

# Aberdeen Standard OEIC I

Interim Long Report (unaudited)  
For the six months ended 31 January 2021



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# Report of the Authorised Corporate Director

Aberdeen Standard OEIC I ('the Company') is an open-ended investment company with variable capital. The Company is incorporated in Scotland with registered number SI000001 and is currently authorised pursuant on Regulation 14 of the Open Ended Investment Companies Regulations 2001 (the "OEIC Regulations"). The effective date of the authorisation order made by the Financial Conduct Authority (the "FCA") was 23 December 1997.

The Company is also an UCITS for the purposes of the FCA Rules. Its FCA Product Reference Number ("PRN") is 185045.

## Appointments

### Authorised Corporate Director

Aberdeen Standard Fund Managers Limited

#### Registered Office

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1 Bread Street  
London  
EC4M 9HH

#### Correspondence address

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Chelmsford  
Essex  
CM99 2EE

#### Investment Adviser

Aberdeen Asset Managers Limited  
Registered office  
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Aberdeen  
AB10 1XL

#### Correspondence address

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

#### Depositary

Citibank Europe plc, acting through its UK Branch

#### Registered Office

1 North Wall Quay  
Dublin  
Ireland

#### Correspondence address

Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

#### Auditors

KPMG LLP  
St Vincent Plaza  
319 St Vincent Street  
Glasgow  
G2 5AS

#### Registrar

SS&C Financial Services Europe Limited  
SS&C House  
St. Nicholas Lane  
Basildon  
Essex  
SS16 5FS

#### Note:

The Authorised Corporate Director (the ACD), Aberdeen Asset Managers Limited, Aberdeen Asset Management Asia Limited, Aberdeen Fund Management Limited and Aberdeen Asset Management Inc are wholly owned subsidiaries of Aberdeen Asset Management PLC, and are accordingly associates. The Investment Advisers have the authority of the ACD to make decisions on its behalf in all aspects of the investment management of the investments and other property of the Company. The main terms of the agreement with each investment adviser are that it should have the authority of the ACD to make decisions on its behalf in all aspects of the investment management of the investments and other property of the Company, including the Company's powers to enter into hedging transactions relating to efficient portfolio management. The adviser's powers extend to all of the property of the Company except any part which the ACD excludes from the adviser's powers. The adviser is to report details of each transaction to the ACD and to confer with the ACD when required by it. The ACD will notify the adviser of additional cash available for the investment.

The ACD and Authorised Fund Manager of the Company is Aberdeen Standard Fund Managers Limited, a private company limited by shares which was incorporated in England and Wales on 7 November 1962. Its ultimate holding company is Standard Life Aberdeen plc, which is incorporated in Scotland.

Financial details and Fund Managers' reviews of the individual funds for the six months ended 31 January 2021 are given in the following pages of this report.

Each fund has an individual investment objective and policy and each differs in regard to the extent to which they concentrate on achieving income or capital growth. There may be funds added to the umbrella of Aberdeen Standard OEIC I (with consent of the FCA and the Depositary) in the future.

The funds are valued on a mid-price basis and dealt at a single price regardless of whether a purchase or sale is being affected. The daily price for each fund appears on the Aberdeen Standard website at [aberdeenstandard.com](http://aberdeenstandard.com).

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other fund, and shall not be available for any such purpose.

The shareholders are not liable for the debts of the Company.

All fees charged by the Investment Adviser will be borne by the ACD.

### Significant Events

Investors will be aware of the COVID-19 outbreak and that the outlook for many capital markets has been volatile since 31 January 2021, the interim of Aberdeen Standard OEIC I. Whilst the impact of COVID-19 was reflected in fund operations and global markets at year end, the continued efforts to mitigate the pandemic through global lockdowns and government interventions have resulted in prolonged market uncertainty. As a result, the NAVs of certain funds have fluctuated significantly since the interim. The COVID -19 update below each balance sheet provides a quantification of this fluctuation in NAV.

The Management Company has delegated various tasks to Aberdeen Standard Investments Investor Protection Committee (IPC). The IPC is responsible for ensuring the fair treatment of investors. The IPC undertakes daily reviews of the following:

- Market liquidity across each asset class and fund;
- Asset class bid-offer spread monitoring;
- Review of fund level dilution rate appropriateness;
- Review of daily subscriptions/redemptions to anticipate any potential concerns to meet redemption proceeds;
- Any requirement to gate or defer redemptions;
- Any requirement to suspend a fund(s);
- Any fair value price adjustments at a fund level.

The Management Company has also evaluated, and will continue to evaluate, the operational resilience of all service providers.

As at 29 March 2021, Aberdeen Standard OEIC I funds' have not been suspended and based on the Manager's assessment of the factors noted above, has adequate financial resources to continue in operation.

### Developments and Prospectus updates since 1 August 2020

- On 1 September 2020 the ASI Sterling Opportunistic Corporate Bond Fund I Gross Inc was closed;
- On 19 October 2020 the ASI Sterling Opportunistic Corporate Bond Fund was closed;
- On 26 October 2020, the ASI Global High Yield Bond Fund was closed;
- On 8 January 2021 an ex-gratia payment was made from Aberdeen Standard Fund Managers Limited to the ASI UK Responsible Equity Fund. The impact on the NAV of the fund from this payment was 0.20%;
- The list of funds managed by the ACD was updated, where appropriate;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians was refreshed, where appropriate;
- The list of eligible markets was refreshed, where appropriate.

### Assessment of Value

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, Aberdeen Standard Fund Managers Limited is required to perform a detailed assessment on whether our funds are "providing value to investors". The resulting findings will be published within 4 months of the fund year end date and can be found on the 'Fund Centre' pages of our website.

## Review

Global equities rose over the last six months. Shares in China, and those in other emerging markets performed particularly well, with continued central bank support and easing lockdown restrictions supporting prices. Fears of a second wave dampened enthusiasm, but this was outweighed by the US presidential elections, news of positive vaccine trials, the approval of the US\$900 billion stimulus programme in the US, the Brexit deal and a new proposed US\$1.9 trillion stimulus package by new President Biden.

UK equities performed well over the period, with smaller companies faring better compared to their blue-chip counterparts. Amid a second Covid-19 wave and continued uncertainty around Brexit, stocks mostly dipped until November, when the US presidential election and vaccine news lifted sentiment and spurred a strong rally. This was further bolstered by the Brexit trade deal, sending stocks even higher at the end of 2020. This momentum took a brief pause in January 2021, as most of the UK entered new lockdowns and fears of a return to recession loomed. To provide further economic relief, the government announced it would be extending its furlough scheme until the end of April 2021, even as unemployment crept up to 5.0%. The central bank also boosted its bond-buying scheme by a further £150 billion.

US equity markets were strong over the period, although the S&P 500 dipped slightly right at the end of the period. There were a few hiccups stemming from uncertainty surrounding the presidential election and further stimulus programmes, but the US stock market maintained a strong uptrend throughout the entire period. After the elections, coupled with positive vaccine news, markets rallied further. In December, despite daily coronavirus cases continuing to tick upward, equities ended the year at new all-time highs, with Trump finally signing a new US\$900 billion stimulus package. President Biden also proposed a new US\$1.9 trillion stimulus programme in January.

European equities rose in aggregate over the review period. On one end, gloomy economic data, a spike in Covid-19 cases, lockdown fears and actual lockdowns in Germany, France, and Italy dragged down sentiment. On the other end, the result of the US presidential elections, positive vaccine news (including the roll out of vaccination programmes), a last-minute Brexit deal and President Biden's new proposed stimulus package all served to buoy markets. However, renewed lockdown measures at the beginning of 2021, in conjunction with mixed economic data, halted some of that upward momentum.

Japanese equities rose over the six months. The beginning of the period saw a strong performance by the markets, even as data showed a record second-quarter decline in economic growth. After a brief fall in October, sentiment lifted again on news of the US presidential election, successful vaccine trials, the approval of the US stimulus bill, plus an additional ¥73.6 trillion stimulus package in Japan. Markets dipped slightly in January as the government declared a state of emergency in Tokyo and other emergency hubs.

Asia Pacific stocks performed well over the review period, driven by a weaker US dollar as well as investor optimism stemming from positive vaccine news, the new US stimulus package and the result of the US presidential elections. China demonstrated notable strength, powered by consumer, technology and healthcare stocks.

Government bond yields largely rose over the period, as risk sentiment returned on news of the US presidential elections, vaccine news, the Brexit deal and the approval of large stimulus bills. In terms of monetary policy, the US Federal Reserve and European Central Bank kept rates unchanged over the period. Corporate bond markets benefitted from this increased risk sentiment, with the high-yield market also showing good performance, as persistently low interest rates continued to drive the search for relative yield.

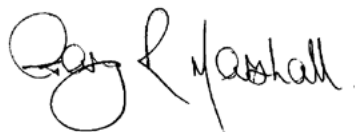
## Outlook

Stock markets have enjoyed a strong rebound from the low point in March. Increasing optimism that recent Covid-19 vaccine approvals may help fuel a sharp economic recovery in 2021 led to the shift. Low interest rates are supportive for equities and continued fiscal action should provide extra support. Spikes in market volatility are likely, with the potential sources being Covid-19 infection news flow, vaccine development setbacks, weak corporate earnings or policy mistakes.

The coronavirus pandemic, economic factors and politics continue to dominate fixed income markets. The roll out of Covid-19 vaccination programmes was a major positive. But the emergence of new viral strains, and surging global infection rates and deaths, counteracted this to an extent. In response, many countries reimplemented stringent lockdowns comparable to earlier in 2020. On the political front, following two closely fought Senate elections in the state of Georgia, the Democrats now control both houses of Congress. Such an outcome gives US President Joe Biden more leeway to implement his legislative agenda.

## Authorised Corporate Director's Statement

In accordance with the requirements of the COLL Rules as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of Aberdeen Standard Fund Managers Limited, the Authorised Corporate Director.



**Gary Marshall**  
Director  
Aberdeen Standard Fund Managers Limited  
29 March 2021



**Aron Mitchell**  
Director  
Aberdeen Standard Fund Managers Limited  
29 March 2021

# Notes to the financial statements of Aberdeen Standard OEIC I

## Accounting Policies

For the six months ended 31 January 2021.

### Basis of accounting

The financial statements for each of the funds' have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 (IMA SORP 2014), Financial Reporting Standard (FRS) 102 and United Kingdom Generally Accepted Accounting Practice.

The ACD has considered the impact of the emergence and spread of COVID-19 and potential implications on future operations of the funds of reasonably plausible downside scenarios. The ACD has undertaken a detailed assessment, and continues to monitor, the fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the funds continue to be open for trading and the ACD is satisfied the funds have adequate financial resources to continue in operation and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

The financial statements have been prepared on a going concern basis, except for ASI Euro Corporate Bond Fund, ASI Global High Yield Bond and ASI Sterling Opportunistic Corporate Bond Fund.

### Distribution policy

All of the net revenue available for distribution at the year end will be distributed. Where a fund has accumulation shareholders, this will be reinvested. Where a fund has income shareholders, this will be paid.

Where the ACD has discretion about the extent to which revenue and expenses are recognised within the distributable income property of the fund, the approach adopted, at all times, will be governed by the aim of maximising the total return to shareholders through limiting avoidable taxation costs.

Where expenses are charged to capital, or returned equalisation is not allocated back to the investment, this will increase the distribution with a corresponding reduction to capital. The tax accounting treatment follows that of the principal amount, with charges or reliefs allocated using the marginal basis regardless of the treatment used in determining the distribution. However, to meet the investment objectives and for the purposes of calculating the distribution the effect of marginal tax relief between capital and revenue is not recognised on some income share classes.

Marginal relief is applied at a share class level in line with the prospectus objectives. Classes highlighted in the prospectus with an income profile would protect the yield from underlying investments for distribution purposes. Where applicable, this is disclosed in aggregate for each fund in the distribution note.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. Cash flows associated with derivative transactions are allocated between the revenue and capital property of the funds according to the motives and circumstances of the particular derivative strategy. The investment manager articulates the motives and circumstances underlying the derivative strategy and the ACD assesses these in association with financial reporting constraints enshrined within the SORP to allocate the cash flows accordingly.

## Cross Holding table as at 31 January 2021

		Holding Fund					
		ASI Asia Pacific Equity Fund		ASI Europe ex UK Equity Fund		ASI European High Yield Bond Fund	
		Number of Units	Market Value £'000	Number of Units	Market Value £'000	Number of Units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	-	-	-	-	2,378,473	3,170
	ASI Multi Asset Fund	544,145	2,542	597,436	1,884	-	-

		Holding Fund			
		ASI (AAM) Sterling Government Bond Fund		ASI Strategic Bond Fund	
		Number of Units	Market Value £'000	Number of Units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	-	-	12,496,525	23,537
	ASI Multi Asset Fund	16,637,607	20,431	-	-

No other such cross-holdings, between other sub-funds in the Aberdeen Standard OEIC I, were held as at 31 January 2021.

## Cross Holding table as at 31 January 2020

		Holding Fund							
		ASI Asia Pacific Equity Fund		ASI European High Yield Bond Fund		ASI (AAM) Sterling Government Bond Fund		ASI Strategic Bond Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000	Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	-	-	11,940,565	15,116	-	-	14,500,650	25,671
	ASI Multi Asset Fund	189,068	664	-	-	19,277,027	22,872	-	-
	ASI Sterling Opportunistic Corporate Bond Fund	-	-	-	-	-	-	14,047,797	24,869

No other such cross-holdings, between other sub-funds in the Aberdeen Standard OEIC I, were held as at 31 January 2020.



# ASI (AAM) Sterling Government Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government bonds.

**Performance Target:** To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government.
- The fund may also invest in investment grade bonds issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts All Stocks Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, to reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI (AAM) Sterling Government Bond Fund – A Accumulation Shares decreased by 3.01% compared to a decrease of 2.69% in the performance target, FTSE Actuaries UK Conventional Gilts All Stocks Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

In the six months to the end of January, the UK gilt market was driven by the pandemic, monetary policy and geopolitical uncertainty. Gilt yields stayed mostly range-bound up until January. In the new year, the US election results coupled with the roll-out of various Covid-19 vaccines saw increased optimism and global yields started to rise.

The Bank of England (BoE) kept interest rates unchanged throughout. The prospect of negative rates kept front end yields anchored and the aggressive gilt-buying programme kept gilt yields mostly range-bound. The BoE introduced the idea that UK rates could go negative in the summer as such the market started to price in rates below zero. This sentiment grew in August but subsided when the BoE released a somewhat unenthusiastic assessment of negative rates. During the fourth quarter of 2020, the BoE extended its QE gilt buying programme, but again chose not to introduce negative rates. In February, the BoE will release their internal assessment on negative rates and as such whether they will officially become part of their monetary policy toolbox.

Brexit was also a major factor for gilts over the period. The UK and European leaders met several times over the summer months, but with little progress. Fishing rights, state aid and governance were persistent sticking points. And the highly controversial Internal Markets Bill, proposed by the Conservative government and passed in the House of Commons, looked to override some of the powers of the Withdrawal Agreement, was met with international condemnation.

The end of the year saw daunting back and forth headlines between the European Union (EU) and the UK, which moved gilt yields up and down. It was clear that neither side wanted a 'no-deal' outcome, but equally clear was that neither side was willing to concede on the main issues. However, just as investors started digesting the idea of a 'no-deal' Brexit, the UK and EU finally struck a trade deal on Christmas Eve. Gilt yields briefly rose after the announcement.

Covid-19 also continued to dominate internal headlines, with Wales and Scotland announcing new lockdown measures in October, and England followed close behind in November. However, November also saw the announcement of positive, long-awaited Covid-19 news, with Pfizer-BioNTech reporting promising vaccine trial

results – Moderna and Oxford-AstraZeneca quickly followed suit. The start of the vaccination programme in the UK in December led to rising optimism about an economic rebound, with gilt yields spiking as a result. However, after the discovery of a new strain and a steep escalation in Covid-19 case numbers, the government tightened up restrictions. This led to gilts rallying into year-end.

At the end of the period, optimism increased, driven by US politics and the roll out of Covid-19 vaccines in the UK, despite the UK being plunged back into complete lockdown in early January. In the US, Democrat Joe Biden won November's election and the Democrats won both Senate seats in January's Georgia run-off elections, giving the President control of both the Senate and Congress. In theory, this should give the Democrats greater flexibility and power in the coming years, starting with a Covid-19 fiscal package in the coming weeks. Hopes of further US stimulus saw yields rise globally, with curves steepening due to the reflation theme.

### Portfolio Activity

Broadly speaking, the fund entered the period with a similar country bias that we have favoured throughout most of 2020. In particular, longs in dollar bloc government bond markets (US, Canada and Australia) relative to those in Europe and the UK.

During the third quarter of 2020, we adopted a relatively constructive view on government bonds and had a net long duration strategy. Our rationale for this bias within the fund was driven by concerns surrounding a potential second wave of Covid-19 infections, alongside expectations for continued accommodative monetary policy from major central banks.

As we approached the fourth quarter, we faced a number of challenges to this bullish government bond environment. In particular, the potential for a new Democrat-led administration in the US, delivery of an effective Covid-19 vaccine and a positive conclusion to Brexit negotiations.

With these risks at the forefront of our minds, and cognisant of a distinct loss of momentum in the government bond rally, we took the decision to gradually reduce the beta of the fund. Initially, we adopted a greater number of diversifying strategies and later scaled back our overweight duration position to neutral as we entered 2021.

Specifically, in gilts, we remained very tactical throughout the second half of 2020. The gilt market remained very range-bound throughout the period. This was due to the aggressive gilt-buying programme from the BoE and the rhetoric around negative rates, which acted as an anchor for front-end yields. As gilt yields moved lower, driven by Brexit headlines, we were happy to oppose the moves. Our view on Brexit was that a deal would be reached, but only at the last minute. Therefore, any optimism in September and October, for example, was misplaced.

At the end of 2020, we established a curve steepener in the UK, which we added to in January. Our view is that the vaccine programme in the UK will enable the economy to get back to some form of normality in the second quarter. As a result, the BoE will start to reduce the pace of gilt purchases. We also see the supply programme in the UK as skewed towards the long end. Therefore, curves should steepen, in our opinion.

### Portfolio Outlook and Strategy

The UK's vaccine programme has been a lot more competent than anybody could have expected. As a result, we believe the opening of the economy will come sooner than forecast. Therefore, we see the BoE stepping away from negative rates, and talk of reducing the speed of quantitative easing will result in slightly higher gilt yields and a steeper curve.

This optimism may remain in markets throughout the second quarter. As we get through summer, the fiscal support we have seen throughout the pandemic will be withdrawn and we will finally see what the result of the pandemic has been on the UK economy. Coupled with the pandemic, we have also had Brexit. The negative impacts of the wafer-thin trade deal will also become apparent.

### Pan Euro Macro Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	679	852	833	2,928
Closing number of shares	341,191	415,551	442,462	1,662,076
Closing net asset value per share (pence)	199.01	204.99	188.32	176.14
Change in net asset value per share	(2.92%)	8.85%	6.91%	0.37%
Operating charges	0.95%	0.95%	0.96%	1.13%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	703	727	769	530
Closing number of shares	466,914	468,986	540,193	397,647
Closing net asset value per share (pence)	150.48	155.00	142.40	133.36
Change in net asset value per share	(2.92%)	8.85%	6.78%	0.13%
Operating charges	0.95%	0.95%	0.96%	1.13%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	91,866	96,389	110,802	83,282
Closing number of shares	44,297,228	45,223,824	56,844,194	45,843,150
Closing net asset value per share (pence)	207.39	213.14	194.92	181.67
Change in net asset value per share	(2.70%)	9.35%	7.29%	0.87%
Operating charges	0.50%	0.50%	0.50%	0.63%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	426	535	615	480
Closing number of shares	343,615	419,573	525,084	437,392
Closing net asset value per share (pence)	123.91	127.46	117.07	109.70
Change in net asset value per share	(2.79%)	8.88%	6.72%	0.11%
Operating charges	0.50%	0.50%	0.50%	0.63%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	903	903	100	
Closing net asset value per share (pence)	117.50	120.68	110.07	
Change in net asset value per share	(2.64%)	9.64%	-	
Operating charges	0.55%	0.55%	0.55%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	915	915	100	
Closing net asset value per share (pence)	115.04	118.33	108.44	
Change in net asset value per share	(2.78%)	9.12%	-	
Operating charges	0.55%	0.55%	0.55%	

P Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	20	21	19	19
Closing number of shares	12,825	12,825	12,825	13,578
Closing net asset value per share (pence)	158.92	163.47	150.15	141.00
Change in net asset value per share	(2.78%)	8.87%	6.49%	0.10%
Operating charges	0.34%	0.33%	0.33%	0.36%
Q Gross Income shares <sup>c</sup>			31 July 2019	31 July 2018
Closing net asset value (£'000)			14	1,685
Closing number of shares			9,655	1,197,757
Closing net asset value per share (pence)			149.81	140.69
Change in net asset value per share			6.48%	0.07%
Operating charges			0.27%	0.27%
Q Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	31	72	68	283
Closing number of shares	19,365	44,341	45,104	200,924
Closing net asset value per share (pence)	158.91	163.45	150.13	140.99
Change in net asset value per share	(2.78%)	8.87%	6.48%	0.10%
Operating charges	0.28%	0.27%	0.27%	0.27%
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	45,038	43,017	39,961	36,165
Closing number of shares	36,680,130	34,157,607	34,835,369	33,959,173
Closing net asset value per share (pence)	122.79	125.94	114.71	106.50
Change in net asset value per share	(2.50%)	9.79%	7.71%	1.36%
Operating charges	0.10%	0.10%	0.10%	0.13%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>a</sup> M Accumulation share class was launched on 28 November 2018.

<sup>b</sup> M Income share class was launched on 28 November 2018.

<sup>c</sup> Q Gross income share class closed on 23 October 2019.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (98.17%)</b>		<b>135,545</b>	<b>97.68</b>
<b>Sterling Denominated Bonds (94.01%)</b>		<b>135,545</b>	<b>97.68</b>
<b>Corporate Bonds (2.44%)</b>		<b>3,339</b>	<b>2.41</b>
less than 5 years to maturity			
1,207,000	BNG Bank 1.625% 2025	1,285	0.93
1,988,000	KFW 1.25% 2023	2,054	1.48
<b>Government Bonds (91.57%)</b>		<b>132,206</b>	<b>95.27</b>
less than 5 years to maturity			
4,892,000	UK (Govt of) 0.125% 2023	4,910	3.54
6,529,000	UK (Govt of) 0.5% 2022*	6,587	4.75
2,932,000	UK (Govt of) 1.75% 2022	3,019	2.18
760,000	UK (Govt of) 2.25% 2023	806	0.58
2,678,298	UK (Govt of) 2.75% 2024	2,950	2.13
2,487,000	UK (Govt of) 4% 2022	2,599	1.87
2,793,000	UK (Govt of) 5% 2025	3,372	2.43
2,677,000	UK (Govt of) 8% 2021	2,753	1.98
between 5 and 10 years to maturity			
687,000	PRS Finance 2% 2029	755	0.54
1,343,000	UK (Govt of) 0.125% 2026	1,350	0.97
1,516,000	UK (Govt of) 0.125% 2028	1,512	1.09
6,183,000	UK (Govt of) 0.375% 2030	6,204	4.47
2,660,000	UK (Govt of) 0.875% 2029	2,800	2.02
6,132,403	UK (Govt of) 1.25% 2027	6,585	4.75
2,670,000	UK (Govt of) 1.5% 2026	2,886	2.08
2,745,000	UK (Govt of) 1.625% 2028	3,051	2.20
2,671,000	UK (Govt of) 4.25% 2027	3,426	2.47
6,250,000	UK (Govt of) 4.75% 2030	8,930	6.43
1,450,000	UK (Govt of) 6% 2028	2,104	1.52
between 10 and 15 years to maturity			
1,279,000	UK (Govt of) 0.625% 2035	1,273	0.92
2,949,066	UK (Govt of) 4.25% 2032	4,197	3.02
200,000	UK (Govt of) 4.5% 2034	304	0.22
between 15 and 25 years to maturity			
6,218,846	UK (Govt of) 1.25% 2041	6,716	4.84
2,449,000	UK (Govt of) 1.75% 2037	2,845	2.05

Holding	Investment	Market Value £'000	Percentage of total net assets
2,084,338	UK (Govt of) 3.25% 2044	3,124	2.25
903,000	UK (Govt of) 3.5% 2045	1,418	1.02
2,268,569	UK (Govt of) 4.25% 2036	3,452	2.49
1,226,000	UK (Govt of) 4.25% 2039	1,973	1.42
1,865,000	UK (Govt of) 4.25% 2040	3,053	2.20
1,931,637	UK (Govt of) 4.5% 2042	3,352	2.42
861,450	UK (Govt of) 4.75% 2038	1,447	1.04
greater than 25 years to maturity			
1,001,828	UK (Govt of) 0.5% 2061	897	0.65
1,386,000	UK (Govt of) 0.625% 2050	1,290	0.93
4,499,000	UK (Govt of) 0.875% 2046	4,486	3.23
1,825,429	UK (Govt of) 1.5% 2047	2,091	1.51
4,087,000	UK (Govt of) 1.625% 2054	4,989	3.58
480,476	UK (Govt of) 1.625% 2071	666	0.48
537,894	UK (Govt of) 1.75% 2049	654	0.47
5,149,000	UK (Govt of) 1.75% 2057	6,638	4.78
1,483,590	UK (Govt of) 2.5% 2065	2,427	1.75
1,436,877	UK (Govt of) 3.5% 2068	2,982	2.15
468,930	UK (Govt of) 3.75% 2052	842	0.61
957,710	UK (Govt of) 4% 2060	1,976	1.42
807,000	UK (Govt of) 4.25% 2046	1,437	1.04
532,000	UK (Govt of) 4.25% 2055	1,078	0.78
Swedish Krona Denominated Bonds (2.77%)		-	-
Government Bonds (2.77%)		-	-
US Dollar Denominated Bonds (1.39%)		-	-
Government Bonds (1.39%)		-	-
Derivatives (-0.04%)		(99)	(0.07)
Forward Currency Contracts (0.03%)		(6)	-
	Buy GBP 103,826 Sell AUD 188,000 10/03/2021	(1)	-
	Buy GBP 69,599 Sell EUR 77,000 10/03/2021	1	-
	Buy GBP 483,680 Sell USD 651,000 10/03/2021	10	0.01
	Buy USD 651,000 Sell GBP 489,532 10/03/2021	(16)	(0.01)

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Futures (-0.08%)</b>		<b>20</b>	<b>0.01</b>
1	Long Long Gilt Future 29/03/2021	-	-
(42)	Short Australia 10 Year Bond Future 15/09/2020	13	-
(66)	Short US 10 Year Ultra Future 22/03/2021	7	0.01
<b>Interest Rate Swaps (0.01%)</b>		<b>(113)</b>	<b>(0.08)</b>
EUR 2,425,000	Pay fixed 0.4730 receive floating EUR-EURIBOR 18/09/2035	83	0.06
EUR 7,267,000	Pay floating 0.15000 receive fixed EUR-EURIBOR 18/09/2035	(60)	(0.04)
CAD 22,725,000	Pay floating 0.79830 receive fixed CAD-BA 25/07/2024	(18)	(0.01)
CAD 7,575,000	Pay floating 0.80000 receive fixed CAD-BA 25/07/2024	(6)	-
AUD 6,265,000	Pay floating 0.80400 receive fixed AUD-BBSW 08/01/2027	(25)	(0.02)
AUD 6,265,000	Pay floating 0.81200 receive fixed AUD-BBSW 08/01/2027	(24)	(0.02)
AUD 6,265,000	Pay floating 0.82600 receive fixed CAD-BA 05/01/2027	(23)	(0.03)
AUD 6,265,000	Pay floating 0.88000 receive fixed AUD-BBSW 08/01/2027	(17)	(0.01)
CAD 13,571,000	Pay floating 0.91150 receive fixed CAD-BA 04/01/2025	(17)	(0.01)
AUD 8,196,000	Pay floating 1.01000 receive fixed AUD-BBSW 15/01/2027	(6)	-
<b>Total investment assets and liabilities</b>		<b>135,446</b>	<b>97.61</b>
<b>Net other assets</b>		<b>3,319</b>	<b>2.39</b>
<b>Total Net Assets</b>		<b>138,765</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* A portion of this security is on loan at the period end.



**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(3,985)		4,731
Revenue	478		726	
Expenses	(266)		(306)	
Interest payable and similar charges	(11)		-	
Net revenue before taxation	201		420	
Taxation	-		-	
Net revenue after taxation		201		420
<b>Total return before distributions</b>		<b>(3,784)</b>		<b>5,151</b>
Distributions		(203)		(420)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(3,987)</b>		<b>4,731</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>141,615</b>		<b>153,081</b>
Amounts receivable on the issue of shares	7,782		10,441	
Amounts payable on the cancellation of shares	(6,854)		(7,898)	
		928		2,543
Change in net assets attributable to shareholders from investment activities (see above)		(3,987)		4,731
Retained distribution on accumulation shares		209		437
<b>Closing net assets attributable to shareholders</b>		<b>138,765</b>		<b>160,792</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		135,659		139,377
<b>Current assets:</b>				
Debtors	1,258		602	
Cash and bank balances	3,119		3,569	
		4,377		4,171
<b>Total assets</b>		<b>140,036</b>		<b>143,548</b>
<b>Liabilities:</b>				
Investment liabilities		(213)		(404)
Creditors	(1,058)		(1,528)	
Distribution payable	-		(1)	
		(1,058)		(1,529)
<b>Total liabilities</b>		<b>(1,271)</b>		<b>(1,933)</b>
<b>Net assets attributable to shareholders</b>		<b>138,765</b>		<b>141,615</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 5.7% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation shares</b>				
Group 1	0.1778	-	0.1778	0.4387
Group 2	0.0151	0.1627	0.1778	0.4387
<b>I Income shares</b>				
Group 1	0.1064	-	0.1064	0.2635
Group 2	0.0480	0.0584	0.1064	0.2635
<b>M Accumulation shares</b>				
Group 1	0.1739	-	0.1739	0.2238
Group 2	0.1739	-	0.1739	0.2238
<b>M Income shares</b>				
Group 1	0.1782	-	0.1782	0.2317
Group 2	0.1782	-	0.1782	0.2317
<b>P Income shares</b>				
Group 1	0.2680	-	0.2680	0.4727
Group 2	0.2680	-	0.2680	0.4727
<b>Q Income shares</b>				
Group 1	0.3221	-	0.3221	0.5147
Group 2	0.3221	-	0.3221	0.5147
<b>Z Accumulation shares</b>				
Group 1	0.3544	-	0.3544	0.4930
Group 2	0.0968	0.2576	0.3544	0.4930

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI (AAM) Sterling Short Dated Corporate Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the medium term (3 to 5 years) by investing in Sterling denominated investment grade corporate bonds with maturities of up to 5 years.

**Performance Target:** To achieve the return of the iBoxx Sterling Corporates (1-5 year) Index plus 0.25% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The Fund will invest at least 60% in Sterling denominated investment grade corporate bonds with a maturity of up to 5 years.
- The Fund may also invest in bonds of any maturity, issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The Fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The Fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing company's prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the iBoxx Sterling Corporates (1-5 year) Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the Fund and the index is not ordinarily expected to exceed 1.5%. Due to the Fund's risk constraints the intention is that the Fund's performance will not deviate significantly from that of the index over the long term.

Please Note: The Fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The Fund will routinely use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the Fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI (AAM) Sterling Short Dated Corporate Bond Fund – A Accumulation Shares increased by 2.06% compared to an increase of 2.03% in the performance target, iBoxx Sterling Corporates (1-5 year) Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Corporate bonds performed well over the last six months, with sterling-denominated issues outperforming UK gilts. As markets continued recovering from volatility experienced earlier in 2020, investor sentiment was positive for sterling credit. Although the Covid-19 pandemic was an omnipresent theme throughout the period, positivity around vaccination programmes, an economic recovery and politics made for rising prices. This was particularly true for riskier issues, including high-yield bonds.

At the beginning of the period, global bond markets were beginning to recover from the sharp falls of March and April, when the impact of the pandemic was becoming clear. The major central banks had cut interest rates to record lows before the period began. Moreover, the major central banks all purchased corporate bonds through their stimulus programmes. Credit spreads began to narrow from elevated levels, as investors re-evaluated the riskiness of corporate bonds – taking a more relaxed view on creditworthiness. Together these factors pushed yields lower, and prices higher, throughout the period.

Bond issuance has been high, with many companies taking advantage of low yields to refinance their debt or raise funds to cushion economic uncertainty. But bond prices fell slightly in September and October as investors sold out of riskier debt, concerned about the potential for rising defaults amid uncertainty from rising coronavirus cases and the US election. November saw a resumption of the upward trend on positive news flow stemming from vaccine breakthroughs and the US presidential election outcome. This extended into December, driven by vaccine optimism and the agreement of the Brexit trade deal.

January 2021 saw a mixed performance, with corporate bond indices falling in aggregate as government bond yields rose. However, high-yield indices still increased. There was some optimism for riskier corporate bonds, with ratings agency Fitch lowering its expectations for defaults in 2021.

## Portfolio Activity

The fund outperformed on an absolute and relative basis over the period, driven primarily by positive security selection. UK financials, where the fund is overweight, performed strongly as the terms of the Brexit deal were finalised at the end of 2020. This gave a boost to the performance of domestically focused retail banks, such as Virgin Money and NatWest Group, where the fund is overweight. In addition, Deutsche Bank 2024 bonds (held within the fund) outperformed as the bank continued to show

good progress in its cost targets and improvement in its credit metrics, which saw its outlook moved from negative to stable by Moody's. Subordinated insurance also performed strongly over the period. However, this was a slight drag on performance due to the fund being slightly underweight the sector, while remain focused in lower-beta names such as Aviva and Zurich.

Security selection was also positive within non-financials. In automotives, overweight positioning in the 2025 bonds of General Motors contributed positively, as US manufacturers outperformed versus their European counterparts. Similarly, a position in the euro-denominated hybrids of Volkswagen outperformed versus higher-rated BMW and Daimler. In utilities, overweight positioning in the subordinated bonds of Thames Water and Yorkshire Water outperformed as spreads among lower-rated names compressed. Transport operators such as FirstGroup 2024 bonds also performed well, boosted by the positive developments on vaccines during the period.

#### Portfolio Outlook and Strategy

Investment-grade asset classes are still benefiting from strong investor flows, predominantly from income seeking and liability matching buyers. Central banks continue to influence these markets significantly and provide some support. A material back-up in government bond yields as economies recover remains a threat to the asset class, and valuations (in spread terms) are no longer that attractive. Positive technicals and improving fundamentals are dominating, for the time being.

#### Sterling IG and Aggregate Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	5	5	23	23
Closing number of shares	5,001	5,001	22,302	23,100
Closing net asset value per share (pence)	107.97	105.75	103.69	100.82
Change in net asset value per share	2.10%	1.99%	2.85%	(0.02%)
Operating charges	0.65%	0.65%	0.65%	0.67%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	35	35	5	6
Closing number of shares	34,291	34,291	5,000	6,000
Closing net asset value per share (pence)	101.65	100.43	100.13	98.73
Change in net asset value per share	1.21%	0.30%	1.42%	(1.30%)
Operating charges	0.65%	0.65%	0.65%	0.67%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	9,351	18,445	29,071	26,810
Closing number of shares	8,553,533	17,255,589	27,814,788	26,461,490
Closing net asset value per share (pence)	109.32	106.90	104.52	101.32
Change in net asset value per share	2.26%	2.28%	3.16%	0.22%
Operating charges	0.35%	0.35%	0.35%	0.37%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	8,649	18,610	24,255	24,160
Closing number of shares	8,511,021	18,537,548	24,233,769	24,483,373
Closing net asset value per share (pence)	101.62	100.39	100.08	98.68
Change in net asset value per share	1.23%	0.31%	1.42%	(1.37%)
Operating charges	0.35%	0.35%	0.35%	0.37%
K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	5,763	18,202	26,002	22,633
Closing number of shares	5,248,869	16,962,525	24,808,352	22,298,789
Closing net asset value per share (pence)	109.80	107.30	104.81	101.50
Change in net asset value per share	2.33%	2.38%	3.26%	0.33%
Operating charges	0.25%	0.25%	0.25%	0.27%
K Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	17,593	56,172	94,747	88,478
Closing number of shares	17,314,575	55,957,531	94,671,398	89,663,973
Closing net asset value per share (pence)	101.61	100.38	100.08	98.68
Change in net asset value per share	1.23%	0.30%	1.42%	(1.36%)
Operating charges	0.25%	0.25%	0.25%	0.27%

<b>M Accumulation shares<sup>A</sup></b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	964	964	100	
Closing net asset value per share (pence)	108.70	106.32	103.87	
Change in net asset value per share	2.24%	2.36%	-	
Operating charges	0.40%	0.40%	0.40%	
<b>M Income shares<sup>B</sup></b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	979	979	100	
Closing net asset value per share (pence)	103.64	102.39	102.06	
Change in net asset value per share	1.22%	0.32%	-	
Operating charges	0.40%	0.40%	0.40%	
<b>Z Accumulation shares</b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	6	5	5	6
Closing number of shares	5,001	5,001	5,001	6,000
Closing net asset value per share (pence)	110.71	108.10	105.38	101.86
Change in net asset value per share	2.41%	2.58%	3.46%	0.50%
Operating charges	0.05%	0.05%	0.05%	0.07%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 29 November 2018.

<sup>B</sup> M Income share class was launched on 29 November 2018.



## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (96.43%)</b>		<b>41,001</b>	<b>99.03</b>
<b>Euro Denominated Bonds (2.64%)</b>		<b>193</b>	<b>0.47</b>
<b>Corporate Bonds (2.64%)</b>		<b>193</b>	<b>0.47</b>
Perpetual			
200,000	Engie 3.25% fixed to floating Perpetual	193	0.47
<b>Sterling Denominated Bonds (86.39%)</b>		<b>38,034</b>	<b>91.86</b>
<b>Corporate Bonds (86.14%)</b>		<b>38,034</b>	<b>91.86</b>
less than 5 years to maturity			
200,000	ABN Amro 1.375% 2025	206	0.50
1,150,000	AMP Group Finance Services 6.875% 2022	1,214	2.93
389,000	APT Pipelines 4.25% 2024	440	1.06
169,000	Australia & New Zealand Bank FRN 2022	170	0.41
200,000	Banco Santander 2.75% 2023	210	0.51
281,000	Barclays 2.375% 2023	288	0.70
476,000	Barclays 3.125% 2024	505	1.22
278,000	BMW 1.25% 2022	282	0.68
350,000	British American Tobacco 6% 2022	377	0.91
600,000	BUPA 5% 2023	650	1.57
301,000	Citigroup 2.75% 2024	320	0.77
449,000	Citigroup 5.875% 2024	522	1.26
200,000	Cooperatieve Rabobank 1.25% 2025	205	0.49
450,000	Coventry Building Society 1.5% 2023	458	1.11
300,000	Credit Suisse 2.125% fixed to floating 2025	313	0.76
400,000	Credit Suisse 2.75% 2025	433	1.05
900,000	Deutsche Bank 2.625% 2024	944	2.28
400,000	Deutsche Pfandbriefbank 1.75% 2022	405	0.98
403,000	DNB Bank 1.375% 2023	412	0.99
500,000	Eastern Power Networks 5.75% 2024	580	1.40
200,000	FCA Capital Ireland 1.625% 2021	201	0.49
800,000	FirstGroup 5.25% 2022	849	2.05
900,000	Friends Life 8.25% 2022	982	2.37
600,000	General Motors Financial 2.35% 2025	622	1.50
500,000	Heathrow Funding 5.225% 2023	542	1.31
100,000	Heathrow Funding 7.125% 2024	114	0.28
406,000	HSBC 2.175% 2023	414	1.00
505,000	Imperial Brands 8.125% 2024	614	1.48
400,000	Imperial Brands 9% fixed to floating 2022	435	1.05
603,000	Industrial & Commercial Bank of China (London) 1.5% 2022	609	1.47

			Market Value £'000	Percentage of total net assets
Holding	Investment			
400,000	innogy Finance 5.5% 2022		429	1.04
500,000	Intu (SGS) Finance 3.875% 2023		282	0.68
200,000	Landesbank Baden-Wuerttemberg 1.5% 2025		205	0.49
1,151,000	Lend Lease Europe 6.125% 2021		1,187	2.87
550,000	Lloyds Bank 7.625% 2025		694	1.68
371,000	Lloyds Banking 1.875% fixed to floating 2026		382	0.92
321,000	MPT Operating Partnership 2.55% 2023		327	0.79
400,000	NatWest 6.5% 2021		414	1.00
499,000	New York Life Global Funding 1.625% 2023		517	1.25
537,000	New York Life Global Funding 1.75% 2022		552	1.33
500,000	Northern Powergrid 7.25% 2022		562	1.36
540,000	PCL Funding III FRN 2023		540	1.30
850,000	Pension Insurance 6.5% 2024		987	2.38
560,000	Royal Bank of Canada 1.125% 2025		572	1.38
622,000	RSA Insurance 1.625% 2024		640	1.55
500,000	Scottish Power UK 6.75% 2023		573	1.38
280,000	Severn Trent 1.625% 2022		286	0.69
280,000	Thames Water 2.375% 2023		284	0.69
300,000	United Utilities 5.75% 2022		319	0.77
500,000	Volkswagen Financial Services 1.875% 2024		517	1.25
500,000	Volkswagen Financial Services 2.125% 2024		520	1.26
600,000	Wells Fargo 5.25% 2023		665	1.61
between 5 and 10 years to maturity				
167,000	Barclays 1.7% fixed to floating 2026		172	0.41
474,000	Barclays 3% 2026		515	1.24
425,000	Bavarian Sky FRN 2028		425	1.03
300,000	CYBG 4% 2026		328	0.79
431,000	NatWest 2.875% 2026		463	1.12
325,000	NatWest 3.622% fixed to floating 2030		350	0.85
650,000	Thames Water 5.75% 2030		691	1.67
129,000	Unilever 1.5% 2026		136	0.33
500,000	Virgin Money 3.375 fixed to floating 2026		530	1.28
688,000	Virgin Money UK 7.875% fixed to floating 2028		782	1.89
between 15 and 25 years to maturity				
1,000,000	Aviva 6.625% fixed to floating 2041		1,019	2.46
665,000	Feldspar 2016-1 FRN 2045		227	0.55
greater than 25 years to maturity				
200,000	BHP Billiton 6.5% 2077		217	0.52
430,000	NGG 5.625% fixed to floating 2073		489	1.18

		Market Value £'000	Percentage of total net assets
	<b>Holding Investment</b>		
	526,000 Paragon FRN 2050	432	1.04
	1,000,000 Precise Mortgage Funding 2018-2B FRN 2055	531	1.28
	400,000 Precise Mortgage Funding FRN 2056	371	0.90
	500,000 RMAC FRN 2046	359	0.87
	600,000 Yorkshire Water 3.75% fixed to floating 2046	623	1.50
Perpetual			
	800,000 Aviva 6.125% fixed to floating Perpetual	853	2.06
	810,000 Barclays 9% Perpetual	956	2.31
	200,000 Nationwide Building Society 5.875% fixed to floating Perpetual	218	0.53
	652,000 Orange 5.75% fixed to floating Perpetual	710	1.71
	800,000 Zurich 6.625% fixed to floating Perpetual	867	2.09
<b>Government Bonds (0.25%)</b>		-	-
<b>US Dollar Denominated Bonds (7.40%)</b>		<b>2,774</b>	<b>6.70</b>
<b>Corporate Bonds (7.40%)</b>		<b>2,774</b>	<b>6.70</b>
less than 5 years to maturity			
	522,000 AXA Equitable Holdings 3.9% 2023	408	0.99
	900,000 Canadian Natural Resources 2.95% 2023	684	1.65
	415,000 CVS Health 3.35% 2021	303	0.73
	100,000 Exelon 3.497% 2022	76	0.18
	400,000 Microsoft 2.4% 2022	297	0.72
	508,000 Penske Truck Leasing 2.7% 2023	386	0.93
between 5 and 10 years to maturity			
	800,000 ABN Amro 4.4% fixed to floating 2028	620	1.50
<b>Derivatives (0.27%)</b>		<b>96</b>	<b>0.23</b>
<b>Forward Currency Contracts (0.30%)</b>		<b>96</b>	<b>0.23</b>
	Buy EUR 107,000 Sell GBP 96,042 10/03/2021	(1)	-
	Buy EUR 108,000 Sell GBP 97,596 10/03/2021	(2)	(0.01)
	Buy EUR 113,000 Sell GBP 102,829 10/03/2021	(3)	(0.01)
	Buy GBP 781,302 Sell EUR 861,000 10/03/2021	19	0.05
	Buy GBP 4,052,090 Sell USD 5,413,000 10/03/2021	111	0.27
	Buy USD 105,000 Sell GBP 77,678 10/03/2021	(1)	-
	Buy USD 208,000 Sell GBP 154,831 10/03/2021	(3)	(0.01)
	Buy USD 215,000 Sell GBP 161,505 10/03/2021	(5)	(0.01)
	Buy USD 229,000 Sell GBP 170,339 10/03/2021	(4)	(0.01)
	Buy USD 230,000 Sell GBP 172,857 10/03/2021	(6)	(0.01)

Holding	Investment	Market Value £'000	Percentage of total net assets
	Buy USD 233,000 Sell GBP 171,680 10/03/2021	(2)	(0.01)
	Buy USD 527,000 Sell GBP 390,564 10/03/2021	(7)	(0.02)
<b>Futures (-0.03%)</b>		-	-
(16)	Short US 5 Year Note (CBT) Future 31/03/2021	-	-
Total investment assets and liabilities		41,097	99.26
Net other assets		307	0.74
<b>Total Net Assets</b>		<b>41,404</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		980		456
Revenue	951		1,824	
Expenses	(115)		(228)	
Net revenue before taxation	836		1,596	
Taxation	-		-	
Net revenue after taxation		836		1,596
<b>Total return before distributions</b>		<b>1,816</b>		<b>2,052</b>
Distributions		(836)		(1,596)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>980</b>		<b>456</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>111,476</b>		<b>174,108</b>
Amounts receivable on the issue of shares	2,706		9,501	
Amounts payable on the cancellation of shares	(74,134)		(25,273)	
		(71,428)		(15,772)
Dilution adjustment		153		21
Change in net assets attributable to shareholders from investment activities (see above)		980		456
Retained distribution on accumulation shares		223		529
<b>Closing net assets attributable to shareholders</b>		<b>41,404</b>		<b>159,342</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		41,131		107,868
<b>Current assets:</b>				
Debtors	2,604		1,819	
Cash and bank balances	13		2,680	
		2,617		4,499
<b>Total assets</b>		<b>43,748</b>		<b>112,367</b>
<b>Liabilities:</b>				
Investment liabilities		(34)		(74)
Creditors	(1,787)		(424)	
Bank overdrafts	(379)		-	
Distribution payable	(144)		(393)	
		(2,310)		(817)
<b>Total liabilities</b>		<b>(2,344)</b>		<b>(891)</b>
<b>Net assets attributable to shareholders</b>		<b>41,404</b>		<b>111,476</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 0.2% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	0.4499	-	0.4499	0.4154
Group 2	0.4499	-	0.4499	0.4154
<b>A Income shares</b>				
Group 1	0.4306	-	0.4306	0.4010
Group 2	0.4306	-	0.4306	0.4010
<b>I Accumulation shares</b>				
Group 1	0.5399	-	0.5399	0.4977
Group 2	0.2603	0.2796	0.5399	0.4977
<b>I Income shares</b>				
Group 1	0.5065	-	0.5065	0.4767
Group 2	0.1882	0.3183	0.5065	0.4767
<b>K Accumulation shares</b>				
Group 1	0.5687	-	0.5687	0.5256
Group 2	0.3520	0.2167	0.5687	0.5256
<b>K Income shares</b>				
Group 1	0.5325	-	0.5325	0.5020
Group 2	0.3112	0.2213	0.5325	0.5020
<b>M Accumulation shares</b>				
Group 1	0.5237	-	0.5237	0.6440
Group 2	0.5237	-	0.5237	0.6440
<b>M Income shares</b>				
Group 1	0.5178	-	0.5178	0.6424
Group 2	0.5178	-	0.5178	0.6424
<b>Z Accumulation shares</b>				
Group 1	0.6274	-	0.6274	0.5808
Group 2	0.6274	-	0.6274	0.5808

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.4859	-	0.4859	0.4275
Group 2	0.4859	-	0.4859	0.4275
<b>A Income shares</b>				
Group 1	0.4625	-	0.4625	0.4116
Group 2	0.4625	-	0.4625	0.4116
<b>I Accumulation shares</b>				
Group 1	0.5783	-	0.5783	0.5132
Group 2	0.4834	0.0949	0.5783	0.5132
<b>I Income shares</b>				
Group 1	0.5401	-	0.5401	0.4891
Group 2	0.4001	0.1400	0.5401	0.4891
<b>K Accumulation shares</b>				
Group 1	0.6083	-	0.6083	0.5414
Group 2	0.3208	0.2875	0.6083	0.5414
<b>K Income shares</b>				
Group 1	0.5661	-	0.5661	0.5143
Group 2	0.4165	0.1496	0.5661	0.5143
<b>M Accumulation shares</b>				
Group 1	0.5641	-	0.5641	0.4988
Group 2	0.5641	-	0.5641	0.4988
<b>M Income shares</b>				
Group 1	0.5362	-	0.5362	0.4882
Group 2	0.5362	-	0.5362	0.4882
<b>Z Accumulation shares</b>				
Group 1	0.6670	-	0.6670	0.5962
Group 2	0.6670	-	0.6670	0.5962

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.



# ASI (AAM) UK Smaller Companies Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK smaller capitalisation equities (company shares).

**Performance Target:** To achieve the return of the Numis Smaller Companies Plus AIM excluding Investment Companies Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in smaller capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Smaller capitalisation companies are defined as any stock having a market capitalisation less than the 10th percentile stock of the overall UK equity market.
- The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in the UK.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the Numis Smaller Companies Plus AIM excluding Investment Companies Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.
- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI (AAM) UK Smaller Companies Fund – A Accumulation Shares increased by 17.88% compared to a increase of 28.71% in the performance target, the Numis Smaller Companies Plus AIM excluding Investment Companies Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

UK equities performed well over the period, with smaller companies faring better compared to their blue-chip counterparts. Amid a second Covid-19 wave and continued uncertainty around Brexit, stocks mostly dipped until November, when the US presidential election and vaccine news lifted sentiment and spurred a strong rally. This was further bolstered by the Brexit trade deal, sending stocks even higher at the end of 2020. This momentum took a brief pause in January 2021, as most of the UK entered new lockdowns and fears of a return to recession loomed. To provide further economic relief, the government announced it would be extending its furlough scheme until the end of April 2021, even as unemployment crept up to 5.0%. The central bank also boosted its bond-buying scheme by a further £150 billion.

## Portfolio Activity

Our overweight of food packaging company Hilton Food Group was the strongest detractor from performance for the period. Although the company's stock price had benefitted from the pandemic-related restrictions, a more positive outlook from vaccines may have dampened some investor's enthusiasm. Elsewhere, Gamma Communications suffered profit-taking, as investors switched attention to value shares. Not holding hydrogen energy storage manufacturer ITM Power also detracted from performance. Hydrogen stocks have been performing well recently, even though pandemic disruptions have severely affected revenue. ITM Power's new gigafactory also began manufacturing in January 2021, further lifting sentiment. The same story was seen with Ceres Power, another company we did not hold. The fuel cell company's shares have rallied strongly as part of the clean energy boom, although it remains loss making.

Our holding of airline company Jet2 (formerly Dart Group) was the strongest contributor for the period. Although the company has been hit hard by the pandemic, positive vaccine news in November sparked a strong rally in its share price. Pharmaceutical contract research organisation Ergomed was another positive contributor. The company's order book has stayed strong and earnings have remained in line with expectations. The company has further expanded its US footprint through acquiring MedSource, an acquisition that is expected to be immediately accretive to earnings. Finally, Impax Asset Management also added value. The environmental, social and governance specialist investment company continued to see money flowing into its funds.

#### Portfolio Outlook and Strategy

Stock markets have enjoyed a strong rebound from the low point in March. Increasing optimism that recent Covid-19 vaccine approvals may help fuel a sharp economic recovery in 2021 led to the shift. Low interest rates are supportive for equities and continued fiscal action should provide extra support. Spikes in market volatility are likely, with the potential sources being Covid-19 infection news flow, vaccine development setbacks, weak corporate earnings or policy mistakes. Despite this, the prospects for smaller companies is positive, as they usually lead a market recovery.

Our focus on quality businesses that are resilient, have strong balance sheets and good leadership should help us steer through this period of uncertainty. If lockdowns continue for a long period of 2021, we have little exposure to businesses that are negatively affected by this. We expect at some point to see a further 'dash for trash' as we did in November, led by vaccine or the end-of-lockdown news.

#### Small Cap Equity Team

February 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	56,752	49,829	48,951	64,695
Closing number of shares	11,910,508	12,411,485	12,985,385	15,849,870
Closing net asset value per share (pence)	476.49	401.48	376.97	408.17
Change in net asset value per share	18.68%	6.50%	(7.64%)	12.58%
Operating charges	1.30%	1.30%	1.41%	1.60%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	38,263	29,318	20,540	23,378
Closing number of shares	15,063,772	13,729,878	10,290,720	10,877,142
Closing net asset value per share (pence)	254.01	213.53	199.60	214.93
Change in net asset value per share	18.96%	6.98%	(7.13%)	13.43%
Operating charges	0.85%	0.85%	0.85%	0.85%
K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	487	443	76	601
Closing number of shares	278,279	301,245	55,360	406,762
Closing net asset value per share (pence)	174.83	146.91	137.21	147.68
Change in net asset value per share	19.00%	7.07%	(7.09%)	13.53%
Operating charges	0.78%	0.78%	0.78%	0.78%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	123	98	-	
Closing number of shares	87,019	82,660	100	
Closing net asset value per share (pence)	141.34	118.84	110.99	
Change in net asset value per share	18.93%	7.07%	-	
Operating charges	0.90%	0.90%	0.90%	
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	2,044	2,621	2,092	17,380
Closing number of shares	345,975	529,703	455,615	3,542,069
Closing net asset value per share (pence)	590.88	494.86	459.06	490.69
Change in net asset value per share	19.40%	7.80%	(6.45%)	14.28%
Operating charges	0.10%	0.10%	0.10%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (96.40%)</b>		<b>95,316</b>	<b>97.59</b>
<b>Consumer Goods (17.04%)</b>		<b>16,195</b>	<b>16.58</b>
72,900	Cranswick	2,487	2.55
205,888	Focusrite <sup>++</sup>	2,162	2.21
30,479	Games Workshop	3,145	3.22
130,309	Gear4Music <sup>++</sup>	1,014	1.04
289,892	Hilton Food	2,922	2.99
125,169	Inspects <sup>++</sup>	427	0.44
415,583	Sumo Group <sup>++</sup>	1,459	1.49
322,400	Team17 <sup>++</sup>	2,579	2.64
<b>Consumer Services (15.23%)</b>		<b>15,445</b>	<b>15.81</b>
79,859	4Imprint	1,909	1.95
550,587	AO	1,715	1.76
160,680	Dart Group <sup>++</sup>	2,118	2.17
210,685	Future	3,657	3.74
137,257	GlobalData <sup>++</sup>	1,757	1.80
20,488	Greggs	424	0.43
480,600	Hollywood Bowl	939	0.96
272,900	Next Fifteen Communications <sup>++</sup>	1,687	1.73
687,400	Patisserie	-	-
303,649	Trainline	1,239	1.27
<b>Financials (11.43%)</b>		<b>12,254</b>	<b>12.55</b>
494,368	AJ Bell	2,128	2.18
18,769	HIE Ventures	-	-
258,356	Impax Asset Management <sup>++</sup>	2,062	2.11
79,900	Intermediate Capital	1,357	1.39
340,300	JTC	2,062	2.11
91,883	Liontrust Asset Management	1,172	1.20
160,000	Safestore	1,296	1.33
1,461,866	Sirius Real Estate	1,386	1.42
110,600	Workspace	791	0.81

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Health care (5.54%)</b>		<b>6,684</b>	<b>6.84</b>
63,600	Dechra Pharmaceuticals	2,292	2.34
155,296	Ergomed <sup>++</sup>	1,670	1.71
55,283	Genus	2,722	2.79
<b>Industrials (25.38%)</b>		<b>23,926</b>	<b>24.50</b>
46,000	Avon Rubber	1,424	1.46
133,322	Clipper Logistics	715	0.73
63,500	Diploma	1,471	1.51
466,709	DiscoverIE	3,155	3.23
120,039	Fisher (J) & Sons	1,198	1.23
129,200	Hill & Smith	1,744	1.78
343,140	Marshalls	2,227	2.28
399,081	Midwich <sup>++</sup>	1,852	1.90
148,324	Morgan Sindall	2,192	2.24
132,020	Ricardo	511	0.52
325,395	Robert Walters	1,783	1.83
350,000	RWS <sup>++</sup>	2,054	2.10
72,000	XP Power	3,600	3.69
<b>Technology (14.21%)</b>		<b>14,790</b>	<b>15.14</b>
29,000	AVEVA	1,054	1.08
629,629	Bytes Technology	2,265	2.32
67,094	Computacenter	1,577	1.61
97,300	FDM	981	1.00
62,938	First Derivatives <sup>++</sup>	1,891	1.94
400,000	GB <sup>++</sup>	3,420	3.50
290,049	Kainos	3,602	3.69
<b>Telecommunications (7.57%)</b>		<b>6,022</b>	<b>6.17</b>
238,491	Gamma Communication <sup>++</sup>	3,816	3.91
169,418	Telecom Plus	2,206	2.26

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment schemes (1.92%)</b>		<b>1,008</b>	<b>1.03</b>
1,008	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,008	1.03
Total investment assets		96,324	98.62
Net other assets		1,345	1.38
<b>Total Net Assets</b>		<b>97,669</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* AIM listed.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		15,401		12,507
Revenue	526		775	
Expenses	(512)		(439)	
Net revenue before taxation	14		336	
Taxation	-		-	
Net revenue after taxation		14		336
<b>Total return before distributions</b>		<b>15,415</b>		<b>12,843</b>
Distributions		(63)		(336)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>15,352</b>		<b>12,507</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>82,309</b>		<b>71,659</b>
Amounts receivable on the issue of shares	7,502		13,357	
Amounts payable on the cancellation of shares	(7,555)		(5,015)	
		(53)		8,342
Dilution adjustment		-		34
Change in net assets attributable to shareholders from investment activities (see above)		15,352		12,507
Retained distribution on accumulation shares		61		369
<b>Closing net assets attributable to shareholders</b>		<b>97,669</b>		<b>92,911</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.



## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		96,324		80,925
<b>Current assets:</b>				
Debtors	570		176	
Cash and bank balances	1,213		1,427	
		1,783		1,603
<b>Total assets</b>		<b>98,107</b>		<b>82,528</b>
<b>Liabilities:</b>				
Creditors	(438)		(219)	
		(438)		(219)
<b>Total liabilities</b>		<b>(438)</b>		<b>(219)</b>
<b>Net assets attributable to shareholders</b>		<b>97,669</b>		<b>82,309</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 2.7% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	1.3706
Group 2	-	-	-	1.3706
<b>I Accumulation shares</b>				
Group 1	0.3326	-	0.3326	1.2041
Group 2	0.2181	0.1145	0.3326	1.2041
<b>K Accumulation shares</b>				
Group 1	0.2911	-	0.2911	0.8717
Group 2	0.1795	0.1116	0.2911	0.8717
<b>M Accumulation shares</b>				
Group 1	0.1515	-	0.1515	0.5829
Group 2	0.1497	0.0018	0.1515	0.5829
<b>Z Accumulation shares</b>				
Group 1	2.8784	-	2.8784	4.6114
Group 2	2.1052	0.7732	2.8784	4.6114

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI American Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in North American equities (company shares).

**Performance Target:** To achieve the return of the S&P 500 Index plus 3% per annum over rolling three years (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the US or companies that derive a significant proportion of their revenues or profits from US operations or have a significant proportion of their assets there.
- The fund may also invest up to 20% in companies listed, incorporated or domiciled in Canada or Latin America.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the S&P 500 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the S&P 500 Index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI American Equity Fund – A Accumulation Shares increased by 7.88% compared to an increase of 12.42% in the performance target, the S&P 500 Index, (lagged by one day).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The Fund returns to the reporting date are based on dealing net asset values (NAVs) using a 13:00 Central European Time (CET) valuation point. For US equity funds, this means the dealing NAV uses security prices at close of the previous working day. The benchmark index, if unadjusted, would use the closing prices of the reporting date. When a US equity benchmark is compared against a US equity fund, this valuation point difference may produce a significant distortion in benchmark-relative performance. In order to neutralise this distortion, the benchmark returns shown are to the day previous to the reporting date.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

US equities recorded notable gains for the six-month period ended 31 January 2021. The market upturn was driven by the global economy showing marked progress emerging from the economic contraction experienced in the spring of 2020, along with investors' optimism regarding the presidential election held in November and the approval and initial distribution of Covid-19 vaccines. The market shifted to "risk-on" mode given the rollout of the vaccines and the increasing likelihood that 2021 will bring a sense of economic normalcy at some point. Additionally, US corporate earnings continued to show signs of improvement, with the third-quarter 2020 reporting season coming in much better than expected, leading to rising estimates for the 2021 fiscal year. The US broader-market S&P 500 Index returned 9.42% in sterling terms for the reporting period. The financials, industrials and materials sectors garnered double-digit gains and led the market rally for the reporting period. Conversely, the relatively higher dividend-paying real estate, utilities and consumer staples sectors posted negative returns and were the weakest performers within the S&P 500 Index.

Towards the end of the reporting period, the big story in the US equity market was the significant impact of retail trading on overall market returns. The onset of the Covid-19 pandemic and increasing popularity of frictionless trading apps such as Robinhood has driven heightened speculative trading on the part of retail investors, which in turn has driven lower-quality and more speculative areas of the market. It is important to note a few market niches that have performed particularly well recently: electrification (fuel cells); bitcoin/alternative currencies; speculation in commodities; online gambling; biotechnology; and companies with significant short interest. For example, shares of GameStop Corp. (which the fund does not hold) contributed over 13% of the gain of the Russell 2000 Index, a US small-cap equity market benchmark, over the month. Furthermore, mergers and acquisitions and new issuances (via IPOs and special purpose acquisition companies - SPACs) are hitting a frenzy after a strong finish to 2020, which also contributed to the speculative market environment in January.

In economic news, the Commerce Department reported that US GDP grew at an annualised rate of 4.0% in the fourth quarter of 2020, following a rebound of 33.4% in the previous three-month period. The improvement in the economy during the fourth quarter was attributable mainly to increases in exports, nonresidential fixed investment and consumer spending. These positive factors were partially offset by reductions in state and local government spending and federal government spending, as well as an increase in imports, which are subtracted in the calculation of GDP. According to the Department of Labor, US payrolls posted a net gain of 76,000 over the six-month period ended 31 January 2021. The unemployment rate fell by 3.9 percentage points to 6.3% over the period.

#### Portfolio Activity

The fund underperformed the benchmark S&P 500 Index for the six-month period ended 31 January 2021. Fund performance was hampered mainly by overall positioning in the information technology sector and stock selection in healthcare. The largest detractors among individual holdings were payment-processing services provider Fidelity National Information Services; medical device maker Boston Scientific; and the lack of exposure to tech giant Apple Inc.

Fidelity National Information Services garnered a notable amount of new contract wins during the reporting period. However, its shares moved lower amid investors' concerns that the company's banking software segment experienced slower growth in the third quarter of its 2020 fiscal year. Boston Scientific reported a decline in revenue for the third quarter of its 2020 fiscal year compared to same period a year earlier. Sales decreased across all segments as elective surgeries and procedures were deferred to accommodate Covid-19 hospitalizations. While we acknowledge Apple's innovations, we historically have had concerns with the lack of visibility into its business and its high dependence on a single product. We also have questioned the sustainability of the company's revenue growth and margin profile over longer periods.

On the positive side, overall positioning in the communication services and financials sectors benefited fund performance for the reporting period. The primary individual stock contributors to performance included diversified financial services company Goldman Sachs; diversified industrial manufacturing company Trane Technologies; and diversified media company The Walt Disney Co.

Shares of Goldman Sachs performed well as the market began to price in prospects for an economic recovery, along with the company demonstrating progress towards the targets laid out at its Investor Day in 2020, which we believe should drive improvement in shareholder returns over time. Trane Technologies reported better-than-expected results for the second quarter of its fiscal year. Sales of residential HVAC units were buoyed by favourable weather and the notable Covid-19-related increase in employees working from home. The Walt Disney Co. reported a loss for the fourth quarter of its 2020 fiscal year, attributable mainly to the negative impact of the Covid-19 pandemic. However, the company's revenue exceeded the market's expectations, particularly in its Parks, Experiences and Products segment, and it reported strong numbers for new subscribers to its streaming service, Disney+.

#### Portfolio Outlook and Strategy

The Democratic Party now holds the presidency and majorities in both the US House of Representatives and the Senate. In the short term, we believe that this electoral outcome opens the door to further fiscal policy support and a more coordinated US government approach aimed at combating the Covid-19 crisis. Looking out further, we think that the Democrats now have the ability to pass a broader legislative agenda, which prominently features green infrastructure investments and higher spending on a range of entitlements, partly financed by higher personal and corporate taxes. The immediate impact of the Georgia election result was a surge in share prices for renewables and green infrastructure stocks, along with a step up in government bond yields. The question today is the ultimate size and composition of these initiatives, given the Democrats' razor-thin Senate majority.

Regarding monetary policy, even with increased prospects for fiscal support from the new administration, in his most recent commentary, US Federal Reserve (Fed) Chairman Jerome Powell commented that his top concern – even greater than inflation – is the economy falling short of a full recovery. Given that the Fed is still a long way from meeting its stated employment and inflation objectives, we see his stance as pointing to continued strong support on the monetary policy side (particularly continued low interest rates).

#### ASI North American Equity Team

March 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	71,084	74,862	79,995	64,365
Closing number of shares	2,160,344	2,400,746	2,664,410	2,477,832
Closing net asset value per share (pence)	3,290.42	3,118.29	3,002.37	2,597.62
Change in net asset value per share	5.52%	3.86%	15.58%	14.24%
Operating charges	1.32%	1.32%	1.42%	1.62%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	48,543	48,777	52,892	46,094
Closing number of shares	1,324,994	1,408,077	1,592,846	1,613,246
Closing net asset value per share (pence)	3,663.61	3,464.11	3,320.61	2,857.23
Change in net asset value per share	5.76%	4.32%	16.22%	15.10%
Operating charges	0.87%	0.87%	0.87%	0.87%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	65	66	-	
Closing number of shares	49,806	52,595	100	
Closing net asset value per share (pence)	130.29	123.23	117.98	
Change in net asset value per share	5.73%	4.45%	-	
Operating charges	0.92%	0.92%	0.92%	
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,950	2,980	6,315	6,833
Closing number of shares	1,863,838	1,492,905	3,325,193	4,213,000
Closing net asset value per share (pence)	211.93	199.63	189.91	162.19
Change in net asset value per share	6.16%	5.12%	17.09%	15.97%
Operating charges	0.12%	0.12%	0.12%	0.12%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
North American Equities (97.59%)		122,299	98.91
Communication Services (11.97%)		11,828	9.57
Media & Entertainment (11.97%)		11,828	9.57
6,647	Alphabet 'A'	8,831	7.14
6,775	Charter Communications	2,997	2.43
Consumer Discretionary (11.37%)		19,428	15.71
Consumer Durables & Apparel (0.00%)		3,155	2.55
32,438	NIKE	3,155	2.55
Consumer Services (1.93%)		-	-
Retailing (9.44%)		16,273	13.16
3,417	Amazon.com	7,977	6.45
22,256	Burlington	4,027	3.26
35,144	Lowe's	4,269	3.45
Consumer Staples (5.84%)		3,597	2.91
Food & Staples Retailing (5.84%)		3,597	2.91
14,032	Costco Wholesale	3,597	2.91
Financials (12.97%)		18,048	14.60
Banks (4.36%)		5,202	4.21
19,684	First Republic Bank	2,078	1.68
33,364	JPMorgan Chase	3,124	2.53
Diversified Financials (8.61%)		12,846	10.39
47,994	American Express	4,063	3.29
21,882	Goldman Sachs	4,321	3.49
55,531	Intercontinental Exchange	4,462	3.61

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Health Care (11.16%)</b>		<b>11,683</b>	<b>9.45</b>
<b>Health Care Equipment &amp; Services (9.55%)</b>		<b>8,063</b>	<b>6.52</b>
167,851	Boston Scientific	4,332	3.50
15,354	United Health	3,731	3.02
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences (1.61%)</b>		<b>3,620</b>	<b>2.93</b>
48,518	Abbvie	3,620	2.93
<b>Industrials (10.01%)</b>		<b>18,292</b>	<b>14.79</b>
<b>Capital Goods (3.24%)</b>		<b>2,492</b>	<b>2.01</b>
17,535	Honeywell International	2,492	2.01
<b>Commercial &amp; Professional Services (3.11%)</b>		<b>4,039</b>	<b>3.27</b>
63,671	IHS Markit	4,039	3.27
<b>Commercial Services &amp; Supplies (0.00%)</b>		<b>3,753</b>	<b>3.03</b>
52,253	Waste Connections	3,753	3.03
<b>Transportation (3.66%)</b>		<b>8,008</b>	<b>6.48</b>
66,889	CSX	4,177	3.38
39,084	Hunt (JB) Transport	3,831	3.10
<b>Information Technology (22.98%)</b>		<b>24,622</b>	<b>19.91</b>
<b>Software &amp; Services (22.98%)</b>		<b>24,622</b>	<b>19.91</b>
40,049	Fidelity National Information Services	3,598	2.91
24,231	Mastercard	5,576	4.51
66,838	Microsoft	11,279	9.12
21,973	Nice ADR	4,169	3.37
<b>Materials (4.88%)</b>		<b>6,299</b>	<b>5.09</b>
19,667	Air Products & Chemicals	3,814	3.08
16,704	Ecolab	2,485	2.01



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Real Estate (2.85%)</b>		<b>3,487</b>	<b>2.82</b>
21,061	American Tower	3,487	2.82
<b>Utilities (3.56%)</b>		<b>5,015</b>	<b>4.06</b>
85,204	NextEra Energy	5,015	4.06
<b>Collective Investment Schemes (4.14%)</b>		<b>2,392</b>	<b>1.94</b>
3,285	Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc <sup>+</sup>	2,392	1.94
Total investment assets		124,691	100.85
Net other liabilities		(1,049)	(0.85)
<b>Total Net Assets</b>		<b>123,642</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		7,963		2,294
Revenue	717		775	
Expenses	(746)		(714)	
Interest payable and similar charges	-		(5)	
Net (expense)/revenue before taxation	(29)		56	
Taxation	(102)		(113)	
Net expense after taxation		(131)		(57)
<b>Total return before equalisation</b>		<b>7,832</b>		<b>2,237</b>
Equalisation on shares		1		(3)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>7,833</b>		<b>2,234</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>126,685</b>		<b>139,202</b>
Amounts receivable on the issue of shares	51,761		34,380	
Amounts payable on the cancellation of shares	(62,637)		(49,582)	
		(10,876)		(15,202)
Change in net assets attributable to shareholders from investment activities (see above)		7,833		2,234
<b>Closing net assets attributable to shareholders</b>		<b>123,642</b>		<b>126,234</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		124,691		128,883
<b>Current assets:</b>				
Debtors	4,096		3,098	
Cash and bank balances	188		190	
		4,284		3,288
<b>Total assets</b>		<b>128,975</b>		<b>132,171</b>
<b>Liabilities:</b>				
Creditors	(5,333)		(5,486)	
		(5,333)		(5,486)
<b>Total liabilities</b>		<b>(5,333)</b>		<b>(5,486)</b>
<b>Net assets attributable to shareholders</b>		<b>123,642</b>		<b>126,685</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 4.4% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

# ASI Asia Pacific and Japan Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in Asia Pacific, including Japan equities (company shares).

**Performance Target:** To achieve the return of the MSCI AC Asia Pacific Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asia Pacific including Japan countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC Asia Pacific Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Asia Pacific and Japan Equity Fund - A Accumulation Shares increased by 21.75% compared to an increase of 19.71% in the performance target, the MSCI AC Asia Pacific Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Asia Pacific equities rallied in the half-year under review. Markets continued their rebound from their March lows, spurred by the region's economic recovery and upbeat news on Covid-19 vaccines. This contrasted with many major Western economies that continued to struggle with rising Covid-19 infections and were forced to re-impose lockdowns. Globally, the UK and European Union's agreement on a trade deal, a fresh US stimulus package, and sustained US-dollar weakness, further boosted sentiment. Also helping Asian stocks were Joe Biden's election victory in the US, which many hoped would enable improved relations with China. As a result, a few markets, such as South Korea, touched multi-year highs. In Japan, Yoshihide Suga succeeded Shinzo Abe as prime minister, with expectations that he will emphasise continuity and stability amid the pandemic. However, his approval rating later declined amid rising Covid-19 infections, capping stocks gains from a fresh economic support package and robust corporate earnings.

On a less positive note, simmering political tensions between China versus the US, India and Australia throughout the period capped gains. The Trump administration barred US investments in Chinese companies with alleged links to the military. It also passed laws that would remove Chinese companies from US stock exchanges unless they met US auditing standards. Within Asia, China imposed trade sanctions on Australian products, such as wine and barley, while India banned more Chinese apps.

## Portfolio Activity

The fund outperformed the benchmark, thanks to positive stock picks in China and South Korea.

In China, Wuxi Biologics bolstered returns as the pharmaceutical contract research organisation upgraded its forecasts on the back of solid pandemic-related orders and market share gains. The position in the Aberdeen Standard SICAV I – China A Share

Equity Fund also proved helpful, as its underlying holdings continued to ride on the mainland economy's rebound. On a less positive note, weak sentiment surrounding the real estate sector, in view of a tightening policy and liquidity environment, hurt China Resources Land. Despite the industry headwinds, we believe it is well-placed for continued market share gains, given its robust balance sheet and competitive financing cost. Similarly, slowing investments in the property sector dampened sentiment towards Anhui Conch Cement. Our lack of exposure to electric vehicle maker Nio and internet firm Baidu, which rallied during the period, also reduced some gains.

Our stock picks in Taiwan and Korea aided performance as well, with substantial contributions from core holdings Taiwan Semiconductor Manufacturing Co and Samsung Electronics. We believe the technology sector is in the midst of a structural step-up in demand, driven by growth in 5G, cloud computing and the Internet of Things. In addition, Samsung's semiconductor business benefited from healthy demand for server memory, as well as a rebound in mobile memory demand. Our other Korean holdings, LG Chem and Samsung SDI, outperformed too, as they saw good momentum in their electric-vehicle batteries business.

In Japan, Shin-Etsu Chemical benefited from rising PVC prices and the improving operating environment for the semiconductor wafer business. On the other hand, Japan Exchange (JPX) was a key detractor. Its shares corrected after a trading outage on The Tokyo Stock Exchange (TSE) in early October that eventually led to the resignation of the TSE president. JPX president Akira Kiyota took a 50% pay cut for a four-month period and would lead both the exchange and holding company.

In portfolio activity, while rising valuations limited our opportunities, we took advantage of market volatility to introduce several companies that enjoy structural growth drivers and have good fundamentals.

Seven of these were in China and Hong Kong. In view of China's pledge to become carbon neutral by 2060, we initiated two stocks in the electric vehicle and renewable energy sectors. The first, Yunnan Energy New Material, is the world's largest maker of lithium-ion battery separators. It will benefit from Beijing's push to put more new-energy vehicles on the road. Moreover, the company is more operationally efficient than its peers, which supports its margins amid pricing pressure. The second, Longi Green Energy Technology, is the world's largest solar wafer maker. We believe it would be among the winners of Beijing's renewable energy push, given its technological and cost leadership.

Three new Chinese stocks are hitched to domestic consumption trends, with a rising middle class that is expected to drive China's long-term growth. Notably, we are big believers of the premiumisation story, wherein higher disposable incomes spur demand for healthcare products, wealth management services, insurance and luxury goods and services. E-commerce giant Alibaba has quality assets, a solid business model and attractive growth prospects. While concerns about corporate governance at the company had deterred us in the past, we have since observed positive changes on this front. Meanwhile, sportswear maker Li Ning has started to turn around after it revamped its sales channels and brand portfolio, while bringing in new management. We think that its focus on improving key areas, such as inventory

management and the supply chain, should underpin margin expansion in the coming years. The third consumer-related addition was JD Health, through our subscription in its Hong Kong initial public offer. JD Health operates retail pharmacies and provides round-the-clock online healthcare services, such as medical consultations and prescription renewal. Its prospects are underpinned by its robust e-commerce platform, which helps fund growth, and structural changes, such as sector deregulation and a shift to online sales and consultations.

We also took a position in Chinese companies that are leveraged to other emerging trends. Hangzhou Tigermed, which carried out a secondary listing in Hong Kong, is China's largest clinical contract researcher. It could benefit from rising research spending on innovative drugs in the mainland, given supportive policy amid current low penetration levels. KE Holdings owns property brokerage Lianjia and housing transactions platform Beike, both leading brands. We believe KE can build powerful network effects by bringing agents onto the same platform and driving industry consolidation.

Elsewhere, we bought South Korea's Samsung Biologics, the world's largest biopharmaceutical contract manufacturer and a high-quality business in a fast-growing sector. Though it entered the industry just eight years ago, it now matches leading players in scale and technological know-how, with a clear cost advantage.

Another two new additions were in Australia. Beach Energy is an Australian oil and gas exploration and production group. We like its exposure to the east coast gas market, where we see favourable supply-demand dynamics. Megaport provides secure networks for enterprises and cloud providers globally to connect. Given its flexible and easy-to-use offerings, we believe Megaport could benefit from rising demand for cloud services as more businesses enable their staff to work remotely.

In Japan, we also added three stocks. We subscribed to the secondary share offering of Asahi Group, Japan's largest brewer. It is well positioned to achieve growth through premiumisation, cost synergies and cross-selling between different brands. The second was pharmaceutical company Daiichi Sankyo, which has an attractive pipeline of innovative drugs, known as antibody drug conjugates, for cancer treatment. These drugs, derived from technology that Daiichi Sankyo developed in-house, have shown promising results in recent clinical trials. Thirdly, Murata Manufacturing is a global leader in multilayer ceramic capacitors, a key component for electronic devices. We believe its dominant position will help the company benefit from the growing electrification of automobiles and the increased use of electronic devices. Lastly, staffing company TechnoPro focuses on the recruitment of research and development engineers, for which there is an industry shortage. It stands to benefit from regulations that favour bigger players.

To fund these, we exited Bangkok Dusit Medical Services, Bank Rakyat Indonesia, China Merchants Bank, China Mobile, City Developments, CNOOC, Huazhu, Medibank, SCSK Corp, Seven & I, Shionogi, Taiwan Mobile and Yum China, for better opportunities elsewhere.

### Portfolio Outlook and Strategy

Investors are starting to recalibrate their expectations of a global economic recovery as vaccine rollouts face delays and other challenges in several countries. Mass vaccination of the entire global population may require sustained effort over many years, especially in emerging markets. As a result, we might see double-dip recessions in various parts of the world in the near term. Nevertheless, these are partially buffered by the continued accommodative stance of governments and central banks.

Compared to other regions, Asian stock valuations remain reasonable, especially in view of expectations for a rebound in corporate earnings this year. In the longer term, many of the changes sparked by the pandemic could prove enduring and reinforce existing trends, including the increased adoption of cloud computing, electric vehicles and 5G networks. In addition, Asia's burgeoning middle class will fuel rising demand for healthcare services and wealth management, while the region's urbanisation and infrastructure needs remain vast.

Hence, we remain focused on quality Asian companies which will benefit from a recovery and are best-placed to capitalise on these structural growth opportunities.

### Asia Pacific Equity Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	36,947	37,701	32,389	40,153
Closing number of shares	11,351,475	14,120,069	12,425,032	16,718,059
Closing net asset value per share (pence)	325.48	267.00	260.68	240.18
Change in net asset value per share	21.90%	2.42%	8.54%	4.06%
Operating charges	1.58%	1.58%	1.69%	1.93%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	99,660	80,867	95,009	88,615
Closing number of shares	45,379,635	44,989,209	54,383,792	55,357,612
Closing net asset value per share (pence)	219.61	179.75	174.70	160.08
Change in net asset value per share	22.18%	2.89%	9.13%	4.84%
Operating charges	1.13%	1.13%	1.13%	1.18%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	213	176	-	
Closing number of shares	143,769	146,106	100	
Closing net asset value per share (pence)	147.72	120.94	117.50	
Change in net asset value per share	22.14%	2.93%	-	
Operating charges	1.18%	1.18%	1.18%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.



## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (91.42%)</b>		<b>127,489</b>	<b>93.18</b>
<b>European Equities (0.75%)</b>		<b>1,288</b>	<b>0.94</b>
<b>Netherlands (0.75%)</b>		<b>1,288</b>	<b>0.94</b>
3,312	ASML	1,288	0.94
<b>Japanese Equities (28.02%)</b>		<b>37,752</b>	<b>27.59</b>
178,100	Amada	1,454	1.06
6,400	As One	682	0.50
22,800	Asahi	667	0.49
29,000	Asahi Intecc	693	0.51
44,800	Astellas Pharmaceuticals	524	0.38
60,900	Chugai Pharmaceutical	2,310	1.69
30,300	Daiichi Sankyo	709	0.52
9,500	Daikin Industries	1,457	1.06
17,400	Denso Corporation	702	0.51
8,900	Fanuc	1,692	1.24
10,900	Hoya	1,014	0.74
127,500	Japan Exchange Group	2,167	1.58
40,400	Kansai Paint	865	0.63
9,200	Keyence	3,591	2.62
42,800	Makita	1,478	1.08
11,300	Murata Manufacturing	789	0.58
18,100	Nippon Paint	1,185	0.87
54,700	Recruit	1,724	1.26
3,800	Shimano	650	0.48
27,000	Shin-Etsu Chemical	3,411	2.49
12,500	Shiseido	589	0.43
20,200	Sony	1,405	1.03
28,500	Stanley Electric	646	0.47
16,000	Sysmex	1,359	0.99
12,700	Technopro	706	0.52
54,200	Tokio Marine	1,935	1.41
48,500	Toyota Motor	2,462	1.80
195,800	Yahoo Japan	886	0.65
<b>North America Equities (1.08%)</b>		<b>-</b>	<b>-</b>
<b>United States (1.08%)</b>		<b>-</b>	<b>-</b>

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Pacific Basin Equities (58.00%)</b>		<b>86,829</b>	<b>63.46</b>
<b>Australia (8.03%)</b>		<b>11,664</b>	<b>8.52</b>
36,400	Altium	625	0.46
107,602	Aristocrat Leisure	1,864	1.36
990,337	Beach Energy	907	0.66
70,597	BHP	1,420	1.04
15,967	Cochlear	1,761	1.29
15,695	CSL	2,376	1.73
102,044	Goodman	1,006	0.73
12,328	Macquarie	905	0.66
106,912	Megaport	800	0.59
<b>China (12.95%)</b>		<b>24,418</b>	<b>17.85</b>
142,400	Alibaba	3,298	2.41
129,000	Anhui Conch Cement 'H'	557	0.41
167,000	China Conch Venture	579	0.42
13,974	GDS ADR	1,053	0.77
38,300	Hangzhou Tigermed Consulting 'A'	724	0.53
17,200	Hangzhou Tigermed Consulting 'H'	276	0.20
18,050	JD Health International	259	0.19
15,866	KE Holdings	683	0.50
156,500	Li Ning	714	0.52
91,300	LONGi Green Energy Technology 'A'	1,110	0.81
40,300	Meituan Dianping 'B'	1,347	0.99
4,480	New Oriental Education & Technology ADR	546	0.40
348,500	Ping An Insurance 'H'	2,988	2.18
123,000	Tencent	7,873	5.76
153,500	Wuxi Biologics Cayman	1,573	1.15
56,300	Yunnan Energy New Material 'A'	838	0.61
<b>Hong Kong (6.71%)</b>		<b>7,866</b>	<b>5.75</b>
315,800	AIA	2,781	2.03
580,300	Budweiser Brewing	1,417	1.04
756,000	China Resources Land	2,194	1.60
31,548	Hong Kong Exchanges & Clearing	1,474	1.08

	Holding	Investment	Market Value £'000	Percentage of total net assets
<b>India (5.60%)</b>			<b>9,406</b>	<b>6.87</b>
	32,480	Asian Paints	782	0.57
	24,916	Hindustan Unilever	563	0.41
	92,434	Housing Development Finance	2,194	1.60
	450,296	ITC	913	0.67
	89,529	Kotak Mahindra Bank	1,528	1.12
	63,589	Tata Consultancy Services	1,983	1.45
	27,214	UltraTech Cement	1,443	1.05
<b>Indonesia (3.43%)</b>			<b>3,224</b>	<b>2.36</b>
	2,480,900	Astra International	782	0.57
	1,392,900	Bank Central Asia	2,442	1.79
<b>Macau (0.46%)</b>			<b>1,075</b>	<b>0.79</b>
	371,600	Sands China	1,075	0.79
<b>New Zealand (2.09%)</b>			<b>4,024</b>	<b>2.94</b>
	191,857	Auckland International Airport	729	0.53
	83,680	Fisher & Paykel Healthcare	1,510	1.10
	24,610	Xero	1,785	1.31
<b>Philippines (1.29%)</b>			<b>1,685</b>	<b>1.23</b>
	41,960	Ayala	489	0.36
	906,900	Ayala Land	518	0.38
	563,151	Bank of the Philippine Islands	678	0.49
<b>Singapore (3.40%)</b>			<b>4,272</b>	<b>3.12</b>
	571,702	Capitaland	1,004	0.73
	85,773	DBS	1,185	0.87
	212,174	Oversea-Chinese Banking	1,202	0.88
	682,900	Singapore Telecommunications	881	0.64
<b>South Korea (7.29%)</b>			<b>10,859</b>	<b>7.94</b>
	2,881	LG Chemical	1,720	1.26
	750	Samsung Biologics	387	0.28

			Market Value £'000	Percentage of total net assets
Holding	Investment			
149,064	Samsung Electronics (Preference)		7,094	5.19
3,469	Samsung SDI		1,658	1.21
<b>Taiwan (6.13%)</b>			<b>7,969</b>	<b>5.82</b>
518,504	Taiwan Semiconductors Manufacturing		7,969	5.82
<b>Thailand (0.62%)</b>			<b>367</b>	<b>0.27</b>
39,900	Siam Cement (Alien Market)		367	0.27
<b>UK Equities (3.57%)</b>			<b>1,620</b>	<b>1.19</b>
<b>Basic Materials (0.84%)</b>			<b>1,059</b>	<b>0.78</b>
18,955	Rio Tinto		1,059	0.78
<b>Financials (2.73%)</b>			<b>561</b>	<b>0.41</b>
127,536	Aberdeen New Thai Investment Trust <sup>+</sup>		561	0.41
<b>Collective Investment Schemes (7.28%)</b>			<b>7,502</b>	<b>5.48</b>
356,950	Aberdeen Standard SICAV I-China A Share Equity Fund Z Acc <sup>+</sup>		7,502	5.48
Total investment assets			134,991	98.66
Net other assets			1,829	1.34
<b>Total Net Assets</b>			<b>136,820</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		26,782		(3,443)
Revenue	872		1,224	
Expenses	(849)		(775)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	23		448	
Taxation	(284)		(83)	
Net (expense)/revenue after taxation		(261)		365
<b>Total return before equalisation</b>		<b>26,521</b>		<b>(3,078)</b>
Equalisation on shares		2		(40)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>26,523</b>		<b>(3,118)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>118,744</b>		<b>127,398</b>
Amounts receivable on the issue of shares	5,260		19,471	
Amounts payable on the cancellation of shares	(13,707)		(24,913)	
		(8,447)		(5,442)
Dilution adjustment		-		25
Change in net assets attributable to shareholders from investment activities (see above)		26,523		(3,118)
<b>Closing net assets attributable to shareholders</b>		<b>136,820</b>		<b>118,863</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		134,991		117,198
<b>Current assets:</b>				
Debtors	1,841		281	
Cash and bank balances	845		1,503	
		2,686		1,784
Total assets		137,677		118,982
<b>Liabilities:</b>				
Provisions for liabilities		(266)		(68)
Creditors	(591)		(170)	
		(591)		(170)
Total liabilities		(857)		(238)
<b>Net assets attributable to shareholders</b>		<b>136,820</b>		<b>118,744</b>

Since the year end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the year end the NAV per share of A Accumulation class has decreased by 2.9% (to 22 March 2021). Contingency plans at the ACD and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

# ASI Asia Pacific Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in Asia Pacific, excluding Japan equities (company shares).

**Performance Target:** To achieve the return of the MSCI AC Asia Pacific ex Japan Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asia Pacific excluding Japan countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific ex Japan Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC Asia Pacific ex Japan Index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021 the value of ASI Asia Pacific Equity Fund - A Accumulation Shares increased by 23.81% compared to an increase of 19.47% in the performance target, the MSCI AC Asia Pacific ex Japan Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Asia Pacific equities rallied in the half-year under review. Markets continued their rebound from March lows, spurred by the region's economic recovery and rising vaccine hopes, even as major Western economies struggled with rising Covid-19 infections and were forced to re-impose lockdowns. Globally, the UK and European Union's agreement on a trade deal, alongside a fresh US stimulus package, further boosted sentiment. Also helping Asian stocks were Joe Biden's election victory in the US, which many hoped would improve relations with China, and sustained US-dollar weakness. As a result, a few markets, such as South Korea, touched multi-year highs.

Through the period, however, simmering political tensions between China versus the US, India and Australia capped gains. The US Trump administration issued an executive order barring US investments in Chinese companies with alleged links to the military. It also passed legislation that that would kick Chinese companies off US stock exchanges unless they met US auditing standards. Within Asia, China imposed trade sanctions on Australian products, such as wine and barley, while India banned more Chinese apps.

## Portfolio Activity

The fund outperformed the benchmark. Stock selection in China and South Korea were the key contributors.

