %
30 June 2018	A Accumulation	1.75
	B Accumulation	1.25
	C Accumulation	0.90
	D Accumulation	0.80
	A Accumulation EUR	1.75
	B Accumulation EUR	1.25
	A Accumulation USD	1.75
	C Accumulation USD	0.90
31 December 2017	A Accumulation	1.70
	B Accumulation	1.20
	C Accumulation	0.85
	D Accumulation	0.75
	A Accumulation EUR	1.70
	B Accumulation EUR	1.20
	A Accumulation USD	1.70
	C Accumulation USD	0.85

[‡]The OCF includes the annual management charges and other expenses. The OCF of the A share class is currently capped at 1.86% per annum, the B share class at 1.36% per annum, the C share class is currently capped at 1.01% per annum and the D share class is currently capped at 0.91% 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 pages 137 to 140.

Details of the distributions per share for the period are shown in the distribution table on page 147.

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.

Neptune US Opportunities Fund

Financial Statements

Statement of Total Return

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Income				
Net capital gains		21,819,417		21,100,844
Revenue	1,468,935		2,092,482	
Expenses	(1,318,838)		(1,440,694)	
Interest payable and similar charges	—		(851)	
Net revenue before taxation	150,097		650,937	
Taxation	(241,381)		(338,331)	
Net (expense)/revenue after taxation		(91,284)		312,606
Total return before equalisation/distribution		21,728,133		21,413,450
Equalisation/distribution		6,769		(431,303)
Change in net assets attributable to shareholders from investment activities		21,734,902		20,982,147

Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 30 June 2018 (unaudited)

	30 June 2018		30 June 2017	
	£	£	£	£
Opening net assets attributable to shareholders		238,950,009		273,703,485
Amounts received on issue of shares	15,732,506		23,015,473	
Amounts paid on cancellation of shares	(38,559,262)		(73,622,023)	
		(22,826,756)		(50,606,550)
Dilution adjustment charged		213		51,679
Change in net assets attributable to shareholders from investment activities		21,734,902		20,982,147
Retained distribution on accumulation shares		—		402,589
Closing net assets attributable to shareholders		237,858,368		244,533,350

The opening net assets attributable to shareholders for 30 June 2018 is different to the closing position of the comparative period, this is due to the comparative being an interim period.

Neptune US Opportunities Fund

Financial Statements (continued)

Balance Sheet

as at 30 June 2018 (unaudited)

	30 June 2018		31 December 2017	
	£	£	£	£
Assets				
Fixed assets				
Investments		235,453,493		236,569,861
Current assets				
Debtors	255,239		181,052	
Cash and bank balances	4,106,040		3,082,911	
Total current assets		4,361,279		3,263,963
Total assets		239,814,772		239,833,824
Liabilities				
Creditors				
Bank overdrafts	(9,531)		—	
Other creditors	(1,946,873)		(883,815)	
Total liabilities		(1,956,404)		(883,815)
Net assets attributable to shareholders		237,858,368		238,950,009

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 2017 and are described in those financial statements.

Neptune US Opportunities Fund

Distribution Table

for the six months ended 30 June 2018 (unaudited) – in pence/cents per share

Interim

Group 1-Shares purchased prior to 1 January 2018

Group 2-Shares purchased on or after 1 January 2018 to 30 June 2018

	Net Revenue	Equalisation	Payable 31 August 2018	Paid 31 August 2017
A Accumulation shares (p)				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation shares (p)				
Group 1	—	—	—	0.2276
Group 2	—	—	—	0.2276
C Accumulation shares (p)				
Group 1	—	—	—	0.4318
Group 2	—	—	—	0.4318
D Accumulation shares (p)				
Group 1	—	—	—	0.4067
Group 2	—	—	—	0.4067
A Accumulation EUR shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
B Accumulation EUR shares (¢)				
Group 1	—	—	—	0.1122
Group 2	—	—	—	0.1122
A Accumulation USD shares (¢)				
Group 1	—	—	—	—
Group 2	—	—	—	—
C Accumulation USD shares (¢)				
Group 1	—	—	—	0.4580
Group 2	—	—	—	0.4580

The Accumulation share classes have changed distribution frequency and going forward will be distributing only at every year end.

Neptune Investment Funds

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 2018 and distributed to shareholders, where applicable, on 31 August 2018.

Report and Financial Statements

This document is a full report of Neptune Investment Funds for the six months ended 30 June 2018.

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
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Directors

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Alexander Catto
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Robert Smith
Daniel Lee (appointed 24 January 2018)

Depositary

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Fund Accountant and Valuing Agent

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Administrator and Registrar

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

Independent Auditor

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Neptune Investment Management Limited is authorised and regulated by the FCA. FCA no. 416015.
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VAT registration no. 887 1263 92.