In China, Wuxi Biologics bolstered returns, as the pharmaceutical contract research organisation upgraded its forecast on the back of solid pandemic-related orders and market share gains. The ongoing anti-trust probe into Alibaba proved beneficial for relative performance due to our light exposure. We have been building the position in Alibaba on weakness, believing that it would be more adaptable to changes, compared with smaller players, thanks to its wide economic moat. However, we remain cautious in the near term, given Beijing's ongoing scrutiny, and will continue to monitor the risks. Continued focus on renewable

technologies in China benefitted Longi Green Energy Technology, the world's largest solar wafer maker. It is well-positioned to take advantage of China's goal of carbon neutrality by 2060 given its technological and cost leadership. The position in the Aberdeen Standard SICAV I – China A Share Equity Fund also proved helpful, as its underlying holdings continued to ride on the mainland economy's rebound.

On the other hand, our holdings in China Resources Land and Anhui Conch Cement detracted. Weak sentiment surrounding the real estate sector, in view of a tightening policy and liquidity environment, hurt China Resources Land. Despite the industry headwinds, we believe it is well-placed for continued market share gain given its robust balance sheet and competitive financing cost. Similarly, slowing investments in the property sector muted investor sentiment for Anhui Conch Cement. Our lack of exposure to electric vehicle maker Nio and internet firm Baidu, which rallied during the period, also reduced some gains.

Our stock picks in Taiwan and Korea boosted returns as well, with substantial contributions from core holdings Taiwan Semiconductor Manufacturing Co and Samsung Electronics. We believe the technology sector is in the midst of a structural step-up in demand, driven by growth in 5G, cloud computing and the Internet of Things. In addition, Samsung's semiconductor business benefitted from healthy demand for server memory, as well as a rebound in mobile memory demand. Our other Korean holdings, LG Chem and Samsung SDI, outperformed too, as they saw good momentum in their electric-vehicle batteries business.

In portfolio activity, while rising valuations limited our opportunities, we took advantage of market volatility to introduce companies that enjoy structural growth drivers and have good fundamentals.

Nine of these were in China and Hong Kong. In view of China's pledge to become carbon neutral by 2060, we initiated two stocks in the electric vehicle and renewable energy sectors. The first, Yunnan Energy New Material, is the world's largest maker of lithium-ion battery separators. It will be a key beneficiary of Beijing's push to put more new-energy vehicles on the road. The company is more operationally efficient than its peers, which would support its margins amid pricing pressure. The second, Longi Green Energy Technology, is the world's largest solar wafer maker. We believe it would be among the winners of Beijing's renewable energy push, given its technological and cost leadership.

Three new Chinese stocks are hitched to domestic consumption trends, given that a rising middle class will drive China's long-term growth. We are big believers of China's premiumisation story, wherein higher disposable incomes spur demand for healthcare products, wealth management services, insurance and luxury goods and services. Chinese e-commerce giant Alibaba has quality assets, a solid business model and attractive growth prospects. While concerns about corporate governance at the company had deterred us in the past, we have since observed positive changes on this front. Meanwhile, sportswear maker Li Ning has started to turn around after it revamped its distribution channels and brand portfolio, while bringing in new management. We think that its focus on improving key areas, such as inventory management and the supply chain, should underpin margin expansion in the coming years. The third consumer-related addition was JD Health, through our subscription in its Hong Kong initial public offer. JD Health operates retail pharmacies and provides round-the-clock

online healthcare services, such as medical consultations and prescription renewal. Its prospects are underpinned by its robust e-commerce platform, which helps fund growth, and structural changes, such as sector deregulation, alongside a shift to online sales and consultations.

We also took a position in Chinese companies that are leveraged to other emerging structural trends, with two added via their initial public offerings. Hangzhou Tigermed is the largest clinical contract researcher in China, which carried out a secondary listing in Hong Kong. It could benefit from rising research spending on innovative drugs in the mainland, given supportive policy amid current low penetration levels. KE Holdings owns property brokerage Lianjia and housing transactions platform Beike, both leading brands. We believe KE can build powerful network effects by bringing agents onto the same platform and driving industry consolidation. We also initiated China Conch Venture, which owns leading cement maker and proven cost leader Anhui Conch Cement. Its environmental business, including waste-management services, has been gaining traction as well. Capacity expansion and favourable policy support its prospects over the longer term. Meanwhile, Shanghai International Airport has a monopoly position with stable growth and clarity on earnings prospects. In the longer term, it stands to benefit from increased demand for international travel and duty free spending amid growing affluence in the region.

Elsewhere, we bought South Korea's Samsung Biologics, the world's largest biopharmaceutical contract manufacturer and a high-quality business in a fast-growing sector. Though it entered the industry just eight years ago, it now matches leading players in scale and technological know-how, with a clear cost advantage.

Against these, we exited holdings in which our conviction had waned: 58.com, ASM Pacific Technology, Bangkok Dusit Medical Service, Central Pattana, China Merchants Bank, CNOOC, DFCC Bank, Huazhu, Jardine Strategic, John Keells, Keppel Corp, SAIC Motor Corp, Taiwan Mobile and Yum China.

### Portfolio Outlook and Strategy

Investors are starting to recalibrate their expectations of a global economic recovery as vaccine rollouts face delays and other challenges in several countries. Mass vaccination of the entire global population may require sustained effort over many years, especially in emerging markets. As a result, we might see double-dip recessions in various parts of the world in the near term. Nevertheless, these are partially buffered by the continued accommodative stance of governments and central banks.

Compared to other regions, Asian stock valuations remain reasonable, especially in view of expectations for a rebound in corporate earnings this year. In the longer term, many of the changes sparked by the pandemic could prove enduring and reinforce existing trends, including the increased adoption of cloud computing, electric vehicles and 5G networks. In addition, Asia's burgeoning middle class will fuel rising demand for healthcare services and wealth management, while the region's urbanisation and infrastructure needs remain vast.

Hence, we remain focused on quality Asian companies which will benefit from a recovery and are best-placed to capitalise on these structural growth opportunities.

**Asia Pacific Equity Team**

February 2021



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	290,593	241,441	259,027	295,801
Closing number of shares	78,107,475	80,168,848	86,782,562	108,993,397
Closing net asset value per share (pence)	372.04	301.17	298.48	271.39
Change in net asset value per share	23.53%	0.90%	9.98%	3.69%
Operating charges	1.63%	1.65%	1.77%	1.96%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	27,631	20,691	22,955	21,970
Closing number of shares	8,348,514	7,723,137	8,605,338	9,006,661
Closing net asset value per share (pence)	330.97	267.91	266.75	243.93
Change in net asset value per share	23.54%	0.43%	9.36%	3.18%
Operating charges	1.63%	1.65%	1.77%	1.96%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	502,665	406,008	458,849	539,646
Closing number of shares	122,992,061	122,999,423	140,893,971	183,247,520
Closing net asset value per share (pence)	408.70	330.09	325.67	294.49
Change in net asset value per share	23.81%	1.36%	10.59%	4.47%
Operating charges	1.18%	1.20%	1.21%	1.21%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	37,792	29,594	28,261	26,136
Closing number of shares	19,941,925	19,334,319	18,549,189	18,774,844
Closing net asset value per share (pence)	189.51	153.06	152.36	139.20
Change in net asset value per share	23.81%	0.46%	9.45%	3.18%
Operating charges	1.18%	1.20%	1.21%	1.21%
K Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020		
Closing net asset value (£'000)	309,048	279,034		
Closing number of shares	233,120,726	261,260,300		
Closing net asset value per share (pence)	132.57	106.80		
Change in net asset value per share	24.13%	-		
Operating charges	0.68%	0.69%		
M Accumulation shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	121	83	-	
Closing number of shares	80,661	68,730	100	
Closing net asset value per share (pence)	149.38	120.68	118.82	
Change in net asset value per share	23.78%	1.57%	-	
Operating charges	1.23%	1.25%	1.26%	

M Income shares <sup>c</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	27	22	-	
Closing number of shares	18,192	18,224	100	
Closing net asset value per share (pence)	146.26	118.16	117.28	
Change in net asset value per share	23.78%	0.75%	-	
Operating charges	1.23%	1.25%	1.26%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	10,612	8,861	6,918	91,054
Closing number of shares	2,272,557	2,361,364	1,887,420	27,747,781
Closing net asset value per share (pence)	466.97	375.26	366.55	328.15
Change in net asset value per share	24.44%	2.38%	11.70%	5.52%
Operating charges	0.18%	0.20%	0.21%	0.21%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>a</sup> K Accumulation share class was launched on 15 August 2019.

<sup>b</sup> M Accumulation share class was launched on 26 November 2018.

<sup>c</sup> M Income share class was launched on 26 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (88.85%)</b>		<b>1,082,954</b>	<b>91.89</b>
<b>European Equities (1.44%)</b>		<b>18,841</b>	<b>1.60</b>
<b>Netherlands (1.44%)</b>		<b>18,841</b>	<b>1.60</b>
48,460	ASML	18,841	1.60
<b>Pacific Basin Equities (84.50%)</b>		<b>716,372</b>	<b>60.78</b>
<b>Australia (9.85%)</b>		<b>98,061</b>	<b>8.32</b>
859,217	Aristocrat Leisure	14,882	1.26
870,800	BHP	17,512	1.49
171,256	Cochlear	18,885	1.60
250,664	CSL	37,955	3.22
895,100	Goodman	8,827	0.75
<b>China (23.72%)</b>		<b>317,596</b>	<b>26.95</b>
1,408,500	Alibaba	32,621	2.77
1,946,500	Anhui Conch Cement 'H'	8,400	0.71
1,450,500	China Conch Venture	5,027	0.43
329,702	China International Travel Service 'A'	10,958	0.93
130,597	GDS ADR	9,840	0.83
308,778	Hangzhou Tigermed Consulting 'A'	5,838	0.49
140,300	Hangzhou Tigermed Consulting 'H'	2,248	0.19
287,300	JD Health International	4,117	0.35
126,423	KE Holdings	5,440	0.46
67,823	Kweichow Moutai 'A'	16,225	1.38
1,245,500	Li Ning	5,679	0.48
715,144	LONGi Green Energy Technology 'A'	8,694	0.74
605,800	Meituan Dianping 'B'	20,243	1.72
67,190	New Oriental Education & Technology ADR	8,195	0.70
2,961,000	Ping An Insurance 'H'	25,390	2.15
641,800	Shanghai International Airport 'A'	5,731	0.49
1,738,200	Tencent	111,253	9.44
2,205,500	Wuxi Biologics Cayman	22,598	1.92
611,220	Yunnan Energy New Material 'A'	9,099	0.77
<b>Hong Kong (8.76%)</b>		<b>107,060</b>	<b>9.08</b>
5,114,600	AIA	45,033	3.82
5,110,700	Budweiser Brewing*	12,480	1.05

			Market Value £'000	Percentage of total net assets
Holding	Investment			
6,706,000	China Resources Land		19,461	1.65
534,278	Hong Kong Exchanges & Clearing		24,959	2.12
2,426,218	Swire Properties		5,127	0.44
<b>India (8.81%)</b>			<b>123,831</b>	<b>10.51</b>
254,560	Asian Paints		6,129	0.52
449,729	Hindustan Unilever		10,161	0.86
1,258,746	Housing Development Finance		29,872	2.54
5,117,058	ITC		10,376	0.88
1,174,374	Kotak Mahindra Bank		20,044	1.70
1,310,692	SBI Life Insurance		11,316	0.96
749,647	Tata Consultancy Services		23,375	1.98
236,800	UltraTech Cement		12,558	1.07
<b>Indonesia (3.52%)</b>			<b>36,150</b>	<b>3.07</b>
36,246,500	Astra		11,430	0.97
14,099,900	Bank Central Asia		24,720	2.10
<b>Macau (0.59%)</b>			<b>11,684</b>	<b>0.99</b>
4,039,200	Sands China		11,684	0.99
<b>New Zealand (1.02%)</b>			<b>21,990</b>	<b>1.86</b>
626,954	Fisher & Paykel Healthcare		11,315	0.96
147,191	Xero		10,675	0.90
<b>Philippines (1.51%)</b>			<b>15,746</b>	<b>1.33</b>
17,803,640	Ayala Land		10,167	0.86
4,635,682	Bank of the Philippine Islands		5,579	0.47
<b>Singapore (5.27%)</b>			<b>46,261</b>	<b>3.93</b>
3,815,355	Capitaland		6,699	0.57
1,046,800	City Developments		4,136	0.35
925,464	DBS		12,787	1.09
2,125,348	Oversea-Chinese Banking		12,036	1.02
8,222,279	Singapore Telecommunications		10,603	0.90

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>South Korea (10.08%)</b>		<b>131,719</b>	<b>11.18</b>
24,773	LG Chemical	14,789	1.25
9,970	Samsung Biologics	5,147	0.44
2,072,110	Samsung Electronics (Preference)	98,610	8.37
27,567	Samsung SDI	13,173	1.12
<b>Sri Lanka (0.59%)</b>		<b>-</b>	<b>-</b>
<b>Taiwan (9.00%)</b>		<b>112,977</b>	<b>9.59</b>
7,350,827	Taiwan Semiconductors Manufacturing	112,977	9.59
<b>Thailand (1.78%)</b>		<b>9,042</b>	<b>0.77</b>
983,100	Siam Cement (Alien Market)	9,042	0.77
<b>UK Equities (2.91%)</b>		<b>31,996</b>	<b>2.71</b>
<b>Basic Materials (0.96%)</b>		<b>10,057</b>	<b>0.85</b>
179,972	Rio Tinto	10,057	0.85
<b>Financials (1.95%)</b>		<b>21,939</b>	<b>1.86</b>
1,786,130	Aberdeen New Thai Investment Trust <sup>†</sup>	7,859	0.67
1,203,400	Aberdeen Standard Asia Focus <sup>†</sup>	14,080	1.19
<b>Collective Investment Schemes (9.05%)</b>		<b>75,449</b>	<b>6.40</b>
3,589,739	Aberdeen Standard SICAV I-China A Share Equity Fund Z Acc <sup>†</sup>	75,449	6.40
Total investment assets		1,158,403	98.29
Net other assets		20,086	1.71
<b>Total Net Assets</b>		<b>1,178,489</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>†</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>\*</sup> A portion of this security is on loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		231,945		(53,601)
Revenue	6,346		7,178	
Expenses	(6,203)		(5,168)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	143		2,009	
Taxation	(2,924)		(448)	
Net (expense)/revenue after taxation		(2,781)		1,561
<b>Total return before equalisation</b>		<b>229,164</b>		<b>(52,040)</b>
Equalisation on shares		(57)		1,104
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>229,107</b>		<b>(50,936)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>985,734</b>		<b>776,010</b>
Amounts receivable on the issue of shares	18,704		296,060	
Amounts payable on the cancellation of shares	(55,056)		(49,762)	
		(36,352)		246,298
Dilution adjustment		-		666
Change in net assets attributable to shareholders from investment activities (see above)		229,107		(50,936)
<b>Closing net assets attributable to shareholders</b>		<b>1,178,489</b>		<b>972,038</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		1,158,403		965,023
<b>Current assets:</b>				
Debtors	20,350		13,627	
Cash and bank balances	5,130		10,214	
		25,480		23,841
<b>Total assets</b>		<b>1,183,883</b>		<b>988,864</b>
<b>Liabilities:</b>				
Provisions for liabilities		(2,547)		(166)
Creditors	(2,847)		(2,605)	
Distribution payable	-		(359)	
		(2,847)		(2,964)
<b>Total liabilities</b>		<b>(5,394)</b>		<b>(3,130)</b>
<b>Net assets attributable to shareholders</b>		<b>1,178,489</b>		<b>985,734</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 2.4% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.



# ASI China A Share Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in China A equities (company shares).

**Performance Target:** To achieve the return of the MSCI China A Onshore Index, plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in China A equities of companies listed on Chinese Stock Exchanges authorised by the China Securities Regulatory Commission. The fund may also invest in China A equities through RQFII, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme in equities and equity related securities.
- The fund may also invest in China B equities, China H equities and participator notes.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI China A Onshore Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI China A Onshore Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI China A Share Equity Fund – M Accumulation Shares increased by 29.56% compared to an increase of 15.48% in the performance target, the MSCI China A Onshore Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Mainland China A-shares posted good gains in the review period, in tandem with the wider region. The Covid-19 vaccine rollout, in addition to successive quarters of robust domestic earnings and economic data, helped investors look past ongoing US-China tensions. Capping gains was a broad rotation out of Chinese stocks, which had held up well throughout the pandemic, into other markets dependent on the vaccine for economic revival. Worries over a tougher policy stance to control domestic bad debt further limited the market advance. There were also concerns that a slower rollout of 5G networks worldwide would hinder smartphone sales. This arose when Chinese network equipment giant Huawei was expelled from the US technology supply chain.

China was the only major economy to expand in 2020. Its V-shaped recovery was underpinned by huge investments in infrastructure and real estate, rebounding domestic consumption, as well as robust exports of medical supplies and electronics. The domestic tourism industry was another bright spot, in contrast to global travel-related businesses. Bookings surged on the back of aggressive airfare promotions after the authorities allowed inter-provincial leisure tours. However, retail sales declined, dented by a drop in catering services, though this was partially mitigated by the growth of online shopping.

President Xi Jinping's carbon-neutral target gathered momentum as well. Government policies propelled the new energy sector, as did the advent of grid parity; that is, when solar power becomes as cost-effective as electricity. Registrations of electric vehicles increased rapidly, helped by public investments in the electric-car ecosystem and the technology shift adopted by automakers. In other policy shifts, Beijing is looking at stimulating consumption by reducing social inequality, a departure from its past focus on industry upgrading. Meanwhile, the government's five-year

blueprint prioritised self-sufficiency in technology development and environmental restoration.

On the bilateral front, a landmark market access agreement between China and the European Union alleviated concerns of China being isolated from global supply chains. China's signing of the Regional Comprehensive Economic Partnership with other Asia-Pacific countries was also a reprieve against the tide of global protectionism. Moreover, investors welcomed Joe Biden's win in the US presidential elections with hopes of more stable China-US relations.

### Portfolio Activity

The portfolio rose sharply in the review period, comfortably outperforming the benchmark by 14 percentage points. Our stock picks in the health care, consumer discretionary and financials sectors drove returns. The exposure to technology was mixed, as disappointing positioning among software names muted contributions from the hardware segment. The industrials and materials sectors also detracted.

In healthcare, Hangzhou Tigermed boosted the fund as the lower cost of drug research in China, versus developed countries, lifted demand for its clinical research services. Meanwhile, Aier Eye Hospital contributed on steady profit growth as its hospital network continued to penetrate Chinese cities.

Among consumer discretionary holdings, China Tourism Group Duty Free, the country's largest duty-free mall operator, contributed. It posted sharp earnings growth, driven by favourable government policies on Hainan Island. The electric vehicle boom also helped the portfolio as it fuelled demand for automobile glass maker Fuyao Glass. However, not holding carmaker BYD muted the gains. In consumer staples, baijiu producer Wuliangye Yibin contributed on the back of price hikes, although not holding its rival Luzhou Laojiao pared returns.

In the financial sector, lenders rebounded with the vaccine rollout, recouping their losses from earlier in the pandemic. Both China Merchants Bank and Ping An Bank fared well on greater clarity on prospects for the economic recovery.

Conversely, the lack of exposure to leading names that benefited from the country's infrastructure push and extensive solar-power installations cost the fund. This included not holding equipment makers Sany Heavy Industry and Sungrow.

In the tech sector, worries that US sanctions on network equipment giant Huawei would delay the 5G rollout weighed on internet data centre service provider Beijing Sinnet. Meanwhile, interest in domestic network security provider Venustech waned as investors turned to recent listings of other cybersecurity names.

In key portfolio changes, we exited Industrial and Commercial Bank of China to focus on higher-quality retail-focused banks. We also sold Shenzhen Airport in favour of peers with greater exposure to international traffic.

Against this, we added six new stocks to the portfolio. Three were names that are hitched to emerging technological trends.

Luxshare Precision is a provider of electronics manufacturing services to Apple. The company has expanded rapidly, underpinned by a well-diversified product portfolio, proven technological expertise and robust profitability. We believe it is well-placed to benefit from China's continued importance in the global technology supply chain. Longi Green Energy Technology is the world's largest solar-wafer maker. Given its technological and cost leadership, we believe it will be among the clear winners in China's goal to become carbon neutral by 2060. Meanwhile, Contemporary Amperex is the global industry leader in batteries for electric vehicles. In China, it holds a dominant market position, with synergies within the local supply chain. We are impressed by its economies of scale and know-how, and believe it is well-positioned amid the rising adoption of green vehicles globally.

Elsewhere, we introduced Hengrui Medicine. It is one of China's largest pharmaceutical companies, and a beneficiary of its booming innovative drug market. The company has a decent pipeline, solid commitment to research and development, and an established track record in product commercialisation. We also initiated CICC, a domestic broker that stands to benefit from government reforms to open and modernise the country's capital markets. It has good institutional knowledge, acquired through many years of competing with global investment banks, and a well-developed management structure. Lastly, we established a position in Chacha Food, China's largest nuts producer. Its rapid growth is driven by Chinese consumers becoming more health-conscious.

### Portfolio Outlook and Strategy

Amid geopolitical tensions, we remain focused on the domestic economy, which should be relatively shielded from any full-blown conflict with the US. As the economy returns to normal, we are watching inflationary pressures, as this will affect the pace that last year's aggressive fiscal and monetary stimulus is unwound. Meanwhile, the risk of a resurgence of coronavirus outbreaks remains. Many businesses have been changed: some for better, others for worse. This accentuates the importance of bottom-up analysis and stock picking.

Nonetheless, structural growth drivers, such as the adoption of cloud applications, 5G, and artificial intelligence, are still intact. Domestic consumption and a rising middle class will propel growth in the long run, as China weans itself from reliance on export revenue. We remain convinced that the best way to invest in A-shares sustainably is through exposure to the rapidly expanding premium-consuming class. Higher disposable income is spurring demand for health-care products, wealth management services and insurance. We believe our strategy of identifying high-quality businesses from bottom-up will prove resilient.

### Asia Pacific Equity Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 7 because of the extent to which the following risk factors apply:

- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- A concentrated portfolio may be more volatile than a more broadly diversified one. The fund's investments are concentrated in China. This may result in greater volatility than portfolios which are more geographically diversified.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses. The fund does not make extensive use of derivatives.
- The fund invests in Chinese equities. Investing in China involves a greater risk of loss than investing in more developed markets due to, among other factors, greater government intervention, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

I Accumulation shares	31 January 2021	31 July 2020
Closing net asset value (£'000)	2,999	2,129
Closing number of shares	1,924,241	1,768,187
Closing net asset value per share (pence)	155.88	120.37
Change in net asset value per share	29.50%	-
Operating charges	1.19%	1.19%
K Accumulation shares	31 January 2021	31 July 2020
Closing net asset value (£'000)	1	1
Closing number of shares	1,000	1,000
Closing net asset value per share (pence)	156.89	120.89
Change in net asset value per share	29.78%	-
Operating charges	0.69%	0.69%
M Accumulation shares	31 January 2021	31 July 2020
Closing net asset value (£'000)	2,708	882
Closing number of shares	1,738,435	733,305
Closing net asset value per share (pence)	155.75	120.31
Change in net asset value per share	29.46%	-
Operating charges	1.24%	1.24%
Z Accumulation shares	31 January 2021	31 July 2020
Closing net asset value (£'000)	7,908	6,076
Closing number of shares	5,000,000	5,000,000
Closing net asset value per share (pence)	158.16	121.52
Change in net asset value per share	30.15%	-
Operating charges	0.19%	0.19%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

Fund was launched on 20 August 2019.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
Equities (96.09%)		13,154	96.61
Pacific Basin Equities (96.09%)		13,154	96.61
China (96.09%)		13,154	96.61
69,730	Aier Eye Hospital Group 'A'	621	4.56
50,700	Anhui Conch Cement 'A'	289	2.12
75,600	Bank of Ningbo 'A'	329	2.42
97,800	Beijing Sinnet Technology 'A'	181	1.33
85,300	Centre Testing International 'A'	284	2.09
19,131	Chacha Food 'A'	135	0.99
126,000	China Construction Bank 'H'	70	0.51
93,200	China International Capital 'H'	178	1.30
33,193	China International Travel Service 'A'	1,103	8.10
49,600	China Life Insurance 'A'	203	1.49
109,500	China Merchants Bank 'A'	633	4.65
24,000	China Resources Sanjiu Medical & Pharmaceutical 'A'	67	0.49
119,300	China Vanke 'H'	311	2.29
4,100	Contemporary Amperex Technology 'A'	164	1.22
21,691	Foshan Haitian Flavouring & Food 'A'	483	3.55
61,300	Fuyao Glass Industry 'A'	409	3.00
28,800	Glodon 'A'	270	1.98
53,400	Guangzhou Baiyun International Airport 'A'	83	0.61
84,800	Haier Smart Home 'A'	305	2.24
101,900	Hangzhou Hikvision Digital Technology 'A'	726	5.33
21,371	Hangzhou Robam Appliances 'A'	93	0.68
24,000	Hangzhou Tigermed Consulting 'A'	454	3.33
500	Hangzhou Tigermed Consulting 'H'	8	0.06
32,500	Inner Mongolia Yili Industrial 'A'	162	1.19
20,900	Jiangsu Hengrui Medicine 'A'	245	1.80
4,000	Kweichow Moutai 'A'	957	7.03
15,300	LONGi Green Energy Technology 'A'	186	1.37
40,400	Luxshare Precision Industry 'A'	242	1.78
57,900	Midea 'A'	631	4.63
40,300	NARI Technology 'A'	134	0.98
143,600	Ping An Bank 'A'	375	2.75
74,800	Ping An Insurance 'A'	669	4.91
44,500	SAIC Motor 'A'	110	0.81
35,000	Shanghai International Airport 'A'	313	2.30
19,300	Shanghai M&G Stationery 'A'	205	1.51
5,500	Shenzhen Mindray Bio-Medical Electronics 'A'	279	2.05
79,386	Venustech 'A'	297	2.18

			Market Value £'000	Percentage of total net assets
Holding	Investment			
19,500	Wuliangye Yibin 'A'		642	4.72
142,600	Yonghui Superstores 'A'		110	0.81
13,300	Yunnan Energy New Material 'A'		198	1.45
<b>Collective Investment Schemes (1.95%)</b>			<b>208</b>	<b>1.52</b>
207	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>		208	1.52
Total investment assets			13,362	98.13
Net other assets			254	1.87
<b>Total Net Assets</b>			<b>13,616</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		2,821		(223)
Revenue	11		8	
Expenses	(30)		(5)	
Net (expense)/revenue before taxation	(19)		3	
Taxation	(1)		(1)	
Net (expense)/revenue after taxation		(20)		2
<b>Total return</b>		<b>2,801</b>		<b>(221)</b>
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>2,801</b>		<b>(221)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>9,088</b>		<b>-</b>
Amounts receivable on the issue of shares	2,341		5,237	
Amounts payable on the cancellation of shares	(614)		(1)	
		1,727		5,236
Change in net assets attributable to shareholders from investment activities (see above)		2,801		(221)
<b>Closing net assets attributable to shareholders</b>		<b>13,616</b>		<b>5,015</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		13,362		8,910
<b>Current assets:</b>				
Debtors	68		44	
Cash and bank balances	4,432		141	
		4,500		185
Total assets		17,862		9,095
<b>Liabilities:</b>				
Creditors	(50)		(7)	
Bank overdrafts	(4,196)		-	
		(4,246)		(7)
Total liabilities		(4,246)		(7)
<b>Net assets attributable to shareholders</b>		<b>13,616</b>		<b>9,088</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the M Accumulation class has decreased by 11.0% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.



# ASI Corporate Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling denominated investment grade corporate bonds.

**Performance Target:** To achieve the return of the iBoxx Sterling Collateralized & Corporates Index plus 1% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in Sterling denominated investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the performance target, the iBoxx Sterling Collateralized & Corporates Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 3.5%. Due the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from the iBoxx Sterling Collateralized & Corporates Index over the longer term.

**Please Note:** The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk or reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Corporate Bond Fund - A Accumulation Shares increased by 2.90% compared to an increase of 2.31% in the performance target, the iBoxx Sterling Collateralized & Corporates Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Corporate bonds performed well over the last six months, with sterling-denominated issues outperforming UK gilts. As markets continued to recover from volatility experienced earlier in 2020, investor sentiment was positive for credit. Although the Covid-19 pandemic was an omnipresent theme throughout the period, positivity around vaccination programmes, an economic recovery and politics made for rising prices. This was particularly true for riskier issues, including high-yield bonds.

At the beginning of the period, global bond markets were beginning to recover from the sharp falls of March and April, when the impact of the pandemic was becoming clear. The major central banks had cut interest rates to record lows before the period began. Moreover, the major central banks all purchased corporate bonds through their stimulus programmes. Credit spreads began to narrow from elevated levels, as investors re-evaluated the riskiness of corporate bonds – taking a more relaxed view on creditworthiness. Together these factors pushed yields lower, and prices higher, throughout the period.

Bond issuance has been high, with many companies taking advantage of low yields to refinance their debt or raise funds to cushion economic uncertainty. But bond prices fell slightly in September and October as investors sold out of riskier debt, concerned about the potential for rising defaults amid uncertainty from rising coronavirus cases and the US election. November saw a resumption of the upward trend on positive news flow stemming from vaccine breakthroughs and the US presidential election outcome. This extended into December, driven by vaccine optimism and the agreement of the Brexit trade deal.

January 2021 saw mixed performance, with corporate bond indices falling in aggregate as government bond yields rose. However, high-yield indices still increased. There was some optimism for riskier corporate bonds, with ratings agency Fitch lowering its expectations for defaults in 2021.

## Portfolio Activity

Strong performance during the period was driven by both sector allocation and stock selection, with more cyclical and lower-rated areas of the market outperforming. Within the banking and insurance sector, the fund had exposure to lower-rated issuance via subordinated paper, which performed very well throughout the period. Bonds issued by NatWest Group, ANZ and HSBC stood out over the six months. Elsewhere, the sectors most directly affected

by the pandemic staged a recovery and bonds issued by IAG and Heathrow boosted the fund's performance.

The fund's yield-curve positioning had a material positive impact as longer-dated bonds underperformed. We retained a short position in long-dated bonds and built up our cash balance towards the end of the period. Although the cash position detracted from returns, it provides the fund with some flexibility.

#### **Portfolio Outlook and Strategy**

Investment-grade asset classes are still benefiting from strong investor flows, predominantly from income seeking and liability matching buyers. Central banks continue to influence these markets significantly and provide some support. A material back-up in government bond yields as economies recover remains a threat to the asset class, and valuations (in spread terms) are no longer that attractive. Positive technicals and improving fundamentals are dominating, for the time being.

**Sterling IG Aggregate Team**

February 2021

### 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 risk and reward indicator changed from 3 to 4 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations. The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	2,998	7,997	2,951	3,080
Closing number of shares	1,577,689	4,338,132	1,699,063	1,903,778
Closing net asset value per share (pence)	190.02	184.34	173.71	161.79
Change in net asset value per share	3.08%	6.12%	7.37%	(0.91%)
Operating charges	1.07%	1.04%	1.06%	1.10%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	72,787	306,068	375,801	373,680
Closing number of shares	57,732,903	247,766,425	316,391,933	330,316,081
Closing net asset value per share (pence)	126.08	123.53	118.78	113.13
Change in net asset value per share	2.06%	4.00%	4.99%	(2.96%)
Operating charges	1.07%	1.04%	1.06%	1.10%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	12,505	38,205	12,835	12,385
Closing number of shares	5,626,454	17,760,419	6,359,940	6,619,886
Closing net asset value per share (pence)	222.25	215.11	201.80	187.08
Change in net asset value per share	3.32%	6.60%	7.87%	(0.42%)
Operating charges	0.62%	0.59%	0.59%	0.60%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	40,128	12,972	12,654	12,588
Closing number of shares	30,822,150	10,169,380	10,317,633	10,776,801
Closing net asset value per share (pence)	130.19	127.56	122.64	116.80
Change in net asset value per share	2.06%	4.01%	5.00%	(2.97%)
Operating charges	0.62%	0.59%	0.59%	0.60%
I Gross Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	7,547	654	663	1,228
Closing number of shares	2,972,122	266,141	287,744	574,378
Closing net asset value per share (pence)	253.91	245.76	230.55	213.74
Change in net asset value per share	3.32%	6.60%	7.86%	(0.41%)
Operating charges	0.62%	0.59%	0.59%	0.60%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	26	26	-	
Closing number of shares	21,802	21,834	100	
Closing net asset value per share (pence)	120.47	116.63	109.33	
Change in net asset value per share	3.29%	6.68%	-	
Operating charges	0.67%	0.64%	0.64%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	928	928	100	
Closing net asset value per share (pence)	113.75	111.42	106.84	
Change in net asset value per share	2.09%	4.29%	-	
Operating charges	0.67%	0.64%	0.64%	
P Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	62,049	83,161	89,703	95,371
Closing number of shares	50,517,599	69,106,228	77,532,196	86,553,128
Closing net asset value per share (pence)	122.83	120.34	115.70	110.19
Change in net asset value per share	2.07%	4.01%	5.00%	(2.96%)
Operating charges	0.37%	0.34%	0.34%	0.35%
P Gross Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	2,631	2,761	3,903	3,982
Closing number of shares	2,079,407	2,227,019	3,273,900	3,507,607
Closing net asset value per share (pence)	126.55	123.99	119.21	113.53
Change in net asset value per share	2.06%	4.01%	5.00%	(2.97%)
Operating charges	0.37%	0.34%	0.34%	0.35%
Q Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	273,731	343,936	463,453	806,074
Closing number of shares	222,888,037	285,839,321	400,623,726	731,639,990
Closing net asset value per share (pence)	122.81	120.33	115.68	110.17
Change in net asset value per share	2.06%	4.02%	5.00%	(2.97%)
Operating charges	0.29%	0.27%	0.27%	0.26%
Q Gross Income shares <sup>C</sup>			31 July 2019	31 July 2018
Closing net asset value (£'000)			1,969	37,922
Closing number of shares			1,651,239	33,399,891
Closing net asset value per share (pence)			119.22	113.54
Change in net asset value per share			5.00%	(2.97%)
Operating charges			0.27%	0.26%
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	66,408	159,389	361,993	320,755
Closing number of shares	26,720,234	66,427,040	161,623,206	155,249,358
Closing net asset value per share (pence)	248.53	239.95	223.97	206.61
Change in net asset value per share	3.58%	7.13%	8.40%	0.09%
Operating charges	0.12%	0.09%	0.09%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.

<sup>B</sup> M Income share class was launched on 26 November 2018.

<sup>C</sup> Q Gross Income share class was closed on 14 July 2020.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (94.92%)</b>		<b>478,655</b>	<b>88.51</b>
<b>Euro Denominated Bonds (2.98%)</b>		<b>24,896</b>	<b>4.60</b>
<b>Corporate Bonds (2.98%)</b>		<b>24,896</b>	<b>4.60</b>
between 5 and 10 years to maturity			
2,400,000	International Consolidated Airlines 1.5% 2027*	1,792	0.33
12,850,000	Lehman Brothers 4.625% 2019**	-	-
greater than 25 years to maturity			
2,700,000	AIG 4.875% 2067	2,160	0.40
Perpetual			
1,670,000	Enel 2.25% fixed to floating Perpetual	1,545	0.28
2,300,000	Iberdrola International 1.874% fixed to floating Perpetual	2,082	0.39
2,841,000	Intesa Sanpaolo 5.5% fixed to floating Perpetual	2,633	0.49
7,374,000	NatWest 6.625% fixed to floating Perpetual	6,366	1.18
2,300,000	Telefonica 3.875% fixed to floating Perpetual	2,187	0.40
3,800,000	TOTAL 3.369% fixed to floating Perpetual	3,717	0.69
2,600,000	Volkswagen International 3.5% fixed to floating Perpetual	2,414	0.44
<b>Sterling Denominated Bonds (89.60%)</b>		<b>442,367</b>	<b>81.80</b>
<b>Corporate Bonds (86.75%)</b>		<b>402,318</b>	<b>74.39</b>
less than 5 years to maturity			
2,800,000	Autolink Concessionaires M6 8.39% 2022	484	0.09
3,700,000	Deutsche Bank 2.625% 2024	3,879	0.72
3,202,000	FirstGroup 8.75% 2021	3,244	0.60
1,383,000	Ford Motor Credit 2.748% 2024	1,380	0.25
1,360,000	Hammerson 3.5% 2025	1,342	0.25
2,720,000	Heathrow Finance 5.75% 2025	2,898	0.54
3,540,000	Intu (SGS) Finance 4.125% 2023	1,599	0.30
1,579,000	Scottish Widows 5.5% 2023	1,737	0.32
1,880,000	Unite (USAF) II 3.374% 2023	1,970	0.36
between 5 and 10 years to maturity			
5,435,000	Athene Global Funding 1.75% 2027	5,567	1.03
1,051,000	Barclays 1.7% fixed to floating 2026	1,080	0.20
7,740,000	Barclays 3% 2026	8,414	1.56
4,290,000	Barclays 3.75% 3.75% fixed to floating 2030	4,662	0.86
4,080,000	British American Tobacco 4% 2026	4,662	0.86
2,869,000	British Land 2.375% 2029	2,967	0.55

Holding	Investment	Market Value £'000	Percentage of total net assets
3,360,000	CPUK 3.69% 2028	3,696	0.68
2,110,000	Credit Suisse 2.25% fixed to floating 2028	2,221	0.41
2,676,000	Danske Bank 2.25% fixed to floating 2028	2,775	0.51
4,642,000	Digital Stout 3.75% 2030	5,559	1.03
2,816,000	Gatwick 6.125% 2026	3,363	0.62
1,975,000	Grainger 3% 2030	2,143	0.40
2,255,000	Hammerson 6% fixed to floating 2026	2,411	0.45
574,000	Hammerson 7.25% 2028	649	0.12
3,459,000	HSBC 2.256% 2026	3,650	0.67
3,140,000	innogy Finance 6.25% 2030	4,463	0.82
5,430,000	Kraft Heinz Foods 4.125% 2027	6,020	1.11
1,545,000	MPT Operating Partnership 3.692% 2028	1,673	0.31
1,872,000	National Express 2.375% 2028	1,946	0.36
2,202,000	NewRiver REIT 3.5% 2028	1,980	0.37
4,374,000	Next 4.375% 2026	5,005	0.92
2,200,000	Northern Gas Networks 4.875% 2027	2,745	0.51
3,240,000	Northumbrian Water 1.625% 2026	3,383	0.63
1,090,000	Notting Hill Genesis 2.875% 2029	1,196	0.22
2,720,000	Paragon FRN 2026	2,792	0.52
2,388,000	Quadgas Finance 3.375% 2029	2,633	0.49
3,006,000	Smith (DS) 2.875% 2029	3,275	0.61
1,755,000	Southern Gas Networks 4.875% 2029	2,275	0.42
2,590,000	Thames Water 5.75% 2030	2,751	0.51
1,450,000	Trafford Centre 7.03%% 2029	748	0.14
3,296,000	Unite Group 3.5% 2028	3,675	0.68
2,410,000	Virgin Media 5% 2027	2,527	0.47
3,240,000	Virgin Money 3.375% fixed to floating 2026	3,433	0.63
1,210,000	Virgin Money UK 4% fixed to floating 2027	1,341	0.25
826,000	Virgin Money UK 5.125% 2030	892	0.16
2,644,000	Virgin Money UK 7.875% fixed to floating 2028	3,006	0.56
2,685,000	Welltower 4.8% 2028	3,262	0.60
2,653,000	Westfield Stratford City Finance 1.642% 2026	2,672	0.49
between 10 and 15 years to maturity			
2,720,000	Annington Funding 3.685% 2034	3,279	0.61
1,825,000	APT Pipelines 3.125% 2031	2,081	0.38
2,190,000	AT&T 5.2% 2033	2,981	0.55
3,700,000	BNP Paribas 1.25% 2031	3,616	0.67
1,600,000	British American Tobacco 6% 2034	2,202	0.41
4,345,000	Broadgate Financing 5.098% 2033	4,669	0.86
2,700,000	EDF 6.125% 2034	4,091	0.76
3,418,000	Fiserv 3% 2031	3,895	0.72

		Market Value £'000	Percentage of total net assets
Holding	Investment		
1,350,000	Gatwick 4.625% 2034	1,633	0.30
5,500,000	Great Rolling Stock 6.5% 2031*	5,825	1.08
1,458,000	Greene King FRN 2033	979	0.18
1,959,000	Heathrow Funding 6.45% fixed to floating 2031	2,735	0.51
5,400,000	Innogy 4.75% 2034	7,310	1.35
4,388,000	Lloyds Banking Group 2.707% 2035	4,542	0.84
4,500,000	Meadowhall Finance 4.986% 2032	3,424	0.63
1,140,000	Meadowhall Finance 4.988% 2032	918	0.17
1,900,000	Orange 3.25% 2032	2,257	0.42
3,863,000	Premiertel 6.175% 2032	4,036	0.75
2,130,000	Thames Water 4.375% 2034	2,803	0.52
2,160,000	THFC Funding No 1 5.125% 2035	3,108	0.57
1,960,000	Welltower 4.5% 2034	2,488	0.46
between 15 and 25 years to maturity			
2,190,000	America Movil 4.375% 2041	3,000	0.55
5,533,000	Anheuser-Busch InBev 2.85% 2037	6,317	1.17
1,588,000	Aspire Defence 4.674% 2040 'A'	1,872	0.35
1,158,000	Aster Treasury 4.5% 2043	1,759	0.32
2,150,000	AT&T 7% 2040	3,569	0.66
2,640,000	Aviva 6.125% 2036	3,231	0.60
1,499,000	Berkshire Hathaway Finance 2.375% 2039	1,728	0.32
1,150,000	British Telecom 6.375% 2037	1,783	0.33
2,130,000	Cadent Finance 2.625% 2038	2,351	0.43
1,472,000	Comcast 1.875% 2036	1,541	0.28
3,250,000	E.ON Finance 6.75% 2039	5,622	1.04
4,000,000	EDF 5.5% 2041	6,120	1.13
2,140,000	Enel 5.75% 2037	3,288	0.61
2,140,000	Enel 5.75% 2040	3,392	0.63
1,150,000	Eversholt 3.529% 2042	1,340	0.25
1,809,000	Eversholt Funding 2.742% 2040	1,932	0.36
1,000,000	Gatwick 3.125% 2039	1,038	0.19
820,000	Gatwick 6.5% 2041	1,242	0.23
429,000	GE Capital 6.25% 2038	637	0.12
708,000	GE Capital 8% 2039	1,196	0.22
1,175,000	General Electric 5.375% 2040	1,609	0.30
2,140,000	GlaxoSmithKline 5.25% 2042	3,525	0.65
1,620,000	HSBC 6% 2040	2,325	0.43
870,000	Midland Heart Capital 5.087% 2044	1,368	0.25
1,670,000	Morhomes 3.4% 2038	1,912	0.35
2,244,000	RMPA Services 5.337% 2038	2,222	0.41
2,100,000	SLM Student Loan Trust 5.45% fixed to floating 2038	1,456	0.27



		Market Value £'000	Percentage of total net assets
Holding	Investment		
1,360,000	Southern Gas Networks 3.1% 2036	1,625	0.30
2,630,000	Southern Water Services Finance 3% 2037	2,966	0.55
200,000	Tesco 5.6611% 2041	269	0.05
4,754,000	Tesco 5.744% 2040	6,216	1.15
956,000	Tesco 7.6227% 2039	1,221	0.23
2,397,000	Verizon Communications 1.875% 2038	2,410	0.45
2,255,000	Verizon Communications 3.375% 2036	2,748	0.51
1,235,000	Wheatley 4.375% 2044*	1,752	0.32
greater than 25 years to maturity			
2,200,000	American International FRN 2067	1,879	0.35
2,000,000	Annington Funding 3.935% 2047	2,619	0.48
2,090,000	Aviva 5.125% 2050	2,505	0.46
3,541,000	Aviva 6.875% 2058	5,576	1.03
2,000,000	Berkshire Hathaway Finance 2.625% 2059	2,557	0.47
3,550,000	BHP Billiton 6.5% 2077	3,846	0.71
1,710,000	Blend Funding 3.459% 2047	2,223	0.41
1,390,000	Cadent Finance 2.75% 2046	1,546	0.29
1,150,000	Catalyst Housing 3.125% 2047	1,444	0.27
3,242,000	Channel Link 3.043% 2050	3,316	0.61
1,220,000	Dignity 4.6956% 2049	978	0.18
1,000,000	EDF 6% 2114	1,794	0.33
2,000,000	Engie 5% 2060	3,781	0.70
5,120,000	NGG 5.625% fixed to floating 2073	5,828	1.08
1,670,000	Notting Hill Housing Trust 3.25% 2048	2,021	0.37
1,360,000	Notting Hill Housing Trust 4.375% 2054	2,051	0.38
1,550,000	Orange 5.375% 2050	2,672	0.49
1,670,000	Paragon 3.625% 2047	2,151	0.40
2,980,000	Prudential 5.625% FRN 2051	3,589	0.66
2,200,000	RL Finance 4.875% fixed to floating 2049	2,500	0.46
1,370,000	Thames Water 7.738% 2058	3,043	0.56
1,512,000	University of Oxford 2.544% 2117	2,211	0.41
2,258,000	Vodafone 3% 2056	2,467	0.46
2,070,000	Wellcome Trust 2.517% 2118	3,032	0.56
1,290,000	WM Treasury 2 3.25% 2048	1,689	0.31
1,465,000	Wrekin Housing 2.5% 2048	1,692	0.31
Perpetual			
1,720,000	Aviva 6.125% fixed to floating Perpetual	1,834	0.34
5,790,000	AXA 5.453% fixed to floating Perpetual	6,698	1.24
3,242,000	Barclays 6.375% fixed to floating Perpetual	3,499	0.65
1,400,000	Barclays 7.25% fixed to floating Perpetual	1,486	0.27

			Market Value £'000	Percentage of total net assets
Holding	Investment			
1,596,000	BP Capital Markets 4.25% fixed to floating Perpetual		1,709	0.32
1,500,000	Cheltenham & Gloucester 11.75% Perpetual		3,060	0.57
2,000,000	EDF 6% fixed to floating Perpetual		2,268	0.42
2,409,000	HSBC 5.844% fixed to floating Perpetual		3,531	0.65
3,804,000	HSBC 5.875% fixed to floating Perpetual		4,161	0.77
1,460,000	Lloyds Banking Group 7.625% fixed to floating Perpetual		1,584	0.29
799,000	National Express 4.25% fixed to floating Perpetual		819	0.15
6,312,000	National Westminster Bank 7.125% fixed to floating Perpetual		7,008	1.30
1,479,000	Nationwide Building Society 5.875% fixed to floating Perpetual		1,615	0.30
826,000	Natwest Group 5.125% fixed to floating Perpetual		870	0.16
1,530,000	Orange 5.75% fixed to floating Perpetual		1,667	0.31
<b>Government Bonds (2.85%)</b>			<b>40,049</b>	<b>7.41</b>
between 5 and 10 years to maturity				
19,828,000	UK (Govt of) 0.125% 2028		19,778	3.66
between 15 and 25 years to maturity				
10,876,000	UK (Govt of) 4.5% 2042		18,874	3.49
greater than 25 years to maturity				
1,196,000	Mexico (United Mexican States) 5.625% 2114		1,397	0.26
<b>US Dollar Denominated Bonds (2.34%)</b>			<b>11,392</b>	<b>2.11</b>
<b>Corporate Bonds (2.34%)</b>			<b>11,392</b>	<b>2.11</b>
between 10 and 15 years to maturity				
2,477,000	Charter Communications Operating 2.8% 2031		1,859	0.34
Perpetual				
2,410,000	Australia & New Zealand Banking FRN Perpetual		1,523	0.28
6,500,000	AXA 6.379% fixed to floating Perpetual		6,580	1.22
1,859,000	Credit Suisse 5.25% fixed to floating Perpetual		1,430	0.27
<b>Equities (0.43%)</b>			-	-
<b>UK Equities (0.43%)</b>			-	-
<b>Financials (0.43%)</b>			-	-
<b>Collective Investment Schemes (3.64%)</b>			<b>26,707</b>	<b>4.94</b>
2,378,473	ASI European High Yield Bond Fund Z Acc <sup>+</sup>		3,170	0.59
12,496,525	ASI Strategic Bond Fund Z Acc <sup>+</sup>		23,537	4.35

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Derivatives (0.00%)</b>		<b>(1,435)</b>	<b>(0.27)</b>
<b>Credit Default Swaps (-0.07%)</b>		<b>(1,724)</b>	<b>(0.32)</b>
EUR 4,933,300	Buy iTraxx Europe Series 34 20/12/2025 5%	(483)	(0.09)
EUR 14,799,900	Buy iTraxx Europe Series 34 20/12/2025 5%	(1,450)	(0.27)
EUR 14,500,000	Sell Tesco Plc Senior 20/12/2025 1%	209	0.04
<b>Forward Currency Contracts (0.10%)</b>		<b>378</b>	<b>0.07</b>
	Buy EUR 1,787,000 Sell GBP 1,593,895 10/03/2021	(12)	-
	Buy EUR 2,634,000 Sell GBP 2,393,797 10/03/2021	(62)	(0.01)
	Buy EUR 2,992,000 Sell GBP 2,705,131 10/03/2021	(56)	(0.01)
	Buy GBP 729,549 Sell AUD 1,321,000 10/03/2021	(9)	-
	Buy GBP 57,138 Sell EUR 63,000 10/03/2021	1	-
	Buy GBP 15,690,520 Sell EUR 17,359,000 10/03/2021	323	0.06
	Buy GBP 13,783,766 Sell USD 18,552,000 10/03/2021	277	0.05
	Buy USD 207,000 Sell GBP 154,496 10/03/2021	(4)	-
	Buy USD 4,173,000 Sell GBP 3,068,734 10/03/2021	(30)	(0.01)
	Buy USD 6,395,000 Sell GBP 4,705,866 10/03/2021	(50)	(0.01)
<b>Futures (-0.03%)</b>		<b>(89)</b>	<b>(0.02)</b>
168	Long Long Gilt Future 29/03/2021	(135)	(0.02)
(124)	Short Euro-Bobl Future 08/03/2021	(21)	(0.01)
(107)	Short US 10 Year Note (CBT) Future 22/03/2021	67	0.01
<b>Total investment assets and liabilities</b>		<b>503,927</b>	<b>93.18</b>
<b>Net other assets</b>		<b>36,884</b>	<b>6.82</b>
<b>Total Net Assets</b>		<b>540,811</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\* A portion of this security is on loan at the period end.

\*\* Defaulted

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		11,444		43,667
Revenue	9,779		20,900	
Expenses	(1,506)		(3,002)	
Interest payable and similar charges	(4)		(3)	
Net revenue before taxation	8,269		17,895	
Taxation	-		-	
Net revenue after taxation		8,269		17,895
<b>Total return before distributions</b>		<b>19,713</b>		<b>61,562</b>
Distributions		(8,269)		(17,895)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>11,444</b>		<b>43,667</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>955,170</b>		<b>1,325,925</b>
Amounts receivable on the issue of shares	45,515		30,410	
Amounts payable on the cancellation of shares	(473,086)		(90,634)	
		(427,571)		(60,224)
Dilution adjustment		472		(1)
Stamp duty reserve tax		(5)		-
Change in net assets attributable to shareholders from investment activities (see above)		11,444		43,667
Retained distribution on accumulation shares		1,297		5,744
Unclaimed distributions		4		4
<b>Closing net assets attributable to shareholders</b>		<b>540,811</b>		<b>1,315,115</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		506,239		947,321
<b>Current assets:</b>				
Debtors	6,428		20,354	
Cash and bank balances	36,157		2,848	
		42,585		23,202
<b>Total assets</b>		<b>548,824</b>		<b>970,523</b>
<b>Liabilities:</b>				
Investment liabilities		(2,312)		(1,826)
Creditors	(2,859)		(9,134)	
Bank overdrafts	(30)		(30)	
Distribution payable	(2,812)		(4,363)	
		(5,701)		(13,527)
<b>Total liabilities</b>		<b>(8,013)</b>		<b>(15,353)</b>
<b>Net assets attributable to shareholders</b>		<b>540,811</b>		<b>955,170</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 2.7% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	0.9724	-	0.9724	0.9820
Group 2	0.4886	0.4838	0.9724	0.9820
<b>A Income shares</b>				
Group 1	0.6501	-	0.6501	0.6715
Group 2	0.5432	0.1069	0.6501	0.6715
<b>I Accumulation shares</b>				
Group 1	1.3799	-	1.3799	1.3730
Group 2	0.7238	0.6561	1.3799	1.3730
<b>I Income shares</b>				
Group 1	0.8187	-	0.8187	0.8344
Group 2	0.4631	0.3556	0.8187	0.8344
<b>I Gross Accumulation shares</b>				
Group 1	1.5773	-	1.5773	1.5687
Group 2	0.4985	1.0788	1.5773	1.5687
<b>M Accumulation shares</b>				
Group 1	0.7343	-	0.7343	0.5377
Group 2	0.7343	-	0.7343	0.5377
<b>M Income shares</b>				
Group 1	0.7585	-	0.7585	0.5463
Group 2	0.7585	-	0.7585	0.5463
<b>P Income shares</b>				
Group 1	0.8487	-	0.8487	0.8612
Group 2	0.4003	0.4484	0.8487	0.8612
<b>P Gross Income shares</b>				
Group 1	0.8745	-	0.8745	0.8873
Group 2	0.8745	-	0.8745	0.8873
<b>Q Income shares</b>				
Group 1	0.8700	-	0.8700	0.8818
Group 2	0.4034	0.4666	0.8700	0.8818

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>Q Gross Income shares</b>				
Group 1	-	-	-	0.9081
Group 2	-	-	-	0.9081
<b>Z Accumulation shares</b>				
Group 1	1.8438	-	1.8438	1.8105
Group 2	0.8388	1.0050	1.8438	1.8105

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.8867	-	0.8867	0.9021
Group 2	0.2565	0.6302	0.8867	0.9021
<b>A Income shares</b>				
Group 1	0.5908	-	0.5908	0.6134
Group 2	0.2074	0.3834	0.5908	0.6134
<b>I Accumulation shares</b>				
Group 1	1.2884	-	1.2884	1.2836
Group 2	0.6209	0.6675	1.2884	1.2836
<b>I Income shares</b>				
Group 1	0.7592	-	0.7592	0.7747
Group 2	0.3197	0.4395	0.7592	0.7747
<b>I Gross Accumulation shares</b>				
Group 1	1.4719	-	1.4719	1.4662
Group 2	1.2907	0.1812	1.4719	1.4662
<b>M Accumulation shares</b>				
Group 1	0.6835	-	0.6835	0.7125
Group 2	0.6835	-	0.6835	0.7125
<b>M Income shares</b>				
Group 1	0.7090	-	0.7090	0.6939
Group 2	0.7090	-	0.7090	0.6939
<b>P Income shares</b>				
Group 1	0.7940	-	0.7940	0.8051
Group 2	0.2659	0.5281	0.7940	0.8051

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>P Gross Income shares</b>				
Group 1	0.8182	-	0.8182	0.8295
Group 2	0.8182	-	0.8182	0.8295
<b>Q Income shares</b>				
Group 1	0.8161	-	0.8161	0.8258
Group 2	0.3939	0.4222	0.8161	0.8258
<b>Q Gross Income shares</b>				
Group 1	-	-	-	0.8508
Group 2	-	-	-	0.8508
<b>Z Accumulation shares</b>				
Group 1	1.7519	-	1.7519	1.7159
Group 2	0.6258	1.1261	1.7519	1.7159

#### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.



# ASI Diversified Income Fund

For the six months ended 31 January 2021

## Investment Objective

To generate a positive return through income and some capital growth over the long term (5 years or more) by investing in a globally diversified portfolio of assets whilst reducing the risk of losses. Invested capital is however at risk and there is no guarantee that this will be attained over any time period.

**Performance Target:** To exceed the return of 1 Month GBP LIBOR by 5% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

1 Month GBP LIBOR has been chosen as a proxy for the return on cash deposits.

## Investment Policy

### Portfolio Securities

- The fund invests globally in a range of asset classes, derivatives, money-market instruments and cash.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) to gain exposure to a broad mix of assets from across the global investment universe.
- Asset classes that the fund invests in may include listed equities, private equity, property, infrastructure, high yield bonds, loans, emerging market debt, asset-backed securities, alternative risk premia, insurance linked securities, litigation finance, peer-to-peer lending, aircraft leasing and healthcare royalties.
- Asset classes such as infrastructure, property or private equity will typically be accessed through investment route such as listed equities.

### Management Process

- The management team use their discretion (active management) to identify a diverse mix of investments which they believe are most appropriate for the investment objective. As a result of this diversification, and during extreme equity market falls, we expect losses to be below those of conventional global equity markets, with a volatility typically less than two thirds of equities.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.
- The team separately conduct extensive research to identify the most appropriate type of investment for each asset class.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares or management of currency risk.
- Some underlying funds invested in by the fund may use derivatives more extensively. Derivatives may be used within underlying funds to generate growth if market prices are expected to rise ("long positions") or fall ("short positions").

## Performance Review

For the six months ended 31 January 2021, the value of ASI Diversified Income Fund – A Accumulation Shares increased by 7.05% compared with an increase of 0.02% in the performance target, 1 Month GBP LIBOR.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

There was strong positive performance from many asset classes over the six months despite a degree of volatility in the first few months due to the US election, rising global coronavirus cases and renewed lockdown measures. However, as we moved into November and December markets reacted favourably to numerous Covid-19 vaccine announcements and outcome of the US presidential election. Global equities closed the year on a high but in the end of January markets suffered the sharpest decline in three months as investors awaited a number of earnings reports from large technology companies.

Against this backdrop global equities delivered very strong positive returns with all the satellites contributing positively. ABS delivered strong returns as prices continued to recover from depressed levels. Special opportunities also delivered a positive return, with litigation finance and marketplace lending performing strongly. Our property allocation produced a positive return, with residential, logistics and student accommodation performing well. Infrastructure also contributed positively demonstrating the resilience of the investments despite the challenges of Covid-19. EM local currency bonds produced a small positive return. While income contributed positively to performance and bond pricing was roughly flat, the performance of EM currencies against our funding basket slightly dampened returns.

## Portfolio Activity

The main asset allocation changes over the six months were a reduction in high yield credit, investment grade credit and special opportunities and an increase in listed equity, private equity and emerging market debt.

We sold our remaining exposure to US corporate credit. Having allocated in late March 2020 when spreads were materially wider, we have gradually reduced our exposure as spreads re-traced and forward-looking expected returns declined. The proceeds from this sale were allocated to EM debt and sustainable core equity.

Within private equity, we initiated a 3% position in a listed private capital sub-portfolio that invests in listed private equity and debt through investment companies and private market asset managers.

Within special opportunities we sold our remaining position in Alternative Credit Investments. Following a lengthy takeover bid from Waterfall Asset Management, the shares were trading close to the bid price that we believed would succeed.

Our exposure to property was broadly flat; however this conceals a good degree of underlying position changes. We reduced our exposure to a number of global REIT positions. On the other side, we initiated new positions in Assura plc and Primary Health Properties that own, acquire and develop GP practices.

#### Portfolio Outlook and Strategy

Both the short-term and long-term outlook for economies is particularly uncertain at the moment. In the near-term much depends on the ongoing impact of Covid-19. Our base case predicts a synchronised global upturn starting by the second quarter, but that is highly dependent on restrictions to mobility being lifted. There also remains the potential for policy errors if governments and central banks remove stimulus packages too early.

Bond yields have been driven to extremely low levels meaning that prospective returns from government and investment grade bonds are poor and we do not see these asset classes as attractive. Equities have the potential to deliver better returns and we believe our core is ideally placed to capture those returns, while the satellites offer the potential for additional performance.

We see compelling return prospects in a number of alternative asset classes which include infrastructure assets that have attractive yields linked to inflation, asset-backed securities which currently offer better risk-adjusted returns than corporate bond and a variety of special opportunities such as litigation finance and healthcare royalties.

Overall, we believe the portfolio is positioned to deliver a highly attractive medium-term return delivered in a relatively smooth fashion.

#### Diversified Assets Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- Commercial property is less liquid than other asset classes such as bonds or equities. Selling property can be a lengthy process so investors in the fund should be aware that they may not be able to sell their investment when they want to.
- Commercial property transaction charges are higher than those which apply in other asset classes. Investors should be aware that a high volume of transactions would have a material impact on fund returns.
- Property valuation is a matter of judgment by an independent valuer and is therefore a matter of the valuer's opinion rather than fact.
- The fund employs a single swinging pricing methodology to protect against the dilution impact of transaction costs. Due to the high transaction charges associated with the fund's assets, a change in the pricing basis will result in a significant movement in the fund's published price.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations. The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	16,535	16,931	27,219	32,553
Closing number of shares	7,333,074	8,046,482	12,383,990	14,757,240
Closing net asset value per share (pence)	225.48	210.42	219.79	220.59
Change in net asset value per share	7.16%	(4.26%)	(0.36%)	1.06%
Operating charges	1.22%	1.22%	1.33%	1.43%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	772	880	1,133	1,412
Closing number of shares	669,743	799,509	939,673	1,107,277
Closing net asset value per share (pence)	115.30	110.06	120.54	127.56
Change in net asset value per share	4.76%	(8.69%)	(5.50%)	(4.04%)
Operating charges	1.22%	1.22%	1.33%	1.43%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	23,303	24,278	35,104	38,504
Closing number of shares	16,184,357	18,100,510	25,143,222	27,592,838
Closing net asset value per share (pence)	143.98	134.13	139.62	139.54
Change in net asset value per share	7.34%	(3.93%)	0.06%	1.59%
Operating charges	0.77%	0.77%	0.78%	0.78%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	132,908	130,653	150,645	33,239
Closing number of shares	129,594,778	133,714,603	141,395,812	29,639,530
Closing net asset value per share (pence)	102.56	97.71	106.54	112.14
Change in net asset value per share	4.96%	(8.29%)	(4.99%)	(3.43%)
Operating charges	0.77%	0.77%	0.78%	0.78%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	296	277	-	
Closing number of shares	278,438	278,942	100	
Closing net asset value per share (pence)	106.44	99.17	103.28	
Change in net asset value per share	7.33%	(3.98%)	3.28%	
Operating charges	0.82%	0.82%	0.83%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	30	28	-	
Closing number of shares	30,783	30,837	100	
Closing net asset value per share (pence)	96.72	92.17	100.39	
Change in net asset value per share	4.94%	(8.19%)	0.39%	
Operating charges	0.82%	0.82%	0.83%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,948	4,372	5,742	6,795
Closing number of shares	1,633,829	1,947,112	2,468,012	2,935,857
Closing net asset value per share (pence)	241.66	224.57	232.63	231.46
Change in net asset value per share	7.61%	(3.46%)	0.51%	2.08%
Operating charges	0.17%	0.17%	0.18%	0.18%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.

<sup>B</sup> M Income share class was launched on 26 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (27.54%)</b>		<b>45,697</b>	<b>25.70</b>
<b>Brazilian Real Denominated Bonds (1.24%)</b>		<b>3,763</b>	<b>2.12</b>
<b>Government Bonds (1.24%)</b>		<b>3,763</b>	<b>2.12</b>
less than 5 years to maturity			
11,120,000	Brazil (Fed Rep of) 10% 2025	1,686	0.95
590,000	Letra Tesouro Nacional 0% 2024	66	0.04
230,000	Nota Do Tesouro 6% 2023	118	0.06
between 5 and 10 years to maturity			
5,083,000	Brazil Notas do Tesouro Nacional Series F 10% 2031	794	0.45
7,130,000	Nota Do Tesouro 10% 2027	1,099	0.62
<b>Chilean Peso Denominated Bonds (0.12%)</b>		<b>363</b>	<b>0.20</b>
<b>Government Bonds (0.12%)</b>		<b>363</b>	<b>0.20</b>
between 5 and 10 years to maturity			
365,000,000	Chile (Republic of) 2.3% 2028	363	0.20
<b>Colombian Peso Denominated Bonds (0.90%)</b>		<b>2,608</b>	<b>1.47</b>
<b>Government Bonds (0.90%)</b>		<b>2,608</b>	<b>1.47</b>
less than 5 years to maturity			
1,677,000,000	Colombia (Republic of) 10% 2024	419	0.23
between 5 and 10 years to maturity			
4,461,800,000	Colombia (Republic of) 7.5% 2026	1,060	0.60
between 10 and 15 years to maturity			
3,490,300,000	Colombia (Republic of) 7% 2032	776	0.44
1,572,900,000	Colombian TES 7.25% 2034	353	0.20
<b>Czech Koruna Denominated Bonds (0.27%)</b>		<b>787</b>	<b>0.44</b>
<b>Government Bonds (0.27%)</b>		<b>787</b>	<b>0.44</b>
between 5 and 10 years to maturity			
8,120,000	Czech Republic (Govt of) 0.95% 2030	268	0.15

Holding	Investment	Market Value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
2,850,000	Czech Republic (Govt of) 2% 2033	103	0.06
between 15 and 25 years to maturity			
8,860,000	Czech Republic (Govt of) 4.2% 2036	416	0.23
<b>Dominican Peso Denominated Bonds (0.36%)</b>		<b>1,042</b>	<b>0.59</b>
<b>Government Bonds (0.36%)</b>		<b>1,042</b>	<b>0.59</b>
less than 5 years to maturity			
29,300,000	Dominican (Republic of) 11.5% 2024	409	0.23
32,800,000	Dominican (Republic of) 8.9% 2023	420	0.24
between 5 and 10 years to maturity			
16,000,000	Dominican (Republic of) 9.75% 2026	213	0.12
<b>Egyptian Pound Denominated Bonds (0.12%)</b>		<b>800</b>	<b>0.45</b>
<b>Government Bonds (0.12%)</b>		<b>800</b>	<b>0.45</b>
less than 5 years to maturity			
4,250,000	Egypt (Arab Republic of) 0% 2021	187	0.11
12,448,000	Egypt (Arab Republic of) 16.3% 2024	613	0.34
<b>Euro Denominated Bonds (2.71%)</b>		<b>6,374</b>	<b>3.58</b>
<b>Corporate Bonds (2.71%)</b>		<b>6,191</b>	<b>3.48</b>
between 5 and 10 years to maturity			
875,000	Avoca CLO XI FRN 2030	773	0.43
406,000	Fair Oaks Loan Funding I FRN 2030 'E'	359	0.20
900,000	Pietra Nera 1.15% 2030	746	0.42
between 10 and 15 years to maturity			
203,000	Aqueduct European CLO 3 FRN 2032 'E'	175	0.10
100,000	Aqueduct European CLO 4 FRN 2032 'C'	88	0.05
309,000	Aqueduct European CLO 4 FRN 2032 'E'	269	0.15
327,000	Aqueduct European CLO 5 FRN 2032 'D'	289	0.16
258,000	Aqueduct European CLO 5 FRN 2032 'E'	228	0.13
164,000	Arbour CLO VIII FRN 2033 'DNVE'	145	0.08
303,000	Arbour CLO VIII FRN 2033 'EV'	266	0.15
160,000	Contego CLO VII FRN 2032 'E'	140	0.08
1,155,000	CVC Cordatus FRN 2033	978	0.55

			Market Value £'000	Percentage of total net assets
Holding	Investment			
578,000	Fair Oaks Loan Funding III FRN 2033 'E'		509	0.29
697,000	Henley FRN 2034		601	0.34
100,000	Invesco Euro CLO I FRN 2031 'C'		89	0.05
457,000	Invesco Euro CLO IV FRN 2033		398	0.22
162,000	Invesco FRN 2033		138	0.08
<b>Government Bonds (0.00%)</b>			<b>183</b>	<b>0.10</b>
between 5 and 10 years to maturity				
200,000	Egypt (Arab Republic of) 5.625% 2030		183	0.10
<b>Hungarian Forint Denominated Bonds (0.25%)</b>			<b>599</b>	<b>0.34</b>
<b>Government Bonds (0.25%)</b>			<b>599</b>	<b>0.34</b>
between 15 and 25 years to maturity				
228,280,000	Hungary (Govt of) 3% 2038		599	0.34
<b>Indian Rupee Denominated Bonds (0.52%)</b>			<b>947</b>	<b>0.53</b>
<b>Government Bonds (0.52%)</b>			<b>947</b>	<b>0.53</b>
less than 5 years to maturity				
20,000,000	Housing Development Finance 8.75% 2023		211	0.12
between 5 and 10 years to maturity				
70,000,000	Gujarat (State of) 7.2% 2027		736	0.41
<b>Indonesian Rupiah Denominated Bonds (1.74%)</b>			<b>4,455</b>	<b>2.51</b>
<b>Government Bonds (1.74%)</b>			<b>4,455</b>	<b>2.51</b>
less than 5 years to maturity				
13,850,000,000	Indonesia (Republic of) 7% 2022		744	0.42
8,683,000,000	Indonesia (Republic of) 8.125% 2024		491	0.28
between 5 and 10 years to maturity				
11,200,000,000	Indonesia (Republic of) 6.125% 2028		583	0.33
24,549,000,000	Indonesia (Republic of) 7% 2027		1,356	0.76
8,100,000,000	Indonesia (Republic of) 9% 2029		491	0.28
between 10 and 15 years to maturity				
11,200,000,000	Indonesia (Republic of) 8.375% 2034		662	0.37
2,020,000,000	Indonesia (Republic of) 9.5% 2031		128	0.07



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Malaysian Ringgit Denominated Bonds (0.57%)</b>		<b>1,646</b>	<b>0.93</b>
<b>Government Bonds (0.57%)</b>		<b>1,646</b>	<b>0.93</b>
between 5 and 10 years to maturity			
1,550,000	Malaysia (Govt of) 4.498% 2030	318	0.18
between 10 and 15 years to maturity			
2,015,000	Malaysia (Govt of) 3.828% 2034	383	0.22
2,661,000	Malaysia (Govt of) 3.844% 2033	501	0.28
1,500,000	Malaysia (Govt of) 4.232% 2031	301	0.17
between 15 and 25 years to maturity			
690,000	Malaysia (Govt of) 4.762% 2037	143	0.08
<b>Mexican Peso Denominated Bonds (1.62%)</b>		<b>4,857</b>	<b>2.73</b>
<b>Corporate Bonds (0.12%)</b>		<b>239</b>	<b>0.13</b>
less than 5 years to maturity			
7,180,000	Petroleos Mexicanos 7.19% 2024	239	0.13
<b>Government Bonds (1.50%)</b>		<b>4,618</b>	<b>2.60</b>
less than 5 years to maturity			
41,000,800	Mexico (United Mexican States) 10% 2024	1,765	1.00
35,570,000	Mexico (United Mexican States) 6.5% 2022	1,320	0.74
between 15 and 25 years to maturity			
34,826,300	Mexico (United Mexican States) 8.5% 2038	1,533	0.86
<b>Peruvian Sol Denominated Bonds (0.57%)</b>		<b>1,560</b>	<b>0.88</b>
<b>Government Bonds (0.57%)</b>		<b>1,560</b>	<b>0.88</b>
less than 5 years to maturity			
2,734,000	Peru (Republic of) 5.7% 2024	636	0.36
between 10 and 15 years to maturity			
160,000	Peru (Republic of) 6.15% 2032	38	0.02
3,450,000	Peru (Republic of) 6.95% 2031	886	0.50

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Polish Zloty Denominated Bonds (0.66%)</b>		<b>1,305</b>	<b>0.73</b>
<b>Government Bonds (0.66%)</b>		<b>1,305</b>	<b>0.73</b>
less than 5 years to maturity			
2,869,000	Poland (Republic of) 5.75% 2021	585	0.33
between 5 and 10 years to maturity			
2,647,000	Poland (Republic of) 5.75% 2029	720	0.40
<b>Romanian Leu Denominated Bonds (0.12%)</b>		<b>353</b>	<b>0.20</b>
<b>Government Bonds (0.12%)</b>		<b>353</b>	<b>0.20</b>
less than 5 years to maturity			
1,830,000	Romania (Republic of) 3.65% 2025	353	0.20
<b>Russian Ruble Denominated Bonds (1.12%)</b>		<b>3,170</b>	<b>1.78</b>
<b>Government Bonds (1.12%)</b>		<b>3,170</b>	<b>1.78</b>
less than 5 years to maturity			
69,900,000	Russia (Govt of) 7.6% 2021	679	0.38
between 5 and 10 years to maturity			
177,315,000	Russia (Govt of) 6.9% 2029	1,797	1.01
between 10 and 15 years to maturity			
65,460,000	Russia (Govt of) 7.7% 2033	694	0.39
<b>South African Rand Denominated Bonds (1.07%)</b>		<b>3,334</b>	<b>1.88</b>
<b>Government Bonds (1.07%)</b>		<b>3,334</b>	<b>1.88</b>
between 5 and 10 years to maturity			
14,700,000	South Africa (Republic of) 10.5% 2026	841	0.47
12,200,000	South Africa (Republic of) 8% 2030	564	0.32
between 10 and 15 years to maturity			
5,300,000	South Africa (Republic of) 8.25% 2032	232	0.13
between 15 and 25 years to maturity			
48,570,741	South Africa (Republic of) 6.25% 2036	1,618	0.91
1,950,000	South Africa (Republic of) 8.5% 2037	79	0.05

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Sterling Denominated Bonds (3.12%)</b>		<b>4,359</b>	<b>2.45</b>
<b>Corporate Bonds (3.12%)</b>		<b>4,359</b>	<b>2.45</b>
between 5 and 10 years to maturity			
1,747,000	Dowson 2019-1 FRN 2026	1,750	0.98
122,000	NewDay Funding FRN 2027	122	0.07
268,000	Ribbon Finance FRN 2028	208	0.12
239,000	Taurus 2019-3 Dac FRN 2029	231	0.13
515,000	Taurus 2020-2 UK DAC FRN 2030 'B'	513	0.29
greater than 25 years to maturity			
139,000	CMF 2020-1 FRN 2057	137	0.08
504,000	Finsbury Square 2018-1 FRN 2065	503	0.28
898,000	Stratton Mortgage 2020 -1 FRN 2052 'C'	895	0.50
<b>Turkish Lira Denominated Bonds (0.11%)</b>		<b>1,053</b>	<b>0.59</b>
<b>Government Bonds (0.11%)</b>		<b>1,053</b>	<b>0.59</b>
less than 5 years to maturity			
10,950,000	Turkey (Republic of) 9.2% 2021	1,053	0.59
<b>Uruguayan Peso Denominated Bonds (0.12%)</b>		<b>320</b>	<b>0.18</b>
<b>Government Bonds (0.12%)</b>		<b>320</b>	<b>0.18</b>
less than 5 years to maturity			
3,050,000	Uruguay (Republic of) 9.875% 2022	55	0.03
between 5 and 10 years to maturity			
670,080	Uruguay (Republic of) 4.375% 2028	28	0.02
13,019,000	Uruguay (Republic of) 8.5% 2028	237	0.13
<b>US Dollar Denominated Bonds (10.23%)</b>		<b>2,002</b>	<b>1.12</b>
<b>Corporate Bonds (9.98%)</b>		<b>339</b>	<b>0.19</b>
less than 5 years to maturity			
510,000	Central Bank of Tunisia 5.75% 2025	339	0.19

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Government Bonds (0.25%)</b>		<b>1,663</b>	<b>0.93</b>
less than 5 years to maturity			
410,000	Belarus (Republic of) 6.875% 2023	311	0.17
between 5 and 10 years to maturity			
300,000	Egypt (Arab Republic of) 6.588% 2028	237	0.13
430,000	El Salvador (Republic of) 8.625% 2029	324	0.18
500,000	Ghana (Republic of) 7.625% 2029	385	0.22
460,000	Ukraine (Republic of) 9.75% 2028	406	0.23
<b>Equities (60.25%)</b>		<b>112,507</b>	<b>63.28</b>
<b>Emerging Market Equities (0.27%)</b>		<b>508</b>	<b>0.29</b>
<b>Argentina (0.02%)</b>		<b>76</b>	<b>0.04</b>
59	MercadoLibre	76	0.04
<b>Brazil (0.12%)</b>		<b>116</b>	<b>0.07</b>
8,100	B3 SA - Brasil Bolsa Balcao	65	0.04
2,700	BB Seguridade Participacoes	10	0.01
4,300	CCR	7	-
4,164	Cia Energetica de Minas Gerais (Preference)	8	-
2,400	Klabin	9	0.01
1,324	Sul America	7	-
1,600	Telefonica Brasil	10	0.01
<b>Chile (0.01%)</b>		<b>46</b>	<b>0.03</b>
1,306	Antofagasta	19	0.01
6,252	Cencosud	8	0.01
120,518	Enel Americas	13	0.01
2,570	SACI Falabella	6	-
<b>Colombia (0.02%)</b>		<b>37</b>	<b>0.02</b>
815	Bancolombia ADR	21	0.01
856	Ecopetrol ADR	7	-
1,940	Interconexion Electrica	9	0.01

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Peru (0.01%)</b>		<b>13</b>	<b>0.01</b>
121	Credicorp	13	0.01
<b>Russia (0.03%)</b>		<b>88</b>	<b>0.05</b>
1,218	Magnit	13	0.01
1,415	Mobile TeleSystems ADR	9	-
715	Polymetal	11	0.01
17,850	Sberbank of Russia	45	0.02
371	X5 Retail Group	10	0.01
<b>South Africa (0.06%)</b>		<b>124</b>	<b>0.07</b>
214	Anglo American Platinum	16	0.01
1,279	Gold Fields	9	0.01
13,235	Growthpoint Properties	8	-
220	Kumba Iron Ore	6	-
1,938	Multichoice	12	0.01
352	Naspers	59	0.03
2,262	Vodacom	14	0.01
<b>Turkey (0.00%)</b>		<b>8</b>	<b>-</b>
4,817	Turkcell Iletisim	8	-
<b>European Equities (9.37%)</b>		<b>14,868</b>	<b>8.36</b>
<b>Austria (0.01%)</b>		<b>43</b>	<b>0.03</b>
518	OMV	16	0.01
240	Verbund	16	0.01
396	Voestalpine	11	0.01
<b>Belgium (0.51%)</b>		<b>-</b>	<b>-</b>
<b>Czech (0.05%)</b>		<b>53</b>	<b>0.03</b>
11,322	Avast	53	0.03

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Denmark (0.77%)</b>		<b>1,190</b>	<b>0.67</b>
466	Coloplast	51	0.03
2,706	Novo Nordisk	137	0.08
3,789	Ørsted	524	0.29
3,018	Vestas Wind Systems	478	0.27
<b>Finland (0.51%)</b>		<b>511</b>	<b>0.29</b>
20,480	Fortum	363	0.20
578	Kone	33	0.02
359	Orion 'B'	12	0.01
2,550	Stora Enso	34	0.02
2,224	UPM-Kymmene	58	0.03
1,515	Wartsila	11	0.01
<b>France (0.99%)</b>		<b>2,247</b>	<b>1.26</b>
11,634	Alstom	462	0.26
214	Amundi	12	0.01
7,820	AXA	127	0.07
998	Bouygues	29	0.02
973	Bureau Veritas	19	0.01
177	Covivio	11	0.01
2,477	Danone	120	0.07
30,160	Engie	342	0.19
172	Eurazeo	9	0.01
139	Gecina	14	0.01
131	iCade	7	-
312	L'Oreal	80	0.05
136	LVMH	60	0.03
892	Orange	8	-
424	Saint-Gobain	15	0.01
6,674	Schneider Electric	714	0.40
302	SCOR	7	-
1,547	Suez	23	0.01
5,839	TOTAL	180	0.10
290	Valeo	8	-

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Germany (2.23%)</b>		<b>2,215</b>	<b>1.25</b>
72	Allianz	12	0.01
677	Brenntag	39	0.02
763	Covestro	38	0.02
3,521	Deutsche Post	127	0.07
4,624	Deutsche Telekom	60	0.03
6,335	E.ON	49	0.03
636	Evonik Industries	15	0.01
465	GEA	12	0.01
1,069	Henkel (Preference)	81	0.05
108	HOCHTIEF	7	-
12,080	Infineon Technology	354	0.20
789	METRO	7	-
300	Munich Re	58	0.03
203	Nemetschek	10	0.01
17,080	RWE	534	0.30
154	Sartorius (Preference)	56	0.03
1,141	Siemens	129	0.07
13,290	Siemens Energy	359	0.20
160,200	Sirius Real Estate	152	0.09
90	Symrise	8	0.01
3,552	Telefonica Deutsch	7	-
2,084	Vonovia	101	0.06
<b>Greece (0.00%)</b>		<b>8</b>	<b>-</b>
879	OPAP	8	-
<b>Hungary (0.00%)</b>		<b>7</b>	<b>-</b>
1,243	MOL Hungarian Oil & Gas	7	-
<b>Ireland (1.37%)</b>		<b>4,203</b>	<b>2.37</b>
1,195	Accenture	210	0.12
1,055	Aptiv	103	0.06
2,980,249	Greencoat Renewables <sup>++</sup>	3,124	1.76
7,559	Keywords Studios <sup>++</sup>	206	0.12
4,440	Kingspan	219	0.12

Holding	Investment	Market Value £'000	Percentage of total net assets
2,525	Medtronic	205	0.11
992	Smurfit Kappa	35	0.02
968	Trane Technologies	101	0.06
<b>Italy (0.45%)</b>		<b>816</b>	<b>0.46</b>
4,461	Assicurazioni Generali	56	0.03
72,760	Enel	527	0.30
9,964	ENI	74	0.04
66,871	Intesa Sanpaolo	107	0.06
800	Prysmian	19	0.01
6,168	Terna	33	0.02
<b>Luxembourg (0.55%)</b>		<b>521</b>	<b>0.29</b>
3,817	Aroundtown	19	0.01
285,894	BBGI SICAV	494	0.28
1,308	SES Global	8	-
<b>Netherlands (0.21%)</b>		<b>446</b>	<b>0.25</b>
206	ASML	80	0.05
698	Koninklijke DSM	89	0.05
15,659	Koninklijke KPN	36	0.02
1,217	NN Group	37	0.02
3,701	Philips Electronics	147	0.08
323	Randstad	15	0.01
1,003	Unilever	42	0.02
<b>Norway (0.51%)</b>		<b>102</b>	<b>0.06</b>
3,835	DNB Bank	55	0.03
4,733	Norsk Hydro	15	0.01
334	Schibsted	7	-
753	Yara International	25	0.02
<b>Portugal (0.01%)</b>		<b>13</b>	<b>0.01</b>
1,764	Galp Energia	13	0.01



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Romania (0.00%)</b>		<b>8</b>	<b>-</b>
1,780	NEPI Rockcastle	8	-
<b>Spain (0.39%)</b>		<b>734</b>	<b>0.41</b>
849	Enagas	14	0.01
2,144	Ferrovial	38	0.02
1,271	Grupo ACS	29	0.02
1,115	Grupo ACS (Rights)	-	-
41,035	Iberdrola	406	0.23
43,515	Iberdrola (Rights)	-	-
4,411	Inditex	96	0.05
895	Naturgy Energy	17	0.01
1,829	Red Electrica	25	0.01
6,372	Repsol	46	0.03
20,085	Telefonica	63	0.03
<b>Sweden (0.19%)</b>		<b>341</b>	<b>0.19</b>
2,777	Atlas Copco 'A'	111	0.06
1,156	Boliden	28	0.01
794	Electrolux	14	0.01
4,827	Ericsson 'B'	44	0.02
2,239	Essity	52	0.03
1,471	Husqvarna	13	0.01
654	Lundin Petroleum	13	0.01
2,910	Sandvik	53	0.03
1,563	SEB 'A'	13	0.01
<b>Switzerland (0.62%)</b>		<b>1,410</b>	<b>0.79</b>
5,879	ABB	127	0.07
682	Adecco	31	0.02
701	Clariant	11	0.01
139	Geberit	62	0.03
13	Givaudan	38	0.02
720	Logitech International	55	0.03
1,975	Nestle	162	0.09
1,540	Novartis	102	0.06
73	Partners	63	0.04
884	Richemont (Cie Fin) Series 'A'	60	0.03

Holding	Investment	Market Value £'000	Percentage of total net assets
900	Roche	226	0.13
25	SGS	55	0.03
231	Sonova	41	0.02
1,153	Swiss Re	74	0.04
113	Swisscom	45	0.03
984	TE Connectivity	86	0.05
72	Vifor Pharma	7	-
566	Zurich	165	0.09
<b>Japanese Equities (0.97%)</b>		<b>1,976</b>	<b>1.11</b>
2,600	Aeon	59	0.03
7,600	Astellas Pharmaceuticals	89	0.05
2,200	Bridgestone	59	0.03
4,200	Canon	67	0.04
800	Dai Nippon Printing	10	0.01
500	Denso Corporation	20	0.01
700	Eisai	37	0.02
200	Fujitsu	22	0.01
3,100	Inpex	13	0.01
9	Japan Retail Fund REIT	12	0.01
13,600	JXTG	40	0.02
600	Kakaku.com	13	0.01
1,400	Kao	74	0.04
5,100	KDDI	109	0.06
1,500	Kirin	23	0.01
1,100	Lixil	19	0.01
5,500	Mitsubishi	101	0.06
4,400	Mitsubishi Chemical	22	0.01
300	Mitsubishi Gas Chemical	5	-
6,400	Mitsui	86	0.05
800	Mitsui Chemicals	17	0.01
9,730	Mizuho Financial	93	0.05
1,600	MS&AD Insurance	33	0.02
500	Nabtesco	16	0.01
1,000	NEC	40	0.02
1,300	Nikon	8	-
8	Nippon Prologis	19	0.01
5,200	Nippon Telegraph & Telephone	95	0.05
14	Nomura Real Estate Master Fund	15	0.01
100	Oracle	9	0.01
3,800	ORIX	44	0.03

Holding	Investment	Market Value £'000	Percentage of total net assets
9	Orix JREIT	11	0.01
1,200	Panasonic	11	0.01
400	Pola Orbis	6	-
200	SCSK	8	-
1,000	Seiko Epson	12	0.01
2,700	Sekisui House	38	0.02
3,000	Seven & I	83	0.05
11,300	SoftBank	108	0.06
700	Sompo	20	0.01
5,000	Sumitomo	48	0.03
3,200	Sumitomo Mitsui	72	0.04
6,400	Takeda Pharmaceutical	165	0.09
300	Tokyo Electron	83	0.05
1,500	Tokyo Gas	24	0.01
2,700	Yahoo Japan	12	0.01
500	Yokohama Rubber	6	-
<b>North American Equities (10.78%)</b>		<b>22,250</b>	<b>12.52</b>
<b>Bermuda (0.71%)</b>		<b>617</b>	<b>0.35</b>
1,289,440	Blue Capital Alternative Income Fund	37	0.02
49,901	Blue Capital Reinsurance	18	0.01
1,151,076	Catco Reinsurance Opportunities 'C'	377	0.21
1,208,340	Catco Reinsurance Opportunities	185	0.11
<b>Canada (1.03%)</b>		<b>1,754</b>	<b>0.99</b>
300	Agnico Eagle Mines	15	0.01
3,200	B2Gold	12	0.01
463	BCE	14	0.01
23,277	Brookfield Asset Management	657	0.37
1,793	Canadian Natural Resources	29	0.02
275	Canadian Tire 'A'	26	0.01
3,697	Cenovus Energy	16	0.01
1,373	Hydro One	23	0.01
300	IGM Financial	6	-
2,331	Lundin Mining	15	0.01
1,104	Magna International	56	0.03
1,332	Nutrien	48	0.03
13,374	Onex	515	0.29
482	Parkland	11	0.01
1,143	Restaurant Brands International	48	0.03

Holding	Investment	Market Value £'000	Percentage of total net assets
531	RioCan Real Estate Investment Trust	5	-
30	Shopify 'A'	24	0.01
4,090	Suncor Energy	50	0.03
1,777	TELUS	27	0.01
2,773	Toronto-Dominion Bank	114	0.06
480	WSP Global	33	0.02
2,876	Yamana Gold	10	0.01
<b>Mexico (0.03%)</b>		<b>68</b>	<b>0.04</b>
1,800	Coca-Cola Femsa	6	-
10,700	Fibra Uno Administracion	9	0.01
4,600	Orbia Advance	7	-
22,100	Wal-Mart de Mexico	46	0.03
<b>United States (9.01%)</b>		<b>19,811</b>	<b>11.14</b>
727	3M	93	0.05
2,807	Abbott Laboratories	252	0.14
2,757	Abbvie	206	0.12
759	Activision Blizzard	50	0.03
143	Advanced Micro Devices	9	-
495	Agilent Technologies	43	0.02
287	Alexandria Real Estate Equities	35	0.02
284	Alphabet 'A'	377	0.21
220	Amazon.com	514	0.29
433	American Water Works	50	0.03
973	Amgen	171	0.10
531	Analog Devices	57	0.03
162	Anthem	35	0.02
410	AO Smith	16	0.01
16,670	Apollo Global Management	558	0.31
13,323	Apple	1,279	0.72
1,420	Applied Materials	100	0.06
51,587	Ares Capital	649	0.36
8,707	Ares Management 'A'	286	0.16
8,796	AT&T	183	0.10
112	Automatic Data Processing	13	0.01
552	AvalonBay Communications	66	0.04
2,863	Baker Hughes	42	0.02
716	Bank of America	15	0.01
226	Becton Dickinson	43	0.02

Holding	Investment	Market Value £'000	Percentage of total net assets
24	Berkshire Hathaway	4	-
940	Best Buy	74	0.04
337	BlackRock	172	0.10
589	Blackstone	29	0.02
905	Borg Warner	28	0.02
645	Boston Properties	43	0.02
1,799	Bristol-Myers Squibb	80	0.04
300	Broadcom	98	0.06
765	Campbell Soup	27	0.02
1,094	Cardinal Health	43	0.02
490	Carlyle Group	12	0.01
376	Caterpillar	50	0.03
1,734	Chevron	108	0.06
216	Church & Dwight	13	0.01
7,321	Cisco Systems	238	0.13
3,089	Citigroup	130	0.07
509	Clorox	78	0.04
2,585	Colgate Palmolive	147	0.08
3,679	ConocoPhillips	107	0.06
880	CSX	55	0.03
496	Cummins	85	0.05
973	CVS Health	51	0.03
2,125	Dow	80	0.04
1,596	Eaton	137	0.08
2,842	eBay	117	0.07
620	Ecolab	92	0.05
340	EOG Resources	13	0.01
580	Equinix	312	0.18
1,457	Equity Residential	65	0.04
797	Eversource Energy	51	0.03
2,659	Exxon Mobil	87	0.05
869	Facebook	163	0.09
268	Fastenal	9	-
15,796	Ford	121	0.07
2,430	General Mills	103	0.06
3,083	Gilead Sciences	147	0.08
333	Goldman Sachs	66	0.04
1,956	Halliburton	25	0.01
569	Hasbro	39	0.02
2,106	Healthpeak Properties	45	0.03
63,932	Hercules Capital	683	0.38
1,168	Hess	46	0.03

Holding	Investment	Market Value £'000	Percentage of total net assets
1,273	Home Depot	251	0.14
2,682	Host Hotels & Resorts	26	0.01
5,781	HP	102	0.06
34	Humana	9	-
2,135	IBM	185	0.10
1,090	Illinois Tool Works	154	0.09
5,191	Intel	210	0.12
375	International Flavors & Fragrances	31	0.02
1,134	International Paper	42	0.02
715	Intuit	188	0.11
1,126	Iron Mountain	28	0.02
853	Johnson & Johnson	101	0.06
3,008	Johnson Controls International	109	0.06
3,629	JPMorgan Chase	340	0.19
1,005	Juniper Networks	18	0.01
1,055	Kellogg	45	0.03
507	Kimberly-Clark	49	0.03
8,231	Kinder Morgan	84	0.05
18,332	KKR	520	0.29
206	KLA-Tencor	42	0.02
1,728	Kraft Heinz	42	0.02
1,929	Kroger	48	0.03
307	Lam Research	108	0.06
1,433	Las Vegas Sands	50	0.03
242	Lear	27	0.01
825	Lowe's	100	0.06
2,950	Lumen Technologies	27	0.01
1,927	Marathon Petroleum	61	0.03
889	Marsh & McLennan	71	0.04
728	Mastercard	168	0.09
288	Maxim Integrated Products	18	0.01
300	McDonald's	45	0.03
2,100	Merck & Co	118	0.07
126	Microchip Technology	12	0.01
5,744	Microsoft	969	0.54
683	Moody's	132	0.07
2,910	Morgan Stanley	142	0.08
671	Motorola Solutions	82	0.05
341	MSCI	98	0.05
935	Netapp	45	0.03
1,953	Newmont Mining	85	0.05
5,110	NextEra Energy	301	0.17

Holding	Investment	Market Value £'000	Percentage of total net assets
620	NIKE	60	0.03
1,358	NOV	12	0.01
699	NVIDIA	264	0.15
85,738	Oaktree Specialty Lending	347	0.20
1,940	Occidental Petroleum	28	0.02
2,484	Oracle	109	0.06
458	Owens Corning	26	0.01
28,095	Owl Rock Capital	264	0.15
524	PepsiCo	52	0.03
3,590	Pfizer	94	0.05
100	PPG Industries	10	0.01
515	Procter & Gamble	48	0.03
906	Progressive	57	0.03
6,317	Prologis	474	0.27
1,283	Qualcomm	146	0.08
716	Regency Centers	25	0.01
580	ResMed	85	0.05
54	Roku	15	0.01
687	S&P Global	159	0.09
5,611	Schlumberger	91	0.05
975	Seagate Technology	47	0.03
41,840	Sixth Street Specialty Lending	624	0.35
297	Square 'A'	47	0.03
470	Stanley Black & Decker	59	0.03
2,724	Starbucks	192	0.11
920	T Rowe Price	105	0.06
543	Target	72	0.04
259	Teladoc health	50	0.03
536	Tesla	310	0.17
1,820	Texas Instruments	220	0.12
17	Trade Desk 'A'	9	-
74	Twilio 'A'	19	0.01
1,291	UDR	36	0.02
1,264	Union Pacific	182	0.10
668	United Health	162	0.09
1,230	United Parcel Services	139	0.08
1,457	Ventas	49	0.03
2,185	Verizon Communications	87	0.05
1,337	VF	75	0.04
313	Viatis	4	-
658	Visa	93	0.05
554	Vornado Realty	16	0.01

Holding	Investment	Market Value £'000	Percentage of total net assets
190	W.W. Grainger	50	0.03
367	Walgreens Boots Alliance	13	0.01
1,631	Waste Management	132	0.07
42	Wayfair 'A'	8	-
397	Williams	6	-
423	Wynn Resorts	31	0.02
116	Xilinx	11	0.01
752	Xylem	53	0.03
622	Yum Brands	46	0.03
<b>Pacific Basin Equities (1.50%)</b>		<b>3,479</b>	<b>1.96</b>
<b>Australia (0.23%)</b>		<b>520</b>	<b>0.29</b>
5,172	APA	28	0.01
6,874	Aurizon	14	0.01
3,806	Coles	39	0.02
2,080	Commonwealth Bank of Australia	97	0.05
4,639	Dexus Property	23	0.01
6,806	Fortescue Metals	83	0.05
5,907	GPT	14	0.01
435	Magellan Financial	12	0.01
9,396	Medibank Private	15	0.01
11,929	Mirvac	16	0.01
10,137	Stockland Trust	25	0.01
5,526	Suncorp	31	0.02
18,245	Telstra	32	0.02
10,760	Transurban	79	0.04
13,667	Vicinity Centres	12	0.01
<b>China (0.26%)</b>		<b>749</b>	<b>0.42</b>
592	Alibaba ADR	109	0.06
208	Autohome ADR	17	0.01
14,600	China Pacific Insurance 'H'	44	0.02
30,000	CSPC Pharmaceutical	22	0.01
10,000	Dongfeng Motor	7	-
12,400	Haitong Securities 'H'	8	-
7,000	Huatai Securities 'H'	8	-
32,000	Lenovo	27	0.02
650	NetEase ADR	54	0.03
702	NIO ADR	29	0.02
24,000	PICC Property & Casualty 'H'	13	0.01



			Market Value £'000	Percentage of total net assets
Holding	Investment			
7,500	Ping An Insurance 'H'		64	0.04
2,100	Shenzhou		30	0.02
5,600	Sinopharm 'H'		10	0.01
4,200	Tencent		269	0.15
10,000	Tingyi		15	0.01
7,000	Uni-President China		6	-
19,000	Want Want China		10	0.01
3,600	ZTE		7	-
<b>Hong Kong (0.14%)</b>			<b>170</b>	<b>0.09</b>
22,000	Beijing Enterprises Water		7	-
20,000	China Jinmao		6	-
11,000	HKT Trust & HKT		11	0.01
300	Hong Kong Exchanges & Clearing		14	0.01
8,300	Link Real Estate		53	0.03
7,000	New World Development		24	0.01
15,000	PCCW		6	-
5,500	Power Assets		21	0.01
4,000	Shimao Property		8	0.01
12,000	Sino Land		12	0.01
3,600	Swire Properties		8	-
<b>India (0.11%)</b>			<b>291</b>	<b>0.16</b>
13,772	Infosys		172	0.10
3,225	Tata Consultancy Services		101	0.05
4,391	Wipro		18	0.01
<b>Indonesia (0.03%)</b>			<b>76</b>	<b>0.04</b>
81,800	Bank Mandiri		28	0.02
184,100	Bank Rakyat Indonesia		40	0.02
23,100	Unilever Indonesia		8	-
<b>Macau (0.01%)</b>			<b>-</b>	<b>-</b>
<b>Malaysia (0.03%)</b>			<b>83</b>	<b>0.05</b>
12,000	Axiata		7	0.01
9,400	DiGi.Com		6	-
5,800	Hartalega		13	0.01

			Market Value £'000	Percentage of total net assets
Holding	Investment			
11,900	Malayan Banking Berhad		17	0.01
7,000	RHB Bank		6	-
4,600	Supermax		6	-
5,800	Telekom Malaysia		7	0.01
17,500	Top Glove		21	0.01
<b>New Zealand (0.01%)</b>			<b>40</b>	<b>0.02</b>
6,319	Meridian Energy		24	0.01
6,273	Spark New Zealand		16	0.01
<b>Philippines (0.00%)</b>			<b>8</b>	<b>-</b>
4,380	International Container Terminal Services		8	-
<b>Singapore (0.12%)</b>			<b>183</b>	<b>0.12</b>
9,000	Capitaland		16	0.01
2,000	City Developments		8	0.01
7,100	DBS		98	0.06
21,300	Genting Singapore		10	0.01
806	Oversea-Chinese Banking		5	-
35,900	Singapore Telecommunications		46	0.03
<b>South Korea (0.11%)</b>			<b>280</b>	<b>0.16</b>
244	GS Engineering		6	-
341	Hyundai Engineering & Construction		9	0.01
43	Hyundai Heavy Industries Holdings		7	-
46	LG Household & Health Care		47	0.03
2,763	Samsung Electronics		147	0.08
133	Samsung SDI		64	0.04
<b>Taiwan (0.39%)</b>			<b>1,011</b>	<b>0.57</b>
9,000	Acer		6	-
9,000	Asia Cement		9	-
2,000	Asustek Computer		15	0.01
2,000	Catcher Technology		10	0.01
35,000	Cathay Financial		36	0.02
43,000	China Development Financial		10	0.01

Holding	Investment	Market Value £'000	Percentage of total net assets
73,000	Chinatrust Financial	36	0.02
5,000	Chunghwa Telecom	14	0.01
18,000	Compal Electronics	10	0.01
9,000	Delta Electronic	66	0.04
49,948	E.Sun Financial	31	0.02
10,000	Far Eastern New Century	7	-
5,000	Far Eastone Telecommunications	8	-
30,000	Fubon Financial	36	0.02
1,000	Globalwafers	16	0.01
51,000	Hon Hai Precision	148	0.08
11,000	Inventec	7	-
8,000	Lite-On Technology	11	0.01
2,000	Micro-Star International	7	-
2,000	Novatek Microelectronics	20	0.01
8,000	Pegatron	16	0.01
11,000	Quanta Computer	23	0.01
2,000	Realtek	23	0.01
35,000	SinoPac Financial	10	0.01
34,000	Taishin Financial	11	0.01
9,000	Taiwan High Speed Rail	7	-
7,000	Taiwan Mobile	18	0.01
16,000	Taiwan Semiconductors Manufacturing	246	0.14
19,000	Uni-President Enterprises	34	0.02
49,000	United Microelectronics	64	0.04
1,000	Walsin Technology	6	-
1,000	Win Semiconductors	11	0.01
11,000	Wistron	9	-
1,000	Yageo	15	0.01
29,000	Yuanta Financial	15	0.01
<b>Thailand (0.06%)</b>		<b>68</b>	<b>0.04</b>
4,100	Advanced Info Service (Alien Market)	17	0.01
34,100	Bangkok Expressway & Metro (Alien Market)	7	-
35,000	BTS (Alien Market)	8	-
13,800	Charoen Pokphand Foods (Alien Market)	9	0.01
3,400	PTT Exploration & Production (Alien Market)	9	0.01
7,900	PTT Global Chemical (Alien Market)	11	0.01
5,000	Thai Oil (Alien Market)	7	-

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (37.36%)</b>		<b>69,426</b>	<b>39.04</b>
<b>Basic Materials (0.03%)</b>		<b>97</b>	<b>0.05</b>
513	Rio Tinto	29	0.01
2,894	Victrex	68	0.04
<b>Consumer Goods (0.57%)</b>		<b>958</b>	<b>0.54</b>
535	Berkeley	22	0.01
1,710	Burberry	29	0.02
385	Coca-Cola European Partners	13	0.01
3,718	Cranswick	127	0.07
13,278	Dr. Martens	60	0.03
1,699	Games Workshop	175	0.10
4,146	Greggs	86	0.05
11,834	Hilton Food	119	0.07
13,268	Hotel Chocolat <sup>++</sup>	47	0.03
8,156	JD Sports	61	0.03
95	Reckitt Benckiser	6	-
19,180	Team17 <sup>++</sup>	153	0.09
1,417	Unilever	60	0.03
<b>Consumer Services (0.40%)</b>		<b>735</b>	<b>0.41</b>
21,247	AO	66	0.04
8,741	Auto Trader	49	0.03
6,643	Dart Group <sup>++</sup>	88	0.05
7,138	Dunelm	82	0.05
8,728	Future	152	0.08
5,996	GlobalData <sup>++</sup>	77	0.04
25,814	Hollywood Bowl	50	0.03
2,093	Pearson	17	0.01
470	RELX	9	-
7,710	Rightmove	46	0.02
7,009	Sainsbury (J)	17	0.01
20,196	Trainline	82	0.05
<b>Financials (34.34%)</b>		<b>63,990</b>	<b>35.99</b>
63,740	3i	708	0.40
1,159,115	3i Infrastructure	3,454	1.94
2,193,498	Aberdeen Diversified Income and Growth Trust <sup>+</sup>	2,079	1.17

Holding	Investment	Market Value £'000	Percentage of total net assets
414,000	Aberdeen Standard European Logistics Income <sup>+</sup>	478	0.27
24,090	AJ Bell	104	0.06
1,398,845	Aquila European Renewables Income Fund	1,312	0.74
1,182,762	Assura	856	0.48
5,130,923	BioPharma Credit	3,714	2.09
737,000	Blackstone GSO Loan Financing	424	0.24
351,302	Bluefield Solar Income Fund	473	0.27
236,522	Burford Capital <sup>++</sup>	1,464	0.82
1,627,969	Civitas Social Housing	1,752	0.98
1,026,294	CVC Credit Partners European Opportunities	1,004	0.56
4,655	Direct Line	14	0.01
15,889	Draper Esprit <sup>++</sup>	109	0.06
1,999,101	Fair Oaks Income	917	0.52
1,327,043	Foresight Solar Fund	1,347	0.76
2,120,356	GCP Asset Backed Income Fund	1,955	1.10
1,264,000	GCP Infrastructure	1,347	0.76
966,297	GCP Student Living	1,420	0.80
2,643,334	Greencoat UK Wind	3,611	2.03
402,149	Gresham House Energy Storage	446	0.25
120,783	HgCapital Trust	390	0.22
2,300,964	HICL Infrastructure	4,017	2.26
167,130	Hipgnosis Songs	200	0.11
145,457	Honeycomb Investment Trust	1,404	0.79
19,976	Impax Asset Management <sup>++</sup>	159	0.09
40,720	Intermediate Capital	692	0.39
785,386	International Public Partnerships	1,346	0.76
562,325	John Laing	1,781	1.00
7,361	Legal & General	18	0.01
6,446	Liontrust Asset Management	82	0.05
9,996	M&G	18	0.01
376,227	Marble Point Loan	170	0.09
1,263,500	NextEnergy Solar Fund	1,319	0.74
313,000	Primary Health Properties	454	0.25
22,737	Princess Private Equity	221	0.12
2,167,916	PRS REIT	1,828	1.03
1,074,000	Renewables Infrastructure Group	1,362	0.77
1,509,000	Residential Secure Income	1,334	0.75
1,780,000	Round Hill Music Royalty	1,348	0.76
8,019	Safestore	65	0.04
13,639	Sanne	75	0.04
2,152,643	Sequoia Economic Infrastructure Income	2,325	1.31
306,182	SME Credit Realisation Fund	199	0.11

		Market Value £'000	Percentage of total net assets
Holding	Investment		
1,460,715	SQN Asset Finance Income Fund	241	0.14
1,034,582	SQN Asset Finance Income Fund 'C'	357	0.20
2,281	St James's Place	27	0.01
2,543,500	Supermarket Income REIT	2,709	1.52
456,000	Triple Point Energy Efficiency	463	0.26
1,342,985	Triple Point Social Housing REIT	1,417	0.80
464,509	Tritax Big Box REIT	856	0.48
1,409,499	Tufton Oceanic Assets	996	0.56
5,862,572	TwentyFour Income Fund	6,185	3.48
6,293	Unite	60	0.03
1,145,000	US Solar	884	0.50
<b>Health Care (0.24%)</b>		<b>434</b>	<b>0.24</b>
401	AstraZeneca	30	0.02
1,883	Dechra Pharmaceuticals	68	0.04
3,493	Genus	172	0.09
12,081	GlaxoSmithKline	164	0.09
<b>Industrials (0.95%)</b>		<b>1,722</b>	<b>0.97</b>
3,239	Amcor	26	0.01
896,667	Amedeo Air Four Plus	287	0.16
2,652	Avon Rubber	82	0.05
37,635	Chemring	111	0.06
2,908	Diploma	67	0.04
15,055	DiscoverIE	102	0.06
296,541	Doric Nimrod Air Three (Preference)	128	0.07
319,403	Doric Nimrod Air Two (Preference)	260	0.15
6,697	Hill & Smith	90	0.05
19,290	Marshalls	125	0.07
11,598	Midwich**	54	0.03
19,655	Polypipe	101	0.06
16,347	Rotork	53	0.03
18,131	RWS**	106	0.06
455	Spirax-Sarco Engineering	50	0.03
4,009	Ultra Electronics	80	0.04
<b>Oil &amp; Gas (0.07%)</b>		<b>179</b>	<b>0.10</b>
66,027	BP	179	0.10

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Technology (0.51%)</b>		<b>936</b>	<b>0.53</b>
2,715	AVEVA	99	0.06
34,335	Bytes Technology	124	0.07
5,993	Computacenter	141	0.08
2,709	Craneware <sup>++</sup>	61	0.04
5,949	FDM	60	0.03
11,154	GB <sup>++</sup>	95	0.05
14,503	Kainos	180	0.10
7,848	Softcat	118	0.07
24,245	Spirent Communications	58	0.03
<b>Telecommunications (0.23%)</b>		<b>331</b>	<b>0.19</b>
8,736	Gamma Communication <sup>++</sup>	140	0.08
4,847	Telecom Plus	63	0.04
102,558	Vodafone	128	0.07
<b>Utilities (0.02%)</b>		<b>44</b>	<b>0.02</b>
722	Severn Trent	17	0.01
2,881	United Utilities	27	0.01
<b>Collective Investment Schemes (9.08%)</b>		<b>14,689</b>	<b>8.26</b>
3,617	Alpha UCITS SICAV - Fair Oaks Dynamic Credit Fund L2 Inc	3,485	1.96
3,514,534	MI Twentyfour Asset Backed Opportunities Fund I Inc	3,525	1.98
353,283	NB Global Floating Rate Income Fund	293	0.16
221,849	Neuberger Berman CLO Income Fund I2 Inc	2,025	1.14
88,827	Oakley Capital Investments	259	0.15
56,428	Prytania Diversified Asset-Backed Securities Fund	5,102	2.87
<b>Derivatives (0.80%)</b>		<b>1,206</b>	<b>0.68</b>
<b>Exchange Traded Options (0.00%)</b>		<b>(25)</b>	<b>(0.01)</b>
(210)	Sell Call Euro Stoxx 50 19/02/2021	(15)	(0.01)
(32)	Sell Call S&P 500 Index 12/02/2021	(10)	-
<b>Forward Currency Contracts (0.88%)</b>		<b>1,333</b>	<b>0.75</b>
	Buy EUR 100,000 Sell GBP 90,276 10/03/2021	(2)	-
	Buy EUR 104,000 Sell GBP 94,246 10/03/2021	(2)	-

Holding	Investment	Market Value £'000	Percentage of total net assets
	Buy EUR 269,000 Sell GBP 239,450 10/03/2021	(1)	-
	Buy EUR 300,000 Sell GBP 270,420 10/03/2021	(5)	-
	Buy EUR 500,000 Sell GBP 455,139 10/03/2021	(13)	(0.01)
	Buy EUR 555,000 Sell GBP 504,560 10/03/2021	(13)	(0.01)
	Buy GBP 579,793 Sell AUD 1,043,000 10/03/2021	(3)	-
	Buy GBP 8,061,051 Sell AUD 14,556,000 10/03/2021	(72)	(0.04)
	Buy GBP 546,097 Sell CAD 932,000 10/03/2021	15	0.01
	Buy GBP 7,682,457 Sell CAD 13,271,000 10/03/2021	118	0.07
	Buy GBP 66,601 Sell EUR 75,000 10/03/2021	-	-
	Buy GBP 94,661 Sell EUR 107,000 10/03/2021	-	-
	Buy GBP 167,618 Sell EUR 186,000 10/03/2021	3	-
	Buy GBP 176,267 Sell EUR 195,000 10/03/2021	4	-
	Buy GBP 213,614 Sell EUR 240,000 10/03/2021	1	-
	Buy GBP 333,448 Sell EUR 376,000 10/03/2021	1	-
	Buy GBP 449,276 Sell EUR 497,000 10/03/2021	9	0.01
	Buy GBP 580,613 Sell EUR 642,000 10/03/2021	12	0.01
	Buy GBP 998,396 Sell EUR 1,120,000 10/03/2021	7	-
	Buy GBP 2,076,011 Sell EUR 2,279,000 10/03/2021	58	0.03
	Buy GBP 17,953,621 Sell EUR 19,785,000 10/03/2021	438	0.25
	Buy GBP 126,811 Sell JPY 18,006,000 10/03/2021	2	-
	Buy GBP 216,122 Sell JPY 30,784,000 10/03/2021	2	-
	Buy GBP 741,871 Sell NOK 8,681,000 10/03/2021	3	-
	Buy GBP 7,485,990 Sell NOK 88,159,000 10/03/2021	(18)	(0.01)
	Buy GBP 834,730 Sell NZD 1,581,000 10/03/2021	5	-
	Buy GBP 7,471,199 Sell NZD 14,139,000 10/03/2021	52	0.03
	Buy GBP 468,736 Sell SEK 5,291,000 10/03/2021	6	-
	Buy GBP 7,730,428 Sell SEK 87,623,000 10/03/2021	69	0.04
	Buy GBP 65,713 Sell USD 90,000 10/03/2021	-	-
	Buy GBP 109,785 Sell USD 148,000 10/03/2021	2	-
	Buy GBP 109,785 Sell USD 148,000 10/03/2021	2	-
	Buy GBP 129,872 Sell USD 176,000 10/03/2021	2	-
	Buy GBP 140,553 Sell USD 193,000 10/03/2021	-	-
	Buy GBP 183,777 Sell USD 248,000 10/03/2021	3	-
	Buy GBP 221,594 Sell USD 304,000 10/03/2021	-	-
	Buy GBP 517,419 Sell USD 711,000 10/03/2021	-	-
	Buy GBP 796,298 Sell USD 1,064,000 10/03/2021	22	0.01
	Buy GBP 1,577,369 Sell USD 2,167,000 10/03/2021	-	-
	Buy GBP 1,790,091 Sell USD 2,438,000 10/03/2021	15	0.01
	Buy GBP 41,288,973 Sell USD 55,149,000 10/03/2021	1,136	0.64
	Buy JPY 58,050,000 Sell GBP 418,486 10/03/2021	(15)	(0.01)
	Buy JPY 1,588,838,000 Sell GBP 11,396,751 10/03/2021	(344)	(0.19)
	Buy USD 90,000 Sell GBP 67,998 10/03/2021	(3)	-



Holding	Investment	Market Value £'000	Percentage of total net assets
	Buy USD 219,000 Sell GBP 159,860 10/03/2021	-	-
	Buy USD 229,000 Sell GBP 169,776 10/03/2021	(3)	-
	Buy USD 294,000 Sell GBP 215,005 10/03/2021	(1)	-
	Buy USD 417,000 Sell GBP 311,238 10/03/2021	(8)	-
	Buy USD 606,000 Sell GBP 454,416 10/03/2021	(13)	(0.01)
	Buy USD 755,000 Sell GBP 561,712 10/03/2021	(12)	(0.01)
	Buy USD 798,000 Sell GBP 593,634 10/03/2021	(13)	(0.01)
	Buy USD 4,374,000 Sell GBP 3,273,494 10/03/2021	(89)	(0.05)
	Buy USD 6,887,000 Sell GBP 5,038,702 10/03/2021	(24)	(0.01)
<b>Futures (-0.08%)</b>		<b>(102)</b>	<b>(0.06)</b>
51	Long Euro Stoxx 50 Future 19/03/2021	(12)	(0.01)
17	Long FTSE 100 Index Future 19/03/2021	(21)	(0.01)
(133)	Short FTSE 250 Index Future 19/03/2021	(102)	(0.06)
20	Long S&P 500 E-mini Future 19/03/2021	32	0.02
29	Long S&P 500 E-mini Future 19/03/2021	1	-
Total investment assets and liabilities		174,099	97.92
Net other assets		3,693	2.08
<b>Total Net Assets</b>		<b>177,792</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* AIM listed.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		9,848		1,167
Revenue	3,954		5,186	
Expenses	(661)		(775)	
Interest payable and similar charges	(1)		(5)	
Net revenue before taxation	3,292		4,406	
Taxation	(370)		(557)	
Net revenue after taxation		2,922		3,849
<b>Total return before distributions</b>		<b>12,770</b>		<b>5,016</b>
Distributions		(3,563)		(4,746)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>9,207</b>		<b>270</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>177,419</b>		<b>219,843</b>
Amounts receivable on the issue of shares	8,616		3,443	
Amounts payable on the cancellation of shares	(18,502)		(17,437)	
		(9,886)		(13,994)
Dilution adjustment		40		-
Stamp duty reserve tax		-		(3)
Change in net assets attributable to shareholders from investment activities (see above)		9,207		270
Retained distribution on accumulation shares		1,012		1,301
<b>Closing net assets attributable to shareholders</b>		<b>177,792</b>		<b>207,417</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		174,913		174,697
<b>Current assets:</b>				
Debtors	1,958		2,192	
Cash and bank balances	10,241		4,617	
		12,199		6,809
<b>Total assets</b>		<b>187,112</b>		<b>181,506</b>
<b>Liabilities:</b>				
Investment liabilities		(814)		(1,415)
Provisions for liabilities		(5)		(21)
Creditors	(7,995)		(1,976)	
Distribution payable	(506)		(675)	
		(8,501)		(2,651)
<b>Total liabilities</b>		<b>(9,320)</b>		<b>(4,087)</b>
<b>Net assets attributable to shareholders</b>		<b>177,792</b>		<b>177,419</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 0.3% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/09/20	Distribution paid 30/09/19
<b>A Accumulation shares</b>				
Group 1	0.8049	-	0.8049	0.8071
Group 2	0.7333	0.0716	0.8049	0.8071
<b>A Income shares</b>				
Group 1	0.4210	-	0.4210	0.4427
Group 2	0.3756	0.0454	0.4210	0.4427
<b>I Accumulation shares</b>				
Group 1	0.5132	-	0.5132	0.5129
Group 2	0.4548	0.0584	0.5132	0.5129
<b>I Income shares</b>				
Group 1	0.3739	-	0.3739	0.3914
Group 2	0.2121	0.1618	0.3739	0.3914
<b>M Accumulation shares</b>				
Group 1	0.3795	-	0.3795	0.3796
Group 2	0.3795	-	0.3795	0.3796
<b>M Income shares</b>				
Group 1	0.3527	-	0.3527	0.3689
Group 2	0.3527	-	0.3527	0.3689
<b>Z Accumulation shares</b>				
Group 1	0.8598	-	0.8598	0.8549
Group 2	0.5261	0.3337	0.8598	0.8549

**Second interim dividend distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 30 September 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>A Accumulation shares</b>				
Group 1	0.8022	-	0.8022	0.8210
Group 2	0.7809	0.0213	0.8022	0.8210
<b>A Income shares</b>				
Group 1	0.4180	-	0.4180	0.4485
Group 2	0.4033	0.0147	0.4180	0.4485
<b>I Accumulation shares</b>				
Group 1	0.5116	-	0.5116	0.5218
Group 2	0.3663	0.1453	0.5116	0.5218
<b>I Income shares</b>				
Group 1	0.3713	-	0.3713	0.3966
Group 2	0.1854	0.1859	0.3713	0.3966
<b>M Accumulation shares</b>				
Group 1	0.3782	-	0.3782	0.3859
Group 2	0.3782	-	0.3782	0.3859
<b>M Income shares</b>				
Group 1	0.3502	-	0.3502	0.3734
Group 2	0.3502	-	0.3502	0.3734
<b>Z Accumulation shares</b>				
Group 1	0.8573	-	0.8573	0.8700
Group 2	0.6114	0.2459	0.8573	0.8700

**Third interim dividend distribution**

Group 1 - shares purchased prior to 1 October 2020

Group 2 - shares purchased between 1 October 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 30/11/20	Distribution paid 29/11/19
<b>A Accumulation shares</b>				
Group 1	0.8009	-	0.8009	0.8296
Group 2	0.6456	0.1553	0.8009	0.8296
<b>A Income shares</b>				
Group 1	0.4158	-	0.4158	0.4516
Group 2	0.3074	0.1084	0.4158	0.4516
<b>I Accumulation shares</b>				
Group 1	0.5110	-	0.5110	0.5274
Group 2	0.3108	0.2002	0.5110	0.5274
<b>I Income shares</b>				
Group 1	0.3694	-	0.3694	0.3994
Group 2	0.3114	0.0580	0.3694	0.3994
<b>M Accumulation shares</b>				
Group 1	0.3777	-	0.3777	0.3900
Group 2	0.3777	-	0.3777	0.3900
<b>M Income shares</b>				
Group 1	0.3484	-	0.3484	0.3761
Group 2	0.3484	-	0.3484	0.3761
<b>Z Accumulation shares</b>				
Group 1	0.8566	-	0.8566	0.8799
Group 2	0.7554	0.1012	0.8566	0.8799

**Fourth interim dividend distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 30 November 2020

	Revenue	Equalisation	Distribution paid 31/12/20	Distribution paid 31/12/19
<b>A Accumulation shares</b>				
Group 1	0.8374	-	0.8374	0.8341
Group 2	0.8322	0.0052	0.8374	0.8341
<b>A Income shares</b>				
Group 1	0.4330	-	0.4330	0.4523
Group 2	0.3620	0.0710	0.4330	0.4523
<b>I Accumulation shares</b>				
Group 1	0.5344	-	0.5344	0.5304
Group 2	0.4666	0.0678	0.5344	0.5304
<b>I Income shares</b>				
Group 1	0.3849	-	0.3849	0.4002
Group 2	0.3065	0.0784	0.3849	0.4002
<b>M Accumulation shares</b>				
Group 1	0.3951	-	0.3951	0.3922
Group 2	0.3951	-	0.3951	0.3922
<b>M Income shares</b>				
Group 1	0.3630	-	0.3630	0.3768
Group 2	0.3630	-	0.3630	0.3768
<b>Z Accumulation shares</b>				
Group 1	0.8962	-	0.8962	0.8851
Group 2	0.8629	0.0333	0.8962	0.8851

**Fifth interim dividend distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 31 December 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	0.8479	-	0.8479	0.8417
Group 2	0.8111	0.0368	0.8479	0.8417
<b>A Income shares</b>				
Group 1	0.4369	-	0.4369	0.4547
Group 2	0.4266	0.0103	0.4369	0.4547
<b>I Accumulation shares</b>				
Group 1	0.5413	-	0.5413	0.5354
Group 2	0.5201	0.0212	0.5413	0.5354
<b>I Income shares</b>				
Group 1	0.3884	-	0.3884	0.4024
Group 2	0.3719	0.0165	0.3884	0.4024
<b>M Accumulation shares</b>				
Group 1	0.4001	-	0.4001	0.3958
Group 2	0.4001	-	0.4001	0.3958
<b>M Income shares</b>				
Group 1	0.3663	-	0.3663	0.3789
Group 2	0.3663	-	0.3663	0.3789
<b>Z Accumulation shares</b>				
Group 1	0.9081	-	0.9081	0.8939
Group 2	0.8932	0.0149	0.9081	0.8939



**Sixth interim dividend distribution**

Group 1 - shares purchased prior to 1 January 2021

Group 2 - shares purchased between 1 January 2021 and 31 January 2021

	Revenue	Equalisation	Distribution paid 26/02/21	Distribution paid 28/02/20
<b>A Accumulation shares</b>				
Group 1	0.8496	-	0.8496	0.8480
Group 2	0.8496	-	0.8496	0.8480
<b>A Income shares</b>				
Group 1	0.4360	-	0.4360	0.4564
Group 2	0.4133	0.0227	0.4360	0.4564
<b>I Accumulation shares</b>				
Group 1	0.5425	-	0.5425	0.5395
Group 2	0.5009	0.0416	0.5425	0.5395
<b>I Income shares</b>				
Group 1	0.3878	-	0.3878	0.4040
Group 2	0.3790	0.0088	0.3878	0.4040
<b>M Accumulation shares</b>				
Group 1	0.4010	-	0.4010	0.3990
Group 2	0.4010	-	0.4010	0.3990
<b>M Income shares</b>				
Group 1	0.3657	-	0.3657	0.3805
Group 2	0.3657	-	0.3657	0.3805
<b>Z Accumulation shares</b>				
Group 1	0.9105	-	0.9105	0.9012
Group 2	0.8950	0.0155	0.9105	0.9012

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Eastern European Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in European emerging markets equities (company shares).

**Performance Target:** To achieve the return of the MSCI Emerging Market Europe 10/40 Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in European emerging market countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- The fund may also invest up to 10% in other European equities.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Emerging Market Europe 10/40 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI Emerging Market Europe 10/40 Index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Eastern European Equity Fund - A Accumulation Shares increased by 10.81% compared to an increase of 5.69% in the performance target, the MSCI Emerging Market Europe 10/40 Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Eastern European stocks ended higher over the six-month period in sterling terms, though they lagged the broader emerging markets asset class. The region was initially roiled by currency volatility, but rebounded on cheer over the coronavirus vaccine's efficacy and delivery.

Financial stocks led gains, having been pressured earlier in the pandemic by concerns that heightened credit risk amid a low-interest rate environment would hurt lenders' profits. Materials stocks also rallied along with industrial metal prices that were fuelled by unprecedented monetary easing and fiscal stimulus globally.

The prospect of a global economic recovery was highly favourable for sectors that dominated Russia's benchmark; namely, energy and materials, as well as banks. Energy prices were further supported by Saudi Arabia's surprise concession to cut its output. However, the sentiment was dampened by allegations that a massive cyber intrusion into US government computer systems was of Russian origin. This led to concerns of possible sanctions against Moscow. On the policy front, the removal of tax breaks for producing high-viscosity oil boosted fiscal coffers.

In Turkey, investors welcomed a surprise change of top officials, including a new central bank governor and finance minister. The new governor hiked the benchmark rate by a meaningful 675 basis points, and the lira recovered on hopes that the country's severe inflation could be tamed. The landmark free-trade agreement with the UK, its second-largest trading partner, was also viewed positively.

In the Czech Republic, lawmakers slashed income taxes to revive the economy.

### Portfolio Activity

The portfolio posted good absolute gains in the review period, and also significantly outpaced its benchmark. Stock selection in the consumer sector, as well as our positioning in industrials and communication services, drove returns. Our off-benchmark technology software holdings further added to the gains. Conversely, insufficient exposure to leading names in materials and energy detracted.

Among consumer holdings, the underweight to Poland's dominant e-commerce player Allegro proved prudent as it was weighed by concerns over competition from Amazon. Also, the off-benchmark holding Detsky Mir supported returns. Its share price rose when a private equity company launched a bid for a 29.9% stake at a significant premium to the market price. The leading children's goods retailer is benefitting from government efforts to support families in Russia. It has a well-established brand and is rapidly expanding its omni-channel capabilities. Separately, discount food retailer Dino Polska contributed on the back of robust earnings growth.

In industrials, investors were positive on Headhunter's acquisition of Zarplata, a leading Russian online recruitment platform. Before the Covid-19 pandemic, blue-collar workers found jobs via walk-in interviews. The shift to work-from-home compelled them to rely on digital classified job advertisements and the acquisition cemented Headhunter's leadership position in this area.

In communication services, holding Russia's dominant search-engine operator Yandex contributed on higher digitalisation demand from consumers and advertisers in the wake of the pandemic. However, the fund was hurt by CD Projekt's problems with its recently launched video game, Cyberpunk 2077. That said, paring the game developer limited our losses. In technology services, Endava added to returns as demand for digital transformation helped it to recover rapidly from Covid-19 disruptions.

Conversely, insufficient exposure to leading materials names proved costly, given rising demand from China, along with continued infrastructure investments in the region. The fund was underweight to industrial metals giant Norilsk Nickel, which we reinitiated toward the end of the review period. Not holding integrated copper and silver miner KGHM also pared gains. On a positive note, the overweight to steel producer NLMK supported the portfolio, though not holding its rival Severstal muted returns. Holding Mondi also boosted returns as it offers well-diversified exposure to economic recovery worldwide. The global leader in paper packaging is poised to benefit from sustained European e-commerce demand in the year ahead. Not holding gold miner Polymetal also helped. Gold prices gave up earlier gains due to growing expectations that inflationary risks are pressuring central banks to unwind loose monetary policy.

Elsewhere, the underweight to gas giant Gazprom and not holding integrated energy company Rosneft cost the fund. A recovery in spot prices in gas markets restored confidence in the long-term outlook for liquefied natural gas. Moreover, Gazprom's shareholder payouts and a possible stake sale in Gazprom Neft buoyed its share price.

We re-initiated Norilsk Nickel in view of its considerable progress in environmental risk management and significant budget for upgrading infrastructure to improve industrial safety. Despite its compelling global position, we exited the company last July given evident shortcomings in its sustainability practices. Since then, Norilsk Nickel has undertaken a full audit of all sites located on permafrost including an independent assessment. The company has committed to tighter monitoring of its environmental impact, including deploying satellite surveillance. It also appointed a department head for the integration of sustainability practices. Moreover, the company is seeking membership in an international council for sustainable mining to meet customer and investment community certification requirements.

In Turkey, we reinitiated software company Logo Yazilim, the country's dominant enterprise resource solutions provider for small and medium-sized firms. Elsewhere, we introduced several positions that we had high conviction in, and exited names with lacklustre growth outlooks. In Poland, we initiated leading digital marketplace Allegro and its logistics provider InPost. InPost is a vertically-integrated delivery service for e-commerce operators. It also has a growing presence in the UK. In the financial sector, we switched out of Bank of Georgia into Kazakhstan's leading fintech platform, Kaspi, and National Bank of Greece. National Bank of Greece is cleaning up its non-performing loans, and its business overhaul to expand non-credit revenue streams and trim costs is beginning to bear fruit. Against this, we exited Greek retailer Jumbo.

### Portfolio Outlook and Strategy

We are cautiously optimistic about the outlook for Russian and Eastern European stocks. A successful rollout of the Covid-19 vaccine will be crucial to underpin the recovery. So far, extensive fiscal stimulus and monetary easing have cushioned the impact of the downturn, as evidenced by encouraging corporate earnings, and major emerging market economies revising their GDP forecasts upwards. However, we are watching inflation closely, as cost-of-living levels that are beyond acceptable thresholds could hinder policy support.

From a portfolio perspective, Eastern European equities remain attractive due to the increasingly diverse range of high-quality companies and structural growth drivers on offer at discounted valuations versus the broader Emerging Markets universe. We will continue to use our bottom-up stock-picking expertise to identify quality companies, with good fundamentals, and at reasonable valuations, to enhance the portfolio. By sticking to our disciplined approach, we expect our holdings to deliver sustainable returns over the longer term.

### Global Emerging Markets Equity Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,803	3,634	4,283	3,991
Closing number of shares	1,110,033	1,160,682	1,246,954	1,414,432
Closing net asset value per share (pence)	342.57	313.06	343.48	282.16
Change in net asset value per share	9.43%	(8.86%)	21.73%	(4.16%)
Operating charges	1.39%	1.39%	1.49%	1.80%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	12,850	12,222	15,465	12,949
Closing number of shares	3,580,882	3,701,475	4,233,106	4,310,370
Closing net asset value per share (pence)	358.85	330.19	365.33	300.42
Change in net asset value per share	8.68%	(9.62%)	21.61%	(3.44%)
Operating charges	0.94%	0.94%	0.94%	1.05%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	816	816	100	
Closing net asset value per share (pence)	130.30	119.94	132.59	
Change in net asset value per share	8.64%	(9.54%)	-	
Operating charges	0.99%	0.99%	0.99%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (97.57%)</b>		<b>16,355</b>	<b>98.20</b>
<b>Emerging Market Equities (58.63%)</b>		<b>10,099</b>	<b>60.64</b>
<b>Russia (58.63%)</b>		<b>10,099</b>	<b>60.64</b>
15,427	Beluga	247	1.49
235,822	Detsky	325	1.95
311,960	Gazprom	645	3.87
10,607	HeadHunter	239	1.43
5,129,240	Inter RAO	260	1.56
30,031	Lukoil ADR	1,556	9.34
7,810	Magnit	371	2.23
64,205	MD Medical	281	1.68
1,770	MMC Norilsk Nickel	419	2.51
61,250	Mobile TeleSystems	195	1.17
163,750	Moscow Exchange	248	1.49
105,930	Novatek	1,305	7.83
26,600	Novolipetsk Steel	537	3.23
2,970	Polyus	411	2.47
589,800	Sberbank of Russia	1,473	8.85
54,840	Tatneft (Preference)	242	1.46
17,370	X5 Retail Group	448	2.69
19,678	Yandex	897	5.39
<b>European Equities (21.03%)</b>		<b>3,404</b>	<b>20.43</b>
<b>Czech Republic (1.05%)</b>		<b>181</b>	<b>1.08</b>
8,100	Komerční Banka	181	1.08
<b>Georgia (0.00%)</b>		<b>114</b>	<b>0.68</b>
22,667	Georgia Capital	114	0.68
<b>Greece (3.54%)</b>		<b>491</b>	<b>2.95</b>
23,530	Furlis	78	0.47
116,620	National Bank of Greece	201	1.21
26,476	Sarantis	212	1.27
<b>Hungary (1.82%)</b>		<b>331</b>	<b>1.99</b>
16,040	Richter Gedeon Nyrt	331	1.99

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Kazakhstan (0.00%)</b>		<b>197</b>	<b>1.18</b>
4,289	Kaspi	197	1.18
<b>Poland (7.98%)</b>		<b>1,126</b>	<b>6.76</b>
11,205	Allegro	161	0.97
2,490	CD Projekt	149	0.89
7,502	Dino Polska	386	2.32
15,168	InPost	265	1.59
4,640	Santander Bank Polska	165	0.99
<b>Portugal (1.55%)</b>		<b>184</b>	<b>1.11</b>
15,450	Jeronimo Martins	184	1.11
<b>Romania (1.00%)</b>		<b>179</b>	<b>1.07</b>
65,427	BRD-Groupe Societe Generale	179	1.07
<b>Slovenia (2.28%)</b>		<b>414</b>	<b>2.49</b>
2,601	KRKA	218	1.31
25,450	Nova Ljubljanska GDR	196	1.18
<b>Switzerland (1.81%)</b>		<b>187</b>	<b>1.12</b>
8,660	Coca-Cola HBC	187	1.12
<b>Middle East Equities (7.37%)</b>		<b>1,544</b>	<b>9.27</b>
<b>Turkey (7.37%)</b>		<b>1,544</b>	<b>9.27</b>
1	Akbank	-	-
232,133	Aksigorta	217	1.30
1	AvivaSA Emeklilik ve	-	-
22,131	Coca-Cola İçecek	163	0.98
126,950	Enerjisa Enerji	150	0.90
1	Enka Insaat	-	-
13,770	Logo Yazilim Sanayi Ve Ticaret	185	1.11
40,570	Mavi Giyim Sanayi	214	1.29
197,459	Sok Marketler Ticaret	261	1.57

Holding	Investment	Market Value £'000	Percentage of total net assets
13,570	Tupras	135	0.81
137,690	Turkcell Iletisim	219	1.31
<b>North America Equities (1.83%)</b>		<b>241</b>	<b>1.45</b>
<b>United States (1.83%)</b>		<b>241</b>	<b>1.45</b>
960	EPAM Systems	241	1.45
<b>UK Equities (8.71%)</b>		<b>1,067</b>	<b>6.41</b>
<b>Basic Materials (1.61%)</b>		<b>398</b>	<b>2.39</b>
23,070	Mondi	398	2.39
<b>Financials (0.35%)</b>		<b>-</b>	<b>-</b>
<b>Health care (0.47%)</b>		<b>-</b>	<b>-</b>
<b>Industrials (1.36%)</b>		<b>231</b>	<b>1.39</b>
47,040	Globaltrans Investment	231	1.39
<b>Technology (4.92%)</b>		<b>438</b>	<b>2.63</b>
3,910	Endava ADR	225	1.35
11,230	Mail.Ru	213	1.28
Total investment assets		16,355	98.20
Net other assets		299	1.80
<b>Total Net Assets</b>		<b>16,654</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.



**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		1,164		(32)
Revenue	311		231	
Expenses	(85)		(97)	
Net revenue before taxation	226		134	
Taxation	(26)		(24)	
Net revenue after taxation		200		110
<b>Total return before equalisation</b>		<b>1,364</b>		<b>78</b>
Equalisation on shares		(4)		(3)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,360</b>		<b>75</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>15,857</b>		<b>19,748</b>
Amounts receivable on the issue of shares	356		791	
Amounts payable on the cancellation of shares	(919)		(2,161)	
		(563)		(1,370)
Change in net assets attributable to shareholders from investment activities (see above)		1,360		75
<b>Closing net assets attributable to shareholders</b>		<b>16,654</b>		<b>18,453</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

**Balance sheet**

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		16,355		15,471
<b>Current assets:</b>				
Debtors	194		59	
Cash and bank balances	165		408	
		359		467
<b>Total assets</b>		<b>16,714</b>		<b>15,938</b>
<b>Liabilities:</b>				
Creditors	(60)		(81)	
		(60)		(81)
<b>Total liabilities</b>		<b>(60)</b>		<b>(81)</b>
<b>Net assets attributable to shareholders</b>		<b>16,654</b>		<b>15,857</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 4.8% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

# ASI Emerging Markets Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the longer term (5 years or more) by investing in emerging markets corporate and/or government bonds.

**Performance Target:** To achieve the return of the JP Morgan EMBI Global Diversified Index (Hedged to GBP) plus 2.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in bonds including government, sub-sovereign, and corporate bonds issued by emerging market countries or corporations which carry out a substantial part of their operations, derive a significant proportion of their revenues or profits or have a significant proportion of their assets in these countries.
- The fund may also hold bonds issued by other governments or sub-sovereigns anywhere in the world.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions. They make flexible allocations across bonds and derivatives in emerging markets as well as currencies.
- In seeking to achieve the performance target, the JP Morgan EMBI Global Diversified (GBP Hedged) Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 8.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the JP Morgan EMBI Global Diversified (GBP Hedged) Index.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives can also be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Emerging Markets Bond Fund - A Accumulation Shares increased by 5.11% compared to an increase of 2.87% in the performance target, the JP Morgan EMBI Global Diversified Index (Hedged to GBP).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Although the market saw increased volatility over the period, momentum quickly turned positive following the relatively smooth US elections. News of multiple successful Covid-19 vaccine trials and the passing of a new US\$900 billion stimulus bill followed the US elections. All these supported global markets, even as a second wave of Covid-19 infections continued to surge and many countries reinstated lockdown measures. The US Federal Reserve also committed to maintaining both its accommodative monetary policy as well as its bond-buying programme. Consequently, the 10-year US Treasury yield ticked up by 24 basis points to 0.93% at the end of December. Oil also performed well recently, with the price of Brent crude moving up to US\$55.88 per barrel by the end of the period. This was due to vaccine optimism and the expectation of production cuts from the Organization of Petroleum Exporting Countries and 10 other oil producers. In October, the G20 extended the Debt Service Suspension Initiative for another six months. The International Monetary Federation (IMF) revised its 2020 global growth expectations upward, from a -5.2% contraction to a -4.4% contraction, although it revised its 2021 forecast downward to 5.2% from 5.4%. However, its outlook for emerging markets (excluding China) has deteriorated from -5% to -5.7%. This was despite the upward growth revisions in most emerging-market economies, except for India, which saw a significant downward revision.

In hard-currency debt, vaccine optimism and higher oil prices drove returns among some of the top-performing countries over the period. In addition, the market also sought credits that had previously underperformed other high-yield names. In Sri Lanka, the Constitutional Amendment 20A, which consolidates more executive power, passed on 22 October, triggering further weakness in Sri Lankan assets. This was exacerbated by rising Covid-19 infections, which have further delayed the recovery in tourism. In Lebanon, the formation of the government was further delayed. The caretaker prime minister, Hassan Diab, and three

former ministers were charged with negligence over the explosion in Beirut in August 2020. Elsewhere, Zambia had the dubious honour of becoming the first country in sub-Saharan Africa to default since the pandemic began. Bondholders rejected Zambia's consent solicitation to delay US\$120 million worth of Eurobond coupons due between 14 October and 14 April. Countries including Oman, Turkey, China, Mexico, Russia and the Emirate of Sharjah all tapped the hard-currency bond markets at some point since October.

#### Portfolio Activity

Overall, country allocation, credit allocation, local-currency allocation and security selection were all positive for the fund's performance, while currency exposure proved negative. On a country basis, the fund's overweight exposure (versus the benchmark) in Ivory Coast, Ukraine and Egypt, and underweight positioning in Peru and Panama contributed to performance. An off-benchmark position in Benin and not holding Sri Lanka also helped returns, as did local-currency allocation in the Ivory Coast. Moreover, credit selection in the United Arab Emirates and Mexico added to returns, as did security selection in Ukraine, Ecuador, Mexico and Egypt.

Conversely, zero-weight exposures in Costa Rica and Jordan, overweight exposures in Argentina and Qatar, and underweight positioning in Turkey dragged on returns. Currency exposure in Russia and Brazil and security selection in Qatar also weighed on performance.

In terms of activity, we added positions in Angola based on a positive fundamental outlook following the recovery in oil prices and the IMF approval of the country's third programme review. Early on, we topped up our position in Argentina as a restructuring deal drew closer. Elsewhere, we participated in new issues from Ukraine, Bermuda and the Emirate of Sharjah, one of the United Arab Emirates, which were all attractively priced. We also switched out of shorter-dated bonds in El Salvador in favour of their new 30-year bonds and initiated exposure to Eurobonds in Iraq and Belarus. On the sell side, we reduced our positions in Ecuador, Egypt and Ukraine. Following a recovery in Sri Lankan bonds, we decided to reduce our exposure due to restructuring risk and continued to decrease exposure to Pakistan. We went on to sell holdings in Costa Rica, Senegal, Saudi Arabia and Kenya and sold our Eurobond positions in Albania.

In local currency, we increased positions in Colombia, Uruguay and Brazil, and reduced exposure to Mexico and Indonesia. We expect the Indonesian currency to depreciate, given the limited central-bank intervention going forward. Elsewhere, we invested in long-dated bonds in Russia, based on valuations, and reduced exposure to local-currency Chinese and Indian bonds.

In the corporate space, we reduced our exposure to Malaysian oil and gas company Petronas and added holdings in Huarong Asset Management in China. We also added positions in Brazilian protein company BRF, extended duration in BBVA Bancomer and sold down positions in Abu Dhabi National Energy Company.

#### Portfolio Outlook and Strategy

At the start of 2021, we are cautiously optimistic on the outlook for emerging-market bonds. We expect growth momentum to accelerate into the second half of the year once significant progress is made on rolling out Covid-19 vaccines and governments start to lift mobility restrictions. Moreover, the IMF forecasted emerging-market growth at 6% this year, from an estimated contraction of 3.3% in 2020. We expect fiscal and monetary policies to remain supportive, while a more predictable US presidency should also be favourable for our asset class. The risks to our outlook include a slower-than-expected recovery from the pandemic, due to challenges with disseminating the vaccine. Other risks include weaker-than-expected Chinese economic recovery, rising US Treasury yields and sustained US dollar strength.

#### Global Emerging Market Debt

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,639	1,588	1,765	2,131
Closing number of shares	1,125,309	1,151,239	1,237,405	1,605,413
Closing net asset value per share (pence)	145.68	137.90	142.62	132.73
Change in net asset value per share	5.64%	(3.31%)	7.45%	(3.44%)
Operating charges	1.36%	1.36%	1.46%	1.66%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	2,354	2,304	1,994	1,398
Closing number of shares	2,737,144	2,765,585	2,196,892	1,542,961
Closing net asset value per share (pence)	86.01	83.30	90.75	90.57
Change in net asset value per share	3.25%	(8.21%)	0.20%	(8.91%)
Operating charges	1.36%	1.36%	1.46%	1.66%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	28,657	27,112	33,168	37,222
Closing number of shares	22,561,609	22,600,387	26,849,067	32,555,263
Closing net asset value per share (pence)	127.02	119.96	123.54	114.34
Change in net asset value per share	5.89%	(2.90%)	8.05%	(2.77%)
Operating charges	0.91%	0.91%	0.91%	0.98%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	17,539	20,174	21,127	7,318
Closing number of shares	21,684,995	25,816,099	24,926,973	8,700,773
Closing net asset value per share (pence)	80.88	78.15	84.76	84.11
Change in net asset value per share	3.49%	(7.80%)	0.77%	(8.29%)
Operating charges	0.91%	0.91%	0.91%	0.98%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	10	9	-	
Closing number of shares	8,409	8,423	100	
Closing net asset value per share (pence)	116.65	110.20	113.32	
Change in net asset value per share	5.85%	(2.75%)	13.32%	
Operating charges	0.96%	0.96%	0.96%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	948	948	100	
Closing net asset value per share (pence)	103.51	100.02	108.22	
Change in net asset value per share	3.49%	(7.58%)	8.22%	
Operating charges	0.96%	0.96%	0.96%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	2,826	2,653	68,857	63,949
Closing number of shares	1,756,719	1,752,858	44,514,386	45,002,909
Closing net asset value per share (pence)	160.85	151.34	154.68	142.10
Change in net asset value per share	6.28%	(2.16%)	8.85%	(1.98%)
Operating charges	0.16%	0.16%	0.16%	0.16%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.

<sup>B</sup> M Income share class was launched on 26 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (86.81%)</b>		<b>47,101</b>	<b>88.83</b>
<b>Brazilian Real Denominated Bonds (0.85%)</b>		<b>1,802</b>	<b>3.40</b>
<b>Government Bonds (0.85%)</b>		<b>1,802</b>	<b>3.40</b>
between 5 and 10 years to maturity			
8,350,000	Brazil Notas do Tesouro Nacional Series F 10% 2031	1,305	2.46
2,690,000	Nota Do Tesouro 10% 2029	418	0.79
greater than 25 years to maturity			
127,000	Brazil (Fed Rep of) 6% 2050	79	0.15
<b>Colombian peso Denominated Bonds (0.95%)</b>		<b>-</b>	<b>-</b>
<b>Government Bonds (0.95%)</b>		<b>-</b>	<b>-</b>
<b>Euro Denominated Bonds (9.73%)</b>		<b>4,558</b>	<b>8.60</b>
<b>Government Bonds (9.73%)</b>		<b>4,558</b>	<b>8.60</b>
less than 5 years to maturity			
676,000	Banque Centrale de Tunisie 6.75% 2023	563	1.06
between 5 and 10 years to maturity			
640,000	Banque Centrale de Tunisie 6.375% 2026	516	0.97
170,000	Ivory Coast (Govt of) 5.25% 2030	160	0.30
200,000	Senegal (Republic of) 4.75% 2028	187	0.35
195,000	Serbia (Republic of) 1.5% 2029	177	0.33
420,000	Serbia (Republic of) 3.125% 2027	414	0.78
250,000	Ukraine (Republic of) 6.75% 2026	241	0.46
between 10 and 15 years to maturity			
633,000	Benin (Republic of) 4.875% 2032	554	1.06
590,000	Ivory Coast (Govt of) 4.875% 2032	536	1.01
340,000	Ivory Coast (Govt of) 5.875% 2031	329	0.62
300,000	Morocco (Govt of) 1.5% 2031	261	0.49
greater than 25 years to maturity			
100,000	Benin (Republic of) 6.875% 2052	93	0.18
530,000	Romanian (Republic of) 3.375% 2050	527	0.99



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Indonesian Rupiah Denominated Bonds (2.94%)</b>		-	-
<b>Government Bonds (2.94%)</b>		-	-
<b>Mexican Peso Denominated Bonds (1.19%)</b>		<b>1,686</b>	<b>3.18</b>
<b>Government Bonds (1.19%)</b>		<b>1,686</b>	<b>3.18</b>
between 5 and 10 years to maturity			
31,300,000	Mexico (United Mexican States) 5.75% 2026	1,184	2.23
between 15 and 25 years to maturity			
11,410,000	Mexico (United Mexican States) 8.5% 2038	502	0.95
<b>Russian Ruble Denominated Bonds (1.02%)</b>		<b>976</b>	<b>1.84</b>
<b>Government Bonds (1.02%)</b>		<b>976</b>	<b>1.84</b>
between 5 and 10 years to maturity			
51,450,000	Russia (Govt of) 7.65% 2030	547	1.03
between 10 and 15 years to maturity			
40,500,000	Russia (Govt of) 7.7% 2033	429	0.81
<b>South African Rand Denominated Bonds (0.88%)</b>		<b>514</b>	<b>0.97</b>
<b>Government Bonds (0.88%)</b>		<b>514</b>	<b>0.97</b>
between 15 and 25 years to maturity			
12,400,000	South Africa (Republic of) 9% 2040	514	0.97
<b>US Dollar Denominated Bonds (69.25%)</b>		<b>37,565</b>	<b>70.84</b>
<b>Corporate Bonds (26.38%)</b>		<b>15,510</b>	<b>29.25</b>
less than 5 years to maturity			
395,000	Country Garden Holdings 8% 2024	309	0.58
455,000	Georgian Oil and Gas 6.75% 2021	333	0.63
800,000	Georgian Railway 7.75% 2022	618	1.17
340,000	Huarong Finance 2019 2.125% 2023	250	0.47
360,000	Liquid Telecommunications 8.5% 2022	268	0.50
200,000	Oil and Gas Holding Company 7.625% 2024	162	0.31
269,877	Petroamazonas 4.625% 2021*	92	0.17
1,280,000	Petróleos de Venezuela 6% 2024	33	0.06
380,000	Shimao Property 6.125% 2024	293	0.55
333,000	Ukraine Railways 8.25% 2024	256	0.48

Holding	Investment	Market Value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
2,495,166	Argentina (Republic of) 0.125% 2030	697	1.31
1,482,000	Bahamas (Commonwealth of) 6% 2028	1,037	1.96
270,000	Bancolombia 4.875% 2027	201	0.38
330,000	BRF 4.875% 2030	255	0.48
280,000	Ecopetrol 6.875% 2030	254	0.48
1,250,193	Ecuador (Republic of) 0.5% 2030	491	0.93
300,000	Global Bank 5.25% fixed to floating 2029	240	0.45
438,000	GTLK Europe Capital 4.65% 2027	332	0.63
200,000	ICD Funding 3.223% 2026	149	0.28
600,000	ICD Sukuk 5% 2027	482	0.91
405,000	Iraq (Republic of) 5.8% 2028	243	0.46
360,000	MeGlobal Canada 5.875% 2030	326	0.62
371,000	Metinvest 8.5% 2026	302	0.57
430,000	Nexa Resources 5.375% 2027	343	0.65
2,871,770	Petroleos de Venezuela 6% 2026	73	0.14
270,000	Petroleos Mexicanos 6.5% 2027	204	0.38
640,000	Petroleos Mexicanos 6.84% 2030	466	0.88
350,000	Petroleos Mexicanos 6.875% 2026	273	0.52
364,000	Tengizchevroil Finance International 4% 2026	291	0.55
17,230,000	Uruguay (Republic of) 4.375% 2028	708	1.34
520,000	Zahidi 4.5% 2028	277	0.52
between 10 and 15 years to maturity			
3,726,909	Argentina (Republic of) 0.125% 2035	933	1.76
200,000	BBVA Bancomer 5.125% fixed to floating 2033	154	0.29
360,000	BBVA Bancomer 5.875% fixed to floating 2034	294	0.55
750,000	Belize (Govt of) 4.9375% 2034	247	0.47
240,760	Ecuador (Republic of) 0.5% 2035	81	0.15
between 15 and 25 years to maturity			
342,000	Galaxy Pipeline Assets Bidco 2.625% 2036	251	0.47
434,000	OCP 6.875% 2044	412	0.78
670,000	Pertamina Persero 6.5% 2041	650	1.23
260,000	Petroleos Mexicanos 6.5% 2041	167	0.31
greater than 25 years to maturity			
200,000	Abu Dhabi Crude Oil Pipeline 4.6% 2047	177	0.33
750,000	MAF Global Securities 6.375% fixed to floating Perpetual	576	1.09
200,000	Perusahaan Listrik Negara 6.25% 2049	193	0.36
740,000	Petroleos Mexicanos 6.95% 2060	469	0.88

Holding	Investment	Market Value £'000	Percentage of total net assets
290,000	Suzano Austria 7% 2047	281	0.53
430,000	Trust Fibra 6.39% 2050	367	0.69
<b>Government Bonds (42.87%)</b>		<b>22,055</b>	<b>41.59</b>
less than 5 years to maturity			
750,000	Angola (Republic of) 9.5% 2025	582	1.10
300,000	Belarus (Republic of) 6.875% 2023	227	0.43
355,000	Egypt (Arab Republic of) 6.2004% 2024	281	0.53
840,000	Eskom 7.125% 2025	655	1.22
200,000	Indonesia (Republic of) 3.875% 2024	156	0.29
700,000	Iraq (Rebublic of) 6.752% 2023	501	0.95
670,000	Rwanda (Republic of) 6.625% 2023	517	0.97
200,000	Ukraine (Republic of) 8.994% 2024	164	0.31
406,000	Uzbekistan (Republic of) 4.75% 2024	319	0.60
between 5 and 10 years to maturity			
350,000	Angola (Republic of) 8.25% 2028	255	0.48
280,825	Argentina (Republic of) 1% 2029	85	0.16
810,000	Armenia (Republic of) 3.95% 2029	600	1.13
211,600	Barbados (Govt of) 6.5% 2029	157	0.30
410,000	Belarus (Republic of) 6.2% 2030	302	0.57
324,815	Ecuador (Republic of) 0% 2030	102	0.19
485,000	Egypt (Arab Republic of) 7.6003% 2029	398	0.75
170,000	El Salvador (Republic of) 6.375% 2027	121	0.23
1,052,000	El Salvador (Republic of) 8.625% 2029	794	1.50
330,000	Ghana (Republic of) 10.75% 2030	319	0.60
200,000	Honduras (Republic of) 5.625% 2030	164	0.31
600,000	Kenya (Republic of) 7% 2027	484	0.91
820,000	Nigeria (Fed Rep of) 6.5% 2027	644	1.22
316,000	Oman (Govt of) 6.25% 2031	245	0.46
700,000	Qatar (Govt of) 4% 2029	599	1.13
625,000	Turkey (Republic of) 5.95% 2031	467	0.88
350,000	Turkey (Republic of) 6.125% 2028	271	0.51
200,000	Turkey (Republic of) 7.625% 2029	168	0.32
200,000	Ukraine (Republic of) 9.75% 2028	177	0.33
270,000	Uzbekistan (Republic of) 4.75% 2024 3.7% 2030	203	0.38
1,955,000	Venezuela (Republic of) 9.25% 2028	131	0.25
between 10 and 15 years to maturity			
950,000	Bahrain (Kingdom of) 5.625% 2031	712	1.34
650,000	Nigeria (Fed Rep of) 7.875% 2032	518	0.98

			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
	550,000	Republic of Belarus Ministry of Finance 6.378% 2031	408	0.77
	360,000	Saudi Arabia (Kingdom of) 2.25% 2033	259	0.49
	770,000	Ukraine (Republic of) 7.253% 2033	596	1.12
	between 15 and 25 years to maturity			
	204,000	Dominican (Republic of) 5.3% 2041	153	0.29
	1,160,000	Dominican (Republic of) 7.45% 2044	1,060	2.00
	300,000	Indonesia (Republic of) 6.625% 2037	311	0.59
	300,000	Indonesia (Republic of) 6.75% 2044	335	0.63
	700,000	Paraguay (Republic of) 6.1% 2044	671	1.27
	420,000	South Africa (Republic of) 6.25% 2041	320	0.60
	650,000	Ukraine (Republic of) FRN 2040	534	1.01
	greater than 25 years to maturity			
	240,000	Dominican (Republic of) 5.875% 2060	183	0.34
	880,000	Egypt (Arab Republic of) 8.5% 2047	705	1.33
	930,000	Egypt (Arab Republic of) 8.7002% 2049	754	1.42
	515,000	El Salvador (Republic of) 9.5% 2052	389	0.73
	520,000	Ghana (Republic of) 8.627% 2049	380	0.72
	800,000	Qatar (Govt of) 4.4% 2050	751	1.42
	1,250,000	Qatar (Govt of) 5.103% 2048	1,254	2.37
	980,000	Saudi Arabia (Kingdom of) 5% 2049	905	1.71
	300,000	Sharjah (Govt of) 4% 2050	221	0.42
	560,000	Uruguay (Republic of) 5.1% 2050	548	1.03
	<b>Equities (0.00%)</b>			-
	<b>Emerging Market Equities (0.00%)</b>			-
	<b>Brazil (0.00%)</b>			-
	77,464	OAS	-	-
	<b>Collective Investment Schemes (3.08%)</b>			1,320
	49,230	Aberdeen Standard SICAV I - China Onshore Bond Fund Z Acc <sup>+</sup>	529	1.00
	77,176	Aberdeen Standard SICAV I - Indian Bond Fund Z Acc <sup>+</sup>	791	1.49
	<b>Derivatives (7.59%)</b>			2,682
	<b>Forward Currency Contracts (7.59%)</b>			2,682
	Buy BRL 1,391,000 Sell USD 260,691 24/02/2021			(4)
	Buy BRL 4,031,000 Sell USD 750,875 24/02/2021			(9)
	Buy COP 174,413,000 Sell USD 47,681 24/02/2021			1

Holding	Investment	Market Value £'000	Percentage of total net assets
	Buy EUR 111,000 Sell GBP 101,351 01/02/2021	(3)	(0.01)
	Buy EUR 151,000 Sell GBP 136,548 01/02/2021	(3)	(0.01)
	Buy EUR 225,000 Sell GBP 199,218 01/02/2021	-	-
	Buy EUR 237,000 Sell GBP 211,832 01/02/2021	(2)	-
	Buy EUR 337,000 Sell GBP 306,732 01/02/2021	(10)	(0.02)
	Buy EUR 650,000 Sell GBP 588,904 01/02/2021	(14)	(0.03)
	Buy EUR 5,672,000 Sell GBP 5,029,210 01/02/2021	(11)	(0.02)
	Buy EUR 565,000 Sell GBP 501,312 14/04/2021	(1)	-
	Buy GBP 135,586 Sell EUR 149,000 01/02/2021	4	0.01
	Buy GBP 209,722 Sell EUR 237,000 01/02/2021	-	-
	Buy GBP 418,367 Sell EUR 462,000 01/02/2021	10	0.02
	Buy GBP 636,989 Sell EUR 716,000 01/02/2021	3	0.01
	Buy GBP 5,294,830 Sell EUR 5,819,000 01/02/2021	147	0.28
	Buy GBP 5,035,262 Sell EUR 5,672,000 14/04/2021	11	0.02
	Buy GBP 147,914 Sell MXN 4,246,000 02/02/2021	(5)	(0.01)
	Buy GBP 1,239,787 Sell MXN 33,343,000 02/02/2021	39	0.07
	Buy GBP 79,865 Sell MXN 2,227,000 14/04/2021	-	-
	Buy GBP 674,417 Sell MXN 18,675,000 14/04/2021	7	0.01
	Buy GBP 1,065,398 Sell TRY 10,748,000 01/02/2021	(7)	(0.01)
	Buy GBP 27,182 Sell USD 35,000 01/02/2021	2	-
	Buy GBP 105,638 Sell USD 144,000 01/02/2021	1	-
	Buy GBP 118,415 Sell USD 156,000 01/02/2021	5	0.01
	Buy GBP 152,403 Sell USD 201,000 01/02/2021	6	0.01
	Buy GBP 156,469 Sell USD 207,000 01/02/2021	6	0.01
	Buy GBP 222,433 Sell USD 291,000 01/02/2021	10	0.02
	Buy GBP 248,790 Sell USD 338,000 01/02/2021	3	-
	Buy GBP 255,059 Sell USD 331,000 01/02/2021	14	0.03
	Buy GBP 266,860 Sell USD 345,000 01/02/2021	15	0.03
	Buy GBP 315,939 Sell USD 411,000 01/02/2021	17	0.03
	Buy GBP 348,067 Sell USD 455,000 01/02/2021	17	0.03
	Buy GBP 353,380 Sell USD 461,000 01/02/2021	18	0.04
	Buy GBP 384,260 Sell USD 517,000 01/02/2021	8	0.01
	Buy GBP 523,884 Sell USD 685,000 01/02/2021	25	0.05
	Buy GBP 537,068 Sell USD 698,000 01/02/2021	29	0.06
	Buy GBP 584,164 Sell USD 761,000 01/02/2021	30	0.06
	Buy GBP 617,902 Sell USD 800,000 01/02/2021	35	0.07
	Buy GBP 765,617 Sell USD 1,010,000 01/02/2021	30	0.06
	Buy GBP 824,165 Sell USD 1,110,000 01/02/2021	16	0.03
	Buy GBP 961,987 Sell USD 1,309,000 01/02/2021	9	0.02
	Buy GBP 1,011,021 Sell USD 1,307,000 01/02/2021	59	0.11
	Buy GBP 1,544,078 Sell USD 2,000,000 01/02/2021	88	0.17
	Buy GBP 37,680,190 Sell USD 48,692,000 01/02/2021	2,221	4.19

Holding	Investment	Market Value £'000	Percentage of total net assets
	Buy GBP 37,990,220 Sell USD 52,066,000 14/04/2021	90	0.17
	Buy GBP 450,011 Sell ZAR 9,844,000 01/02/2021	(26)	(0.05)
	Buy GBP 469,212 Sell ZAR 9,844,000 14/04/2021	(2)	-
	Buy INR 26,600,000 Sell USD 359,386 24/02/2021	3	0.01
	Buy MXN 3,738,000 Sell GBP 140,562 02/02/2021	(6)	(0.01)
	Buy MXN 15,176,000 Sell GBP 554,896 02/02/2021	(8)	(0.02)
	Buy MXN 18,675,000 Sell GBP 680,116 02/02/2021	(9)	(0.01)
	Buy TRY 5,148,000 Sell GBP 507,750 01/02/2021	6	0.01
	Buy TRY 5,600,000 Sell GBP 522,863 01/02/2021	36	0.07
	Buy TRY 10,748,000 Sell GBP 1,034,576 14/04/2021	5	0.01
	Buy USD 248,145 Sell BRL 1,349,000 24/02/2021	1	-
	Buy USD 2,179,604 Sell BRL 11,763,000 24/02/2021	19	0.04
	Buy USD 50,128 Sell COP 174,413,000 24/02/2021	1	-
	Buy USD 119,000 Sell GBP 87,456 01/02/2021	(1)	-
	Buy USD 210,000 Sell GBP 157,972 01/02/2021	(5)	(0.01)
	Buy USD 214,000 Sell GBP 159,205 01/02/2021	(3)	(0.01)
	Buy USD 226,000 Sell GBP 169,606 01/02/2021	(5)	(0.01)
	Buy USD 227,000 Sell GBP 168,210 01/02/2021	(3)	(0.01)
	Buy USD 242,000 Sell GBP 182,450 01/02/2021	(6)	(0.01)
	Buy USD 290,000 Sell GBP 224,622 01/02/2021	(13)	(0.03)
	Buy USD 390,000 Sell GBP 290,073 01/02/2021	(6)	(0.01)
	Buy USD 469,000 Sell GBP 342,685 01/02/2021	(1)	-
	Buy USD 513,000 Sell GBP 395,406 01/02/2021	(22)	(0.04)
	Buy USD 685,000 Sell GBP 509,505 01/02/2021	(12)	(0.02)
	Buy USD 696,000 Sell GBP 510,847 01/02/2021	(4)	(0.01)
	Buy USD 724,000 Sell GBP 533,283 01/02/2021	(6)	(0.01)
	Buy USD 736,000 Sell GBP 549,390 01/02/2021	(13)	(0.03)
	Buy USD 776,000 Sell GBP 574,982 01/02/2021	(10)	(0.02)
	Buy USD 807,000 Sell GBP 587,714 01/02/2021	-	-
	Buy USD 1,085,000 Sell GBP 798,537 01/02/2021	(8)	(0.02)
	Buy USD 1,789,000 Sell GBP 1,341,673 01/02/2021	(39)	(0.07)
	Buy USD 52,066,000 Sell GBP 38,006,288 01/02/2021	(90)	(0.17)
	Buy ZAR 9,844,000 Sell GBP 474,052 01/02/2021	2	-
Total investment assets and liabilities		51,103	96.38
Net other assets		1,923	3.62
<b>Total Net Assets</b>		<b>53,026</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\* A proportion of this security is on loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		2,030		(773)
Revenue	1,313		3,251	
Expenses	(243)		(317)	
Net revenue before taxation	1,070		2,934	
Taxation	19		(37)	
Net revenue after taxation		1,089		2,897
<b>Total return before distributions</b>		<b>3,119</b>		<b>2,124</b>
Distributions		(1,224)		(3,099)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,895</b>		<b>(975)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>53,841</b>		<b>126,911</b>
Amounts receivable on the issue of shares	4,214		5,786	
Amounts payable on the cancellation of shares	(7,665)		(9,717)	
		(3,451)		(3,931)
Dilution adjustment		16		-
Change in net assets attributable to shareholders from investment activities (see above)		1,895		(975)
Retained distribution on accumulation shares		725		2,496
<b>Closing net assets attributable to shareholders</b>		<b>53,026</b>		<b>124,501</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		51,470		53,281
<b>Current assets:</b>				
Debtors	798		15,463	
Cash and bank balances	1,550		736	
		2,348		16,199
<b>Total assets</b>		<b>53,818</b>		<b>69,480</b>
<b>Liabilities:</b>				
Investment liabilities		(367)		(795)
Provisions for liabilities		-		(54)
Creditors	(339)		(14,707)	
Bank overdrafts	(10)		(10)	
Distribution payable	(76)		(73)	
		(425)		(14,790)
<b>Total liabilities</b>		<b>(792)</b>		<b>(15,639)</b>
<b>Net assets attributable to shareholders</b>		<b>53,026</b>		<b>53,841</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 3.0% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.



**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/09/20	Distribution paid 29/09/19
<b>A Accumulation shares</b>				
Group 1	0.4707	-	0.4707	0.6335
Group 2	0.2449	0.2258	0.4707	0.6335
<b>A Income shares</b>				
Group 1	0.2842	-	0.2842	0.4031
Group 2	0.1354	0.1488	0.2842	0.4031
<b>I Accumulation shares</b>				
Group 1	0.4095	-	0.4095	0.5580
Group 2	0.1755	0.2340	0.4095	0.5580
<b>I Income shares</b>				
Group 1	0.2667	-	0.2667	0.3826
Group 2	0.1223	0.1444	0.2667	0.3826
<b>M Accumulation shares</b>				
Group 1	0.3707	-	0.3707	0.5130
Group 2	0.3707	-	0.3707	0.5130
<b>M Income shares</b>				
Group 1	0.3217	-	0.3217	0.4560
Group 2	0.3217	-	0.3217	0.4560
<b>Z Accumulation shares</b>				
Group 1	0.5168	-	0.5168	0.6987
Group 2	0.1295	0.3873	0.5168	0.6987

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 30 September 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>A Accumulation shares</b>				
Group 1	0.5728	-	0.5728	0.6014
Group 2	0.4010	0.1718	0.5728	0.6014
<b>A Income shares</b>				
Group 1	0.3449	-	0.3449	0.3809
Group 2	0.1639	0.1810	0.3449	0.3809
<b>I Accumulation shares</b>				
Group 1	0.4986	-	0.4986	0.5216
Group 2	0.3012	0.1974	0.4986	0.5216
<b>I Income shares</b>				
Group 1	0.3237	-	0.3237	0.3564
Group 2	0.1211	0.2026	0.3237	0.3564
<b>M Accumulation shares</b>				
Group 1	0.4533	-	0.4533	0.4845
Group 2	0.4533	-	0.4533	0.4845
<b>M Income shares</b>				
Group 1	0.4009	-	0.4009	0.4465
Group 2	0.4009	-	0.4009	0.4465
<b>Z Accumulation shares</b>				
Group 1	0.6296	-	0.6296	0.6537
Group 2	0.1979	0.4317	0.6296	0.6537

**Third interim interest distribution**

Group 1 - shares purchased prior to 1 October 2020

Group 2 - shares purchased between 1 October 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 30/11/20	Distribution paid 29/11/19
<b>A Accumulation shares</b>				
Group 1	0.5477	-	0.5477	0.5212
Group 2	0.1126	0.4351	0.5477	0.5212
<b>A Income shares</b>				
Group 1	0.3284	-	0.3284	0.3289
Group 2	0.2312	0.0972	0.3284	0.3289
<b>I Accumulation shares</b>				
Group 1	0.4770	-	0.4770	0.4425
Group 2	0.2202	0.2568	0.4770	0.4425
<b>I Income shares</b>				
Group 1	0.3084	-	0.3084	0.3012
Group 2	0.1276	0.1808	0.3084	0.3012
<b>M Accumulation shares</b>				
Group 1	0.4336	-	0.4336	0.3987
Group 2	0.4336	-	0.4336	0.3987
<b>M Income shares</b>				
Group 1	0.3818	-	0.3818	0.3718
Group 2	0.3818	-	0.3818	0.3718
<b>Z Accumulation shares</b>				
Group 1	0.6026	-	0.6026	0.5553
Group 2	0.3956	0.2070	0.6026	0.5553

**Fourth interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 30 November 2020

	Revenue	Equalisation	Distribution paid 31/12/20	Distribution paid 31/12/19
<b>A Accumulation shares</b>				
Group 1	0.5042	-	0.5042	0.5764
Group 2	0.3051	0.1991	0.5042	0.5764
<b>A Income shares</b>				
Group 1	0.3011	-	0.3011	0.3626
Group 2	0.1464	0.1547	0.3011	0.3626
<b>I Accumulation shares</b>				
Group 1	0.4391	-	0.4391	0.4994
Group 2	0.2255	0.2136	0.4391	0.4994
<b>I Income shares</b>				
Group 1	0.2829	-	0.2829	0.3384
Group 2	0.1296	0.1533	0.2829	0.3384
<b>M Accumulation shares</b>				
Group 1	0.3984	-	0.3984	0.4439
Group 2	0.3984	-	0.3984	0.4439
<b>M Income shares</b>				
Group 1	0.3428	-	0.3428	0.4159
Group 2	0.3428	-	0.3428	0.4159
<b>Z Accumulation shares</b>				
Group 1	0.5552	-	0.5552	0.6267
Group 2	0.1778	0.3774	0.5552	0.6267

**Fifth interim interest distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 31 December 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	0.5735	-	0.5735	0.5792
Group 2	0.1923	0.3812	0.5735	0.5792
<b>A Income shares</b>				
Group 1	0.3413	-	0.3413	0.3625
Group 2	0.2035	0.1378	0.3413	0.3625
<b>I Accumulation shares</b>				
Group 1	0.4997	-	0.4997	0.5024
Group 2	0.4494	0.0503	0.4997	0.5024
<b>I Income shares</b>				
Group 1	0.3206	-	0.3206	0.3391
Group 2	0.1816	0.1390	0.3206	0.3391
<b>M Accumulation shares</b>				
Group 1	0.4547	-	0.4547	0.4450
Group 2	0.4547	-	0.4547	0.4450
<b>M Income shares</b>				
Group 1	0.3899	-	0.3899	0.4229
Group 2	0.3899	-	0.3899	0.4229
<b>Z Accumulation shares</b>				
Group 1	0.6321	-	0.6321	0.6309
Group 2	0.1411	0.4910	0.6321	0.6309

**Sixth interim interest distribution**

Group 1 - shares purchased prior to 1 January 2021

Group 2 - shares purchased between 1 January 2021 and 31 January 2021

	Revenue	Equalisation	Distribution paid 26/02/21	Distribution paid 28/02/20
<b>A Accumulation shares</b>				
Group 1	0.5547	-	0.5547	0.6057
Group 2	0.0812	0.4735	0.5547	0.6057
<b>A Income shares</b>				
Group 1	0.3288	-	0.3288	0.3776
Group 2	0.0250	0.3038	0.3288	0.3776
<b>I Accumulation shares</b>				
Group 1	0.4836	-	0.4836	0.5257
Group 2	0.2507	0.2329	0.4836	0.5257
<b>I Income shares</b>				
Group 1	0.3092	-	0.3092	0.3534
Group 2	0.0986	0.2106	0.3092	0.3534
<b>M Accumulation shares</b>				
Group 1	0.4398	-	0.4398	0.4681
Group 2	0.4398	-	0.4398	0.4681
<b>M Income shares</b>				
Group 1	0.3798	-	0.3798	0.4380
Group 2	0.3798	-	0.3798	0.4380
<b>Z Accumulation shares</b>				
Group 1	0.6122	-	0.6122	0.6604
Group 2	0.1868	0.4254	0.6122	0.6604

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Emerging Markets Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in emerging markets equities (company shares).

**Performance Target:** To achieve the return of the MSCI Emerging Markets Index, plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in global emerging market countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- Emerging Markets include Asian, Eastern European, Middle Eastern, African and Latin American countries or any country included within the MSCI Emerging Markets Index.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the performance target, the MSCI Emerging Markets Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the Index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Emerging Markets Equity Fund - A Accumulation Shares increased by 27.93% compared to an increase of 18.75% in the performance target, the MSCI Emerging Markets Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Emerging markets made a remarkable recovery over the period, recouping significant losses incurred during the March troughs, when the impact of the pandemic hurt the most. The easing of social distancing measures and gradual resumption of economic activity fuelled the rebound. Investor risk appetite was also underpinned by a relatively weaker US dollar over the period. Generous pandemic-relief packages in China, Japan, the European Union and the US, helped reignite trade and consumer activity, while unprecedented policy support by central banks worldwide also helped the rally. The technology sector was a key beneficiary, as the pandemic-induced lockdowns and work-from-home policies pushed consumers and businesses online. This led to higher demand for e-commerce, while the surge in demand for data services, smart phones and memory chips supported resilient earnings and healthy margins for tech and semiconductor suppliers.

In the second half of the period, optimism over the development of several viable Covid-19 vaccines and the subsequent regulatory approvals to administer them in several countries lifted hopes for a faster global economic recovery and a resumption of global travel.

Geopolitical tensions between the US and China ratcheted higher over the period. Washington increased sanctions and tightened its scrutiny of tech suppliers, especially those linked to Chinese firms. While these efforts pressured the sector, tech firms proved resilient, supported by robust demand for their products. Meanwhile, following a contentious US presidential election in November, investors welcomed Democratic candidate Joe Biden's victory, hoping that the new administration would work to alleviate geopolitical tensions.

### Portfolio Activity

The fund outperformed its benchmark, primarily driven by good stock selection in Northeast Asia, which seemed to have contained the spread of the coronavirus most effectively. Hence the swifter resumption of economic activity in China, South Korea and Taiwan supported the outperformance in their respective stock markets.

Good stock selection in China contributed the most to relative returns. The recovery in domestic consumption gained momentum over the period, underpinning the outperformance of the underlying high-quality consumer companies in the ASI SICAV I – China A Share Equity Fund. Our emphasis on quality also insulated the fund's holdings from the worst effects of deteriorating US-China ties over the period. Healthcare holdings Wuxi Biologics and Hangzhou Tigermed aided the fund's returns, with their demand outlooks looking robust for 2021. In particular, Wuxi delivered good growth in new drug development projects, and has fared well amid the Covid-19 pandemic, as investors looked to the company to help develop new treatments for the coronavirus. Meanwhile, the world's largest mono-crystalline silicon wafer manufacturer Longi Green Energy was also among the best performers. The stock rose impressively since the beginning of 2020; its healthy results attributable to the growing demand for its products, underpinned by the Chinese government's stimulus to the renewables sector. The stock also got a boost towards the end of the period as private equity firm Hillhouse Capital agreed to acquire a 6% stake in the company. On the flip side, China Resources Land detracted as the property holding took a breather towards the end of the period, following its good performance previously. Its share price softened on the back of a more subdued outlook for Chinese real estate given regulatory headwinds.

Elsewhere, in Northeast Asia, our high-quality semiconductor suppliers Taiwan Semiconductor Manufacturing Co. and Samsung Electronics both lifted the fund's performance. Samsung in particular, delivered robust returns due to the improved outlook for memory prices, amid tighter supply, with lower inventory levels and limited investment in capacity at chipmakers. Elsewhere, South Korean electric-vehicle battery makers Samsung SDI and LG Chem also proved beneficial on a cyclical uptick in orders accelerating the ongoing growth. Demand is expected to continue to expand into 2021.

Sector-wise, e-commerce volumes across the asset class rose as widespread lockdowns and social-distancing measures forced more people to shop online; this trend benefited firms such as Meituan Dianping in China and Mercado Libre in Latin America.

In key portfolio activity, we initiated several new holdings that we had been observing for some time and that have shown resilience and a competitive advantage amid the pandemic background. These included healthcare holding Hangzhou Tigermed, the largest clinical contract researcher in China; e-commerce giant Alibaba for its quality assets, solid business model and attractive growth prospects; leading Chinese sportswear company Li Ning for its solid fundamentals and brand portfolio; and global ecommerce platform and leading internet brand Allegro in Poland. Additionally, we have been reducing our exposure to the ASI SICAV I -China A Share Fund and investing directly in several high conviction holdings with exposure to China's robust domestic consumption, such as Kweichow Moutai, China Tourism Group Duty Free and Longi Green Energy.

Against these, we exited Astra International, BIM Birlisik, China Mobile, Huazhu Group, Indocement and Yum China on lower conviction and to fund more compelling opportunities elsewhere.

### Portfolio Outlook and Strategy

We are cautiously optimistic about the outlook for emerging market stocks. Investors appear to be returning to riskier assets, as seen in the rotation from growth stocks into more cyclical ones. A successful rollout of Covid-19 vaccines would be crucial in underpinning the recovery. Governments that can inoculate their citizens efficiently should expect their economies to lead the recovery. So far, extensive fiscal and monetary support from governments and major central banks has cushioned the impact of the downturn, as evidenced by encouraging corporate earnings, upgraded earnings forecasts and brighter economic outlooks. However, investors will begin to monitor inflation, as any sustained uptick could trigger a tapering of policy support. Likewise, the relationship between the US and China remains a hot political topic, and while a new approach led by a less-volatile Biden administration is expected, it may not be as conciliatory.

From a portfolio perspective, the asset class remains attractive due to its diverse range of high-quality companies, and structural growth drivers, including healthy demographics and a growing middle class, combined with an increasing number of global leaders, particularly in the technology space. We will continue to use our bottom-up stock-picking expertise to identify quality companies, with good fundamentals, and at reasonable valuations, to enhance the portfolio. By sticking to our disciplined approach, we expect our holdings to deliver sustainable returns to shareholders over the longer term.

### Global Emerging Markets Equity Team

February 2021



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	349,094	286,682	351,921	402,727
Closing number of shares	37,153,417	38,833,931	45,621,938	58,152,690
Closing net asset value per share (pence)	939.60	738.23	771.39	692.53
Change in net asset value per share	27.28%	(4.30%)	11.39%	(4.53%)
Operating charges	1.64%	1.65%	1.77%	1.98%
G Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	47,582	38,494	39,365	53,387
Closing number of shares	33,751,050	34,831,050	34,240,189	52,004,873
Closing net asset value per share (pence)	140.98	110.52	114.97	102.66
Change in net asset value per share	27.56%	(3.87%)	11.99%	(3.80%)
Operating charges	1.19%	1.20%	1.21%	1.23%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	519,702	448,110	603,265	640,258
Closing number of shares	49,608,682	54,565,409	70,615,581	83,936,171
Closing net asset value per share (pence)	1,047.60	821.23	854.29	762.79
Change in net asset value per share	27.56%	(3.87%)	12.00%	(3.81%)
Operating charges	1.19%	1.20%	1.21%	1.23%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	2,807	2,262	2,535	1,507
Closing number of shares	287,461	295,600	316,401	209,266
Closing net asset value per share (pence)	976.39	765.40	801.13	720.30
Change in net asset value per share	27.57%	(4.46%)	11.22%	(4.74%)
Operating charges	1.19%	1.20%	1.21%	1.23%
K Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020		
Closing net asset value (£'000)	140,214	128,231		
Closing number of shares	108,602,470	126,953,346		
Closing net asset value per share (pence)	129.11	101.01		
Change in net asset value per share	27.82%	-		
Operating charges	0.79%	0.80%		
M Accumulation shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	230	203	-	
Closing number of shares	157,258	176,916	100	
Closing net asset value per share (pence)	146.21	114.65	118.91	
Change in net asset value per share	27.53%	(3.58%)	-	
Operating charges	1.24%	1.25%	1.26%	

M Income shares <sup>c</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	908	908	100	
Closing net asset value per share (pence)	143.92	112.88	117.55	
Change in net asset value per share	27.50%	(3.97%)	-	
Operating charges	1.24%	1.25%	1.26%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	166,112	129,622	111,504	99,574
Closing number of shares	13,866,325	13,871,429	11,584,046	11,697,384
Closing net asset value per share (pence)	1,197.95	934.45	962.57	851.25
Change in net asset value per share	28.20%	(2.92%)	13.08%	(2.84%)
Operating charges	0.19%	0.20%	0.21%	0.23%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>a</sup> K Accumulation share class was launched on 15 August 2019.

<sup>b</sup> M Accumulation share class was launched on 26 November 2018.

<sup>c</sup> M Income share class was launched on 26 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (93.16%)</b>		<b>1,172,060</b>	<b>95.62</b>
<b>Europe, Middle East &amp; Africa Equities (11.29%)</b>		<b>132,713</b>	<b>10.83</b>
<b>Netherlands (3.47%)</b>		<b>37,889</b>	<b>3.09</b>
43,948	ASML	17,087	1.39
245,376	Prosus	20,802	1.70
<b>Poland (0.00%)</b>		<b>5,700</b>	<b>0.47</b>
396,064	Allegro	5,700	0.47
<b>Russia (4.41%)</b>		<b>50,079</b>	<b>4.09</b>
227,683	Lukoil ADR*	11,799	0.96
1,285,543	Novatek	15,835	1.29
4,783,924	Sberbank of Russia	11,949	0.98
230,210	Yandex	10,496	0.86
<b>South Africa (2.30%)</b>		<b>27,135</b>	<b>2.21</b>
161,266	Naspers	27,135	2.21
<b>Turkey (0.47%)</b>		<b>-</b>	<b>-</b>
<b>United Kingdom (0.64%)</b>		<b>11,910</b>	<b>0.97</b>
688,700	Mondi	11,910	0.97
<b>Latin American Equities (10.53%)</b>		<b>120,009</b>	<b>9.79</b>
<b>Argentina (2.15%)</b>		<b>17,419</b>	<b>1.42</b>
13,465	MercadoLibre	17,419	1.42
<b>Brazil (5.60%)</b>		<b>66,908</b>	<b>5.46</b>
5,382,272	Banco Bradesco ADR	17,795	1.45
3,790,200	Petrobras (Preference)	13,493	1.10
2,205,721	Vale ADR	25,957	2.12
864,635	WEG	9,663	0.79

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Mexico (2.78%)</b>		<b>35,682</b>	<b>2.91</b>
251,500	Fomento Economico Mexicano ADR	12,461	1.02
694,500	Grupo Aeroportuario del Sureste	8,034	0.65
4,134,943	Grupo Financiero Banorte	15,187	1.24
<b>Pacific Basin Equities (71.34%)</b>		<b>919,338</b>	<b>75.00</b>
<b>China (26.91%)</b>		<b>380,735</b>	<b>31.06</b>
1,977,900	Alibaba	45,808	3.74
141,463	Autohome ADR	11,355	0.93
2,141,500	China Conch Venture	7,422	0.60
529,652	China International Travel Service 'A'	17,604	1.43
2,629,000	China Merchants Bank 'H'	14,704	1.20
420,025	Hangzhou Tigermed Consulting 'A'	7,942	0.65
68,800	Hangzhou Tigermed Consulting 'H'	1,102	0.09
56,858	Kweichow Moutai 'A'	13,602	1.11
1,314,500	Li Ning	5,994	0.49
2,202,300	LONGi Green Energy Technology 'A'	26,774	2.18
859,600	Meituan Dianping 'B'	28,724	2.34
763,518	Midea 'A'	8,315	0.68
4,327,430	NARI Technology 'A'	14,388	1.17
93,229	New Oriental Education & Technology	11,371	0.93
2,471,000	Ping An Insurance 'H'	21,188	1.73
1,381,622	Shanghai International Airport 'A'	12,338	1.01
1,120,700	Shenzhou	16,009	1.30
390,000	Sungrow Power Supply 'A'	4,621	0.38
1,365,000	Tencent	87,367	7.13
2,317,500	Wuxi Biologics	23,746	1.94
159,400	Xinjiang Goldwind Science & Technology 'H'	242	0.02
8,000	Yunnan Energy New Material 'A'	119	0.01
<b>Hong Kong (8.28%)</b>		<b>85,186</b>	<b>6.95</b>
2,256,800	AIA	19,871	1.62
4,944,200	Budweiser Brewing	12,073	0.99
3,076,000	China Resources Gas	11,195	0.91
5,818,000	China Resources Land	16,884	1.38
538,656	Hong Kong Exchanges & Clearing	25,163	2.05

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>India (10.31%)</b>		<b>125,613</b>	<b>10.25</b>
446,517	Hindustan Unilever	10,088	0.82
1,316,272	Housing Development Finance	31,237	2.55
6,256,889	ITC	12,687	1.04
1,072,492	Kotak Mahindra Bank	18,305	1.49
1,580,033	SBI Life Insurance	13,641	1.11
809,936	Tata Consultancy Services	25,255	2.06
271,534	UltraTech Cement	14,400	1.18
<b>Indonesia (3.37%)</b>		<b>27,043</b>	<b>2.21</b>
8,922,600	Bank Central Asia	15,643	1.28
52,542,800	Bank Rakyat Indonesia	11,400	0.93
<b>Macau (1.30%)</b>		<b>14,153</b>	<b>1.15</b>
4,892,800	Sands China	14,153	1.15
<b>Philippines (1.93%)</b>		<b>17,144</b>	<b>1.40</b>
21,084,000	Ayala Land	12,040	0.98
4,240,935	Bank of the Philippine Islands	5,104	0.42
<b>South Korea (10.75%)</b>		<b>154,029</b>	<b>12.56</b>
45,451	LG Chemical	27,133	2.21
2,256,346	Samsung Electronics (Preference)	107,377	8.76
40,848	Samsung SDI	19,519	1.59
<b>Taiwan (8.49%)</b>		<b>115,435</b>	<b>9.42</b>
7,510,718	Taiwan Semiconductors Manufacturing	115,435	9.42

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (6.12%)</b>		<b>28,264</b>	<b>2.31</b>
7,316	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	7,316	0.60
996,688	Aberdeen Standard SICAV I-China A Share Equity Fund Z Acc <sup>+</sup>	20,948	1.71
Total investment assets		1,200,324	97.93
Net other assets		25,418	2.07
<b>Total Net Assets</b>		<b>1,225,742</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>\*</sup> A portion of this security is on loan at year end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		275,686		(69,912)
Revenue	6,811		9,700	
Expenses	(6,368)		(6,450)	
Interest payable and similar charges	(3)		(1)	
Net revenue before taxation	440		3,249	
Taxation	(2,609)		(1,066)	
Net (expense)/revenue after taxation		(2,169)		2,183
<b>Total return before equalisation</b>		<b>273,517</b>		<b>(67,729)</b>
Equalisation on shares		(53)		76
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>273,464</b>		<b>(67,653)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,033,605</b>		<b>1,108,590</b>
Amounts receivable on the issue of shares	2,440		66,353	
Amounts payable on the cancellation of shares	(83,795)		(86,673)	
		(81,355)		(20,320)
Capacity Management Charge		28		-
Change in net assets attributable to shareholders from investment activities (see above)		273,464		(67,653)
<b>Closing net assets attributable to shareholders</b>		<b>1,225,742</b>		<b>1,020,617</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.



## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		1,200,324		1,026,139
<b>Current assets:</b>				
Debtors	30,032		7,089	
Cash and bank balances	6,249		5,246	
		36,281		12,335
<b>Total assets</b>		<b>1,236,605</b>		<b>1,038,474</b>
<b>Liabilities:</b>				
Provisions for liabilities		(3,955)		(2,063)
Creditors	(6,908)		(2,792)	
Distribution payable	-		(14)	
		(6,908)		(2,806)
<b>Total liabilities</b>		<b>(10,863)</b>		<b>(4,869)</b>
<b>Net assets attributable to shareholders</b>		<b>1,225,742</b>		<b>1,033,605</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 2.4% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

# ASI Euro Corporate Bond Fund

For the six months ended 31 January 2021

The ASI Euro Corporate Bond Fund closed on 22 June 2020. The ACD immediately commenced termination proceedings. Termination statements will be issued with four months of the completion of the termination.

## Investment Objective (prior to closure)

To generate income and some growth over the long term (5 years or more) by investing in Euro denominated investment grade corporate bonds.

**Performance Target:** To achieve the return of the iBoxx Euro Corporates Index (in Euro terms), plus 0.65% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in investment grade corporate bonds that are denominated in Euros.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as: sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage backed. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Euro bonds.
- Where the fund gains exposure to currencies other than Euros, the fund will employ techniques to reduce (hedge) risk related to currency movements on non-Euro bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the performance target, the iBoxx Euro Corporates Index (in Euro terms) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 2.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the iBoxx Euro Corporates Index (in Euro terms).

**Please Note:** The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

## Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Euro IG and Aggregate Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 22 June 2020.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Income shares <sup>c</sup>	31 July 2019	31 July 2018
Closing net asset value (£'000)	30	66
Closing number of shares	18,882	44,673
Closing net asset value per share (pence)	159.17	148.63
Change in net asset value per share	7.09%	(1.04%)
Operating charges	1.01%	1.02%
I Accumulation shares <sup>c</sup>	31 July 2019	31 July 2018
Closing net asset value (£'000)	63	202
Closing number of shares	29,571	102,762
Closing net asset value per share (pence)	212.05	196.31
Change in net asset value per share	8.02%	(0.08%)
Operating charges	0.61%	0.62%
I Income shares <sup>c</sup>	31 July 2019	31 July 2018
Closing net asset value (£'000)	26,500	26,995
Closing number of shares	16,729,132	18,243,727
Closing net asset value per share (pence)	158.41	147.97
Change in net asset value per share	7.06%	(1.06%)
Operating charges	0.61%	0.62%
M Accumulation shares <sup>A,c</sup>	31 July 2019	
Closing net asset value (£'000)	-	
Closing number of shares	100	
Closing net asset value per share (pence)	110.09	
Change in net asset value per share	-	
Operating charges	0.66%	
M Income shares <sup>B,c</sup>	31 July 2019	
Closing net asset value (£'000)	-	
Closing number of shares	100	
Closing net asset value per share (pence)	108.82	
Change in net asset value per share	-	
Operating charges	0.66%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> M Income share class was launched on 27 November 2018.

<sup>C</sup> Fund was closed on 22 June 2020.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (0.00%)</b>		-	-
<b>Euro Denominated Bonds (0.00%)</b>		-	-
2,000,000	Lehman Bros FRN 2019 (defaulted)	-	-
<b>Derivatives (100.00%)</b>		-	-
<b>Forward Currency Contracts (100.00%)</b>		-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2020.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		-		(1,899)
Revenue	-		162	
Expenses	-		(76)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	-		85	
Taxation	-		-	
Net revenue after taxation		-		85
<b>Total return before equalisation</b>		-		<b>(1,814)</b>
Distributions		-		(85)
<b>Change in net assets attributable to shareholders from investment activities</b>		-		<b>(1,899)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>26,593</b>
Amounts receivable on the issue of shares	-		334	
Amounts payable on the cancellation of shares	-		(2,272)	
		-		(1,938)
Dilution adjustment		-		4
Change in net assets attributable to shareholders from investment activities (see above)		-		(1,899)
<b>Closing net assets attributable to shareholders</b>		-		<b>22,760</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		-		1
<b>Current assets:</b>	-		-	
		-		-
Total assets		-		1
<b>Liabilities:</b>				
Creditors	-		(1)	
		-		(1)
Total liabilities		-		(1)
<b>Net assets attributable to shareholders</b>		-		-

# ASI Europe ex UK Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in European equities (company shares).

**Performance Target:** To achieve the return of the FTSE World Europe ex UK Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there.
- European countries can include the emerging markets of Europe, but excludes the UK.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE World Europe ex UK Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Europe ex UK Equity Fund – A Accumulation Shares increased by 3.44% compared with an increase of 9.93% in the performance target, the FTSE World Europe ex UK Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

European equities rose in the six months under review. Initially, the share-price rise was helped by governments' tentative attempts to reopen their economies after nationwide lockdowns had slowed the pace of new infections. Adding to the positive sentiment was news of progress in potential vaccines, along with generous fiscal and monetary stimulus unleashed globally. The uptrend gathered momentum as vaccine breakthroughs and their subsequent rollout, alongside Joe Biden's election victory, inspired a double-digit rally towards the year-end. The anticipation of the end to the pandemic, while tempered by the discovery of more transmissible variants of the virus, was further strengthened by the economic rebound and a last-minute trade deal forged between the European Union and the UK as it exited the single-currency bloc.

## Portfolio Activity

At the stock level, holding Deutsche Boerse, Hannover Re and SAP detracted. Deutsche Boerse' shares weakened with falling interest rates hurting some of its revenue streams and lower volatility reducing derivatives demand. However, its business should be able to show good earnings growth and the high cash-generative nature of the business is another solid feature. For Hannover Re, its meaningful improvement in Property & Casualty pricing was overshadowed by Covid-19 uncertainties. Last, SAP's shares fell on unexpected news that profit margins may be hindered by its push to invest in its Cloud offering in response to customer demand. While an elongation of the timeline may be frustrating, we believe that these investments will ultimately result in a better quality and higher growth business.

Conversely, ASML, Tecan and a lack of exposure to Roche proved mitigating. ASML did well, buoyed by solid results amid better-than-expected underlying demand. News that one of its largest clients, TSMC, would raise capital spending by up to 40% above prior expectations further underlined the potential for material upside to its medium-term financial target. At the same time, Tecan saw its shares rise as investors continued to favour companies in the diagnostics sector given the ongoing challenges around Covid 19. We exited Tecan subsequently after strong outperformance had stretched the valuation. Last, not holding Roche was positive for the fund. It lagged due to a combination of higher than expected declines of some prior blockbusters and an element of weaker demand due to Covid-19-related treatment delays.



### Portfolio Outlook and Strategy

We retain a cautious stance given the uncertainty, with the outlook now more balanced than at any time in the past few years. Against this backdrop, we want to ensure our portfolio is poised for a wide range of outcomes rather than just one. Hence, we will not deviate from our philosophy of long-term investing in the best businesses we can find, but with a more balanced portfolio we would expect to continue to prosper in more difficult market conditions but also give ourselves the opportunity to participate a little more in some of the upside scenarios that might develop.

### European Equity Team

February 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	159,569	157,587	159,733	156,893
Closing number of shares	62,366,380	63,787,758	68,097,970	73,067,146
Closing net asset value per share (pence)	255.86	247.05	234.56	214.72
Change in net asset value per share	3.57%	5.32%	9.24%	15.06%
Operating charges	1.32%	1.32%	1.43%	1.64%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	265,124	251,173	89,702	45,495
Closing number of shares	103,577,331	101,856,237	38,485,262	21,439,852
Closing net asset value per share (pence)	255.97	246.60	233.08	212.20
Change in net asset value per share	3.80%	5.80%	9.84%	15.99%
Operating charges	0.87%	0.87%	0.87%	0.89%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	385	375	-	
Closing number of shares	285,034	287,765	100	
Closing net asset value per share (pence)	135.09	130.18	122.93	
Change in net asset value per share	3.77%	5.90%	-	
Operating charges	0.92%	0.92%	0.92%	
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	7,463	7,002	7,724	8,866
Closing number of shares	2,388,875	2,335,070	2,745,657	3,487,929
Closing net asset value per share (pence)	312.43	299.86	281.31	254.19
Change in net asset value per share	4.19%	6.59%	10.67%	16.86%
Operating charges	0.12%	0.12%	0.12%	0.14%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (95.76%)</b>		<b>423,959</b>	<b>98.02</b>
<b>European Equities (95.76%)</b>		<b>423,959</b>	<b>98.02</b>
<b>Denmark (5.35%)</b>		<b>17,363</b>	<b>4.02</b>
341,801	Novo Nordisk	17,363	4.02
<b>France (20.25%)</b>		<b>105,772</b>	<b>24.45</b>
91,950	Dassault Systemes	13,398	3.10
354,813	Edenred	14,054	3.25
124,130	Essilor	12,849	2.97
49,440	L'Oreal	12,689	2.93
124,030	Pernod Ricard	17,085	3.95
126,280	Schneider Electric	13,513	3.12
304,740	Ubisoft Entertainment	22,184	5.13
<b>Germany (20.13%)</b>		<b>87,262</b>	<b>20.18</b>
175,680	Deutsche Boerse	20,602	4.76
126,000	Hannover Rueck	14,313	3.31
133,000	Knorr-Bremse	12,835	2.97
88,440	MTU Aero Engines	15,078	3.49
218,850	Nemetschek	11,259	2.60
141,774	SAP	13,175	3.05
<b>Ireland (3.90%)</b>		<b>12,423</b>	<b>2.87</b>
125,480	Kerry	12,423	2.87
<b>Italy (4.72%)</b>		<b>18,993</b>	<b>4.39</b>
383,600	Amplifon	11,105	2.57
1,004,755	Davide Campari-Milano	7,888	1.82
<b>Netherlands (18.78%)</b>		<b>82,368</b>	<b>19.04</b>
5,594	Adyen	8,510	1.96
78,186	ASML	30,398	7.03
215,015	Heineken	16,345	3.78

Holding	Investment	Market Value £'000	Percentage of total net assets
216,220	Prosus	18,330	4.24
145,175	Wolters Kluwer	8,785	2.03
<b>Norway (0.00%)</b>		<b>7,229</b>	<b>1.67</b>
338,278	Schibsted	7,229	1.67
<b>Spain (3.15%)</b>		<b>15,942</b>	<b>3.69</b>
343,090	Amadeus	15,942	3.69
<b>Sweden (5.07%)</b>		<b>10,599</b>	<b>2.45</b>
309,000	Atlas Copco 'B'	10,599	2.45
<b>Switzerland (14.41%)</b>		<b>66,008</b>	<b>15.26</b>
28,670	Lonza	13,373	3.09
307,636	Nestle	25,193	5.83
11,830	Partners	10,212	2.36
10,101	Straumann	8,183	1.89
97,936	Temenos	9,047	2.09
<b>Collective Investment Schemes (2.67%)</b>		<b>3,480</b>	<b>0.80</b>
3,480	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	3,480	0.80
Total investment assets		427,439	98.82
Net other assets		5,102	1.18
<b>Total Net Assets</b>		<b>432,541</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 January 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		17,197		4,874
Revenue	805		635	
Expenses	(2,226)		(1,555)	
Interest payable and similar charges	(1)		(1)	
Net expense before taxation	(1,422)		(921)	
Taxation	(107)		35	
Net expense after taxation		(1,529)		(886)
<b>Total return before equalisation</b>		<b>15,668</b>		<b>3,988</b>
Equalisation on shares		-		1
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>15,668</b>		<b>3,989</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>416,137</b>		<b>257,159</b>
Amounts receivable on the issue of shares	16,795		68,709	
Amounts payable on the cancellation of shares	(16,059)		(12,852)	
		736		55,857
Dilution adjustment		-		25
Change in net assets attributable to shareholders from investment activities (see above)		15,668		3,989
<b>Closing net assets attributable to shareholders</b>		<b>432,541</b>		<b>317,030</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

**Balance sheet**

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		427,439		409,583
<b>Current assets:</b>				
Debtors	660		1,452	
Cash and bank balances	5,130		5,504	
		5,790		6,956
<b>Total assets</b>		<b>433,229</b>		<b>416,539</b>
<b>Liabilities:</b>				
Creditors	(688)		(402)	
		(688)		(402)
<b>Total liabilities</b>		<b>(688)</b>		<b>(402)</b>
<b>Net assets attributable to shareholders</b>		<b>432,541</b>		<b>416,137</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 0.1% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

# ASI European High Yield Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling and Euro denominated sub-investment grade (high yield) corporate bonds.

**Performance Target:** To achieve the return of the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP) plus 1.25% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in Sterling and Euro denominated sub-investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the performance target, the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 4.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP).

**Please Note:** The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk or reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI European High Yield Bond Fund – A Accumulation Shares increased by 7.57% compared to an increase of 7.14% in the performance target, the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

High-yield markets stabilised and rose over the period under review. European high-yield bonds gained in August, but then sold off in September. This was attributed to uncertainty around, and proximity to, the US election as well as a widespread rise in Covid-19 cases. Fiscal support, or the lack of decisiveness on that front, was another cause for concern. Plans for a French €100 billion stimulus package were unveiled, partly to extend the furlough programme, but the European-wide recovery fund saw delays raised by Eastern European nations. Stalling talks over the US stimulus package were also noted, with concern spreading to European high-yield markets.

The European high-yield market rose strongly in the fourth quarter of 2020, however, boosted by the announcement of effective vaccines from Pfizer-BioNTech, Moderna and Oxford-AstraZeneca. Although delivery and distribution of the vaccines will take some time, the announcements allow investors to look through the current earnings weakness and elevated debt ratios. Although risk assets got off to a flying start to the year, these gains were pared in the last week of January. A number of factors began to weigh on investor's minds, however, as the month progressed. In Europe, the aggressive increase in the spread of Covid-19 led to an extension of restrictions, while the European Union's (EU) vaccination programme got off to a slow start.

Primary markets have seen strong supply over the period, with issuance near record levels. This indicates that capital markets have functioned efficiently, allowing companies access to capital at attractive rates. Towards the end of the period, with positive vaccine news, higher-yielding and more coronavirus-exposed sectors outperformed the broader market.

## Portfolio Activity

The fund performed strongly over the period, outperforming the benchmark, due to a number of contributing factors. The overweight to lower-rated parts of the market benefited performance, as CCCs returned 14.4% and Bs returned 7.7%, respectively. In contrast, BB-rated bonds returned 5.6%. Our overweight to sterling bonds was another factor as the sterling high-yield index returned 8.3% over the period, compared to 6.8% in the euro index.



Our sector positioning did not generate substantial relative returns, although our allocations within sectors was a strong driver of fund performance. Banking and capital goods securities generated the strongest relative returns, with positions in the former providing approximately 70 basis points of incremental contribution and the latter close to 50 basis points. Our overweight to subordinated financials across a number of jurisdictions was the biggest contributor to the banking performance. Meanwhile, our position in Klöckner Pentaplast, the plastics packaging business, was the main driver of returns in the capital goods sector. The company's bonds were trading in the mid-70s at the beginning of the period, having been as low as 30 in April. The recovery all the way to par was due to significantly improved profitability as a result of lower input costs and operating expenses. Aside from banking positions, other strong contributors to performance on a stock-specific basis included Enquest (the North Sea oil producer), as the oil price recovered, and Matalan (the UK clothing retailer), after better-than-expected earnings and liquidity. The main drag on performance came from better-quality positions or shorter-maturity bonds, which had less upside potential in a rallying market.

#### Portfolio Outlook and Strategy

As we head into the new year there are reasons to be constructive and reasons to be cautious. The year has not got off to the best start in Europe when considering how much of the economy continues to be stifled by new restrictions and lockdowns in vast swathes of the region. The numbers of daily Covid-19 cases continues to rise and concerns about healthcare capacity abound. Furthermore, a new strain of the virus appears to be more contagious, which is almost certainly contributing to the recent spike. This is inevitably putting pressure on those sectors most exposed to these restrictions, although probably not to the extent (in financial markets) as one might expect. It appears that most are willing to look through short-term concerns and focus on the distribution of the vaccine, with many hoping economies will resume something close to normality sometime in Spring. The agreement of a trade deal between the EU and the UK has given risk assets across the region a boost, while better-than-expected recent economic data releases has also boosted sentiment. Crucially, further stimulus is expected, with the UK committing another £4.6 billion to aid those affected by the latest lockdown and others are likely to follow suit. Monetary policy remains extremely accommodative and there is little reason to doubt this will change in the near term as inflation expectations remain subdued.

**Euro HY and Global Leverage Loans Team**

February 2021

### 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 risk and reward indicator changed from 3 to 4 on x.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	2,316	2,114	2,415	3,703
Closing number of shares	1,521,080	1,496,940	1,713,716	2,687,625
Closing net asset value per share (pence)	152.28	141.21	140.90	137.78
Change in net asset value per share	7.84%	0.22%	2.26%	1.19%
Operating charges	1.26%	1.26%	1.32%	1.38%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	5,763	5,116	6,331	8,683
Closing number of shares	6,739,519	6,284,076	7,406,065	9,874,822
Closing net asset value per share (pence)	85.52	81.41	85.48	87.93
Change in net asset value per share	5.05%	(4.76%)	(2.79%)	(4.12%)
Operating charges	1.26%	1.26%	1.32%	1.38%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	13,741	13,226	17,552	19,983
Closing number of shares	8,651,087	9,000,236	12,023,678	14,066,219
Closing net asset value per share (pence)	158.83	146.95	145.98	142.06
Change in net asset value per share	8.08%	0.66%	2.76%	1.74%
Operating charges	0.81%	0.81%	0.81%	0.83%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	20,902	21,263	27,560	31,871
Closing number of shares	20,829,940	22,308,951	27,664,000	31,253,137
Closing net asset value per share (pence)	100.35	95.31	99.62	101.98
Change in net asset value per share	5.29%	(4.33%)	(2.31%)	(3.58%)
Operating charges	0.81%	0.81%	0.81%	0.83%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	9	9	-	
Closing number of shares	8,199	8,212	100	
Closing net asset value per share (pence)	114.79	106.23	105.37	
Change in net asset value per share	8.06%	0.82%	5.37%	
Operating charges	0.86%	0.86%	0.86%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	975	975	100	
Closing net asset value per share (pence)	102.52	97.38	101.82	
Change in net asset value per share	5.28%	(4.36%)	1.82%	
Operating charges	0.86%	0.86%	0.86%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,171	9,905	19,075	22,921
Closing number of shares	2,378,473	8,057,919	15,731,721	19,560,152
Closing net asset value per share (pence)	133.34	122.93	121.26	117.18
Change in net asset value per share	8.47%	1.38%	3.48%	2.46%
Operating charges	0.11%	0.11%	0.11%	0.13%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> M Income share class was launched on 27 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (97.91%)</b>		<b>43,712</b>	<b>95.22</b>
<b>Euro Denominated Bonds (74.13%)</b>		<b>31,659</b>	<b>68.97</b>
<b>Corporate Bonds (74.13%)</b>		<b>31,659</b>	<b>68.97</b>
less than 5 years to maturity			
102,000	Adevinta 2.625% 2025	92	0.20
131,000	Adient 3.5% 2024	116	0.25
200,000	ADO Properties 3.25% 2025	183	0.40
305,000	Autostrade 1.625% 2023	269	0.59
100,000	B2Holding 7% 2021	91	0.20
200,000	Casino Guichard 3.248% Variable 2024	172	0.38
416,000	Cirsa Finance International 6.25% 2023	359	0.78
293,114	Cirsa Finance International 7.25% 2025	215	0.47
143,000	Cirsa Finance International FRN 2025	116	0.25
334,000	Cogent Communications 4.375% 2024	304	0.66
257,000	Constantin Investissement 3 SASU 5.375% 2025	230	0.50
580,000	Consus Real Estate 9.625% 2024	548	1.19
320,000	CTC BondCo 5.25% 2025	288	0.63
300,000	Douglas 6.25% 2022	260	0.57
450,000	EG Global Finance 4.375% 2025	391	0.85
426,469	Explorer II 3.375% 2025	328	0.71
206,000	Ford Motor Credit 0.185% 2021	182	0.40
505,000	Galapagos 5.375% 2021**	-	-
190,000	Gamma Bidco 6.25% 2025*	174	0.38
181,000	Garfunkelux Holdco 3 6.75% 2025*	163	0.36
178,000	HT Troplast 9.25% 2025	174	0.38
140,000	IHO Verwaltungs 3.625% 2025	126	0.28
150,000	INEOS 5.375% 2024	134	0.29
171,000	International Game Technology 3.5% 2024	156	0.34
350,000	International Game Technology 4.75% 2023	320	0.70
719,000	Kleopatra Holdings 1 SCA 8.5% 2023*	768	1.67
182,000	La Financiere Atalian 4% 2024	151	0.33
313,000	LHC3 4.125% 2024	281	0.61
200,000	Lincoln Financing 3.625% 2024	177	0.39
200,000	Monitchem Holdco 5.25% 2025	177	0.39
189,000	Motion Finco 7% 2025	173	0.38
478,000	Nassa Topco 2.875% 2024*	443	0.97
553,422	Newco GB 8% 2022*	480	1.05
143,000	Nidda BondCo 5% 2025	127	0.28
442,000	Nidda Healthcare 3.5% 2024*	392	0.85

		Market Value £'000	Percentage of total net assets
Holding	Investment		
470,000	Novafives 5% 2025*	356	0.78
150,000	Pemex Project 5.5% 2025	142	0.31
447,000	Petroleos Mexicanos 3.75% 2024	397	0.86
742,000	PrestigeBidCo 6.25% 2023	666	1.45
175,000	Samvardhana Motherson Automotive Systems 1.8% 2024	152	0.33
250,000	Sazka 9% 2021**	-	-
147,000	Sazka Group 4.125% 2024	131	0.29
116,000	SoftBank 4.75% 2025	112	0.24
100,000	Summer Bidco 9% 2025	93	0.20
400,000	Summer BidCo 9.75% 2025	380	0.83
361,000	Techem Verwaltungsgesellschaft 675 mbH 2% 2025	315	0.69
260,000	Tele Columbus 3.875% 2025*	231	0.50
892,000	Teva Pharmaceutical 4.5% 2025	826	1.80
590,000	Unilabs Subholding 5.75% 2025	533	1.16
300,000	United Group 4.875% 2024	271	0.59
220,000	Verisure Holding 3.5% 2023	197	0.43
between 5 and 10 years to maturity			
600,000	Altice 4.75% 2028*	514	1.12
1,072,000	Altice France 8% 2027	1,039	2.26
200,000	ARD Finance 5% 2027	182	0.40
182,000	Ardagh Packaging 2.125% 2026	161	0.35
100,000	Arena 1.875% 2028	81	0.18
300,000	Ashland Services 2% 2028	265	0.58
445,000	Atlantia 2% 2028	393	0.86
300,000	Banca Monte dei Paschi di Siena 5.375% Fixed to Floating 2028*	230	0.50
563,000	Banca Monte dei Paschi di Siena 8% Fixed to Floating 2030*	496	1.08
480,000	Banff Merger Sub 8.375% 2026	447	0.97
436,000	Blitz F18-674 6% 2026	400	0.87
200,000	Casino Guichard Perrachon 4.048% 2026	159	0.35
643,000	Diocle FRN 2026	512	1.12
290,000	Energizer Gamma Acquisition 4.625% 2026	264	0.58
150,000	Faurecia 2.375% 2027	134	0.29
150,000	Faurecia 3.125% 2026	136	0.30
269,000	Faurecia 3.75% 2028	250	0.54
232,000	House of Finance 4.375% 2026	205	0.45
150,000	IHO Verwaltungs 3.875% 2027	137	0.30
239,000	INEOS Finance 3.375% 2026	218	0.47
440,000	Ineos Styrolution 2.25% 2027*	381	0.83
287,000	Intrum 3.5% 2026	252	0.55
229,000	Jaguar Land Rover Automotive 6.875% 2026	222	0.48
400,000	Matterhorn Telecom 3.125% 2026*	351	0.76

			Market Value £'000	Percentage of total net assets
Holding	Investment			
350,000	Motion Bondco 4.5% 2027*		288	0.63
100,000	Netflix 3.625% 2027		102	0.22
1,000,000	Petroleos Mexicanos 4.75% 2029		861	1.88
700,000	RCI Banque 2.625% Fixed to Floating 2030		626	1.36
144,000	Rolls-Royce 4.625% 2026		135	0.29
360,000	Sigma 5.75% 2026*		309	0.67
177,000	Sofima 3.75% 2028		157	0.34
151,000	Sofima 4% 2028		134	0.29
774,000	SoftBank 5% 2028		768	1.67
336,000	SoftBank 5.25% 2027		333	0.73
271,000	UPCB Finance IV 4% 2027		220	0.48
250,000	Verisure 3.25% 2027		222	0.48
344,000	Verisure 5.25% 2029		311	0.68
136,000	Vertical Midco 4.375% 2027		126	0.27
114,000	Vertical Midco FRN 2027*		102	0.22
300,000	ZF Europe Finance 2% 2026		261	0.57
300,000	ZF Europe Finance 2.5% 2027*		263	0.57
924,000	Ziggo 3.375% 2030		814	1.77
between 10 and 15 years to maturity				
100,000	Invesco FRN 2033		85	0.19
300,000	Telecom Italia 7.75% Fixed to Floating 2033		392	0.85
greater than 25 years to maturity				
100,000	Bayer 2.375% Fixed to Floating 2079		89	0.19
151,000	British Telecom 1.874% Fixed to Floating 2080		130	0.28
Perpetual				
400,000	Abanca Corp Bancaria 6% Fixed to Floating Perpetual		350	0.76
200,000	Abertis Infraestructuras Finance 3.248% Fixed to Floating Perpetual		181	0.39
200,000	Banco BPM 6.125% Fixed to Floating Perpetual		173	0.38
400,000	Banco Santander 4.375% Fixed to Floating Perpetual		353	0.77
200,000	Banco Santander 6.25% Fixed to Floating Perpetual		180	0.39
400,000	Bankia 6.375% Fixed to Floating Perpetual		377	0.82
400,000	Caixa Geral de Depositos 10.75% Fixed to Floating Perpetual		387	0.84
110,000	ELM 3.75% Fixed to Floating Perpetual		104	0.23
297,000	Intesa Sanpaolo 5.5% Fixed to Floating Perpetual		275	0.60
793,118	Stichting FRN Perpetual		919	2.00
200,000	Telefonica 3% Fixed to Floating Perpetual		181	0.39
400,000	Telefonica Europe 4.375% Fixed to Floating Perpetual		382	0.83
300,000	Unicredit 6.625% Fixed to Floating Perpetual		278	0.61

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Sterling Denominated Bonds (21.03%)</b>		<b>11,290</b>	<b>24.59</b>
<b>Corporate Bonds (21.03%)</b>		<b>11,290</b>	<b>24.59</b>
less than 5 years to maturity			
752,000	Arqiva 6.75% 2023	777	1.69
660,000	Arrow Global 5.125% 2024*	658	1.43
250,000	Cabot 7.5% 2023	112	0.24
335,670	EnQuest 7% 2022	253	0.55
200,000	Garfunkelux Holdco 3 7.75% 2025*	204	0.44
200,000	Iceland Bondco 4.625% 2025	200	0.44
100,000	Jaguar Land Rover 3.875% 2023	99	0.22
270,000	La Financiere Atalian 6.625% 2025*	254	0.55
400,000	Matalan Finance 6.75% 2023	318	0.69
300,000	Moto Finance 4.5% 2022	289	0.63
275,000	Petróleos Mexicanos 8.25% 2022	292	0.64
550,000	Shop Direct Funding 7.75% 2022	559	1.22
696,000	TalkTalk Telecom 3.875% 2025	676	1.47
629,000	Voyage Care 5.875% 2023	618	1.35
270,000	Voyage Care Bonco 10% 2023	242	0.53
between 5 and 10 years to maturity			
112,000	AA Bond 6.5% 2026	114	0.25
200,000	Ardagh Packaging 4.75% 2027	207	0.45
303,000	Encore Capital 5.375% 2026	309	0.67
370,000	Jerrold Finco 5.25% 2027	367	0.80
494,000	Rolls-Royce 5.75% 2027	534	1.16
338,000	Thames Water Kemble Finance 4.625% 2026	342	0.74
125,000	Travis Perkins 3.75% 2026	131	0.28
589,000	Virgin Media 4.875% 2028*	604	1.32
345,000	Vmed O2 UK Financing I 4% 2029	352	0.77
between 10 and 15 years to maturity			
428,000	Lloyds Banking Group 2.707% 2035	443	0.96
greater than 25 years to maturity			
138,000	RAC Bond 4.5% 2046	137	0.30
198,000	RL Finance 4.875% Fixed to Floating 2049	225	0.49
Perpetual			
200,000	Barclays 6.375% Fixed to Floating Perpetual	216	0.47
539,000	Barclays 7.25% Fixed to Floating Perpetual	572	1.25
720,000	CYBG 8% Fixed to Floating Perpetual	734	1.60



Holding	Investment	Market Value £'000	Percentage of total net assets
300,000	Deutsche Bank 7.125% Fixed to Floating Perpetual	302	0.66
146,000	National Express 4.25% Fixed to Floating Perpetual	150	0.33
<b>US Dollar Denominated Bonds (2.75%)</b>		<b>763</b>	<b>1.66</b>
<b>Corporate Bonds (2.75%)</b>		<b>763</b>	<b>1.66</b>
less than 5 years to maturity			
653,000	Ford Motor 8.5% 2023	533	1.16
211,000	Ford Motor 9% 2025	187	0.41
between 5 and 10 years to maturity			
42,000	Ford Motor 9.625% 2030	43	0.09
<b>Equities (0.00%)</b>		-	-
<b>European Equities (0.00%)</b>		-	-
<b>Luxembourg (0.00%)</b>		-	-
26,196	BrightHouse	-	-
<b>Derivatives (0.90%)</b>		<b>49</b>	<b>0.11</b>
<b>Forward Currency Contracts (0.90%)</b>		<b>49</b>	<b>0.11</b>
	Buy EUR 50,000 Sell GBP 44,365 25/02/2021	-	-
	Buy EUR 645,000 Sell GBP 573,353 25/02/2021	(3)	(0.01)
	Buy EUR 929,000 Sell GBP 821,694 25/02/2021	-	-
	Buy EUR 1,035,000 Sell GBP 916,098 25/02/2021	-	-
	Buy GBP 24,055 Sell EUR 27,000 25/02/2021	-	-
	Buy GBP 304,711 Sell EUR 344,000 25/02/2021	-	-
	Buy GBP 34,187,311 Sell EUR 38,568,000 25/02/2021	52	0.12
	Buy GBP 676,424 Sell USD 929,000 25/02/2021	-	-
<b>Total investment assets and liabilities</b>		<b>43,761</b>	<b>95.33</b>
<b>Net other assets</b>		<b>2,143</b>	<b>4.67</b>
<b>Total Net Assets</b>		<b>45,904</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* A portion of this security is on loan at the period end.

\*\* Defaulted.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		2,746		1,313
Revenue	1,323		1,609	
Expenses	(196)		(233)	
Interest payable and similar charges	(1)		(3)	
Net revenue before taxation	1,126		1,373	
Taxation	3		-	
Net revenue after taxation		1,129		1,373
<b>Total return before distributions</b>		<b>3,875</b>		<b>2,686</b>
Distributions		(1,298)		(1,569)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>2,577</b>		<b>1,117</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>51,634</b>		<b>72,933</b>
Amounts receivable on the issue of shares	2,378		1,460	
Amounts payable on the cancellation of shares	(11,320)		(13,510)	
		(8,942)		(12,050)
Dilution adjustment		50		31
Change in net assets attributable to shareholders from investment activities (see above)		2,577		1,117
Retained distribution on accumulation shares		585		795
<b>Closing net assets attributable to shareholders</b>		<b>45,904</b>		<b>62,826</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

**Balance sheet**

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		43,764		51,023
<b>Current assets:</b>				
Debtors	783		585	
Cash and bank balances	2,229		1,030	
		3,012		1,615
<b>Total assets</b>		<b>46,776</b>		<b>52,638</b>
<b>Liabilities:</b>				
Investment liabilities		(3)		-
Creditors	(756)		(890)	
Distribution payable	(113)		(114)	
		(869)		(1,004)
<b>Total liabilities</b>		<b>(872)</b>		<b>(1,004)</b>
<b>Net assets attributable to shareholders</b>		<b>45,904</b>		<b>51,634</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 1.5% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 August 2020

	Revenue	Equalisation	Distribution paid 30/09/20	Distribution paid 30/09/19
<b>A Accumulation shares</b>				
Group 1	0.6293	-	0.6293	0.6413
Group 2	0.2790	0.3503	0.6293	0.6413
<b>A Income shares</b>				
Group 1	0.3627	-	0.3627	0.3891
Group 2	0.2249	0.1378	0.3627	0.3891
<b>I Accumulation shares</b>				
Group 1	0.6551	-	0.6551	0.6642
Group 2	0.3031	0.3520	0.6551	0.6642
<b>I Income shares</b>				
Group 1	0.4247	-	0.4247	0.4535
Group 2	0.2224	0.2023	0.4247	0.4535
<b>M Accumulation shares</b>				
Group 1	0.4683	-	0.4683	0.5200
Group 2	0.4683	-	0.4683	0.5200
<b>M Income shares</b>				
Group 1	0.4418	-	0.4418	0.4600
Group 2	0.4418	-	0.4418	0.4600
<b>Z Accumulation shares</b>				
Group 1	0.5482	-	0.5482	0.5522
Group 2	0.5482	-	0.5482	0.5522

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 September 2020

Group 2 - shares purchased between 1 September 2020 and 30 September 2020

	Revenue	Equalisation	Distribution paid 30/10/20	Distribution paid 31/10/19
<b>A Accumulation shares</b>				
Group 1	0.6677	-	0.6677	0.5132
Group 2	0.2807	0.3870	0.6677	0.5132
<b>A Income shares</b>				
Group 1	0.3836	-	0.3836	0.3100
Group 2	0.0501	0.3335	0.3836	0.3100
<b>I Accumulation shares</b>				
Group 1	0.6954	-	0.6954	0.5320
Group 2	0.3190	0.3764	0.6954	0.5320
<b>I Income shares</b>				
Group 1	0.4493	-	0.4493	0.3612
Group 2	0.2685	0.1808	0.4493	0.3612
<b>M Accumulation shares</b>				
Group 1	0.4976	-	0.4976	0.4100
Group 2	0.4976	-	0.4976	0.4100
<b>M Income shares</b>				
Group 1	0.4674	-	0.4674	0.4000
Group 2	0.4674	-	0.4674	0.4000
<b>Z Accumulation shares</b>				
Group 1	0.5845	-	0.5845	0.4403
Group 2	0.5845	-	0.5845	0.4403

**Third interim interest distribution**

Group 1 - shares purchased prior to 1 October 2020

Group 2 - shares purchased between 1 October 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 30/11/20	Distribution paid 29/11/19
<b>A Accumulation shares</b>				
Group 1	0.6601	-	0.6601	0.5229
Group 2	0.5175	0.1426	0.6601	0.5229
<b>A Income shares</b>				
Group 1	0.3771	-	0.3771	0.3147
Group 2	0.2073	0.1698	0.3771	0.3147
<b>I Accumulation shares</b>				
Group 1	0.6873	-	0.6873	0.5424
Group 2	0.3780	0.3093	0.6873	0.5424
<b>I Income shares</b>				
Group 1	0.4419	-	0.4419	0.3672
Group 2	0.2090	0.2329	0.4419	0.3672
<b>M Accumulation shares</b>				
Group 1	0.4921	-	0.4921	0.3720
Group 2	0.4921	-	0.4921	0.3720
<b>M Income shares</b>				
Group 1	0.4592	-	0.4592	0.3762
Group 2	0.4592	-	0.4592	0.3762
<b>Z Accumulation shares</b>				
Group 1	0.5759	-	0.5759	0.4514
Group 2	0.5759	-	0.5759	0.4514

**Fourth interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 30 November 2020

	Revenue	Equalisation	Distribution paid 31/12/20	Distribution paid 31/12/19
<b>A Accumulation shares</b>				
Group 1	0.5968	-	0.5968	0.5837
Group 2	0.4428	0.1540	0.5968	0.5837
<b>A Income shares</b>				
Group 1	0.3394	-	0.3394	0.3500
Group 2	0.1097	0.2297	0.3394	0.3500
<b>I Accumulation shares</b>				
Group 1	0.6220	-	0.6220	0.6054
Group 2	0.3076	0.3144	0.6220	0.6054
<b>I Income shares</b>				
Group 1	0.3978	-	0.3978	0.4083
Group 2	0.1940	0.2038	0.3978	0.4083
<b>M Accumulation shares</b>				
Group 1	0.4446	-	0.4446	0.4445
Group 2	0.4446	-	0.4446	0.4445
<b>M Income shares</b>				
Group 1	0.4100	-	0.4100	0.4203
Group 2	0.4100	-	0.4100	0.4203
<b>Z Accumulation shares</b>				
Group 1	0.5213	-	0.5213	0.5036
Group 2	0.5213	-	0.5213	0.5036

**Fifth interim interest distribution**

Group 1 - shares purchased prior to 1 December 2020

Group 2 - shares purchased between 1 December 2020 and 31 December 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	0.6736	-	0.6736	0.5464
Group 2	0.4527	0.2209	0.6736	0.5464
<b>A Income shares</b>				
Group 1	0.3811	-	0.3811	0.3263
Group 2	0.2593	0.1218	0.3811	0.3263
<b>I Accumulation shares</b>				
Group 1	0.7020	-	0.7020	0.5669
Group 2	0.4524	0.2496	0.7020	0.5669
<b>I Income shares</b>				
Group 1	0.4475	-	0.4475	0.3808
Group 2	0.1762	0.2713	0.4475	0.3808
<b>M Accumulation shares</b>				
Group 1	0.5032	-	0.5032	0.4221
Group 2	0.5032	-	0.5032	0.4221
<b>M Income shares</b>				
Group 1	0.4623	-	0.4623	0.3987
Group 2	0.4623	-	0.4623	0.3987
<b>Z Accumulation shares</b>				
Group 1	0.5889	-	0.5889	0.4721
Group 2	0.5889	-	0.5889	0.4721



**Sixth interim interest distribution**

Group 1 - shares purchased prior to 1 January 2021

Group 2 - shares purchased between 1 January 2021 and 31 January 2021

	Revenue	Equalisation	Distribution paid 26/02/21	Distribution paid 28/02/20
<b>A Accumulation shares</b>				
Group 1	0.6420	-	0.6420	0.5482
Group 2	0.4107	0.2313	0.6420	0.5482
<b>A Income shares</b>				
Group 1	0.3619	-	0.3619	0.3261
Group 2	0.3064	0.0555	0.3619	0.3261
<b>I Accumulation shares</b>				
Group 1	0.6703	-	0.6703	0.5691
Group 2	0.4445	0.2258	0.6703	0.5691
<b>I Income shares</b>				
Group 1	0.4247	-	0.4247	0.3810
Group 2	0.2081	0.2166	0.4247	0.3810
<b>M Accumulation shares</b>				
Group 1	0.4788	-	0.4788	0.4093
Group 2	0.4788	-	0.4788	0.4093
<b>M Income shares</b>				
Group 1	0.4346	-	0.4346	0.3905
Group 2	0.4346	-	0.4346	0.3905
<b>Z Accumulation shares</b>				
Group 1	0.5711	-	0.5711	0.4742
Group 2	0.5711	-	0.5711	0.4742

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI European Real Estate Share Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in European property-related equities (company shares) including listed closed ended real estate investment trusts ("REITs").

**Performance Target:** To achieve the return of the FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests in equities and equity-related securities of companies that derive a significant proportion of their revenues or profits from European real estate operations or have a significant proportion of their assets in European real estate.
- European countries can include the UK and the emerging markets of Europe.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a concentrated asset mix at sector, country and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings that can be held for the long term.
- The FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI European Real Estate Share Fund – A Accumulation Shares increased by 4.06% compared to an increase of 14.00% in the performance target, the FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

For the six months under review, the European market was largely shaped by expectations – and the sign-off – of monetary and fiscal stimulus. The period started with the Special European Summit in July. The bloc's leaders debated the 2021-2027 European Union (EU) Budget, including the proposed €750 billion coronavirus recovery fund. They also agreed on the terms of a seven-year, €1.07 trillion common budget. The backing of every country was eventually achieved, representing a significant step towards closer economic integration. December also saw the sign-off of the landmark €1.8 trillion EU budget and stimulus package that was being thrashed out at the start of the review period. This will go a long way to help the region overcome the economic damage the coronavirus left in its wake and pave the way for much deeper integration in the bloc and putting any talks of an EU breakup firmly in the past. Meanwhile, Eurozone inflation remained negative for the fifth straight month in December, reinforcing the European Central Bank's concerns that the dip in prices may be more persistent than feared. Energy prices tumbled, and the decline in non-energy industrial goods accelerated as Europe implemented lockdown measures to combat the second wave of the pandemic.

On the back of such backdrop, European shares finished higher over the period, with some month-on-month volatility. Dismal economic data dragged equities down in July, with GDP in the Eurozone contracting by a record 12.1% in the second quarter of 2020. Meanwhile, hopes of further stimulus, coupled with a dovish tone from the Federal Reserve and some improving economic data, gave equities a boost in August. However, stocks dipped in September and October as a dramatic rise in Covid-19 cases sparked lockdown fears and actual lockdowns in Germany, France and Italy. November saw European equities post one of their best months ever, as news of major vaccine breakthroughs, a Biden presidency, and falling new coronavirus cases in the latter half of the month lifted stocks. December saw a continuation of this trend. This was even as the second wave of infections continued to surge through the continent, resulting in an extension of lockdown measures.

The listed property market has also rebounded during the period. In terms of individual sectors, the retail sector had a torrid 2020. However, the fourth quarter provided some optimism, with companies bouncing back, despite the reimposition of lockdown measures in December. The office segment was supported by an active direct investment market, with a surge in deals in London and Paris. Investors were seemingly unconcerned about the implications of the 'work from home' debate, which markets remain worried about. The logistics and residential sectors have been the only steady outperformers, showing some defensive qualities in the turbulent market environment. However, both sectors underperformed somewhat towards the end of the period, in line with the rotation into more cyclical names.

#### Portfolio Activity

A strong vaccine-led market rally saw cyclicals perform especially strongly, causing the Fund to lag over the six-month period. Performance for 2020 was nonetheless strongly positive.

Robust industrial and logistics names, where the Fund is overweight, such as Catena, Warehouses De Pauw and SEGRO all contributed negatively to performance, as investors favoured riskier names. At the same time, retail names, including several non-holdings – such as Hammerson, Unibail-Rodamco-Westfield, and Klepierre – performed strongly, as they recouped some, but not all, of their earlier weakness. Overweights to niche office names, including Sirius Real Estate and International Workplace Group, have been partially offsetting. It is worth noting, however, that in the longer-term view, both our preference for the industrial and logistics sector and cautiousness around the retail industry have been supportive of the fund's strong performance.

In fund activity, the portfolio was further diversified with the introduction of Cellnex, a leader in the newly emerging property segment for owning and renting out mobile phone towers. We also introduced Patrizia, an experienced investment manager specialising in European real estate with continuous value-creation opportunities. We also continued to close our underweight in the residential space by starting a position in TAG Immobilien, a German Residential landlord with attractive rental growth prospects. On the flip side, we sold the remaining stakes in Unibail-Westfield-Rodamco and Klepierre, as we believe the significant structural challenges and concerns about financial leverage will persist.

#### Portfolio Outlook and Strategy

Going forward, the market largely expects a 'vaccine-shaped' recovery in the second half of the year. Despite the ongoing social distancing measures taken with relation to the Covid-19 pandemic, governments continue providing the required support for the Eurozone economy. There are a few things the pandemic had affected. First, the yield environment will remain favourable for longer, and there is little upwards pressure on European rates. Eventual rising rates are less of a concern as long as rental growth is positive. The ongoing long-term trends like a shift of retail sales online have accelerated, posing further pressure on already weakened balance sheets of retail landlords. In addition, there has been an even higher focus on sustainable investing and environmental, social and governance (ESG) considerations when making an investment decision.

We believe the Fund is well-positioned for this uncertain environment and any opportunities that might arise. We expect muted net-asset value growth for the sector overall, but the variability of returns within the sectors that gives an advantage for those with a selective and unconstrained approach. Thus, we think that our bottom-up research and high exposure to specific areas such as European industrial, German residential and self-storage can continue contributing to positive performance. Our rigorous investment focus on quality also means that our companies have solid balance sheets and good management teams, and should be able to manage a more challenging part of the cycle as well as benefit from any opportunities which may arise. We continue to actively engage with companies that we hold on pressing ESG concerns and seek to collaborate to influence change.

#### European Equity Team

February 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	5,049	5,196	6,148	6,874
Closing number of shares	2,014,666	2,176,170	2,604,185	3,078,634
Closing net asset value per share (pence)	250.63	238.78	236.08	223.27
Change in net asset value per share	4.96%	1.14%	5.74%	9.69%
Operating charges	1.30%	1.30%	1.40%	1.61%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	427	418	516	570
Closing number of shares	300,673	306,991	372,324	422,789
Closing net asset value per share (pence)	141.86	136.14	138.51	134.82
Change in net asset value per share	4.20%	(1.71%)	2.74%	6.37%
Operating charges	1.30%	1.30%	1.40%	1.61%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	65,361	54,992	57,080	61,387
Closing number of shares	32,646,902	28,893,727	30,451,058	34,779,010
Closing net asset value per share (pence)	200.21	190.32	187.45	176.51
Change in net asset value per share	5.20%	1.53%	6.20%	10.34%
Operating charges	0.85%	0.85%	0.85%	0.86%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	11,226	9,493	8,976	12,578
Closing number of shares	8,849,844	7,815,789	7,292,493	10,547,769
Closing net asset value per share (pence)	126.85	121.46	123.09	119.25
Change in net asset value per share	4.44%	(1.32%)	3.22%	7.16%
Operating charges	0.85%	0.85%	0.85%	0.86%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	18	17	-	
Closing number of shares	15,098	15,125	100	
Closing net asset value per share (pence)	120.29	114.39	112.56	
Change in net asset value per share	5.16%	1.63%	-	
Operating charges	0.90%	0.90%	0.90%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	888	888	100	
Closing net asset value per share (pence)	113.20	108.37	109.73	
Change in net asset value per share	4.46%	(1.24%)	-	
Operating charges	0.90%	0.90%	0.90%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	37,512	37,798	40,915	43,292
Closing number of shares	12,481,670	13,278,212	14,684,895	16,597,008
Closing net asset value per share (pence)	300.54	284.66	278.62	260.84
Change in net asset value per share	5.58%	2.17%	6.82%	11.00%
Operating charges	0.10%	0.10%	0.10%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> M Income share class was launched on 27 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (98.98%)</b>		<b>118,304</b>	<b>98.92</b>
<b>European Equities (74.90%)</b>		<b>91,480</b>	<b>76.49</b>
<b>Austria (2.52%)</b>		<b>2,975</b>	<b>2.49</b>
95,000	CA Immo	2,975	2.49
<b>Belgium (9.44%)</b>		<b>10,244</b>	<b>8.56</b>
170,000	Shurgard Self Storage	5,452	4.56
183,000	Warehouses De Pauw	4,792	4.00
<b>Finland (4.32%)</b>		<b>3,631</b>	<b>3.03</b>
234,000	Kojamo	3,631	3.03
<b>France (5.74%)</b>		<b>4,813</b>	<b>4.02</b>
46,300	Gecina	4,813	4.02
<b>Germany (29.16%)</b>		<b>39,189</b>	<b>32.77</b>
350,000	Alstria Office REIT	4,366	3.65
142,000	Deutsche Wohnen	5,107	4.27
161,907	Instone Real Estate	3,001	2.51
45,000	LEG Immobilien	4,701	3.93
106,000	PATRIZIA Immobilien	2,349	1.96
41,000	Scout24	2,320	1.94
6,632,438	Sirius Real Estate	6,288	5.26
162,000	TAG Immobilien	3,620	3.03
153,000	Vonovia	7,437	6.22
<b>Ireland (1.44%)</b>		<b>1,468</b>	<b>1.23</b>
1,525,000	Hibernia REIT	1,468	1.23
<b>Spain (4.73%)</b>		<b>8,188</b>	<b>6.85</b>
61,000	Cellnex Telecom	2,607	2.18
450,000	Inmobiliaria Colonial	3,163	2.65
346,000	Merlin Properties	2,418	2.02

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Sweden (11.54%)</b>		<b>13,115</b>	<b>10.97</b>
216,000	Castellum	3,778	3.16
156,000	Catena	5,298	4.43
269,090	Fabege	2,924	2.45
100,000	Hufvudstaden	1,115	0.93
<b>Switzerland (6.01%)</b>		<b>7,857</b>	<b>6.57</b>
18,500	Flughafen Zurich	2,226	1.86
808,707	IWG	2,533	2.12
33,200	PSP Swiss Property	3,098	2.59
<b>UK Equities (24.08%)</b>		<b>26,824</b>	<b>22.43</b>
<b>Consumer Services (1.85%)</b>		<b>2,163</b>	<b>1.81</b>
361,000	Rightmove	2,163	1.81
<b>Financials (22.23%)</b>		<b>24,661</b>	<b>20.62</b>
5,968,000	Assura	4,321	3.61
177,000	Big Yellow	1,956	1.63
884,293	LondonMetric Property	2,016	1.69
201,000	Savills	2,115	1.77
835,000	Segro	7,966	6.66
501,000	Unite	4,807	4.02
207,000	Workspace	1,480	1.24
<b>Collective Investment Schemes (0.94%)</b>		<b>1,050</b>	<b>0.88</b>
1,050	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	1,050	0.88
<b>Total investment assets</b>		<b>119,354</b>	<b>99.80</b>
<b>Net other assets</b>		<b>240</b>	<b>0.20</b>
<b>Total Net Assets</b>		<b>119,594</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.



**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		5,217		13,348
Revenue	914		714	
Expenses	(365)		(346)	
Net revenue before taxation	549		368	
Taxation	(14)		(14)	
Net revenue after taxation		535		354
<b>Total return before distributions</b>		<b>5,752</b>		<b>13,702</b>
Distributions		(831)		(611)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>4,921</b>		<b>13,091</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>107,915</b>		<b>113,635</b>
Amounts receivable on the issue of shares	12,584		9,448	
Amounts payable on the cancellation of shares	(6,605)		(12,326)	
		5,979		(2,878)
Change in net assets attributable to shareholders from investment activities (see above)		4,921		13,091
Retained distribution on accumulation shares		779		570
<b>Closing net assets attributable to shareholders</b>		<b>119,594</b>		<b>124,418</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		119,354		107,829
<b>Current assets:</b>				
Debtors	312		315	
Cash and bank balances	295		426	
		607		741
<b>Total assets</b>		<b>119,961</b>		<b>108,570</b>
<b>Liabilities:</b>				
Creditors	(282)		(416)	
Distribution payable	(85)		(239)	
		(367)		(655)
<b>Total liabilities</b>		<b>(367)</b>		<b>(655)</b>
<b>Net assets attributable to shareholders</b>		<b>119,594</b>		<b>107,915</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 2.0% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	1.8143	-	1.8143	1.3202
Group 2	0.4615	1.3528	1.8143	1.3202
<b>A Income shares</b>				
Group 1	1.0340	-	1.0340	0.7746
Group 2	0.1468	0.8872	1.0340	0.7746
<b>I Accumulation shares</b>				
Group 1	1.4450	-	1.4450	1.0492
Group 2	0.4340	1.0110	1.4450	1.0492
<b>I Income shares</b>				
Group 1	0.9223	-	0.9223	0.6890
Group 2	0.1720	0.7503	0.9223	0.6890
<b>M Accumulation shares</b>				
Group 1	0.8436	-	0.8436	0.6688
Group 2	0.8436	-	0.8436	0.6688
<b>M Income shares</b>				
Group 1	0.8520	-	0.8520	0.6517
Group 2	0.8520	-	0.8520	0.6517
<b>Z Accumulation shares</b>				
Group 1	2.1663	-	2.1663	1.5618
Group 2	0.8492	1.3171	2.1663	1.5618

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI European Smaller Companies Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the longer term (5 years or more) by investing in European smaller capitalisation equities (company shares).

**Performance Target:** To achieve the return of the EMIX Smaller European Companies Index, plus 3% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of smaller capitalisation companies listed, incorporated or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there.
- European countries include the emerging markets of Europe and the UK.
- Smaller capitalisation companies are defined as any stock included in the EMIX Smaller European Companies Index or, if not included within the index any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in European countries.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the performance target, the EMIX Smaller European Companies Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

### Performance Review

For the six months ended 31 January 2021, the value of ASI European Smaller Companies Equity Fund – A Accumulation Shares increased by 12.72% compared to an increase of 22.90% in the performance target, the EMIX Smaller European Companies Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

### Market Review

European equities rose in the six months under review. Initially, the share-price rise was helped by governments' tentative attempts to reopen their economies after nationwide lockdowns had slowed the pace of new infections. Adding to the positive sentiment was news of progress in potential vaccines, along with generous fiscal and monetary stimulus unleashed globally. The uptrend gathered momentum as vaccine breakthroughs and their subsequent rollout, alongside Joe Biden's election victory, inspired a double-digit rally towards the year-end. The anticipation of the end to the pandemic, while tempered by the discovery of more transmissible variants of the virus, was further strengthened by the economic rebound and a last-minute trade deal forged between the European Union and the UK as it exited the single-currency bloc.

### Portfolio Activity

At the stock level, Nemetschek and Belimo, along with Grenke, detracted. Nemetschek shares were dampened by news that its profit margins may be held back over the medium term. However, this was due to its ongoing efforts to invest in its subscription offering, as well as expanding its headcount, which should be a positive over the longer term. Meanwhile, Belimo's shares lagged, due to continued weakness in the construction end-markets, in part a result of the pandemic. Last, Grenke's shares were affected by a report that highlighted several issues. While most of these we believe were unfounded, it did raise an issue around corporate disclosure. We have since exited the position.

Conversely, our holdings in Oxford Instruments, Genus and Hypoport proved mitigating. Notably, Oxford Instruments' shares responded to a positive set of results that highlighted the good progress made on cost savings and margin improvement within the business. Meanwhile, Genus is benefiting from its global leadership position as demand for meat protein continues to rise. Its business helps producers improve both yield and quality of the product. Last, Hypoport did well as it continued to gain market share in its core online mortgage business, particularly among Germany's cooperative and savings banks, while the underlying mortgage transaction market has also remained reasonably stable.

#### Portfolio Outlook and Strategy

We retain a cautious stance given the uncertainty, with the outlook now more balanced than at any time in the past few years.

Against this backdrop, we want to ensure our portfolio is poised for a wide range of outcomes rather than just one. Hence, we will not deviate from our philosophy of long-term investing in the best businesses we can find, but with a more balanced portfolio we would expect to continue to prosper in more difficult market conditions but also give ourselves the opportunity to participate a little more in some of the upside scenarios that might develop.

#### Small Cap Equity Team

February 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	38,067	34,716	36,339	36,981
Closing number of shares	1,799,352	1,845,463	2,006,100	2,140,895
Closing net asset value per share (pence)	2,115.59	1,881.16	1,811.44	1,727.36
Change in net asset value per share	12.46%	3.85%	4.87%	19.51%
Operating charges	1.32%	1.32%	1.43%	1.65%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	34,886	27,056	28,235	18,057
Closing number of shares	13,270,210	11,600,106	12,628,518	8,516,105
Closing net asset value per share (pence)	262.90	233.23	223.58	212.03
Change in net asset value per share	12.72%	4.32%	5.45%	20.42%
Operating charges	0.87%	0.87%	0.87%	0.90%
K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	342	304	221	111
Closing number of shares	164,776	165,473	125,060	66,646
Closing net asset value per share (pence)	207.47	183.99	176.26	167.03
Change in net asset value per share	12.76%	4.39%	5.53%	20.51%
Operating charges	0.80%	0.80%	0.80%	0.83%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	229	162	-	
Closing number of shares	159,744	127,038	100	
Closing net asset value per share (pence)	143.29	127.16	121.76	
Change in net asset value per share	12.68%	4.43%	-	
Operating charges	0.92%	0.92%	0.92%	
Z Accumulation shares <sup>B</sup>				31 July 2018
Closing net asset value (£'000)				2,113
Closing number of shares				100,113
Closing net asset value per share (pence)				2,110.45
Change in net asset value per share				21.31%
Operating charges				0.12%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> Z Accumulation share class closed on 18 March 2019.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (97.25%)</b>		<b>69,045</b>	<b>93.91</b>
<b>European Equities (71.76%)</b>		<b>49,539</b>	<b>67.38</b>
<b>Austria (3.12%)</b>		<b>2,327</b>	<b>3.17</b>
29,200	DO & CO*	1,454	1.98
47,000	Vienna Insurance	873	1.19
<b>Belgium (1.18%)</b>		<b>773</b>	<b>1.05</b>
42,935	Fagron	773	1.05
<b>Denmark (1.25%)</b>		<b>912</b>	<b>1.24</b>
69,000	Scandinavian Tobacco 'A'	912	1.24
<b>Finland (1.15%)</b>		<b>833</b>	<b>1.13</b>
44,000	Kesko	833	1.13
<b>France (7.42%)</b>		<b>5,324</b>	<b>7.24</b>
87,638	Interparfums	3,412	4.64
8,001	Teleperformance	1,912	2.60
<b>Germany (15.26%)</b>		<b>10,545</b>	<b>14.35</b>
2,368	Amadeus Fire	237	0.32
26,000	CTS Eventim	1,118	1.52
33,666	Dermapharm	1,733	2.36
14,500	Gerresheimer	1,128	1.54
2,409	Hypoport	1,191	1.62
27,113	Jungheinrich	904	1.23
29,854	Nemetschek	1,536	2.09
1,461	New Work	296	0.40
30,000	NORMA	1,094	1.49
59,000	PATRIZIA Immobilien	1,308	1.78
<b>Ireland (1.27%)</b>		<b>743</b>	<b>1.01</b>
1,036,256	Cairn Homes	743	1.01



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Italy (11.20%)</b>		<b>8,616</b>	<b>11.72</b>
114,378	Amplifon	3,311	4.50
114,969	Azimut	1,766	2.40
57,500	Brunello Cucinelli	1,681	2.29
109,000	Cerved Information Solutions	678	0.92
13,200	Reply	1,180	1.61
<b>Norway (0.67%)</b>		<b>508</b>	<b>0.69</b>
36,301	Kongsberg Gruppen	508	0.69
<b>Spain (1.41%)</b>		<b>981</b>	<b>1.33</b>
70,523	Almirall	703	0.95
3,465	Vidrala	278	0.38
<b>Sweden (12.91%)</b>		<b>9,117</b>	<b>12.40</b>
149,200	AddLife 'B'	1,896	2.58
280,000	AddTech 'B'	2,692	3.66
180,000	Coor Service Management	897	1.22
129,000	Eleckta	1,354	1.84
363,000	Lagercrantz 'B'	2,278	3.10
<b>Switzerland (14.92%)</b>		<b>8,860</b>	<b>12.05</b>
4,280	Bachem	1,247	1.70
280	Belimo	1,572	2.14
4,600	Burckhardt Compression	1,162	1.58
8,160	Tecan	2,884	3.92
9,100	Temenos	841	1.14
18,750	VZ	1,154	1.57
<b>North American Equities (0.00%)</b>		-	-
<b>United States (0.00%)</b>		-	-
3,184,500	Ashurst Technology <sup>Ω</sup>	-	-

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (25.49%)</b>		<b>19,506</b>	<b>26.53</b>
<b>Basic Materials (1.96%)</b>		<b>1,522</b>	<b>2.07</b>
65,003	Victrex	1,522	2.07
<b>Consumer Goods (1.94%)</b>		<b>1,421</b>	<b>1.93</b>
13,770	Games Workshop	1,421	1.93
<b>Consumer Services (1.43%)</b>		<b>1,067</b>	<b>1.45</b>
112,000	Euromoney Institutional Investor	1,067	1.45
<b>Financials (2.19%)</b>		<b>2,459</b>	<b>3.34</b>
82,000	Burford Capital <sup>++</sup>	508	0.69
31,500	Close Brothers	444	0.60
88,705	Intermediate Capital	1,507	2.05
<b>Health Care (6.74%)</b>		<b>5,490</b>	<b>7.47</b>
100,500	Abcam <sup>++</sup>	1,665	2.27
71,500	Dechra Pharmaceuticals	2,577	3.50
25,354	Genus	1,248	1.70
<b>Industrials (6.79%)</b>		<b>5,123</b>	<b>6.97</b>
93,763	Diploma	2,172	2.95
97,500	Oxford Instruments	1,933	2.63
51,000	Ultra Electronics	1,018	1.39
<b>Technology (4.44%)</b>		<b>2,424</b>	<b>3.30</b>
66,676	AVEVA	2,424	3.30

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (2.14%)</b>		<b>3,424</b>	<b>4.66</b>
3,424	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>†</sup>	3,424	4.66
Total investment assets		72,469	98.57
Net other assets		1,055	1.43
<b>Total Net Assets</b>		<b>73,524</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>†</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>\*\*</sup> AIM listed.

<sup>‡</sup> Unapproved/unquoted security.

\* A portion of this security is on loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		7,885		701
Revenue	363		283	
Expenses	(389)		(343)	
Net expense before taxation	(26)		(60)	
Taxation	15		14	
Net expense after taxation		(11)		(46)
<b>Total return before equalisation</b>		<b>7,874</b>		<b>655</b>
Equalisation on shares		6		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>7,880</b>		<b>655</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>62,238</b>		<b>64,795</b>
Amounts receivable on the issue of shares	7,277		3,094	
Amounts payable on the cancellation of shares	(3,871)		(6,724)	
		3,406		(3,630)
Change in net assets attributable to shareholders from investment activities (see above)		7,880		655
<b>Closing net assets attributable to shareholders</b>		<b>73,524</b>		<b>61,820</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

**Balance sheet**

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		72,469		61,857
<b>Current assets:</b>				
Debtors	176		197	
Cash and bank balances	1,054		481	
		1,230		678
<b>Total assets</b>		<b>73,699</b>		<b>62,535</b>
<b>Liabilities:</b>				
Creditors	(175)		(297)	
		(175)		(297)
<b>Total liabilities</b>		<b>(175)</b>		<b>(297)</b>
<b>Net assets attributable to shareholders</b>		<b>73,524</b>		<b>62,238</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 1.0% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

# ASI Financial Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in equities (company shares) issued by financial institutions.

**Performance Target:** To achieve the return of the MSCI AC World Financials Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of financial institutions, such as banking, insurance, financial services and property companies, listed on global stock exchanges.
- The fund may also invest in companies which generate a significant part of their earnings from financial activity.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a concentrated but diversified asset mix at country and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Financial Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Financial Equity Fund – A Income Shares increased by 11.59% compared to an increase of 15.45% in the performance target, the MSCI AC World Financials Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Global financial equities advanced in sterling terms over a volatile six months. Initially, upbeat US economic data and expectations for continued low interest rates pushed the US S&P 500 and Nasdaq benchmarks to record highs. News of fresh stimulus out of the US and Europe also helped the rally. However, the spectre of the coronavirus loomed large as rising infection rates across the globe led many nations to re-impose lockdowns, dampening sentiment. News that major global banks allegedly processed over US\$2 trillion in transactions linked to illicit operations between 1999-2017 also weighed on the sector. A pivotal moment occurred near the end of 2020 as US drugmakers developed effective coronavirus vaccines that were soon approved by regulators worldwide. Governments then proceeded to roll out mass inoculation programmes to immunise their populations against the virus. Although the period concluded on a positive note overall, concerns over the economic fallout from the pandemic led investors to take some profits.

On the political front, Joe Biden was formally inaugurated as US president as he secured a clear margin of victory over incumbent Donald Trump following a series of vote recounts, putting a definite end to the controversial and drawn-out election. Across the Atlantic, European Union member states unanimously backed the post-Brexit trade and security treaty unveiled just days before the UK was set to leave the single market.

## Portfolio Activity

The fund underperformed its benchmark. At the stock level, our holding in Visa Inc hurt performance. The US financial services company's shares fell on fears that its business, particularly cross-border transactions, would be adversely affected as more countries across the globe re-imposed lockdowns to control the rising number of Covid-19 infections. Nevertheless, we believe that electronic payments will continue to grow at pace with personal

consumption expenditures, particularly as e-commerce trends accelerate. We also think that new payment market developments, such as tokenisation will strengthen Visa's competitive moat for the future. Meanwhile, US-based financial products and services firm Fidelity National Information Services was also a key detractor. Its shares fell on news that talks over a US\$70 billion merger with financial technology services company Global Payments failed to make headway. Nevertheless, we still favour the firm. We believe the move to cloud-based systems will give the company a cost advantage when seeking business from mid-to-large banks currently using their own in-house core systems. Elsewhere, German exchange operator Deutsche Boerse's shares were weighed by weaker-than-expected September-quarter earnings amid fresh coronavirus outbreaks across key markets. However, we still like the company for its formidable business portfolio, which covers the entire value chain and provides robust competitive moats.

Conversely, our exposure to Charles Schwab aided performance. Investors were bullish on the US online brokerage's fourth-quarter results, which outperformed market expectations as total client assets for 2020 increased through its TD Ameritrade acquisition. Meanwhile, shares of Indian financial services group HDFC gained as its September-quarter results beat expectations on stable asset quality and higher interest income. It also partnered the Indian Green Building Council to promote and construct environmentally-sustainable buildings in the country. Elsewhere, German fintech company Hypoport rose on healthy September-quarter results attributed to higher transaction volumes across its online financial platforms.

In key portfolio activity, we introduced the following stocks: US-based financial services platform Envestnet. A leader in providing software for financial advisors, it has a wide breadth of quality offerings that uses artificial intelligence, including an open-source platform easily integrated with external apps. Given its attractive longer-term outlook, we believe it is potentially undervalued, with its Yodlee account aggregation service a valuable asset that could be monetised in future; Japan-based advisory firm Nihon M&A Centre as we expect structurally robust demand for mergers and acquisitions among Japanese small and medium enterprises due to succession planning requirements; Swiss private equity firm Partners Group to raise our exposure to the attractive alternative asset manager segment. The holding is a good way to tap into long-term demand for private assets. We like its retail strategy, good quality business with high and steady margins, and its more conservative approach to performance fee accounting; Scandinavian digital bank Nordnet. The company is exposed to attractive secular growth opportunities from a demographic, regulatory and digital adoption perspective. Moreover, the penetration rate of digital savings and investments on non-bank platforms in the Nordics still lags markets like the UK, with the region facing fewer competitive threats from aggressive US firms with disruptive technologies.

Against these, we divested the following holding: Chilean mall operator Parque Arauco to reduce exposure to the emerging markets real estate segment. This comes on the back of our lower relative conviction and as we tightened the focus of the fund's investment philosophy.

### Portfolio Outlook and Strategy

We remain cautious about global financial equities. More countries look set to impose stricter social-distancing measures, due to a worrying surge in coronavirus infection rates, which could derail the fragile economic recovery. The emergence of new and more virulent Covid-19 strains also dampened hopes of achieving faster herd immunity aided by vaccine rollouts worldwide. Nevertheless, the continued infusion of massive stimulus into major economies and expectations of a less-volatile Biden administration in the US should support asset prices.

From a portfolio perspective, we are critically examining how companies are handling the prolonged pandemic. The rapid adoption of online trends as more people work and study from home has created a widening gap between traditional financial services providers struggling with brick-and-mortar businesses and those optimised for an increasingly digital age. In a world of disruptive change, fundamental analysis-based stock-picking strategies remain at our core. This is backed by our world-class proprietary research platform with an exceptionally well-resourced and experienced team that has successfully navigated many past crises. Hence, we continue to seek out good quality companies at attractive valuations, while actively engaging with their management to ensure robust corporate governance and high sustainability standards.

### Global Equity Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021

The fund is rated as 5 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.



## Comparative tables

A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	45,494	43,042	52,334	48,463
Closing number of shares	1,143,888	1,194,951	1,262,553	1,332,198
Closing net asset value per share (pence)	3,977.13	3,601.97	4,145.12	3,637.85
Change in net asset value per share	10.42%	(13.10%)	13.94%	5.83%
Operating charges	1.32%	1.32%	1.42%	1.64%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,796	1,802	2,026	1,229
Closing number of shares	1,073,855	1,191,418	1,163,848	804,445
Closing net asset value per share (pence)	167.25	151.27	174.07	152.73
Change in net asset value per share	10.56%	(13.10%)	13.97%	5.86%
Operating charges	0.87%	0.87%	0.87%	0.89%
M Income shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	6	5	-	
Closing number of shares	5,025	5,033	100	
Closing net asset value per share (pence)	112.18	101.46	116.41	
Change in net asset value per share	10.57%	(12.84%)	-	
Operating charges	0.92%	0.92%	0.92%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Income share class was launched on 27 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
Equities (98.26%)		46,973	99.32
Emerging Market Equities (4.62%)		1,074	2.27
Brazil (2.74%)		1,074	2.27
324,886	Banco Bradesco ADR	1,074	2.27
Chile (1.88%)		-	-
European Equities (14.31%)		9,497	20.08
Austria (2.07%)		1,058	2.24
33,200	BAWAG Group	1,058	2.24
France (1.50%)		1,357	2.87
21,900	Worldline	1,357	2.87
Germany (7.93%)		3,981	8.42
16,800	Deutsche Boerse	1,970	4.17
2,200	Hypoport	1,088	2.30
19,000	Vonovia	923	1.95
Netherlands (1.54%)		821	1.73
540	Adyen	821	1.73
Sweden (1.27%)		1,158	2.45
49,500	Nordnet	579	1.23
79,100	Svenska Handelsbanken	579	1.22
Switzerland (0.00%)		1,122	2.37
1,300	Partners	1,122	2.37
Japanese Equities (3.53%)		1,341	2.84
45,900	Japan Exchange Group	780	1.65
13,300	Nihon M&A Center	561	1.19

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>North America Equities (41.27%)</b>		<b>20,144</b>	<b>42.59</b>
<b>Canada (2.36%)</b>		<b>1,186</b>	<b>2.51</b>
20,100	Royal Bank of Canada	1,186	2.51
<b>Mexico (1.11%)</b>		<b>672</b>	<b>1.42</b>
182,900	Grupo Financiero Banorte	672	1.42
<b>United States (37.80%)</b>		<b>18,286</b>	<b>38.66</b>
20,600	Blackstone	1,007	2.13
13,300	CME	1,757	3.72
17,500	Envestnet	978	2.07
4,100	Fair Isaac	1,344	2.84
14,700	Fidelity National Information Services	1,321	2.79
16,900	First Republic Bank	1,784	3.77
7,200	Goldman Sachs	1,422	3.01
36,000	Intercontinental Exchange	2,893	6.12
42,800	Regions Financial	529	1.12
3,700	S&P Global	854	1.80
36,900	Schwab (Charles)	1,384	2.92
21,400	Visa	3,013	6.37
<b>Pacific Basin Equities (28.81%)</b>		<b>13,341</b>	<b>28.21</b>
<b>China (3.12%)</b>		<b>1,488</b>	<b>3.15</b>
173,500	Ping An Insurance 'H'*	1,488	3.15
<b>Hong Kong (6.25%)</b>		<b>3,059</b>	<b>6.47</b>
178,800	AIA	1,574	3.33
31,785	Hong Kong Exchanges & Clearing	1,485	3.14
<b>India (7.28%)</b>		<b>3,822</b>	<b>8.08</b>
99,600	Housing Development Finance	2,364	5.00
235,400	Prestige Estates	629	1.33
96,000	SBI Life Insurance	829	1.75

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Indonesia (2.93%)</b>		<b>1,618</b>	<b>3.42</b>
4,317,000	Bank Rakyat Indonesia	937	1.98
27,217,300	Pakuwon Jati	681	1.44
<b>Philippines (3.55%)</b>		<b>681</b>	<b>1.44</b>
1,193,000	Ayala Land	681	1.44
<b>Singapore (2.76%)</b>		<b>1,503</b>	<b>3.18</b>
265,354	Oversea-Chinese Banking	1,503	3.18
<b>Thailand (2.21%)</b>		<b>631</b>	<b>1.33</b>
1,741,000	Tesco Lotus Retail Growth	631	1.33
<b>Vietnam (0.71%)</b>		<b>539</b>	<b>1.14</b>
532,900	Vietnam Technological & Commercial Joint Stock Bank	539	1.14
<b>UK Equities (5.72%)</b>		<b>1,576</b>	<b>3.33</b>
<b>Financials (1.39%)</b>		<b>769</b>	<b>1.62</b>
65,600	Prudential	769	1.62
<b>Industrials (4.33%)</b>		<b>807</b>	<b>1.71</b>
31,600	Experian	807	1.71
Total investment assets		46,973	99.32
Net other assets		323	0.68
<b>Total Net Assets</b>		<b>47,296</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* A portion of this security is on loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		4,773		(1,773)
Revenue	286		437	
Expenses	(312)		(343)	
Net (expense)/revenue before taxation	(26)		94	
Taxation	(105)		(68)	
Net (expense)/revenue after taxation		(131)		26
<b>Total return before distributions</b>		<b>4,642</b>		<b>(1,747)</b>
Distributions		(2)		(26)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>4,640</b>		<b>(1,773)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>44,849</b>		<b>54,360</b>
Amounts receivable on the issue of shares	336		506	
Amounts payable on the cancellation of shares	(2,530)		(2,152)	
		(2,194)		(1,646)
Change in net assets attributable to shareholders from investment activities (see above)		4,640		(1,773)
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>47,296</b>		<b>50,942</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		46,973		44,068
<b>Current assets:</b>				
Debtors	42		66	
Cash and bank balances	411		929	
		453		995
<b>Total assets</b>		<b>47,426</b>		<b>45,063</b>
<b>Liabilities:</b>				
Provisions for liabilities		(72)		-
Creditors	(56)		(58)	
Distribution payable	(2)		(156)	
		(58)		(214)
<b>Total liabilities</b>		<b>(130)</b>		<b>(214)</b>
<b>Net assets attributable to shareholders</b>		<b>47,296</b>		<b>44,849</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Income class has increased by 6.0% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Income shares</b>				
Group 1	-	-	-	1.6393
Group 2	-	-	-	1.6393
<b>I Income shares</b>				
Group 1	0.1533	-	0.1533	0.4512
Group 2	0.0307	0.1226	0.1533	0.4512
<b>M Income shares</b>				
Group 1	0.0762	-	0.0762	0.2544
Group 2	-	0.0762	0.0762	0.2544

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Global Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in equities (company shares) worldwide.

**Performance Target:** To achieve the return of the MSCI AC World Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in equities and equity related securities of companies listed on global stock exchanges.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC World Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Global Equity Fund – A Income Shares increased by 12.78% compared to an increase of 12.28% in the performance target, the MSCI AC World Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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## Market Review

Global equities advanced in sterling terms over a volatile six months. Initially, upbeat US economic data and expectations for continued low interest rates pushed the US S&P 500 and Nasdaq benchmarks to record highs. News of fresh stimulus out of the US and Europe also helped the rally. However, the spectre of the coronavirus loomed large as rising infection rates across the globe led many nations to re-impose lockdowns, dampening sentiment. A pivotal moment occurred towards the end of the period as US drugmakers developed effective coronavirus vaccines that were soon approved by regulators worldwide. Governments then proceeded to roll out mass inoculation programmes to immunise their populations against the virus.

On the political front, Joe Biden was formally inaugurated as US president as he secured a wider margin of victory over incumbent Donald Trump following a series of vote recounts, putting a definite end to the controversial and drawn-out election. Across the Atlantic, European Union member states unanimously backed the post-Brexit trade and security treaty unveiled just days before the UK was set to leave the single market.

## Portfolio Activity

At the stock level, our holding in Taiwanese semiconductor company TSMC lifted returns. Its shares rose as earnings beat market forecasts. The company saw robust demand for high-end chips on expectations that the work-from-home trend will continue despite the vaccine rollout, and on stellar sales of Apple's latest iPhone range. With chipmakers ramping up their production capacities amid supply shortages in certain sectors, Dutch semiconductor equipment maker ASML posted better-than-expected fourth-quarter results. It expects sales to grow by low double-digits in 2021. Meanwhile, US heavy



equipment maker Deere & Co gained after it raised profit forecasts for 2021 amid improving conditions in the farming sector and as the construction and forestry markets stabilise. The company's recent quarterly earnings out in November beat market expectations as increased crop prices boosted demand for its agriculture-focused machines.

Conversely, not holding Tesla dented performance. The US electric carmaker's shares jumped ahead of its addition to the S&P 500 benchmark in December and continued to rise amid robust demand for vehicles in the segment. Although the company is a market leader, we believe investment in the firm requires long-term justification that it can manufacture enough cars at optimised margins. It has so far offered little to no evidence that it can do this. Meanwhile, shares in US medical device maker Boston Scientific declined after it issued a worldwide recall of all unused inventory of its Lotus Edge Aortic Valve System amid complications related to the product delivery platform. However, we believe the cancellation of the product removes all related costs in developing the platform; hence, the impact to its earnings will likely be minimal during the next two years. Elsewhere, US-based financial products and services firm Fidelity National Information Services was also a key detractor. Its shares fell on news that talks over a US\$70 billion merger with financial technology services company Global Payments failed to make headway. Nevertheless, we still favour the firm. We believe the move to cloud-based systems will give the company a cost advantage when seeking business from mid-to-large banks currently using their own in-house core systems.

In portfolio activity, we introduced the following stocks: US-based Costco Wholesale, which operates a chain of membership-only warehouse clubs. Its business model has been successful globally, which we believe will continue; Danish biotech firm Genmab on the strength of its core Darzalex anti-cancer drug franchise as well as pipeline prospects; Procter & Gamble, a US-based leading household products company. Management have simplified the business and revived sales growth, while improved cash flow has led to steady re-investment that should support the business going forward. Its recent results were also encouraging; and France-based Schneider Electric as its business is well-positioned to benefit from accelerating trends in electrification and automation, which support long-term organic growth and earnings. The company's robust ESG practices are also a positive.

Against these, we exited the following holdings: Oil and gas company EOG Resources as a lack of visibility on oil prices raises questions about the quality of the industry, even for a best-in-class operator; Japanese automation products and services provider Fanuc, in favour of higher conviction names within the same sector; Swiss drugmaker Novartis on lower conviction in the stock and to diversify our healthcare portfolio; and Brazilian lender Banco Bradesco as well as Japanese healthcare company Sysmex, given our waning conviction and to fund other investment opportunities elsewhere.

### Portfolio Outlook and Strategy

We remain cautious about global equities. More countries look set to impose stricter social-distancing measures, on a worrying surge in coronavirus infection rates, which could derail the fragile economic recovery. The emergence of new and more virulent Covid-19 strains also dampened hopes of achieving faster herd immunity aided by vaccine rollouts worldwide. Nevertheless, the continued infusion of massive stimulus into major economies and expectations of a less-volatile Biden administration in the US should support asset prices.

From a portfolio perspective, we are critically examining how companies are handling the prolonged pandemic. The rapid adoption of online trends as more people work and study from home has created a widening gap between traditional industries struggling with brick-and-mortar businesses and those optimised for an increasingly digital age. In a world of disruptive change, fundamental analysis-based stock-picking strategies remain at our core. This is backed by our world-class proprietary research platform with an exceptionally well-resourced and experienced team that has successfully navigated many past crises. Hence, we continue to seek out good quality companies at attractive valuations, while actively engaging with their management to ensure robust corporate governance and high sustainability standards.

### Global Equity Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	100,594	88,178	95,192	125,381
Closing number of shares	33,453,421	32,742,468	34,670,286	48,875,780
Closing net asset value per share (pence)	300.70	269.31	274.56	256.53
Change in net asset value per share	11.66%	(1.91%)	7.03%	6.79%
Operating charges	1.57%	1.57%	1.57%	1.63%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	31,262	28,545	30,818	30,456
Closing number of shares	12,252,020	12,491,107	13,222,496	13,930,661
Closing net asset value per share (pence)	255.15	228.52	233.08	218.63
Change in net asset value per share	11.65%	(1.96%)	6.61%	6.45%
Operating charges	1.57%	1.57%	1.57%	1.63%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	89,872	85,146	128,891	174,699
Closing number of shares	28,096,054	29,788,534	44,429,567	64,754,759
Closing net asset value per share (pence)	319.87	285.84	290.10	269.79
Change in net asset value per share	11.91%	(1.47%)	7.53%	7.31%
Operating charges	1.12%	1.12%	1.12%	1.13%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	8,417	7,979	8,530	9,250
Closing number of shares	4,683,445	4,968,476	5,208,057	6,021,439
Closing net asset value per share (pence)	179.73	160.60	163.78	153.61
Change in net asset value per share	11.91%	(1.94%)	6.62%	6.45%
Operating charges	1.12%	1.12%	1.12%	1.13%
L Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	25	22	23	22
Closing number of shares	17,318	17,318	17,318	18,200
Closing net asset value per share (pence)	144.67	129.11	130.72	121.26
Change in net asset value per share	12.05%	(1.23%)	7.80%	7.64%
Operating charges	0.87%	0.87%	0.87%	0.84%
L Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,339	1,196	1,550	1,455
Closing number of shares	962,600	962,600	1,223,969	1,224,900
Closing net asset value per share (pence)	139.16	124.22	126.67	118.80
Change in net asset value per share	12.05%	(1.93%)	6.62%	6.48%
Operating charges	0.87%	0.87%	0.87%	0.84%

M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019
Closing net asset value (£'000)	252	225	-
Closing number of shares	201,906	201,533	100
Closing net asset value per share (pence)	125.02	111.74	113.14
Change in net asset value per share	11.88%	(1.24%)	-
Operating charges	1.17%	1.17%	1.17%

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019
Closing net asset value (£'000)	47	42	-
Closing number of shares	38,507	38,581	100
Closing net asset value per share (pence)	121.42	108.52	111.51
Change in net asset value per share	11.89%	(2.68%)	-
Operating charges	1.17%	1.17%	1.17%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
Equities (99.88%)		226,874	97.87
Emerging Market Equities (1.21%)		-	-
Brazil (1.21%)		-	-
European Equities (16.91%)		43,098	18.59
Denmark (0.00%)		3,410	1.47
11,700	Genmab	3,410	1.47
France (1.94%)		8,977	3.88
12,400	LVMH	5,467	2.36
32,800	Schneider Electric	3,510	1.52
Ireland (1.45%)		2,928	1.26
114,600	Experian	2,928	1.26
Netherlands (4.65%)		10,183	4.39
11,800	ASML	4,588	1.98
73,600	Heineken	5,595	2.41
Sweden (2.14%)		4,889	2.11
122,800	Atlas Copco 'A'	4,889	2.11
Switzerland (6.73%)		12,711	5.48
71,700	Nestle	5,872	2.53
27,200	Roche	6,839	2.95
Japanese Equities (6.08%)		11,101	4.79
15,200	Keyence	5,933	2.56
40,900	Shin-Etsu Chemical	5,168	2.23

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>North American Equities (46.80%)</b>		<b>108,214</b>	<b>46.68</b>
<b>United States (46.80%)</b>		<b>108,214</b>	<b>46.68</b>
6,200	Alphabet 'A'	8,237	3.55
2,900	Amazon.com	6,770	2.92
28,000	Autodesk	5,652	2.44
3,000	Booking	4,236	1.83
222,100	Boston Scientific	5,732	2.47
51,400	CME	6,792	2.93
13,400	Costco Wholesale	3,435	1.48
24,000	Deere & Co	5,045	2.18
30,500	Estee Lauder	5,256	2.27
51,800	Fidelity National Information Services	4,654	2.01
39,400	First Republic Bank	4,159	1.79
56,100	Intercontinental Exchange	4,508	1.94
65,700	Microsoft	11,086	4.78
56,200	NIKE	5,467	2.36
53,750	PepsiCo	5,342	2.30
42,800	PRA Health Sciences	3,841	1.66
36,400	Procter & Gamble	3,397	1.47
131,900	TJX	6,144	2.65
60,100	Visa	8,461	3.65
<b>Pacific Basin Equities (18.50%)</b>		<b>39,591</b>	<b>17.08</b>
<b>Australia (2.43%)</b>		<b>5,269</b>	<b>2.27</b>
34,800	CSL	5,269	2.27
<b>China (4.69%)</b>		<b>9,441</b>	<b>4.07</b>
147,500	Tencent	9,441	4.07
<b>Hong Kong (3.41%)</b>		<b>7,472</b>	<b>3.23</b>
848,600	AIA	7,472	3.23
<b>India (1.81%)</b>		<b>4,291</b>	<b>1.85</b>
180,800	Housing Development Finance	4,291	1.85

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Singapore (1.96%)</b>		<b>5,023</b>	<b>2.17</b>
887,067	Oversea-Chinese Banking	5,023	2.17
<b>Taiwan (4.20%)</b>		<b>8,095</b>	<b>3.49</b>
526,705	Taiwan Semiconductors Manufacturing	8,095	3.49
<b>UK Equities (10.38%)</b>		<b>24,870</b>	<b>10.73</b>
<b>Basic Materials (3.99%)</b>		<b>8,329</b>	<b>3.59</b>
78,256	Croda	4,918	2.12
19,100	Linde	3,411	1.47
<b>Consumer Goods (2.66%)</b>		<b>6,221</b>	<b>2.69</b>
211,000	Diageo	6,221	2.69
<b>Health Care (3.73%)</b>		<b>10,320</b>	<b>4.45</b>
269,800	Abcam**	4,470	1.93
78,100	AstraZeneca	5,850	2.52
1,500	Sinclair Research	-	-
<b>Collective Investment Schemes (0.00%)</b>		<b>3,856</b>	<b>1.66</b>
3,856	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	3,856	1.66
Total investment assets		230,730	99.53
Net other assets		1,078	0.47
<b>Total Net Assets</b>		<b>231,808</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>\*\*</sup> AIM listed.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		25,185		(3,987)
Revenue	1,128		2,176	
Expenses	(1,559)		(1,656)	
Net (expense)/revenue before taxation	(431)		520	
Taxation	(79)		(153)	
Net (expense)/revenue after taxation		(510)		367
<b>Total return before distributions</b>		<b>24,675</b>		<b>(3,620)</b>
Distributions		(1)		(366)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>24,674</b>		<b>(3,986)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>211,333</b>		<b>265,004</b>
Amounts receivable on the issue of shares	11,021		6,895	
Amounts payable on the cancellation of shares	(15,224)		(44,927)	
		(4,203)		(38,032)
Change in net assets attributable to shareholders from investment activities (see above)		24,674		(3,986)
Retained distribution on accumulation shares		-		259
Unclaimed distributions		4		4
<b>Closing net assets attributable to shareholders</b>		<b>231,808</b>		<b>223,249</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.



## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		230,730		211,087
<b>Current assets:</b>				
Debtors	293		124	
Cash and bank balances	1,153		1,213	
		1,446		1,337
<b>Total assets</b>		<b>232,176</b>		<b>212,424</b>
<b>Liabilities:</b>				
Creditors	(368)		(1,064)	
Distribution payable	-		(27)	
		(368)		(1,091)
<b>Total liabilities</b>		<b>(368)</b>		<b>(1,091)</b>
<b>Net assets attributable to shareholders</b>		<b>231,808</b>		<b>211,333</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Income class has increased by 2.1% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	0.0712
Group 2	-	-	-	0.0712
<b>A Income shares</b>				
Group 1	-	-	-	0.0604
Group 2	-	-	-	0.0604
<b>I Accumulation shares</b>				
Group 1	-	-	-	0.7223
Group 2	-	-	-	0.7223
<b>I Income shares</b>				
Group 1	-	-	-	0.4076
Group 2	-	-	-	0.4076
<b>L Accumulation shares</b>				
Group 1	0.0347	-	0.0347	0.4879
Group 2	0.0347	-	0.0347	0.4879
<b>L Income shares</b>				
Group 1	0.0342	-	0.0342	0.4727
Group 2	0.0342	-	0.0342	0.4727
<b>M Accumulation shares</b>				
Group 1	-	-	-	0.9067
Group 2	-	-	-	0.9067
<b>M Income shares</b>				
Group 1	-	-	-	0.8957
Group 2	-	-	-	0.8957

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Global Ethical Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in a global equities (company shares) which meet the fund's ethical screening criteria.

**Performance Target:** To achieve the return of the MSCI AC World Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges.
- As well as choosing companies on the basis of their financial record, management and business prospects, the investment team will consider environmental, social and other relevant criteria. Where they believe that practices relating to these criteria are lacking they will encourage the company to adopt more responsible practices.
- All investments will comply with the fund's ethical screening criteria, which looks to exclude investing in companies that operate to a degree in certain areas, including but not limited to those deriving revenue from animal testing, tobacco, pornography and weaponry.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level, with country and sector weightings within the portfolio typically a by-product of the underlying stock exposure.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- To deliver the performance target, the MSCI AC World Index is also used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the ethical nature of the management process, there are a material number of stocks and sectors in the MSCI AC World Index that the fund is unable to invest, which means the fund's performance profile may deviate significantly from that of the MSCI AC World Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Global Ethical Equity Fund – A Income Shares increased by 13.95% compared to an increase of 12.28% in the performance target, the MSCI AC World Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Global equities advanced in sterling terms over a volatile six months. Initially, upbeat US economic data and expectations for continued low interest rates pushed the US S&P 500 and Nasdaq benchmarks to record highs. News of fresh stimulus out of the US and Europe also helped the rally. However, the spectre of the coronavirus loomed large as rising infection rates across the globe led many nations to re-impose lockdowns, dampening sentiment. A pivotal moment occurred towards the end of the period as US drugmakers developed effective coronavirus vaccines that were soon approved by regulators worldwide. Governments then proceeded to roll out mass inoculation programmes to immunise their populations against the virus.

On the political front, Joe Biden was formally inaugurated as US president as he secured a clear margin of victory over incumbent Donald Trump following a series of vote recounts, putting a definite end to the controversial and drawn-out election. Across the Atlantic, European Union member states unanimously backed the post-Brexit trade and security treaty unveiled just days before the UK was set to leave the single market.

## Portfolio Activity

At the stock level, our holding in Taiwan Semiconductor Manufacturing Co. lifted returns. Its shares rose as earnings beat market forecasts. The company saw robust demand for high-end chips on expectations that the work-from-home trend will continue despite the vaccine rollout, and on stellar sales of Apple's latest iPhone range. With chipmakers ramping up their production

capacities amid supply shortages in certain sectors, Dutch semiconductor equipment maker ASML posted better-than-expected fourth-quarter results. It expects sales to grow by low double-digits in 2021. Meanwhile, Irish vehicle electronic components maker Aptiv advanced as September-quarter earnings surpassed market expectations thanks to measures to optimise costs and operations. Investors were also bullish on the company's growth prospects, particularly in China where sales of new energy vehicles were set to accelerate amid regulatory changes.

Conversely, holding Deutsche Boerse dented performance. The German exchange operator's shares were weighed by weaker-than-expected September-quarter earnings amid fresh coronavirus outbreaks across key markets. However, we still like the company for its formidable business portfolio which covers the entire value chain and provides robust competitive moats. Meanwhile, investors continued to take profit on US financial information services company S&P Global after a healthy share-price run up through most of 2020. We still like this quality holding which owns businesses that have wide economic moats. Its acquisition of financial information services company IHS Markit should also bolster its competitive advantage. Elsewhere, US-based financial products and services firm Fidelity National Information Services was also a key detractor. Its shares fell on news that talks over a US\$70 billion merger with financial technology services company Global Payments failed to make headway. Nevertheless, we still favour the firm. We believe the move to cloud-based systems will give the company a cost advantage when seeking business from mid-to-large banks currently using their own in-house core systems.

In other portfolio activity, we introduced the following holdings: US technology company Nvidia, a market leader well-positioned to benefit from structural growth drivers. The computer graphics processing unit maker has solid ESG scores across categories, and the highest exposure to clean technology opportunities; Brazil's leading drugstore chain Raia Drogasil. It operates in a fragmented market with consolidation potential. The company is a key distribution point for medicines, particularly in regions where there is limited access to pharmacies.

Against these, we exited the following: Oil and gas company EOG Resources as a lack of visibility on oil prices raised questions about the quality of the industry, even for a best-in-class operator; Japanese automation products and services provider Fanuc to add to higher conviction names within the same sector; Telco Singapore Telecom, Brazilian lender Banco Bradesco and Japanese pharmacy chain operator Ain Holdings on our lower conviction, and to fund opportunities elsewhere; Israel-based software solutions provider Nice after its recent robust share-price performance and to manage the fund's tech sector exposure.

### Portfolio Outlook and Strategy

We remain cautious about global equities. More countries look set to impose stricter social-distancing measures, on a worrying surge in coronavirus infection rates, which could derail the fragile economic recovery. The emergence of new and more virulent Covid-19 strains also dampened hopes of achieving faster herd immunity aided by vaccine rollouts worldwide. Nevertheless, the continued infusion of massive stimulus into major economies and expectations of a less-volatile Biden administration in the US should support asset prices.

From a portfolio perspective, we are critically examining how companies are handling the prolonged pandemic. The rapid adoption of online trends as more people work and study from home has created a widening gap between traditional industries struggling with brick-and-mortar businesses and those optimised for an increasingly digital age. In a world of disruptive change, fundamental analysis-based stock-picking strategies remain at our core. This is backed by our world-class proprietary research platform with an exceptionally well-resourced and experienced team that has successfully navigated many past crises. Hence, we continue to seek out good quality companies at attractive valuations, while actively engaging with their management to ensure robust corporate governance and high sustainability standards.

### Global Equity Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	37,234	33,627	34,413	33,694
Closing number of shares	12,144,309	12,366,156	12,611,996	13,369,135
Closing net asset value per share (pence)	306.59	271.93	272.86	252.02
Change in net asset value per share	12.75%	(0.34%)	8.27%	7.97%
Operating charges	1.57%	1.57%	1.59%	1.63%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	8,557	8,633	9,181	16,419
Closing number of shares	3,750,174	4,265,232	4,519,665	8,730,155
Closing net asset value per share (pence)	228.19	202.41	203.12	188.07
Change in net asset value per share	12.74%	(0.35%)	8.00%	7.48%
Operating charges	1.57%	1.57%	1.59%	1.63%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	76,504	67,359	66,870	61,822
Closing number of shares	21,505,992	21,397,763	21,265,066	21,385,879
Closing net asset value per share (pence)	355.74	314.80	314.46	289.08
Change in net asset value per share	13.01%	0.11%	8.78%	8.51%
Operating charges	1.12%	1.12%	1.12%	1.13%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	31,939	31,522	34,143	34,979
Closing number of shares	12,854,066	14,333,807	15,473,525	17,122,276
Closing net asset value per share (pence)	248.47	219.91	220.66	204.29
Change in net asset value per share	12.99%	(0.34%)	8.01%	7.50%
Operating charges	1.12%	1.12%	1.12%	1.13%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1,169	1,208	-	
Closing number of shares	890,431	1,040,123	100	
Closing net asset value per share (pence)	131.25	116.18	115.92	
Change in net asset value per share	12.97%	0.22%	-	
Operating charges	1.17%	1.17%	1.17%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	20	18	-	
Closing number of shares	15,842	15,870	100	
Closing net asset value per share (pence)	129.61	114.74	114.82	
Change in net asset value per share	12.96%	(0.07%)	-	
Operating charges	1.17%	1.17%	1.17%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.

<sup>B</sup> M Income share class was launched on 26 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (95.67%)</b>		<b>151,929</b>	<b>97.75</b>
<b>Emerging Market Equities (1.12%)</b>		<b>2,977</b>	<b>1.91</b>
<b>Brazil (1.12%)</b>		<b>2,977</b>	<b>1.91</b>
896,500	Raia Drogasil	2,977	1.91
<b>European Equities (18.10%)</b>		<b>33,503</b>	<b>21.56</b>
<b>France (2.60%)</b>		<b>3,884</b>	<b>2.50</b>
36,300	Schneider Electric	3,884	2.50
<b>Germany (4.12%)</b>		<b>5,341</b>	<b>3.43</b>
31,600	Deutsche Boerse	3,706	2.38
25,800	Fielmann	1,635	1.05
<b>Ireland (3.04%)</b>		<b>6,634</b>	<b>4.27</b>
32,500	Aptiv	3,158	2.03
33,300	Trane Technologies	3,476	2.24
<b>Italy (0.76%)</b>		<b>2,736</b>	<b>1.76</b>
93,600	Brunello Cucinelli	2,736	1.76
<b>Netherlands (2.09%)</b>		<b>3,927</b>	<b>2.53</b>
10,100	ASML	3,927	2.53
<b>Spain (1.91%)</b>		<b>2,904</b>	<b>1.87</b>
134,100	Inditex	2,904	1.87
<b>Sweden (1.95%)</b>		<b>3,941</b>	<b>2.54</b>
99,000	Atlas Copco 'A'	3,941	2.54
<b>Switzerland (1.63%)</b>		<b>4,136</b>	<b>2.66</b>
11,700	Tecan	4,136	2.66

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Japanese Equities (6.76%)</b>		<b>6,215</b>	<b>4.00</b>
8,600	Keyence	3,357	2.16
16,700	Shimano	2,858	1.84
<b>North American Equities (42.90%)</b>		<b>71,218</b>	<b>45.82</b>
<b>Canada (2.23%)</b>		<b>3,840</b>	<b>2.47</b>
89,500	Ritchie Bros Auctioneers	3,840	2.47
<b>United States (40.67%)</b>		<b>67,378</b>	<b>43.35</b>
1,130	Alphabet 'A'	1,501	0.97
21,600	Autodesk	4,360	2.80
2,100	Booking	2,965	1.91
34,700	CME	4,585	2.95
14,300	Costco Wholesale	3,666	2.36
13,100	Deere & Co	2,754	1.77
38,900	Fidelity National Information Services	3,495	2.25
25,900	First Republic Bank	2,734	1.76
48,400	Intercontinental Exchange	3,889	2.50
8,900	Intuit	2,339	1.50
25,700	Kansas City Southern	3,790	2.44
43,500	Microsoft	7,340	4.72
6,300	NVIDIA	2,381	1.53
43,400	PepsiCo	4,314	2.78
16,000	S&P Global	3,692	2.38
20,000	Salesforce.com	3,282	2.11
98,800	TJX	4,603	2.96
40,400	Visa	5,688	3.66
<b>Pacific Basin Equities (24.08%)</b>		<b>30,257</b>	<b>19.47</b>
<b>Australia (2.53%)</b>		<b>3,873</b>	<b>2.49</b>
392,700	Goodman	3,873	2.49
<b>Hong Kong (5.23%)</b>		<b>7,967</b>	<b>5.13</b>
571,900	AIA	5,035	3.24
1,885,500	Kerry Logistics Network	2,932	1.89



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>India (3.02%)</b>		<b>4,310</b>	<b>2.77</b>
181,600	Housing Development Finance	4,310	2.77
<b>Israel (1.93%)</b>		-	-
<b>New Zealand (2.10%)</b>		<b>3,181</b>	<b>2.05</b>
824,652	Auckland International Airport	3,181	2.05
<b>Philippines (1.80%)</b>		<b>1,726</b>	<b>1.11</b>
3,021,800	Ayala Land	1,726	1.11
<b>Singapore (2.70%)</b>		<b>3,946</b>	<b>2.54</b>
696,784	Oversea-Chinese Banking	3,946	2.54
<b>Taiwan (4.77%)</b>		<b>5,254</b>	<b>3.38</b>
59,400	Taiwan Semiconductor Manufacturing ADR	5,254	3.38
<b>UK Equities (2.71%)</b>		<b>7,759</b>	<b>4.99</b>
<b>Financials (0.00%)</b>		<b>3,065</b>	<b>1.97</b>
35,300	London Stock Exchange	3,065	1.97
<b>Technology (2.71%)</b>		<b>4,694</b>	<b>3.02</b>
129,121	AVEVA	4,694	3.02
<b>Collective Investment Schemes (2.81%)</b>		<b>4,519</b>	<b>2.91</b>
4,518	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	4,519	2.91
Total investment assets		156,448	100.66
Net other liabilities		(1,025)	(0.66)
<b>Total Net Assets</b>		<b>155,423</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		18,426		(1,031)
Revenue	784		1,193	
Expenses	(971)		(895)	
Net (expense)/revenue before taxation	(187)		298	
Taxation	(87)		(79)	
Net (expense)/revenue after taxation		(274)		219
<b>Total return before distributions</b>		<b>18,152</b>		<b>(812)</b>
Distributions		(1)		(221)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>18,151</b>		<b>(1,033)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>142,367</b>		<b>144,607</b>
Amounts receivable on the issue of shares	9,293		5,025	
Amounts payable on the cancellation of shares	(14,388)		(7,991)	
		(5,095)		(2,966)
Change in net assets attributable to shareholders from investment activities (see above)		18,151		(1,033)
Retained distribution on accumulation shares		-		147
<b>Closing net assets attributable to shareholders</b>		<b>155,423</b>		<b>140,755</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		156,448		140,201
<b>Current assets:</b>				
Debtors	1,005		1,980	
Cash and bank balances	442		498	
		1,447		2,478
<b>Total assets</b>		<b>157,895</b>		<b>142,679</b>
<b>Liabilities:</b>				
Creditors	(2,472)		(238)	
Distribution payable	-		(74)	
		(2,472)		(312)
<b>Total liabilities</b>		<b>(2,472)</b>		<b>(312)</b>
<b>Net assets attributable to shareholders</b>		<b>155,423</b>		<b>142,367</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Income class has increased by 2.6% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation shares</b>				
Group 1	-	-	-	0.6923
Group 2	-	-	-	0.6923
<b>I Income shares</b>				
Group 1	-	-	-	0.4857
Group 2	-	-	-	0.4857
<b>M Accumulation shares</b>				
Group 1	-	-	-	0.1298
Group 2	-	-	-	0.1298
<b>M Income shares</b>				
Group 1	-	-	-	0.1283
Group 2	-	-	-	0.1283

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Global High Yield Bond Fund

For the six months ended 31 January 2021

## Investment Objective (prior to closure)

To generate income and some growth over the long term (5 years or more) by investing in sub-investment grade (high yield) corporate bonds.

**Performance Target:** To achieve the return of the Bloomberg Barclays Global High Yield Corporate Index (Hedged to GBP) plus 1.25% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in sub-investment grade bonds issued anywhere in the world by corporations.
- At least 50% of the bonds will be issued by corporations based in Europe and/or North America which carry out a substantial part of their operations, derive a significant proportion of their revenues or profits or have a significant proportion of their assets in these regions.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing company's prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the performance target, the Bloomberg Barclays Global High Yield Corporate Index (Hedged to GBP), is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 4.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the Bloomberg Barclays Global High Yield Corporate Index (Hedged to GBP).

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk or reduce cost and/or generate extra income or growth consistent

with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the period ended 26 October 2021, the value of ASI Global High Yield Bond Fund – A Accumulation Shares increased by 0.97% compared to an increase of 1.33% in the performance target, the Bloomberg Barclays Global High Yield Corporate Index (Hedged to GBP).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

The market rallied strongly during the period, as government and central-bank support, combined with better-than-expected economic data, pointed to a faster recovery. Despite this, defaults rose as the shutdown took its toll on directly affected sectors such as energy and retail.

After a pause in new issuance, new issues came fast and furious during the summer. Companies looked to tap the newly opened markets for additional liquidity and to term out maturities. Flows into the asset class were also strong.

After weakness toward the end of the second quarter of 2020, the global high-yield market posted strong returns at the end of the period, despite concerns around the US elections and rising virus cases.

## Portfolio Activity

The fund underperformed during the period under review. In absolute terms, the portfolio recovered from the Covid-19-related sell-off earlier in the year, but failed to keep pace with the wider corporate bond market. Much of this underperformance was due to asset allocation, while security selection was a modest positive during the period.

The allocations to the basic industry and services sectors weighed on relative performance, particularly the fund's holdings in bonds of Novelis in the former. Conversely, security selection in the consumer cyclicals sector added value on a relative basis, particularly MDC Holdings, which was the fund's top-performing position. Security selection also helped returns in the telecommunications sector.

Given the rally in credit markets during the period, the Fund's cash position detracted from performance.

## Outlook

The fund closed on 26 October 2020.

**Euro HY and Global Leverage Loans Team**  
February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 26 October 2020.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares <sup>c</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,764	88	124
Closing number of shares	1,074,630	53,593	78,706
Closing net asset value per share (pence)	164.20	163.26	158.15
Change in net asset value per share	0.58%	3.23%	0.46%
Operating charges	1.21%	1.26%	1.36%
A Income shares <sup>c</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	64,661	107,008	90,429
Closing number of shares	75,331,865	119,865,889	99,489,767
Closing net asset value per share (pence)	85.84	89.27	90.89
Change in net asset value per share	(3.84%)	(1.78%)	(4.19%)
Operating charges	1.21%	1.26%	1.36%
I Accumulation shares <sup>c</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,585	2,452	2,064
Closing number of shares	2,035,891	1,407,064	1,977,530
Closing net asset value per share (pence)	176.07	174.26	167.94
Change in net asset value per share	1.04%	3.76%	1.07%
Operating charges	0.76%	0.76%	0.76%
I Income shares <sup>c</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,820	4,539	6,708
Closing number of shares	4,670,987	5,337,041	7,745,664
Closing net asset value per share (pence)	81.78	85.05	86.60
Change in net asset value per share	(3.84%)	(1.79%)	(4.19%)
Operating charges	0.76%	0.76%	0.76%
M Accumulation shares <sup>A,C</sup>	31 July 2020	31 July 2019	
Closing net asset value (£'000)	17	-	
Closing number of shares	15,428	100	
Closing net asset value per share (pence)	107.47	106.20	
Change in net asset value per share	1.20%	6.20%	
Operating charges	0.81%	0.81%	
M Income shares <sup>B,C</sup>	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	-	
Closing number of shares	963	100	
Closing net asset value per share (pence)	98.60	102.50	
Change in net asset value per share	(3.80%)	2.50%	
Operating charges	0.81%	0.81%	

<b>P Gross Income shares<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	605	765	548
Closing number of shares	762,982	927,987	652,717
Closing net asset value per share (pence)	79.26	82.43	83.93
Change in net asset value per share	(3.85%)	(1.79%)	(4.18%)
Operating charges	0.57%	0.57%	0.57%
<b>P Income shares<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	8,868	10,910	13,370
Closing number of shares	10,765,362	12,733,816	15,326,611
Closing net asset value per share (pence)	82.38	85.68	87.23
Change in net asset value per share	(3.85%)	(1.78%)	(4.18%)
Operating charges	0.57%	0.57%	0.57%
<b>Q Gross Income shares<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	89	93	138
Closing number of shares	112,519	112,519	164,976
Closing net asset value per share (pence)	79.30	82.47	83.97
Change in net asset value per share	(3.84%)	(1.79%)	(4.19%)
Operating charges	0.49%	0.49%	0.48%
<b>Q Income shares<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	9,888	29,711	18,093
Closing number of shares	12,002,520	34,676,554	20,740,463
Closing net asset value per share (pence)	82.38	85.68	87.24
Change in net asset value per share	(3.85%)	(1.79%)	(4.18%)
Operating charges	0.49%	0.49%	0.48%
<b>Z Accumulation shares<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	426,603	547,161	468,821
Closing number of shares	244,262,912	318,566,885	285,023,487
Closing net asset value per share (pence)	174.65	171.75	164.48
Change in net asset value per share	1.69%	4.42%	1.72%
Operating charges	0.11%	0.11%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>a</sup> M Accumulation share class was launched on 27 November 2018.

<sup>b</sup> M Income share class was launched on 27 November 2018.

<sup>c</sup> Fund was closed on 26 October 2020.



## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (91.18%)</b>		-	-
Euro Denominated Bonds (14.00%)		-	-
Corporate Bonds (14.00%)		-	-
less than 5 years to maturity			
807,000	Galapagos 5.375% 2021	-	-
Sterling Denominated Bonds (4.88%)		-	-
Corporate Bonds (4.88%)		-	-
US Dollar Denominated Bonds (72.30%)		-	-
Corporate Bonds (72.30%)		-	-
Equities (0.00%)		-	-
North America Equities (0.00%)		-	-
United States (0.00%)		-	-
20	New Cotai Participation	-	-
1	Quad Graphics	-	-
Exchange Traded Funds (1.56%)		-	-
Derivatives (2.59%)		-	-
Forward Currency Contracts (2.59%)		-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2020.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		669		10,552
Revenue	5,622		18,525	
Expenses	(292)		(1,039)	
Interest payable and similar charges	(11)		(1)	
Net revenue before taxation	5,319		17,485	
Taxation	(41)		(49)	
Net revenue after taxation		5,278		17,436
<b>Total return before equalisation</b>		<b>5,947</b>		<b>27,988</b>
Distributions		(5,300)		(17,436)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>647</b>		<b>10,552</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>519,901</b>		<b>702,694</b>
Amounts receivable on the issue of shares	3,200		4,485	
Amounts payable on the cancellation of shares	(526,465)		(63,362)	
		(523,265)		(58,877)
Dilution adjustment		1,980		-
Change in net assets attributable to shareholders from investment activities (see above)		647		10,552
Retained distribution on accumulation shares		736		13,779
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>668,149</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		-		495,615
<b>Current assets:</b>				
Debtors	9		6,879	
Cash and bank balances	-		36,115	
		9		42,994
<b>Total assets</b>		9		538,609
<b>Liabilities:</b>				
Creditors	-		(17,771)	
Bank overdrafts	(9)		-	
Distribution payable	-		(937)	
		(9)		(18,708)
<b>Total liabilities</b>		(9)		(18,708)
<b>Net assets attributable to shareholders</b>		-		519,901

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 26 October 2020

	Revenue	Equalisation	Distribution paid 23/12/20	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	1.4682	-	1.4682	1.7421
Group 2	0.7831	0.6851	1.4682	1.7421
<b>A Income shares</b>				
Group 1	0.7668	-	0.7668	0.9526
Group 2	0.5916	0.1752	0.7668	0.9526
<b>I Accumulation shares</b>				
Group 1	1.7596	-	1.7596	2.0593
Group 2	0.5542	1.2054	1.7596	2.0593
<b>I Income shares</b>				
Group 1	0.8163	-	0.8163	1.0049
Group 2	0.5634	0.2529	0.8163	1.0049
<b>M Accumulation shares</b>				
Group 1	1.0654	-	1.0654	1.2488
Group 2	1.0654	-	1.0654	1.2488
<b>M Income shares</b>				
Group 1	0.9829	-	0.9829	1.1770
Group 2	0.9829	-	0.9829	1.1770
<b>P Gross Income shares</b>				
Group 1	0.8259	-	0.8259	1.0140
Group 2	0.8259	-	0.8259	1.0140
<b>P Income shares</b>				
Group 1	0.8584	-	0.8584	1.0539
Group 2	0.8584	-	0.8584	1.0539
<b>Q Gross Income shares</b>				
Group 1	0.8412	-	0.8412	1.0313
Group 2	0.8412	-	0.8412	1.0313

	Revenue	Equalisation	Distribution paid 23/12/20	Distribution paid 31/01/20
<b>Q Income shares</b>				
Group 1	0.8739	-	0.8739	1.0714
Group 2	0.4612	0.4127	0.8739	1.0714
<b>Z Accumulation shares</b>				
Group 1	2.0073	-	2.0073	2.3144
Group 2	1.2822	0.7251	2.0073	2.3144

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	1.7529
Group 2	-	-	-	1.7529
<b>A Income shares</b>				
Group 1	-	-	-	0.9485
Group 2	-	-	-	0.9485
<b>I Accumulation shares</b>				
Group 1	-	-	-	2.0774
Group 2	-	-	-	2.0774
<b>I Income shares</b>				
Group 1	-	-	-	1.0022
Group 2	-	-	-	1.0022
<b>M Accumulation shares</b>				
Group 1	-	-	-	1.2757
Group 2	-	-	-	1.2757
<b>M Income shares</b>				
Group 1	-	-	-	1.2206
Group 2	-	-	-	1.2206
<b>P Gross Income shares</b>				
Group 1	-	-	-	1.0116
Group 2	-	-	-	1.0116

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>P Income shares</b>				
Group 1	-	-	-	1.0513
Group 2	-	-	-	1.0513
<b>Q Gross Income shares</b>				
Group 1	-	-	-	1.0292
Group 2	-	-	-	1.0292
<b>Q Income shares</b>				
Group 1	-	-	-	1.0691
Group 2	-	-	-	1.0691
<b>Z Accumulation shares</b>				
Group 1	-	-	-	2.3420
Group 2	-	-	-	2.3420

#### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Global Opportunistic Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in corporate and government bonds issued anywhere in the world.

**Performance Target:** To achieve the return of the Bloomberg Barclays Global Aggregate Credit Index (Hedged to GBP) plus 2% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in bonds issued anywhere in the world by corporations, governments and sub-sovereigns.
- The fund may also invest in investment grade, high yield, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the Bloomberg Barclays Global Aggregate Credit Index (Hedged to GBP) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 7.00%. Due to the active nature of the management process, the fund's performance may deviate significantly from that of the index over the long term.

**Please Note:** The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will routinely use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Global Opportunistic Bond Fund – A Accumulation Shares increased by 1.15% compared to an increase of 0.83% in the benchmark, the Bloomberg Barclays Global Aggregate Credit Index (Hedged to GBP).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

The global Investment Grade credit market as measured by the Bloomberg Barclays Global Aggregate Credit Index produced a total (hedged to sterling) return of +0.83% over the period.

As markets continued recovering from volatility experienced earlier in 2020, investor sentiment was positive for sterling credit. Although the Covid-19 pandemic was an omnipresent theme throughout the period, positivity around vaccination, economic recovery and politics made for rising prices. This was particularly true for riskier issues, including high yield bonds.

## Portfolio Activity

The fund outperformed over the six month review period to end-January 2021.

In terms of individual securities, a 2026 maturity government bond issued by the Mexico was the top performer. Also in Latin America, the Brazilian pulp and paper company Suzano was a strong contributor. General Motors, which had been downgraded shortly before the beginning of the review period, also performed well. On the downside, the fund's holding of US Treasuries weighted on returns. In a risk-on market, government bonds have underperformed corporate debt and Treasury yields have risen gradually throughout the review period.

## Portfolio Outlook and Strategy

We think the outlook for credit spreads is fairly balanced as the rollout of vaccines, moderating virus case numbers and a new round of stimulus from the Biden administration supports the economic recovery in the US and global risk markets in general.

We also have a market-friendly new technocratic government under Mario Draghi in Italy. This is balanced on the more negative side by a disappointing start of vaccine campaigns in the US and some European countries and the appearance of virus mutations that will delay the normalisation process and might require changes to vaccines over time. Central banks maintain a very dovish tone, being cognisant of the level of support needed right now and downplaying the prospect of pre-emptive tightening later in the year.

Valuations are fair in our view, reflecting this balanced outlook on risks and opportunities. As a result, we expect a more range-bound market going forward. Given this view, we have maintained the overall risk position in our portfolios during January. We have also maintained a good level of liquidity in the portfolio, as well as selectively taking profits in higher volatility positions while adding to some conviction BBB names in US dollars. The fund continues to see opportunities in corporate hybrids and more selectively in subordinated financials.

## Global Aggregate Team

February 2021

### 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 risk and reward indicator changed from 3 to 4 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.



## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	157	148	133	138
Closing number of shares	123,874	117,992	111,704	123,868
Closing net asset value per share (pence)	126.68	125.08	119.03	111.13
Change in net asset value per share	1.28%	5.08%	7.11%	(1.53%)
Operating charges	1.06%	1.06%	1.08%	1.12%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1	1	-	6
Closing number of shares	914	914	499	6,469
Closing net asset value per share (pence)	99.81	99.64	97.26	93.53
Change in net asset value per share	0.17%	2.45%	3.99%	(4.51%)
Operating charges	1.06%	1.06%	1.08%	1.12%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	351	350	309	328
Closing number of shares	267,349	270,473	251,716	287,659
Closing net asset value per share (pence)	131.29	129.34	122.54	113.88
Change in net asset value per share	1.51%	5.55%	7.60%	(1.03%)
Operating charges	0.61%	0.61%	0.61%	0.62%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	105	96	56	72
Closing number of shares	101,386	93,412	56,294	75,082
Closing net asset value per share (pence)	103.35	103.00	100.19	96.00
Change in net asset value per share	0.34%	2.80%	4.36%	(4.03%)
Operating charges	0.61%	0.61%	0.61%	0.62%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	908	908	100	
Closing net asset value per share (pence)	118.07	116.17	109.86	
Change in net asset value per share	1.64%	5.74%	-	
Operating charges	0.66%	0.66%	0.66%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	925	925	100	
Closing net asset value per share (pence)	111.08	110.66	107.50	
Change in net asset value per share	0.38%	2.94%	-	
Operating charges	0.66%	0.66%	0.66%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	41	36	4,834	4,467
Closing number of shares	32,610	28,938	4,111,909	4,109,848
Closing net asset value per share (pence)	126.90	124.70	117.55	108.70
Change in net asset value per share	1.76%	6.08%	8.14%	(0.54%)
Operating charges	0.11%	0.11%	0.11%	0.12%

Z Gross Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	124,159	122,003	116,899	107,662
Closing number of shares	104,614,118	104,614,118	106,330,066	105,903,100
Closing net asset value per share (pence)	118.68	116.62	109.94	101.66
Change in net asset value per share	1.77%	6.08%	8.14%	(0.54%)
Operating charges	0.11%	0.11%	0.11%	0.12%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>a</sup> M Accumulation share class was launched on 30 November 2018.

<sup>b</sup> M Income share class was launched on 30 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (94.71%)</b>		<b>118,988</b>	<b>95.33</b>
<b>Australian Dollar Denominated Bonds (0.67%)</b>		<b>730</b>	<b>0.58</b>
<b>Corporate Bonds (0.67%)</b>		<b>730</b>	<b>0.58</b>
less than 5 years to maturity			
250,000	Barclays 3.25% 2024	148	0.12
350,000	General Motors Financial 3.85% 2023	205	0.16
200,000	McDonald's 3% 2024	119	0.09
between 5 and 10 years to maturity			
410,000	Lloyds Banking 4.25% 2027	258	0.21
<b>Canadian Dollar Denominated Bonds (0.83%)</b>		<b>1,271</b>	<b>1.02</b>
<b>Corporate Bonds (0.83%)</b>		<b>1,271</b>	<b>1.02</b>
less than 5 years to maturity			
590,000	Molson Coors International 2.84% 2023	351	0.28
between 5 and 10 years to maturity			
300,000	Molson Coors International 3.44% 2026	186	0.15
between 15 and 25 years to maturity			
435,000	Rogers Communications 6.11% 2040	343	0.28
greater than 25 years to maturity			
618,000	Anheuser-Busch InBev Finance 4.32% 2047	391	0.31
<b>Euro Denominated Bonds (23.93%)</b>		<b>32,622</b>	<b>26.14</b>
<b>Corporate Bonds (22.23%)</b>		<b>29,243</b>	<b>23.43</b>
less than 5 years to maturity			
400,000	Alstria Office REIT 0.5% 2025	357	0.29
427,000	Altria 1.7% 2025	400	0.32
270,000	Annington Funding 1.65% 2024	250	0.20
400,000	Arion Banki 1% 2023	359	0.29
357,000	BAT Netherlands Finance 2.375% 2024	341	0.27
400,000	BBVA 1.125% 2024	365	0.29
360,000	Berry Global 1% 2025	323	0.26
200,000	Bharti Airtel 3.375% 2021	178	0.14
700,000	CaixaBank 2.375% 2024	662	0.53

		Market Value £'000	Percentage of total net assets
Holding	Investment		
100,000	Cemex 2.75% 2024	89	0.07
330,000	China National Chemical 1.75% 2022	292	0.23
250,000	CK Hutchison 1.25% 2023	227	0.18
227,000	CRH Finland Services 0.875% 2023	206	0.17
178,000	Cromwell 2.125% 2025	162	0.13
260,000	Danske Bank 0.875% 2023	235	0.19
258,000	Danske Bank 1.375% 2022	233	0.19
189,000	Dell Bank International 0.625% 2022	169	0.14
375,000	Digital Dutch 0.625% 2025	339	0.27
393,000	FCA Bank 0.25% 2023	349	0.28
275,000	FCA Bank 1.25% 2022	248	0.20
218,000	Ford Motor Credit 1.744% 2024	191	0.15
189,000	Mitsubishi UFJ Financial 0.98% 2023	172	0.14
160,000	NatWest Group 2% 2023	145	0.12
185,000	Netflix 3% 2025	179	0.14
300,000	OCI 3.125% 2024	271	0.22
153,000	OCI 3.625% 2025	141	0.11
113,000	RCI Banque 0.75% 2022	101	0.08
750,000	SELP Finance 1.5% 2025	704	0.56
300,000	Stellantis 3.875% 2026	307	0.25
210,000	Teva Pharmaceutical 1.25% 2023	181	0.15
337,000	Volkswagen Leasing 0.5% 2022	300	0.24
223,000	Volkswagen Leasing 1% 2023	201	0.16
200,000	ZF Finance 3% 09/21/2025	182	0.15
between 5 and 10 years to maturity			
200,000	Alstria Office REIT 1.5% 2026	187	0.15
276,000	American Tower 0.5% 2028	245	0.20
100,000	APT Pipelines 2% 2027	98	0.08
300,000	Banque Federative du Credit Mutuel 1.7875% 2029	290	0.23
445,000	Barclays 2% 2028	402	0.32
169,000	BP Capital Markets 0.831% 2027	156	0.13
600,000	CaixaBank 2.75% 2028	554	0.44
355,000	CBRE Global Investors Open-Ended Fund SCA SICAV 0.5% 27/01/2028	313	0.25
179,000	Cemex 3.125% 2026	162	0.13
470,000	CEZ 0.875% 2026	428	0.34
289,000	Citigroup 1.5% fixed to floating 2026	271	0.22
310,000	CK Hutchison 0.75% 2026	281	0.23
200,000	Cofinimmo 0.875% 2030	179	0.14
500,000	Credit Agricole 0.125% 2027	438	0.35
400,000	Credit Agricole 1% fixed to floating 2026	366	0.29
225,000	CRH SMW Finance 1.25% 2026	212	0.17

		Market Value £'000	Percentage of total net assets
Holding	Investment		
349,000	Danske Bank 1.375% fixed to floating 2030	314	0.25
168,000	Danske Bank 1.5% 2030	152	0.12
300,000	Deutsche Bank 1.375% 2026	273	0.22
300,000	Deutsche Bank 1.75% 2030	276	0.22
325,000	Digital Dutch Finco 1.5% 2030	310	0.25
135,000	E.ON 0.35% 2030	121	0.10
308,000	Firmenich Productions 1.375% 2026	291	0.23
222,000	Firmenich Productions 1.75% 2030	218	0.18
542,000	GELF 1.125% 2029	499	0.40
133,000	HeidelbergCement Finance Luxembourg 1.125% 2027	124	0.10
286,000	Informa 1.25% 2028	256	0.21
100,000	Mylan 3.125% 2028	105	0.08
598,000	National Grid 0.553% 2029	541	0.43
250,000	NE Property 1.875% 2026	222	0.18
385,000	NE Property 3.375% 2027	372	0.30
200,000	Netflix 3.625% 2027	205	0.16
600,000	Nykredit Realkredit 0.75% 2027	542	0.43
308,000	Rentokil Initial 0.5% 2028	275	0.22
201,000	SELP Finance 1.5% 2026	190	0.15
162,000	Sika Capital 0.875% 2027	150	0.12
298,000	Symrise 1.375% 2027	278	0.22
200,000	Syngenta Finance 3.375% 2026	187	0.15
200,000	Terega 0.625% 2028	176	0.14
300,000	Terega 0.875% 2030	274	0.22
400,000	Unione di Banche Italiane 5.875% 2029	394	0.32
200,000	Volkswagen 0.875% 2028	183	0.15
between 10 and 15 years to maturity			
272,000	American Tower 1% 2032	245	0.20
549,000	Credit Suisse 0.625% 2033	481	0.39
344,000	Digital Dutch 1% 2032	312	0.25
115,000	Givaudan Finance Europe 1.625% 2032	115	0.09
640,000	Holcim Finance Luxembourg 0.625% 2033	565	0.45
500,000	ING 2.125% fixed to floating 2031	471	0.38
145,000	Sika Capital 1.5% 2031	144	0.12
650,000	TenneT Holding 0.125% 2032	567	0.45
between 15 and 25 years to maturity			
346,000	Medtronic Global 1.5% 2039	335	0.27
120,000	NN Group 4.625% fixed to floating 2044	118	0.09
262,000	TenneT Holding 0.5% 2040	228	0.18

			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
greater than 25 years to maturity				
	200,000	Channel Link Enterprises Finance 2.706% fixed to floating 2050	180	0.14
	200,000	EDP - Energias de Portugal 1.875% fixed to floating 2081	176	0.14
	100,000	Electricite de France 2% 2049	100	0.08
	245,000	Medtronic Global 1.625% 2050	236	0.19
	333,000	Vodafone 2.625% 2080	302	0.24
Perpetual				
	181,000	BP Capital Markets 3.25% fixed to floating Perpetual	171	0.14
	200,000	Cooperatieve Rabobank 4.375% fixed to floating Perpetual	195	0.16
	200,000	Credit Agricole 6.5% fixed to floating Perpetual	180	0.14
	600,000	Electricite de France 2.875% fixed to floating Perpetual	547	0.44
	200,000	Electricite de France 4% fixed to floating Perpetual	190	0.15
	169,000	Enel 2.25% fixed to floating Perpetual	156	0.13
	300,000	Engie 1.625% fixed to floating Perpetual	271	0.22
	192,000	ENI 2.625% fixed to floating Perpetual	177	0.14
	300,000	Iberdrola International 1.874% fixed to floating Perpetual	272	0.22
	120,000	NN Group 4.375% fixed to floating Perpetual	116	0.09
	100,000	Orange 2.375% fixed to floating Perpetual	93	0.07
	500,000	Telefonica 3% fixed to floating Perpetual	453	0.36
	620,000	TOTAL 1.625% fixed to floating Perpetual	551	0.44
	610,000	TOTAL 1.75% fixed to floating Perpetual	552	0.44
	300,000	Volkswagen International 3.5% fixed to floating Perpetual	279	0.22
	100,000	Volkswagen International 3.875% fixed to floating Perpetual	96	0.08
<b>Government Bonds (1.70%)</b>			<b>3,379</b>	<b>2.71</b>
less than 5 years to maturity				
	920,000	Indonesia (Republic of) 2.15% 2024	867	0.70
between 5 and 10 years to maturity				
	200,000	European Investment Bank 0.625% 2029	192	0.15
	336,365	Germany (Fed Rep of) 0% 2030	314	0.25
	120,000	Germany (Fed Rep of) 0.5% 2028	115	0.09
	1,366,000	Mexico (United Mexican States) 1.625% 2026	1,269	1.02
between 15 and 25 years to maturity				
	120,000	Germany (Fed Rep of) 3.25% 2042	188	0.15
greater than 25 years to maturity				
	480,000	Germany (Fed Rep of) 0% 2050	434	0.35

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Sterling Denominated Bonds (8.27%)</b>		<b>10,663</b>	<b>8.54</b>
<b>Corporate Bonds (8.19%)</b>		<b>10,276</b>	<b>8.23</b>
less than 5 years to maturity			
586,000	Barclays 2.375% 2023	601	0.48
311,000	CPUK 4.25% 2022	161	0.13
407,000	Credit Suisse 2.125% fixed to floating 2025	425	0.34
600,000	Deutsche Bank 1.75% 2021	605	0.48
400,000	Deutsche Bank 2.625% 2024	419	0.34
200,000	FCA Capital Ireland 1.625% 2021	201	0.16
336,000	FirstGroup 5.25% 2022	356	0.28
500,000	Lend Lease Europe 6.125% 2021	516	0.41
235,000	Lloyds Banking Group 2.25% 2024	247	0.20
600,000	Petróleos Mexicanos 8.25% 2022	637	0.51
320,000	Stagecoach Group 4% 2025	340	0.27
151,000	Tesco 6.125% 2022	160	0.13
560,000	Western Power 3.625% 2023	597	0.48
between 5 and 10 years to maturity			
536,000	Athene Global Funding 1.75% 2027	549	0.44
201,000	Barclays 1.7% fixed to floating 2026	207	0.17
150,000	HSBC 3% fixed to floating 2030	167	0.13
171,000	Land Securities 2.375% 2029	182	0.15
225,000	NatWest 2.875% 2026	242	0.19
107,000	Orsted 2.125% 2027	115	0.09
546,000	Toyota Motor Credit 0.75% 2026	548	0.44
135,000	Virgin Money UK 5.125% 2030	146	0.12
100,000	Welltower 4.8% 2028	121	0.10
335,000	Westfield Stratford City Finance 1.642% 2026	337	0.27
between 15 and 25 years to maturity			
250,000	E.ON Finance 5.875% 2037	392	0.31
81,000	General Electric 5.375% 2040	111	0.09
228,000	Southern Water Services Finance 3% 2037	257	0.21
242,000	Tesco 5.744% 2040	316	0.25
215,000	Thames Water 2.375% 2040	230	0.18
greater than 25 years to maturity			
120,000	Aviva 4% fixed to floating 2055	136	0.11
200,000	Gatwick 2.875% 2049	194	0.16

	Holding	Investment	Market Value £'000	Percentage of total net assets
Perpetual				
	300,000	AXA 5.453% fixed to floating Perpetual	347	0.28
	400,000	Lloyds Bank 5.125% fixed to floating Perpetual	414	0.33
<b>Government Bonds (0.08%)</b>			<b>387</b>	<b>0.31</b>
between 15 and 25 years to maturity				
	193,692	UK (Govt of) 3.25% 2044	290	0.23
greater than 25 years to maturity				
	52,000	UK (Govt of) 4.25% 2049	97	0.08
<b>US Dollar Denominated Bonds (61.01%)</b>			<b>73,702</b>	<b>59.05</b>
<b>Corporate Bonds (57.34%)</b>			<b>67,262</b>	<b>53.89</b>
less than 5 years to maturity				
	400,000	Alfa 5.25% 2024	316	0.25
	341,000	Anglo American Capital 5.375% 2025	290	0.23
	720,000	APT Pipelines 4.2% 2025	583	0.47
	179,000	Ball 4% 2023	139	0.11
	400,000	Bank Rakyat Indonesia 3.95% 2024	312	0.25
	540,000	Bank Rakyat Indonesia 4.625% 2023	424	0.34
	337,000	Banque Federative du Credit Mutuel 2.375% 2024	261	0.21
	400,000	BBVA Bancomer 6.5% 2021	293	0.23
	692,000	BBVA Bancomer 6.75% 2022	545	0.44
	149,000	Berry Global 1.57% 2026	109	0.09
	769,000	BNP Paribas 2.819% fixed to floating 2025	597	0.48
	719,000	BPCE 2.375% 2025	551	0.44
	260,000	BPCE 4.625% 2024	211	0.17
	155,000	Centene 4.75% 2025	116	0.09
	200,000	China Oil & Gas 5.5% 2023	150	0.12
	435,000	Citigroup 4.4% 2025	359	0.29
	63,000	Continental Resources 4.5% 2023	47	0.04
	674,000	Credit Agricole 3.25% 2024	533	0.43
	279,000	Credit Suisse 2.997% 2023	212	0.17
	200,000	Danske Bank 5.375% 2024	164	0.13
	372,000	Dominion Energy 3.071% 2024	292	0.23
	107,000	EMD 3.25% 2025	85	0.07
	193,000	Equifax 2.6% 2024	150	0.12
	100,000	Equifax 2.6% 2025	78	0.06
	400,000	Ford Motor Credit 4.063% 2024	304	0.24
	300,000	General Motors Financial 5.2% 2023	239	0.19



		Market Value £'000	Percentage of total net assets
Holding	Investment		
51,000	GFL Environmental 3.75% 2025	38	0.03
300,000	Goodyear Tire & Rubber 9.5% 2025	244	0.20
350,000	JBS Investments II 7% 2026	273	0.22
179,000	JPMorgan Chase 3.797% fixed to floating 2024	141	0.11
800,000	JPMorgan Chase 4.023% fixed to floating 2024	639	0.51
136,000	Kilroy Realty 3.45% 2024	107	0.09
175,000	Lennar 5.875% 2024	147	0.12
514,000	Lukoil International Finance 4.563% 2023	400	0.32
750,000	Mexichem 4.875% 2022	576	0.46
214,000	Nordea Bank 3.75% 2023	169	0.13
219,000	Penske Truck Leasing 1.2% 2025	160	0.13
800,000	Saudi Arabian Oil 1.625% 2025	594	0.48
407,000	SBA Tower Trust 2.836% 2025	317	0.25
150,000	Schlumberger 3.75% 2024	119	0.10
124,000	Sealed Air 5.25% 2023	96	0.08
230,000	Sealed Air 5.5% 2025	186	0.15
500,000	Shimao Property 4.75% 2022	372	0.30
370,000	Shimao Property 6.125% 2024	285	0.23
258,000	Simon Property 3.5% 2025	207	0.17
444,000	Sinopec Group Overseas Development 2018 2.15% 2025	333	0.27
200,000	Societe Generale 4.25% 2025	161	0.13
200,000	Sprint 7.875% 2023	168	0.13
126,000	Sunoco Logistics Partners Operations 5.95% 2025	108	0.09
200,000	Syngenta Finance 4.892% 2025	156	0.13
359,000	Tencent 1.81% 2026	266	0.21
400,000	Thai Oil 3.625% 2023	304	0.24
299,000	T-Mobile USA 3.5% 2025	239	0.19
502,000	Toyota Motor Credit 0.8% 2025	367	0.29
430,000	Trans-Allegheny Interstate Line 3.85% 2025	341	0.27
765,000	Volkswagen 1.25% 2025	560	0.45
446,000	Volkswagen 2.7% 2022	336	0.27
91,000	Wolverine World Wide 6.375% 2025	71	0.06
between 5 and 10 years to maturity			
300,000	AbbVie 3.2% 2026	240	0.19
1,400,000	ABN Amro 4.4% fixed to floating 2028	1,085	0.87
97,000	Activision Blizzard 1.35% 2030	68	0.05
420,000	Adani Electricity Mumbai 3.949% 2030	321	0.26
190,000	Altria 4.8% 2029	164	0.13
699,000	American Tower 3.95% 2029	581	0.47
514,000	Athene 4.125% 2028	418	0.34
729,000	Athene Global Funding 2.45% 2027	559	0.45

		Market Value £'000	Percentage of total net assets
Holding	Investment		
833,000	Bank of America 3.194% fixed to floating 2030	667	0.53
600,000	Bank of America 3.559% fixed to floating 2027	489	0.39
430,000	Barclays 5.088% fixed to floating 2030	368	0.29
516,000	BAT Capital 2.259% 2028	384	0.31
361,000	Black Hills 3.05% 2029	287	0.23
240,000	BNP Paribas 2.219% fixed to floating 2026	182	0.15
250,000	Boeing 3.2% 2029	189	0.15
545,000	Boeing 5.15% 2030	471	0.38
159,000	Boston Gas 3.001% 2029	126	0.10
650,000	Boston Properties 4.5% 2028	561	0.45
270,000	BPCE 3.5% 2027	219	0.18
330,000	Broadridge Financial Solutions 2.9% 2029	259	0.21
351,000	Carrier Global 2.493% 2027	274	0.22
574,000	Charles Schwab 0.9% 2026	419	0.34
624,000	CIFI 5.25% 2026	474	0.38
355,000	Citizens Financial 2.5% 2030	272	0.22
269,000	Colonial Enterprises 3.25% 2030	218	0.17
273,000	Conagra Brands 1.375% 2027	198	0.16
143,000	Continental Resources 4.375% 2028	107	0.09
200,000	Country Garden Holdings 2.7% 2026	147	0.12
436,000	Country Garden Holdings 5.125% 2027	342	0.27
339,000	Cox Communications 1.8% 2030	242	0.19
543,000	Credit Agricole 3.25% 2030	426	0.34
377,000	Credit Suisse 1.305% 2027	274	0.22
390,000	CVS Health 1.3% 2027	284	0.23
380,000	Dell International 6.02% 2026	333	0.27
300,000	Dell International 6.2% 2030	279	0.22
430,000	Dominion Energy Gas 3% 2029	341	0.27
421,000	Dow Chemical 3.625% 2026	345	0.28
338,000	Duke Energy Florida 2.5% 2029	265	0.21
775,000	EDP 1.71% 2028	563	0.45
200,000	Electronic Arts 4.8% 2026	172	0.14
200,000	Eni 4.25% 2029	171	0.14
198,000	Equifax 3.1% 2030	158	0.13
131,000	Equinix 1.8% 2027	98	0.08
424,000	Essex Portfolio 3% 2030	335	0.27
200,000	Experian Finance 4.25% 2029	172	0.14
841,000	Galaxy Pipeline Assets Bidco 1.75% 2027	619	0.50
250,000	General Motors Financial 4% 2026	205	0.16
311,000	GFL Environmental 3.5% 2028	223	0.18
304,000	Gilead Sciences 1.2% 2027	221	0.18
350,000	Halliburton 2.92% 2030	264	0.21

		Market Value £'000	Percentage of total net assets
Holding	Investment		
410,000	HCA 5.25% 2026	353	0.28
300,000	ICICI Bank 4% 2026	238	0.19
418,000	ING 4.7% fixed to floating 2028	326	0.26
370,000	Iron Mountain 5% 2028	283	0.23
729,000	JPMorgan Chase 3.54% fixed to floating 2028	601	0.48
266,000	Kilroy Realty 3.05% 2030	203	0.16
172,000	Lennar 5.25% 2026	148	0.12
210,000	Lincoln National 3.4% 2031	174	0.14
280,000	MeGlobal Canada 5.875% 2030	253	0.20
383,000	Mexichem 4% 2027	307	0.25
348,000	Mississippi Power 3.95% 2028	292	0.23
87,000	Mondelez International 2.75% 2030	68	0.05
400,000	Mylan 3.95% 2026	332	0.27
778,000	Nestle 1% 2027	565	0.45
475,000	Nevada Power 2.4% 2030	367	0.29
587,000	New York Life Global Funding 3% 2028	472	0.38
197,000	Oklahoma Gas & Electric 3.3% 2030	162	0.13
300,000	Pacific Gas and Electric 4.55% 2030	249	0.20
286,000	Plains All American Pipeline 3.8% 2030	220	0.18
193,000	RELX 4% 2029	164	0.13
173,000	S&P Global 2.5% 2029	136	0.11
280,000	Sabine Pass Liquefaction 4.2% 2028	231	0.18
200,000	Saudi Arabian Oil 3.5% 2029	161	0.13
202,000	Schlumberger 3.9% 2028	165	0.13
210,000	Sherwin-Williams 3.45% 2027	173	0.14
200,000	Shimao 3.45% 2031	147	0.12
318,000	SK Hynix 2.375% 2031	234	0.19
214,000	Southern California Edison 1.2% 2026	157	0.13
200,000	Suzano Austria 5.75% 2026	170	0.14
267,000	Suzano Austria 6% 2029	233	0.19
299,000	Takeda Pharmaceutical 2.05% 2030	219	0.18
448,000	Teck Resources 3.9% 2030	361	0.29
200,000	Tencent 3.975% 2029	164	0.13
310,000	T-Mobile USA 3.875% 2030	255	0.20
250,000	Truist Bank 2.636% fixed to floating 2029	193	0.15
270,000	Verizon Communications 4.125% 2027	231	0.18
290,000	Verizon Communications 4.329% 2028	251	0.20
787,000	Wells Fargo 2.393% fixed to floating 2028	605	0.48
166,000	Welltower 2.75% 2031	128	0.10
221,000	Welltower 4.25% 2026	186	0.15
340,000	Weyerhaeuser 4% 2030	288	0.23
230,000	WPX Energy 4.5% 2030	178	0.14

		Market Value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
321,000	Alexandria Real Estate Equities 1.875% 2033	228	0.18
628,000	Carrier Global 2.7% 2031	484	0.39
800,000	Charter Communications 2.3% 2032	568	0.45
430,000	Charter Communications 6.384% 2035	422	0.34
500,000	Citigroup 2.572% fixed to floating 2031	380	0.30
236,000	Citizens Financial 2.638% 2032	177	0.14
459,000	Deutsche Bank 3.729% 2032	332	0.27
399,000	Entergy Texas 1.75% 2031	289	0.23
170,000	EOG Resources 5.1% 2036	155	0.12
728,000	JPMorgan Chase 2.522% fixed to floating 2031	556	0.45
360,000	JPMorgan Chase 2.956% fixed to floating 2031	280	0.22
442,000	MARB Bondco 3.95% 2031	321	0.26
267,000	Mondelez International 1.5% 2031	189	0.15
505,000	Morgan Stanley 1.794% 2032	362	0.29
250,000	Morgan Stanley 3.622% 2031	207	0.17
400,000	NatWest 3.032% 2035	293	0.23
between 15 and 25 years to maturity			
430,000	Anheuser-Busch Inbev 4.7% 2036	386	0.31
597,000	Bank of America 2.676% fixed to floating 2041	434	0.35
325,000	Bank of America 5.875% 2042	345	0.28
200,000	Boeing 5.705% 2040	185	0.15
365,000	Broadcom 3.5% 2041	268	0.21
195,000	Burlington Northern Santa Fe 4.7% 2045	190	0.15
560,000	Citigroup 8.125% 2039	709	0.57
651,000	Comcast 3.25% 2039	517	0.41
521,000	Comcast 4.6% 2038	485	0.39
227,000	Hartford Financial Services 6.1% 2041	241	0.19
100,000	Ingersoll-Rand Luxembourg Finance 4.65% 2044	91	0.07
400,000	JPMorgan Chase 6.4% 2038	440	0.35
500,000	Microsoft 4.1% 2037	460	0.37
200,000	Morgan Stanley 6.375% 2042	228	0.18
375,000	Pacific Gas and Electric 4.5% 2040	299	0.24
155,000	Plains All American Pipeline 4.7% 2044	115	0.09
297,000	Royalty Pharma 3.3% 2040	225	0.18
315,000	Saudi Arabian Oil 4.25% 2039	263	0.21
220,000	Teck Resources 6.25% 2041	205	0.16
347,000	Union Pacific 3.55% 2039	284	0.23

Holding	Investment	Market Value £'000	Percentage of total net assets
greater than 25 years to maturity			
296,000	AbbVie 4.25% 2049	261	0.21
482,000	AbbVie 4.45% 2046	431	0.35
267,000	AEP Texas 3.45% 2050	211	0.17
805,000	Apple 2.4% 2050	563	0.45
645,000	AT&T 3.55% 2055	449	0.36
218,000	Baker Hughes 4.08% 2047	177	0.14
142,000	Carrier Global 3.577% 2050	110	0.09
513,000	Charter Communications 3.85% 2061	358	0.29
183,000	Charter Communications 4.8% 2050	152	0.12
200,000	Chevron USA 4.95% 2047	198	0.16
117,000	Cigna 4.9% 2048	113	0.09
148,000	Connecticut Light & Power 4% 2048	135	0.11
369,000	CVS Health 5.05% 2048	352	0.28
190,000	Dartmouth-Hitchcock Health 4.178% 2048	160	0.13
372,000	DTE Electric 4.05% 2048	341	0.27
288,000	East Ohio Gas 3% 2050	216	0.17
200,000	Enel 8.75% fixed to floating 2073	170	0.14
160,000	Energy Transfer Operating 5.3% 2047	122	0.10
337,000	Enterprise Products Operating 4.8% 2049	299	0.24
400,000	FedEx 5.25% 2050	392	0.31
542,000	Florida Power & Light 4.125% 2048	513	0.41
261,000	Fox 5.576% 2049	263	0.21
140,000	General Motors 5.4% 2048	129	0.10
123,000	General Motors 6.75% 2046	129	0.10
270,000	HCA 5.5% 2047	255	0.20
117,000	Ingersoll-Rand Luxembourg Finance 4.5% 2049	110	0.09
180,000	Intel 4.1% 2047	161	0.13
900,000	JP Morgan Mortgage Trust 2018-6 3.5% 2048	7	0.01
152,585	JP Morgan Mortgage Trust 2018-9 4% 2049	26	0.02
48,000	Microsoft 2.525% 2050	35	0.03
263,000	Minera Mexico 4.5% 2050	217	0.17
228,000	Moody's 4.875% 2048	222	0.18
106,000	National Rural Utilities Cooperative Finance 4.3% 2049	100	0.08
116,000	National Rural Utilities Cooperative Finance 4.4% 2048	111	0.09
430,000	Parker-Hannifin 4% 2049	385	0.31
560,000	Partners Healthcare System 3.192% 2049	439	0.35
316,000	PepsiCo 3.375% 2049	263	0.21
265,000	Port Authority of New York & New Jersey 4.031% 2048	233	0.19
180,000	Progressive 4.2% 2048	170	0.14
470,000	Prudential Financial 3.935% 2049	399	0.32
209,000	S&P Global 3.25% 2049	168	0.13

			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
	222,000	Southwestern Public Service 3.15% 2050	173	0.14
	363,000	T-Mobile 3.6% 2060	266	0.21
	106,000	UnitedHealth 3.875% 2059	95	0.08
	150,000	UnitedHealth 4.25% 2048	139	0.11
	280,000	Upjohn 4% 2050	228	0.18
	620,000	Verizon Communications 2.987% 2056	432	0.35
	200,000	Verizon Communications 4.522% 2048	180	0.14
	34,000	Verizon Communications 5.012% 2049	33	0.03
	248,000	Virginia Electric & Power 4% 2046	221	0.18
	480,000	Walt Disney 7.55% 2093	409	0.33
Perpetual				
	363,000	BNP Paribas 6.625% fixed to floating Perpetual	287	0.23
	300,000	Credit Suisse 6.25% fixed to floating Perpetual	239	0.19
	268,000	DNB Bank 4.875% fixed to floating Perpetual	204	0.16
	400,000	ING 6.75% fixed to floating Perpetual	316	0.25
	400,000	UBS Group Funding Switzerland 7% fixed to floating Perpetual	320	0.26
<b>Government Bonds (3.67%)</b>			<b>6,440</b>	<b>5.16</b>
less than 5 years to maturity				
	693,000	Perusahaan Penerbit SBSN Indonesia III 2.3% 2025	527	0.42
	505,000	US Treasury 0.375% 2025	369	0.30
between 5 and 10 years to maturity				
	750,000	BNG Bank 1% 2030	534	0.43
	600,000	Indonesia (Republic of) 4.1% 2028	505	0.41
	600,000	Qatar (Govt of) 3.75% 2030	509	0.41
	300,000	Saudi Arabia (Kingdom of) 4.5% 2030	260	0.21
	558,000	US Treasury 0.625% 2030	390	0.31
between 15 and 25 years to maturity				
	100,000	Chicago Transit Authority 6.899% 2040	105	0.09
	480,000	Inter-American Development Bank 3.2% 2042	426	0.34
	440,000	Inter-American Development Bank 3.875% 2041	426	0.34
	700,000	Mexico (United Mexican States) 4.75% 2044	574	0.46
	240,000	State of Texas 3.211% 2044	189	0.15
	135,000	US Treasury 1.125% 2040	90	0.07
greater than 25 years to maturity				
	210,000	Commonwealth of Massachusetts 2.9% 2049	167	0.13
	380,000	Grand Parkway Transportation 3.236% 2052	291	0.23

Holding	Investment	Market Value £'000	Percentage of total net assets
400,000	Indonesia (Republic of) 4.2% 2050	349	0.28
1,155,500	United States Treasury Note 1.25% 2050	729	0.58
<b>Derivatives (2.34%)</b>		<b>(96)</b>	<b>(0.08)</b>
<b>Credit Default Swaps (0.00%)</b>		<b>(196)</b>	<b>(0.16)</b>
USD 6,000,000	Buy CDX Investment Grade Series 34 20/06/2025 0%	(66)	(0.05)
EUR 6500000	Buy iTraxx Europe Series 33 20/06/2025 0%	(130)	(0.11)
<b>Forward Currency Contracts (2.45%)</b>		<b>78</b>	<b>0.06</b>
	Buy AUD 430,000 Sell GBP 241,935 25/02/2021	(2)	-
	Buy EUR 199,234 Sell GBP 175,910 02/02/2021	-	-
	Buy EUR 113,000 Sell GBP 99,942 25/02/2021	-	-
	Buy EUR 172,000 Sell GBP 152,259 25/02/2021	-	-
	Buy GBP 1,015,502 Sell AUD 1,795,000 25/02/2021	13	0.01
	Buy GBP 1,273,407 Sell CAD 2,205,000 25/02/2021	17	0.01
	Buy GBP 82,264 Sell EUR 93,000 25/02/2021	-	-
	Buy GBP 175,770 Sell EUR 199,000 25/02/2021	-	-
	Buy GBP 213,703 Sell EUR 240,000 25/02/2021	1	-
	Buy GBP 32,714,973 Sell EUR 36,907,000 25/02/2021	50	0.04
	Buy GBP 195,247 Sell USD 267,000 25/02/2021	1	-
	Buy GBP 200,892 Sell USD 274,000 25/02/2021	1	-
	Buy GBP 220,507 Sell USD 303,000 25/02/2021	-	-
	Buy GBP 74,551,543 Sell USD 102,389,000 25/02/2021	(3)	-
	Buy USD 414,000 Sell GBP 301,800 25/02/2021	-	-
<b>Futures (-0.11%)</b>		<b>22</b>	<b>0.02</b>
6	Long 10 Year Mini JGB Future 12/03/2021	(1)	-
8	Long Australia 10 Year Bond Future 15/09/2020	(3)	-
13	Long Canadian 10 Year Bond Future 22/03/2021	(11)	(0.01)
14	Long Euro Bond Future 08/03/2021	2	-
14	Long Euro Schatz Future 05/03/2021	-	-
5	Long US 10 Year Note (CBT) Future 22/03/2021	(1)	-
50	Long US 2 Year Note (CBT) Future 31/03/2021	3	-
11	Long US 5 Year Note (CBT) Future 31/03/2021	(1)	-
5	Long US Long Bond (CBT) Future 22/03/2021	(13)	(0.01)
(20)	Short Euro-Bobl Future 08/03/2021	(3)	-
(6)	Short Euro-BTP Future 08/03/2021	(2)	-

Holding	Investment	Market Value £'000	Percentage of total net assets
(5)	Short Long Gilt Future 29/03/2021	-	-
(42)	Short US 10 Year Ultra Future 22/03/2021	52	0.04
Total investment assets and liabilities		118,892	95.25
Net other assets		5,924	4.75
<b>Total Net Assets</b>		<b>124,816</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.



**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		720		3,364
Revenue	1,523		1,611	
Expenses	(71)		(68)	
Interest payable and similar charges	(2)		(1)	
Net revenue before taxation	1,450		1,542	
Taxation	(5)		(1)	
Net revenue after taxation		1,445		1,541
<b>Total return before distributions</b>		<b>2,165</b>		<b>4,905</b>
Distributions		(1,447)		(1,542)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>718</b>		<b>3,363</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>122,636</b>		<b>122,231</b>
Amounts receivable on the issue of shares	45		74	
Amounts payable on the cancellation of shares	(28)		(5,042)	
		17		(4,968)
Dilution adjustment		-		9
Change in net assets attributable to shareholders from investment activities (see above)		718		3,363
Retained distribution on accumulation shares		1,445		1,535
<b>Closing net assets attributable to shareholders</b>		<b>124,816</b>		<b>122,170</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		119,128		119,237
<b>Current assets:</b>				
Debtors	1,892		972	
Cash and bank balances	4,943		2,992	
		6,835		3,964
<b>Total assets</b>		<b>125,963</b>		<b>123,201</b>
<b>Liabilities:</b>				
Investment liabilities		(236)		(215)
Creditors	(910)		(349)	
Distribution payable	(1)		(1)	
		(911)		(350)
<b>Total liabilities</b>		<b>(1,147)</b>		<b>(565)</b>
<b>Net assets attributable to shareholders</b>		<b>124,816</b>		<b>122,636</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 2.4% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	1.4719	-	1.4719	1.5546
Group 2	0.4999	0.9720	1.4719	1.5546
<b>A Income shares</b>				
Group 1	1.2077	-	1.2077	1.3182
Group 2	1.2077	-	1.2077	1.3182
<b>I Accumulation shares</b>				
Group 1	1.5238	-	1.5238	1.6024
Group 2	0.4937	1.0301	1.5238	1.6024
<b>I Income shares</b>				
Group 1	1.2133	-	1.2133	1.3104
Group 2	0.4208	0.7925	1.2133	1.3104
<b>M Accumulation shares</b>				
Group 1	1.4150	-	1.4150	1.5295
Group 2	1.4150	-	1.4150	1.5295
<b>M Income shares</b>				
Group 1	1.3376	-	1.3376	1.4997
Group 2	1.3376	-	1.3376	1.4997
<b>Z Accumulation shares</b>				
Group 1	1.4709	-	1.4709	1.5379
Group 2	0.6084	0.8625	1.4709	1.5379
<b>Z Gross Accumulation shares</b>				
Group 1	1.3756	-	1.3756	1.4394
Group 2	1.3756	-	1.3756	1.4394

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Japanese Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in Japanese equities (company shares).

**Performance Target:** To achieve the return of the MSCI Japan Index, plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Japan or companies that derive a significant proportion of their revenues or profits from Japanese operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Japan Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Japanese Equity Fund – A Accumulation Shares increased by 16.88% compared to an increase of 18.70% in the performance target, the MSCI Japan Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Japanese equities advanced in the six months under review. At the start of the period, there was much optimism on the smooth leadership transition as Yoshihide Suga replaced Shinzo Abe as prime minister. The new premier pledged to continue with his predecessor's fiscal and monetary policies and stimulus, commonly known as Abenomics. Adding to the positive sentiment was news that US drugmakers had developed effective vaccines to combat the virus, which regulators in countries worldwide subsequently approved for public use. Meanwhile, with the country still grappling with the effects of Covid-19 amid rising infection rates locally and worldwide, lawmakers unveiled another economic support package worth over ¥73.6 trillion (US\$700 billion). However, the authorities also declared, and later extended, another state of emergency covering Tokyo and other regions in January to curb contagion. Although the current measures are less stringent than the first state of emergency in 2020, they seem to be working. The number of infections appears to have plateaued, while the death toll remains relatively low compared with that of most other developed nations.

## Portfolio Activity

At the stock level, capping gains was Welcia Holdings. Its shares retreated after management issued conservative forecasts for the second half of its fiscal year. Investors also took profits after robust stock-price gains through most of 2020. Nonetheless, we believe the drugstore and dispensary operator will continue to benefit from healthy demand for hygiene products and daily necessities during the pandemic. Meanwhile, mobile network operator KDDI fell on fears over potential regulatory changes that may pressure phone tariffs as Prime Minister Suga promised to promote more competition among telcos to drive down prices. We still like the

company because of its domestic focus; it offers a range bundled services that have helped raise its average-revenue-per-account. It has also been able to deliver both earnings growth and shareholder return in a mature market. Elsewhere, Nitori Holdings retreated on profit-taking after a good share-price run up in 2020. We remain upbeat on the furniture retailer's prospects for 2021 as it looks to generate meaningful cost cuts by streamlining its operations, while sustaining sturdy growth in its online and brick-and-mortar stores. The company will also embark on the consolidation and restructuring of its acquired stores from home improvement retailer Shimachu, which could lead to improved profitability in the medium term.

Conversely, Shin-Etsu Chemical advanced on positive sentiment from rising polyvinyl chloride prices. The diversified specialty chemical maker's semiconductor silicon business was also boosted by robust sales of wafers used for memory and leading-edge logic semiconductors. Meanwhile, motion control systems provider Nabtesco gained on good demand for reduction gears, used in robots, due to rebounding industrial activity in its key market, China, and elsewhere. The fund also benefited from holding Amada. The machine tool maker's shares rose on better-than-expected September-quarter results due to its cost controls and improving end-demand from its main markets.

In key portfolio activity, we exited East Japan Railway on concerns that the pandemic will continue to suppress passenger volumes. We also sold retail conglomerate Seven & i Holdings, due to slow progress in the restructuring of its non-performing businesses, in spite of our continued engagement. Following that, we divested pharmaceutical company Shionogi amid concerns over its business outlook and potential for further growth. Finally, we exited our position in IT services company SCSK in light of better opportunities elsewhere.

We use the proceeds to invest in quality holdings which we believe will contribute to stable long-term shareholder returns. Notably, several of these companies tap into the all-encompassing digitalisation trend sped up by the pandemic, as more people work and play from home to avoid infection.

These include IT solutions provider NEC, which is well-positioned to benefit from the build-out of Japan's 5G network and the government's digitalisation efforts. In recent years, NEC has successfully transformed itself from a company reliant on hardware sales, to an IT service company that generates stable revenues from system-integration projects, with growth from supplying network hardware and operational services to telecommunications companies. The company is poised to expand its business abroad through a partnership with Samsung Electronics on 5G mobile network systems, as well as providing a lower-cost solution for telecommunications providers in the implementation of 5G.

Another was Murata Manufacturing, a global leader in the development of electronic components. Murata has the leading market share in a key component for electronic devices, called multilayer ceramic capacitors (MLCCs) used in printed circuit boards, which allows the company to benefit from the growing electrification of automobiles and the accelerating use of electronic devices. Murata is one of the few electronic component manufacturers in Japan to efficiently reinvest in its business and grow its margins, which has translated into the company's leading edge research and manufacturing capability. Our previous concerns centred on the negative impact from US restrictions on Huawei, but the company has worked to grow its business with other customers to offset that.

We also bought Tokyo Electron, the third-largest semiconductor equipment maker in the world. It has maintained its leading market share in key product segments through continued research and development and capital expenditure. It stands to benefit from rising investments in foundries that produce logic chips as well as those by memory makers used in data centre and 5G smartphone applications.

### Portfolio Outlook and Strategy

With Covid-19 vaccinations being rolled out across the globe, the bifurcation of the markets in the last year — a separation of the winners and losers of the pandemic — has started to reverse. But the extent of the pandemic suggests that some trends will be more entrenched. This is clear when we look across the Asia Pacific region: where economies have reopened, social and business activities have resumed, but some habits formed during shutdowns remain. Additionally, businesses that have delayed expansion plans are making up for lost time, resulting in a broad-based pick-up in corporate capital expenditures; there is pent-up demand not only from last year's business disruption, but also from geopolitical uncertainty the year before. This presents an attractive backdrop for improving fundamentals across Japanese corporations. We believe our portfolios are well-positioned to reflect these changes, and that valuations remain reasonable against the outlook for the companies held in our funds.

### Asia Pacific Equity Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	12,049	9,855	12,848	34,437
Closing number of shares	4,251,719	4,098,326	5,527,850	14,412,523
Closing net asset value per share (pence)	283.38	240.45	232.43	238.93
Change in net asset value per share	17.85%	3.45%	(2.72%)	4.59%
Operating charges	1.32%	1.32%	1.44%	1.62%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	53,734	44,982	61,105	93,898
Closing number of shares	17,294,011	17,101,036	24,141,348	36,286,413
Closing net asset value per share (pence)	310.71	263.04	253.11	258.77
Change in net asset value per share	18.12%	3.92%	(2.19%)	5.38%
Operating charges	0.87%	0.87%	0.87%	0.87%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	72	72	-	
Closing number of shares	54,797	64,362	100	
Closing net asset value per share (pence)	132.15	111.90	107.53	
Change in net asset value per share	18.10%	4.06%	-	
Operating charges	0.92%	0.92%	0.92%	
Z Accumulation shares <sup>B</sup>				31 July 2018
Closing net asset value (£'000)				1
Closing number of shares				368
Closing net asset value per share (pence)				284.89
Change in net asset value per share				6.18%
Operating charges				0.12%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> Z Accumulation share class closed on 20 September 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (99.42%)</b>		<b>62,794</b>	<b>95.35</b>
<b>Japanese Equities (99.42%)</b>		<b>62,794</b>	<b>95.35</b>
<b>Communication Services (7.70%)</b>		<b>1,773</b>	<b>2.69</b>
33,700	KDDI	720	1.09
232,800	Yahoo Japan	1,053	1.60
<b>Consumer Discretionary (19.66%)</b>		<b>12,429</b>	<b>18.87</b>
9,200	Denso Corporation	371	0.56
26,900	Koito Manufacturing	1,255	1.91
8,300	Nitori	1,200	1.82
1,600	Shimano	274	0.42
50,100	Sony	3,485	5.29
39,500	Stanley Electric	896	1.36
47,400	Toyota Motor	2,406	3.65
45,200	USS	647	0.98
9,400	Workman*	564	0.86
32,600	Yamaha	1,331	2.02
<b>Consumer Staples (5.97%)</b>		<b>3,583</b>	<b>5.44</b>
62,200	Asahi	1,821	2.77
11,100	Pigeon	364	0.55
14,000	Shiseido	660	1.00
29,800	Welcia	738	1.12
<b>Financials (8.09%)</b>		<b>5,859</b>	<b>8.90</b>
67,400	Japan Exchange Group	1,146	1.74
93,800	Tokio Marine	3,349	5.09
10,300	Tokyo Century	605	0.92
23,400	Zenkoku Hosho	759	1.15
<b>Health Care (14.42%)</b>		<b>8,494</b>	<b>12.90</b>
8,400	As One	895	1.36
38,400	Asahi Intecc	917	1.39
46,500	Astellas Pharmaceuticals	544	0.83



			Market Value £'000	Percentage of total net assets
Holding	Investment			
46,700	Chugai Pharmaceutical		1,772	2.69
61,700	Daiichi Sankyo		1,443	2.19
24,100	Hoya		2,243	3.41
8,000	Sysmex		680	1.03
<b>Industrials (19.41%)</b>			<b>13,272</b>	<b>20.15</b>
201,200	Amada		1,643	2.49
9,000	Daifuku		747	1.13
10,920	Daikin Industries		1,674	2.54
11,900	Fanuc		2,263	3.44
31,600	Makita		1,091	1.66
84,800	MISUMI		2,005	3.04
50,400	Nabtesco		1,641	2.49
7,600	Nihon M&A Center		321	0.49
59,900	Recruit		1,887	2.87
<b>Information Technology (11.60%)</b>			<b>9,947</b>	<b>15.10</b>
19,200	Advantest		1,106	1.68
7,528	Keyence		2,939	4.46
27,500	Murata Manufacturing		1,920	2.92
19,000	NEC		752	1.14
29,300	Otsuka		1,072	1.63
119,600	Renesas Electronics		998	1.51
4,200	Tokyo Electron		1,160	1.76
<b>Materials (10.81%)</b>			<b>6,206</b>	<b>9.43</b>
49,100	Kansai Paint		1,052	1.60
13,900	Nippon Paint		910	1.38
24,700	Shin-Etsu Chemical		3,121	4.74
80,200	Taiyo Nippon Sanso		1,123	1.71
<b>Real Estate (1.76%)</b>			<b>1,231</b>	<b>1.87</b>
300,400	Tokyu Fudosan		1,231	1.87

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.00%)</b>		<b>1</b>	<b>-</b>
1	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1	-
Total investment assets		62,795	95.35
Net other assets		3,060	4.65
<b>Total Net Assets</b>		<b>65,855</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\* A portion of this security is on loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		9,751		1,639
Revenue	464		581	
Expenses	(298)		(332)	
Net revenue before taxation	166		249	
Taxation	(47)		(43)	
Net revenue after taxation		119		206
<b>Total return before equalisation</b>		<b>9,870</b>		<b>1,845</b>
Equalisation on shares		6		(21)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>9,876</b>		<b>1,824</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>54,909</b>		<b>73,953</b>
Amounts receivable on the issue of shares	10,393		5,414	
Amounts payable on the cancellation of shares	(9,323)		(14,714)	
		1,070		(9,300)
Change in net assets attributable to shareholders from investment activities (see above)		9,876		1,824
<b>Closing net assets attributable to shareholders</b>		<b>65,855</b>		<b>66,477</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		62,795		54,592
<b>Current assets:</b>				
Debtors	2,940		140	
Cash and bank balances	479		298	
		3,419		438
<b>Total assets</b>		<b>66,214</b>		<b>55,030</b>
<b>Liabilities:</b>				
Creditors	(359)		(121)	
		(359)		(121)
<b>Total liabilities</b>		<b>(359)</b>		<b>(121)</b>
<b>Net assets attributable to shareholders</b>		<b>65,855</b>		<b>54,909</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 2.7% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

# ASI Latin American Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in Latin American equities (company shares).

**Performance Target:** To achieve the return of the MSCI EM Latin America 10/40 Net Total Return Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Latin American countries or companies that derive a significant proportion of their revenues or profits from Latin American operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI EM Latin America 10/40 Net Total Return Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Latin American Equity Fund – A Accumulation Shares increased by 9.49% compared to an increase of 6.94% in the performance target, the MSCI EM Latin America 10/40 Net Total Return Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

A rally in the fourth quarter of 2020 offset earlier losses and powered Latin American equities higher over the six months under review. At first, the Covid-19 pandemic continued to weigh on sentiment, with countries in the region struggling to bring down infection numbers. But news of several effective vaccines, coupled with their subsequent approval and rollout, fuelled a rebound. A weaker US dollar, Joe Biden's US presidential election victory and improving domestic economic outlooks supported sentiment as well.

Mexico was the best-performing market, amid healthier signals from sectors tied to US demand and hopes of more US fiscal stimulus. A bullish run across commodities, with oil, copper and iron ore prices all rising, boosted stocks in Colombia, Chile and Peru. Brazil was more subdued as investors retained concerns about the government's financial position and commitment to fiscal discipline. The central bank also dropped its pledge to keep interest rates lower for longer. Argentina was the sole market that retreated, due to the central bank's capital controls and reports of divisions within the government.

## Portfolio Activity

The fund outperformed its benchmark, chiefly driven by our stock picks in Brazil. Leading gains was our overall exposure to Vale, both directly and via its parent, Bradespar. Rising iron ore prices, on the back of steady Chinese demand, buoyed shares of the miner. Its decision to resume dividend payouts earlier than expected provided a further fillip. We think the restart of payouts reflected the company's confidence about its production outlook. Another key contributor was software company Linx, which outperformed on positive digitalisation trends stemming from the pandemic's disruptions. In addition, news of a merger proposal

from payments company Stone lifted its share-price as well. We exited our position in the company after the deal was approved. Meanwhile, not holding several laggard benchmark names, such as Lojas Americanas and B2W Digital, proved helpful too.

That said, several of our Brazilian holdings were among the weaker performers. One was rail logistics operator Rumo, which pulled back on poor volumes. We believe Rumo's long-term growth prospects remain supported by its competitive advantages and the sector's high barriers to entry, coupled with vast organic growth opportunities. Lender Banco Bradesco also lagged, hurt by still-muted economic data locally. That said, the leading Brazilian bank still has a good quality loan portfolio and is well-positioned to gain from growth in retail lending.

Outside Brazil, our position in regional e-commerce giant Mercado Libre bolstered fund returns as well. The stock benefited from the faster adoption of digital services during the pandemic and a positive outlook for online sales. It also posted stellar third-quarter results, with online sales more than doubling and fintech volumes rising by almost 200%. The company also gained approval from Brazilian authorities to operate as a financial institution there.

Several of the portfolio's core Mexican holdings also fared well and were among the top performers. A rosier macro outlook was positive for lender Banorte, while airport operator OMA rose as passenger traffic began to recover. However, our overall exposure to Mexico was negative, due to the lack of exposure to miner Grupo Mexico and cement company Cemex. Grupo Mexico tracked gains in metals prices, while fiscal stimulus and positive momentum in the construction segment boosted Cemex.

Elsewhere, the exposure to Chile was the biggest detractor from performance. Mall operator Parque Arauco suffered as continued social distancing measures in the country hampered its business.

In key portfolio changes, apart from Linx, mentioned above, we also sold Brazilian beer brewer Ambev and Chilean bottler Embotelladora Andina. These exits were done to fund higher-conviction positions and to manage our consumer staples exposure. Against these, we initiated Arco Platform, a leading provider of learnings systems for K12 schools in Brazil. It has a large addressable market, and was trading at an attractive valuation.

### Portfolio Outlook and Strategy

While the outlook for Latin America appears to be brightening, several major risks remain. There are concerns that the rollout of vaccines could run into delays, given the logistical challenges of such a massive programme. Meanwhile, regional governments must confront the need to gradually phase out support measures and correct fiscal imbalances. Politics may be another risk, with upcoming elections in Mexico and Peru and a constitutional referendum in Chile. That said, with congressional elections out of the way, there could be a window of opportunity for Brazil to resume its reform agenda. Nonetheless, the region is well-placed to benefit from an improving external backdrop, given its exposure to global trade and commodities. Furthermore, while companies continue to face difficulties, we are upbeat about prospects for corporate earnings to recover. Beyond the pandemic, Latin American companies are well-positioned to benefit in the long run from pandemic-induced changes or enduring structural shifts.

These trends include growing digital adoption, financial inclusion and growing demand for services. Our holdings' healthy balance sheets, steady cash flows and experienced management, should stand them in good stead.

**Global Emerging Markets Equity Team**

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	18,655	20,433	33,294	102,211
Closing number of shares	20,398,668	23,957,959	26,949,426	99,581,435
Closing net asset value per share (pence)	91.45	85.29	123.54	102.64
Change in net asset value per share	7.22%	(30.96%)	20.36%	(3.90%)
Operating charges	1.64%	1.64%	1.74%	1.99%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	73,946	71,720	103,053	86,087
Closing number of shares	75,000,055	78,179,826	77,895,363	78,754,626
Closing net asset value per share (pence)	98.59	91.74	132.30	109.31
Change in net asset value per share	7.47%	(30.66%)	21.03%	(3.16%)
Operating charges	1.19%	1.19%	1.19%	1.24%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	5	5	-	-
Closing number of shares	5,000	5,005	100	-
Closing net asset value per share (pence)	94.91	88.33	127.21	-
Change in net asset value per share	7.45%	(30.56%)	-	-
Operating charges	1.24%	1.24%	1.24%	-

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.



## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (98.78%)</b>		<b>92,145</b>	<b>99.50</b>
<b>Emerging Market Equities (77.08%)</b>		<b>71,019</b>	<b>76.69</b>
<b>Argentina (6.11%)</b>		<b>5,763</b>	<b>6.22</b>
19,195	Globant	2,692	2.91
2,374	MercadoLibre	3,071	3.31
<b>Brazil (61.19%)</b>		<b>55,580</b>	<b>60.02</b>
43,000	Arco Platform 'A'	992	1.07
142,040	Arezzo Industria e Comercio	1,336	1.44
610,744	B3 SA - Brasil Bolsa Balcao	4,868	5.26
2,277,090	Banco Bradesco	6,570	7.09
834,890	BK Brasil Operacao	1,069	1.15
375,007	Bradespar (Preference)	3,126	3.38
779,593	Itau Unibanco	2,685	2.90
1,276,405	Itaúsa (Preference)	1,806	1.95
263,962	Localiza	2,249	2.43
522,237	Lojas Renner	2,889	3.12
523,006	Multiplan	1,478	1.60
196,679	Notre Dame Intermedica	2,479	2.68
512,370	Odontoprev	969	1.05
180,336	Omega Geracao	961	1.04
1,402,695	Petrobras (Preference)	4,994	5.39
848,835	Raia Drogasil	2,819	3.04
1,292,970	Rumo	3,492	3.77
321,811	TOTVS	1,217	1.31
584,346	Vale ADR	6,877	7.43
127,968	WEG	1,430	1.54
40,183	XP	1,274	1.38
<b>Chile (7.76%)</b>		<b>7,887</b>	<b>8.52</b>
194,205	Banco Santander (Chile) ADR	2,855	3.08
165,279	Geopark	1,531	1.66
1,922,774	Parque Arauco	2,008	2.17
593,299	SACI Falabella	1,493	1.61

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Peru (2.02%)</b>		<b>1,789</b>	<b>1.93</b>
403,113	Aenza ADR	699	0.75
943,755	Cementos Pacasmayo	1,084	1.17
413,937	Fossal	6	0.01
<b>North America Equities (21.70%)</b>		<b>21,126</b>	<b>22.81</b>
<b>Bermuda (1.16%)</b>		<b>810</b>	<b>0.87</b>
141,086	Wilson Sons (BDR)	810	0.87
<b>Mexico (20.54%)</b>		<b>20,316</b>	<b>21.94</b>
837,307	Arca Continental	2,811	3.04
77,264	Fomento Economico Mexicano ADR	3,828	4.13
54,779	Grupo Aeroportuario del Centro Norte ADR	1,860	2.01
97,709	Grupo Aeroportuario del Sureste	1,130	1.22
1,060,013	Grupo Financiero Banorte	3,893	4.20
1,331,385	Hoteles City Express	278	0.30
585,447	Infraestructura Energetica Nova	1,576	1.70
391,586	Kimberly-Clark de Mexico	508	0.55
2,110,296	Wal-Mart de Mexico	4,432	4.79
Total investment assets		92,145	99.50
Net other assets		461	0.50
<b>Total Net Assets</b>		<b>92,606</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		6,181		(11,251)
Revenue	1,240		2,022	
Expenses	(601)		(807)	
Net revenue before taxation	639		1,215	
Taxation	(84)		(146)	
Net revenue after taxation		555		1,069
<b>Total return before equalisation</b>		<b>6,736</b>		<b>(10,182)</b>
Equalisation on shares		(11)		(30)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>6,725</b>		<b>(10,212)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>92,158</b>		<b>136,347</b>
Amounts receivable on the issue of shares	14,806		10,064	
Amounts payable on the cancellation of shares	(21,083)		(17,860)	
		(6,277)		(7,796)
Change in net assets attributable to shareholders from investment activities (see above)		6,725		(10,212)
<b>Closing net assets attributable to shareholders</b>		<b>92,606</b>		<b>118,339</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		92,145		91,034
<b>Current assets:</b>				
Debtors	886		479	
Cash and bank balances	739		833	
		1,625		1,312
Total assets		93,770		92,346
<b>Liabilities:</b>				
Creditors	(1,164)		(188)	
		(1,164)		(188)
Total liabilities		(1,164)		(188)
<b>Net assets attributable to shareholders</b>		<b>92,606</b>		<b>92,158</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 1.7% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

# ASI Multi-Asset Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in a globally diversified portfolio of assets.

**Performance Target:** To exceed the return of the following composite index: 40% FTSE All-Share Index, 25% MSCI World ex UK Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 5% FTSE Small Cap UK Index, 7.5% 7 DAY GBP LIBOR, 5% HFRI FOF Conservative Index, 2.5% FTSE All-Share Index-Equity Investment Instruments. The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of each index.

## Investment Policy

### Portfolio Securities

- The fund will invest in equities (company shares) and bonds (loans to companies and governments) issued anywhere and in any currency.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify the investments they believe are most appropriate for the fund's objective.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.
- The composite index is used as a reference point for portfolio construction and as a basis for setting risk constraints. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the composite Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, to reduce cost and/or generate additional income or consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Multi-Asset Fund - A Accumulation Shares increased by 8.71% compared to an increase of 9.18% in the performance target 40% FTSE All-Share Index, 25% MSCI World ex UK Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 5% FTSE Small Cap UK Index, 7.5% 7 DAY GBP LIBOR, 5% HFRI FOF Conservative Index, 2.5% FTSE All-Share Index-Equity Investment Instruments.

Source: Lipper, BPSS, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Global equities rose over the last six months. Shares in China, and those in other emerging markets, performed particularly well, with continued central bank support and easing lockdown restrictions supporting prices. Fears of a second wave dampened enthusiasm, but this was outweighed by the US presidential election, news of positive vaccine trials, the Brexit deal and a new proposed US\$1.9 trillion stimulus package by new President Biden.

UK equities performed well over the period, with smaller companies faring better compared to their blue-chip counterparts. Amid a second Covid-19 wave and continued uncertainty around Brexit, UK stocks initially moved sideways in the early part of the reporting period, before weakening towards the end of October. However, in November, the US presidential election and vaccine news lifted sentiment and spurred a strong rally. This was further bolstered by the Brexit trade deal, sending stocks even higher at the end of 2020. This momentum took a brief pause in January 2021, as most of the UK entered new lockdowns and fears of a return to recession loomed. To provide further economic relief, the government announced it would be extending its furlough scheme until the end of April 2021, even as unemployment crept up to 5.0%. The central bank also boosted its bond-buying scheme by a further £150 billion.

US equity markets were strong over the period, although the S&P 500 dipped slightly right at the end of the period. There were a few hiccups stemming from uncertainty surrounding the presidential election and further stimulus programmes, but the US stock market maintained a strong uptrend throughout the entire period. After the elections, coupled with positive vaccine news, markets rallied further. In December, despite daily coronavirus cases

continuing to tick upward, equities ended the year at new all-time highs, with Trump finally signing a new US\$900 billion stimulus package. President Biden subsequently proposed a new stimulus package worth US\$1.9 trillion in January.

European equities rose in aggregate over the review period. On one end, gloomy economic data, a spike in Covid-19 cases, lockdown fears and actual lockdowns in Germany, France, and Italy dragged down sentiment. On the other end, the result of the US presidential elections, positive vaccine news (including the roll out of vaccination programmes), a last-minute Brexit deal and President Biden's new proposed stimulus package all served to buoy markets. However, renewed lockdown measures at the beginning of 2021, in conjunction with mixed economic data, halted some of that upward momentum.

Japanese equities rose over the six months. The beginning of the period saw a strong performance by the markets, even as data showed a record second-quarter decline in economic growth. After a brief fall in October, sentiment lifted again on news of the US presidential election, successful vaccine trials, the approval of the US stimulus bill, plus an additional ¥73.6 trillion stimulus package in Japan. Markets dipped slightly in January as the government declared a state of emergency in Tokyo and other emergency hubs.

Asia Pacific stocks performed well over the review period, driven by a weaker US dollar as well as investor optimism stemming from positive vaccine news, the new US stimulus package and the result of the US presidential elections. China demonstrated notable strength, powered by consumer, technology and healthcare stocks.

Government bond yields largely rose over the period, as risk sentiment returned on news of the US presidential elections, vaccine news, the Brexit deal and the approval of large stimulus bills. In terms of monetary policy, the US Federal Reserve and European Central Bank kept rates unchanged over the period. Corporate bond markets benefited from this increased risk sentiment, with the high-yield market also showing good performance, as persistently low interest rates continued to drive the search for relative yield.

#### Portfolio Activity

The fund outperformed its comparator benchmark on a gross basis over the review period, with positive returns from equities, alternatives and high-yield bonds. Although returns from government bonds were negative, they still outperformed the benchmark.

In equities, stock selection within UK equities drove much of the fund's relative outperformance. In particular, positions in Pets at Home, Aveva, Genus and Fever-Tree contributed to positively, with all delivering better-than-expected resilient trading, despite the disruptions from Covid-19. Later in the period, key contributors included Prudential, Standard Chartered and Ashmore that all reversed some of their earlier weakness on hopes of an improving macroeconomic outlook.

Overseas equities also outperformed, albeit to a much lesser degree. The fund's overweight to Asia Pacific contributed the most to this outperformance, with allocations to China performing particularly well. Of particular note was the relative performance gained from limited exposure to Alibaba, which is embroiled in an anti-trust probe. Stock selection in North America helped

performance, particularly allocations to Citigroup and Emerson Electric. However, this was partially offset by the fund's stock selection in European equities, as our allocation to the European Enhanced Index Fund gave up some ground with overweight exposures to SAP and Swedish Match. Meanwhile, underweight allocations to Banco Santander also capped returns. Elsewhere, the overweight positioning in Japanese stocks modestly added to returns.

Moving to fixed income, the fund's lower bond allocation relative to the comparator benchmark helped overall performance, as fixed income delivered negative returns for the period. The resurgence in risk sentiment has been a boon for the equity market, but largely a negative for government bonds as investors shifted back into higher-risk assets. As a result, UK gilt yields have moved strongly upwards.

Finally, alternatives also significantly lifted performance. Our zero weighting to hedge funds meant we were not exposed to that sub-sector's negative returns. Both infrastructure and private equity also contributed positively. Infrastructure saw good contributions from social and renewable companies. Meanwhile, private equity valuations benefited from the improved risk sentiment. Absolute return also gained from various credit strategies, notably emerging market income, and from long US and short UK inflation positioning.

#### Portfolio Outlook and Strategy

Stock markets have enjoyed a strong rebound from the low point in March. Increasing optimism that recent Covid-19 vaccine approvals may help fuel a sharp economic recovery in 2021 led to the shift. Low interest rates are supportive for equities and continued fiscal action should provide extra support. Spikes in market volatility are likely, with the potential sources being Covid-19 infection news flow, vaccine development setbacks, weak corporate earnings or policy mistakes.

The coronavirus pandemic, economic factors and politics continue to dominate fixed income markets. The roll out of Covid-19 vaccination programmes was a major positive. But the emergence of new viral strains, and surging global infection rates and deaths, counteracted this to an extent. In response, many countries reimplemented stringent lockdowns comparable to earlier in 2020. On the political front, following two closely fought Senate elections in the state of Georgia, the Democrats now control both houses of Congress. Such an outcome gives US President Joe Biden more leeway to implement his legislative agenda.

#### Strategic Clients Solution Team

February 2021

### 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 risk and reward indicator changed from 4 to 5 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	85,058	77,896	83,659	82,398
Closing number of shares	26,823,769	26,777,736	28,148,434	29,444,655
Closing net asset value per share (pence)	317.10	290.90	297.21	279.84
Change in net asset value per share	9.01%	(2.12%)	6.21%	7.08%
Operating charges	1.35%	1.41%	1.49%	1.67%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,735	3,547	3,813	3,705
Closing number of shares	1,428,753	1,478,378	1,543,687	1,582,575
Closing net asset value per share (pence)	261.45	239.90	247.02	234.08
Change in net asset value per share	8.98%	(2.88%)	5.53%	5.89%
Operating charges	1.35%	1.41%	1.49%	1.67%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	53,125	49,789	49,298	46,678
Closing number of shares	15,233,817	15,598,089	15,184,487	15,353,987
Closing net asset value per share (pence)	348.73	319.20	324.65	304.01
Change in net asset value per share	9.25%	(1.68%)	6.79%	7.90%
Operating charges	0.90%	0.96%	0.93%	0.92%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	10,651	9,997	11,189	11,288
Closing number of shares	6,894,768	7,053,478	7,667,952	8,163,759
Closing net asset value per share (pence)	154.48	141.73	145.92	138.27
Change in net asset value per share	9.00%	(2.87%)	5.53%	5.91%
Operating charges	0.90%	0.96%	0.93%	0.92%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	301	276	-	
Closing number of shares	245,869	246,316	100	
Closing net asset value per share (pence)	122.24	111.92	113.75	
Change in net asset value per share	9.22%	(1.61%)	-	
Operating charges	0.95%	1.01%	0.98%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	915	915	100	
Closing net asset value per share (pence)	119.40	109.54	112.55	
Change in net asset value per share	9.00%	(2.67%)	-	
Operating charges	0.95%	1.01%	0.98%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

<sup>B</sup> M Income share class was launched on 28 November 2018.



## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (51.78%)</b>		<b>77,954</b>	<b>51.00</b>
<b>European Equities (3.02%)</b>		<b>3,710</b>	<b>2.43</b>
<b>Ireland (0.90%)</b>		<b>1,033</b>	<b>0.68</b>
40,430	Experian	1,033	0.68
<b>Netherlands (1.21%)</b>		<b>1,375</b>	<b>0.90</b>
16,432	Just Eat Takeaway.Com	1,375	0.90
<b>Switzerland (0.91%)</b>		<b>1,302</b>	<b>0.85</b>
60,230	Coca-Cola HBC	1,302	0.85
<b>UK Equities (48.76%)</b>		<b>74,244</b>	<b>48.57</b>
<b>Basic Materials (1.45%)</b>		<b>1,854</b>	<b>1.21</b>
29,499	Croda	1,854	1.21
<b>Consumer Goods (5.77%)</b>		<b>8,817</b>	<b>5.77</b>
317,526	Countryside Properties	1,369	0.90
91,150	Diageo <sup>++</sup>	2,688	1.76
49,640	Fever Tree Drinks <sup>++</sup>	1,211	0.79
47,330	Unilever	2,006	1.31
241,544	Watches of Switzerland	1,543	1.01
<b>Consumer Services (6.09%)</b>		<b>8,781</b>	<b>5.74</b>
298,140	Auto Trader	1,681	1.10
141,837	Euromoney Institutional Investor	1,352	0.88
415,110	Pets at Home	1,670	1.09
128,710	RELX	2,332	1.53
82,937	Rightmove	497	0.32
81,677	WH Smith	1,249	0.82

		Market Value £'000	Percentage of total net assets
Holding	Investment		
<b>Financials (21.30%)</b>		<b>31,793</b>	<b>20.80</b>
377,176	3i Infrastructure	1,124	0.74
636,178	Aberdeen Diversified Income and Growth Trust <sup>+</sup>	603	0.39
139,339	Aberdeen Private Equity Fund <sup>+</sup>	1	-
455,130	Ashmore	2,052	1.34
152,680	Close Brothers	2,151	1.41
1,165,360	Greencoat UK Wind	1,592	1.04
1,350,839	HICL Infrastructure	2,359	1.54
769	HIE Ventures	-	-
103,060	Intermediate Capital	1,751	1.15
401,370	John Laing	1,272	0.83
14,680	London Stock Exchange	1,275	0.83
262,300	Pantheon International	6,177	4.04
199,970	Prudential	2,344	1.53
1,240,886	Renewables Infrastructure Group	1,573	1.03
1,082,451	Sequoia Economic Infrastructure Income	1,169	0.77
373,520	Standard Chartered	1,658	1.09
469,695	Standard Life Private Equity Trust <sup>+</sup>	1,780	1.16
60,590	Standard Life UK Smaller Companies Trust <sup>+</sup>	353	0.23
804,089	Tritax Big Box REIT	1,482	0.97
112,298	Unite	1,077	0.71
<b>Health Care (7.44%)</b>		<b>11,103</b>	<b>7.26</b>
82,377	Abcam <sup>++</sup>	1,365	0.89
59,252	AstraZeneca	4,438	2.90
43,140	Dechra Pharmaceuticals	1,555	1.02
42,020	Genus	2,069	1.35
108,780	Smith & Nephew	1,676	1.10
<b>Industrials (4.19%)</b>		<b>7,303</b>	<b>4.79</b>
225,530	Bodycote	1,585	1.04
139,000	Electrocomponents	1,219	0.80
235,006	Marshalls	1,525	1.00
220,610	Rentokil	1,097	0.72
99,080	Weir	1,877	1.23

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Technology (1.72%)</b>		<b>3,451</b>	<b>2.25</b>
75,448	AVEVA	2,743	1.79
46,888	Softcat	708	0.46
<b>Telecommunications (0.80%)</b>		<b>1,142</b>	<b>0.75</b>
87,680	Telecom Plus	1,142	0.75
<b>Collective Investment Schemes (46.13%)</b>		<b>70,932</b>	<b>46.40</b>
822	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	822	0.54
1,764	Aberdeen Standard Liquidity Fund (Lux) - Ultra Short Duration Sterling Fund Z2 Acc <sup>+</sup>	239	0.16
98,847	Aberdeen Standard SICAV I - Emerging markets Local Currency Bond Z Acc <sup>+</sup>	745	0.49
936,942	Aberdeen Standard SICAV I - Japanese Equity Fund A Acc <sup>+</sup>	3,816	2.50
9,389	Aberdeen Standard SICAV I - Select Euro High Yield Bond Fund A Acc <sup>+</sup>	389	0.25
16,637,607	ASI (AAM) Sterling Government Bond Fund Z Acc <sup>+</sup>	20,431	13.36
8,963,089	ASI American Equity Enhanced Index Fund X Acc <sup>+</sup>	19,599	12.82
5,429,683	ASI American Equity Tracker Fund X Acc <sup>+</sup>	7,176	4.69
544,145	ASI Asia Pacific Equity Fund Z Acc <sup>+</sup>	2,542	1.66
597,436	ASI Europe ex UK Equity Fund Z Acc <sup>+</sup>	1,884	1.23
3,772,118	ASI European Equity Enhanced Index X Acc <sup>+</sup>	5,498	3.60
627,124	SLI Absolute Return Global Bond Strategies SICAV Z Acc <sup>+</sup>	7,791	5.10
<b>Derivatives (0.00%)</b>		<b>3</b>	<b>-</b>
<b>Futures (0.00%)</b>		<b>3</b>	<b>-</b>
10	Long FTSE 250 Index Future 19/03/2021	3	-
Total investment assets		148,889	97.40
Net other assets		3,982	2.60
<b>Total Net Assets</b>		<b>152,871</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>++</sup> AIM listed.

### Statement of total return

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		12,676		2,923
Revenue	1,005		1,235	
Expenses	(834)		(821)	
Net revenue before taxation	171		414	
Taxation	4		9	
Net revenue after taxation		175		423
<b>Total return before distributions</b>		<b>12,851</b>		<b>3,346</b>
Distributions		(175)		(423)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>12,676</b>		<b>2,923</b>

### Statement of change in net assets attributable to shareholders

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>141,506</b>		<b>147,959</b>
Amounts receivable on the issue of shares	3,133		6,989	
Amounts payable on the cancellation of shares	(4,591)		(7,625)	
		(1,458)		(636)
Change in net assets attributable to shareholders from investment activities (see above)		12,676		2,923
Retained distribution on accumulation shares		147		375
<b>Closing net assets attributable to shareholders</b>		<b>152,871</b>		<b>150,621</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		148,889		138,543
<b>Current assets:</b>				
Debtors	78		3,602	
Cash and bank balances	4,484		24	
		4,562		3,626
<b>Total assets</b>		<b>153,451</b>		<b>142,169</b>
<b>Liabilities:</b>				
Creditors	(553)		(378)	
Bank overdrafts	-		(184)	
Distribution payable	(27)		(101)	
		(580)		(663)
<b>Total liabilities</b>		<b>(580)</b>		<b>(663)</b>
<b>Net assets attributable to shareholders</b>		<b>152,871</b>		<b>141,506</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 0.9% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.0675	-	0.0675	0.5762
Group 2	-	0.0675	0.0675	0.5762
<b>A Income shares</b>				
Group 1	0.0555	-	0.0555	0.4790
Group 2	-	0.0555	0.0555	0.4790
<b>I Accumulation shares</b>				
Group 1	0.8402	-	0.8402	1.3660
Group 2	0.4306	0.4096	0.8402	1.3660
<b>I Income shares</b>				
Group 1	0.3731	-	0.3731	0.6136
Group 2	0.1796	0.1935	0.3731	0.6136
<b>M Accumulation shares</b>				
Group 1	0.2647	-	0.2647	0.3750
Group 2	0.2647	-	0.2647	0.3750
<b>M Income shares</b>				
Group 1	0.3114	-	0.3114	0.3551
Group 2	0.3114	-	0.3114	0.3551

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Sterling Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated bonds.

**Performance Target:** To achieve the return of the iBoxx Sterling Overall Index plus 1% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in Sterling denominated government, sub-sovereign and investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The fund has some flexibility to seek returns from currencies.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions. They make flexible allocations using bonds and derivatives.
- In seeking to achieve the performance target, the iBoxx Sterling Overall Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 3.50%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, to reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.

- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Sterling Bond Fund – A Accumulation Shares decreased by 1.40% compared to a decrease of 1.56% in the performance target, the iBoxx Sterling Overall Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

In the six months to the end of January, bond markets were driven by the coronavirus pandemic, monetary policy and geopolitical uncertainty.

Gilt prices were negative, as investors' risk appetites increased on the back of low rates and unprecedented monetary stimulus. Corporate bonds produced positive returns and outperformed gilts. A traditional risk on-period for investment-grade credit saw BBB-rated bonds outperforming single-A credit, financials outperforming non-financials and subordinated debt outperforming senior bonds.

The Bank of England (BoE) kept interest rates unchanged, but the prospect of negative rates was a driving factor for bonds throughout the period. The BoE introduced the idea that UK rates could go negative as early as the summer and the market started to price in rates cuts below zero. This sentiment grew in August but subsided when the BoE released a somewhat unenthusiastic assessment of negative rates. During the fourth quarter of 2020, the BoE increased its gilt purchases, but again chose not to introduce negative rates.

Brexit was also a major factor for gilts over the period. The UK and European leaders met several times over the summer months, but with little progress. Fishing rights, state aid and governance were persistent sticking points. And the highly controversial Internal Markets Bill, proposed by the Conservative government and passed in the House of Commons, looked to override some of the powers of the Withdrawal Agreement, was met with international condemnation.

The end of the year saw daunting back and forth headlines between the European Union (EU) and the UK, which moved gilt yields up and down. It was clear that neither side wanted a 'no-deal' outcome, but equally clear was that neither side was willing to concede on the main issues. However, just as investors started digesting the idea of a 'no-deal' Brexit, the UK and EU finally struck a trade deal on Christmas Eve. Gilt yields briefly rose after the announcement.

Covid-19 also continued to dominate internal headlines, with Wales and Scotland announcing new lockdown measures in October, and England followed close behind in November. However, November also saw the announcement of positive, long-awaited Covid-19 news, with Pfizer-BioNTech reporting promising vaccine trial results – Moderna and Oxford-AstraZeneca quickly followed suit. The start of the vaccination programme in the UK in December led to rising optimism about an economic rebound. However, after the discovery of a new strain and a steep escalation in Covid-19 case numbers, the government tightened up restrictions. This led to gilts rallying into year-end.

At the end of the period, optimism increased, driven by US politics and the roll out of Covid-19 vaccines in the UK, despite the UK being plunged back into complete lockdown in early January. In the US, Democrat Joe Biden won November's election and the Democrats won both Senate seats in January's Georgia runoff elections, giving the President control of both the Senate and Congress. In theory, this should give the Democrats greater flexibility and power in the coming years, starting with a Covid-19 fiscal package in the coming weeks. Hopes of further US stimulus saw yields rise globally, with curves steepening due to the reflation theme.

#### Portfolio Activity

Both asset allocation and security selection contributed positively to relative performance, as did yield curve positioning. Interest rate derivatives were the only significant detractor to relative fund returns.

Asset allocation in the real estate sector added value, especially exposure to UK-based housing associations, such as Notting Hill Housing Trust. Tier 1 bonds in Barclays and Lloyds Group also performed well during the period. Other positives included asset allocation among electric securities, including EDF. Elsewhere, the sectors most directly affected by the pandemic staged a recovery and bonds issued by IAG boosted the fund's performance.

Conversely, government-related positions detracted, including our holding in bonds of German state-owned development bank KfW. In terms of government debt, the Fund's UK gilt positions detracted, as yields rose during the period as a result of economic-recovery expectations.

Within the government bond portfolio, the fund entered the period with a similar country bias that was favoured throughout most of 2020. In particular, longs in dollar bloc government bond markets (US, Canada and Australia) relative to those in Europe and the UK.

During the third quarter of 2020, we adopted a relatively constructive view on government bonds and had a net long duration strategy. Our rationale for this bias within the fund was driven by concerns surrounding a potential second wave of Covid-19 infections, alongside expectations for continued accommodative monetary policy from major central banks.

Specifically, in gilts, we remained very tactical throughout the second half of 2020. The gilt market remained very range-bound throughout the period. This was due to the aggressive gilt-buying programme from the BoE and the rhetoric around negative rates, which acted as an anchor for front-end yields. As gilt yields moved lower, driven by Brexit headlines, we were happy to oppose the moves. Our view on Brexit was that a deal would be reached,

but only at the last minute. Therefore, any optimism in September and October, for example, was misplaced.

At the end of 2020, we established a curve steepener in the UK, which we added to in January. Our view is that the vaccine programme in the UK will enable the economy to get back to some form of normality in the second quarter. As a result, the BoE will start to reduce the pace of gilt purchases. We also see the supply programme in the UK as skewed towards the long end. Therefore, curves should steepen, in our opinion.

#### Portfolio Outlook and Strategy

The UK's vaccine programme has been a lot more competent than anybody could have expected. As a result, the opening of the economy may come sooner than forecast. Therefore, the BoE may step away from negative rates, and talk of reducing the speed of quantitative easing should result in slightly higher gilt yields and a steeper curve.

This optimism may remain in markets throughout the second quarter. As we get through summer, the fiscal support we have seen throughout the pandemic may be withdrawn and we will finally see what the result of the pandemic has been on the UK economy. Coupled with the pandemic, we have also had Brexit. The negative impacts of the wafer-thin trade deal will also become apparent.

In credit markets, investment-grade asset classes are still benefiting from strong investor flows, predominantly from income seeking and liability matching buyers. Central banks continue to influence these markets significantly and provide some support. A material back-up in government bond yields as economies recover remains a threat to the asset class, and valuations (in spread terms) are no longer that attractive. Positive technicals and improving fundamentals are dominating, for the time being.

#### Euro IG and Aggregate Team

February 2021



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	5,893	5,639	5,407	6,386
Closing number of shares	3,296,048	3,113,815	3,232,325	4,095,511
Closing net asset value per share (pence)	178.78	181.08	167.29	155.92
Change in net asset value per share	(1.27%)	8.24%	7.29%	0.19%
Operating charges	1.06%	1.06%	1.09%	1.13%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,855	1,946	2,403	3,000
Closing number of shares	1,375,008	1,422,523	1,893,300	2,517,484
Closing net asset value per share (pence)	134.89	136.76	126.93	119.15
Change in net asset value per share	(1.37%)	7.74%	6.53%	(0.52%)
Operating charges	1.06%	1.06%	1.09%	1.13%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	10,072	21,308	989	955
Closing number of shares	7,072,606	14,805,852	747,175	777,831
Closing net asset value per share (pence)	142.41	143.92	132.36	122.79
Change in net asset value per share	(1.05%)	8.73%	7.79%	0.69%
Operating charges	0.61%	0.61%	0.61%	0.63%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	86	90	62	57
Closing number of shares	66,359	68,674	50,657	50,422
Closing net asset value per share (pence)	129.25	131.04	121.61	114.14
Change in net asset value per share	(1.37%)	7.75%	6.54%	(0.52%)
Operating charges	0.61%	0.61%	0.61%	0.63%
K Accumulation shares <sup>A</sup>	31 July 2018			
Closing net asset value (£'000)	4,173			
Closing number of shares	3,904,515			
Closing net asset value per share (pence)	106.88			
Change in net asset value per share	0.84%			
Operating charges	0.48%			
L Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	22	776	974	950
Closing number of shares	18,937	675,057	922,392	970,800
Closing net asset value per share (pence)	113.76	114.90	105.57	97.84
Change in net asset value per share	(0.99%)	8.84%	7.90%	0.79%
Operating charges	0.51%	0.51%	0.51%	0.53%

L Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	20	20	19	18
Closing number of shares	18,495	18,495	18,495	19,600
Closing net asset value per share (pence)	107.60	109.09	101.24	95.02
Change in net asset value per share	(1.37%)	7.75%	6.55%	(0.51%)
Operating charges	0.51%	0.51%	0.51%	0.53%
M Accumulation shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	902	902	100	
Closing net asset value per share (pence)	119.21	120.40	110.27	
Change in net asset value per share	(0.99%)	9.19%	-	
Operating charges	0.66%	0.66%	0.66%	
M Income shares <sup>C</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	915	915	100	
Closing net asset value per share (pence)	115.63	117.24	108.42	
Change in net asset value per share	(1.37%)	8.14%	-	
Operating charges	0.66%	0.66%	0.66%	
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	132,600	137,109	138,273	134,620
Closing number of shares	64,315,119	65,972,451	72,703,533	76,682,248
Closing net asset value per share (pence)	206.17	207.83	190.19	175.56
Change in net asset value per share	(0.80%)	9.27%	8.33%	1.19%
Operating charges	0.11%	0.11%	0.11%	0.13%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> K Accumulation share class was closed on 11 March 2019.

<sup>B</sup> M Accumulation share class was launched on 28 November 2018.

<sup>C</sup> M Income share class was launched on 28 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (94.88%)</b>		<b>147,029</b>	<b>97.66</b>
<b>Euro Denominated Bonds (0.75%)</b>		<b>1,229</b>	<b>0.82</b>
<b>Corporate Bonds (0.75%)</b>		<b>1,229</b>	<b>0.82</b>
between 5 and 10 years to maturity			
100,000	American Tower 1.95% 2026	96	0.07
300,000	International Consolidated Airlines 1.5% 2027*	224	0.15
greater than 25 years to maturity			
270,000	Channel Link Enterprises Finance 2.706% fixed to floating 2050	244	0.16
Perpetual			
200,000	Telefonica 3.875% Perpetual	190	0.13
200,000	TOTAL 3.369% fixed to floating Perpetual	196	0.13
300,000	Volkswagen International 3.5% fixed to floating Perpetual	279	0.18
<b>Sterling Denominated Bonds (28.38%)</b>		<b>41,719</b>	<b>27.71</b>
<b>Corporate Bonds (28.38%)</b>		<b>41,719</b>	<b>27.71</b>
less than 5 years to maturity			
200,000	ABN Amro 1.375% 2025	206	0.14
100,000	AIG 5% 2023	109	0.07
300,000	Bank of America 2.3% 2025	322	0.21
150,000	Barclays 2.375% 2023	154	0.10
1,019,000	BNG Bank 1.625% 2025	1,085	0.72
500,000	BP 2.03% 2025	527	0.35
200,000	British American Tobacco 7.25% 2024	239	0.16
305,000	Commonwealth Bank of Australia 1.125% 2021	308	0.20
700,000	Dwr Cymru Financing 6.907% 2021	707	0.47
350,000	Enel 5.625% 2024	412	0.27
100,000	FirstGroup 8.75% 2021	101	0.07
200,000	General Motors Financial 2.25% 2024	206	0.14
400,000	Heathrow Finance 5.75% 2025	426	0.28
100,000	Heathrow Funding 7.125% 2024	114	0.08
400,000	HSBC 2.175% 2023	408	0.27
100,000	Intu (SGS) Finance 4.125% 2023	45	0.03
1,553,000	KFW 1.25% 2023	1,605	1.07
341,000	Lloyds Bank 7.625% 2025	430	0.29
173,000	Lloyds Banking 1.875% fixed to floating 2026	178	0.12
100,000	MPT Operating Partnership 2.55% 2023	102	0.07

		Market Value £'000	Percentage of total net assets
Holding	Investment		
200,000	NatWest 6.5% 2021	207	0.14
300,000	New York Life Global Funding 1.75% 2022	308	0.20
100,000	Phoenix 6.625% 2025	120	0.08
300,000	Scentre 2.375% 2022	305	0.20
100,000	Scottish Widows 5.5% 2023	110	0.07
143,000	Severn Trent 1.625% 2022	146	0.10
200,000	Southern Gas Networks 2.5% 2025	215	0.14
200,000	Southern Water 5% 2021	201	0.13
160,000	Stagecoach Group 4% 2025	170	0.11
170,000	Total Capital International 1.25% 2024	175	0.12
123,000	Volkswagen Financial Services 2.25% 2025	129	0.09
200,000	Westpac Banking 1% 2022	202	0.13
between 5 and 10 years to maturity			
60,000	America Movil 5.75% 2030	82	0.05
100,000	Assura Financing 1.5% 2030	103	0.07
279,000	Athene Global Funding 1.75% 2027	286	0.19
100,000	Barclays 1.7% fixed to floating 2026	103	0.07
276,000	Barclays 3% 2026	300	0.20
200,000	Barclays 3.25% 2027	221	0.15
368,000	Barclays 3.75% 3.75% fixed to floating 2030	400	0.27
100,000	BP 2.274% 2026	108	0.07
218,000	British American Tobacco 4% 2026	249	0.17
123,000	British Land 2.375% 2029	127	0.08
100,000	BUPA Finance 5% 2026	117	0.08
152,000	Citigroup 1.75% 2026	158	0.11
287,000	Citigroup 5.15% 2026	350	0.23
71,000	Comcast 5.5% 2029	97	0.06
170,000	CPUK 3.69% 2028	187	0.12
335,000	Credit Suisse 2.25% fixed to floating 2028	353	0.23
100,000	CRH 4.125% 2029	124	0.08
268,000	Danske Bank 2.25% fixed to floating 2028	278	0.18
518,000	Digital Stout 3.75% 2030	620	0.41
200,000	Fidelity National Information Services 2.25% 2029	214	0.14
150,000	Grainger 3% 2030	163	0.11
69,000	Hammerson 6% fixed to floating 2026	74	0.05
304,000	Hammerson 7.25% 2028	343	0.23
335,000	HSBC 2.256% 2026	353	0.23
200,000	Kraft Heinz Foods 4.125% 2027	222	0.15
285,000	London & Quadrant Housing Trust 2.625% 2028	314	0.21
103,000	MPT Operating Partnership 3.692% 2028	112	0.07
118,000	National Express 2.375% 2028	123	0.08

Holding	Investment	Market Value £'000	Percentage of total net assets
200,000	National Grid 1.375% 2026	207	0.14
500,000	National Grid 4% 2027	597	0.40
224,000	National Grid Electricity Transmission 1.125% 2028	227	0.15
125,000	NatWest 3.622% fixed to floating 2030	135	0.09
214,000	NewRiver REIT 3.5% 2028	192	0.13
285,000	Next 4.375% 2026	326	0.22
450,000	Northumbrian Water 1.625% 2026	470	0.31
241,000	Paragon 7.25% fixed to floating 2026	247	0.16
240,000	Rabobank 4.625% 2029	293	0.19
100,000	Saint-Gobain 4.625% 2029	128	0.08
100,000	Scentre Management 3.875% 2026	112	0.07
320,000	Smith (DS) 2.875% 2029	349	0.23
140,000	Trafford Centre 7.03% 2029	72	0.05
167,000	Unite Group 3.5% 2028	186	0.12
219,000	Verizon Communications 1.125% 2028	218	0.15
200,000	Virgin Media 5% 2027	210	0.14
200,000	Virgin Money 4% fixed to floating 2027	222	0.15
362,000	Welltower 4.8% 2028	440	0.29
200,000	Wessex Water Services Finance 1.5% 2029	205	0.14
100,000	Western Power 5.875% 2027	129	0.09
157,000	Westfield Stratford City Finance 1.642% 2026	158	0.11
between 10 and 15 years to maturity			
134,000	APT Pipelines 3.125% 2031	153	0.10
300,000	BNP Paribas 1.25% 2031	293	0.19
200,000	British American Tobacco 6% 2034	275	0.18
200,000	Broadgate Financing 5.098% 2035	215	0.14
400,000	EDF 5.875% fixed to floating 2031	569	0.38
224,000	Fiserv 3% 2031	255	0.17
300,000	Great Rolling Stock 6.5% 2031	318	0.21
54,000	Greene King FRN 2033	36	0.02
332,000	Lloyds Banking Group 2.707% 2035	344	0.23
129,000	National Grid Electricity Transmission 2.75% 2035	150	0.10
100,000	Northern Electric Finance 5.125% 2035	143	0.10
250,000	Northern Powergrid Yorkshire 4.375% 2032	328	0.22
100,000	Orange 3.25% 2032	119	0.08
160,000	Premiertel 6.175% 2032	167	0.11
120,000	Scotland Gas Networks 4.875% 2034	169	0.11
150,000	Segro 5.75% 2035	232	0.15
100,000	SP Transimission 2% 2031	108	0.07
120,000	Standard Chartered 5.125% 2034	151	0.10
100,000	Thames Water Utilities Cayman 2.625% 2032	110	0.07

			Market Value £'000	Percentage of total net assets
Holding	Investment			
50,000	Time Warner Cable 5.75% 2031		65	0.04
100,000	Total Capital International 1.405% 2031		103	0.07
100,000	Verizon Communications 2.5% 2031		110	0.07
100,000	Wells Fargo 4.875% 2035		134	0.09
between 15 and 25 years to maturity				
200,000	America Movil 4.375% 2041		274	0.18
155,000	Anheuser-Busch InBev 2.85% 2037		177	0.12
200,000	Aspire Defence 4.674% 2040 'A'		236	0.16
200,000	Aspire Defence 4.674% 2040 'B'		237	0.16
100,000	Aster Treasury 4.5% 2043		152	0.10
150,000	AT&T 7% 2040		249	0.17
100,000	Berkshire Hathaway Finance 2.375% 2039		115	0.08
100,000	BG Energy Capital 5% 2036		150	0.10
100,000	BHP Billiton 4.3% 2042		146	0.10
250,000	Cadent Finance 2.625% 2038		276	0.18
150,000	Circle Anglia 7.25% 2038		281	0.19
70,000	Citigroup 7.375% 2039		132	0.09
100,000	Comcast 1.875% 2036		105	0.07
135,000	Connect Plus 2.607% 2039		148	0.10
250,000	E.ON Finance 6.75% 2039		432	0.29
100,000	Eastern Power Networks 6.25% 2036		167	0.11
150,000	Enel 5.75% 2037		230	0.15
100,000	Eversholt 3.529% 2042		117	0.08
210,000	Eversholt Funding 2.742% 2040		224	0.15
120,000	General Electric 5.375% 2040		164	0.11
150,000	GlaxoSmithKline 5.25% 2042		247	0.16
150,000	HSBC 6% 2040		215	0.14
250,000	innogy Finance 6.125% 2039		412	0.27
100,000	LiveWest Treasury 2.25% 2043		110	0.07
190,000	Morhomes 3.4% 2038		218	0.14
200,000	Orbit Capital 3.5% 2045		258	0.17
100,000	Orsted 5.75% 2040		168	0.11
102,000	RSA Insurance 5.125% fixed to floating 2045		118	0.08
100,000	Severn Trent 4.875% 2042		155	0.10
200,000	Southern Electric 4.625% 2037		286	0.19
100,000	Southern Gas Networks 3.1% 2036		119	0.08
243,000	Southern Water Services Finance 3% 2037		274	0.18
100,000	TC Dudgeon Ofco 3.158% 2038		113	0.07
100,000	Tesco 5.6611% 2041		134	0.09
200,000	Tesco 5.8006% 2040		266	0.18
160,000	Tesco 7.6227% 2039		204	0.14

			Market Value £'000	Percentage of total net assets
Holding	Investment			
200,000	Thames Water 5.125% 2037		293	0.19
220,000	Transport for London 3.875% 2042		310	0.21
176,000	United Utilities Water Finance 1.875% 2042		184	0.12
200,000	UPP Bond 1 Issuer 4.9023% 2040		222	0.15
100,000	Western Power 5.75% 2040 'A'		163	0.11
100,000	Western Power 5.75% 2040 'B'		163	0.11
greater than 25 years to maturity				
100,000	American International 5.75% fixed to floating 2067		85	0.06
240,000	Annington Funding 3.935% 2047		314	0.21
100,000	Aviva 4% fixed to floating 2055		113	0.08
200,000	Aviva 5.125% 2050		240	0.16
200,000	Berkshire Hathaway Finance 2.625% 2059		256	0.17
100,000	Blend Funding 3.459% 2047		130	0.09
100,000	Cadent Finance 2.75% 2046		111	0.07
100,000	Channel Link 3.043% 2050		102	0.07
50,000	Dignity 4.6956% 2049		40	0.03
100,000	EDF 5.125% 2050		158	0.10
100,000	EDF 6% 2114		179	0.12
100,000	Engie 5% 2060		189	0.13
200,000	Gatwick 2.625% 2046		186	0.12
190,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058		174	0.12
70,000	LCR Finance 5.1% 2051		141	0.09
200,000	Notting Hill Housing Trust 4.375% 2054		302	0.20
100,000	Orange 5.375% 2050		172	0.11
100,000	Paragon 3.625% 2047		129	0.09
100,000	Paragon FRN 2050		82	0.05
100,000	Peabody Capital 3.25% 2048		128	0.09
250,000	Precise Mortgage Funding 2018-2B FRN 2055		133	0.09
100,000	Prudential 5% 2055		120	0.08
139,000	Prudential 5.625% 2051		167	0.11
400,000	SSE 3.625% 2077		411	0.27
100,000	University of Oxford 2.544% 2117		146	0.10
100,000	Vodafone 3% 2056		109	0.07
100,000	Wellcome Trust 2.517% 2118		146	0.10
100,000	WM Treasury 2 3.25% 2048		131	0.09
100,000	Wrekin Housing 2.5% 2048		116	0.08
Perpetual				
690,000	Aviva 6.125% fixed to floating Perpetual		736	0.49
200,000	AXA 5.453% fixed to floating Perpetual		231	0.15
200,000	AXA 6.6862% fixed to floating Perpetual		245	0.16



		Market Value £'000	Percentage of total net assets
Holding	Investment		
401,000	Barclays 6.375% fixed to floating Perpetual	433	0.29
122,000	BP Capital Markets 4.25% fixed to floating Perpetual	131	0.09
200,000	EDF 6% fixed to floating Perpetual	227	0.15
200,000	HSBC 5.875% Fixed to Floating Perpetual	219	0.15
100,000	National Express 4.25% fixed to floating Perpetual	103	0.07
200,000	Zurich 6.625% fixed to floating Perpetual	217	0.14
<b>Government Bonds (59.73%)</b>		<b>103,206</b>	<b>68.55</b>
less than 5 years to maturity			
236,000	International Bank for Reconstruction & Development 0.5% 2023	238	0.16
932,076	UK (Govt of) 0.5% 2022	940	0.62
2,124,000	UK (Govt of) 0.75% 2023	2,168	1.44
1,265,000	UK (Govt of) 1% 2024	1,309	0.87
2,265,000	UK (Govt of) 1.75% 2022	2,332	1.56
1,088,000	UK (Govt of) 2% 2025	1,190	0.79
3,060,033	UK (Govt of) 2.25% 2023	3,245	2.16
2,072,622	UK (Govt of) 2.75% 2024	2,283	1.52
2,045,000	UK (Govt of) 4% 2022	2,137	1.42
2,161,000	UK (Govt of) 5% 2025	2,609	1.73
between 5 and 10 years to maturity			
565,000	PRS Finance 2% 2029	621	0.41
1,427,679	UK (Govt of) 0.125% 2026	1,435	0.95
149,000	UK (Govt of) 0.125% 2028	149	0.10
7,669,000	UK (Govt of) 0.375% 2030	7,695	5.11
954,000	UK (Govt of) 0.875% 2029	1,004	0.67
4,353,000	UK (Govt of) 1.25% 2027	4,674	3.11
2,526,000	UK (Govt of) 1.5% 2026	2,731	1.81
2,518,441	UK (Govt of) 1.625% 2028	2,800	1.86
2,259,000	UK (Govt of) 4.25% 2027	2,898	1.92
9,671,000	UK (Govt of) 4.75% 2030	13,819	9.18
between 10 and 15 years to maturity			
928,000	UK (Govt of) 0.625% 2035	924	0.61
1,038,000	UK (Govt of) 4.25% 2032	1,477	0.98
between 15 and 25 years to maturity			
5,322,000	UK (Govt of) 1.25% 2041	5,748	3.82
1,850,551	UK (Govt of) 1.75% 2037	2,150	1.43
1,685,000	UK (Govt of) 3.25% 2044	2,525	1.68
41,000	UK (Govt of) 3.5% 2045	64	0.04

			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
	1,789,922	UK (Govt of) 4.25% 2036	2,723	1.81
	1,097,000	UK (Govt of) 4.25% 2039	1,765	1.17
	1,531,000	UK (Govt of) 4.25% 2040	2,507	1.66
	1,640,593	UK (Govt of) 4.5% 2042	2,847	1.89
	684,000	UK (Govt of) 4.75% 2038	1,149	0.76
greater than 25 years to maturity				
	150,000	European Investment Bank 4.625% fixed to floating 2054	299	0.20
	810,000	UK (Govt of) 0.5% 2061	725	0.48
	413,000	UK (Govt of) 0.625% 2050	384	0.26
	3,417,000	UK (Govt of) 0.875% 2046	3,407	2.26
	1,462,531	UK (Govt of) 1.5% 2047	1,676	1.11
	3,195,957	UK (Govt of) 1.625% 2054	3,901	2.59
	384,943	UK (Govt of) 1.625% 2071	534	0.36
	86,000	UK (Govt of) 1.75% 2049	105	0.07
	4,035,598	UK (Govt of) 1.75% 2057	5,202	3.46
	1,190,537	UK (Govt of) 2.5% 2065	1,948	1.29
	1,200,412	UK (Govt of) 3.5% 2068	2,491	1.65
	657,000	UK (Govt of) 4% 2060	1,356	0.90
	112,172	UK (Govt of) 4.25% 2049	209	0.14
	401,000	UK (Govt of) 4.25% 2055	813	0.54
<b>Swedish Krona Denominated Bonds (3.47%)</b>			-	-
<b>US Dollar Denominated Bonds (2.55%)</b>			875	0.58
<b>Corporate Bonds (0.65%)</b>			875	0.58
between 10 and 15 years to maturity				
	452,000	AT&T 2.75% 2031	344	0.23
	162,000	Charter Communications Operating 2.8% 2031	122	0.08
	238,000	Dresdner Funding Trust I 8.151% 2031	255	0.17
Perpetual				
	200,000	Credit Suisse 5.25% fixed to floating Perpetual	154	0.10
<b>Government Bonds (1.90%)</b>			-	-
<b>Derivatives (0.01%)</b>			71	0.05
<b>Forward Currency Contracts (0.08%)</b>			36	0.03
	Buy EUR 114,000 Sell GBP 101,318 10/03/2021		-	-
	Buy EUR 158,000 Sell GBP 140,731 10/03/2021		(1)	-

Holding	Investment	Market Value £'000	Percentage of total net assets
	Buy GBP 99,961 Sell AUD 181,000 10/03/2021	(1)	-
	Buy GBP 174,152 Sell AUD 312,000 10/03/2021	-	-
	Buy GBP 111,607 Sell CAD 194,000 10/03/2021	1	-
	Buy GBP 245,856 Sell EUR 272,000 10/03/2021	5	0.01
	Buy GBP 1,165,106 Sell EUR 1,289,000 10/03/2021	24	0.02
	Buy GBP 97,868 Sell USD 133,000 10/03/2021	1	-
	Buy GBP 163,398 Sell USD 223,000 10/03/2021	1	-
	Buy GBP 828,422 Sell USD 1,115,000 10/03/2021	16	0.01
	Buy GBP 982,962 Sell USD 1,323,000 10/03/2021	20	0.01
	Buy USD 41,000 Sell GBP 30,405 10/03/2021	(1)	-
	Buy USD 92,000 Sell GBP 67,863 10/03/2021	(1)	-
	Buy USD 108,000 Sell GBP 80,945 10/03/2021	(2)	-
	Buy USD 211,000 Sell GBP 155,217 10/03/2021	(2)	-
	Buy USD 1,007,000 Sell GBP 757,233 10/03/2021	(24)	(0.02)
<b>Futures (-0.07%)</b>		<b>35</b>	<b>0.02</b>
8	Long Long Gilt Future 29/03/2021	1	-
(64)	Short Australia 10 Year Bond Future 15/09/2020	19	0.01
(102)	Short US 10 Year Ultra Future 22/03/2021	15	0.01
Total investment assets and liabilities		147,100	97.71
Net other assets		3,450	2.29
<b>Total Net Assets</b>		<b>150,550</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* A portion of this security is on loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(2,406)		4,718
Revenue	1,010		1,155	
Expenses	(169)		(123)	
Interest payable and similar charges	(6)		(1)	
Net revenue before taxation	835		1,031	
Taxation	-		-	
Net revenue after taxation		835		1,031
<b>Total return before distributions</b>		<b>(1,571)</b>		<b>5,749</b>
Distributions		(835)		(1,031)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(2,406)</b>		<b>4,718</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>166,890</b>		<b>148,127</b>
Amounts receivable on the issue of shares	8,925		6,537	
Amounts payable on the cancellation of shares	(23,682)		(7,850)	
		(14,757)		(1,313)
Dilution adjustment		24		-
Change in net assets attributable to shareholders from investment activities (see above)		(2,406)		4,718
Retained distribution on accumulation shares		799		1,042
<b>Closing net assets attributable to shareholders</b>		<b>150,550</b>		<b>152,574</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		147,132		158,965
<b>Current assets:</b>				
Debtors	1,022		1,564	
Cash and bank balances	5,593		8,113	
		6,615		9,677
<b>Total assets</b>		<b>153,747</b>		<b>168,642</b>
<b>Liabilities:</b>				
Investment liabilities		(32)		(597)
Creditors	(3,163)		(1,150)	
Distribution payable	(2)		(5)	
		(3,165)		(1,155)
<b>Total liabilities</b>		<b>(3,197)</b>		<b>(1,752)</b>
<b>Net assets attributable to shareholders</b>		<b>150,550</b>		<b>166,890</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 4.1% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.1703	-	0.1703	0.4280
Group 2	0.0410	0.1293	0.1703	0.4280
<b>A Income shares</b>				
Group 1	0.1286	-	0.1286	0.3248
Group 2	0.0596	0.0690	0.1286	0.3248
<b>I Accumulation shares</b>				
Group 1	0.4592	-	0.4592	0.6426
Group 2	0.2584	0.2008	0.4592	0.6426
<b>I Income shares</b>				
Group 1	0.4181	-	0.4181	0.5909
Group 2	0.2074	0.2107	0.4181	0.5909
<b>L Accumulation shares</b>				
Group 1	0.4236	-	0.4236	0.5662
Group 2	0.2700	0.1536	0.4236	0.5662
<b>L Income shares</b>				
Group 1	0.4026	-	0.4026	0.5413
Group 2	0.4026	-	0.4026	0.5413
<b>M Accumulation shares</b>				
Group 1	0.4736	-	0.4736	0.4935
Group 2	0.4736	-	0.4736	0.4935
<b>M Income shares</b>				
Group 1	0.4730	-	0.4730	0.4992
Group 2	0.4730	-	0.4730	0.4992
<b>Z Accumulation shares</b>				
Group 1	1.1837	-	1.1837	1.4101
Group 2	0.5857	0.5980	1.1837	1.4101

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Sterling Inflation-Linked Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government inflation-linked bonds.

**Performance Target:** To achieve the return of the FTSE Actuaries UK Index Linked Gilts Over 5 years Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in inflation-linked government bonds issued or guaranteed by the UK Government.
- The fund may also invest in inflation-linked and non-inflation-linked investment grade corporate bonds and sub-sovereigns issued anywhere in the world. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the performance target, the FTSE Actuaries UK Index Linked Gilts Over 5 years Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Sterling Inflation-Linked Bond Fund – A Accumulation Shares decreased by 5.34% compared to a decrease of 5.15% in the performance target, the FTSE Actuaries UK Index Linked Gilts over 5 years Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

The latter half of 2020 and beginning of the new year have been characterised by a general theme of improving inflation valuations alongside the fluctuating volatility caused by ongoing Covid-19 developments. Following a sharp drop in inflation market pricing across the globe in March, there was a trend of retracement back to pre-pandemic levels, before developments around US politics and the emergence of seemingly effective vaccines have fuelled expectations of a marked increase in inflation as the global economy rebounds.

The UK market was somewhat more muted than other jurisdictions, however, as it has had its own idiosyncratic factors to deal with, in the shape of retail price index (RPI) reform and Brexit. This meant that pricing did not follow the reflationary theme seen elsewhere in late 2020, although there has been something of a recoupling to global moves in early 2021. Inflation prints themselves remained relatively subdued, although there was some enduring volatility as a result of intervention from the government through the 'eat out to help out' scheme and VAT cuts, while categories such as air travel and clothing saw marked falls.

The RPI reform consultation saga finally came to an end in late November, after being delayed by the pandemic. Having sold off in the period between the announcement and publishing of the response, the market had largely priced in the realised outcome – that RPI would be aligned with CPI plus owner occupier's housing costs from February 2030, with no compensation for bondholders. Real yields then stabilised somewhat due to the removal of uncertainty.

Brexit headlines continued to jostle for attention as negotiations intensified into the end of the year, and the inflation market was buffeted by the changing sentiment around the prospects for a deal. Talks ultimately concluded with a 'skinny' deal as the two sides came together and signed the agreement on Christmas Eve. UK inflation pricing fell as the deal became increasingly likely, as some of the 'Brexit premium' was removed.

Meanwhile, the response of policymakers in all of the major developed economies has lent support to markets, as valuations in various asset classes have been supported by the direct intervention of central banks and the expansionary fiscal policy enacted by governments to alleviate the economic impact and aid the recovery.

This was the driving factor behind the continuing recovery in inflation pricing in the US and Europe in the first half of the period, before the outcome of the US elections, the agreement of the EU Recovery Fund and the emergence of multiple vaccines. This has led to the 'reflation' theme dominating markets and has boosted inflation valuations significantly. Despite the need to reimpose the harshest economic restrictions in Europe and the UK, the boost to sentiment has continued to support markets. The Democratic 'clean sweep', achieved following the run-off elections in Georgia at the start of January, has led to an expectation of further substantial fiscal support from the Biden administration, which many believe will help bolster a resurgence in demand when restrictions are lifted.

While the short-term outlook for many remains one of limited social and economic freedoms, markets have certainly sought to price a brighter longer-term view.

#### Portfolio Activity

The fund returned -4.98% over the review period, outperforming the benchmark return of -5.15%.

The fund has maintained a general overweight duration bias over the period, primarily through real yields in both the US and Germany, against a tendency to be underweight UK real yields. This overweight position has benefitted from the continued outperformance of inflation-linked assets as markets began to price in an economic recovery from the pandemic, aided by extremely accommodative fiscal and monetary policy.

The announcement of a Brexit deal was positive for our short position in UK inflation breakevens, which we maintain as we believe market pricing continues to be excessive, given where inflation prints are realising. Despite the aforementioned Brexit deal, the significant changes in the trading relationship with Europe will likely weigh on growth over the medium-term, which should further support our positioning.

We removed our underweight position in UK real yields in the days prior to the Treasury's announcement of its response to the RPI reform consultation – we felt real yields might rally in the aftermath as the uncertainty was lifted. This added to performance over the period. We remain broadly neutral in UK real yields at present, as we think there could be a period of more normal market functioning as supply resumes and structural buyers return.

Our US positions added to performance over the period. Our long position in 10-year US Treasury inflation-protected securities (TIPS) performed strongly, as the reflation narrative led real yields lower. We also entered a long position in 30-year breakevens, which we took profit on in the aftermath of the November election results. We switched our 10-year TIPS into 30-year securities in December, given how flat the breakeven curve had become. Meanwhile, it also provided some duration protection in case the optimistic tone faltered.

We continued to hold an overweight position in German duration over the period, through a combination of both nominal and real yields, with the recovery in inflation pricing seeing the real yields perform well. We switched this longer-dated real yield exposure into nominals near the end of the period, as we sought to maintain some duration protection. Meanwhile, this better reflected our less favourable view on the longer-term inflation prospects for the Eurozone.

We added a long position in Australian 10-year breakevens near the end of January, as we think that they offer value compared to

other markets should the reflation narrative continue. They have lagged the move in the US and have a high correlation to global inflation market moves, so should catch up if the positive sentiment is maintained.

From a curve perspective, the fund held numerous positions throughout the period, primarily holding a flattening bias in UK real yields. Overall, these positions detracted slightly from performance.

The fund continues to hold various relative-value trades, hoping to take advantage of perceived pricing anomalies between various bonds, taking into account liquidity and supply and demand dynamics.

#### Portfolio Outlook and Strategy

As is the case elsewhere, the main focus for UK markets will be on the progress made to get economic activity back to normal – or as close to normal – now that some prominent idiosyncratic issues have been dealt with. Attention will also start to shift to fiscal plans, with the budget due in March, along with any signs that the BoE might alter policy. Discussions around the use of negative rates are ongoing, although we think this is less likely to occur if the situation around the virus continues to improve. With supply in UK real yields expected to pick up now that the RPI consultation has concluded, we will closely monitor the market reaction to new issues. We maintain our short position in UK inflation, which we believe remains excessively high given the likely path of future inflation prints.

Following the election victory for the Democrats in Georgia, the reflation narrative has been given further support, something which can be seen in both market pricing and asset flows into TIPS. As we move further into the year, inflation prints will likely become noisy, and base effects could see CPI rise above 3% in the second quarter. While this spike is expected to be temporary, markets will be watching closely for any signs of greater persistence. With Chairman Jerome Powell having been particularly vocal about the Federal Reserve's (Fed) willingness to look through any transient spike in inflation, markets will watch carefully for any wavering of that message. However, at present, the extremely accommodative policy stance looks set to remain for some time. The rest of the year will likely be dominated by the progress of vaccination programmes and how new strains impact the path out of economic restrictions. Meanwhile, the size of the next fiscal stimulus package will also be important for the path of GDP growth and inflation pricing.

The beginning of the year in Europe has seen a return to the strictest lockdown measures in many countries, while ongoing tensions around the vaccine process has caused some friction between member states. Political instability in Italy appears to have been addressed, but the fragile nature of any alliances formed will risk further volatility in the coming months. Having increased the size of quantitative-easing purchases in December, the European Central Bank looks set to follow the Fed and other central banks in maintaining a loose monetary policy setting. Given the nature of inflation pricing on the continent, some have argued that European inflation could be set to play catch up, with the scale of moves seen elsewhere. We remain sceptical of this over the longer term, as we do not believe that the structural factors that have held down inflation have been substantially altered. We have recently moved our duration exposure from real yields into nominals, to better reflect this longer-term view on the outlook for European inflation.

#### Inflation Team

February 2021



### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,409	1,640	1,280	8,563
Closing number of shares	508,341	559,896	471,542	3,531,177
Closing net asset value per share (pence)	277.11	292.95	271.47	242.49
Change in net asset value per share	(5.41%)	7.91%	11.95%	3.29%
Operating charges	0.95%	0.95%	0.97%	1.12%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	382	404	376	446
Closing number of shares	171,160	171,355	171,407	226,672
Closing net asset value per share (pence)	223.12	235.97	219.48	196.68
Change in net asset value per share	(5.45%)	7.51%	11.59%	2.95%
Operating charges	0.95%	0.95%	0.97%	1.12%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	5,487	5,411	5,297	4,794
Closing number of shares	2,247,316	2,100,916	2,229,143	2,274,426
Closing net asset value per share (pence)	244.16	257.57	237.61	210.79
Change in net asset value per share	(5.21%)	8.40%	12.72%	3.81%
Operating charges	0.50%	0.50%	0.50%	0.62%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,078	1,168	1,046	860
Closing number of shares	670,646	686,973	661,316	605,437
Closing net asset value per share (pence)	160.76	170.03	158.13	142.04
Change in net asset value per share	(5.45%)	7.53%	11.33%	2.94%
Operating charges	0.50%	0.50%	0.50%	0.62%
K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	25	3,023	2,723	2,501
Closing number of shares	17,427	2,006,271	1,960,450	2,022,397
Closing net asset value per share (pence)	142.86	150.65	138.90	123.69
Change in net asset value per share	(5.17%)	8.46%	12.30%	3.96%
Operating charges	0.45%	0.45%	0.45%	0.47%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	906	906	100	
Closing net asset value per share (pence)	118.38	124.82	115.08	
Change in net asset value per share	(5.16%)	8.46%	-	
Operating charges	0.55%	0.55%	0.55%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	909	909	100	
Closing net asset value per share (pence)	116.83	123.56	114.64	
Change in net asset value per share	(5.45%)	7.78%	-	
Operating charges	0.55%	0.55%	0.55%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	31,903	30,540	86,670	69,912
Closing number of shares	9,985,234	9,080,284	28,046,276	25,494,801
Closing net asset value per share (pence)	319.50	336.33	309.03	274.22
Change in net asset value per share	(5.00%)	8.83%	12.69%	4.31%
Operating charges	0.10%	0.10%	0.10%	0.12%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

<sup>B</sup> M Income share class was launched on 28 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (98.66%)</b>		<b>40,041</b>	<b>99.39</b>
<b>Australian Dollar Denominated Bonds (0.00%)</b>		<b>1,385</b>	<b>3.44</b>
<b>Government Bonds (0.00%)</b>		<b>1,385</b>	<b>3.44</b>
between 5 and 10 years to maturity			
1,544,000	Australia (Commonwealth of) 2.5% Index-Linked 2030	1,385	3.44
<b>Euro Denominated Bonds (0.43%)</b>		<b>-</b>	<b>-</b>
<b>Government Bonds (0.43%)</b>		<b>-</b>	<b>-</b>
<b>Sterling Denominated Bonds (95.66%)</b>		<b>38,379</b>	<b>95.26</b>
<b>Government Bonds (95.66%)</b>		<b>38,379</b>	<b>95.26</b>
between 5 and 10 years to maturity			
651,000	UK (Govt of) 0.125% Index-Linked 2028	864	2.15
864,000	UK (Govt of) 0.125% Index-Linked 2029	1,368	3.40
486,000	UK (Govt of) 1.25% 2027	522	1.30
656,000	UK (Govt of) 1.25% Index-Linked 2027	1,314	3.26
9,000	UK (Govt of) 4.125% Index-Linked 2030	34	0.08
between 10 and 15 years to maturity			
333,033	UK (Govt of) 0.75% Index-Linked 2034	650	1.61
992,000	UK (Govt of) 1.25% Index-Linked 2032	2,107	5.23
504,000	UK (Govt of) 2% Index-Linked 2035	1,508	3.74
between 15 and 25 years to maturity			
824,000	UK (Govt of) 0.125% Index-Linked 2036	1,428	3.55
642,000	UK (Govt of) 0.125% Index-Linked 2041	1,120	2.78
895,000	UK (Govt of) 0.125% Index-Linked 2044	1,874	4.65
1,128,757	UK (Govt of) 0.625% Index-Linked 2040	2,677	6.65
744,940	UK (Govt of) 0.625% Index-Linked 2042	1,900	4.72
756,752	UK (Govt of) 1.125% Index-Linked 2037	1,966	4.88
greater than 25 years to maturity			
793,000	UK (Govt of) 0.125% Index-Linked 2046	1,613	4.00
1,117,543	UK (Govt of) 0.125% Index-Linked 2048	2,231	5.54
366,000	UK (Govt of) 0.125% Index-Linked 2056	879	2.18
691,000	UK (Govt of) 0.125% Index-Linked 2058	1,753	4.35
287,000	UK (Govt of) 0.125% Index-Linked 2065	838	2.08
809,991	UK (Govt of) 0.125% Index-Linked 2068	2,655	6.59
658,831	UK (Govt of) 0.25% Index-Linked 2052	1,636	4.06

Holding	Investment	Market Value £'000	Percentage of total net assets
700,131	UK (Govt of) 0.375% Index-Linked 2062	2,209	5.48
686,000	UK (Govt of) 0.5% Index-Linked 2050	1,956	4.85
264,000	UK (Govt of) 0.75% Index-Linked 2047	778	1.93
602,945	UK (Govt of) 1.25% Index-Linked 2055	2,499	6.20
<b>US Dollar Denominated Bonds (2.57%)</b>		<b>277</b>	<b>0.69</b>
<b>Government Bonds (2.57%)</b>		<b>277</b>	<b>0.69</b>
greater than 25 years to maturity			
324,000	US Treasury 0.25% Index-Linked 2050	277	0.69
<b>Derivatives (0.16%)</b>		<b>32</b>	<b>0.08</b>
<b>Forward Currency Contracts (0.11%)</b>		<b>13</b>	<b>0.03</b>
	Buy AUD 2,490,140 Sell GBP 1,390,109 03/02/2021	1	-
	Buy EUR 208,000 Sell GBP 185,224 10/03/2021	(1)	-
	Buy GBP 1,390,077 Sell AUD 2,490,000 10/03/2021	(1)	-
	Buy GBP 243,144 Sell EUR 269,000 10/03/2021	5	0.01
	Buy GBP 624,103 Sell USD 840,000 10/03/2021	13	0.03
	Buy USD 509,000 Sell GBP 374,275 10/03/2021	(4)	(0.01)
<b>Futures (0.02%)</b>		<b>(1)</b>	<b>-</b>
4	Long Euro Bond Future 08/03/2021	2	0.01
1	Long Euro Buxl 30 Year Future 08/03/2021	-	-
(19)	Short Australia 10 Year Bond Future 15/03/2021	(3)	(0.01)
<b>Inflation Swaps (0.03%)</b>		<b>20</b>	<b>0.05</b>
GBP 1,809,000	Pay floating UKRPI receive fixed 3.32000% 15/06/2025	20	0.05
Total investment assets and liabilities		40,073	99.47
Net other assets		213	0.53
<b>Total Net Assets</b>		<b>40,286</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		(2,342)		(3,115)
Revenue	213		608	
Expenses	(46)		(65)	
Interest payable and similar charges	(1)		-	
Net revenue before taxation	166		543	
Taxation	-		-	
Net revenue after taxation		166		543
<b>Total return before distributions</b>		<b>(2,176)</b>		<b>(2,572)</b>
Distributions		(166)		(543)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(2,342)</b>		<b>(3,115)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>42,188</b>		<b>97,392</b>
Amounts receivable on the issue of shares	5,393		4,234	
Amounts payable on the cancellation of shares	(5,125)		(54,235)	
		268		(50,001)
Dilution adjustment		6		3
Change in net assets attributable to shareholders from investment activities (see above)		(2,342)		(3,115)
Retained distribution on accumulation shares		166		280
<b>Closing net assets attributable to shareholders</b>		<b>40,286</b>		<b>44,559</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

**Balance sheet**

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		40,082		41,690
<b>Current assets:</b>				
Debtors	1,101		32	
Cash and bank balances	733		491	
		1,834		523
<b>Total assets</b>		<b>41,916</b>		<b>42,213</b>
<b>Liabilities:</b>				
Investment liabilities		(9)		(1)
Creditors	(1,618)		(20)	
Distribution payable	(3)		(4)	
		(1,621)		(24)
<b>Total liabilities</b>		<b>(1,630)</b>		<b>(25)</b>
<b>Net assets attributable to shareholders</b>		<b>40,286</b>		<b>42,188</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 3.2% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.1071	-	0.1071	0.7254
Group 2	0.1071	-	0.1071	0.7254
<b>A Income shares</b>				
Group 1	0.0861	-	0.0861	0.5862
Group 2	0.0549	0.0312	0.0861	0.5862
<b>I Accumulation shares</b>				
Group 1	0.6572	-	0.6572	1.1696
Group 2	0.3030	0.3542	0.6572	1.1696
<b>I Income shares</b>				
Group 1	0.4338	-	0.4338	0.7784
Group 2	0.2792	0.1546	0.4338	0.7784
<b>K Accumulation shares</b>				
Group 1	0.4300	-	0.4300	0.7185
Group 2	0.4300	-	0.4300	0.7185
<b>M Accumulation shares</b>				
Group 1	0.3632	-	0.3632	0.2969
Group 2	0.3632	-	0.3632	0.2969
<b>M Income shares</b>				
Group 1	0.3630	-	0.3630	0.2948
Group 2	0.3630	-	0.3630	0.2948
<b>Z Accumulation shares</b>				
Group 1	1.5131	-	1.5131	2.1410
Group 2	0.5299	0.9832	1.5131	2.1410

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.



# ASI Sterling Long Dated Government Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government bonds with a maturity of 10 years or longer.

**Performance Target:** To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Over 15 Years Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government with a maturity of ten years or longer.
- The fund may also invest in investment grade bonds of any maturity, issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts All Stocks Over 15 Years Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.70%. Due to the active nature of the management process the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Sterling Long Dated Government Bond Fund - A Accumulation Shares decreased by 5.17% compared to a decrease of 4.87% in the performance target, the FTSE Actuaries UK Conventional Gilts All Stocks Over 15 Years Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

In the six months to the end of January, the UK gilt market was driven by the pandemic, monetary policy and geopolitical uncertainty. Gilt yields stayed mostly range-bound up until January. In the new year, the US election results coupled with the roll-out of various Covid-19 vaccines saw increased optimism and global yields started to rise.

The Bank of England (BoE) kept interest rates unchanged throughout. The prospect of negative rates kept front end yields anchored and the aggressive gilt-buying programme kept gilt yields mostly range-bound. The BoE introduced the idea that UK rates could go negative in the summer as such the market started to price in rates below zero. This sentiment grew in August but subsided when the BoE released a somewhat unenthusiastic assessment of negative rates. During the fourth quarter of 2020, the BoE extended its QE gilt buying programme, but again chose not to introduce negative rates. In February, the BoE will release their internal assessment on negative rates and as such whether they will officially become part of their monetary policy toolbox.

Brexit was also a major factor for gilts over the period. The UK and European leaders met several times over the summer months, but with little progress. Fishing rights, state aid and governance were persistent sticking points. And the highly controversial Internal Markets Bill, proposed by the Conservative government and passed in the House of Commons, looked to override some of the powers of the Withdrawal Agreement, was met with international condemnation.

The end of the year saw daunting back and forth headlines between the European Union (EU) and the UK, which moved gilt yields up and down. It was clear that neither side wanted a 'no-deal' outcome, but equally clear was that neither side was willing to concede on the main issues. However, just as investors started digesting the idea of a 'no-deal' Brexit, the UK and EU finally struck a trade deal on Christmas Eve. Gilt yields briefly rose after the announcement.

Covid-19 also continued to dominate internal headlines, with Wales and Scotland announcing new lockdown measures in October, and England followed close behind in November. However, November also saw the announcement of positive, long-awaited Covid-19 news, with Pfizer-BioNTech reporting promising vaccine trial results – Moderna and Oxford-AstraZeneca quickly followed

suit. The start of the vaccination programme in the UK in December led to rising optimism about an economic rebound, with gilt yields spiking as a result. However, after the discovery of a new strain and a steep escalation in Covid-19 case numbers, the government tightened up restrictions. This led to gilts rallying into year-end.

At the end of the period, optimism increased, driven by US politics and the roll out of Covid-19 vaccines in the UK, despite the UK being plunged back into complete lockdown in early January. In the US, Democrat Joe Biden won November's election and the Democrats won both Senate seats in January's Georgia run-off elections, giving the President control of both the Senate and Congress. In theory, this should give the Democrats greater flexibility and power in the coming years, starting with a Covid-19 fiscal package in the coming weeks. Hopes of further US stimulus saw yields rise globally, with curves steepening due to the reflation theme.

#### Portfolio Activity

Broadly speaking, the fund entered the period with a similar country bias that we have favoured throughout most of 2020. In particular, longs in dollar bloc government bond markets (US, Canada and Australia) relative to those in Europe and the UK.

During the third quarter of 2020, we adopted a relatively constructive view on government bonds and had a net long duration strategy. Our rationale for this bias within the fund was driven by concerns surrounding a potential second wave of Covid-19 infections, alongside expectations for continued accommodative monetary policy from major central banks.

As we approached the fourth quarter, we faced a number of challenges to this bullish government bond environment. In particular, the potential for a new Democrat-led administration in the US, delivery of an effective Covid-19 vaccine and a positive conclusion to Brexit negotiations.

With these risks at the forefront of our minds, and cognisant of a distinct loss of momentum in the government bond rally, we took the decision to gradually reduce the beta of the fund. Initially, we adopted a greater number of diversifying strategies and later scaled back our overweight duration position to neutral as we entered 2021.

Specifically, in gilts, we remained very tactical throughout the second half of 2020. The gilt market remained very range-bound throughout the period. This was due to the aggressive gilt-buying programme from the BoE and the rhetoric around negative rates, which acted as an anchor for front-end yields. As gilt yields moved lower, driven by Brexit headlines, we were happy to oppose the moves. Our view on Brexit was that a deal would be reached, but only at the last minute. Therefore, any optimism in September and October, for example, was misplaced.

At the end of 2020, we established a curve steepener in the UK, which we added to in January. Our view is that the vaccine programme in the UK will enable the economy to get back to some form of normality in the second quarter. As a result, the BoE will start to reduce the pace of gilt purchases. We also see the supply programme in the UK as skewed towards the long end. Therefore, curves should steepen, in our opinion.

#### Portfolio Outlook and Strategy

The UK's vaccine programme has been a lot more competent than anybody could have expected. As a result, we believe the opening of the economy will come sooner than forecast. Therefore, we see the BoE stepping away from negative rates, and talk of reducing the speed of quantitative easing will result in slightly higher gilt yields and a steeper curve.

This optimism may remain in markets throughout the second quarter. As we get through summer, the fiscal support we have seen throughout the pandemic will be withdrawn and we will finally see what the result of the pandemic has been on the UK economy. Coupled with the pandemic, we have also had Brexit. The negative impacts of the wafer-thin trade deal will also become apparent.

#### Pan Euro Macro Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	32	46	37	11
Closing number of shares	24,210	32,402	30,248	10,100
Closing net asset value per share (pence)	134.08	141.21	121.80	109.73
Change in net asset value per share	(5.05%)	15.94%	11.00%	2.60%
Operating charges	0.95%	0.95%	0.95%	1.12%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	9,437	10,326	4,471	2,379
Closing number of shares	2,585,090	2,691,929	1,357,339	805,387
Closing net asset value per share (pence)	365.04	383.60	329.38	295.36
Change in net asset value per share	(4.84%)	16.46%	11.52%	3.14%
Operating charges	0.50%	0.50%	0.50%	0.62%
K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,334	3,598	3,164	2,449
Closing number of shares	361,244	927,531	950,582	820,189
Closing net asset value per share (pence)	369.25	387.91	332.91	298.55
Change in net asset value per share	(4.81%)	16.52%	11.51%	3.28%
Operating charges	0.45%	0.45%	0.45%	0.48%
K Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	770	510	329	269
Closing number of shares	644,125	405,549	302,091	271,800
Closing net asset value per share (pence)	119.55	125.87	108.80	98.79
Change in net asset value per share	(5.02%)	15.69%	10.13%	1.79%
Operating charges	0.45%	0.45%	0.45%	0.48%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	851	851	100	
Closing net asset value per share (pence)	130.43	136.99	117.25	
Change in net asset value per share	(4.79%)	16.84%	-	
Operating charges	0.55%	0.55%	0.55%	
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	6,982	7,673	27,398	23,997
Closing number of shares	2,361,132	2,474,297	10,330,979	10,125,550
Closing net asset value per share (pence)	295.70	310.10	265.20	237.00
Change in net asset value per share	(4.64%)	16.93%	11.90%	3.64%
Operating charges	0.10%	0.10%	0.10%	0.13%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (97.60%)</b>		<b>17,716</b>	<b>95.47</b>
<b>Australian Dollar Denominated Bonds (0.76%)</b>		-	-
<b>Government Bonds (0.76%)</b>		-	-
<b>Sterling Denominated Bonds (96.26%)</b>		<b>17,716</b>	<b>95.47</b>
<b>Government Bonds (96.26%)</b>		<b>17,716</b>	<b>95.47</b>
between 15 and 25 years to maturity			
528,620	UK (Govt of) 1.25% 2041	571	3.08
1,759,917	UK (Govt of) 1.75% 2037	2,044	11.02
672,000	UK (Govt of) 3.25% 2044	1,007	5.43
524,065	UK (Govt of) 3.5% 2045	823	4.43
656,928	UK (Govt of) 4.25% 2036	999	5.39
173,048	UK (Govt of) 4.25% 2039	278	1.50
540,079	UK (Govt of) 4.25% 2040	884	4.76
585,918	UK (Govt of) 4.5% 2042	1,017	5.48
greater than 25 years to maturity			
290,663	UK (Govt of) 0.5% 2061	260	1.40
423,531	UK (Govt of) 0.625% 2050	394	2.12
588,000	UK (Govt of) 0.875% 2046	586	3.16
532,136	UK (Govt of) 1.5% 2047	610	3.29
1,104,578	UK (Govt of) 1.625% 2054	1,348	7.27
245,156	UK (Govt of) 1.625% 2071	340	1.83
577,033	UK (Govt of) 1.75% 2049	702	3.78
1,019,358	UK (Govt of) 1.75% 2057	1,314	7.08
427,162	UK (Govt of) 2.5% 2065	699	3.77
433,641	UK (Govt of) 3.5% 2068	900	4.85
155,443	UK (Govt of) 3.75% 2052	279	1.50
384,215	UK (Govt of) 4% 2060	793	4.27
396,194	UK (Govt of) 4.25% 2046	706	3.80
170,000	UK (Govt of) 4.25% 2049	316	1.70
417,464	UK (Govt of) 4.25% 2055	846	4.56

Holding	Investment	Market Value £'000	Percentage of total net assets
US Dollar Denominated Bonds (0.58%)		-	-
Government Bonds (0.58%)		-	-
Derivatives (-0.01%)		(10)	(0.05)
Forward Currency Contracts (0.01%)		-	0.01
	Buy EUR 14,000 Sell GBP 12,433 10/03/2021	-	-
	Buy EUR 20,000 Sell GBP 17,814 10/03/2021	-	-
	Buy GBP 9,414 Sell AUD 17,000 10/03/2021	-	-
	Buy GBP 16,188 Sell AUD 29,000 10/03/2021	-	-
	Buy GBP 35,390 Sell EUR 39,000 10/03/2021	1	0.01
	Buy GBP 107,796 Sell USD 144,000 10/03/2021	3	0.02
	Buy USD 13,000 Sell GBP 9,743 10/03/2021	(1)	-
	Buy USD 131,000 Sell GBP 98,320 10/03/2021	(3)	(0.02)
Futures (-0.03%)		4	0.02
	5 Long Long Gilt Future 29/03/2021	-	-
	(6) Short Australia 10 Year Bond Future 15/09/2020	2	0.01
	(9) Short US 10 Year Ultra Future 22/03/2021	2	0.01
Interest Rate Swaps (0.01%)		(14)	(0.08)
	EUR 371,000 Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	13	0.07
	AUD 838,000 Pay floating AUD-BBR-BBSW receive fixed 0.804% 08/01/2027	(4)	(0.02)
	AUD 838,000 Pay floating AUD-BBR-BBSW receive fixed 0.812% 08/01/2027	(3)	(0.02)
	AUD 838,000 Pay floating AUD-BBR-BBSW receive fixed 0.826% 05/01/2027	(3)	(0.02)
	AUD 838,000 Pay floating AUD-BBR-BBSW receive fixed 0.88% 08/01/2027	(2)	(0.01)
	AUD 1,066,000 Pay floating AUD-BBR-BBSW receive fixed 1.01% 15/01/2027	(1)	(0.01)
	CAD 3,450,000 Pay floating CAD-BA-CDOR receive fixed 0.7983% 25/07/2024	(3)	(0.01)
	CAD 1,150,000 Pay floating CAD-BA-CDOR receive fixed 0.8% 25/07/2024	(1)	-
	CAD 990,000 Pay floating CAD-BA-CDOR receive fixed 0.9115% 04/01/2025	(1)	(0.01)
	CAD 2,669,000 Pay floating CAD-BA-CDOR receive fixed 0.975% 10/11/2024	-	-
	EUR 1,110,000 Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(9)	(0.05)
Total investment assets and liabilities		17,706	95.42
Net other assets		850	4.58
Total Net Assets		18,556	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(1,049)		1,416
Revenue	91		227	
Expenses	(36)		(35)	
Interest payable and similar charges	(1)		-	
Net revenue before taxation	54		192	
Taxation	-		-	
Net revenue after taxation		54		192
<b>Total return before distributions</b>		<b>(995)</b>		<b>1,608</b>
Distributions		(54)		(192)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,049)</b>		<b>1,416</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>22,154</b>		<b>35,399</b>
Amounts receivable on the issue of shares	2,810		5,361	
Amounts payable on the cancellation of shares	(5,409)		(18,701)	
		(2,599)		(13,340)
Dilution adjustment		1		9
Change in net assets attributable to shareholders from investment activities (see above)		(1,049)		1,416
Retained distribution on accumulation shares		49		120
<b>Closing net assets attributable to shareholders</b>		<b>18,556</b>		<b>23,604</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		17,737		21,661
<b>Current assets:</b>				
Debtors	762		163	
Cash and bank balances	986		429	
		1,748		592
<b>Total assets</b>		<b>19,485</b>		<b>22,253</b>
<b>Liabilities:</b>				
Investment liabilities		(31)		(42)
Creditors	(896)		(56)	
Distribution payable	(2)		(1)	
		(898)		(57)
<b>Total liabilities</b>		<b>(929)</b>		<b>(99)</b>
<b>Net assets attributable to shareholders</b>		<b>18,556</b>		<b>22,154</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 9.5% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.



**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	0.2381
Group 2	-	-	-	0.2381
<b>I Accumulation shares</b>				
Group 1	0.6997	-	0.6997	1.4165
Group 2	0.3228	0.3769	0.6997	1.4165
<b>K Accumulation shares</b>				
Group 1	0.8021	-	0.8021	1.5184
Group 2	0.4823	0.3198	0.8021	1.5184
<b>K Income shares</b>				
Group 1	0.2601	-	0.2601	0.4962
Group 2	0.1646	0.0955	0.2601	0.4962
<b>M Accumulation shares</b>				
Group 1	0.2950	-	0.2950	0.5372
Group 2	0.2950	-	0.2950	0.5372
<b>Z Accumulation shares</b>				
Group 1	1.1698	-	1.1698	1.6941
Group 2	0.5269	0.6429	1.1698	1.6941

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Sterling Money Market Fund

For the six months ended 31 January 2021

## Investment Objective

The fund aims to generate income and preserve some capital over the short term (2 years or less) by investing in cash deposits and money market instruments.

**Performance Target:** The fund targets a return equivalent to 1 Week GBP LIBID. The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target. 1 Week GBP LIBID has been chosen as a proxy for the return from cash deposits.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in cash deposits and money market instruments.
- The fund may also invest in reverse repos, securitisations and asset-backed commercial paper.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments).
- The fund qualifies as a money-market fund under the MMF Regulation and more specifically as a Standard VNAV MMF.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and company level.
- The fund is managed in line with the MMF Regulation which is used as a reference for portfolio management and risk monitoring of the fund. For example, constraints include limits on the average maturity of the portfolio.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Sterling Money Market Fund - A Accumulation Shares increased by 0.03% compared to a decrease of 0.04% in the performance target, the 1 Week GBP LIBID.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

The six months to the end of January proved challenging for money markets, which were driven by the coronavirus pandemic,

monetary policy and geopolitical uncertainty. Investors favoured equities over 'safer' investments, as risk appetite increased on the back of low rates and unprecedented monetary stimulus.

Financial institutions remained cash rich over the second half of 2020. The Bank of England (BoE) continued to support high levels of liquidity while, in line with global central banks, pledging further stimulus, if needed. This translated into ever decreasing yields for money market instruments as year-end approached. The yield curve remained flat and there was very little value being seen in investing for longer periods of time.

As Covid-19 cases were surging, leading to renewed lockdowns, the BoE kept interest rates unchanged. However, the possibility of the BoE moving to negative interest rates was continually in the headlines. Along with the ongoing Covid-19 situation and record low interest rates, continued Brexit uncertainty – with a 'skinny' trade deal only agreed on Christmas Eve – applied further pressure on short-term yields. This pressure only grew towards the end of the year, with many institutions posting negative interest rates for investing over the year-end period.

November saw the announcement of positive, long-awaited Covid-19 news, with Pfizer-BioNTech reporting promising vaccine trial results – Moderna and Oxford-AstraZeneca quickly followed suit. The start of the vaccination programme in the UK in December led to rising optimism about an economic rebound. But the government tightened up restrictions after the discovery of new strains and a steep escalation in Covid-19 case numbers.

## Portfolio Activity

The net asset value of the fund remained steady over the period. Investment activity was focused on its weighted average maturity. Maturing assets were reinvested in broadly the same range of money market instruments as the previous period.

Due to the yield curve remaining flat, the fund was invested in mainly one- to three-month paper and in the overnight market. Despite all the uncertainty, the fund remained well positioned to offer liquidity, where needed, and continued to be opportunistic when investing to ensure positive yields.

## Portfolio Outlook and Strategy

Despite the ongoing fiscal challenges and the impact of a third national lockdown, the outlook for short-term rates, going into the second quarter of 2021, does look more positive. With the roll out of the vaccination program, the completion of Brexit and an improved global economic outlook, short-term rates have started to improve and are expected to climb over the next quarter. The yield curve is starting to show more value for longer-dated maturities and, where advantageous, the fund will start to increase its weighted average maturity by investing in some longer-dated opportunities.

The fund's activity will, once again, be focused on cautiously managing both liquidity and credit curve positioning.

**Euro IG and Aggregate Team**  
February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 1 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund may hold money-market instruments, the value of which may be subject to adverse movements in extreme market conditions.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	30,811	31,897	27,751	23,396
Closing number of shares	27,194,153	28,161,935	24,634,417	20,905,978
Closing net asset value per share (pence)	113.30	113.26	112.65	111.91
Change in net asset value per share	0.04%	0.54%	0.66%	0.27%
Operating charges	0.25%	0.25%	0.25%	0.27%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	816	889	997	337
Closing number of shares	814,235	887,607	997,691	337,542
Closing net asset value per share (pence)	100.17	100.13	99.96	99.87
Change in net asset value per share	0.04%	0.17%	0.09%	(0.03%)
Operating charges	0.25%	0.25%	0.25%	0.27%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	437,248	418,301	363,056	253,361
Closing number of shares	378,605,323	362,501,423	316,650,126	222,660,758
Closing net asset value per share (pence)	115.49	115.39	114.66	113.79
Change in net asset value per share	0.09%	0.64%	0.76%	0.33%
Operating charges	0.15%	0.15%	0.15%	0.22%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	16,407	19,567	28,574	7,921
Closing number of shares	16,380,819	19,549,617	28,597,199	7,933,577
Closing net asset value per share (pence)	100.16	100.09	99.92	99.84
Change in net asset value per share	0.07%	0.17%	0.08%	(0.03%)
Operating charges	0.15%	0.15%	0.15%	0.22%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	321	156	-	
Closing number of shares	319,545	155,149	100	
Closing net asset value per share (pence)	100.49	100.43	100.01	
Change in net asset value per share	0.06%	0.42%	-	
Operating charges	0.20%	0.20%	0.20%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	1,000	1,000	100	
Closing net asset value per share (pence)	100.26	100.20	100.01	
Change in net asset value per share	0.06%	0.19%	-	
Operating charges	0.20%	0.20%	0.20%	

Z Gross Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	83	80	3,027	3,625
Closing number of shares	75,837	73,942	2,801,172	3,382,812
Closing net asset value per share (pence)	109.02	108.87	108.07	107.14
Change in net asset value per share	0.14%	0.74%	0.87%	0.47%
Operating charges	0.05%	0.05%	0.05%	0.07%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 29 November 2018.

<sup>B</sup> M Income share class was launched on 29 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Sterling Denominated Bonds (13.99%)</b>		<b>46,833</b>	<b>9.64</b>
<b>Corporate Bonds (13.99%)</b>		<b>46,833</b>	<b>9.64</b>
less than 5 years to maturity			
4,650,000	Australia & New Zealand Banking 0.50188% 2021	4,651	0.96
10,000,000	Bank of America 6.125% 2021	10,362	2.13
5,000,000	Banque Federative du Credit Mutuel FRN 2021	5,000	1.03
500,000	Commonwealth Bank of Australia 0.5385% 2021	501	0.10
5,000,000	Cooperatieve Rabobank 0.52188% 2021	5,002	1.03
8,000,000	HSBC Bank 0.7988% 2022	8,068	1.66
10,000,000	JPMorgan Chase FRN 2021	10,003	2.06
3,216,000	Royal Bank of Canada 1.049403% 2022	3,246	0.67
<b>Money Markets (73.38%)</b>		<b>387,432</b>	<b>79.77</b>
<b>Certificates Of Deposits (59.58%)</b>		<b>312,438</b>	<b>64.33</b>
10,000,000	Australia & New Zealand CD 0.03% 15/02/2021	10,000	2.06
12,000,000	Barcalys Bank CD 0.04% 05/02/2021	12,000	2.47
8,000,000	BNP Paribas CD 0% 07/07/2021	7,989	1.64
10,000,000	BNP Paribas CD 0.02% 19/05/2021	10,000	2.06
10,000,000	Citibank CD 0.03% 22/02/2021	10,000	2.06
10,000,000	Credit Suisse CD 0% 14/09/2021	9,996	2.06
10,000,000	Credit Suisse CD 0% 23/11/2021	9,987	2.05
10,000,000	Danske Bank CD 0.02% 13/04/2021	10,000	2.06
10,000,000	First Abu Dhabi Bank CD 0% 08/03/2021	9,997	2.06
10,000,000	First Abu Dhabi Bank CD 0.05% 15/06/2021	10,000	2.06
10,000,000	Goldman Sachs 0% CD 26/02/2021	9,996	2.06
20,000,000	Handelsbanken CD 0.055% 15/02/2021	20,000	4.12
10,000,000	HSBC Bank CD 0% 06/04/2021	9,996	2.06
10,000,000	Korea Development Bank CD 0% 21/09/201	9,997	2.06
10,000,000	Lloyds Bank CD 0% 15/02/2021	9,997	2.06
10,000,000	Lloyds Bank Corporate CD 0% 30/04/2021	9,998	2.06
10,000,000	Mizuho Bank CD 0.03% 19/04/2021	10,000	2.06
10,000,000	MUFG Bank CD 0.05% 07/04/2021	10,000	2.06
10,000,000	MUFG Bank CD 0.05% 24/03/2021	10,000	2.06
10,000,000	National Westminster CD 0% 01/02/2021	10,000	2.06
2,000,000	Norinchukin Bank CD 0% 22/02/2021	2,000	0.41
10,000,000	Qatar National Bank CD 0% 10/03/2021	9,999	2.06
5,000,000	Santander UK CD 0% 03/03/2021	5,000	1.03
10,000,000	Santander UK CD 0.06% 04/05/2021	10,000	2.06

Holding	Investment	Market Value £'000	Percentage of total net assets
10,000,000	Societe Generale CD 0.04% 04/03/2021	10,000	2.06
10,000,000	Sumito Mitsui Bank CD 0% 01/03/2021	10,000	2.06
10,000,000	Sumitomo Mitsui CD 0% 15/03/2021	10,000	2.06
10,000,000	Sumitomo Mitsui Trust CD 0.03% 03/03/2021	10,000	2.06
5,000,000	Svenska CD 0.035% 30/04/2021	5,000	1.03
8,000,000	UBS CD 0% 01/07/2021	7,986	1.64
8,000,000	Wells Fargo CD 0.03% 07/04/2021	8,000	1.64
7,500,000	Wells Fargo CD 0.06% 01/04/2021	7,500	1.54
7,000,000	Wells Fargo CD 0.1% 29/04/2021	7,000	1.44
<b>Commercial Paper (13.80%)</b>		<b>74,994</b>	<b>15.44</b>
10,000,000	Agence Centrale CP 0% 02/02/2021	10,000	2.06
10,000,000	Agence Centrale CP 0% 17/05/2021	9,999	2.06
10,000,000	Agence CP 0% 07/04/2021	9,999	2.06
20,000,000	Nordea Bank CP 0.83% 04/05/2021	19,998	4.11
5,000,000	OP Corporate CP 0% 28/05/2021	4,999	1.03
10,000,000	Sumitomo Mitsui Banking CP 0% 08/02/2021	10,000	2.06
10,000,000	Swedbank CP 0% 10/05/2021	9,999	2.06
<b>Collective Investment Schemes (4.50%)</b>		<b>22,700</b>	<b>4.68</b>
22,700	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	22,700	4.68
Total investment assets		456,965	94.09
Net other assets		28,722	5.91
<b>Total Net Assets</b>		<b>485,687</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

### Statement of total return

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		524		99
Revenue	227		1,860	
Expenses	(375)		(356)	
Interest payable and similar charges	-		(12)	
Net (expense)/revenue before taxation	(148)		1,492	
Taxation	-		-	
Net (expense)/revenue after taxation		(148)		1,492
<b>Total return before distributions</b>		<b>376</b>		<b>1,591</b>
Distributions		(40)		(1,492)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>336</b>		<b>99</b>

### Statement of change in net assets attributable to shareholders

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>470,891</b>		<b>423,405</b>
Amounts receivable on the issue of shares	77,790		75,396	
Amounts payable on the cancellation of shares	(63,368)		(43,148)	
		14,422		32,248
Change in net assets attributable to shareholders from investment activities (see above)		336		99
Retained distribution on accumulation shares		38		1,397
<b>Closing net assets attributable to shareholders</b>		<b>485,687</b>		<b>457,149</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.



## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		456,965		432,616
<b>Current assets:</b>				
Debtors	416		437	
Cash and bank balances	43,619		47,951	
		44,035		48,388
Total assets		501,000		481,004
<b>Liabilities:</b>				
Creditors	(15,313)		(10,105)	
Distribution payable	-		(8)	
		(15,313)		(10,113)
Total liabilities		(15,313)		(10,113)
<b>Net assets attributable to shareholders</b>		<b>485,687</b>		<b>470,891</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 0.0% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	0.1648
Group 2	-	-	-	0.1648
<b>A Income shares</b>				
Group 1	-	-	-	0.1463
Group 2	-	-	-	0.1463
<b>I Accumulation shares</b>				
Group 1	0.0104	-	0.0104	0.1966
Group 2	-	0.0104	0.0104	0.1966
<b>I Income shares</b>				
Group 1	0.0091	-	0.0091	0.1714
Group 2	-	0.0091	0.0091	0.1714
<b>M Accumulation shares</b>				
Group 1	-	-	-	0.0130
Group 2	-	-	-	0.0130
<b>M Income shares</b>				
Group 1	0.0020	-	0.0020	0.0130
Group 2	0.0020	-	0.0020	0.0130
<b>Z Gross Accumulation shares</b>				
Group 1	0.0372	-	0.0372	0.2126
Group 2	-	0.0372	0.0372	0.2126

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	0.1524
Group 2	-	-	-	0.1524
<b>A Income shares</b>				
Group 1	-	-	-	0.1350
Group 2	-	-	-	0.1350
<b>I Accumulation shares</b>				
Group 1	-	-	-	0.1841
Group 2	-	-	-	0.1841
<b>I Income shares</b>				
Group 1	-	-	-	0.1601
Group 2	-	-	-	0.1601
<b>M Accumulation shares</b>				
Group 1	-	-	-	0.1200
Group 2	-	-	-	0.1200
<b>M Income shares</b>				
Group 1	-	-	-	0.1200
Group 2	-	-	-	0.1200
<b>Z Gross Accumulation shares</b>				
Group 1	-	-	-	0.2008
Group 2	-	-	-	0.2008

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Sterling Opportunistic Corporate Bond Fund

For the six months ended 31 January 2021

## Investment Objective (prior to closure)

The fund aims to provide income and some growth over the long term (5 years or more) by investing in bonds.

**Performance Target:** To achieve the return of iBoxx Sterling Collateralized & Corporates (1-10 year) Index plus 1.25% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in bonds issued anywhere in the world by governments, sub-sovereigns and corporations.
- The fund may invest in investment grade, emerging market, high yield, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- At least 80% of the fund's investments will be in Sterling or will be subjected to techniques to reduce (hedge) risk related to currency movements on non-Sterling investments. The fund has some flexibility to seek returns from currencies.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing company's prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the iBoxx Sterling Collateralized & Corporates (1-10 year) Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The team seeks to reduce the risk of significant changes in the value of the fund compared to the index. The potential change in value of the fund (as measured by expected volatility) is not ordinarily expected to exceed 150% of the potential change in value of the index.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will routinely use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the period ended 19 October 2020, the value of ASI Sterling Opportunistic Corporate Bond Fund – A Accumulation Shares increased by 0.36% compared to an increase of 0.85% in the performance target, the iBoxx Sterling Collateralized & Corporates 1-10 year Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

At the beginning of the period, global bond markets were beginning to recover from the sharp falls of March and April, when the impact of the pandemic was becoming clear. The major central banks had cut interest rates to record lows before the period began. Moreover, the major central banks all purchased corporate bonds through their stimulus programmes. Credit spreads began to narrow from elevated levels, as investors re-evaluated the riskiness of corporate bonds – taking a more relaxed view on creditworthiness. Together these factors pushed yields lower, and prices higher, throughout the period.

Bond issuance has been high, with many companies taking advantage of low yields to refinance their debt or raise funds to cushion economic uncertainty. However, bond prices fell slightly in September and throughout October as investors sold out of riskier debt, concerned about the potential for rising defaults amid uncertainty from rising coronavirus cases and the US election.

## Portfolio Activity

The fund outperformed its benchmark in August and September, driven by strong stock selection, but underperformed over the period. Holdings in the financial sector were positive for the fund, with insurance exchange Lloyds of London the top-performing issuer in the portfolio. Italian banking group UniCredit and Bank of Nova Scotia were also strong performers. On the downside, Mexican state-owned oil producer Pemex weighed on returns as oil prices trended lower. British shopping centre The Trafford Centre also underperformed, as coronavirus interruption continued to impact retail footfall.

## Portfolio Outlook and Strategy

The fund was closed in October 2020.

Sterling IG and Aggregate Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 19 October 2020.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares <sup>H</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	16	42	78
Closing number of shares	10,706	29,499	57,741
Closing net asset value per share (pence)	145.94	140.96	134.75
Change in net asset value per share	3.53%	4.61%	(0.41%)
Operating charges	1.07%	1.09%	1.13%
A Income shares <sup>H</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	203,175	244,511	246,976
Closing number of shares	175,941,881	215,131,503	222,253,326
Closing net asset value per share (pence)	115.48	113.66	111.12
Change in net asset value per share	1.60%	2.29%	(2.82%)
Operating charges	1.07%	1.09%	1.13%
I Accumulation shares <sup>H</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	112	120	133
Closing number of shares	72,614	81,006	94,677
Closing net asset value per share (pence)	153.98	148.05	140.85
Change in net asset value per share	4.01%	5.11%	0.09%
Operating charges	0.62%	0.62%	0.63%
I Income shares <sup>H</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,148	1,624	2,447
Closing number of shares	964,802	1,386,300	2,136,466
Closing net asset value per share (pence)	119.04	117.16	114.54
Change in net asset value per share	1.60%	2.29%	(2.81%)
Operating charges	0.62%	0.62%	0.63%
I Gross Accumulation shares <sup>A</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	22,565	23,420	23,487
Closing number of shares	15,706,390	16,954,252	17,868,370
Closing net asset value per share (pence)	143.67	138.14	131.44
Change in net asset value per share	4.00%	5.10%	0.08%
Operating charges	0.62%	0.62%	0.63%
I Gross Income shares <sup>B</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	12	24	25
Closing number of shares	10,795	22,698	23,630
Closing net asset value per share (pence)	108.58	106.77	104.38
Change in net asset value per share	1.70%	2.29%	(2.82%)
Operating charges	0.62%	0.62%	0.63%

M Accumulation shares <sup>C,H</sup>	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	-	
Closing number of shares	936	100	
Closing net asset value per share (pence)	110.89	106.50	
Change in net asset value per share	4.12%	6.50%	
Operating charges	0.67%	0.67%	
M Income shares <sup>D,H</sup>	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	-	
Closing number of shares	955	100	
Closing net asset value per share (pence)	106.05	103.98	
Change in net asset value per share	1.99%	3.98%	
Operating charges	0.67%	0.67%	
P Income shares <sup>H</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	17	84	1,307
Closing number of shares	15,240	73,716	1,175,998
Closing net asset value per share (pence)	115.62	113.67	111.11
Change in net asset value per share	1.72%	2.30%	(2.82%)
Operating charges	0.39%	0.39%	0.40%
P Gross Income shares <sup>E</sup>			31 July 2018
Closing net asset value (£'000)			44
Closing number of shares			39,818
Closing net asset value per share (pence)			111.19
Change in net asset value per share			(2.81%)
Operating charges			0.40%
Q Income shares <sup>H</sup>	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	804	2,006	7,038
Closing number of shares	695,802	1,763,413	6,333,144
Closing net asset value per share (pence)	115.58	113.75	111.14
Change in net asset value per share	1.61%	2.35%	(2.79%)
Operating charges	0.31%	0.31%	0.31%

Q Gross Income shares <sup>F</sup>	31 July 2019	31 July 2018
Closing net asset value (£'000)	-	105
Closing number of shares	-	94,358
Closing net asset value per share (pence)	-	111.23
Change in net asset value per share	-	(2.79%)
Operating charges	-	0.31%

Z Accumulation shares <sup>G</sup>	31 July 2019	31 July 2018
Closing net asset value (£'000)	879	629
Closing number of shares	798,852	603,811
Closing net asset value per share (pence)	109.98	104.13
Change in net asset value per share	5.62%	0.59%
Operating charges	0.12%	0.13%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> I Gross Accumulation share class was closed on 07 October 2020.

<sup>B</sup> I Gross Income share class was closed on 01 September 2020.

<sup>C</sup> M Accumulation share class was launched on 29 November 2018.

<sup>D</sup> M Income share class was launched on 29 November 2018.

<sup>E</sup> P Gross Income share class was closed on 9 June 2019.

<sup>F</sup> Q Gross Income share class was closed on 30 July 2019.

<sup>G</sup> Z Accumulation share class was closed on 16 June 2020.

<sup>H</sup> Fund was closed on 19 October 2020.



## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
Bonds (81.20%)		-	-
Euro Denominated Bonds (10.77%)		-	-
Corporate Bonds (10.77%)		-	-
Sterling Denominated Bonds (61.85%)		-	-
Corporate Bonds (54.21%)		-	-
Government Bonds (7.64%)		-	-
US Dollar Denominated Bonds (8.58%)		-	-
Corporate Bonds (8.58%)		-	-
Equities (0.00%)		-	-
UK Equities (0.00%)		-	-
7,104	BrightHouse	-	-
Collective Investment Schemes (10.02%)		-	-
Derivatives (0.04%)		-	-
Credit Default Swaps (-0.13%)		-	-
Forward Currency Contracts (0.25%)		-	-
Futures (0.07%)		-	-
Inflation Swaps (-0.15%)		-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2020.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		1,126		5,597
Revenue	1,089		4,181	
Expenses	(497)		(1,384)	
Interest payable and similar charges	(2)		(3)	
Net revenue before taxation	590		2,794	
Taxation	41		-	
Net revenue after taxation		631		2,794
<b>Total return before equalisation</b>		<b>1,757</b>		<b>8,391</b>
Distributions		(610)		(2,794)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,147</b>		<b>5,597</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>227,851</b>		<b>272,711</b>
Amounts receivable on the issue of shares	1,779		131	
Amounts payable on the cancellation of shares	(230,866)		(5,697)	
		(229,087)		(5,566)
Dilution adjustment		89		-
Change in net assets attributable to shareholders from investment activities (see above)		1,147		5,597
Retained distribution on accumulation shares		-		295
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>273,037</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		-		209,324
<b>Current assets:</b>				
Debtors	175		6,028	
Cash and bank balances	-		15,102	
		175		21,130
<b>Total assets</b>		175		230,454
<b>Liabilities:</b>				
Investment liabilities		-		(1,381)
Creditors	-		(279)	
Bank overdrafts	(175)		-	
Distribution payable	-		(943)	
		(175)		(1,222)
<b>Total liabilities</b>		(175)		(2,603)
<b>Net assets attributable to shareholders</b>		-		227,851

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 19 October 2020

	Revenue	Equalisation	Distribution paid 16/12/20	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	0.3953	-	0.3953	0.6383
Group 2	0.3953	-	0.3953	0.6383
<b>A Income shares</b>				
Group 1	0.3113	-	0.3113	0.5154
Group 2	0.1482	0.1631	0.3113	0.5154
<b>I Accumulation shares</b>				
Group 1	0.5689	-	0.5689	0.8403
Group 2	0.3798	0.1891	0.5689	0.8403
<b>I Income shares</b>				
Group 1	0.4394	-	0.4394	0.6649
Group 2	0.3954	0.0440	0.4394	0.6649
<b>I Gross Accumulation shares</b>				
Group 1	-	-	-	0.7839
Group 2	-	-	-	0.7839
<b>I Gross Income shares</b>				
Group 1	-	-	-	0.6073
Group 2	-	-	-	0.6073
<b>M Accumulation shares</b>				
Group 1	0.4509	-	0.4509	0.3376
Group 2	0.4509	-	0.4509	0.3376
<b>M Income shares</b>				
Group 1	0.4260	-	0.4260	0.3370
Group 2	0.4260	-	0.4260	0.3370
<b>P Income shares</b>				
Group 1	0.4876	-	0.4876	0.7115
Group 2	0.4876	-	0.4876	0.7115

	Revenue	Equalisation	Distribution paid 16/12/20	Distribution paid 31/01/20
<b>Q Income shares</b>				
Group 1	0.5060	-	0.5060	0.7349
Group 2	0.5060	-	0.5060	0.7349
<b>Q Gross Income shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Z Accumulation shares</b>				
Group 1	-	-	-	0.7637
Group 2	-	-	-	0.7637

**Second interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1		-	-	0.7928
Group 2			-	0.7928
<b>A Income shares</b>				
Group 1		-	-	0.6347
Group 2			-	0.6347
<b>I Accumulation shares</b>				
Group 1		-	-	1.0032
Group 2			-	1.0032
<b>I Income shares</b>				
Group 1		-	-	0.7889
Group 2			-	0.7889
<b>I Gross Accumulation shares</b>				
Group 1		-	-	0.9360
Group 2			-	0.9360
<b>I Gross Income shares</b>				
Group 1		-	-	0.7194
Group 2			-	0.7194

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>M Accumulation shares</b>				
Group 1		-	-	0.7266
Group 2			-	0.7266
<b>M Income shares</b>				
Group 1		-	-	0.7097
Group 2			-	0.7097
<b>P Income shares</b>				
Group 1		-	-	0.8320
Group 2			-	0.8320
<b>Q Income shares</b>				
Group 1		-	-	0.8559
Group 2			-	0.8559
<b>Q Gross Income shares</b>				
Group 1		-	-	-
Group 2			-	-
<b>Z Accumulation shares</b>				
Group 1		-	-	0.8877
Group 2			-	0.8877

#### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Sterling Short Term Government Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the medium to long term (3 to 5 years) by investing in UK Government bonds with a maturity of up to five years.

**Performance Target:** To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks up to 5 Years Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government with a maturity of up to 5 years.
- The fund may also invest in investment grade bonds of any maturity, issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts All Stocks up to 5 Years Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Sterling Short Term Government Bond Fund – A Accumulation Shares decreased by 0.38% compared to a decrease of 0.17% in the performance target, the FTSE Actuaries UK Conventional Gilts All Stocks up to 5 Years Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

In the six months to the end of January, the UK gilt market was driven by the pandemic, monetary policy and geopolitical uncertainty. Gilt yields stayed mostly range-bound up until January. In the new year, the US election results coupled with the roll-out of various Covid-19 vaccines saw increased optimism and global yields started to rise.

The Bank of England (BoE) kept interest rates unchanged throughout. The prospect of negative rates kept front end yields anchored and the aggressive gilt-buying programme kept gilt yields mostly range-bound. The BoE introduced the idea that UK rates could go negative in the summer as such the market started to price in rates below zero. This sentiment grew in August but subsided when the BoE released a somewhat unenthusiastic assessment of negative rates. During the fourth quarter of 2020, the BoE extended its QE gilt buying programme, but again chose not to introduce negative rates. In February, the BoE will release their internal assessment on negative rates and as such whether they will officially become part of their monetary policy toolbox.

Brexit was also a major factor for gilts over the period. The UK and European leaders met several times over the summer months, but with little progress. Fishing rights, state aid and governance were persistent sticking points. And the highly controversial Internal Markets Bill, proposed by the Conservative government and passed in the House of Commons, looked to override some of the powers of the Withdrawal Agreement, was met with international condemnation.

The end of the year saw daunting back and forth headlines between the European Union (EU) and the UK, which moved gilt yields up and down. It was clear that neither side wanted a 'no-deal' outcome, but equally clear was that neither side was willing to concede on the main issues. However, just as investors started digesting the idea of a 'no-deal' Brexit, the UK and EU finally struck a trade deal on Christmas Eve. Gilt yields briefly rose after the announcement.

Covid-19 also continued to dominate internal headlines, with Wales and Scotland announcing new lockdown measures in October, and England followed close behind in November. However, November also saw the announcement of positive, long-awaited Covid-19 news, with Pfizer-BioNTech reporting promising vaccine trial results – Moderna and Oxford-AstraZeneca quickly followed suit.

The start of the vaccination programme in the UK in December led to rising optimism about an economic rebound, with gilt yields spiking as a result. However, after the discovery of a new strain and a steep escalation in Covid-19 case numbers, the government tightened up restrictions. This led to gilts rallying into year-end.

At the end of the period, optimism increased, driven by US politics and the roll out of Covid-19 vaccines in the UK, despite the UK being plunged back into complete lockdown in early January. In the US, Democrat Joe Biden won November's election and the Democrats won both Senate seats in January's Georgia run-off elections, giving the President control of both the Senate and Congress. In theory, this should give the Democrats greater flexibility and power in the coming years, starting with a Covid-19 fiscal package in the coming weeks. Hopes of further US stimulus saw yields rise globally, with curves steepening due to the reflation theme.

#### Portfolio Activity

Broadly speaking, the fund entered the period with a similar country bias that we have favoured throughout most of 2020. In particular, longs in dollar bloc government bond markets (US, Canada and Australia) relative to those in Europe and the UK.

During the third quarter of 2020, we adopted a relatively constructive view on government bonds and had a net long duration strategy. Our rationale for this bias within the fund was driven by concerns surrounding a potential second wave of Covid-19 infections, alongside expectations for continued accommodative monetary policy from major central banks.

As we approached the fourth quarter, we faced a number of challenges to this bullish government bond environment. In particular, the potential for a new Democrat-led administration in the US, delivery of an effective Covid-19 vaccine and a positive conclusion to Brexit negotiations.

With these risks at the forefront of our minds, and cognisant of a distinct loss of momentum in the government bond rally, we took the decision to gradually reduce the beta of the fund. Initially, we adopted a greater number of diversifying strategies and later scaled back our overweight duration position to neutral as we entered 2021.

Specifically, in gilts, we remained very tactical throughout the second half of 2020. The gilt market remained very range-bound throughout the period. This was due to the aggressive gilt-buying programme from the BoE and the rhetoric around negative rates, which acted as an anchor for front-end yields. As gilt yields moved lower, driven by Brexit headlines, we were happy to oppose the moves. Our view on Brexit was that a deal would be reached, but only at the last minute. Therefore, any optimism in September and October, for example, was misplaced.

#### Portfolio Outlook and Strategy

The UK's vaccine programme has been a lot more competent than anybody could have expected. As a result, we believe the opening of the economy will come sooner than forecast. Therefore, we see the BoE stepping away from negative rates, and talk of reducing the speed of quantitative easing will result in slightly higher gilt yields and a steeper curve.

This optimism may remain in markets throughout the second quarter. As we get through summer, the fiscal support we have seen throughout the pandemic will be withdrawn and we will finally see what the result of the pandemic has been on the UK economy. Coupled with the pandemic, we have also had Brexit. The negative impacts of the wafer-thin trade deal will also become apparent.

#### Rates Team

February 2021



### 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 risk and reward indicator changed from 3 to 2 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 2 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	5,389	7,513	6,634	6,809
Closing number of shares	4,154,019	5,769,846	5,144,184	5,358,115
Closing net asset value per share (pence)	129.72	130.22	128.95	127.08
Change in net asset value per share	(0.38%)	0.98%	1.47%	(1.14%)
Operating charges	0.80%	0.80%	0.82%	1.07%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	741	883	873	1,027
Closing number of shares	626,833	743,548	742,299	895,050
Closing net asset value per share (pence)	118.29	118.74	117.58	114.70
Change in net asset value per share	(0.38%)	0.99%	2.51%	(1.14%)
Operating charges	0.80%	0.80%	0.82%	1.07%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	55,449	56,580	51,987	62,395
Closing number of shares	52,687,471	53,679,433	50,030,591	61,618,042
Closing net asset value per share (pence)	105.24	105.40	103.91	101.26
Change in net asset value per share	(0.15%)	1.43%	2.62%	(0.64%)
Operating charges	0.35%	0.35%	0.35%	0.57%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	7,865	10,953	17,402	22,270
Closing number of shares	7,635,590	10,613,849	17,067,059	22,305,148
Closing net asset value per share (pence)	103.00	103.20	101.96	99.84
Change in net asset value per share	(0.19%)	1.22%	2.12%	(0.87%)
Operating charges	0.35%	0.35%	0.35%	0.57%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	986	986	100	
Closing net asset value per share (pence)	103.26	103.42	101.75	
Change in net asset value per share	(0.15%)	1.64%	-	
Operating charges	0.40%	0.40%	0.40%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	29	1	-	
Closing number of shares	28,470	990	100	
Closing net asset value per share (pence)	102.55	102.75	101.31	
Change in net asset value per share	(0.19%)	1.42%	-	
Operating charges	0.40%	0.40%	0.40%	

<b>P Income shares</b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	1,420	1,431	7,794	5,777
Closing number of shares	1,193,319	1,200,647	6,616,574	4,973,817
Closing net asset value per share (pence)	118.98	119.20	117.80	116.15
Change in net asset value per share	(0.18%)	1.19%	1.42%	(0.87%)
Operating charges	0.25%	0.25%	0.25%	0.29%
<b>Z Accumulation shares</b>	<b>31 January 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>	<b>31 July 2018</b>
Closing net asset value (£'000)	372	372	1,264	1,039
Closing number of shares	238,388	238,388	824,580	692,117
Closing net asset value per share (pence)	156.02	156.02	153.34	150.10
Change in net asset value per share	-	1.75%	2.16%	(0.16%)
Operating charges	0.05%	0.05%	0.05%	0.09%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>a</sup> M Accumulation share class was launched on 29 November 2018.

<sup>b</sup> M Income share class was launched on 29 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (96.84%)</b>		<b>70,627</b>	<b>99.10</b>
<b>Sterling Denominated Bonds (92.78%)</b>		<b>70,627</b>	<b>99.10</b>
<b>Corporate Bonds (2.41%)</b>		<b>1,755</b>	<b>2.46</b>
less than 5 years to maturity			
607,000	BNG Bank 1.625% 2025	646	0.91
1,073,000	KFW 1.25% 2023	1,109	1.55
<b>Government Bonds (90.37%)</b>		<b>68,872</b>	<b>96.64</b>
less than 5 years to maturity			
18,867,000	UK (Govt of) 0.125% 2023	18,936	26.57
1,526,000	UK (Govt of) 0.125% 2024	1,533	2.15
4,147,000	UK (Govt of) 0.5% 2022	4,184	5.87
5,450,490	UK (Govt of) 0.625% 2025	5,607	7.87
5,045,024	UK (Govt of) 1% 2024	5,221	7.33
4,365,405	UK (Govt of) 1.75% 2022	4,495	6.31
5,653,913	UK (Govt of) 2% 2025	6,182	8.68
5,069,354	UK (Govt of) 2.75% 2024	5,584	7.83
204,910	UK (Govt of) 3.75% 2021	210	0.29
4,021,259	UK (Govt of) 4% 2022	4,202	5.90
5,285,777	UK (Govt of) 5% 2025	6,381	8.95
4,219,000	UK (Govt of) 8% 2021	4,338	6.09
between 5 and 10 years to maturity			
1,989,000	UK (Govt of) 0.125% 2026	1,999	2.80
<b>Swedish Krona Denominated Bonds (2.71%)</b>		<b>-</b>	<b>-</b>
<b>Government Bonds (2.71%)</b>		<b>-</b>	<b>-</b>
<b>US Dollar Denominated Bonds (1.35%)</b>		<b>-</b>	<b>-</b>
<b>Government Bonds (1.35%)</b>		<b>-</b>	<b>-</b>
<b>Derivatives (-0.06%)</b>		<b>(32)</b>	<b>(0.04)</b>
<b>Forward Currency Contracts (0.01%)</b>		<b>-</b>	<b>-</b>
	Buy GBP 55,671 Sell USD 76,000 10/03/2021	-	-
	Buy GBP 475,351 Sell USD 635,000 10/03/2021	13	0.02
	Buy USD 58,000 Sell GBP 43,195 10/03/2021	(1)	-
	Buy USD 514,000 Sell GBP 386,307 10/03/2021	(12)	(0.02)

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Futures (-0.08%)</b>		<b>24</b>	<b>0.04</b>
(21)	Short Long Australia 10 Year Bond Future 15/09/2020	6	0.01
(13)	Short Long Gilt Future 29/03/2021	12	0.02
(36)	Short US 10 Year Ultra Future 22/03/2021	6	0.01
<b>Interest Rate Swaps (0.01%)</b>		<b>(56)</b>	<b>(0.08)</b>
EUR 1,485,000	Pay fixed 0.04730% receive floating EONIA 18/09/2055	51	0.07
AUD 3,337,000	Pay floating AUD-BBR-BBSW receive fixed 0.80400% 08/01/2027	(13)	(0.02)
AUD 3,337,000	Pay floating AUD-BBR-BBSW receive fixed 0.81200% 08/01/2027	(13)	(0.02)
AUD 3,337,000	Pay floating AUD-BBR-BBSW receive fixed 0.82600% 05/01/2027	(12)	(0.02)
AUD 3,337,000	Pay floating AUD-BBR-BBSW receive fixed 0.88000% 08/01/2027	(9)	(0.01)
AUD 4,257,000	Pay floating AUD-BBR-BBSW receive fixed 1.01000% 15/01/2027	(3)	-
CAD 12,450,000	Pay floating CAD-BA-CDOR receive fixed 0.79830% 25/07/2024	(11)	(0.02)
CAD 4,150,000	Pay floating CAD-BA-CDOR receive fixed 0.80000% 25/07/2024	(3)	-
CAD 5,257,000	Pay floating CAD-BA-CDOR receive fixed 0.91150% 04/01/2025	(6)	(0.01)
EUR 4,450,000	Pay floating EONIA receive fixed 0.15000% 18/09/2035	(37)	(0.05)
Total investment assets and liabilities		70,595	99.06
Net other assets		671	0.94
<b>Total Net Assets</b>		<b>71,266</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		(155)		(240)
Revenue	168		231	
Expenses	(158)		(146)	
Interest payable and similar charges	(2)		-	
Net revenue before taxation	8		85	
Taxation	-		-	
Net revenue after taxation		8		85
<b>Total return before distributions</b>		<b>(147)</b>		<b>(155)</b>
Distributions		(28)		(92)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(175)</b>		<b>(247)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>77,734</b>		<b>85,954</b>
Amounts receivable on the issue of shares	14,332		1,804	
Amounts payable on the cancellation of shares	(20,651)		(19,426)	
		(6,319)		(17,622)
Dilution adjustment		1		1
Change in net assets attributable to shareholders from investment activities (see above)		(175)		(247)
Retained distribution on accumulation shares		25		63
<b>Closing net assets attributable to shareholders</b>		<b>71,266</b>		<b>68,149</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

**Balance sheet**

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		70,715		75,462
<b>Current assets:</b>				
Debtors	5,077		1,057	
Cash and bank balances	720		2,287	
		5,797		3,344
<b>Total assets</b>		<b>76,512</b>		<b>78,806</b>
<b>Liabilities:</b>				
Investment liabilities		(120)		(234)
Creditors	(5,126)		(832)	
Distribution payable	-		(6)	
		(5,126)		(838)
<b>Total liabilities</b>		<b>(5,246)</b>		<b>(1,072)</b>
<b>Net assets attributable to shareholders</b>		<b>71,266</b>		<b>77,734</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 0.7% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation shares</b>				
Group 1	0.0375	-	0.0375	0.0672
Group 2	0.0213	0.0162	0.0375	0.0672
<b>I Income shares</b>				
Group 1	0.0368	-	0.0368	0.0660
Group 2	0.0226	0.0142	0.0368	0.0660
<b>M Accumulation shares</b>				
Group 1	0.0233	-	0.0233	0.0872
Group 2	0.0233	-	0.0233	0.0872
<b>M Income shares</b>				
Group 1	0.0202	-	0.0202	0.0868
Group 2	0.0202	-	0.0202	0.0868
<b>P Income shares</b>				
Group 1	0.0724	-	0.0724	0.1054
Group 2	0.0206	0.0518	0.0724	0.1054
<b>Z Accumulation shares</b>				
Group 1	0.1734	-	0.1734	0.2148
Group 2	0.1734	-	0.1734	0.2148



**Second interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income shares</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation shares</b>				
Group 1	-	-	-	0.0635
Group 2	-	-	-	0.0635
<b>I Income shares</b>				
Group 1	-	-	-	0.0622
Group 2	-	-	-	0.0622
<b>M Accumulation shares</b>				
Group 1	-	-	-	0.0547
Group 2	-	-	-	0.0547
<b>M Income shares</b>				
Group 1	0.0027	-	0.0027	0.0545
Group 2	0.0027	-	0.0027	0.0545
<b>P Income shares</b>				
Group 1	0.0216	-	0.0216	0.1014
Group 2	0.0211	0.0005	0.0216	0.1014
<b>Z Accumulation shares</b>				
Group 1	0.1069	-	0.1069	0.2091
Group 2	0.1069	-	0.1069	0.2091

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Strategic Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in government and corporate bonds issued anywhere in the world.

**Performance Target:** To exceed the IA £ Strategic Bond Sector Average return over 1 year (after charges) and be top quartile over rolling three year periods. The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target. It has been chosen as the target as the constituents of the sector have similar aims and objectives.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in bonds issued anywhere in the world by governments, sub-sovereigns and corporations.
- The fund may invest in investment grade, emerging market, high yield, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- At least 80% of the fund's investments will be in Sterling or will be subjected to techniques to reduce (hedge) risk related to currency movements on non-Sterling investments. The fund has some flexibility to seek returns from currencies.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- The team also seek to reduce the risk of losses and the expected change (as measured by annual volatility) in the value of the fund, is not ordinarily expected to exceed 8%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the average fund of the IA £ Strategic Bond Sector Average over the long term.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Strategic Bond Fund – A Accumulation Shares increased by 5.80% compared to an increase of 3.82% in the performance target, the IA £ Strategic Bond Sector Average return over 1 year (after charges).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Corporate bonds performed well over the last six months, with credit spreads tightening in most developed and emerging markets. As markets continued recovering from volatility experienced earlier in 2020, investor sentiment was positive. Although the Covid-19 pandemic was an omnipresent theme throughout the period, positivity around vaccination programmes, an economic recovery and politics made for improving risk appetite. This was particularly true for riskier bonds, including high-yield bonds.

At the beginning of the period, global bond markets were beginning to recover from the sharp falls of March and April, when the impact of the pandemic was becoming clear. The major central banks had cut interest rates to record lows before the period began. Moreover, the major central banks all purchased corporate bonds through their stimulus programmes. Credit spreads began to narrow from elevated levels, as investors re-evaluated the riskiness of corporate bonds – taking a more relaxed view on creditworthiness. Together these factors pushed yields lower, and prices higher, throughout the period.

Bond issuance has been high, with many companies taking advantage of low yields to refinance their debt or raise funds to cushion economic uncertainty. But bond prices fell slightly in September and October as investors sold out of riskier debt, concerned about the potential for rising defaults amid uncertainty from rising coronavirus cases and the US election. November saw a resumption of the upward trend on positive news flow stemming from vaccine breakthroughs and the US presidential election outcome. This extended into December, driven by vaccine optimism and the agreement of the Brexit trade deal.

January 2021 saw mixed performance, with corporate bond indices falling in aggregate as government bond yields rose. However, high-yield indices still increased. There was some optimism for riskier corporate bonds, with ratings agency Fitch lowering its expectations for defaults in 2021.

## Portfolio Activity

The fund started the period with an average duration of 4 years, which peaked at 5 years and finished the year at 4.69 years overall. Yields started to rise a little towards the end of 2020, with market participants looking for a recovery in growth around the world as vaccines roll out in 2021. The first part of this growth phase in 2021 will likely be accompanied by rising inflation as well, causing curves

to steepen and yields to rise. We reflected this view in the fund by entering into curve steepening trades in the US and reducing overall duration, and reducing it further post period end to around four years in February 2021. This approach aided the fund's performance and will go a long way to help reducing volatility into 2021, as yields continue to rise, if only to what are modest levels in a historical context.

We remained with our view that credit markets looked reasonable value for most of the period. Towards the end of January, the spread moves in many areas took credit to historically below fair values.

With credit spreads tightening through to year-end, the long positions in deeply subordinated bank debt such as Additional Tier 1 and Italian Tier 2 debt added considerably to performance. However, this positioning is starting to look fair value rather than cheap and we have started to trim back some of these exposures. Instead, we have been replacing them with exposures to economies reopening due to vaccine rollouts. This has been focused largely in the UK and the US, where the rollout has been quickest, but also in Asia, where the recovery will be quickest. This has meant adding positions in airlines, airport hotels, holiday resorts and transport companies. None of these new positions have been large, but the total exposure to 'recovery ideas' such as these is trending towards 10% of the fund. Much of the Asian credit exposure has been taken through our in-house ASI Asia Credit Fund to obtain broad-based positioning.

#### Portfolio Outlook and Strategy

Yields are starting to get towards 1.5% in the US 10-year Treasury bond. This will be an important testing point for markets. There is high likelihood, in our view, that yields struggle to move through this level convincingly. However, if they do, then the risks for broader markets such as credit will be rising as government bonds yields attract risk-adverse investors.

Credit markets, if we are correct on the yield range, will likely end the year at a very similar point to the end of this period. However, we are likely to see considerable volatility in the meantime, with investors worrying about inflation and then switching to worrying about growth in the first half of 2021. Reflecting this view, the fund will retain its positioning in higher-yielding securities, such as subordinated banks and previously mentioned vaccine rollout opportunities. We are also likely to see a solid core of investment-grade companies that produce a good level of yield for the ratings they have and provide some stability to overall performance.

#### Sterling IG and Aggregate Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 July 2020.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,327	683	1,230	3,151
Closing number of shares	779,682	424,843	792,485	2,117,856
Closing net asset value per share (pence)	170.16	160.69	155.20	148.78
Change in net asset value per share	5.89%	3.54%	4.32%	0.52%
Operating charges	1.06%	1.06%	1.06%	1.13%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	16	8	10	20
Closing number of shares	13,174	7,005	8,087	17,191
Closing net asset value per share (pence)	124.38	118.80	117.72	116.25
Change in net asset value per share	4.70%	0.92%	1.26%	(2.29%)
Operating charges	1.06%	1.06%	1.06%	1.13%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	20,261	4,290	8,227	17,488
Closing number of shares	11,338,858	2,547,813	5,082,117	11,322,477
Closing net asset value per share (pence)	178.69	168.36	161.88	154.46
Change in net asset value per share	6.14%	4.00%	4.80%	1.02%
Operating charges	0.61%	0.61%	0.61%	0.63%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,516	2,837	3,703	3,252
Closing number of shares	2,834,281	2,394,509	3,155,009	2,800,980
Closing net asset value per share (pence)	124.04	118.48	117.39	116.10
Change in net asset value per share	4.69%	0.93%	1.11%	(2.31%)
Operating charges	0.61%	0.61%	0.61%	0.63%
I Gross Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	17,205	727	893	970
Closing number of shares	12,267,594	550,544	702,770	800,228
Closing net asset value per share (pence)	140.24	132.14	127.05	121.21
Change in net asset value per share	6.13%	4.01%	4.82%	1.03%
Operating charges	0.61%	0.61%	0.61%	0.63%
I Gross Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	15,073	14,378	14,235	13,373
Closing number of shares	13,960,726	13,942,541	13,931,539	13,232,182
Closing net asset value per share (pence)	107.97	103.12	102.18	101.06
Change in net asset value per share	4.70%	0.92%	1.11%	(2.30%)
Operating charges	0.61%	0.61%	0.61%	0.63%

M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	929	929	100	
Closing net asset value per share (pence)	118.15	111.27	106.83	
Change in net asset value per share	6.18%	4.16%	-	
Operating charges	0.66%	0.66%	0.66%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	953	953	100	
Closing net asset value per share (pence)	110.09	105.14	103.79	
Change in net asset value per share	4.71%	1.30%	-	
Operating charges	0.66%	0.66%	0.66%	
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	42,279	63,214	59,415	62,218
Closing number of shares	22,432,497	35,687,020	35,060,143	38,673,467
Closing net asset value per share (pence)	188.47	177.13	169.47	160.88
Change in net asset value per share	6.40%	4.52%	5.34%	1.53%
Operating charges	0.11%	0.11%	0.11%	0.13%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 29 November 2018.

<sup>B</sup> M Income share class was launched on 29 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (94.21%)</b>		<b>91,196</b>	<b>91.49</b>
<b>Australian Dollar Denominated Bonds (1.01%)</b>		-	-
<b>Government Bonds (1.01%)</b>		-	-
<b>Euro Denominated Bonds (20.87%)</b>		<b>21,489</b>	<b>21.56</b>
<b>Corporate Bonds (20.87%)</b>		<b>21,489</b>	<b>21.56</b>
less than 5 years to maturity			
546,000	Wizz Air 1.35% 2024	484	0.49
between 5 and 10 years to maturity			
750,000	Banca Monte dei Paschi di Siena 8% fixed to floating 2030	660	0.66
978,000	Banca Monte dei Paschi di Siena 8.5% 2030	870	0.87
500,000	CaixaBank 2.25% 2030	463	0.46
378,000	CBRE Global Investors Open-Ended Fund SCA SICAV 0.5% 27/01/2028	334	0.32
1,000,000	International Consolidated Airlines 1.5% 2027*	747	0.75
500,000	Netflix 4.625% 2029	562	0.56
518,000	Verisure 3.25% 2027	460	0.46
600,000	ZF Europe Finance 2.5% 2027	527	0.53
greater than 25 years to maturity			
600,000	AIG 4.875% 2067	480	0.48
470,000	Channel Link Enterprises Finance 2.706% fixed to floating 2050	424	0.43
300,000	EDP - Energias de Portugal 1.875% fixed to floating 2081	265	0.27
Perpetual			
1,200,000	Aareal Bank 7.625% fixed to floating Perpetual	1,062	1.07
600,000	Abanca Corp Bancaria 6% fixed to floating Perpetual	524	0.53
700,000	BNP Paribas 4.032% fixed to floating Perpetual	696	0.70
1,600,000	Caixa Geral de Depositos 10.75% fixed to floating Perpetual	1,547	1.55
450,000	Credit Agricole 6% fixed to floating Perpetual	372	0.37
900,000	Deutsche Bank 6% fixed to floating Perpetual	794	0.80
900,000	Engie 3.25% fixed to floating Perpetual	869	0.87
400,000	Iberdrola International 1.874% fixed to floating Perpetual	362	0.36
824,500	ING FRN Perpetual	683	0.69
937,000	Intesa Sanpaolo 5.5% 2075	869	0.87
1,400,000	NatWest FRN Perpetual	1,209	1.21
1,418,157	Stichting FRN Perpetual	1,643	1.65
500,000	Telefonica 3.875% Perpetual	475	0.48
349,000	TOTAL 1.75% fixed to floating 2024	316	0.32
1,500,000	TOTAL 3.369% fixed to floating Perpetual	1,467	1.47

		Market Value £'000	Percentage of total net assets
Holding	Investment		
948,000	UniCredit 6.75% fixed to floating Perpetual	853	0.86
1,000,000	Van Lanschot Kempen Wealth Management 6.75% fixed to floating Perpetual	915	0.92
600,000	Volkswagen International 3.5% fixed to floating Perpetual	557	0.56
<b>Sterling Denominated Bonds (57.41%)</b>		<b>53,065</b>	<b>53.23</b>
<b>Corporate Bonds (57.41%)</b>		<b>53,065</b>	<b>53.23</b>
less than 5 years to maturity			
427,000	Arqiva 6.75% 2023	441	0.44
850,000	FirstGroup 5.25% 2022	902	0.90
800,000	FirstGroup 8.75% 2021	810	0.81
1,000,000	Ford Motor Credit 2.748% 2024	998	1.00
1,100,000	General Motors Financial 2.35% 2025	1,140	1.14
500,000	Go-Ahead 2.5% 2024	510	0.51
1,600,000	Hammerson 3.5% 2025	1,579	1.58
800,000	Heathrow Funding 7.125% 2024	911	0.91
467,000	Intu (SGS) Finance 3.875% 2023	263	0.26
600,000	Lend Lease Europe 6.125% 2021	619	0.62
152,000	MPT Operating Partnership 2.55% 2023	155	0.16
887,000	Phoenix 6.625% 2025	1,062	1.07
400,000	Stagecoach Group 4% 2025	425	0.43
between 5 and 10 years to maturity			
500,000	ABP 6.25% 2026	611	0.61
1,341,000	Athene Global Funding 1.75% 2027	1,373	1.38
400,000	BUPA Finance 5% 2026	466	0.47
500,000	Digital Stout 3.75% 2030	599	0.60
700,000	Fuller Smith & Turner 6.875% 2028	834	0.84
500,000	Gatwick 6.125% 2026	597	0.60
260,000	Grainger 3% 2029	282	0.28
800,000	Hammerson 6% fixed to floating 2026	855	0.86
389,000	Jerrold Finco 5.25% 2027	386	0.39
730,000	Kraft Heinz Foods 4.125% 2027	809	0.81
201,000	MPT Operating Partnership 3.692% 2028	218	0.22
453,000	National Express 2.375% 2028	471	0.47
413,000	NewRiver REIT 3.5% 2028	371	0.37
1,208,000	Next 4.375% 2026	1,382	1.39
750,000	Paragon 7.25% fixed to floating 2026	770	0.77
650,000	Quadgas Finance 3.375% 2029	717	0.72
400,000	Scentre Management 3.875% 2026	450	0.45
961,000	Smith (DS) 2.875% 2029	1,047	1.05
538,000	Southern Water Services Finance 2.375% 2028	570	0.57



			Market Value £'000	Percentage of total net assets
	<b>Holding</b>	<b>Investment</b>		
	800,000	Trafford Centre 7.03%% 2029	413	0.41
	347,000	Unite Group 3.5% 2028	387	0.39
	400,000	Virgin Money UK 5.125% 2030	432	0.43
	1,000,000	Welltower 4.8% 2028	1,215	1.22
	315,000	Westfield Stratford City Finance 1.642% 2026	317	0.32
between 10 and 15 years to maturity				
	760,000	Annington Funding 3.685% 2034	916	0.92
	1,000,000	Banco Bilbao Vizcaya Argentaria 3.104% 2031	1,050	1.05
	600,000	Broadgate Financing 5.098% 2035	645	0.65
	2,258,000	Lloyds Banking Group 2.707% 2035	2,337	2.34
	348,000	Pension Insurance 3.625% 2032	374	0.38
	520,000	Premiertel 6.175% 2032	543	0.56
between 15 and 25 years to maturity				
	488,000	Eversholt Funding 2.742% 2040	521	0.52
	350,000	RSA Insurance 5.125% fixed to floating 2045	404	0.41
	1,286,000	Tesco 5.744% 2040	1,682	1.69
greater than 25 years to maturity				
	250,000	American International 5.75% 2067	214	0.21
	1,000,000	Aviva 5.125% 2050	1,199	1.20
	816,000	Aviva 6.875% 2058	1,285	1.29
	170,000	Channel Link 3.043% 2050	174	0.17
	500,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	457	0.46
	1,550,000	NGG 5.625% fixed to floating 2073	1,764	1.77
	800,000	SSE 3.625% 2077	822	0.82
Perpetual				
	1,500,000	AXA 6.6862% fixed to floating Perpetual	1,839	1.85
	1,200,000	Barclays 6.375% fixed to floating Perpetual	1,295	1.30
	1,243,000	Barclays 7.25% fixed to floating Perpetual	1,320	1.32
	460,000	Barclays 9% Perpetual	543	0.54
	254,000	BP Capital Markets 4.25% fixed to floating Perpetual	272	0.27
	200,000	Cheltenham & Gloucester 11.75% Perpetual	408	0.41
	1,500,000	Deutsche Bank 7.125% fixed to floating Perpetual	1,510	1.52
	345,000	HBOS 5.75% Fixed to Floating 2022	355	0.36
	1,010,000	HSBC 5.844% fixed to floating Perpetual	1,480	1.49
	247,000	National Express 4.25% fixed to floating Perpetual	253	0.25
	500,000	National Westminster Bank 7.125% fixed to floating Perpetual	555	0.56
	252,000	Nationwide Building Society 5.875% fixed to floating Perpetual	275	0.28
	800,000	Natwest Group 5.125% fixed to floating Perpetual	842	0.85

			Market Value £'000	Percentage of total net assets
Holding	Investment			
214,000	Orange 5.75% fixed to floating Perpetual		233	0.23
600,000	Santander UK 7.375% Perpetual		623	0.62
1,404,000	SSE 3.74% fixed to floating Perpetual		1,488	1.49
<b>Government Bonds (0.00%)</b>			<b>488</b>	<b>0.49</b>
between 5 and 10 years to maturity				
489,000	UK (Govt of) 0.125% 2028		488	0.49
<b>US Dollar Denominated Bonds (14.92%)</b>			<b>16,154</b>	<b>16.21</b>
<b>Corporate Bonds (14.92%)</b>			<b>16,154</b>	<b>16.21</b>
less than 5 years to maturity				
1,494,000	Macy's 8.375% 2025		1,205	1.21
between 5 and 10 years to maturity				
800,000	ABN Amro 4.4% fixed to floating 2028		620	0.62
750,000	Boeing 2.95% 2030		557	0.56
550,000	Canadian Natural Resources 2.95% 2030		417	0.42
453,000	Country Garden 3.3% 2031		330	0.33
1,159,000	Turkiye Garanti Bankasi 6.125% 2027		839	0.84
between 10 and 15 years to maturity				
930,000	AT&T 2.75% 2031		708	0.71
309,000	Charter Communications Operating 2.8% 2031		232	0.23
1,519,000	Dresdner Funding Trust I 8.151% 2031		1,629	1.63
between 15 and 25 years to maturity				
1,120,000	AIA 3.2% 2040		842	0.85
510,000	Broadcom 3.5% 2041		374	0.38
702,000	Galaxy Pipeline Assets Bidco 2.625% 2036		516	0.52
Perpetual				
370,000	Australia & New Zealand Banking FRN Perpetual		234	0.23
1,500,000	AXA 6.379% fixed to floating Perpetual		1,518	1.52
2,340,000	Bank of Nova Scotia 6.25% fixed to floating Perpetual		1,707	1.71
514,000	Credit Suisse 5.25% fixed to floating Perpetual		395	0.40
1,500,000	Credit Suisse 6.25% Perpetual		1,193	1.20
1,250,000	Danske Bank 6.125% 2024		965	0.97
350,000	Hongkong & Shanghai Banking FRN Perpetual		227	0.23
1,000,000	Societe Generale FRN Perpetual		670	0.67
1,000,000	Standard Chartered 7.014% Perpetual		976	0.98

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (1.73%)</b>		<b>5,336</b>	<b>5.35</b>
145,402	Aberdeen Standard SICAV I - Asian Credit Bond Fund*	1,465	1.47
239,589	Aberdeen Standard SICAV I - Emerging Markets Total Return Bond Fund*	3,871	3.88
<b>Derivatives (0.37%)</b>		<b>250</b>	<b>0.25</b>
<b>Credit Default Swaps (-0.16%)</b>		<b>(695)</b>	<b>(0.70)</b>
EUR 1,973,320	Buy iTraxx Europe Series 34 Series 20/12/2025 5%	(193)	(0.20)
EUR 1,973,320	Buy iTraxx Europe Series 34 Series 20/12/2025 5%	(193)	(0.19)
EUR 1,973,320	Buy iTraxx Europe Series 34 Series 20/12/2025 5%	(193)	(0.19)
EUR 1,973,320	Buy iTraxx Europe Series 34 Series 20/12/2025 5%	(193)	(0.19)
EUR 5,400,000	Sell CDX Tesco 20/12/2025 1%	77	0.07
<b>Forward Currency Contracts (0.64%)</b>		<b>746</b>	<b>0.75</b>
	Buy EUR 295,557 Sell GBP 260,956 02/02/2021	1	-
	Buy AUD 1,742,000 Sell GBP 977,299 10/03/2021	(4)	-
	Buy CAD 101,000 Sell GBP 58,104 10/03/2021	(1)	-
	Buy EUR 1,090,000 Sell GBP 968,019 10/03/2021	(3)	-
	Buy EUR 1,563,000 Sell GBP 1,420,465 10/03/2021	(37)	(0.04)
	Buy EUR 225,000 Sell GBP 205,326 10/03/2021	(6)	(0.01)
	Buy EUR 312,000 Sell GBP 278,051 10/03/2021	(2)	-
	Buy EUR 43,000 Sell GBP 38,815 10/03/2021	(1)	-
	Buy EUR 77,000 Sell GBP 69,396 10/03/2021	(1)	-
	Buy EUR 80,000 Sell GBP 72,561 10/03/2021	(2)	-
	Buy GBP 1,097,451 Sell USD 1,488,000 10/03/2021	14	0.01
	Buy GBP 1,229,589 Sell USD 1,660,000 10/03/2021	21	0.02
	Buy GBP 1,337,572 Sell USD 1,808,000 10/03/2021	21	0.02
	Buy GBP 1,592,775 Sell EUR 1,787,000 10/03/2021	11	0.01
	Buy GBP 1,840,745 Sell USD 2,508,000 10/03/2021	15	0.01
	Buy GBP 102,329 Sell EUR 112,000 10/03/2021	3	-
	Buy GBP 13,005,123 Sell USD 17,504,000 10/03/2021	261	0.27
	Buy GBP 18,597,411 Sell EUR 20,575,000 10/03/2021	383	0.39
	Buy GBP 261,505 Sell EUR 296,000 10/03/2021	(1)	-
	Buy GBP 274,762 Sell EUR 308,000 10/03/2021	2	-
	Buy GBP 325,334 Sell USD 443,000 10/03/2021	3	-
	Buy GBP 334,455 Sell USD 451,000 10/03/2021	6	0.01
	Buy GBP 348,212 Sell EUR 383,000 10/03/2021	9	0.01
	Buy GBP 38,225 Sell USD 51,000 10/03/2021	1	-
	Buy GBP 385,023 Sell USD 517,000 10/03/2021	9	0.01

Holding	Investment	Market Value £'000	Percentage of total net assets
	Buy GBP 407,415 Sell USD 554,000 10/03/2021	4	-
	Buy GBP 47,856 Sell USD 64,000 10/03/2021	1	-
	Buy GBP 492,697 Sell USD 667,000 10/03/2021	7	0.01
	Buy GBP 523,097 Sell USD 706,000 10/03/2021	9	0.01
	Buy GBP 540,686 Sell EUR 607,000 10/03/2021	3	-
	Buy GBP 61,843 Sell EUR 70,000 10/03/2021	-	-
	Buy GBP 69,342 Sell USD 94,000 10/03/2021	1	-
	Buy GBP 704,731 Sell EUR 766,000 10/03/2021	27	0.03
	Buy GBP 71,335 Sell USD 98,000 10/03/2021	-	-
	Buy GBP 898,849 Sell EUR 1,011,000 10/03/2021	4	-
	Buy GBP 96,066 Sell EUR 107,000 10/03/2021	1	-
	Buy GBP 962,055 Sell AUD 1,742,000 10/03/2021	(11)	(0.01)
	Buy USD 119,000 Sell GBP 87,602 10/03/2021	(1)	-
	Buy USD 55,000 Sell GBP 41,271 10/03/2021	(1)	-
	Buy USD 62,000 Sell GBP 45,601 10/03/2021	-	-
	Buy USD 69,000 Sell GBP 50,289 10/03/2021	-	-
	Buy USD 786,000 Sell GBP 572,167 10/03/2021	-	-
	Buy USD 88,000 Sell GBP 64,340 10/03/2021	-	-
<b>Futures (0.09%)</b>		<b>98</b>	<b>0.10</b>
50	Long Australia 10 Year Bond Future 15/03/2021	(18)	(0.02)
(24)	Long Euro-Bobl Future 08/03/2021	(4)	-
(18)	Long Long Gilt Future 29/03/2021	(1)	-
175	Long US 10 Year Note (CBT) Future 22/03/2021	(116)	(0.12)
(37)	Long US Ultra Bond (CBT) Future 22/03/2021	123	0.12
(30)	Short Euro Bond Future 08/03/2021	(16)	(0.01)
(9)	Short Euro Buxl 30 Year Future 08/03/2021	9	0.01
(83)	Short US 10 Year Ultra Future 22/03/2021	122	0.12
102	Short US 5 Year Note (CBT) Future 31/03/2021	(1)	-
<b>Inflation Swaps (-0.08%)</b>		<b>81</b>	<b>0.08</b>
GBP 3,900,000	Pay floating UKRPI receive fixed 3.31% 28/02/2025	81	0.08
<b>Interest Rate Swaps (-0.12%)</b>		<b>20</b>	<b>0.02</b>
GBP 1,400,000	Pay fixed 0.619% receive floating GBP-LIBOR 26/09/2069	(2)	-
USD 22,700,000	Pay fixed 0.852% receive floating USD-LIBOR 03/03/2023	(218)	(0.22)
GBP 780,000	Pay fixed 0.934% receive floating GBP-LIBOR 12/08/2054	(27)	(0.03)
CAD 32,300,000	Pay floating CAD-BA-CDOR receive fixed 1.295% 03/03/2023	282	0.28

Holding	Investment	Market Value £'000	Percentage of total net assets
GBP 4,240,000	Pay floating GBP-LIBOR receive fixed 0.633% 12/08/2026	59	0.06
NZD 1,300,000	Pay floating NZD-BKBM receive fixed 0.627% 29/11/2026	(74)	(0.07)
Total investment assets and liabilities		96,782	97.09
Net other assets		2,897	2.91
<b>Total Net Assets</b>		<b>99,679</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\* A portion of this security is on loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		3,690		2,302
Revenue	1,478		1,602	
Expenses	(146)		(116)	
Interest payable and similar charges	(9)		(2)	
Net revenue before taxation	1,323		1,484	
Taxation	-		-	
Net revenue after taxation		1,323		1,484
<b>Total return before distributions</b>		<b>5,013</b>		<b>3,786</b>
Distributions		(1,323)		(1,484)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,690</b>		<b>2,302</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>86,139</b>		<b>87,713</b>
Amounts receivable on the issue of shares	36,937		4,270	
Amounts payable on the cancellation of shares	(28,271)		(8,831)	
		8,666		(4,561)
Dilution adjustment		99		19
Change in net assets attributable to shareholders from investment activities (see above)		3,690		2,302
Retained distribution on accumulation shares		1,085		1,197
<b>Closing net assets attributable to shareholders</b>		<b>99,679</b>		<b>86,670</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		98,102		84,387
<b>Current assets:</b>				
Debtors	1,808		2,281	
Cash and bank balances	2,248		2,703	
		4,056		4,984
<b>Total assets</b>		<b>102,158</b>		<b>89,371</b>
<b>Liabilities:</b>				
Investment liabilities		(1,320)		(1,425)
Creditors	(874)		(1,678)	
Bank overdrafts	(162)		-	
Distribution payable	(123)		(129)	
		(1,159)		(1,807)
<b>Total liabilities</b>		<b>(2,479)</b>		<b>(3,232)</b>
<b>Net assets attributable to shareholders</b>		<b>99,679</b>		<b>86,139</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 0.0% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	0.9667	-	0.9667	1.0669
Group 2	0.5171	0.4496	0.9667	1.0669
<b>A Income shares</b>				
Group 1	0.7109	-	0.7109	0.8068
Group 2	0.6643	0.0466	0.7109	0.8068
<b>I Accumulation shares</b>				
Group 1	1.2075	-	1.2075	1.2980
Group 2	0.5400	0.6675	1.2075	1.2980
<b>I Income shares</b>				
Group 1	0.8497	-	0.8497	0.9412
Group 2	0.3579	0.4918	0.8497	0.9412
<b>I Gross Accumulation shares</b>				
Group 1	0.9477	-	0.9477	1.0187
Group 2	0.2239	0.7238	0.9477	1.0187
<b>I Gross Income shares</b>				
Group 1	0.7396	-	0.7396	0.8192
Group 2	0.3322	0.4074	0.7396	0.8192
<b>M Accumulation shares</b>				
Group 1	0.8491	-	0.8491	0.5897
Group 2	0.8491	-	0.8491	0.5897
<b>M Income shares</b>				
Group 1	0.7962	-	0.7962	0.5780
Group 2	0.7962	-	0.7962	0.5780
<b>Z Accumulation shares</b>				
Group 1	1.4985	-	1.4985	1.5743
Group 2	0.5091	0.9894	1.4985	1.5743



**Second interim interest distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.9252	-	0.9252	1.0131
Group 2	0.3671	0.5581	0.9252	1.0131
<b>A Income shares</b>				
Group 1	0.6778	-	0.6778	0.7616
Group 2	0.3671	0.3107	0.6778	0.7616
<b>I Accumulation shares</b>				
Group 1	1.1748	-	1.1748	1.2483
Group 2	0.4858	0.6890	1.1748	1.2483
<b>I Income shares</b>				
Group 1	0.8190	-	0.8190	0.8965
Group 2	0.2795	0.5395	0.8190	0.8965
<b>I Gross Accumulation shares</b>				
Group 1	0.9193	-	0.9193	0.9777
Group 2	0.4076	0.5117	0.9193	0.9777
<b>I Gross Income shares</b>				
Group 1	0.7124	-	0.7124	0.7802
Group 2	0.3122	0.4002	0.7124	0.7802
<b>M Accumulation shares</b>				
Group 1	0.7845	-	0.7845	0.8308
Group 2	0.7845	-	0.7845	0.8308
<b>M Income shares</b>				
Group 1	0.7700	-	0.7700	0.8004
Group 2	0.7700	-	0.7700	0.8004
<b>Z Accumulation shares</b>				
Group 1	1.4705	-	1.4705	1.5250
Group 2	0.0802	1.3903	1.4705	1.5250

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI Target Return Bond Fund

For the six months ended 31 January 2021

## Investment Objective

To generate a positive return over rolling 12-month periods in all market conditions by investing in government and corporate bonds issued anywhere in the world. Invested capital is however at risk and there is no guarantee that this positive return will be attained over any time period.

**Performance Target:** To exceed the return of the 3 Month GBP LIBOR plus 3% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

3 Month GBP LIBOR has been chosen as a proxy for the return on cash deposits.

## Investment Policy

### Portfolio Securities

- The fund will invest directly or indirectly via derivatives, in fixed income markets and bonds issued anywhere in the world by governments, sub-sovereigns and corporations, as well as money-market instruments and cash.
- The fund may invest in investment grade, high yield, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- The fund has flexibility to seek returns from currencies.
- The fund may invest in other funds (including those managed by Aberdeen Standard Investments).
- In some instances, up to 100% of the fund may at any time consist of money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation), analysis of a company's prospects and creditworthiness compared to that of the market and make flexible allocations across bond, derivatives and currencies.
- The team also seek to reduce the risk of losses and the expected change (as measured by annual volatility) in the value of the fund, is not ordinarily expected to exceed 7.50%.
- Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will make extensive use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). Leverage in the fund arises as a result of the use of derivatives.

## Performance Review

For the six months ended 31 January 2021, the value of ASI Target Return Bond Fund - A Accumulation Shares increased by 1.10% compared to an increase of 0.02% in the performance target, the 3 Month GBP LIBOR.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

As markets continued recovering from volatility experienced earlier in 2020, investor sentiment was positive for sterling credit. Although the Covid-19 pandemic was an omnipresent theme throughout the period, positivity around vaccination programmes, economic recovery and politics made for rising prices. This was particularly true for riskier issues, including high-yield bonds.

## Portfolio Activity

The fund outperformed its benchmark over the six-month review period. The largest contributor to performance was the allocation in corporate bonds, where the fund was long risk. However, our macro positioning in currency and rates, which gives the fund protection from a broader risk-off event, moderated the gains from corporate bonds. Together these positions have reduced performance volatility over the period, as well as over the 12-month period. Within credit positioning, we directed our investment focus towards more Covid-19 resilient sectors, such as utilities and technology, media and telecommunications, with more opportunistic positioning in high yield and cyclical sectors. Core and opportunistic investments contributed to the overall positive performance as sentiment improved around 2021 earnings expectations and a recovery in global growth.

## Portfolio Outlook and Strategy

We think the outlook for credit spreads is fairly balanced. Vaccine rollouts, moderating virus case numbers and a new round of stimulus from the Biden administration support the economic recovery in the US and global risk markets, in general. We also have a new, market-friendly technocratic government under Mario Draghi in Italy. The positive outlook is balanced out by a disappointing start to vaccination campaigns in the US and some European countries and the appearance of virus mutations that will delay the normalisation process and may require changes to vaccines over time. Elsewhere, central banks maintained a very dovish tone over the month. Policymakers are cognisant of the level of support still needed and downplayed the prospect of pre-emptive tightening later in the year. Valuations are fair in our view and reflect this balanced outlook on risks and opportunities. As a result, we expect a more range-bound market going forward.

## Global IG and Aggregate Team

February 2021

### 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 risk and reward indicator changed from 2 to 3 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,220	1,204	1,376	1,479
Closing number of shares	974,785	971,432	1,140,057	1,233,542
Closing net asset value per share (pence)	125.14	123.97	120.71	119.86
Change in net asset value per share	0.94%	2.70%	0.71%	0.86%
Operating charges	1.06%	1.06%	1.08%	1.12%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	7	7	7	8
Closing number of shares	7,307	7,297	7,277	8,376
Closing net asset value per share (pence)	99.63	98.85	97.34	97.90
Change in net asset value per share	0.79%	1.55%	(0.57%)	(0.14%)
Operating charges	1.06%	1.06%	1.08%	1.12%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	6,773	7,844	7,280	8,473
Closing number of shares	5,996,628	7,026,012	6,728,023	7,922,608
Closing net asset value per share (pence)	112.95	111.64	108.21	106.95
Change in net asset value per share	1.17%	3.17%	1.18%	1.37%
Operating charges	0.61%	0.61%	0.61%	0.62%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	918	1,238	2,221	3,073
Closing number of shares	935,084	1,272,729	2,318,924	3,190,752
Closing net asset value per share (pence)	98.17	97.36	95.76	96.31
Change in net asset value per share	0.83%	1.67%	(0.57%)	(0.11%)
Operating charges	0.61%	0.61%	0.61%	0.62%
I Gross Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	137	136	46	17,221
Closing number of shares	105,768	105,769	37,266	14,017,903
Closing net asset value per share (pence)	129.72	128.21	124.30	122.85
Change in net asset value per share	1.18%	3.15%	1.18%	1.39%
Operating charges	0.61%	0.61%	0.61%	0.62%
I Gross Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	31	35	101	110
Closing number of shares	32,000	36,125	106,125	115,303
Closing net asset value per share (pence)	97.24	96.48	95.02	95.57
Change in net asset value per share	0.79%	1.54%	(0.58%)	(0.11%)
Operating charges	0.61%	0.61%	0.61%	0.62%

K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	429	433	23	25
Closing number of shares	387,074	395,645	21,576	24,044
Closing net asset value per share (pence)	110.66	109.35	105.93	104.65
Change in net asset value per share	1.20%	3.23%	1.22%	1.41%
Operating charges	0.56%	0.56%	0.56%	0.57%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	965	965	100	
Closing net asset value per share (pence)	107.04	105.73	102.29	
Change in net asset value per share	1.24%	3.36%	-	
Operating charges	0.66%	0.66%	0.66%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	982	982	100	
Closing net asset value per share (pence)	103.10	102.29	100.40	
Change in net asset value per share	0.79%	1.88%	-	
Operating charges	0.66%	0.66%	0.66%	
Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	24,236	24,753	149,053	145,066
Closing number of shares	17,099,520	17,713,598	110,597,786	109,450,425
Closing net asset value per share (pence)	141.73	139.74	134.77	132.54
Change in net asset value per share	1.42%	3.69%	1.68%	1.88%
Operating charges	0.11%	0.11%	0.11%	0.12%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 29 November 2018.

<sup>B</sup> M Income share class was launched on 29 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Bonds (87.82%)</b>		<b>31,989</b>	<b>94.77</b>
<b>Australian Dollar Denominated Bonds (0.00%)</b>		<b>129</b>	<b>0.38</b>
<b>Corporate Bonds (0.00%)</b>		<b>129</b>	<b>0.38</b>
less than 5 years to maturity			
220,000	General Motors Financial 3.85% 2023	129	0.38
<b>Euro Denominated Bonds (30.44%)</b>		<b>10,770</b>	<b>31.91</b>
<b>Corporate Bonds (30.44%)</b>		<b>10,770</b>	<b>31.91</b>
less than 5 years to maturity			
100,000	American Tower 1.375% 2025	93	0.27
100,000	Annington Funding 1.65% 2024	93	0.27
200,000	Arion Banki 1% 2023	180	0.53
379,000	Athene Global Funding 1.875% 2023	350	1.04
200,000	Ball 4.375% 2023	195	0.58
100,000	Belfius Bank 0.375% 2025	89	0.26
100,000	Berry Global 1% 2025	90	0.27
300,000	Bharti Airtel 3.375% 2021	267	0.79
200,000	CaixaBank 2.375% 2024	189	0.56
100,000	Cemex 2.75% 2024	89	0.26
200,000	China National Chemical 1.75% 2022	177	0.52
100,000	Chubb INA 0.3% 2024	89	0.27
126,000	CK Hutchison 1.25% 2023	115	0.34
147,000	CNH Industrial Finance Europe 0% 2024	130	0.38
100,000	CRH Finland Services 0.875% 2023	91	0.27
125,000	Cromwell 2.125% 2025	114	0.34
404,000	Danske Bank 0.875% 2023	365	1.08
423,000	Dell Bank International 0.625% 2022	378	1.12
100,000	Deutsche Bank 1% 2025	90	0.27
100,000	Digital Dutch 0.125% 2022	89	0.26
200,000	Digital Dutch 0.625% 2025	181	0.54
100,000	FCA Bank 0.25% 2023	89	0.26
300,000	Fidelity National Information Services 0.75% 2023	271	0.80
100,000	Ford Motor Credit 1.744% 2024	88	0.26
214,000	Fresenius Medical Care 0.25% 2023	191	0.57
100,000	General Electric 0.875% 2025	91	0.27
100,000	HeidelbergCement Finance Luxembourg 2.5% 2024	96	0.30
100,000	Informa 1.5% 2023	91	0.27
200,000	Islandsbanki 1.125% 2022	179	0.53
200,000	Mitsubishi UFJ Financial 0.339% 2024	179	0.53

		Market Value £'000	Percentage of total net assets
Holding	Investment		
140,000	Mylan 2.25% 2024	133	0.39
200,000	NE Property 2.625% 2023*	184	0.54
200,000	Netflix 3% 2025	193	0.57
300,000	Nykredit Realkredit 0.25% 2023	267	0.79
100,000	OCI 3.125% 2024	90	0.27
100,000	OCI 3.625% 2025	92	0.27
200,000	Orange 1.125% 2024	184	0.55
100,000	PACCAR Financial Europe 0.125% 2022	89	0.26
100,000	RCI Banque 0.75% 2022	89	0.26
100,000	RCI Banque 1.25% 2022	90	0.27
100,000	RELX 0% 2024	89	0.26
400,000	SELP Finance 1.25% 2023	365	1.08
100,000	Stellantis 3.875% 2026	102	0.30
222,000	Takeda Pharmaceutical FRN 2022	199	0.59
100,000	Teva Pharmaceutical 1.25% 2023	86	0.27
250,000	Thermo Fisher Scientific 0.75% 2024	227	0.67
100,000	TLG Immobilien 0.375% 2022	89	0.26
100,000	Transport et Infrastructures Gaz France 4.339% 2021	90	0.27
200,000	Vesteda Finance 2.5% 2022	184	0.54
141,000	Volkswagen Leasing 0.5% 2022	126	0.37
between 5 and 10 years to maturity			
100,000	Alstria Office REIT 1.5% 2026	93	0.28
100,000	American Tower 0.5% 2028	89	0.26
100,000	Apple 1.625% 2026	97	0.29
249,000	Barclays 2% 2028	225	0.67
100,000	CaixaBank 2.75% 2028	92	0.27
100,000	Deutsche Bank 1.375% 2026	91	0.27
100,000	Nationwide Building Society FRN 2029	92	0.27
300,000	Rabobank 2.5% 2026	267	0.79
100,000	Unione di Banche 4.45% 2027	93	0.27
200,000	Zuercher Kantonalbank 2.625% 2027	182	0.54
between 15 and 25 years to maturity			
100,000	Aviva 6.125% 2043	101	0.30
100,000	NN Group FRN 2044	98	0.29
greater than 25 years to maturity			
100,000	Channel Link Enterprises Finance FRN 2050	90	0.27
100,000	EDP - Energias de Portugal 1.875% fixed to floating 2081	88	0.26
100,000	NGG Finance 1.625% 2079	89	0.27
100,000	Vodafone 2.625% 2080	91	0.27

	Holding	Investment	Market Value £'000	Percentage of total net assets
Perpetual				
	200,000	Cooperatieve Rabobank 4.375% fixed to floating Perpetual	195	0.58
	200,000	Credit Agricole 6.5% Perpetual	180	0.53
	100,000	Engie 1.625% Fixed to Floating Perpetual	90	0.27
	100,000	ENI 2.625% fixed to floating Perpetual	92	0.27
	100,000	Telefonica FRN Perpetual	91	0.27
	200,000	TOTAL 1.75% Fixed to Floating Perpetual	181	0.54
	200,000	UBS 5.75% Perpetual	184	0.55
	200,000	Vonovia Finance 4% fixed to floating Perpetual	182	0.54
<b>Sterling Denominated Bonds (24.37%)</b>			<b>7,802</b>	<b>23.11</b>
<b>Corporate Bonds (24.09%)</b>			<b>7,701</b>	<b>22.81</b>
less than 5 years to maturity				
	300,000	AIG 5% 2023	328	0.97
	150,000	Anheuser-Busch InBev 9.75% 2024	198	0.59
	100,000	Arrow Global 5.125% 2024	100	0.30
	333,000	Barclays 10% 2021	342	1.01
	200,000	Barclays 2.375% 2023	205	0.61
	100,000	BUPA 3.375% 2021	101	0.30
	200,000	CPUK 4.25% 2022	103	0.30
	100,000	Credit Suisse FRN 2025	104	0.31
	100,000	Deutsche Bank 1.75% 2021	101	0.30
	100,000	Deutsche Bank 2.625% 2024	105	0.31
	100,000	Experian Finance 0.739% 2025	100	0.30
	400,000	FCA Capital Ireland 1.625% 2021	402	1.19
	200,000	First Abu Dhabi Bank 1.375% 2023	202	0.60
	90,000	General Electric 5.5% 2021	92	0.27
	100,000	Hammerson 3.5% 2025	99	0.29
	200,000	HSBC 2.175% 2023	204	0.60
	530,000	Industrial & Commercial Bank of China (London) 1.5% 2022	535	1.58
	300,000	Lend Lease Europe 6.125% 2021	309	0.92
	200,000	Lloyds Banking 1.875% fixed to floating 2026	206	0.61
	200,000	MPT Operating Partnership 2.55% 2023	204	0.60
	400,000	NatWest 6.5% 2021	414	1.23
	160,000	Petróleos Mexicanos 8.25% 2022	170	0.50
	300,000	Phoenix 5.75% 2021	306	0.91
	222,000	Tesco 6.125% 2022	235	0.70
	400,000	Volkswagen Financial Services 1.875% 2021	403	1.19
	300,000	Wells Fargo 1.375% 2022	303	0.90



Holding	Investment	Market Value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
100,000	Westfield Stratford City Finance 1.642% 2026	101	0.30
between 15 and 25 years to maturity			
300,000	Aviva 6.625% fixed to floating 2041	306	0.91
300,000	Legal & General 10% 2041	313	0.93
300,000	QBE Insurance 6.115% 2042	317	0.94
400,000	SLM Student Loan Trust 5.15% 2039	372	1.10
Perpetual			
200,000	Lloyds Banking Group 7.625% fixed to floating Perpetual	217	0.64
188,000	Zurich FRN Perpetual	204	0.60
<b>Government Bonds (0.28%)</b>		<b>101</b>	<b>0.30</b>
less than 5 years to maturity			
100,000	China Development Bank 1.25% 2023	101	0.30
<b>US Dollar Denominated Bonds (33.01%)</b>		<b>13,288</b>	<b>39.37</b>
<b>Corporate Bonds (33.01%)</b>		<b>13,288</b>	<b>39.37</b>
less than 5 years to maturity			
200,000	AbbVie 2.6% 2024	156	0.46
200,000	Alfa 5.25% 2024	158	0.47
164,000	Altria 2.35% 2025	126	0.37
189,000	American Electric Power 0.75% 2023	138	0.41
200,000	Anglo American Capital 5.375% 2025	170	0.50
123,000	Athene Global Funding 0.95% 2024	90	0.27
200,000	Ball 5% 2022	152	0.45
300,000	Bank of America FRN 2022	220	0.65
208,000	Banque Federative du Credit Mutuel 0.65% 2024	152	0.45
150,000	BBVA Bancomer 6.5% 2021	110	0.33
150,000	BBVA Bancomer 6.75% 2022	118	0.35
40,000	Berry Global 1.57% 2026	29	0.09
200,000	BMW US Capital 3.8% 2023	156	0.46
200,000	BNP Paribas 2.819% fixed to floating 2025	155	0.46
240,000	Boeing 4.875% 2025	197	0.58
300,000	BPCE 4.625% 2024	244	0.72
200,000	Campbell Soup 3.95% 2025	163	0.48
300,000	Carrier Global 2.242% 2025	229	0.68
200,000	Cenovus Energy 3% 2022	149	0.44
260,000	Cheniere Christi Corpus 7% 2024	220	0.65

Holding	Investment	Market Value £'000	Percentage of total net assets
200,000	China Oil & Gas 5.5% 2023	150	0.46
400,000	Citigroup FRN 2023	296	0.88
200,000	CNH Industrial Capital 4.2% 2024	160	0.47
27,000	Continental Resources 4.5% 2023	20	0.06
200,000	Country Garden Holdings 8% 2024	157	0.46
200,000	Danske Bank 5% 2022	152	0.45
152,000	DTE Energy 1.05% 2025	111	0.33
200,000	EDP 3.625% 2024	159	0.47
100,000	Energy Transfer Operating 4.25% 2023	77	0.23
261,000	Equifax 2.6% 2024	203	0.60
300,000	Equinix 1.25% 2025	221	0.66
140,000	Equinix 2.625% 2024	109	0.32
74,000	Eversource Energy 0.8% 2025	54	0.16
200,000	Ford Motor Credit 4.063% 2024	152	0.45
96,000	General Motors Financial 5.2% 2023	76	0.23
80,000	Goodyear Tire & Rubber 9.5% 2025	65	0.19
270,000	HCA 4.75% 2023	214	0.63
422,000	Intesa Sanpaolo 6.5% 2021	309	0.91
200,000	JBS Investments II 7% 2026	156	0.46
350,000	JPMorgan Chase FRN 2023	259	0.77
200,000	JPMorgan Chase FRN 2024	160	0.47
100,000	Lennar 4.75% 2025	83	0.25
294,000	Lukoil International Finance 4.563% 2023	229	0.68
200,000	Mexichem 4.875% 2022	154	0.45
200,000	NTPC 5.625% 2021	149	0.44
550,000	Occidental Petroleum 4.85% 2021	401	1.19
150,000	Occidental Petroleum FRN 2022	107	0.32
90,000	Pacific Gas and Electric 3.5% 2025	71	0.21
126,000	Penske Truck Leasing 1.2% 2025	92	0.27
222,000	Penske Truck Leasing 3.375% 2022	166	0.49
200,000	Saudi Arabian Oil 1.625% 2025	149	0.44
200,000	Saudi Arabian Oil 2.75% 2022	149	0.44
400,000	SBA Tower Trust 2.836% 2025	311	0.92
182,000	Sealed Air 5.25% 2023	141	0.42
200,000	Shimao Property 4.75% 2022	149	0.44
200,000	Shimao Property 6.125% 2024	154	0.46
200,000	SK Hynix 1% 2024	146	0.43
337,000	SK Hynix 1.5% 2026	247	0.73
200,000	Sprint 7.875% 2023	168	0.50
33,000	Sunoco Logistics Partners Operations 5.95% 2025	28	0.08
200,000	Syngenta Finance 3.125% 2022	148	0.44

			Market Value £'000	Percentage of total net assets
Holding	Investment			
100,000	T-Mobile USA 3.5% 2025		80	0.24
200,000	Upjohn 1.65% 2025		150	0.45
400,000	Vodafone 3.75% 2024		318	0.94
275,000	Volkswagen 1.25% 2025		201	0.60
300,000	Welltower 3.75% 2023		231	0.69
125,000	Western Midstream Operating 4% 2022		93	0.28
28,000	Wolverine World Wide 6.375% 2025		22	0.06
100,000	WPX Energy 5.25% 2024		81	0.24
between 5 and 10 years to maturity				
200,000	ABN Amro FRN 2028		155	0.46
200,000	Adani Transmission 4% 2026		157	0.46
200,000	Barclays 5.088% fixed to floating 2030		171	0.51
315,000	BAT International Finance 1.668% 2026		233	0.69
200,000	CIFI 5.25% 2026		152	0.45
200,000	Country Garden Holdings 5.125% 2027		157	0.46
100,000	Dell International 6.02% 2026		88	0.26
200,000	Deutsche Bank 4.296% fixed to floating 2028		150	0.45
200,000	ING FRN 2028		156	0.46
between 10 and 15 years to maturity				
200,000	MARB Bondco 3.95% 2031		145	0.43
greater than 25 years to maturity				
1,410,000	JP Morgan Mortgage Trust 2018-6 3.5% 2048		11	0.03
237,153	JP Morgan Mortgage Trust 2018-9 4% 2049		41	0.12
Perpetual				
200,000	BNP Paribas 6.625% fixed to floating Perpetual		158	0.47
200,000	Credit Suisse 6.25% Perpetual		159	0.47
100,000	Electricite de France 5.25% fixed to floating Perpetual		76	0.23
200,000	ING 6.75% fixed to floating Perpetual		158	0.47
200,000	NatWest 8.625% Perpetual		151	0.45
200,000	UBS 7% fixed to floating Perpetual		160	0.47
<b>Collective Investment Schemes (2.98%)</b>			<b>1,059</b>	<b>3.14</b>
1,059	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z3 Inc <sup>†</sup>		1,059	3.14

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Derivatives (2.02%)</b>		<b>(381)</b>	<b>(1.13)</b>
<b>Credit Default Swaps (-0.38%)</b>		<b>(156)</b>	<b>(0.46)</b>
EUR 373,336	Buy iTraxx Series 117 Series 20/06/2024 5%	(32)	(0.09)
USD 338,200	Buy iTraxx Series 119 20/06/2024 5%	(21)	(0.06)
USD 9,000,000	Buy iTraxx Series 146 20/06/2024 5%	(103)	(0.31)
<b>Forward Currency Contracts (2.00%)</b>		<b>(14)</b>	<b>(0.04)</b>
	Buy AUD 1,133,000 Sell GBP 623,871 24/02/2021	9	0.03
	Buy AUD 150,000 Sell GBP 84,562 25/02/2021	(1)	-
	Buy BRL 1,201,000 Sell USD 231,745 24/02/2021	(9)	(0.03)
	Buy CAD 878,794 Sell EUR 570,000 24/02/2021	(4)	(0.01)
	Buy CAD 47,000 Sell GBP 27,074 24/02/2021	-	-
	Buy CHF 1,246,000 Sell GBP 1,038,206 24/02/2021	(18)	(0.05)
	Buy EUR 97,520 Sell GBP 86,103 02/02/2021	-	-
	Buy EUR 30,000 Sell GBP 27,061 24/02/2021	-	-
	Buy EUR 56,000 Sell GBP 49,890 24/02/2021	-	-
	Buy EUR 57,000 Sell GBP 50,518 24/02/2021	-	-
	Buy GBP 244,399 Sell AUD 432,000 25/02/2021	3	0.01
	Buy GBP 10,915 Sell CAD 19,000 24/02/2021	-	-
	Buy GBP 35,265 Sell CAD 61,000 24/02/2021	-	-
	Buy GBP 23,860 Sell CHF 29,000 24/02/2021	-	-
	Buy GBP 344,458 Sell CHF 402,000 24/02/2021	15	0.05
	Buy GBP 23,498 Sell EUR 26,000 24/02/2021	1	-
	Buy GBP 59,185 Sell EUR 66,000 24/02/2021	1	-
	Buy GBP 703,981 Sell EUR 783,000 24/02/2021	11	0.03
	Buy GBP 21,382 Sell EUR 24,000 25/02/2021	-	-
	Buy GBP 86,560 Sell EUR 98,000 25/02/2021	-	-
	Buy GBP 10,676,000 Sell EUR 12,044,000 25/02/2021	16	0.05
	Buy GBP 1,248,363 Sell NZD 2,407,000 24/02/2021	(15)	(0.05)
	Buy GBP 355,258 Sell SEK 4,059,000 24/02/2021	-	-
	Buy GBP 809,698 Sell USD 1,067,000 24/02/2021	33	0.10
	Buy GBP 110,481 Sell USD 151,000 25/02/2021	1	-
	Buy GBP 213,531 Sell USD 292,000 25/02/2021	1	-
	Buy GBP 13,045,009 Sell USD 17,916,000 25/02/2021	-	-
	Buy GBP 191,716 Sell ZAR 3,984,000 24/02/2021	-	-
	Buy JPY 204,826,000 Sell GBP 1,486,284 24/02/2021	(61)	(0.18)
	Buy KRW 500,973,000 Sell USD 457,609 24/02/2021	(6)	(0.02)
	Buy NOK 4,269,000 Sell GBP 353,994 24/02/2021	10	0.03
	Buy NZD 1,339,904 Sell AUD 1,253,000 24/02/2021	3	0.01
	Buy NZD 136,000 Sell GBP 70,988 24/02/2021	-	-

Holding	Investment	Market Value £'000	Percentage of total net assets
	Buy SEK 4,067,830 Sell NOK 4,236,000 24/02/2021	(5)	(0.02)
	Buy USD 227,737 Sell BRL 1,220,000 24/02/2021	3	0.01
	Buy USD 231,000 Sell BRL 1,220,155 24/02/2021	6	0.02
	Buy USD 694,228 Sell EUR 566,000 24/02/2021	5	0.01
	Buy USD 31,000 Sell GBP 23,310 24/02/2021	(1)	-
	Buy USD 460,222 Sell GBP 341,000 24/02/2021	(6)	(0.02)
	Buy USD 475,000 Sell GBP 346,755 25/02/2021	(1)	-
	Buy USD 460,592 Sell ILS 1,494,000 24/02/2021	3	0.01
	Buy USD 455,475 Sell KRW 508,717,000 24/02/2021	(1)	-
	Buy USD 226,268 Sell ZAR 3,553,000 24/02/2021	(7)	(0.02)
<b>Futures (-0.23%)</b>		-	-
26	Long Australia 10 Year Bond Future 15/09/2020	(9)	(0.03)
4	Long Euro Buxl 30 Year Future 08/03/2021	(7)	(0.02)
10	Long US 10 Year Note (CBT) Future 22/03/2021	(6)	(0.02)
(5)	Short Australia 3 Year Bond Future 15/03/2021	-	-
(16)	Short Euro Bond Future 08/03/2021	2	-
(54)	Short Euro Schatz Future 05/03/2021	(1)	-
(23)	Short Euro-Bobl Future 08/03/2021	(4)	(0.01)
(7)	Short Euro-BTP Future 08/03/2021	(3)	(0.01)
(6)	Short Euro-Oat Future 08/03/2021	(1)	-
(5)	Short Short Euro-BTP Future 08/03/2021	-	-
(4)	Short US 10 Year Ultra Future 22/03/2021	-	-
(36)	Short US 2 Year Note (CBT) Future 31/03/2021	(3)	(0.01)
(5)	Short US 5 Year Note (CBT) Future 31/03/2021	-	-
(4)	Short US Ultra Bond (CBT) Future 21/09/2020	32	0.10
<b>Inflation Swaps (1.82%)</b>		<b>314</b>	<b>0.93</b>
EUR 860,000	Pay floating CPTFEMU receive fixed 0.95125% 15/09/2030	(17)	(0.05)
EUR 680,000	Pay floating CPTFEMU receive fixed 1.05600% 15/11/2030	(11)	(0.03)
GBP 5,670,000	Pay floating UKRPI receive fixed 3.805% 21/08/2024	342	1.01
<b>Interest Rate Swaps (-1.19%)</b>		<b>(525)</b>	<b>(1.56)</b>
GBP 15,970,000	Pay fixed -0.07300% receive floating GBP-SONIA 14/07/2023	7	0.02
AUD 9,430,000	Pay fixed 0.30000% receive floating AUD-BBSW 16/11/2024	15	0.05
GBP 1,650,000	Pay fixed 1.05600% receive floating GBP-LIBOR 07/12/2022	(32)	(0.09)
GBP 1,730,000	Pay fixed 1.05600% receive floating GBP-LIBOR 07/12/2022	(33)	(0.10)
USD 2,500,000	Pay fixed 1.34700% receive floating USD-LIBOR 11/10/2022	(43)	(0.13)
USD 5,000,000	Pay fixed 2.00200% receive floating USD-LIBOR 17/05/2023	(164)	(0.48)

Holding	Investment	Market Value £'000	Percentage of total net assets
USD 2,400,000	Pay fixed 2.07900% receive floating USD-LIBOR 17/05/2024	(108)	(0.32)
CAD 34,400,000	Pay floating CAD-BA receive fixed 0.90750% 07/07/2024	(5)	(0.02)
CAD 5,319,720	Pay floating CAD-BA receive fixed 0.98170% 14/11/2024	(3)	(0.01)
CAD 3,546,480	Pay floating CAD-BA receive fixed 0.98650% 14/11/2024	(2)	(0.01)
CAD 3,546,480	Pay floating CAD-BA receive fixed 1.01080% 14/11/2024	(2)	(0.01)
CAD 3,377,600	Pay floating CAD-BA receive fixed 1.02450% 14/11/2024	(3)	(0.01)
CAD 5,319,720	Pay floating CAD-BA receive fixed 1.02970% 14/11/2024	(32)	(0.10)
EUR 4,930,000	Pay floating EURIBOR receive fixed -0.38200% 17/11/2026	(26)	(0.08)
GBP 10,000,000	Pay floating GBP-BKBM receive fixed 0.38750% 17/11/2024	(7)	(0.02)
GBP 32,270,000	Pay floating GBP-SONIA receive fixed -0.01300% 21/07/2021	(41)	(0.12)
USD 6,370,000	Pay floating USD-LIBOR receive fixed 0.48600% 03/07/2025	(12)	(0.03)
USD 11,450,000	Pay floating USD-LIBOR receive fixed 0.75100% 18/12/2025	(30)	(0.09)
USD 2,330,000	Pay floating USD-LIBOR receive fixed 1.19250% 09/10/2030	(4)	(0.01)
Total investment assets and liabilities		32,667	96.78
Net other assets		1,086	3.22
<b>Total Net Assets</b>		<b>33,753</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\* A portion of this security is on Loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		289		2,540
Revenue	435		2,118	
Expenses	(48)		(118)	
Interest payable and similar charges	(198)		(234)	
Net revenue before taxation	189		1,766	
Taxation	-		-	
Net revenue after taxation		189		1,766
<b>Total return before distributions</b>		<b>478</b>		<b>4,306</b>
Distributions		(189)		(1,766)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>289</b>		<b>2,540</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>35,653</b>		<b>160,107</b>
Amounts receivable on the issue of shares	864		973	
Amounts payable on the cancellation of shares	(3,235)		(3,541)	
		(2,371)		(2,568)
Change in net assets attributable to shareholders from investment activities (see above)		289		2,540
Retained distribution on accumulation shares		182		1,743
<b>Closing net assets attributable to shareholders</b>		<b>33,753</b>		<b>161,822</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		33,567		36,853
<b>Current assets:</b>				
Debtors	345		326	
Cash and bank balances	950		2,608	
		1,295		2,934
<b>Total assets</b>		<b>34,862</b>		<b>39,787</b>
<b>Liabilities:</b>				
Investment liabilities		(900)		(3,760)
Creditors	(206)		(95)	
Bank overdrafts	-		(270)	
Distribution payable	(3)		(9)	
		(209)		(374)
<b>Total liabilities</b>		<b>(1,109)</b>		<b>(4,134)</b>
<b>Net assets attributable to shareholders</b>		<b>33,753</b>		<b>35,653</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has decreased by 1.5% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.



**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim interest distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.1964	-	0.1964	0.7807
Group 2	0.1789	0.0175	0.1964	0.7807
<b>A Income shares</b>				
Group 1	0.1520	-	0.1520	0.6278
Group 2	0.1520	-	0.1520	0.6278
<b>I Accumulation shares</b>				
Group 1	0.4067	-	0.4067	0.9491
Group 2	0.2940	0.1127	0.4067	0.9491
<b>I Income shares</b>				
Group 1	0.3449	-	0.3449	0.8369
Group 2	0.2182	0.1267	0.3449	0.8369
<b>I Gross Accumulation shares</b>				
Group 1	0.4949	-	0.4949	1.0689
Group 2	0.4949	-	0.4949	1.0689
<b>I Gross Income shares</b>				
Group 1	0.3722	-	0.3722	0.8300
Group 2	0.3722	-	0.3722	0.8300
<b>K Accumulation shares</b>				
Group 1	0.4555	-	0.4555	0.9575
Group 2	0.4524	0.0031	0.4555	0.9575
<b>M Accumulation shares</b>				
Group 1	0.4830	-	0.4830	0.6458
Group 2	0.4830	-	0.4830	0.6458

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>M Income shares</b>				
Group 1	0.4573	-	0.4573	0.6142
Group 2	0.4573	-	0.4573	0.6142
<b>Z Accumulation shares</b>				
Group 1	0.8970	-	0.8970	1.5278
Group 2	0.8970	-	0.8970	1.5278

#### Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI UK Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares).

**Performance Target:** To achieve the return of the FTSE All-Share Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI UK Equity Fund – A Income Shares increased by 12.62% compared to an increase of 12.47% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

UK equities rose in the six months under review. Initially, investors continued to retreat amid the Covid-19 pandemic and its lockdowns, while the economy contracted at an unprecedented pace. At the same time, continued Brexit uncertainty saw both sides struggling to find common ground. Market sentiment turned around towards the period end, helped by an anticipation of the end to the pandemic amid news of vaccine breakthroughs and their subsequent rollout, alongside Joe Biden's election victory. While this was tempered by the discovery of more transmissible variants of the virus, the economy rebounded from its earlier falls and a last-minute trade deal forged between the UK and the European Union provided some measure of relief.

## Portfolio Activity

At the stock level, holding Genus, Weir Group and WH Smith benefited the fund. Genus delivered good operational results, with minimal impact from the virus and solid growth in its markets, particularly its porcine business in China, where it is benefiting from significant restocking following last year's swine flu outbreak. Also contributing to the fund's performance was Weir, whose shares advanced as it is well placed to benefit from a potential recovery in mining this year, given its solid and well-positioned aftermarket business. The group also announced the sale of its oil & gas business, which was well received by the market. This not only reinforces its balance sheet but also leaves a much more compelling business centred on its minerals division that has a solid aftermarket proposition, greater resilience and higher margins. Last, WH Smith was buoyed by hopes that the rollout of vaccines would bring forward a recovery in the transport and travel sectors, thereby benefiting the company.

Conversely, AstraZeneca, as well as not holding Royal Dutch Shell and Rio Tinto, capped gains. AstraZeneca's shares faced profit-taking, after having outperformed earlier in the period. Meanwhile, both Royal Dutch Shell and Rio Tinto did well amid a rebound in commodity prices, with the former also buoyed by hopes that the rollout of vaccines would hasten a recovery in both the transport and travel sectors, spurring a snap back in demand for oil.

### Portfolio Outlook and Strategy

We retain a cautious stance given the uncertainty, with the outlook now more balanced than at any time in the past few years. Against this backdrop, we want to ensure our portfolio is poised for a wide range of outcomes rather than just one. Hence, we will not deviate from our philosophy of long-term investing in the best businesses we can find, but with a more balanced portfolio we would expect to continue to prosper in more difficult market conditions but also give ourselves the opportunity to participate a little more in some of the upside scenarios that might develop.

### UK Equity Team

February 2021

### Risk and reward profile

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

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	83,930	76,542	86,801	90,261
Closing number of shares	36,721,354	37,920,768	39,593,142	42,932,985
Closing net asset value per share (pence)	228.56	201.85	219.23	210.24
Change in net asset value per share	13.23%	(7.93%)	4.28%	8.91%
Operating charges	1.30%	1.30%	1.40%	1.60%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	31,983	28,796	32,912	33,985
Closing number of shares	17,985,743	18,327,350	19,177,938	20,444,361
Closing net asset value per share (pence)	177.82	157.12	171.61	166.23
Change in net asset value per share	13.17%	(8.44%)	3.24%	7.84%
Operating charges	1.30%	1.30%	1.40%	1.60%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	336,673	288,014	53,973	83,232
Closing number of shares	134,273,758	130,364,641	22,593,871	36,533,621
Closing net asset value per share (pence)	250.74	220.93	238.88	227.82
Change in net asset value per share	13.49%	(7.51%)	4.85%	9.73%
Operating charges	0.85%	0.85%	0.85%	0.85%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	10,940	9,853	11,143	11,185
Closing number of shares	6,155,119	6,275,169	6,497,753	6,734,196
Closing net asset value per share (pence)	177.73	157.02	171.49	166.10
Change in net asset value per share	13.19%	(8.44%)	3.25%	7.86%
Operating charges	0.85%	0.85%	0.85%	0.85%
K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,216	922	857	887
Closing number of shares	806,840	694,467	597,718	648,935
Closing net asset value per share (pence)	150.66	132.70	143.37	136.63
Change in net asset value per share	13.53%	(7.44%)	4.93%	9.81%
Operating charges	0.78%	0.78%	0.78%	0.78%
L Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	159	140	170	193
Closing number of shares	116,576	116,576	131,176	156,700
Closing net asset value per share (pence)	136.47	120.10	129.53	123.23
Change in net asset value per share	13.63%	(7.28%)	5.11%	10.33%
Operating charges	0.60%	0.60%	0.60%	0.27%

L Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	40	35	38	44
Closing number of shares	31,267	31,267	31,267	37,300
Closing net asset value per share (pence)	126.24	111.53	121.79	117.95
Change in net asset value per share	13.19%	(8.42%)	3.26%	7.87%
Operating charges	0.60%	0.60%	0.60%	0.27%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	318	281	-	
Closing number of shares	257,738	258,664	100	
Closing net asset value per share (pence)	123.29	108.66	117.35	
Change in net asset value per share	13.46%	(7.41%)	-	
Operating charges	0.90%	0.90%	0.90%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	32	29	-	
Closing number of shares	26,943	26,985	100	
Closing net asset value per share (pence)	120.44	106.41	116.01	
Change in net asset value per share	13.18%	(8.28%)	-	
Operating charges	0.90%	0.90%	0.90%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (95.19%)</b>		<b>457,902</b>	<b>98.41</b>
<b>UK Equities (95.19%)</b>		<b>457,902</b>	<b>98.41</b>
<b>Basic Materials (3.45%)</b>		<b>14,170</b>	<b>3.04</b>
225,492	Croda	14,170	3.04
<b>Consumer Goods (16.41%)</b>		<b>77,278</b>	<b>16.61</b>
446,500	Coca-Cola HBC	9,653	2.08
2,442,346	Countryside Properties	10,526	2.26
682,000	Diageo	20,109	4.32
406,418	Fever Tree Drinks <sup>++</sup>	9,917	2.13
359,300	Unilever	15,231	3.27
1,853,162	Watches of Switzerland	11,842	2.55
<b>Consumer Services (17.63%)</b>		<b>77,015</b>	<b>16.55</b>
2,238,000	Auto Trader	12,618	2.71
1,057,000	Euromoney Institutional Investor	10,073	2.16
121,700	Just Eat Takeaway.Com	10,186	2.19
3,243,500	Pets at Home	13,052	2.81
992,140	RELX	17,977	3.86
589,429	Rightmove	3,531	0.76
626,450	WH Smith	9,578	2.06
<b>Financials (20.82%)</b>		<b>106,589</b>	<b>22.91</b>
3,421,500	Ashmore	15,424	3.31
1,180,700	Close Brothers	16,636	3.58
1,894,500	Epic Brand Investments <sup>Ω</sup>	-	-
6,075	HIE Ventures <sup>Ω</sup>	-	-
787,100	Intermediate Capital	13,373	2.87
2,946,900	John Laing	9,336	2.01
112,550	London Stock Exchange	9,774	2.10
1,550,700	Prudential	18,174	3.91
2,864,400	Standard Chartered	12,715	2.73
496,600	Standard Life UK Smaller Companies Trust <sup>+</sup>	2,890	0.62
861,600	Unite	8,267	1.78



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Health Care (18.55%)</b>		<b>86,115</b>	<b>18.51</b>
611,441	Abcam**	10,131	2.18
451,402	AstraZeneca	33,810	7.27
353,200	Dechra Pharmaceuticals	12,729	2.73
344,800	Genus	16,978	3.65
809,000	Smith & Nephew	12,467	2.68
<b>Industrials (12.26%)</b>		<b>62,376</b>	<b>13.41</b>
1,657,000	Bodycote	11,649	2.50
1,061,900	Electrocomponents	9,313	2.00
310,400	Experian	7,931	1.71
1,715,076	Marshalls	11,131	2.39
1,612,400	Rentokil	8,022	1.73
756,400	Weir	14,330	3.08
<b>Technology (4.20%)</b>		<b>26,163</b>	<b>5.62</b>
578,237	AVEVA	21,019	4.52
340,891	Softcat	5,144	1.10
<b>Telecommunications (1.87%)</b>		<b>8,196</b>	<b>1.76</b>
629,500	Telecom Plus	8,196	1.76
Total investment assets		457,902	98.41
Net other assets		7,389	1.59
<b>Total Net Assets</b>		<b>465,291</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* AIM listed.

‡ Unapproved/unquoted security.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		54,347		5,355
Revenue	3,132		2,100	
Expenses	(2,162)		(1,236)	
Net revenue before taxation	970		864	
Taxation	34		5	
Net revenue after taxation		1,004		869
<b>Total return before distributions</b>		<b>55,351</b>		<b>6,224</b>
Distributions		(1,004)		(869)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>54,347</b>		<b>5,355</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>404,612</b>		<b>185,894</b>
Amounts receivable on the issue of shares	15,813		174,562	
Amounts payable on the cancellation of shares	(10,448)		(6,749)	
		5,365		167,813
Dilution adjustment		-		962
Change in net assets attributable to shareholders from investment activities (see above)		54,347		5,355
Retained distribution on accumulation shares		958		1,553
Unclaimed distributions		9		10
<b>Closing net assets attributable to shareholders</b>		<b>465,291</b>		<b>361,587</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		457,902		385,167
<b>Current assets:</b>				
Debtors	478		612	
Cash and bank balances	10,331		20,782	
		10,809		21,394
<b>Total assets</b>		<b>468,711</b>		<b>406,561</b>
<b>Liabilities:</b>				
Creditors	(3,373)		(1,838)	
Distribution payable	(47)		(111)	
		(3,420)		(1,949)
<b>Total liabilities</b>		<b>(3,420)</b>		<b>(1,949)</b>
<b>Net assets attributable to shareholders</b>		<b>465,291</b>		<b>404,612</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Income class has increased by 2.1% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.1211	-	0.1211	0.7567
Group 2	-	0.1211	0.1211	0.7567
<b>A Income shares</b>				
Group 1	0.0943	-	0.0943	0.5923
Group 2	-	0.0943	0.0943	0.5923
<b>I Accumulation shares</b>				
Group 1	0.6762	-	0.6762	1.3688
Group 2	0.3630	0.3132	0.6762	1.3688
<b>I Income shares</b>				
Group 1	0.4805	-	0.4805	0.9827
Group 2	0.0401	0.4404	0.4805	0.9827
<b>K Accumulation shares</b>				
Group 1	0.4605	-	0.4605	0.8761
Group 2	0.0365	0.4240	0.4605	0.8761
<b>L Accumulation shares</b>				
Group 1	0.5318	-	0.5318	0.9065
Group 2	0.5318	-	0.5318	0.9065
<b>L Income shares</b>				
Group 1	0.4936	-	0.4936	0.8526
Group 2	0.4936	-	0.4936	0.8526
<b>M Accumulation shares</b>				
Group 1	0.3028	-	0.3028	0.5788
Group 2	0.0787	0.2241	0.3028	0.5788
<b>M Income shares</b>				
Group 1	0.2965	-	0.2965	0.5729
Group 2	-	0.2965	0.2965	0.5729

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI UK Income Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some capital over the long term (5 years or more) by investing in UK equities (company shares).

**Performance Target:** To achieve the return of the FTSE All-Share Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- The fund may also invest up to 10% in bonds (loans to companies).
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- The average yield on assets in the fund is expected to be in line with or higher than the broad equity market.
- In seeking to achieve the Performance Target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited.

## Performance Review

For the six months ended 31 January 2021, the value of ASI UK Income Equity Fund – A Accumulation Shares increased by 9.46% compared to an increase of 12.47% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

UK equities rose in the six months under review. Initially, investors continued to retreat amid the Covid-19 pandemic and its lockdowns, while the economy contracted at an unprecedented pace. At the same time, continued Brexit uncertainty saw both sides struggling to find common ground. Market sentiment turned around towards the period end, helped by an anticipation of the end to the pandemic amid news of vaccine breakthroughs and their subsequent rollout, alongside Joe Biden's election victory. While this was tempered by the discovery of more transmissible variants of the virus, the economy rebounded from its earlier falls and a last-minute trade deal forged between the UK and the European Union provided some measure of relief.

## Portfolio Activity

At the stock level, Assura and Roche, as well as not holding Royal Dutch Shell, detracted. Assura's shares lagged the vaccine-rally, which favoured cyclical and stocks viewed as beneficiaries of a reopening economy. Meanwhile, Roche's shares were dampened by expectations of a significant miss in its full-year earnings, as well as its cautious guidance due to Covid-19 pressures. Meanwhile, Royal Dutch Shell did well amid a rebound in commodity prices and was also buoyed by hopes that the rollout of vaccines would hasten a recovery in both the transport and travel sectors, spurring a snap back in demand for oil.

Conversely, holding Inchcape and Weir Group proved mitigating. Notably, Inchcape's shares rose as the company saw a significant improvement in trading, with a rebound in demand on the back of initial lockdown restrictions helping boost both its outlook for profits and cash. Also contributing to the fund's performance was Weir, whose shares advanced as it is well placed to benefit from a potential recovery in mining this year, given its solid and well-positioned aftermarket business. The group also announced the sale of its oil & gas business, which was well received by the market. This not only reinforces its balance sheet but also leaves a much more compelling business centred on its minerals division that has a solid aftermarket proposition, greater resilience and higher margins.

## Portfolio Outlook and Strategy

We retain a cautious stance given the uncertainty, with the outlook now more balanced than at any time in the past few years. Against this backdrop, we want to ensure our portfolio is poised for a wide range of outcomes rather than just one. Hence, we will not deviate from our philosophy of long-term investing in the best businesses we can find, but with a more balanced portfolio we would expect to continue to prosper in more difficult market conditions but also give ourselves the opportunity to participate a little more in some of the upside scenarios that might develop.

## UK Equity Team

February 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	53,359	50,026	58,855	61,988
Closing number of shares	4,147,970	4,275,993	4,575,770	4,991,225
Closing net asset value per share (pence)	1,286.38	1,169.92	1,286.23	1,241.95
Change in net asset value per share	9.95%	(9.04%)	3.57%	4.48%
Operating charges	1.30%	1.30%	1.41%	1.61%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	54,107	50,825	60,471	64,833
Closing number of shares	15,084,999	15,351,430	15,973,007	17,005,887
Closing net asset value per share (pence)	358.68	331.07	378.58	381.24
Change in net asset value per share	8.34%	(12.55%)	(0.70%)	0.61%
Operating charges	1.30%	1.30%	1.41%	1.61%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	34,062	22,114	21,567	18,651
Closing number of shares	2,380,792	1,703,296	1,517,773	1,366,818
Closing net asset value per share (pence)	1,430.72	1,298.29	1,420.98	1,364.53
Change in net asset value per share	10.20%	(8.63%)	4.14%	5.27%
Operating charges	0.85%	0.85%	0.85%	0.86%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	14,993	13,008	14,890	16,579
Closing number of shares	3,737,089	3,520,669	3,540,194	3,936,318
Closing net asset value per share (pence)	401.19	369.49	420.59	421.19
Change in net asset value per share	8.58%	(12.15%)	(0.14%)	1.38%
Operating charges	0.85%	0.85%	0.85%	0.86%
K Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	668	355	35	22
Closing number of shares	598,490	345,248	29,770	18,404
Closing net asset value per share (pence)	111.67	102.80	116.94	117.03
Change in net asset value per share	8.63%	(12.09%)	(0.08%)	1.80%
Operating charges	0.78%	0.78%	0.78%	0.79%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	40	34	-	
Closing number of shares	35,367	33,625	100	
Closing net asset value per share (pence)	114.19	103.60	113.28	
Change in net asset value per share	10.22%	(8.55%)	-	
Operating charges	0.90%	0.90%	0.90%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019
Closing net asset value (£'000)	41	47	-
Closing number of shares	38,129	48,554	100
Closing net asset value per share (pence)	106.58	97.84	110.50
Change in net asset value per share	8.93%	(11.46%)	-
Operating charges	0.90%	0.90%	0.90%

Z Income shares <sup>C</sup>	31 January 2021	31 July 2020
Closing net asset value (£'000)	10,873	7,233
Closing number of shares	10,017,756	7,260,428
Closing net asset value per share (pence)	108.53	99.62
Change in net asset value per share	8.94%	(0.38%)
Operating charges	0.10%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.

<sup>C</sup> Z Income share class was launched on 29 April 2020.



## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (97.28%)</b>		<b>164,386</b>	<b>97.76</b>
<b>UK Equities (97.28%)</b>		<b>164,386</b>	<b>97.76</b>
<b>Basic Materials (10.47%)</b>		<b>19,494</b>	<b>11.60</b>
333,600	BHP	6,709	3.99
50,821	Croda	3,194	1.91
173,200	Mondi	2,991	1.78
118,100	Rio Tinto	6,600	3.92
<b>Consumer Goods (16.65%)</b>		<b>26,555</b>	<b>15.79</b>
12,000	Associated British Foods	254	0.15
77,200	British American Tobacco	2,051	1.22
134,400	Coca-Cola HBC	2,906	1.73
671,000	Countryside Properties	2,892	1.72
255,700	Diageo	7,539	4.48
49,800	Fever Tree Drinks <sup>++</sup>	1,215	0.72
62,700	Mowi	1,004	0.60
27,700	Nestle	2,268	1.35
151,600	Unilever	6,426	3.82
<b>Consumer Services (6.02%)</b>		<b>10,859</b>	<b>6.45</b>
299,000	Euromoney Institutional Investor	2,849	1.69
291,500	Howdens Joinery	1,958	1.16
334,000	RELX	6,052	3.60
<b>Financials (23.23%)</b>		<b>41,656</b>	<b>24.79</b>
722,000	Ashmore	3,255	1.94
5,057,691	Assura	3,662	2.18
65,100	Big Yellow	719	0.43
474,800	Chesnara	1,325	0.79
369,000	Close Brothers	5,199	3.09
967,000	Direct Line	2,899	1.72
74,000	Intermediate Capital	1,257	0.75
504,200	John Laing	1,597	0.95
1,088,960	LondonMetric Property	2,483	1.48
1,689,100	M&G	2,970	1.77
213,800	Prudential	2,506	1.49
324,300	Safestore	2,627	1.56

			Market Value £'000	Percentage of total net assets
Holding	Investment			
107,200	Sanne		593	0.35
2,330,116	Sirius Real Estate		2,209	1.31
791,500	Standard Chartered		3,514	2.09
278,914	Standard Life UK Smaller Companies Trust <sup>+</sup>		1,623	0.97
1,519,290	Stenprop		2,066	1.23
120,048	Unite		1,152	0.69
<b>Health Care (14.83%)</b>			<b>20,500</b>	<b>12.19</b>
93,100	AstraZeneca		6,973	4.15
816,200	ConvaTec		1,632	0.97
40,500	Dechra Pharmaceuticals		1,460	0.87
364,500	GlaxoSmithKline		4,946	2.94
29,900	Novo Nordisk		1,519	0.90
6,700	Roche		1,685	1.00
148,300	Smith & Nephew		2,285	1.36
<b>Industrials (11.44%)</b>			<b>20,547</b>	<b>12.22</b>
247,000	Bodycote		1,736	1.03
96,700	Electrocomponents		848	0.50
15,900	Experian		406	0.24
562,433	Inchcape		3,737	2.22
34,364	Kone		1,977	1.18
257,865	Marshalls		1,674	1.00
295,909	Polypipe		1,518	0.90
425,100	Rentokil		2,115	1.26
8,201	VAT		1,666	0.99
169,985	Weir		3,220	1.92
33,000	XP Power <sup>++</sup>		1,650	0.98
<b>Oil &amp; Gas (3.34%)</b>			<b>5,068</b>	<b>3.01</b>
600,600	BP		1,630	0.97
111,368	TOTAL		3,438	2.04
<b>Technology (2.76%)</b>			<b>6,665</b>	<b>3.96</b>
170,310	AVEVA		6,191	3.68
31,380	Softcat		474	0.28

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Telecommunications (2.95%)</b>		<b>4,209</b>	<b>2.50</b>
140,000	Telecom Plus	1,823	1.08
200,000	Telenor	2,386	1.42
<b>Utilities (5.59%)</b>		<b>8,833</b>	<b>5.25</b>
539,709	National Grid	4,587	2.73
286,232	SSE	4,246	2.52
<b>Collective Investment Schemes (0.00%)</b>		<b>1</b>	<b>-</b>
1	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	1	-
<b>Derivatives (0.00%)</b>		<b>(164)</b>	<b>(0.09)</b>
<b>Equity Options (0.00%)</b>		<b>(52)</b>	<b>(0.03)</b>
(12,000)	Sell Call Associated British Foods 19/02/2021	(1)	-
(11,600)	Sell Call Aveva 19/03/2021	(15)	(0.01)
(32,400)	Sell Call Big Yellow 19/02/2021	(4)	(0.01)
(32,700)	Sell Call Big Yellow 19/03/2021	(10)	(0.01)
(15,599)	Sell Call Close Brothers 19/03/2021	(4)	-
(193,200)	Sell Call ConvaTec 16/04/2021	(2)	-
(37,600)	Sell Call Euromoney Institutional Investor 19/03/2021	(3)	-
(168,866)	Sell Call LondonMetric Property 19/03/2021	(4)	-
(408,700)	Sell Call Sirius Real Estate 19/03/2021	(5)	-
(18,900)	Sell Call Weir 21/05/2021	(4)	-
<b>Exchange Traded Options (0.00%)</b>		<b>(112)</b>	<b>(0.06)</b>
(21)	Call BHP 19/03/2021	(17)	(0.01)
(52)	Call British American Tobacco 16/04/2021	(36)	(0.02)
(24)	Call British American Tobacco 16/04/2021	(10)	(0.01)
(15)	Call Experian 19/02/2021	(3)	-
(62)	Call Glaxosmithkline 19/02/2021	(10)	(0.01)
(29)	Call Glaxosmithkline 19/02/2021	(2)	-
(50)	Call Nestle 18/06/2021	(6)	-
(28)	Call Prudential 16/04/2021	(8)	-
(7)	Call Rentokil Initial 19/03/2021	-	-
(25)	Call Smith & Nephew 16/04/2021	(3)	-
(10)	Call Unilever 19/02/2021	(3)	-

Holding	Investment	Market Value £'000	Percentage of total net assets
(10)	Call Unilever 19/03/2021	(3)	-
(6)	Put AstraZeneca 19/02/2021	(11)	(0.01)
Total investment assets and liabilities		164,223	97.67
Net other assets		3,920	2.33
<b>Total Net Assets</b>		<b>168,143</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\*\* AIM listed.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		13,184		7,073
Revenue	2,612		2,866	
Expenses	(891)		(942)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	1,721		1,923	
Taxation	(10)		(25)	
Net revenue after taxation		1,711		1,898
<b>Total return before distributions</b>		<b>14,895</b>		<b>8,971</b>
Distributions		(2,456)		(2,698)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>12,439</b>		<b>6,273</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>143,642</b>		<b>155,818</b>
Amounts receivable on the issue of shares	16,698		4,217	
Amounts payable on the cancellation of shares	(5,988)		(6,409)	
		10,710		(2,192)
Dilution adjustment		23		-
Change in net assets attributable to shareholders from investment activities (see above)		12,439		6,273
Retained distribution on accumulation shares		1,296		1,381
Unclaimed distributions		33		27
<b>Closing net assets attributable to shareholders</b>		<b>168,143</b>		<b>161,307</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		164,387		139,739
<b>Current assets:</b>				
Debtors	805		964	
Cash and bank balances	5,453		4,738	
		6,258		5,702
<b>Total assets</b>		<b>170,645</b>		<b>145,441</b>
<b>Liabilities:</b>				
Investment liabilities		(164)		-
Creditors	(1,125)		(201)	
Bank overdrafts	-		(30)	
Distribution payable	(1,213)		(1,568)	
		(2,338)		(1,799)
<b>Total liabilities</b>		<b>(2,502)</b>		<b>(1,799)</b>
<b>Net assets attributable to shareholders</b>		<b>168,143</b>		<b>143,642</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 2.5% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	19.0675	-	19.0675	22.4717
Group 2	5.3574	13.7101	19.0675	22.4717
<b>A Income shares</b>				
Group 1	5.3968	-	5.3968	6.6142
Group 2	1.9313	3.4655	5.3968	6.6142
<b>I Accumulation shares</b>				
Group 1	21.1767	-	21.1767	24.8475
Group 2	8.6937	12.4830	21.1767	24.8475
<b>I Income shares</b>				
Group 1	6.0278	-	6.0278	7.3547
Group 2	1.8348	4.1930	6.0278	7.3547
<b>K Income shares</b>				
Group 1	1.6773	-	1.6773	2.0438
Group 2	1.0802	0.5971	1.6773	2.0438
<b>M Accumulation shares</b>				
Group 1	1.3329	-	1.3329	1.5421
Group 2	0.1512	1.1817	1.3329	1.5421
<b>M Income shares</b>				
Group 1	1.2595	-	1.2595	1.4645
Group 2	0.2668	0.9927	1.2595	1.4645
<b>Z Income shares</b>				
Group 1	1.6270	-	1.6270	-
Group 2	1.5067	0.1203	1.6270	-

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI UK Mid-Cap Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK mid-capitalisation equities (company shares).

**Performance Target:** To achieve the return of the FTSE 250 (ex Investment Trusts) Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in mid-capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Mid capitalisation companies are defined as any stock included in the FTSE 250 (ex Investment Trusts) Index or, if not included within the index, any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in smaller and larger capitalisation companies listed, incorporated or domiciled in the UK.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the FTSE 250 (ex Investment Trusts) Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.
- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI UK Mid-Cap Equity Fund – A Accumulation Shares increased by 13.56% compared to an increase of 22.14% in the performance target, the FTSE 250 (ex Investment Trusts) Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

UK equities performed well over the period, with smaller companies faring better compared to their blue-chip counterparts. Amid a second Covid-19 wave and continued uncertainty around Brexit, stocks mostly dipped until November, when the US presidential election and vaccine news lifted sentiment and spurred a strong rally. This was further bolstered by the Brexit trade deal, sending stocks even higher at the end of 2020. This momentum took a brief pause in January 2021, as most of the UK entered new lockdowns and fears of a return to recession loomed. To provide further economic relief, the government announced it would be extending its furlough scheme until the end of April 2021, even as unemployment crept up to 5.0%. The central bank also boosted its bond-buying scheme by a further £150 billion.

## Portfolio Activity

Our overweight to Avon Rubber was the strongest detractor for the period. The company's shares took a nosedive in December 2020 after announcing one-off costs amounting to £17.8 million stemming from its US\$130 million acquisition of head protection company Team Wendy, which it completed in early November. Elsewhere, Gamma Communications suffered profit-taking, as investors switched attention to value shares. Our overweight of food packaging company Hilton Food Group weighed on returns over the period. Although the company's stock price had benefitted from the pandemic-related restrictions, a more positive outlook from vaccines may have dampened some investor's enthusiasm. In addition, our non-benchmark holding of antivirus and cybersecurity company Avast detracted. Its stock price dipped after earnings for the first half of 2020 disappointed expectations. In particular, the company's mobile subscriptions have remained weak.



Irish video game services company Keyword Studios contributed strongly to performance for the period. The company's stock price rallied strongly after it upgraded its 2020 earnings forecasts and announced a US\$50 million acquisition of US video game studio High Voltage Software. Airline company Jet2 was another strong contributor. Although the company has been hit hard by the pandemic, positive vaccine news in November sparked a strong rally in its share price. Finally, Impax Asset Management also added value. The environmental, social and governance specialist investment company continued to see money flowing into its funds.

#### Portfolio Outlook and Strategy

Stock markets have enjoyed a strong rebound from the low point in March. Increasing optimism that recent Covid-19 vaccine approvals may help fuel a sharp economic recovery in 2021 led to the shift. Low interest rates are supportive for equities and continued fiscal action should provide extra support. Spikes in market volatility are likely, with the potential sources being Covid-19 infection news flow, vaccine development setbacks, weak corporate earnings or policy mistakes. Despite this, the prospects for smaller companies is positive, as they usually lead a market recovery.

Our focus on quality businesses that are resilient, have strong balance sheets and good leadership should help us steer through this period of uncertainty. If lockdowns continue for a long period of 2021, we have little exposure to businesses that are negatively affected by this. We expect at some point to see a further 'dash for trash' as we did in November, led by vaccine or the end-of-lockdown news.

#### Smaller Companies Equity Team

February 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	21,546	18,697	19,069	19,254
Closing number of shares	7,321,071	7,218,252	7,472,480	7,918,817
Closing net asset value per share (pence)	294.30	259.03	255.18	243.14
Change in net asset value per share	13.62%	1.51%	4.95%	9.62%
Operating charges	1.30%	1.30%	1.40%	1.61%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	4,511	4,101	4,281	4,405
Closing number of shares	1,832,889	1,893,056	1,998,456	2,138,881
Closing net asset value per share (pence)	246.12	216.62	214.21	205.94
Change in net asset value per share	13.62%	1.13%	4.02%	8.80%
Operating charges	1.30%	1.30%	1.40%	1.61%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	83,467	38,105	21,210	8,394
Closing number of shares	34,377,350	17,872,471	10,143,636	4,236,678
Closing net asset value per share (pence)	242.80	213.21	209.10	198.14
Change in net asset value per share	13.88%	1.97%	5.53%	10.45%
Operating charges	0.85%	0.85%	0.85%	0.86%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	8,329	4,355	3,092	1,349
Closing number of shares	3,892,994	2,313,080	1,662,883	754,874
Closing net asset value per share (pence)	213.96	188.27	185.94	178.75
Change in net asset value per share	13.65%	1.25%	4.02%	8.82%
Operating charges	0.85%	0.85%	0.85%	0.86%
K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	10,254	1,344	410	11
Closing number of shares	5,921,950	884,296	275,571	7,958
Closing net asset value per share (pence)	173.15	152.00	148.95	141.03
Change in net asset value per share	13.91%	2.05%	5.62%	10.53%
Operating charges	0.78%	0.78%	0.78%	0.79%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	28	23	-	
Closing number of shares	20,268	19,118	100	
Closing net asset value per share (pence)	136.46	119.87	117.48	
Change in net asset value per share	13.84%	2.03%	-	
Operating charges	0.90%	0.90%	0.90%	

M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	885	885	100	
Closing net asset value per share (pence)	133.81	117.74	116.12	
Change in net asset value per share	13.65%	1.40%	-	
Operating charges	0.90%	0.90%	0.90%	

Z Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	78,269	59,953	7,167	5,639
Closing number of shares	21,595,819	18,908,573	2,322,273	1,942,876
Closing net asset value per share (pence)	362.43	317.07	308.63	290.25
Change in net asset value per share	14.31%	2.73%	6.33%	11.28%
Operating charges	0.10%	0.10%	0.10%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (95.81%)</b>		<b>198,346</b>	<b>96.10</b>
<b>UK Equities (95.81%)</b>		<b>198,346</b>	<b>96.10</b>
<b>Basic Materials (0.74%)</b>		<b>2,437</b>	<b>1.18</b>
104,043	Victrex	2,437	1.18
<b>Consumer Goods (16.45%)</b>		<b>31,535</b>	<b>15.28</b>
151,718	Cranswick	5,177	2.51
507,598	Dr. Martens	2,284	1.11
62,863	Games Workshop	6,487	3.14
147,276	Greggs	3,052	1.48
415,730	Hilton Food	4,191	2.03
491,997	Hotel Chocolat <sup>***</sup>	1,756	0.85
424,518	JD Sports	3,170	1.54
677,195	Team17 <sup>++</sup>	5,418	2.62
<b>Consumer Services (14.19%)</b>		<b>25,696</b>	<b>12.45</b>
1,101,884	AO	3,432	1.66
315,752	Auto Trader	1,780	0.86
241,163	Dart Group <sup>++</sup>	3,179	1.54
249,508	Dunelm	2,882	1.40
313,096	Future	5,435	2.63
206,118	GlobalData <sup>++</sup>	2,638	1.28
905,512	Hollywood Bowl	1,770	0.86
277,855	Rightmove	1,664	0.81
714,731	Trainline	2,916	1.41
<b>Financials (15.63%)</b>		<b>37,956</b>	<b>18.39</b>
878,003	AJ Bell	3,780	1.83
2,246,246	Assura	1,626	0.79
577,464	Draper Esprit <sup>++</sup>	3,961	1.92
768,418	Impax Asset Management <sup>++</sup>	6,132	2.97
367,687	Intermediate Capital	6,247	3.03
223,593	Liontrust Asset Management	2,851	1.38
383,569	Safestore	3,107	1.50
480,566	Sanne	2,658	1.29
5,762,501	Sirius Real Estate	5,463	2.65
222,141	Unite	2,131	1.03

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Health Care (4.21%)</b>		<b>8,705</b>	<b>4.22</b>
69,224	Dechra Pharmaceuticals	2,495	1.21
126,124	Genus	6,210	3.01
<b>Industrials (20.35%)</b>		<b>47,404</b>	<b>22.96</b>
109,947	Avon Rubber	3,403	1.65
1,601,412	Chemring	4,740	2.30
105,649	Diploma	2,447	1.18
540,309	DiscoverIE	3,652	1.77
235,741	Hill & Smith	3,183	1.54
271,261	Keywords Studios <sup>++</sup>	7,395	3.58
874,383	Marshalls	5,675	2.75
419,175	Midwich <sup>++</sup>	1,945	0.94
724,552	Polypipe	3,717	1.80
809,574	Rotork	2,634	1.28
663,445	RWS <sup>++</sup>	3,894	1.89
16,608	Spirax-Sarco Engineering	1,839	0.89
144,278	Ultra Electronics	2,880	1.39
<b>Technology (18.80%)</b>		<b>36,838</b>	<b>17.85</b>
406,100	Avast	1,917	0.93
100,246	AVEVA	3,644	1.76
1,330,486	Bytes Technology	4,787	2.32
218,423	Computacenter	5,133	2.49
97,181	Craneware <sup>++</sup>	2,177	1.05
261,360	FDM	2,635	1.28
409,200	GB <sup>++</sup>	3,499	1.69
549,539	Kainos	6,825	3.31
277,138	Softcat	4,182	2.03
855,016	Spirent Communications	2,039	0.99
<b>Telecommunications (5.44%)</b>		<b>7,775</b>	<b>3.77</b>
335,939	Gamma Communication <sup>++</sup>	5,375	2.61
184,309	Telecom Plus	2,400	1.16

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Collective Investment Schemes (4.19%)</b>		<b>13,042</b>	<b>6.32</b>
13,042	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	13,042	6.32
Total investment assets		211,388	102.42
Net other liabilities		(4,983)	(2.42)
<b>Total Net Assets</b>		<b>206,405</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* Managed by subsidiaries of Standard Life Aberdeen plc.

\* A portion of this security is on loan at the year end.

\*\* AIM listed.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		17,836		6,501
Revenue	1,031		671	
Expenses	(486)		(297)	
Net revenue before taxation	545		374	
Taxation	-		-	
Net revenue after taxation		545		374
<b>Total return before distributions</b>		<b>18,381</b>		<b>6,875</b>
Distributions		(550)		(374)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>17,831</b>		<b>6,501</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>126,579</b>		<b>55,229</b>
Amounts receivable on the issue of shares	77,527		20,311	
Amounts payable on the cancellation of shares	(16,516)		(4,341)	
		61,011		15,970
Dilution adjustment		353		51
Change in net assets attributable to shareholders from investment activities (see above)		17,831		6,501
Retained distribution on accumulation shares		631		391
<b>Closing net assets attributable to shareholders</b>		<b>206,405</b>		<b>78,142</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.



## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		211,388		126,582
<b>Current assets:</b>				
Debtors	1,105		1,684	
Cash and bank balances	366		-	
		1,471		1,684
<b>Total assets</b>		<b>212,859</b>		<b>128,266</b>
<b>Liabilities:</b>				
Creditors	(6,437)		(1,071)	
Bank overdrafts	-		(610)	
Distribution payable	(17)		(6)	
		(6,454)		(1,687)
<b>Total liabilities</b>		<b>(6,454)</b>		<b>(1,687)</b>
<b>Net assets attributable to shareholders</b>		<b>206,405</b>		<b>126,579</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 3.2% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	-	-	-	1.0703
Group 2	-	-	-	1.0703
<b>A Income shares</b>				
Group 1	-	-	-	0.8984
Group 2	-	-	-	0.8984
<b>I Accumulation shares</b>				
Group 1	0.4838	-	0.4838	1.3651
Group 2	0.1886	0.2952	0.4838	1.3651
<b>I Income shares</b>				
Group 1	0.4279	-	0.4279	1.2139
Group 2	0.2172	0.2107	0.4279	1.2139
<b>K Accumulation shares</b>				
Group 1	0.4085	-	0.4085	1.0287
Group 2	0.2334	0.1751	0.4085	1.0287
<b>M Accumulation shares</b>				
Group 1	0.2383	-	0.2383	0.6598
Group 2	0.1758	0.0625	0.2383	0.6598
<b>M Income shares</b>				
Group 1	0.3219	-	0.3219	0.6439
Group 2	0.3219	-	0.3219	0.6439
<b>Z Accumulation shares</b>				
Group 1	2.0373	-	2.0373	3.2193
Group 2	0.6529	1.3844	2.0373	3.2193

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI UK Real Estate Share Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK property-related equities (company shares) including listed closed ended real estate investment trusts ("REITs").

**Performance Target:** To achieve the return of the FTSE 350 Real Estate Index plus 3% per annum (before charges) over rolling three year periods. The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests in equities and equity-related securities of companies that derive a significant proportion of their revenues or profits from real estate operations or have a significant proportion of their assets in real estate.
- At least 80% of the fund must be invested in UK listed securities, while up to 20% may be invested overseas.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a concentrated asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- The FTSE 350 Real Estate Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 12%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI UK Real Estate Share Fund – A Accumulation Shares increased by 7.83% compared to an increase of 5.62% in the performance target, the FTSE 350 Real Estate Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

The market backdrop for the period was one of hard-fought recovery, with extended and significant government support helping the UK economy return to growth in both the third and fourth quarters of 2020. Unemployment rose, with the latest reading at the end of November at 5.0%, albeit the increase from a low of 3.9% at the start of the year was significantly cushioned by the government furlough scheme. Contrary to expectations and perhaps reflecting a paucity of alternative spending options, combined with continued low mortgage rates, the housing market actually strengthened, with prices at the end of January 2021 up over 3% over 12 months according to Rightmove.

The listed-property market staged a partial recovery, as investors welcomed the news of vaccine approval in November followed by a Brexit deal signed on Christmas Eve that saw the worst fears of a no-deal Brexit averted. Vaccine and cyclical beneficiaries performed particularly well, led by selected property developers followed by numerous office, retail and leisure exposed landlords. The healthy returns delivered by the listed property sector were in contrast to tougher conditions in the direct real estate market, where investor total returns were negative or close to zero. In particular, this was due to falling capital values in the retail and office segments, only partially offset by growth in industrial and residential values.

## Portfolio Activity

The fund delivered another period of strong relative performance, with stock picking within the benchmark plus exposure to unconventional UK property stocks more than offsetting a modest lag from the fund's overseas exposure.

Not owning or being underweight British Land, LandSec and Tritax Big Box REIT proved costly as each delivered impressive gains as investors repriced each in response to a resumption of dividends by British Land and Landsec, together with continued healthy gains in the industrial segment for Tritax Big Box REIT. Nonetheless, the Fund had a number of cyclical winners of its own, including housebuilder Countryside Properties, business park landlord Sirius Real Estate and strong performances by recent introductions Whitbread (owner of Premier Inn hotels) and flexible-office landlord IWG. The overseas exposure was a very modest lag, reflecting the defensive profile of those holdings. In particular, German residential stocks LEG Immobilien and Deutsche Wohnen, which lagged the broader 'risk-on' market rally.

In fund activity, the portfolio was further diversified with a new position in Cellnex, a leader in the newly emerging property segment for owning and renting out mobile phone towers. We also introduced Tritax Big REIT, a specialist in logistics properties where we see potential due to its extensive development pipeline. In more incremental trading, we supported attractively priced equity raises by Supermarket Income REIT, a defensively positioned landlord that specialises in owning long-leased food stores, and Shaftesbury, a mixed-use landlord hit hard by the downturn in worker and visitor numbers to London's West End. On the flip side, we exited two holdings: both overseas office exposed landlords, CA Immobilien and Castellum. Both are good companies but our confidence in the outlook for the office sector is weaker. As a result, our preference is to prioritise the fund's overseas exposure on the more attractive segments of residential, logistics, self-storage and, for the first time, mobile phone towers.

### Portfolio Outlook and Strategy

At the time of writing our last report in August, we were in the early stages of recovery from the swift and deep downturn triggered by the Covid-19 pandemic. Since then, we have endured the disruption of not one but two further national lockdowns. Nonetheless, it is worth highlighting that a number of key external risks have been significantly mitigated. Firstly, there has been significant success in developing, approving and administering Covid-19 vaccines. Secondly, the Brexit deal between the UK and European Union avoided the perils of exiting without a deal. Finally, we witnessed a mostly smooth transition of power in the US.

One thing that has changed is relative pricing within the listed-property market, with a number of the more cyclically exposed retail, leisure and office landlords witnessing sharp upward share-price moves. As a result, while we spent much of the summer months introducing and adding to attractively valued cyclicals – such as Whitbread, Countryside Properties and IWG – our focus more recently has been to pivot back to more defensive-growth holdings. In particular, those exposed to the structurally well-supported logistics, healthcare and residential sectors of the market. Similarly, we are happy for the fund to remain underweight the majority of stocks exposed to the lacklustre prospects offered by the retail and office sectors.

It is noteworthy that in contrast to the direct property market, the majority of the Fund's holdings that regularly revalue their property assets (which represent the large majority of the Fund) reported positive growth in net-asset-value over the last 12 months. This is a credible result considering the disruption in the market, and is a positive trend we expect to continue. Dividends to shareholders were sadly cut significantly in many cases but we are now firmly on the path to a recovery in payouts. The combination of positive trading momentum for the fund's holdings together with a backdrop of exceptionally low interest rates leaves us feeling positively disposed towards the prospects for investors' returns.

### UK Equity Team

February 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	82,002	81,197	94,510	104,437
Closing number of shares	56,781,960	61,118,713	73,536,431	82,818,208
Closing net asset value per share (pence)	144.42	132.85	128.52	126.10
Change in net asset value per share	8.71%	3.37%	1.92%	10.55%
Operating charges	1.30%	1.30%	1.41%	1.61%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	235,301	237,326	266,221	305,616
Closing number of shares	96,125,400	105,634,038	122,624,294	143,582,729
Closing net asset value per share (pence)	244.79	224.67	217.10	212.85
Change in net asset value per share	8.96%	3.49%	2.00%	10.83%
Operating charges	0.85%	0.85%	0.85%	0.86%
K Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	27,288	14,345	8,460	11,450
Closing number of shares	18,940,054	10,851,905	6,626,444	9,153,552
Closing net asset value per share (pence)	144.08	132.19	127.66	125.09
Change in net asset value per share	8.99%	3.55%	2.05%	10.90%
Operating charges	0.78%	0.78%	0.78%	0.79%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	41	38	-	
Closing number of shares	33,491	33,723	100	
Closing net asset value per share (pence)	122.40	112.37	108.49	
Change in net asset value per share	8.93%	3.58%	-	
Operating charges	0.90%	0.90%	0.90%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (98.73%)</b>		<b>338,175</b>	<b>98.13</b>
<b>European Equities (18.71%)</b>		<b>57,704</b>	<b>16.75</b>
<b>Austria (1.79%)</b>		-	-
<b>Belgium (2.17%)</b>		<b>5,612</b>	<b>1.63</b>
175,000	Shurgard Self Storage*	5,612	1.63
<b>Germany (10.09%)</b>		<b>32,873</b>	<b>9.54</b>
158,000	Deutsche Wohnen	5,682	1.65
92,800	LEG Immobilien*	9,695	2.81
18,456,094	Sirius Real Estate	17,496	5.08
<b>Spain (0.00%)</b>		<b>5,171</b>	<b>1.50</b>
121,000	Cellnex Telecom	5,171	1.50
<b>Sweden (2.89%)</b>		<b>6,826</b>	<b>1.98</b>
201,000	Catena	6,826	1.98
<b>Switzerland (1.77%)</b>		<b>7,222</b>	<b>2.10</b>
2,306,000	IWG	7,222	2.10
<b>UK Equities (80.02%)</b>		<b>280,471</b>	<b>81.38</b>
<b>Consumer Goods (6.11%)</b>		<b>26,503</b>	<b>7.69</b>
233,000	Bellway	6,417	1.86
3,333,000	Countryside Properties	14,365	4.17
2,925,000	Watkin Jones**	5,721	1.66
<b>Consumer Services (5.54%)</b>		<b>21,035</b>	<b>6.10</b>
730,130	Fuller Smith & Turner	5,856	1.70
1,562,000	Rightmove	9,356	2.71
209,000	Whitbread	5,823	1.69

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Financials (68.37%)</b>		<b>232,933</b>	<b>67.59</b>
30,642,130	Assura	22,185	6.44
1,083,000	Big Yellow	11,967	3.47
8,715,000	Capital & Counties Properties	12,192	3.54
1,732,000	CLS	3,707	1.07
265,000	Derwent Valley	8,401	2.44
3,605,000	Grainger	9,611	2.79
644,000	Great Portland Estates	4,200	1.22
9,008,839	LondonMetric Property	20,540	5.96
7,170,000	Primary Health Properties	10,397	3.02
1,510,000	Safestore	12,231	3.55
541,000	Savills	5,691	1.65
3,210,000	Segro	30,623	8.88
1,564,465	Shaftesbury	8,745	2.54
2,626,000	St Modwen Properties	10,189	2.96
6,506,000	Stenprop	8,848	2.57
9,526,480	Supermarket Income REIT	10,146	2.94
4,754,000	Tritax Big Box REIT	8,762	2.54
2,424,000	Unite	23,258	6.75
1,572,000	Workspace	11,240	3.26
<b>Collective Investment Schemes (0.60%)</b>		<b>4,291</b>	<b>1.25</b>
4,291	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	4,291	1.25
Total investment assets		342,466	99.38
Net other assets		2,166	0.62
<b>Total Net Assets</b>		<b>344,632</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2020.

<sup>+</sup> Managed by subsidiaries of Standard Life Aberdeen plc.

<sup>\*\*</sup> AIM listed.

<sup>\*</sup> A portion of this security is on loan at the period end.



**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		25,637		74,506
Revenue	3,220		4,566	
Expenses	(1,593)		(1,907)	
Net revenue before taxation	1,627		2,659	
Taxation	(12)		(14)	
Net revenue after taxation		1,615		2,645
<b>Total return before distributions</b>		<b>27,252</b>		<b>77,151</b>
Distributions		(1,615)		(2,645)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>25,637</b>		<b>74,506</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>332,906</b>		<b>369,191</b>
Amounts receivable on the issue of shares	30,794		30,940	
Amounts payable on the cancellation of shares	(46,328)		(44,361)	
		(15,534)		(13,421)
Change in net assets attributable to shareholders from investment activities (see above)		25,637		74,506
Retained distribution on accumulation shares		1,623		2,633
<b>Closing net assets attributable to shareholders</b>		<b>344,632</b>		<b>432,909</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		342,466		330,673
<b>Current assets:</b>				
Debtors	1,639		1,712	
Cash and bank balances	1,348		1,700	
		2,987		3,412
<b>Total assets</b>		<b>345,453</b>		<b>334,085</b>
<b>Liabilities:</b>				
Creditors	(821)		(1,179)	
		(821)		(1,179)
<b>Total liabilities</b>		<b>(821)</b>		<b>(1,179)</b>
<b>Net assets attributable to shareholders</b>		<b>344,632</b>		<b>332,906</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 3.3% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.4355	-	0.4355	0.7749
Group 2	0.2445	0.1910	0.4355	0.7749
<b>I Accumulation shares</b>				
Group 1	1.2735	-	1.2735	1.7059
Group 2	0.5734	0.7001	1.2735	1.7059
<b>K Accumulation shares</b>				
Group 1	0.7973	-	0.7973	1.0454
Group 2	0.3748	0.4225	0.7973	1.0454
<b>M Accumulation shares</b>				
Group 1	0.9758	-	0.9758	1.2294
Group 2	0.5911	0.3847	0.9758	1.2294

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI UK Responsible Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares), which meet the fund's environmental, social and governance screening criteria.

**Performance Target:** To achieve the return of the FTSE All-Share Index plus 3% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments and cash.
- All investments will comply with the fund's ethical screening criteria, which looks to exclude investing in companies that operate to a degree in certain areas, including but not limited to those deriving revenue from animal testing, tobacco, pornography and weaponry.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the performance target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 7.5%. Due to the responsible nature of the management process, there are a material number of stocks and sectors in the FTSE All-Share Index that the fund is unable to invest, which means the fund's performance profile may deviate significantly from that of the FTSE All-Share Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI UK Responsible Equity Fund – A Accumulation Shares increased by 16.85% compared to an increase of 12.47% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

UK equities rose in the six months under review. Initially, investors continued to retreat amid the Covid-19 pandemic and its lockdowns, while the economy contracted at an unprecedented pace. At the same time, continued Brexit uncertainty saw both sides struggling to find common ground. Market sentiment turned around towards the period end, helped by an anticipation of the end to the pandemic amid news of vaccine breakthroughs and their subsequent rollout, alongside Joe Biden's election victory. While this was tempered by the discovery of more transmissible variants of the virus, the economy rebounded from its earlier falls and a last-minute trade deal forged between the UK and the European Union provided some measure of relief.

## Portfolio Activity

At the stock level, exposure to WH Smith, as well as not holding AstraZeneca and GlaxoSmithKline, benefited the fund. Notably, WH Smith was buoyed by hopes that the rollout of vaccines would bring forward a recovery in the transport and travel sectors, thereby benefiting the company. Not holding AstraZeneca was positive as its shares faced profit-taking, after having outperformed earlier in the period. Last, not owning GlaxoSmithKline was beneficial as its results raised a lot of uncertainty around its future growth and the potential dividend cut as the businesses look to split.

Conversely, our holdings in Avast, Sanne and Coats capped gains. Avast lagged in the vaccine rally after having benefited earlier from the working-from-home trend in 2020. Meanwhile, Sanne saw growth decelerate in 2020 as the pandemic caused delays to fundraising and fund closing. Its shares also de-rated on the back of slower growth and rotation out of defensive growth companies. Last, Coats lagged its cyclical peers in the industrials sector, which were buoyed by optimism about global growth in the second half of 2021 and beyond.

### Portfolio Outlook and Strategy

We retain a cautious stance given the uncertainty, with the outlook now more balanced than at any time in the past few years. Against this backdrop, we want to ensure our portfolio is poised for a wide range of outcomes rather than just one. Hence, we will not deviate from our philosophy of long-term investing in the best businesses we can find, but with a more balanced portfolio we would expect to continue to prosper in more difficult market conditions but also give ourselves the opportunity to participate a little more in some of the upside scenarios that might develop.

### UK Equity Team

February 2021

### 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 risk and reward indicator changed from 5 to 6 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	20,981	18,193	20,081	19,632
Closing number of shares	9,415,909	9,543,219	9,665,145	10,044,508
Closing net asset value per share (pence)	222.81	190.64	207.76	195.45
Change in net asset value per share	16.87%	(8.24%)	6.30%	11.01%
Operating charges	1.32%	1.32%	1.42%	1.63%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	151	68	61	75
Closing number of shares	88,097	46,291	37,718	48,494
Closing net asset value per share (pence)	171.77	147.23	161.93	154.13
Change in net asset value per share	16.67%	(9.08%)	5.06%	10.01%
Operating charges	1.32%	1.32%	1.42%	1.63%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	25,238	15,370	11,355	5,478
Closing number of shares	12,909,313	9,209,455	6,270,910	3,233,495
Closing net asset value per share (pence)	195.51	166.89	181.08	169.41
Change in net asset value per share	17.15%	(7.84%)	6.89%	11.84%
Operating charges	0.87%	0.87%	0.87%	0.88%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	8,133	4,182	1,549	908
Closing number of shares	4,936,206	2,962,049	997,588	614,229
Closing net asset value per share (pence)	164.76	141.20	155.28	147.79
Change in net asset value per share	16.69%	(9.07%)	5.07%	10.04%
Operating charges	0.87%	0.87%	0.87%	0.88%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	881	881	100	
Closing net asset value per share (pence)	127.05	108.46	117.57	
Change in net asset value per share	17.14%	(7.75%)	-	
Operating charges	0.92%	0.92%	0.92%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	892	892	100	
Closing net asset value per share (pence)	123.33	105.69	116.01	
Change in net asset value per share	16.69%	(8.90%)	-	
Operating charges	0.92%	0.92%	0.92%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

<sup>B</sup> M Income share class was launched on 28 November 2018.

## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>UK Equities (94.85%)</b>		<b>53,228</b>	<b>97.66</b>
<b>Basic Materials (4.87%)</b>		<b>2,359</b>	<b>4.33</b>
93,848	Mondi	1,621	2.98
13,200	Rio Tinto	738	1.35
<b>Consumer Goods (9.17%)</b>		<b>5,448</b>	<b>9.99</b>
39,673	Bellway	1,093	2.01
49,179	Coca-Cola HBC	1,063	1.95
277,367	Countryside Properties	1,195	2.19
33,126	Fever Tree Drinks	808	1.48
201,647	Watches of Switzerland	1,289	2.36
<b>Consumer Services (14.14%)</b>		<b>8,375</b>	<b>15.37</b>
15,000	ASOS	671	1.23
219,648	Auto Trader <sup>++</sup>	1,238	2.27
116,806	Euromoney Institutional Investor	1,113	2.04
148,491	Inchcape	987	1.81
13,827	Just Eat Takeaway.Com	1,157	2.13
102,043	RELX	1,849	3.39
64,160	Rightmove	384	0.71
63,836	WH Smith	976	1.79
<b>Financials (24.05%)</b>		<b>12,742</b>	<b>23.38</b>
395,881	Ashmore <sup>++</sup>	1,785	3.27
126,385	Close Brothers	1,781	3.27
64,822	Intermediate Capital	1,101	2.02
368,838	John Laing Group	1,168	2.14
15,759	London Stock Exchange	1,368	2.51
159,297	Prudential	1,867	3.43
185,871	Sanne	1,028	1.89
340,062	Standard Chartered	1,510	2.77
118,174	Unite	1,134	2.08
<b>Health Care (3.96%)</b>		<b>2,406</b>	<b>4.41</b>
33,135	Dechra Pharmaceuticals	1,194	2.19
24,624	Genus	1,212	2.22



Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Industrials (22.57%)</b>		<b>13,139</b>	<b>24.11</b>
173,515	Bodycote	1,220	2.24
1,640,622	Coats Group	1,007	1.85
152,216	Electrocomponents	1,335	2.45
32,058	Experian	819	1.50
139,442	Grafton	1,208	2.22
36,304	Halma	896	1.64
188,573	Howdens Joinery	1,267	2.33
38,298	Oxford Instruments	759	1.39
243,293	Polypipe	1,248	2.29
159,530	Rentokil	794	1.46
301,084	Smith (DS)	1,096	2.01
9,069	Spirax-Sarco Engineering	1,004	1.84
25,656	Weir	486	0.89
<b>Technology (7.06%)</b>		<b>4,541</b>	<b>8.33</b>
285,965	Avast	1,350	2.48
62,671	AVEVA	2,278	4.18
60,505	Softcat	913	1.67
<b>Telecommunications (1.98%)</b>		<b>-</b>	<b>-</b>
<b>Utilities (7.05%)</b>		<b>4,218</b>	<b>7.74</b>
201,231	National Grid	1,710	3.14
90,028	SSE	1,336	2.45
127,154	United Utilities	1,172	2.15
<b>Collective Investment Schemes (4.98%)</b>		<b>-</b>	<b>-</b>
Total investment assets		53,228	97.66
Net other assets		1,277	2.34
<b>Total Net Assets</b>		<b>54,505</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2020.

\*\* AIM listed.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		6,618		2,191
Revenue	393		393	
Expenses	(250)		(204)	
Net revenue before taxation	143		189	
Taxation	3		-	
Net revenue after taxation		146		189
<b>Total return before distributions</b>		<b>6,764</b>		<b>2,380</b>
Distributions		(146)		(189)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>6,618</b>		<b>2,191</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>37,815</b>		<b>33,046</b>
Amounts receivable on the issue of shares	12,821		6,202	
Amounts payable on the cancellation of shares	(2,925)		(1,510)	
		9,896		4,692
Dilution adjustment		39		13
Change in net assets attributable to shareholders from investment activities (see above)		6,618		2,191
Retained distribution on accumulation shares		137		195
<b>Closing net assets attributable to shareholders</b>		<b>54,505</b>		<b>40,137</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		53,228		37,749
<b>Current assets:</b>				
Debtors	1,167		219	
Cash and bank balances	2,288		140	
		3,455		359
<b>Total assets</b>		<b>56,683</b>		<b>38,108</b>
<b>Liabilities:</b>				
Creditors	(2,146)		(262)	
Distribution payable	(32)		(31)	
		(2,178)		(293)
<b>Total liabilities</b>		<b>(2,178)</b>		<b>(293)</b>
<b>Net assets attributable to shareholders</b>		<b>54,505</b>		<b>37,815</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Accumulation class has increased by 5.7% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution table**

For the six months ended 31 January 2021 (in pence per share)

**Interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.4013	-	0.4013	0.9511
Group 2	0.1946	0.2067	0.4013	0.9511
<b>A Income shares</b>				
Group 1	0.3113	-	0.3113	0.7414
Group 2	0.1504	0.1609	0.3113	0.7414
<b>I Accumulation shares</b>				
Group 1	0.7708	-	0.7708	1.2459
Group 2	0.2998	0.4710	0.7708	1.2459
<b>I Income shares</b>				
Group 1	0.6521	-	0.6521	1.0686
Group 2	0.3545	0.2976	0.6521	1.0686
<b>M Accumulation shares</b>				
Group 1	0.5028	-	0.5028	0.6901
Group 2	0.5028	-	0.5028	0.6901
<b>M Income shares</b>				
Group 1	0.4901	-	0.4901	0.6483
Group 2	0.4901	-	0.4901	0.6483

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.

# ASI World Income Equity Fund

For the six months ended 31 January 2021

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in equities (company shares) worldwide.

**Performance Target:** To exceed the return of the MSCI AC World High Yield Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges that offer good sustainable income prospects.
- The fund may also invest in other funds (including those managed by Aberdeen Standard Investments), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC World High Yield Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the six months ended 31 January 2021, the value of ASI World Equity Income Fund – A Income Shares increased by 13.77% compared to an increase of 8.70% in the performance target, the MSCI AC World High Yield Index benchmark.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

## Market Review

Global equities advanced in sterling terms over a volatile six months. Initially, upbeat US economic data and expectations for continued low interest rates pushed the US S&P 500 and Nasdaq benchmarks to record highs. News of fresh stimulus out of the US and Europe also helped the rally. However, the spectre of the coronavirus loomed large as rising infection rates across the globe led many nations to re-impose lockdowns, dampening sentiment. A pivotal moment occurred towards the end of the period as US drugmakers developed effective coronavirus vaccines that were soon approved by regulators worldwide. Governments then proceeded to roll out mass inoculation programmes to immunise their populations against the virus.

On the political front, Joe Biden was formally inaugurated as US president as he secured a clear margin of victory over incumbent Donald Trump following a series of vote recounts, putting a definite end to the controversial and drawn-out election. Across the Atlantic, European Union member states unanimously backed the post-Brexit trade and security treaty unveiled just days before the UK was set to leave the single market.

## Portfolio Activity

The fund beat the benchmark. At the stock level, holding Chilean mining company SQM proved beneficial. The leading lithium producer's shares rose on the back of higher prices for the raw material used to make electric vehicle (EV) batteries. EVs are seeing robust demand due to more stringent emissions regulations in Europe and China. Meanwhile, Mexican airport services operator ASUR fared well on hopes that the global rollout of the Covid-19 vaccine will lead to a recovery in air travel later this year. Elsewhere,

Taiwanese silicon wafer maker Globalwafers advanced on optimism over its healthy revenue growth forecast for 2021, while its US\$5.3 billion bid for German rival Siltronic could propel the company into the world's second largest.

Conversely, owning Telefonica Brasil dented returns. The Brazilian telco's shares fell as pandemic-related lockdowns weighed down its revenues and led to another dividend cut. We still like the company for its leadership in the mobile and fibre broadband access segments. The joint acquisition of telco Oi by Telefonica Brasil and two other major players, alongside the passage of regulations to exempt equipment for internet-of-things communications from levies and expand the national broadband network, are also key positives for the holding. Meanwhile, property developer China Resources Land continued to be pressured by Beijing's efforts to rein in real estate prices. Nevertheless, we believe its robust finances, due to stable cash flow from a large portfolio of mixed use investment properties, ample land reserves, targeted focus on mainly top-tier cities and excellent brand recognition will allow the group to tide over these challenging times. Elsewhere, investors took profits on Thai retail shopping mall operator Tesco Lotus Retail Growth after a healthy share-price run up on upbeat news that regulators approved the sale of its local supermarket operations to the Charoen Pokphand Group. Its businesses were also hit by Covid-19-induced lockdowns. However, we think the worst is over, with foot traffic improving as the authorities gradually ease social-distancing measures and reopened the country's borders to tourists and international travellers.

In portfolio activity, we initiated Anglo-Dutch consumer goods conglomerate Unilever. The company offers a decent yield and more consistent dividend growth, along with reduced foreign exchange volatility associated with its emerging-market subsidiaries. We also introduced US chipmaker Broadcom Corp and US technology conglomerate Cisco Systems which diversifies our exposure within the tech sector. We then established a position in Zurich Insurance as well after it fell to a very attractive valuation. The Swiss insurer has a robust balance sheet and good growth opportunities in its core business.

Against these, we sold consumer goods producer Unilever Indonesia in favour of its Anglo-Dutch parent.

#### Portfolio Outlook and Strategy

We remain cautious about global equities. More countries look set to impose stricter social-distancing measures, on a worrying surge in coronavirus infection rates, which could derail the fragile economic recovery. The emergence of new and more virulent Covid-19 strains also dampened hopes of achieving faster herd immunity aided by vaccine rollouts worldwide. Nevertheless, the continued infusion of massive stimulus into major economies and expectations of a less-volatile Biden administration in the US should support asset prices.

From a portfolio perspective, we are critically examining how companies are handling the prolonged pandemic. The rapid adoption of online trends as more people work and study from home has created a widening gap between traditional industries struggling with brick-and-mortar businesses and those optimised for an increasingly digital age. In a world of disruptive change, fundamental analysis-based stock-picking strategies remain at our core. This is backed by our world-class proprietary research platform with an exceptionally well-resourced and experienced team that has successfully navigated many past crises. Hence, we continue to seek out good quality companies at attractive valuations, while actively engaging with their management to ensure robust corporate governance and high sustainability standards.

#### Global Equity Team

February 2021

### 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 risk and reward indicator changed from 3 to 5 on 8 December 2020.

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

Risk and reward indicator table as at 31 January 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Due to timing differences, currency hedging may not totally eliminate differences between the fund's currency exposures and those of its benchmark. This may mean that the fund's performance deviates from that of the index it is tracking.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund may not perform fully in line with the index which it is tracking because of factors which may include transaction costs, timing and holding mismatching, or in the event of extreme market disruption.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

## Comparative tables

A Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	3,691	3,627	4,607	4,295
Closing number of shares	2,613,508	2,893,441	3,002,964	3,025,883
Closing net asset value per share (pence)	141.23	125.37	153.42	141.96
Change in net asset value per share	12.65%	(18.28%)	8.07%	1.35%
Operating charges	1.57%	1.57%	1.59%	1.64%
A Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	9,452	14,071	32,181	32,124
Closing number of shares	15,978,210	26,414,589	47,629,147	49,382,956
Closing net asset value per share (pence)	59.16	53.27	67.57	65.05
Change in net asset value per share	11.06%	(21.16%)	3.87%	(2.37%)
Operating charges	1.57%	1.57%	1.59%	1.64%
I Accumulation shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	1,745	1,570	2,385	2,508
Closing number of shares	1,259,209	1,279,270	1,595,022	1,821,803
Closing net asset value per share (pence)	138.56	122.73	149.51	137.65
Change in net asset value per share	12.90%	(17.91%)	8.62%	1.85%
Operating charges	1.12%	1.12%	1.12%	1.14%
I Income shares	31 January 2021	31 July 2020	31 July 2019	31 July 2018
Closing net asset value (£'000)	18,795	19,572	35,536	44,243
Closing number of shares	30,043,592	34,825,708	50,079,475	65,068,025
Closing net asset value per share (pence)	62.56	56.20	70.96	67.99
Change in net asset value per share	11.32%	(20.80%)	4.37%	(1.89%)
Operating charges	1.12%	1.12%	1.12%	1.14%
M Accumulation shares <sup>A</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	1	1	-	
Closing number of shares	936	936	100	
Closing net asset value per share (pence)	103.03	91.20	110.76	
Change in net asset value per share	12.97%	(17.66%)	-	
Operating charges	1.17%	1.17%	1.17%	
M Income shares <sup>B</sup>	31 January 2021	31 July 2020	31 July 2019	
Closing net asset value (£'000)	10	9	-	
Closing number of shares	10,441	10,388	100	
Closing net asset value per share (pence)	94.82	85.18	107.37	
Change in net asset value per share	11.32%	(20.67%)	-	
Operating charges	1.17%	1.17%	1.17%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.



## Portfolio statement

As at 31 January 2021

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Equities (99.12%)</b>		<b>33,527</b>	<b>99.50</b>
<b>Emerging Market Equities (10.83%)</b>		<b>3,243</b>	<b>9.63</b>
<b>Brazil (7.35%)</b>		<b>2,128</b>	<b>6.32</b>
181,464	Banco Bradesco ADR	600	1.78
107,200	Telefonica ADR	643	1.91
75,200	Vale ADR	885	2.63
<b>Chile (3.48%)</b>		<b>1,115</b>	<b>3.31</b>
30,100	Sociedad Quimica y Minera de Chile ADR*	1,115	3.31
<b>European Equities (12.26%)</b>		<b>5,055</b>	<b>15.00</b>
<b>Denmark (0.00%)</b>		<b>385</b>	<b>1.14</b>
16,900	Tryg	385	1.14
<b>France (2.24%)</b>		<b>639</b>	<b>1.90</b>
20,700	TOTAL	639	1.90
<b>Italy (0.00%)</b>		<b>354</b>	<b>1.05</b>
48,900	Enel	354	1.05
<b>Norway (2.08%)</b>		<b>614</b>	<b>1.82</b>
51,500	Telenor	614	1.82
<b>Sweden (3.05%)</b>		<b>1,113</b>	<b>3.30</b>
16,900	Atlas Copco 'B'	580	1.72
42,200	Epiroc 'B'	533	1.58
<b>Switzerland (4.89%)</b>		<b>1,950</b>	<b>5.79</b>
7,500	Novartis	494	1.47
4,400	Roche	1,106	3.28
1,200	Zurich	350	1.04

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>North America Equities (31.49%)</b>		<b>11,022</b>	<b>32.71</b>
<b>Bermuda (1.17%)</b>		-	-
<b>Canada (3.82%)</b>		<b>1,276</b>	<b>3.79</b>
11,300	Nutrien	405	1.20
15,000	TC Energy	469	1.39
26,700	TELUS	402	1.20
<b>United States (20.88%)</b>		<b>7,822</b>	<b>23.21</b>
12,000	Abbvie	895	2.66
2,100	Broadcom	688	2.04
17,900	Cisco Systems	581	1.72
10,500	CME	1,387	4.12
14,100	Intel	570	1.69
4,600	Johnson & Johnson	546	1.62
11,000	PepsiCo	1,093	3.24
17,700	Philip Morris	1,026	3.04
26,000	Verizon Communications	1,036	3.08
<b>Mexico (5.62%)</b>		<b>1,924</b>	<b>5.71</b>
107,500	Grupo Aeroportuario del Sureste	1,244	3.69
524,400	Kimberly-Clark de Mexico	680	2.02
<b>Pacific Basin Equities (37.60%)</b>		<b>11,770</b>	<b>34.93</b>
<b>China (2.06%)</b>		<b>1,003</b>	<b>2.98</b>
2,215	China Resources Mixc Lifestyle Services	8	0.03
116,000	Ping An Insurance 'H'	995	2.95
<b>Hong Kong (2.06%)</b>		<b>836</b>	<b>2.48</b>
288,000	China Resources Land	836	2.48
<b>India (2.24%)</b>		<b>765</b>	<b>2.27</b>
598,596	Castrol India	765	2.27

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Indonesia (6.45%)</b>		<b>1,094</b>	<b>3.25</b>
747,000	Indocement Tunggal Prakarsa	517	1.54
3,574,600	Telekomunikasi Indonesia 'B'	577	1.71
<b>New Zealand (2.22%)</b>		<b>322</b>	<b>0.95</b>
83,500	Auckland International Airport	322	0.95
<b>Singapore (4.22%)</b>		<b>1,486</b>	<b>4.41</b>
137,500	Oversea-Chinese Banking	779	2.31
547,900	Singapore Telecommunications	707	2.10
<b>South Korea (3.81%)</b>		<b>1,471</b>	<b>4.36</b>
1,230	Samsung Electronics	1,471	4.36
<b>Taiwan (11.31%)</b>		<b>3,702</b>	<b>10.99</b>
66,000	Globalwafers	1,064	3.16
224,000	Hon Hai Precision	649	1.93
204,600	Taiwan Mobile	512	1.52
16,700	Taiwan Semiconductor Manufacturing ADR	1,477	4.38
<b>Thailand (3.23%)</b>		<b>1,091</b>	<b>3.24</b>
210,100	Siam Commercial Bank (Alien Market)	482	1.43
1,679,900	Tesco Lotus Retail Growth (Alien Market)	609	1.81
<b>UK Equities (6.94%)</b>		<b>2,437</b>	<b>7.23</b>
<b>Basic Materials (1.28%)</b>		<b>412</b>	<b>1.22</b>
20,500	BHP	412	1.22
<b>Consumer Goods (3.43%)</b>		<b>1,216</b>	<b>3.61</b>
32,500	British American Tobacco	864	2.56
8,300	Unilever	352	1.05

Holding	Investment	Market Value £'000	Percentage of total net assets
<b>Oil &amp; Gas (1.07%)</b>		<b>418</b>	<b>1.24</b>
32,900	Royal Dutch Shell 'B'	418	1.24
<b>Telecommunications (1.16%)</b>		<b>391</b>	<b>1.16</b>
313,500	Vodafone	391	1.16
Total investment assets		33,527	99.50
Net other assets		167	0.50
<b>Total Net Assets</b>		<b>33,694</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2020.

\* A portion of this security is on loan at the period end.

**Statement of total return**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		3,954		(3,562)
Revenue	569		1,228	
Expenses	(236)		(484)	
Net revenue before taxation	333		744	
Taxation	(48)		(80)	
Net revenue after taxation		285		664
<b>Total return before distributions</b>		<b>4,239</b>		<b>(2,898)</b>
Distributions		(499)		(1,090)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,740</b>		<b>(3,988)</b>

**Statement of change in net assets attributable to shareholders**

For the six months ended 31 January 2021

	31 January 2021		31 January 2020	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>38,850</b>		<b>74,709</b>
Amounts receivable on the issue of shares	1,193		1,320	
Amounts payable on the cancellation of shares	(10,170)		(4,861)	
		(8,977)		(3,541)
Dilution adjustment		9		-
Change in net assets attributable to shareholders from investment activities (see above)		3,740		(3,988)
Retained distribution on accumulation shares		71		103
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>33,694</b>		<b>67,284</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

## Balance sheet

As at 31 January 2021

	31 January 2021		31 July 2020	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		33,527		38,509
<b>Current assets:</b>				
Debtors	262		1,043	
Cash and bank balances	323		49	
		585		1,092
<b>Total assets</b>		<b>34,112</b>		<b>39,601</b>
<b>Liabilities:</b>				
Creditors	(246)		(104)	
Bank overdrafts	-		(229)	
Distribution payable	(172)		(418)	
		(418)		(751)
<b>Total liabilities</b>		<b>(418)</b>		<b>(751)</b>
<b>Net assets attributable to shareholders</b>		<b>33,694</b>		<b>38,850</b>

Since the period end, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. Since the period end the NAV per share of the A Income class has increased by 4.3% (to 22 March 2021). Contingency plans at the Manager and key service suppliers have proven effective in mitigating the effects on management of the portfolio and on all supporting operations.

**Distribution tables**

For the six months ended 31 January 2021 (in pence per share)

**First interim dividend distribution**

Group 1 - shares purchased prior to 1 August 2020

Group 2 - shares purchased between 1 August 2020 and 31 October 2020

	Revenue	Equalisation	Distribution paid 29/01/21	Distribution paid 31/01/20
<b>A Accumulation shares</b>				
Group 1	0.9988	-	0.9988	1.2028
Group 2	0.6740	0.3248	0.9988	1.2028
<b>A Income shares</b>				
Group 1	0.4261	-	0.4261	0.5295
Group 2	0.0287	0.3974	0.4261	0.5295
<b>I Accumulation shares</b>				
Group 1	0.9779	-	0.9779	1.1729
Group 2	0.4980	0.4799	0.9779	1.1729
<b>I Income shares</b>				
Group 1	0.4479	-	0.4479	0.5565
Group 2	0.2182	0.2297	0.4479	0.5565
<b>M Accumulation shares</b>				
Group 1	0.7448	-	0.7448	0.8623
Group 2	0.7448	-	0.7448	0.8623
<b>M Income shares</b>				
Group 1	0.6685	-	0.6685	0.8511
Group 2	0.6685	-	0.6685	0.8511

**Second interim dividend distribution**

Group 1 - shares purchased prior to 1 November 2020

Group 2 - shares purchased between 1 November 2020 and 31 January 2021

	Revenue	Equalisation	Distribution paid 30/04/21	Distribution paid 30/04/20
<b>A Accumulation shares</b>				
Group 1	0.8525	-	0.8525	1.0914
Group 2	0.4673	0.3852	0.8525	1.0914
<b>A Income shares</b>				
Group 1	0.3592	-	0.3592	0.4768
Group 2	0.3240	0.0352	0.3592	0.4768
<b>I Accumulation shares</b>				
Group 1	0.8357	-	0.8357	1.0656
Group 2	0.2534	0.5823	0.8357	1.0656
<b>I Income shares</b>				
Group 1	0.3795	-	0.3795	0.5017
Group 2	0.2272	0.1523	0.3795	0.5017
<b>M Accumulation shares</b>				
Group 1	0.6390	-	0.6390	0.8025
Group 2	0.6390	-	0.6390	0.8025
<b>M Income shares</b>				
Group 1	0.5628	-	0.5628	0.7711
Group 2	0.5171	0.0457	0.5628	0.7711

**Equalisation**

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the 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 shares for capital gains tax purposes.



## Securities Financing Transactions Disclosure

The Company engages in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the six months ending 31 January 2021 are detailed below:

### Absolute value of assets engaged in SFTs

Fund	Market Value of securities on loan £'000	% of lendable assets	% of assets under management
ASI (AAM) Sterling Government Bond Fund	6,459	4.77	4.65
ASI Asia Pacific Equity Fund	13,665	1.18	1.16
ASI Corporate Bond Fund	2,463	0.49	0.46
ASI Eastern European Equity Fund	274	1.68	1.65
ASI Emerging Markets Bond Fund	144	0.28	0.27
ASI Emerging Markets Equity Fund	8,836	0.74	0.72
ASI European High Yield Bond Fund	6,938	15.85	15.11
ASI European Smaller Companies Fund	1,471	2.03	2.00
ASI Financial Equity Fund	1,485	3.16	3.14
ASI Japanese Equity Fund	538	0.86	0.82
ASI Sterling Bond Fund	152	0.10	0.10
ASI Strategic Bond Fund	684	0.71	0.69
ASI Target Return Bond Fund	185	0.57	0.55
ASI UK Mid-Cap Equity Fund	504	0.24	0.24
ASI UK Real Estate Share Fund	2,177	0.64	0.63
ASI World Equity Income Fund	1,015	3.03	3.01

## Top ten collateral Issuers

Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000
<b>ASI (AAM) Sterling Government Bond Fund</b>		<b>ASI Asia Pacific Equity Fund</b>		<b>ASI Corporate Bond Fund</b>	
France (Republic of)	2,263	Kimco Realty	1,370	Germany (Federal Republic of)	955
United States Treasury Notes	2,262	Lafargeholcim	1,370	United States Treasury Notes	955
Denmark (Kingdom of)	2,262	Las Vegas Sands	1,370	Netherlands (Kingdom of)	662
		Johnson Controls	1,370	France (Republic of)	157
		SBA Communications	1,370		
		Crown Cast	1,370		
		CVS Health Corporation	1,370		
		Servicenow	1,370		
		Cintas	1,370		
		American Tower	1,367		
		Other equity	1,099		
<b>Total</b>	<b>6,787</b>	<b>Total</b>	<b>14,796</b>	<b>Total</b>	<b>2,729</b>
<b>ASI Eastern European Equity Fund</b>		<b>ASI Emerging Markets Bond Fund</b>		<b>ASI Emerging Markets Equity Fund</b>	
Netherlands (Kingdom of)	96	Germany (Federal Republic of)	74	United States Treasury Notes	3,091
United States Treasury Notes	96	United States Treasury Notes	73	Netherlands (Kingdom of)	2,909
Platinum Asset Management	14	Netherlands (Kingdom of)	63	United Malt	442
Gold Road Resources	14			Webjet	442
Breville	14			Bravura Solutions	442
Medibank	14			Corporate Travel Management	442
AMP	14			Breville	442
Magellan Financial	13			Adbri	442
ASX	13			Seven Group	385
ZIP	5			Deterra Royalties	382
				Other equities	17
<b>Total</b>	<b>293</b>	<b>Total</b>	<b>210</b>	<b>Total</b>	<b>9,436</b>
<b>ASI European High Yield Bond Fund</b>		<b>ASI European Smaller Companies Fund</b>		<b>ASI Financial Equity Fund</b>	
Germany (Fed Rep of)	2,555	Denmark (Kingdom of)	525	Auto Trader	150
France (Repbulic of)	2,554	United States Treasury Notes	525	Equity Residential	150
Netherlands (Kingdom of)	2,555	Germany (Fed Rep of)	524	Kimco Realty	150
United States Treasury Notes	1	France (Republic of)	1	Crown Cast	150
				Ametek	150
				Cintas	150
				SBA Communications	150
				Givaudan	150
				Roche	149
				American Tower	149
				Constellation Brands	122
<b>Total</b>	<b>7,665</b>	<b>Total</b>	<b>1,575</b>	<b>Total</b>	<b>1,620</b>

Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000
<b>ASI Japanese Equity Fund</b>		<b>ASI Sterling Bond Fund</b>		<b>ASI Strategic Bond Fund</b>	
France (Republic of)	189	France (Republic of)	70	Germancy (Fed Rep of)	245
United States Treasury Notes	188	Germany (Fed Rep of)	70	France (Republic of)	245
Netherlands (Kingdom of)	60	United States Treasury Notes	70	United States Treasury Notes	245
Adbri	27				
Webjet	27				
Corporate Travel Management	27				
Bravura Solutions	27				
Blackmores	27				
<b>Total</b>	<b>572</b>	<b>Total</b>	<b>210</b>	<b>Total</b>	<b>735</b>
<b>ASI Target Return Bond Fund</b>		<b>ASI UK Mid-Cap Equity Fund</b>		<b>ASI UK Real Estate Share Fund</b>	
Germany (Fed Rep of)	70	Twitter	60	United States Treasury Notes	665
France (Republic of)	70	ViacomCBS	60	Germany (Fed Rep of)	665
United States Treasury Notes	69	Cigna	60	France Republic of	664
Denmark (Kingdom of)	1	Microsoft	60	Kimco Realty	40
		Facebook	60	Equity Residential	40
		Apple	60	Johnson Controls	40
		Nvidia	60	Lafareholmim	40
		Thermo Fisher Scientific	60	SBA Communications	40
		Netflix	59	Varian Medical Systems	40
		Amazon	59	Crown Cast	40
		Other equity	51	Other assets	153
<b>Total</b>	<b>210</b>	<b>Total</b>	<b>649</b>	<b>Total</b>	<b>2,427</b>
<b>ASI World Income Equity Fund</b>					
United States Treasury Notes	385				
France (Republic of)	385				
Germany (Fed Rep of)	384				
Denmark (Kingdom of)	1				
<b>Total</b>	<b>1,155</b>				

## Top ten counterparties per type of SFT

Counterparty	Market value of securities on loan £'000	Counterparty	Market value of securities on loan £'000	Counterparty	Market value of securities on loan £'000
<b>ASI (AAM) Sterling Government Bond Fund</b>		<b>ASI Asia Pacific Equity Fund</b>		<b>ASI Corporate Bond Fund</b>	
Citigroup Global Markets	6,459	UBS (London Branch)	13,665	Barclays Bank	2,463
<b>ASI Eastern European Equity Fund</b>		<b>ASI Emerging Markets Bond Fund</b>		<b>ASI Emerging Markets Equity Fund</b>	
Citigroup Global Markets	274	Barclays Bank	144	Citigroup Global Markets	8,836
<b>ASI European High Yield Bond Fund</b>		<b>ASI European Smaller Companies Fund</b>		<b>ASI Financial Equity Fund</b>	
Credit Suisse Securities	6,938	Goldman Sachs International	1,471	UBS (London Branch)	1,485
<b>ASI Japanese Equity Fund</b>		<b>ASI Sterling Bond Fund</b>		<b>ASI Strategic Bond Fund</b>	
Citigroup Global Markets	538	Barclays Capital Securities	152	Barclays Capital Securities	684
<b>ASI Target Return Bond Fund</b>		<b>ASI UK Mid-Cap Equity Fund</b>		<b>ASI UK Real Estate Share Fund</b>	
Goldman Sachs International	185	Credit Suisse Securities	504	Goldman Sachs International	1,874
				UBS (London Branch)	303
<b>ASI World Income Equity Fund</b>					
Goldman Sachs International	1,015				

## Aggregate Transaction Data

Counterparty	Countries of counterparty establishment	Type	Quality	Collateral currency	Settlement and Clearing	Custodian	Market value of collateral received £'000
<b>ASI (AAM) Sterling Government Bond Fund</b>							
Citigroup Global Markets	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	2,263
Citigroup Global Markets	United States	Government Bond	Main market listing	GBP	Tri-party	BNY Mellon	2,262
Citigroup Global Markets	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	2,262
<b>ASI Asia Pacific Equity Fund</b>							
UBS (London Branch)	Switzerland	Equity	Main market listing	CHF	Tri-party	BNY Mellon	1,370
UBS (London Branch)	Switzerland	Equity	Main market listing	GBP	Tri-party	BNY Mellon	299
UBS (London Branch)	Switzerland	Equity	Main market listing	USD	Tri-party	BNY Mellon	13,127
<b>ASI Corporate Bond Fund</b>							
Barclays Bank	United Kingdom	Government Bond	Main market listing	EUR	Tri-party	Euroclear	1,774
Barclays Bank	United Kingdom	Government Bond	Main market listing	USD	Tri-party	Euroclear	955
<b>ASI (AAM) Sterling Government Bond Fund</b>							
Citigroup Global Markets	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	96
Citigroup Global Markets	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	96
Citigroup Global Markets	United States	Equity	Main market listing	AUD	Tri-party	BNY Mellon	101
<b>ASI Emerging Markets Bond Fund</b>							
Barclays Bank	United Kingdom	Government Bond	Main market listing	EUR	Tri-party	Euroclear	137
Barclays Bank	United Kingdom	Government Bond	Main market listing	USD	Tri-party	Euroclear	73
<b>ASI Emerging Markets Equity Fund</b>							
Citigroup Global Markets	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	2,909
Citigroup Global Markets	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	3,091
Citigroup Global Markets	United States	Equity	Main market listing	AUD	Tri-party	BNY Mellon	3,436
<b>ASI European High Yield Bond Fund</b>							
Credit Suisse Securities	Switzerland	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	7,664
Credit Suisse Securities	Switzerland	Government Bond	Main market listing	UDS	Tri-party	BNY Mellon	1
<b>ASI European Smaller Companies Fund</b>							
Goldman Sachs International	United States	Government Bond	Main market listing	DKK	Tri-party	BNY Mellon	525
Goldman Sachs International	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	525
Goldman Sachs International	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	525

Counterparty	Countries of counterparty establishment	Type	Quality	Collateral currency	Settlement and Clearing	Custodian	Market value of collateral received £'000
<b>ASI Financial Equity Fund</b>							
UBS (London Branch)	Switzerland	Equity	Main market listing	CHF	Tri-party	BNY Mellon	300
UBS (London Branch)	Switzerland	Equity	Main market listing	GBP	Tri-party	BNY Mellon	150
UBS (London Branch)	Switzerland	Equity	Main market listing	USD	Tri-party	BNY Mellon	1,170
<b>ASI Japanese Fund</b>							
Citigroup Global Markets	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	249
Citigroup Global Markets	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	188
Citigroup Global Markets	United States	Equity	Main market listing	AUD	Tri-party	BNY Mellon	135
<b>ASI Sterling Bond Fund</b>							
Barclays Bank	United Kingdom	Government Bond	Main market listing	EUR	Tri-party	Euroclear	140
Barclays Bank	United Kingdom	Government Bond	Main market listing	USD	Tri-party	Euroclear	70
<b>ASI Strategic Bond Fund</b>							
Barclays Capital Securities	United Kingdom	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	490
Barclays Capital Securities	United Kingdom	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	245
<b>ASI Target Return Bond Fund</b>							
Goldman Sachs International	United States	Government Bond	Main market listing	DKK	Tri-party	BNY Mellon	1
Goldman Sachs International	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	140
Goldman Sachs International	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	69
<b>ASI UK Mid-Cap Equity Fund</b>							
Credit Suisse Securities	Switzerland	Equity	Main market listing	CHF	Tri-party	BNY Mellon	21
Credit Suisse Securities	Switzerland	Equity	Main market listing	DKK	Tri-party	BNY Mellon	30
Credit Suisse Securities	Switzerland	Equity	Main market listing	GBP	Tri-party	BNY Mellon	598
<b>ASI UK Real Estate Share Fund</b>							
Goldman Sachs International	United States	Government Bond	Main market listing	DKK	Tri-party	BNY Mellon	1
Goldman Sachs International	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	1,329
Goldman Sachs International	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	665
UBS (London Branch)	Switzerland	Equity	Main market listing	CHF	Tri-party	BNY Mellon	80
UBS (London Branch)	Switzerland	Equity	Main market listing	USD	Tri-party	BNY Mellon	352
<b>ASI World Income Equity Fund</b>							
Goldman Sachs International	United States	Government Bond	Main market listing	DKK	Tri-party	BNY Mellon	1
Goldman Sachs International	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	769
Goldman Sachs International	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	385

Maturity Tenor of collateral (remaining period to maturity)	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open maturity £'000	Total £'000
ASI (AAM) Sterling Government Bond Fund	-	-	-	-	-	6,787	-	6,787
ASI Asia Pacific Equity Fund	-	-	-	-	-	-	14,796	14,796
ASI Corporate Bond Fund	-	-	-	-	-	2,729	-	2,729
ASI Eastern European Equity Fund	-	-	-	-	-	192	101	293
ASI Emerging Markets Bond Fund	-	-	-	-	74	136	-	210
ASI Emerging Markets Equity Fund	-	-	-	-	-	6,000	3,436	9,436
ASI European High Yield Bond Fund	-	-	-	-	1	7,664	-	7,665
ASI European Smaller Companies Fund	-	-	-	-	1	1,574	-	1,575
ASI Financial Equity Fund	-	-	-	-	-	-	1,620	1,620
ASI Japanese Equity Fund	-	-	-	-	-	437	135	572
ASI Sterling Bond Fund	-	-	-	-	-	210	-	210
ASI Strategic Bond Fund	-	-	-	-	-	735	-	735
ASI Target Return Bond Fund	-	-	-	-	-	210	-	210
ASI UK Mid-Cap Equity Fund	-	-	-	-	-	-	649	649
ASI UK Real Estate Share Fund	-	-	-	-	-	1,995	432	2,427
ASI World Equity Income Fund	-	-	-	-	-	1,155	-	1,155

Lending transactions operate on a rolling one day contract and can be recalled on demand.

#### Data on reuse of collateral

Non-cash collateral is held with a segregated account by the funds' Custodian and will not be sold, re-invested or pledged.

#### Safekeeping of collateral

##### Granted

At the year end there was no non-cash collateral posted by the funds.

##### Received

As at the year end date, collateral was received for stock lending transactions into a segregated account at the funds' Custodian in the form of Government bonds and main market listed equity valued at £51m.

## Return and cost per type of SFT

Fund	Total gross amount of securities lending income £'000	Direct costs deducted by securites lending agent £'000	Net amount of securities lending income £'000	Gross amount of securities lending income %	Direct costs deducted by securites lending agent %	Net return of the Fund %
ASI (AAM) Sterling Government Bond Fund	2	-	2	100.00	(15.00)	85.00
ASI Asia Pacific Equity Fund	19	3	16	100.00	(15.00)	85.00
ASI Corporate Bond Fund	15	2	13	100.00	(15.00)	85.00
ASI Eastern European Equity Fund	-	-	-	100.00	(15.00)	85.00
ASI Emerging Markets Bond Fund	1	-	1	100.00	(15.00)	85.00
ASI Emerging Markets Equity Fund	7	1	6	100.00	(15.00)	85.00
ASI European High Yield Bond Fund	39	6	33	100.00	(15.00)	85.00
ASI European Smaller Companies Fund	11	2	9	100.00	(15.00)	85.00
ASI Financial Equity Fund	1	-	1	100.00	(15.00)	85.00
ASI Japanese Equity Fund	1	-	1	100.00	(15.00)	85.00
ASI Sterling Bond Fund	1	-	1	100.00	(15.00)	85.00
ASI Strategic Bond Fund	5	1	4	100.00	(15.00)	85.00
ASI Target Return Bond Fund	2	-	2	100.00	(15.00)	85.00
ASI UK Mid-Cap Equity Fund	8	1	7	100.00	(15.00)	85.00
ASI UK Real Estate Share Fund	6	1	5	100.00	(15.00)	85.00
ASI World Equity Income Fund	2	-	2	100.00	(15.00)	85.00



## Further Information

### Constitution

Aberdeen Standard OEIC I was incorporated on 23 December 1997, incorporated under the FCA Regulations. The Company is an open-ended investment company (OEIC) with variable capital under regulation 12 (authorisation) of the OEIC Regulations.

Consumers' rights and protections, including any derived from EU legislation, are currently unaffected by the result of the UK referendum to leave the European Union and will remain unchanged unless and until the UK Government changes the applicable legislation.

### Documentation

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the Aberdeen Standard OEIC I funds, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for any fund, are available to download at **aberdeenstandard.com**. A paper copy of the Report and Accounts is available on request from the ACD.

### Notices/Correspondence

Please send any notices to Aberdeen Standard Fund Managers Limited, PO Box 12233, Chelmsford, Essex CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. All notices will be sent to the investor at the address set out in the Application form or the latest address which the investor has notified to the ACD, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

### Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, Aberdeen Standard Investments, 10 Queen's Terrace, Aberdeen, AB10 1XL, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 01224 404490 or email **complaints@aberdeenstandard.com** in the first instance. Alternatively if you have a complaint about the Company or funds you can contact the Depository directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to response your complaint as soon as possible and will notify you of our outcome within 8 weeks. If the complaint is not resolved by us to your satisfaction then you may have the right take your complaint to the Financial Ombudsman Service (FOS). To contact the FOS Service you should write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, email **complaint.info@financial-ombudsman.org.uk** or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK - calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: **www.fscs.org.uk**.

### UCITS

The funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the Funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

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